Planning Obligations and Affordable Housing SPD

February 2024 (Adopted March 2024)

FAIRER WESTMINSTER

City of Westminster

Contents

1 Introduction

1.1 Introduction

This Planning Obligations and Affordable Housing Supplementary Planning Document (SPD) builds upon policies within the City Plan 2019–2040 (2021). This SPD does not introduce new planning policies into Westminster's Development Plan. This SPD is a material planning consideration when determining planning applications in Westminster.

Regulations 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012 are relevant in the production of a Supplementary Planning Document.

This document has been produced to help applicants understand how to make successful planning applications without adding unnecessarily to the financial burdens of development in line with the requirements of the National Planning Policy Framework (NPPF).

The Planning Obligations and Affordable Housing SPD sits within a wider suite of policies, strategies and action plans to address local, regional, national and global planning issues. This SPD has a specific development planning role to play in delivering the council's objectives, and it should be read together with the council's City Plan, Validation Requirements, new SPDs and other guidance. The London Plan and associated guidance published by the Mayor of London should also be considered when devising or assessing development proposals.

This SPD touches on a number of planning obligations the council may seek to secure via Section 106 legal agreements. The requirements may be needed for a development to be granted planning permission. However, this SPD does not deal with every instance where the council may use Section 106 legal agreements. Instead, it focuses on providing guidance on those matters that most frequently require it.

Westminster City Council is ambitious, innovative and forward looking – guidance in this SPD will therefore be reviewed, complemented and built upon as local, national and regional policies and the market change. The council is working on a Partial City Plan Review which will concentrate on three issues: affordable housing retrofitting and the inclusion of Site Allocations. When adopted, the new policies will become part of Westminster's Development Plan and some existing ones may become superseded. The council may update this SPD as a consequence.

2 Using planning obligations to manage growth

2.1 Delivering growth and managing its impacts in Westminster

The City Plan 2019-2040 sets out the number of homes and jobs that need to be delivered in Westminster between 2019 and 2040. The Plan also explains how development in the city will contribute to inclusive communities and to a greener and cleaner city. Growth needs to be managed to ensure it provides public benefits.

How are planning applications determined in Westminster?

Planning applications in Westminster are assessed against policies in Westminster's Development Plan, which includes the London Plan 2021, the City Plan 2019-2040 (2021) and any adopted Neighbourhood Plans.

Planning policies in Westminster's Development Plan are supplemented by a number of SPDs whose goal is to help with the implementation of the policies in the Development Plan. Following the adoption of the City Plan, the council has adopted the Environment SPD. As set out in the council's Local Development Scheme (2024), the council is currently working on a Public Realm SPD and reviewing the Environment SPD. SPDs are not part of the Development Plan but are a material consideration when determining applications.

As this SPD does not introduce new policies but only guidance to support policies, each planning obligation set out in this document is justified against one or more policies set out in the City Plan or London Plan. In line with the Development Plan, this document explains the reasons to collect an obligation and the mechanism to be followed. In each section of this SPD, the relevant policies from the City Plan and London Plan are referenced. The "policy context" section of each topic section especially focuses on the City Plan policies.

Which tools can the council use to deliver planning benefits?

There are different tools available to the council to manage impacts of growth and development in Westminster.

Planning obligations also known as "developer contributions/obligations" or "S106 planning contributions/obligations" are one of the tools available to the council that can be used to ensure development impacts are managed and that the impacts of development make it acceptable in planning terms. The use of planning obligations can also help address the nature of the development and help the council meet its objectives as set out in the Fairer Westminster Strategy, the City Plan, the Climate Emergency Action Plan and other published strategies. All planning requirements secured via S106 legal

agreements will be based on up-to-date council strategies and plans, which may deal with service specific infrastructure needs.

To implement policies in the City Plan and deliver on its objectives, the council may also use planning conditions, Community Infrastructure Levy (CIL) receipts and Section 278 Highways contributions. This document does not deal with these instances but only focuses on the use of planning obligations. Further information on CIL can be found on the council's website and more importantly in the council's CIL Charging Schedule and Annual Infrastructure Funding Statements. The council's website also offers information on planning conditions and highways contributions.

CIL is less restrictive than funding obtained via S106 legal agreements. Before CIL funding is considered to secure a project, the council will aim to identify any eligible S106 funds in the first instance where appropriate. CIL will be used to fund more generalised infrastructure requirements across Westminster in order to support new development and population growth, whereas S106 funds will be used to mitigate site-specific impacts of new development.

What is the role of planning obligations and what does this SPD cover?

This document therefore focuses on instances where the council may require planning obligations and secure them via S106 legal agreements. Section 106 of the Town and Country Planning Act 1990 (as amended) sets out the framework for the collection of planning obligations. In line with Regulation 122 of The Community Infrastructure Levy Regulations (2010)(as amended by the 2011 and 2019 regulations), Paragraph 57 of the NPPF and the Planning Practice Guidance (PPG) on Planning Obligations, S106 contributions may only constitute a reason for granting planning permission if they meet the tests that they are:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

S106 legal agreements are negotiated between the council and the applicant's lawyers. When obligations are required, planning permission for a scheme will not be granted until the legal agreement is signed.

The number of planning obligations the council may consider necessary for a scheme will vary depending on the characteristics of the scheme and a balanced judgment will be made. The City Plan and the London Plan set the planning framework for its collection. This document focuses on those instances where more guidance is necessary but does not cover every instance in which the council may use S106 legal agreements. This document provides further guidance on a number of issues including:

- Affordable housing;
- Affordable workspace;
- Employment and skills contributions and plans;
- Community use agreements;

- Air quality off-setting;
- Carbon off-setting;
- Reducing residential car parking;
- Heritage and townscape.

This document also sets out the council's monitoring fees and monitoring processes.

Some planning obligations are "standard" and apply, for example, to all major developments. Some other planning obligations may be negotiated on a case-by-case basis. Similarly, some may need to be delivered in kind on-site or in the vicinity of the host site and some others may be financial contributions that are to be made to the council.

Planning obligations will therefore be used to manage matters that are directly related to a specific site and that are not being addressed by CIL. S106 income varies on a site-by-site basis depending on a range of factors, such as the viability of development and other site-specific considerations.

S106 funding must be spent in accordance with the terms of the legal agreement and should be tied to the phasing of development set out in the terms of the legal agreement.

This document does not deal with every instance where the council may require planning obligations and use S106 legal agreements.

In line with policies in Westminster's Development Plan, the council may require planning obligations to secure other matters not mentioned in this SPD including general infrastructure, healthcare and social infrastructure, waste infrastructure, public realm improvements, Crossrail or rights of access. Accordingly, the council reserves the right to seek additional or alternative planning contributions to those mentioned in this SPD.

What is the council's approach to viability?

Viability is primarily to be considered at plan making stage. As such, during the examination of City Plan 2019-2040, the council published a Viability Assessment. The council also follows and supports the Mayor's approach to viability as set out in the London Plan 2021 and associated guidance. This SPD may need to be reviewed if the Mayor publishes new guidance.

Guidance in this SPD builds upon policies in the adopted City Plan. City Plan 2019-2040 was informed by evidence of infrastructure and affordable housing need and supported by a proportionate assessment of viability that took into account all relevant policies, and local and national standards including the cost implications of the CIL and planning obligations.

The viability assessment concluded that policy compliant development was viable in most cases. Therefore, most developments in Westminster should be able to meet Westminster's Development Plan policies, and deliver on the planning obligations outlined within this SPD. In the interest of comprehensiveness and providing a robust evidence base, the council reviewed its viability evidence prior

to adoption of this SPD. The City Plan and POAH SPD Viability Study (July 2023) was also published on the council's website alongside the July 2023 draft SPD.

When required or when policy requirements cannot be met, applicants will need to submit a viability assessment when seeking planning permission. Planning policies and planning obligations will not compromise sustainable development, but it will be for the applicant to demonstrate whether particular circumstances justify a tailored approach to the delivery of a scheme.

The council will continue to report on planning contributions so local communities, businesses and developers know how S106 contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable system. Further information is provided in Section 8 of this SPD.

2.2 How to use this document

Sections 3 to 7 within the SPD cover different topics and each topic contains the following sections:

- **Policy Context:** The key local and regional policies are set out at the beginning of each section that need to be referenced when assembling a planning application;
- **When the requirement applies:** Sets out when the planning considerations and requirements outlined in the section need to be considered; and
- **Planning considerations:** Sets out the key planning considerations that may need to be considered on each topic.

Section 8 deals with the decision-making process and provides further information on how the council will negotiate planning obligations, consider viability, and charge monitoring fees. It also explains the benefits of seeking pre-application advice.

3 Housing

3.1 Introduction

This section explains how planning obligations will be used to secure the policy objectives set out in the housing chapter of the City Plan. As both the City Plan and the London Plan set out in detail the triggers for when affordable housing is required, the approach to public sector land and estate regeneration schemes, and a strong preference for on-site delivery, these matters are not duplicated here. Instead, the focus is on providing additional guidance necessary to support the implementation of Development Plan policies. It therefore includes guidance on:

- Schemes involving refurbishment and reconfiguration of existing housing;
- Affordable housing payments in lieu;
- Phased developments;
- The affordable housing tenure split and size of new homes;
- Management of affordable housing;
- Non-conventional types of housing and how they will contribute to affordable housing; and
- External amenity space.

3.2 Schemes involving refurbishment and reconfiguration of existing housing

Policy context

Policy 9 (Affordable Housing) of the City Plan seeks to maximise the provision of on-site affordable housing in new developments in accordance with the London Plan. Clauses A and B state:

A. At least 35% of all new homes will be affordable across Westminster.

B. There will be no net loss of affordable housing across the city. All residential proposals will provide a minimum of 35% of the total residential units as affordable housing on-site if they:

1. have a site area of 0.5 hectares or more; or

2. are proposing ten or more residential units; or

3. are proposing 1,000 sq m or more residential floorspace (for sale or rent).

Paragraph 9.1 explains that the affordable housing requirement raises to 50% for developments on public sector land. Paragraph 9.3 then goes on to state that affordable housing requirements will be calculated based on the total gross residential floorspace proposed (Gross Internal Area, or GIA). This is in response to high levels of housing need in the city, and the disparity between average wages and the cost of properties to rent or buy. It is also in accordance with London Plan Policy H5 (Threshold approach to applications), which sets out that affordable housing contributions should apply to gross residential development.

Key London Plan policies of relevance:

- Policy GG4 Delivering the homes Londoners need
- Policy H4 Delivering affordable housing
- Policy H5 (Threshold approach to applications)

When the requirement applies

In many cases, the 35% (or 50%) minimum target for affordable housing provision is straightforward, in that it will apply to 35% (or 50%) of the total residential floorspace proposed when this meets the thresholds set out in Policy 9 of the City Plan.

However, the dense urban characteristic of Westminster means that in some cases, sites will come forward for redevelopment where there is existing housing provision on site. Redevelopment options in such circumstances can take many forms, and could include intensification of sites whereby a small

number of new homes are provided alongside a large number of existing homes; e.g. through limited infill development or upwards extensions. If this involves no alterations to existing homes, it is only proportionate to apply affordable housing requirements to the new homes provided by the development, rather than the total number of homes across the whole site. In other cases, where increased housing supply is at least partially facilitated through the refurbishment and reconfiguration of existing housing stock to provide homes of a different size and layout, affordable housing requirements may be applied to the total number of dwellings proposed. The planning considerations that will inform decisions on how much affordable housing should be provided on an individual site are set out below.

Planning considerations

For applications where there are multiple existing homes on-site, affordable housing requirements will be calculated based on the gross level of housing provided by the development, meaning the total level of 'new homes' provided. While the total number of 'new homes' will be determined on a case-by-case basis taking into account site specific circumstances, the key principle in these circumstances is that 'new homes' are those that are providing a new form of housing supply that caters to a different market or level of housing need compared to the homes that previously existed on site. Any judgement on whether the refurbishment or reconfiguration of existing stock counts as new housing supply and should therefore contribute to affordable housing requirements will be based on an assessment of the extent of changes proposed to the existing building, with regard to changes to:

- The size of individual dwellings (the number of bedrooms, floorspace, or floor to ceiling heights);
- Communal areas (the provision of stairs, lifts, circulation space, and any new on-site amenities);
- The external appearance of the building (including matters such as re-siting of windows and provision of balconies); and
- Whether any existing dwellings are single or dual aspect.

Example 1: The floor plans shown in Figures 1 and 2 below show an example of substantial changes to one of several floors of an existing block of flats shown in Figure 3 – the floor represented in Figures 1 and 2 is hatched in Figure 3. This level of reconfiguration is broadly replicated across all existing floors, along with the introduction of a new additional storey, meaning the total amount of housing development proposed on site meets affordable housing thresholds; i.e. the scheme provides over 10 units and is over 1000sqm.

In this example, substantial reconfiguration of existing space has been proposed which includes:

- External alterations in terms of the siting of windows and entrance points;
- An extension of the existing floor plate to accommodate flats 2, 4 and 5;
- Alterations to internal layouts in terms of corridors, stair and lift cores and size and layout of all homes; and
- The introduction of an additional storey.

This level of reconfiguration of existing space alongside the extensions included in the scheme means that the council would treat the entire development as creating 'new homes' for the purpose of affordable housing contributions.

Figures 1 and 2

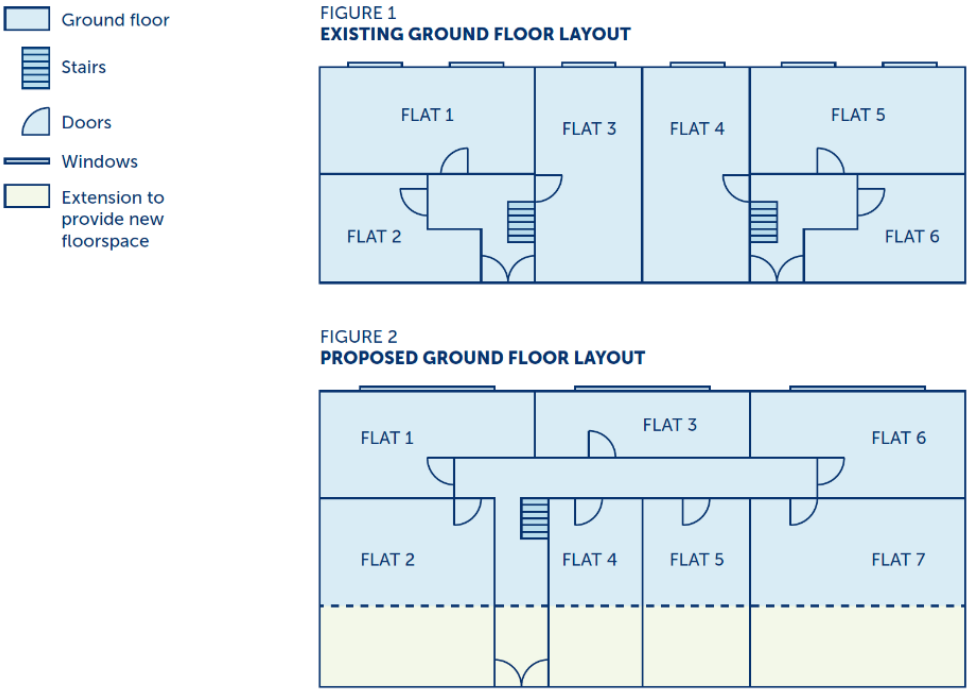
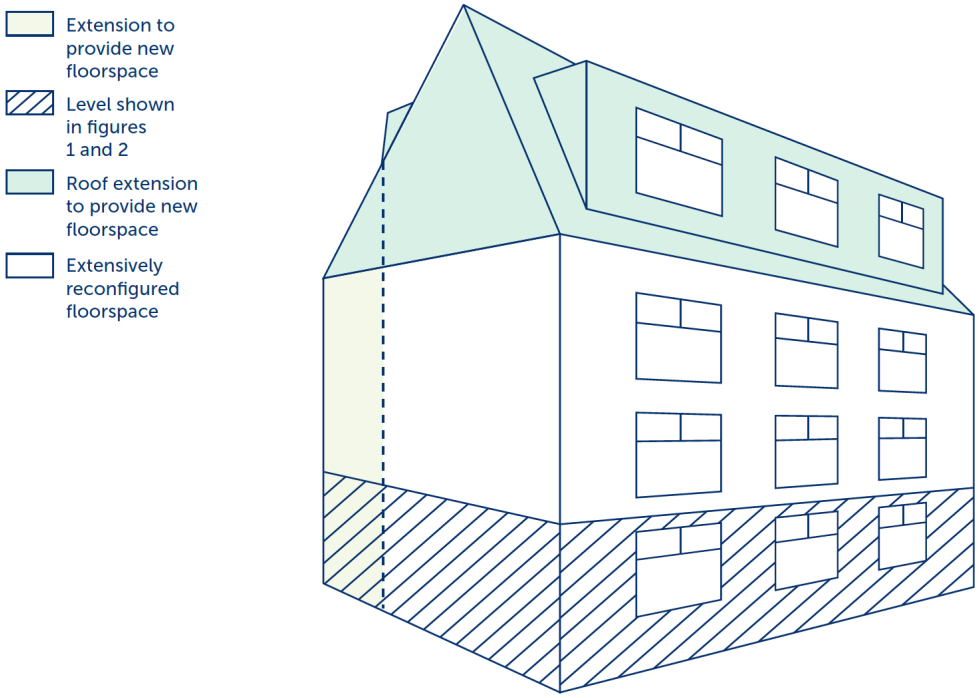


Figure 3: Proposed scheme



Proposals for the refurbishment of existing dwellings that encompasses works that would not in themselves need planning permission (e.g. reconfiguration of the rooms within an individual dwelling, with no change to its total floorspace) or that existing tenants have a 'right to return' to (i.e. to move back into upon completion of the works, on equivalent rents and tenancy terms), will not be considered 'new homes', and will be excluded from any affordable housing calculations.

Example 2: In some parts of Westminster, the substantial expansion and/or redevelopment of existing very large homes to provide new homes that result in substantial changes to over 1,000sqm of residential floorspace (including both existing floorspace and the provision of net additional floorspace) may be another development typology. For the avoidance of doubt, where this is the case, given high levels of housing need, and the size thresholds set out in City Plan Policy 9(B)(iii), contributions towards affordable housing will usually be sought – on such occasions, the council is likely to accept a payment in lieu contribution.

It is recognised that in some circumstances this approach will result in requirements for affordable housing from schemes that only deliver a small uplift in the net number of homes, given the presence of existing housing on site. This is consistent with the approach to affordable housing requirements set out in the London Plan, which states that calculations should be based on gross residential development. Furthermore, scope exists for applicants to demonstrate through a site-specific viability assessment that the level of affordable housing proposed is the maximum amount that can be provided on viability grounds.

At planning application stage:

- Planning Statements should set out how much affordable housing is proposed, as a percentage of proposed new homes, bedrooms and floorspace. If the affordable housing offer is not based on the total number of homes on site, clear justification of why existing homes have been excluded from these calculations, based on the considerations listed above, should be included. Where reduced affordable housing provision is proposed on viability grounds, a viability assessment that demonstrates what is proposed is the maximum amount that is viable, in line with the Mayor's 'Threshold approach to applications' set out in London Plan policy H5, should also be provided.

3.3 Payments in lieu

Policy context

City Plan Policy 19 (Affordable housing) sets the policy framework for the provision of a payment in lieu when affordable housing cannot be provided partially or in full on or off-site. Clause D states that:

> *D. A payment in lieu to the council's Affordable Housing Fund may be accepted only as a last resort if it is demonstrated to the council's satisfaction that no sites are available for off-site provision.*

Key London Plan policies of relevance:

- Policy H4 Delivering affordable housing
- Policy H5 Threshold approach to applications

Paragraph 9.14 of the City Plan goes on to explain that where payments in lieu are accepted, they will be at a level of broadly equivalent value to actual provision so there is no financial benefit from providing a payment rather than delivery of actual units. It also explains how the financial mechanism and the value of the payment in lieu, including indexation, will be set out in this Planning Obligations and Affordable Housing Supplementary Planning Document.

When the requirement applies

When a scheme triggers an affordable housing requirement, and it has been demonstrated to the council's satisfaction that on-site or off-site delivery of affordable housing partially or in full is not possible, the council may accept a payment in lieu to the council's Affordable Housing Fund as a last resort. Payments in lieu may be used to partially deliver the affordable housing requirement.

In line with the City Plan and London Plan, exceptional circumstances where a payment in lieu may be accepted include those where the payment in lieu would allow the council to either:

- Secure a higher level of affordable housing; or
- Ensure that housing needs are better met; or
- Secure higher quality affordable homes; or
- Ensure that development contributes to inclusive and mixed communities.

The council's preferred option will always be for on-site delivery, but we acknowledge that payments in lieu may help, in exceptional circumstances, to maximise affordable housing delivery in the city.

Planning considerations

Evidence should be submitted to the council at an early stage to demonstrate that affordable housing cannot be delivered partially or in full on-site or off-site.

Viability:
The affordable housing requirement will be calculated and delivered following the Mayor's Viability Tested Route as set out in policies H4 Delivering affordable housing and H5 Threshold approach to applications. This will determine the appropriate proportion of affordable housing to be delivered.

Aspects to take into account when making a payment in lieu:

- When payments in lieu are accepted, applicants will be expected to make a financial contribution that:
    - Will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing;
    - Takes into account that the scheme is expected to deliver at least the relevant threshold level of affordable housing (35 or 50%) and deliver additional affordable homes in addition to it; and
    - Will be calculated based on a fixed rate per sq m of floorspace that would have been provided as affordable housing[1]. Rates will vary according to the location of the site, as per the zones set out in the council's Community Infrastructure Levy Charging Schedule and map in Appendix 2 of this SPD.

- The payments in lieu per sqm rates[2] to be used between April 2023 and April 2024 are as shown in Table 1:

Table 1: Payment in lieu rates per sqm by area (2023-24)

	City area		
	A	B	C
Payment in lieu rate per sqm	£16,000	£10,300	£6,300

- Payments in lieu will be calculated using the following formula:

[1] The council will annually publish revised rates in its Annual Affordable Housing Statement that will apply from 1 April to 31 March of the following year. The rate will be indexed using the previous October's Land Registry House Price Index as explained in Appendix 1.

[2] The methodology used to calculate the payment in lieu rates and worked examples giving more detail are set out in Appendix 1.

In cases where no on-site affordable housing is provided[3], the payment in lieu should be calculated as:

(Gross residential floorspace (GIA) x 35%) x PIL rate per sq m

In cases where a proportion of the requirement is delivered as on-site affordable housing and the rest is delivered through a payment in lieu, this should be calculated as:

((Gross residential floorspace (GIA) x 35%) – (Gross residential floorspace (GIA) AH delivered on-site)) x PIL rate per sq m

The gross residential floorspace will be calculated at planning application stage in line with policies in the Development Plan and guidance set out in this SPD. For the avoidance of doubt, when calculating the area of a single unit, applicants should include floorspace not within the demise of the unit which is necessary to facilitate its delivery and future occupancy (e.g. communal and servicing areas), as shown in Appendix 1.

Payments in lieu to the council's Affordable Housing Fund will be secured via S106 legal agreements.

At planning application stage:

- It is highly recommended that when applicants believe that the affordable requirement cannot be delivered on-site, they should discuss these types of applications with Planning Officers before a planning application is submitted (see section 8 for guidance on the decision-making process).
- Non-fast-tracked applications will be required to provide a viability assessment at the planning application stage, in line with policy H5 of the London Plan (see section 8 for guidance on the decision-making process).
- Planning Statements should clearly explain why affordable housing requirements cannot be met on or off-site, and why a payment in lieu is necessary as the last resort.

Links to other documents

- Westminster City Council Affordable Housing Payments in Lieu' note (BNP Paribas, October 2019)
- City Plan and POAH SPD Viability Study (BNP Paribas, July 2023)

[3] For the purposes of the example, the 35% minimum affordable housing requirement is used. The viability assessment will determine the amount of affordable housing to be provided.

3.4 Phased developments

Policy context

Phased developments are often required to ensure that affordable housing delivery is maximised, while ensuring any required infrastructure is delivered concurrently. Due to the longer delivery time, changes in market conditions and associated costs need to be forecast to ensure that a development is deliverable and maximises the amount of affordable housing that can be provided.

Key London Plan policies of relevance:

- Policy D2 Infrastructure requirements for sustainable densities
- Policy H5 Threshold approach to applications

When the requirement applies

The council will generally accept phasing of schemes where it can be demonstrated that this approach would support the maximum provision of affordable housing as required by the City Plan and the London Plan, or where the need of phasing is linked to a key piece of infrastructure delivery. Phasing may also be needed in Estate regeneration and when residents need to be moved to temporary properties. Other proposals for phasing may be considered on a case-by-case basis should site specific circumstances arise.

Planning considerations

Aspects to take into account when delivering affordable housing in a phased scheme:

- Developments that follow the London Plan's Fast Track Route, are not required to submit viability assessments. However, in line with London Plan Policy H5, an Early stage viability review will be required if an agreed level of progress is not made within two years of permission being granted (or a period agreed by the council).
- The council may require phased developments to submit a viability assessment if during any phase of the development, the amount of affordable housing being delivered during that phase decreases. The council will also expect a revised viability assessment to be submitted where any phase of the scheme has unavoidably stalled for 12 months or more. For the avoidance of doubt, any reduction in the amount of housing being delivered would be subject to a Section 106A application (modifying planning obligations). If the council does not consider a S106A application appropriate, due to the loss of affordable housing, a S73 application to amend the parent planning permission may be required.
- Phased developments following the Viability Tested Route, which are proposing to deliver below the City Plan's affordable housing targets, will be required to submit enhanced viability assessments at Early, Mid and Late stage, in line with London Plan Policy H5. Any market assumptions relating to

inflation, future or current land values, and developer profit, should ideally be ideally agreed with the council at pre-application stage, and should be fully justified.

- For phased developments where payments in lieu are considered acceptable by the council, we will factor in inflation increases, as well as adjustments in the market when calculating the payments.
- Specifically for Estate Regeneration schemes, the provision of higher than target levels of affordable housing across early phases may be counted towards total provision requirements across the wider estate, as set out in paragraph 9.13 of the City Plan. In such circumstances, frontloading affordable housing delivery through a phased approach can assist with re-housing existing tenants. Where this is proposed the level to be secured for the whole estate can either be established through:

    - The use of outline planning permissions for the entire estate in advance of detailed planning permission for individual phases, or:
    - By establishing through the S106 legal agreement for the early phases of development that the level of affordable housing being provided is linked to and therefore contributing towards requirements arising across subsequent phases.

Any phasing conditions and review mechanisms will be secured via S106 legal agreements.

Viability:

Where phased schemes are proposing to deliver affordable housing below the levels required and are being tested through the Viability Tested Route, applicants will justify any projected and abnormal costs associated with the phasing in an Early stage viability assessment. Any assumptions relating to projected changes in values and cost should be fully justified, based upon the local market conditions, reasonable and consistent with long-term new build trends, current market conditions and market expectations.

If any applicant chooses to rely upon forecasting, the assumptions made during the Early stage viability appraisal will be subject to Mid-term reviews prior to the commencement of each phase to ensure that these projections were accurate and consistent with growth trends in the city. Where Mid-term reviews show that the initial projections were inaccurate, the amount of affordable housing to be delivered in the related phase may be subject to adjustment with the expectation being that additional housing is delivered in the event of under-forecasting. When determining whether original growth projections were accurate, the council will only require additional affordable housing contributions in respect of any additional uplift in growth, relative to the original projections and values. Reviews should account for the time indexes used in the original viability assessments, ensuring that growth is accurately reflected. Where a Mid stage review suggests that growth was over-forecasted, the amount of affordable housing being supplied will not be reduced through the review mechanism.

Supporting evidence will be required to justify levels of developer profit, which must take into account the forecasts for the housing market in the future for the latter phases of the development, as well as profits from completed phases, characteristics of the scheme and risk profile.

At planning application stage:

- It is highly recommended that these type of applications are discussed with Planning Officers via the formal pre-application route before a planning application is submitted (see section 8 for guidance on the decision-making process).
- Schemes not following the Mayor's Fast Track Route will be required to provide viability evidence. Viability evidence will include a fully justified approach to forecasts, developer profit, and final sale values. Agreement on forecasts and assumptions will be made in the viability appraisal including: developer profit, final sale values, inflation adjusted costs.
- Planning Statements should clearly state the tenure and size of all affordable housing units being provided in each phase.

Links to other documents

- Mayor's Affordable Housing and Viability SPG

3.5 Tenure split and size of homes

Policy context

City Plan Policy 9 (Affordable housing) sets the policy framework for securing different types of affordable housing that help meet housing needs in new developments. Clauses E-G state that:

E. 60% of the affordable units will be 'intermediate' affordable housing for rent or sale and 40% will be social rent or London Affordable Rent.

F. For intermediate housing, new affordable homes will be provided across the indicative income levels set out in the Planning Obligations and Affordable Housing SPD.

G. The size of these homes, including the number of bedrooms required to meet need will be provided in line with the council's Annual Affordable Housing Statement.

Paragraphs 9.5-9.7 of the City Plan provide further information about the tenure split. The City Plan also explains that the council expects most of the intermediate homes to be for rent rather than for sale and that the household income thresholds for intermediate housing products in Westminster are to be set out in this Planning Obligations and Affordable Housing SPD. Paragraph 9.10 of the City Plan goes on to explain that new affordable homes should be of different sizes, so new homes meet London's diverse housing needs.

City Plan Policy 11 (Innovative housing delivery) further sets the policy framework for the provision of innovative types of affordable housing in new developments.

Key London Plan policies of relevance:

- Policy H4 Delivering affordable housing
- Policy H5 Threshold approach to applications
- Policy H6 Affordable housing tenure
- Policy H10 Housing Size Mix

Partial City Pla Review:

The council has recently launched a Partial City Plan Review. As explained in the Regulation 18 Statement, the council would like to strengthen Policy 9 to address the significant waiting list for social housing and provide suitable homes for those who need it most. The council is exploring options to redress the social/tenure split balance with the objective of delivering a greater quantity of affordable housing as social, particularly on public sector land.

This SPD provides guidance on policies within the City Plan as adopted in 2021. Nevertheless, in light of the new direction of travel, the council will continue to use all available tools to deliver much needed social homes – the council is maximising the number of social homes that are delivered on its own land

and is reviewing how affordable housing is allocated in the city to make sure those who need it most, including Westminster's key workers, get the homes they need. While we review the City Plan, applications will be assessed against the adopted framework – the council however strongly encourages applicants to consider how their affordable housing offer can better contribute to the Fairer Westminster ambitions.

When the requirement applies

When a scheme triggers an affordable housing requirement, the council will require the scheme to deliver a mix of affordable housing tenures and sizes in accordance with City Plan and London Plan policies.

Planning considerations

The tenure split

To be acceptable, and in accordance with London Plan Policy H5, schemes following the Fast Track Route should comply with the tenure split set out in Policy 9. Schemes should also follow the guidance set out in this section.

In line with the London Plan, the requirement may be applied flexibly on schemes that deliver more than 75% of genuinely affordable homes (such schemes may be allowed to follow the Fast Track Route) and in specific types of schemes like Build-to-Rent schemes. Where a scheme is delivering more than 35% affordable housing, the tenure of the additional affordable housing is more flexible: the council will assess how the scheme is maximising affordable housing delivery along with any preferred tenure mix of the applicant – the tenure split on the initial 35% should still be in line with the tenure split set out in adopted Policy 9. In line with new ambitions and emerging policies, the council really welcomes schemes that facilitate the delivery of more social housing.

Non-conventional and innovative housing models proposing non-policy compliant affordable housing offers, will need to explain how the proposed type of housing will contribute to meeting high levels of housing need in the city.

When not following the Fast Track Route and negotiating the amount of affordable housing to be delivered and its tenure, the tenure split set out in Policy 9 should be considered as the starting point for negotiations. In such instances, the council will ensure that the number of truly affordable homes delivered by the scheme is maximised and assess how housing needs are being met.

Social housing

In line with adopted Policy 9 and Paragraph 9.7 of the City Plan, at least 40% of affordable housing is expected to be low-cost rented housing which is allocated to eligible low-income households in line with the council's Housing Allocation Scheme. Rents will be significantly less than 80% of market rents, in line with the National Planning Policy Framework. Rents can either be:

- Social rents, which are set in line with national guidance – this is the council's strong preference; or
- London Affordable Rent, which are rents capped at benchmark levels set by the Mayor of London.

Intermediate housing

In line with adopted Policy 9 and Paragraph 9.4 of the City Plan, 60% of affordable housing is expected to be intermediate housing.

In line with Mayoral guidance, intermediate housing for households with incomes up to £60,000 should be a Discounted Market Rent product while Intermediate for Sale products should cater for households with incomes between £60,000 and £90,000 (the Mayor may review these income caps).

The following considerations should be taken into account when delivering intermediate housing in Westminster:

Products – prioritising intermediate housing for rent over intermediate housing for sale:

- The council established an Intermediate Housing Service (IHS) in 2009. Since then, it has held an Intermediate Housing Register (IHR). As shown in Appendix 3, applicants on the list have a range of incomes. The majority of households registered with the council's IHS (76%) have incomes below £60,000 (the Londonwide upper income limit at time of writing for intermediate housing for rent) and the remaining 24% have incomes between £60,000 and £90,000 (the Londonwide upper income limit at time of writing for intermediate housing for sale). In the current context of high inflation, it is likely that the number of households in the higher end of the IHR will increase in the next years.
- The council's preferred intermediate housing products are rented products:
    - Given the high proportion of households with incomes below £60,000, the majority of intermediate housing delivered in Westminster is expected to be intermediate rent, that caters for the needs of households with incomes between £25,000 and £60,000.
    - Mayoral evidence[4] and the council's planning history (see Tables 2 and 3) also show that Intermediate for Sale products like Shared Ownership can be very expensive and are not affordable to many households in Westminster, including to some of those with incomes between £60,000 and £90,000. In the current context of high mortgage rates, products like Shared Ownership have become even more unaffordable. As low-cost homeownership is generally unaffordable in a high property value area like Westminster either because household incomes aren't high enough or households don't have sufficient deposits, the council therefore believes Discounted Market Rent products can better meet the needs of households with incomes between £60,000 and £90,000 than Intermediate for Sale products. It is also easier to control the cost of intermediate rent than of low-cost home ownership products, as these are linked to

[4] See 'Housing Research Note 5: Intermediate housing: the evidence base' (GLA, August 2020)'.

market prices. Because of these reasons, in some cases, the council may therefore allow a small proportion of intermediate homes to be rented at higher rent levels to make sure the housing needs of households with incomes between £60,000 and £90,000 are met:

- This will only be the acceptable when no Intermediate for Sale units are offered and such offer will not exceed 20% of the intermediate rent units in a given scheme.
- When submitting applications proposing this type of housing, applicants will need to justify how the overall intermediate offer is contributing to meeting the housing needs of Westminster's residents, and households in the IHR[5].

- The council however acknowledges that, in some circumstances, some Intermediate for Sale products may be affordable and may help meet the needs of households at the top of the Register. Applications will be assessed on their own merits.

Relationship with emerging Mayor of London guidance:

The new approach to intermediate housing as set out in this SPD is in line with the draft Affordable Housing London Plan Guidance (May 2023) which explains that 'intermediate homes for sale are generally not appropriate where the unrestricted market value of a home exceeds £600,000'.

Table 2: Recent example of shared ownership costs, scheme in Westminster (10% Share)

Property Size	1 bed	2 bed
Value of property	£607,500	£732,500
Monthly Mortgage Cost*	£352	£425
Monthly Rent**	£1,253	£1,511
Monthly Service Charge	£116	£196
Total Monthly Costs	**£1,605**	**£1,936**
Minimum gross income Requirement* **	**£70,200**	**£89,000**

*Based on buying a 10% share under new shared ownership lease model.

**Based on rent of 2.75% being charged on the equity not purchased.

***Based upon 10% deposit provided by the buyer for 1 bed in example above (£6k) and 10% (£7.3k) for a 2 bed, mortgage interest at 6% and housing costs limited to 40% of net household income.

Note: financial modelling assumes existing monthly debt payments of £400 per household (student debt /car loans etc).

[5] The council will annually publish information on income levels and thresholds for intermediate housing in line with up to date Intermediate Housing Register data, in the Annual Affordable Housing Statement. Updated income bands and rents will also take into account any Mayoral updates to the income caps.

Table 3: Recent example of shared ownership costs, scheme in Victoria- Westminster (25% Share)

Property Size	1bed
Value of property	£675,00
Monthly Mortgage Cost*	£979
Monthly Rent**	£844
Monthly Service Charge	£153
Total Monthly Costs	**£1,976**
Minimum gross income Requirement* **	**£75,250**

*Based on buying a 25% share.

**Based on rent of 2% being charged on the equity not purchased.

***Based upon 10% deposit provided by the buyer for 1 bed in example above (£16,750), mortgage interest at 6% and housing costs limited to 45% of net household income.

Note: financial modelling assumes a single household income.

Affordability of intermediate homes for rent[6]:

- The council supports the Mayor's London Living Rent product – the Mayor annually publishes the relevant rent levels by wards on their website.
- When determining affordability for other Discounted Market Rent products, the Mayor's guidance should be followed:
  1) Intermediate housing costs, including service charges, should be no more than 40% of net household income – this will be based on the relevant income cap for the unit;
  2) Rents will not exceed 80% of market rents;
  3) Rents should preferably not be above London Living Rent levels for the relevant ward; and
  4) The Londonwide maximum household income cap for Discounted Market Rent should be taken into account (e.g. £60,000 at time of writing).
- New Discounted Market Rent will be provided across indicative income thresholds in order to help ensure that new intermediate housing is affordable to all those registered and contributes to meeting the needs of different income groups. The thresholds in Table 4 are expected to be met in line with the spectrum of incomes on the council's Intermediate Housing Register[7].
- When it is agreed that a small number of intermediate home units can be provided at higher rent levels to meet the needs of households with incomes between £60,000 and £90,000 (or any subsequent Londonwide income caps), in lieu of a suitable Intermediate for Sale product

[6] See the Consultation Statement published alongside the draft SPD (July 2023) to find out how the approach to intermediate housing affordability has changed.

[7]The council will annually update Table 4 and publish information on income levels and thresholds for intermediate housing in line with up to date Intermediate Housing Register data, in the Annual Affordable Housing Statement. Updated income bands and rents will also take into account any Mayoral updates to the income caps.

such as Shared Ownership, the council will ensure that its rents are affordable, in line with guidance above. The council may use S106 legal agreements or planning conditions to impose further eligibility restrictions to ensure those homes are allocated to those identified in need of this type of accommodation and income level (e.g. Key Workers or two earner households).

Table 4: Indicative affordability thresholds for intermediate housing for rent

Income Bands	**These indicative rents relate to the incomes of intermediate applicants in 2022 and use a London Living Rent Westminster average, so are subject to change**			
	Proportion		Affordable to	Indicative weekly rent Including service charges
Base to median	50%	*1 bed household*	*£25,000 -£44,000*	*£134-£236*
		2 bed household	*£25,000-£52,000*	*£134-£280*
Median to Mayor's income cap for intermediate housing for rent	50%	*1 bed household*	*£44,000 - £60,000*	*£236- £322*
		2 bed household	*£52,000- £60,000*	*£280-£322*

For example, if a scheme delivers 10 intermediate homes (1 beds), 5 of the new intermediate homes should be affordable to households with incomes up to £44,000 (median level) and the remaining 5 should be affordable to those with incomes ranging from £44,000 to £60,000 (the Londonwide maximum income cap for intermediate rent at time of writing).

Example of how indicative rents are calculated (one-bedroom rents):

- *Gross base - median income of households on the Intermediate Housing Register: £25,000 - £44,000 p.a. for 1 bed household (note these will be subject to change)*
- *The Mayor's current guidance for intermediate housing is that rents should not exceed 40% of net income and net is estimated at 70% of gross (note this could also be subject to change)*

Net base income to - median income = £17,500 - £30,800 (1 bed household)

40% of net base – median income = £7,000 -£12,320 p.a.

(£7,000 - £12,320p.a.) / 365 x 7 = rents from to £134 -£236 per week (note rents must also not exceed 80% of market rents).

Relationship with Partial City Plan Review:

As part of work on the City Plan Partial Review, the council is exploring options to ensure intermediate housing contributes to meeting the city's housing needs. The council may need to review this SPD to take into account the findings of the forthcoming Strategic Housing Market Assessment and changes to the City Plan Policy 9.

Allocation of intermediate housing for rent:

- New intermediate homes will be allocated to eligible households registered with the council's Intermediate Housing Service in line with its priorities – households with a demonstrated connection to Westminster and Key Workers will continue to be prioritised. To ensure the council is meeting evolving housing needs, the council's Intermediate Housing Service may regularly update the eligibility criteria for intermediate housing products.

The size of new homes

As the profile of affordable housing applicants changes over time and, in line with London Plan Policy H10, the council annually publishes an Annual Affordable Housing Statement that sets outs the sizes of social and intermediate rent homes to be delivered in Westminster. The statement considers the need for social housing, the need and demand for intermediate housing and the turnover of existing affordable housing stock which becomes available.

The council will use S106 legal agreements to secure the tenure, affordability and size of new affordable homes.

At planning application stage:

- It is highly recommended that these types of applications are discussed with Planning Officers before a planning application is submitted (see section 8 for guidance on the decision-making process).
- Planning Statements should provide all relevant information about the tenure and size of all affordable housing units being provided, nomination rights and any other agreements. Where a deviation from the council's normal tenure mix is proposed (e.g. for innovative housing models), justification for why this is necessary (e.g. design) should be set out in the Planning Statement accompanying the application.

Links to other documents

- Annual Affordable Housing Statement
- Authority Monitoring Report
- Mayor's Housing Strategy
- Mayor's Homes for Londoners Programme
- Mayor's Housing SPD

3.6 Management of affordable housing

Policy Context

As explained above, City Plan Policy 9 (Affordable housing) sets the policy framework for the provision of affordable housing in Westminster and explains that there will be no net loss of affordable housing in Westminster.

Affordable housing can be delivered by developers as part of their S106 planning obligations, directly by private registered providers or by the council. The council will ensure affordable homes are appropriately managed and its use protected in perpetuity.

Planning considerations

Ownership and management

- In line with the NPPF, landlords providing affordable housing for rent should be a registered provider, except where the affordable housing is included as part of a Build-to-Rent scheme (in which case the landlord need not be a registered provider).
- Applicants are encouraged to contact the council and discuss options for the long-term ownership and management of new affordable homes for rent, including a transfer to the council's own management company Westminster Builds.
- The council will use S106 legal agreements to ensure new affordable homes for rent managed by registered providers remain affordable in perpetuity.

Service charges

- Service charges are costs for the management, repair and maintenance of a building, which can be recovered from leaseholders by landlords. High quality and sustainable materials will help to minimise repairs to a building.
- Where affordable homes are provided as part of a planning application, applicants should set out their management and service charge strategy at the planning stage. This should include how the strategy will ensure that service charges are affordable to residents and how transparency on costs will be ensured.
- Providers are encouraged to follow good practice guidance with regards to service charges such as the RICS Code of Practice and the Mayor's Service Charge Charter.

Protection of affordable housing

- As set out in Policy 9(B), the council will not allow the net loss of affordable housing in Westminster.

- In line with paragraph 9.8 of the City Plan, the council will not permit the purchase of market tenure homes to change their tenure to meet affordable housing requirements.
- In line with paragraph 9.9 of the City Plan, registered provider owned affordable homes delivered through Section 106 agreements may be allowed to change to market tenure provided the unit is vacant and the affordable homes are re-provided in Westminster. The re-provided affordable homes should be of comparable tenure, of an equal or higher quality in terms of size, location and design quality, and the change is part of a transparent asset management process.

3.7 Non-conventional types of housing and how they will contribute to affordable housing

Policy context

City Plan Policy 10 (Housing for specific groups) sets the policy framework for the provision of specialist housing in Westminster. Clauses D-I on specialist, older people's, and student housing state that:

SPECIALIST HOUSING

D. The council supports the provision of well-managed new housing which meets an identified specialist housing need. All existing specialist and supported housing floorspace will be protected from changing to non-specialist or supported residential use except where it is demonstrated that:

1. the accommodation is of poor quality, does not meet contemporary requirements and is not capable of being upgraded; or

2. the use has a demonstrable and significant adverse effect on residential amenity; or

3. it is surplus to requirements as any form of specialist or supported housing; or

4. the accommodation is being adapted or altered to better meet specialist need or to enable residents to remain in their existing property.

OLDER PEOPLE'S HOUSING

E. The council supports the development of high-quality accommodation for older people across a range of tenures and use classes that meets identified need.

F. The council will support adaptations and alterations to homes occupied by older residents, which enable them to remain in their existing property. Replacement older people's accommodation intended to be occupied by the original occupant(s), will as far as practicably possible, be located near to the original accommodation.

PURPOSE-BUILT STUDENT ACCOMMODATION

G. The council supports the development of new, well-managed, purpose-built accommodation for students studying at higher education institutions.

H. A proportion of the purpose-built student accommodation will be secured as affordable student accommodation in accordance with the London Plan. All accommodation should include a proportion of units that are adaptable to meet specialist needs.

I. Existing purpose-built student accommodation will be protected unless demonstrably surplus to requirements.

Paragraphs 10.7-10.20 go on to explain that Westminster has a broad range of housing needs and that the council supports delivery of a range of housing types and sizes to meet those needs. Where specialist housing is proposed, it will be required to demonstrate that it is helping meet a recognised need.

Paragraphs 10.4 and 10.20 explain how self-contained older people's housing that does not fall within the definition of affordable housing and student accommodation schemes will be required to deliver affordable housing. In line with the London Plan, some types of specialist housing may be required to provide a proportion of it as on-site affordable housing or contribute to the council's Affordable Housing Fund via a payment in lieu.

City Plan Policy 11 (Innovative housing delivery) sets the policy framework for the provision of other types of housing in Westminster. Clause A and B state that:

A. The council welcomes applications for innovative models of high-quality housing that contribute to providing a range of housing options to Westminster's residents.

B. Qualifying Build to Rent and large-scale purpose-built shared living proposals will be required to provide a proportion of the accommodation as affordable housing in accordance with the London Plan.

Paragraphs 11.1-11.9 go on to explain that London's housing market is evolving and that new housing models are emerging in response to the demand for more (and relatively affordable) homes and reflect changing lifestyles and ways of working. If proposals for innovative housing models, such as the ones referenced in Policy 11, do not meet the definition of affordable housing, they will be required to contribute to the supply of affordable housing regardless of what use class they fall into.

Key London Plan policies of relevance:

- Policy H4 Delivering affordable housing
- Policy H5 Threshold approach to applications
- Policy H12 Supported and specialised accommodation
- Policy H13 Specialist Older persons housing
- Policy H15 Purpose built student accommodation
- Policy H16 Large-scale purpose built shared living

When the requirement applies

Non-conventional types of housing can take many forms and fall within different land use classes. Each application will be judged on its own merits and the assessment will determine the land use class. Once

the land use class has been determined, in accordance with City Plan and London Plan policies, the council will assess whether the scheme needs to contribute to affordable housing delivery and how this will be achieved. Table 5 and the section below, provide guidance on how these judgments will be made.

Planning considerations

When applicants submit an application for non-conventional types of housing:

- The council will follow best practice guidance and carefully assess the location and design of non-conventional types of housing schemes;
- The council will also ensure that new non-conventional housing contributes to meeting Westminster's identified housing needs. Applicants should demonstrate how needs are being met at the planning application stage;
- Table 5 provides an overview of how different types of non-conventional housing will be expected to contribute to affordable housing and be viability assessed. The quantum of affordable housing to be provided will be assessed in line with general housing policies in both the City Plan and London Plan, and guidance set out in this SPD.

The council will use S106 legal agreements to control the delivery of affordable housing, occupation and management of the premises.

Table 5: Non-conventional types of housing and how they will contribute to affordable housing

Definition and Use Class	Key relevant City Plan and London Plan policies	Affordable housing contribution	Viability – Should the scheme follow the London Plan threshold approach?
Specialist housing and older people accommodation			
In line with the City Plan (see Glossary) and the London Plan, it may include uses like hostels, Houses in Multiple Occupation, Care Home accommodation, housing for those with special needs, and other supported accommodation. In line with London Plan Policy H13, we will consider as 'older people accommodation' housing that does not provide	City Plan: Policy 10 Housing for specific groups + Glossary London Plan: Policy H12 Supported and specialised accommodation / Policy H13 Specialist older	C2, C4 and Sui Generis schemes: No affordable contribution will usually be required. C3 schemes and schemes that meet the London Plan definition of 'older people accommodation': Affordable housing delivery will usually be required with a preference for on-site delivery.	C2, C4 and Sui Generis schemes: No. C3 schemes and schemes that meet the London Plan definition of 'older people accommodation: Yes.

an element of care but is specifically provided, designed and managed for older people (minimum age of 55 years). It may include an element of care, be occupied under a long lease, freehold or tenancy agreement, licensing agreement, license to occupy premises or a leasehold agreement. Specialist housing may fall within different land use classes, including C2 (likely to be the case for Care Home accommodation), C3 (likely to happen for self-contained accommodation), C4 (likely to affect small HMOs) and Sui Generis.	persons housing		
Purpose Built Student Accommodation (PBSA)			
Purpose Built Student Accommodation is clearly defined in London Plan Policy H15.	City Plan: Policy 10 Housing for specific groups London Plan: Policy H15 Purpose-built student accommodation	Affordable housing will usually be required with a preference for on-site delivery. The London Plan defines affordable student accommodation as a bedroom that is provided at a rental cost for the academic year equal to or below 55% of the maximum income that a new full-time student studying in London and living away from home could receive from the Government's maintenance loan for living costs for that academic year. The figures are published in the Mayor's Annual Monitoring Report. Affordable student accommodation bedrooms	Yes.

		should be allocated by the higher education provider(s) that operates the accommodation, or has the nomination right to it, to students it considers most in need of the accommodation.	
Purpose Built Shared Living (PBSL)			
Purpose Built Shared Living (PBSL) is clearly defined in London Plan Policy H16.	City Plan: Policy 11 innovative housing delivery London Plan: Policy H16 Large-scale purpose-built shared living	Affordable housing should be provided but schemes will not be expected to deliver the requirement on-site or off-site. The affordable housing requirement will usually be provided as a payment in lieu (PiL). Although the London Plan says that the payment could be in perpetuity as a proportion of rent received, the council prefers the PiL is paid to the council's Affordable Housing Fund as a single payment due on commencement of development. In line with the London Plan, the PiL is expected to provide a contribution based on a 50% discount to market value of 35% of the units, or 50% where the development is on public sector land.	Yes. However, in line with the London Plan, developments which provide a contribution equal to 35% of the units at a discount of 50% of the market rent will not be subject to a Late-Stage Viability Review.
Build-to-Rent (BtR)			
Build-to-Rent (BtR) housing is clearly defined in London Plan Policy H11.	City Plan: Policy 11 innovative housing delivery	Affordable housing should be provided in BtR schemes. In line with the London Plan, BtR schemes should provide their affordable housing element solely as Discounted Market Rent. At least 30% of the units	Yes.

	London Plan: Policy H11 Build to Rent	should be at London Living Rent levels. Applicants will need to justify to the council's satisfaction how the products and rent proposed will help meet needs. In BtR schemes, the council may allow a deviation from the affordable housing tenure split as set out in City Plan Policy 9. Applicants are encouraged to engage with Planning Officers to determine the tenure and size of new homes. Where a development involves mixed tenures, for example a proportion of homes for sale, then the BtR policies will only apply to the BtR element.	

Links to other documents

- Mayor's Draft Large-scale Purpose-built Shared Living LPG
- Mayor's Housing SPG

3.8 Communal amenity space and new open space in housing schemes

Policy context

City Plan Policy 12 (Housing quality) sets the policy framework for securing external amenity space in new developments. Clauses D and E state that:

D. All new-build homes will provide at least five sq m of private external amenity space for each dwelling designed for one-two persons or more and, where practicable, a further one sq m for each additional person the dwelling is designed to accommodate. Where it is not considered practicable or appropriate to provide private external amenity space for all or some homes, the following, measures will be required:

1. provision of communal external amenity space; or

2. provision of additional and/or higher quality public open space.

E. Where it is sufficiently demonstrated that it is not practicable or appropriate to provide any type of external amenity space, additional internal living space equivalent to the external requirement set out in clause D will be required

Paragraphs 12.7-17.9 of the City Plan go on to explain that external amenity space in housing developments contributes to good quality living environments and may provide leisure space and pleasant views. It also explains that in a densely built environment such as Westminster, the provision of private external amenity space for all or some homes within a development may be impracticable or inappropriate and sets out a cascade of options for developers to consider on such occasions.

Key London Plan policies of relevance:

- Policy D5 Inclusive design
- Policy D7 Accessible housing

When the requirement applies

When external amenity space cannot be provided, the council may use planning conditions or S106 legal agreements to secure the delivery of communal amenity space or new open space. The requirement will apply to new-build developments that fall within C3 Use Class and trigger an amenity space requirement. In the case of heritage assets, the council will take a more flexible approach as changes to the built form and fabric are more restricted.

Planning considerations

When it is considered that it is not practicable or appropriate to deliver private external amenity space for all or some units in a new residential development, the council's preferred option is for the development to provide communal external amenity space. Communal external amenity space will:

- Be of a size proportionate to the number of residents and safe;
- Provide equal access for all resident across tenures;
- Be designed to take advantage of direct sunlight and be positioned to allow overlooking;
- Support informal social activity and play opportunities; and
- Be accompanied by a Management Plan;

Common forms of communal amenity space are courtyards, terraces and roof gardens.

The council may use legal agreements or other planning tools to ensure that any communal external amenity space is provided prior to occupation and its use secured during the lifetime of the development.

When it is considered that it is not practicable or appropriate to deliver communal external amenity space, the council's preferred option is for the development to provide additional and/or higher quality public open space. This will be done in accordance with Section 5 of this SPD and with the Environment SPD and forthcoming Public Realm SPD.

Where it is sufficiently demonstrated that it is not practicable or appropriate to provide any type of external amenity space, the council may accept the requirement is not provided. Applicants will however need to:

- Consider the provision of spaces like enclosed balconies or winter gardens; if not
- Provide as additional internal living space the equivalent to the external requirement set out in clause D. This will be in addition to the minimum internal space standards set out in Policy 12 Clause C.

In all cases, the requirement will not count towards the GIA used in calculating the internal space standards.

Links to other documents

- Mayor's Housing SPD
- Environment SPD

4 Economy and Employment

4.1 Introduction

This section explains how planning conditions and obligations will be used to secure the policy objectives set out in the economy chapter of the City Plan. As both the City Plan and the London Plan set out in detail the approach to economic uses, such matters are not duplicated here. Instead, the focus is on providing additional guidance necessary to support the implementation of a number Development Plan policies. It therefore includes guidance on:

- Affordable workspace;
- Social and community uses;
- Public toilets; and
- Employment and skills contributions.

4.2 Affordable workspace

Policy context

Policy 13 (Supporting economic growth) of the City Plan sets the policy framework for the delivery of new affordable workspace in Westminster. Clause C states:

> *C. Proposals involving the provision of affordable workspace will generally be supported throughout the commercial areas of the city.*

Affordable workspace is encouraged in recognition of the role it can play in the growth of small start-up businesses, enhancing local job opportunities and contributing to a diverse economy. As set out in paragraph 13.8 of the City Plan, provision both through meanwhile use, and more permanent provision by managed workspace providers is welcomed both in the core commercial areas of the city (i.e. the Central Activities Zone), and also in areas of traditionally lower land values such as the North Westminster Economic Development Area (NWEDA) and the Church Street/ Edgware Road Housing Renewal Area.

New commercial floorspace that is suitable for small and medium enterprises (SMEs) and/or helps diversify the local economy, is also a spatial development priority for the NWEDA as set out in Policy 5 of the City Plan.

Key London Plan policies of relevance

- Policy GG5 Growing a good economy
- Policy E1 Offices
- Policy E2 Providing suitable business space
- Policy E3 Affordable workspace
- Policy E8 Sector growth opportunities and clusters

When the requirement applies

As City Plan policy does not make absolute requirements for the provision of affordable workspace within new developments, where provided it will be considered as a 'public benefit' when determining individual planning applications. In this respect, it differs from 'policy requirements' such as the on-site delivery of affordable housing, compliance with energy standards, or designs and densities that respond to the local context. The provision of affordable workspace within development proposals should not be a substitute for meeting all Development Plan policy requirements. The absence of any provision of affordable workspace in a development proposal meanwhile, will not in itself constitute a reason for refusing planning permission.

Planning considerations

To ensure new affordable workspace is fit for purpose and meets its intended aims, where proposed, the council will seek provision in accordance with the following considerations, to be set out in a S106 legal agreement. This should be read in conjunction with the updated Informal Planning Guidance Note on Affordable Workspace (February 2024), which provides further detail on these matters.

Amount of space

In developments providing at least 2,500 square metres of net additional floorspace in any combination of the E(c) and E(g) planning uses, the council would prefer that a minimum of 10% of such space is to be affordable workspace.

Type of space provided

- Affordable workspace should be operated as managed (shared) workspace with multiple businesses (End Users) sharing the space in line with an 'Operation Management Plan'. It could take different forms, such as open plan and cellular offices, workshops, light industrial, research and development space and studios.
- The primary use of affordable workspace should fall within Use Class E(c) and/or E(g). A portion may also be within Use Class E(a) or E(b) as retail/ café and F.1 as a training centre if this is ancillary to and supports the primary use.

End Users

- The focus of affordable workspace should be supporting start-up and early-stage businesses. The council would therefore like to see proposals that commit to marketing and making affordable workspace attractive and accessible to residents, and local businesses at risk of leaving Westminster.
- Furthermore, affordable workspace should include business support activities for End Users and activity to ensure residents are benefiting from the space, such as access to job opportunities in End User businesses.

Qualifying Tenant

- Affordable workspace should be operated by a 'Qualifying Tenant' which is an organisation that can demonstrate their intention and means to deliver the proposed affordable workspace. The Qualifying Tenant could be the developer or a managed workspace provider, such as those identified on other central London borough's affordable workspace registers.

Fit out

- Affordable workspace should be designed and located in the development to ensure it is attractive to the market and fit for purpose for End Users. Working with a managed workspace provider at the design stage can help secure this.

- Basic requirements include the provision of generous floor to ceiling heights, good levels of natural light, minimal supporting columns, minimal intrusion of plumbing and servicing from other parts of the building, a visible and attractive entrance and flexibility for space to be adapted to changing occupier demands through future sub-division and removal of partitions.
- Developers should fit out affordable workspace to Category A standard before occupation of any other workspace within Use Class E(g) (offices, R&D and industrial) within the development or, where relevant, the linked phase of the development. Also see paragraph 3.6 of the Informal Planning Guidance Note on Affordable Workspace (February 2024).
- If the Qualifying Tenant is a managed workspace provider who wishes to fit out the space to a Category A standard themselves, and the developer agrees to this, the developer should construct the space to shell and core before transferring the space to a managed workspace provider alongside an adequate financial contribution to the Qualifying Tenant for full Category A fit out.
- The Qualifying Tenant will be responsible for the Category B fit out.
- The location of affordable workspace in a single area on the site is generally preferred, rather than dispersal across the development. This will be advantageous in terms of providing a critical mass of dedicated space that can be efficiently managed and provides clustering benefits for End Users such as exchange of knowledge and ideas.

Fees payable by End Users

- The average fees payable by End Users to the Qualifying Tenant should be no more than 50% of the open market rates of comparable spaces available with similar terms and conditions in the local area. Service charge should be minimal- to ensure the total costs are genuinely affordable to End Users.

Fees payable by the Qualifying Tenant

- If the Qualifying Tenant is a managed workspace provider, the developer should lease the affordable workspace to the Qualifying Tenant at a rental rate and service charge that allows the provider to manage and sub-let/ license the space to End Users at the discounted rates referred to above. This might need to be a peppercorn rent.

Obligation Period

- Long-term provision of affordable workspace will be sought to support long-term small business growth, and secure a critical mass of affordable workspace provision across the city. As a minimum, the obligation period should be at least 25 years, though ideally it should be secured for the lifetime of the proposed development. This is on the basis that the longer the obligation period, the greater the public benefit the scheme will provide.

Lease with the Qualifying Tenant

- If the Qualifying Tenant is a managed workspace provider, the developer should offer a long-term lease (i.e. at least 10-years) to maximise outcomes and ensure the provider has sufficient time to

recoup their investment in the space. Where the lease length is less than the Obligation Period, the developer will then need to extend or renew the lease or find an alternative Qualifying Tenant.

- Within the S106 legal agreement, provision may be made for workspace to be let at open market rates in the event that a suitable tenant cannot be found at affordable rates, in order to avoid long-term void periods. This will however be subject to the landlord demonstrating to the council's satisfaction that extensive marketing with reasonable terms and conditions has been carried out for a minimum of 12 months, and all eligible enquiries have been fully explored.

Operation Management Plan

- Prior to the occupation of affordable workspace by a Qualifying Tenant, an Operation Management Plan should be agreed between the developer, the Qualifying Tenant, and the council. This should set out how the space will be managed, proposals for delivering business support, and how the space will benefit the local community. Community benefits could include opportunities for local residents to work, volunteer or train with End User businesses, and activities facilitated that support projects in the local community.

Monitoring

- The Qualifying Tenant should monitor activity and provide light-touch qualitative and quantitative updates to the council's S106 Monitoring Officer and economic development team on an annual basis. This will enable the council to monitor the benefits of the scheme, affordability to End Users, and inform future business support activities.

At planning application stage:

- To fully understand the public benefits of any proposed affordable workspace, Planning Statements should include a section addressing the matters set out in the 'planning considerations' section above.
- Justification for any proposed use of land use swaps to help facilitate the delivery of a higher level of new fit for purpose affordable workspace alongside other policy objectives should also be provided in a planning statement.

Links to other documents

- Informal Planning Guidance Note on Affordable Workspace (February 2024)

4.3 Employment and skills contributions

Policy context

Policy 18 (Education and Skills) of the City Plan sets the policy framework for ensuring new developments help facilitate improved employment prospects for local residents. Clause D sets out that:

> *D. Major developments will contribute to improved employment prospects for local residents. In accordance with the council's Planning Obligations and Affordable Housing SPD, this will include:*
>
> *1. financial contributions towards employment, education and skills initiatives; and*
>
> *2. for larger schemes, the submission and implementation of an Employment and Skills Plan.*

As set out in paragraphs 18.6 – 18.7 of the City Plan, such measures will help ensure Westminster's residents directly benefit from the city's economic growth, and the opportunities this brings; both in the end use of a development, and during its construction phase.

Key London Plan policies of relevance:

- Policy GG1 Building strong and inclusive communities
- Policy E11 Skills and opportunities for all

1 Financial contributions

When the requirement applies

As has been the case since the introduction of the council's Inclusive Economy and Employment Guidance Note that was first introduced in May 2019, and has subsequently been subject to some updates, financial contributions towards initiatives that provide employment, training and skills development for local residents will be sought from development proposals that either provide:

- 50 or more residential units, or
- A net uplift of over 1,000sqm of commercial floorspace (Gross Internal Area). For these purposes, commercial floorspace encompasses any floorspace falling within Class E (commercial business and service uses) or Class C1 (hotels, boarding houses and guest houses) of the Use Classes or Order.

Contributions will be secured through S106 legal agreements, and will support the Westminster Employment Service, which helps developers and end use occupiers meet their recruitment needs, and

works with job seekers to prepare them for work through work coaches based in the community. Standard practice will be that such contributions for the whole development are sought upon scheme commencement, including for schemes where build-out is expected over multiple phases, unless otherwise specified in the S106 legal agreement.

Planning considerations

Commercial development

For commercial development, financial contributions will be sought on the basis of likely levels of occupancy of the proposed development, measures of economically inactive people in Westminster seeking employment, and the cost of providing sustained work placements.

Class E

For developments securing an uplift of over 1,000 sqm of Class E floorspace, the following formula will be used:

Occupancy Level *x* Worklessness Rate *x* Cost of Placement x Floorspace

Where:

- Occupancy Level is the average occupancy for the development type, measured in persons per sqm.
- Worklessness rate is the percentage of Westminster's economically active resident population that are unemployed, based on ONS modelling.
- Cost of Placement is the average cost to the Westminster Employment Service to place an individual into sustained employment. The figure of £6000 quoted below is based on the average cost in the period 2019-2021 and will be kept under review if these costs materially change.
- Floorspace is the amount of new Class E floorspace proposed.

Occupancy levels will vary depending on what type of E Class floorspace is proposed. The average jobs densities shown in Table 6 will be used to calculate the occupancy level of different types of E Class floorspace.

Table 6: Average jobs densities (GIA) to be used to calculate occupancy levels of different types of Class E floorspace

Proposed use	Job density[8]
Class E (a/ b) – shop / café/ restaurant	1 job per 17.5sqm
Class E (c) – financial and professional	1 job per 16sqm

[8] Figures based on the ranges contained with HCA Employment density guide, 3rd edition, 2015 and the London Office Policy Review (GLA, 2017).

Class E (d) – gymnasiums/ fitness centres	1 job per 65sqm
Class E (g) – offices	1 job per 11.3sqm

Where an application is specifically for a use within Class E (e/ f) i.e. clinics, health centres, creches, day nurseries, day centres, and they are restricted to such parts of Class E by condition, no contribution will be sought – as such uses provide vital social infrastructure.

Applying the above job densities to the formula, contributions required for different elements of Class E would be as shown in Table 7.

Table 7: Contributions required for different elements of Class E floorspace

Development	Occupancy level	Worklessness rate[9]	Cost of placement	Indicative S106 contribution per sqm (GIA)
Class E (a/b) – shop/ café/ restaurant	0.057	0.057	£6000	£ 19.49
Class E (c) – financial and professional	0.0625			£ 21.38
Class E (d) – gymnasiums/ fitness centres	0.015			£ 5.13
Class E (g) - offices	0.088			£ 30.10

Where the precise mix of different types of commercial floorspace is known, and the occupancy of such space is restricted to such use by condition, contributions will be calculated on the basis of each component part.

For example, a scheme that provides 1500sqm of commercial floorspace, whereby 350sqm will be for use as a shop, 150sqm for use as a café, 250sqm for financial and professional uses, and 750sqm for use as offices, the calculation will be as follows:

Shop = £19.49 x 350sqm = £6,821.5

Café = £19.49 x 150sqm = £2,923.5

Financial and professional = £21.38 x 250sqm = £5,345

Offices = £30.10 x 750sqm = £22,575

[9] The Modelled ONS unemployment rate for Westminster (April 2020 – March 2021) is 5.7% of the population that is economically active. This will be kept under review as new data becomes available, and reported through updates to the council's Inclusive Local Economy and Employment guidance note.

Total = £37,665

Where permission is sought for an open Class E use, and no conditions are applied which restrict the sub-categories of Class E the space can be used for, contributions will be calculated on the basis of all such space being occupied as office space, as it could ultimately end up being used for this purpose without any subsequent need for planning permission.

Using the example above, the contribution would be:

Class E unspecified = £30.10 x 1500sqm = £45,150

Class C1 (Hotels)

Guidance on average job densities in hotels relates to the number of rooms rather than amount of floorspace, as set out in the HCA Employment density guide, 3rd edition, 2015. This provides a range of average job densities, from 1 job per 5 bedrooms for a budget hotel, to 1 per 1 room for a luxury hotel. As the majority of new hotel development in Westminster is anticipated to be at the upper end of the market, a density of 1 job per 2 bedrooms is considered reasonable.

For developments involving an uplift of over 1,000 sqm of Class C1 floorspace, to calculate financial contributions from hotel developments in a manner proportionate to the number of jobs likely to be created, the following formula will be used:

Total number of jobs anticipated (i.e. number of hotel rooms ÷ 2) x Worklessness Rate x Cost of Placement

As an example, for a 50-room hotel, the contribution would be:

50 ÷ 2 x 0.1017 x £6,000 = £15,255

In some instances, hotel developments may result in significant levels of new floorspace being delivered to facilitate a growth in ancillary uses such as bars and restaurants or leisure facilities instead of, or alongside, a growth in hotel rooms. As such growth in commercial floorspace will also generate job opportunities, and often be available for use by members of the public as well as those with overnight stays at the premises, additional contributions based on the amount of ancillary floorspace will also be sought in these instances – this will be done at a level consistent with that charged to corresponding Class E uses set out on page 40 above. Ancillary space for use as bars and restaurants will therefore be treated as new Class E (a/b) space, and leisure uses such as gymnasiums, swimming pools and spas, will be treated as new Class E (d) floorspace.

For the avoidance of doubt, floorspace that supports the commercial operation of such uses, such as kitchens and storage space for bars and restaurants, and changing facilities for leisure uses, will be included in these calculations.

As an example, for a hotel scheme where additional floorspace is proposed that is for use as ancillary space comprising of a bar and restaurant of 300sqm (including kitchen and storage space), and leisure facilities of 500sqm (including changing facilities), the calculations for these elements of the scheme would be:

Bar and restaurant = £19.49 x 300 = £5,847

Leisure facilities = £5.13 x 500 = £2,565

Where new floorspace provides conference facilities for use by guests staying overnight, or additional circulation space within a foyer/reception area, these will not be expected to contribute to employment and skills programmes as such uses are unlikely to provide any significant uplift in permanent job opportunities on site. Their exemption from any calculation should however be documented in a Planning Statement supporting the planning application, and clearly marked on floor plans.

Residential development

Unlike new commercial floorspace, residential development does not result in job opportunities in the end use. It does however provide significant opportunities during the construction phase.

For schemes providing 50 or more new homes:

- contributions will be calculated on the basis of supporting 1 construction phase job per 20 residential units proposed, to ensure such development makes a reasonable contribution to improved employment opportunities in this sector and based on benchmarking of other London boroughs; and
- costs will be calculated on the basis of the average cost of a construction job placement in Westminster i.e. £6000.

As an example, for a 50 unit residential scheme, the contribution would be:

50 (number of residential units) ÷ 20 x £6000 = £15,000

For mixed use schemes, such contributions from the residential element will be sought in addition to the contributions sought from the commercial element of the scheme.

2 Employment and Skills Plans

When the requirement applies

As set out in Policy 18(D)(2) of the City Plan, the council will also use S106 legal agreements to secure the submission and implementation of an agreed Employment and Skills Plan (ESP) for larger schemes. These are:

- Developments providing over 100 residential dwellings; or

- Commercial development providing 10,000 sqm or more of new commercial floorspace (including new build and change of use proposals). For these purposes, commercial floorspace encompasses all floorspace likely to provide employment opportunities in the end use. While this will primarily be uses falling within Class E (commercial business and service uses) and Class C1 (hotels, boarding houses and guest houses) of the Use Classes or Order, it could also include uses categorised as sui generis (e.g. pubs, bars and music venues), Class F1 (learning and non-residential institutions – e.g. schools or higher education facilities) and Class F2 (local community uses – e.g. leisure centres).

Planning considerations

The purpose of the ESP is to agree and secure the delivery of targets for the employment of local residents within the job opportunities provided by large scale developments - both during the construction phased and in the end use. For these purposes, 'local residents' may include residents of neighbouring boroughs, if suitable candidates that are Westminster residents cannot be identified.

Where appropriate, the ESP will connect into existing, successful employment and skills initiatives operated by the developer / supply chain. It will also consider the impact of financial contributions towards employment and worklessness programmes from the proposed development on the delivery of targets within it.

A template ESP provided here and further detailed guidance on the support available from the Westminster Employment Service is set out in the council's Inclusive Local Economy and Employment Guidance Note. Key requirements of any ESP will include:

- A target of one apprenticeship/ job / graduate start for Westminster residents per £3 million of project spend;
- Total local employment target to be met through a combination of on-site jobs, and apprenticeship opportunities that can help provide greater long term career prospects than entry-level end use jobs would. For this reason, ideally a minimum of 30% apprenticeship opportunities should be provided;
- Provision for curriculum support activities in accordance with the targets set out in the council's Inclusive Local Economy and Employment Guidance;
- Provision of a Recruitment Plan and Works Schedule, including vacancies forecast during the construction of the development at least 2 months ahead of demolition works commencing, with a breakdown by trade/occupation;
- A commitment from developers to alert the council of every vacancy on site, including those with sub-contractors- to enable the Westminster Employment Service to use connections with local employment providers, charities, colleges and the Jobcentre to promote such vacancies to local residents;
- A commitment from the developer to monitor performance against the targets on a quarterly basis using the council's Employment and Skills monitoring form;
- That all jobs for Westminster residents secured through the agreement to be paid as a minimum London Living Wage, and all apprenticeships to be paid as a minimum National Minimum wage.

Developers will be required to use all reasonable endeavours to achieve the targets set out in the ESP. Developers' liability to pay a financial penalty if jobs or apprenticeship targets set out in the ESP are not met, will be set out in the S106 legal agreement. The payment will be used to deliver the equivalent benefit off-site, at a cost of £6,000 (index linked) per job/ apprenticeship.

At planning application stage:

- Planning Statements should set out the applicant's commitment to make financial contributions towards employment and skills programmes, and to agree to an Employment and Skills Plan, where relevant. For financial contributions, this should include details of the calculations applied, making clear what Use Classes are proposed, following the methodology set out under section 4.3.1 above.

Links to other documents

- Inclusive Local Economy and Employment Guidance Note

4.4 Social and community uses

Policy context

Policy 17 (Community Infrastructure and facilities) of the City Plan sets the policy framework for securing the shared use of new sports and leisure facilities. Clause B states that:

> *B. Where new facilities are provided they should be designed to accommodate a range of community uses wherever possible. The council will strongly encourage the co-location of facilities and access for appropriate organisations and the local community.*

Paragraphs 17.1 – 17.2 of the City Plan go on to explain that community infrastructure includes education, sports, and leisure facilities, and that the shared or extended use of such facilities can have a number of benefits including encouraging active lifestyles and securing efficient use of scarce resources. The City Plan explains the benefits of the use of school sports facilities by the wider community, outside of the normal operational hours, particularly as many educational establishments have good sports facilities, which are often underused, and there is limited space for additional provision in a highly urbanised environment such as Westminster.

Key London Plan policies of relevance:

- Policy S1 Developing London's social infrastructure (Clause D)
- Policy S3 Education and childcare facilities (Clause B6)
- Policy S5 Sports and recreation facilities (Clause B2)

When the requirement applies

The council will usually seek the use of Community Use Agreements through the use of planning conditions or S106 legal agreements, in the following circumstances:

- Development proposals for new schools or leisure facilities such as leisure centres;
- Expansions of schools or other educational establishments that include dedicated provision for physical activities such as sports (e.g. playing fields) or exercise (e.g. fitness studios).

Planning considerations

The council's Sport, Leisure and Active Communities service will liaise with applicants to agree the content of a Community Use Agreement. The content of such a document will be consistent with Sport England guidance, and the objectives of the council's Active Westminster Strategy, setting out measures to increase the number of people of all ages and abilities participating in play, physical activity, leisure and/or sport. It should:

- Specify what facilities will be available for community use (marked on a plan) and when – both during term time and school holidays, including weekends;
- Set out a commitment to the promotion of the availability of the facilities for hire, and how they can be booked at a reasonable cost to be agreed with the council;
- Set out a commitment to work with relevant partners to provide a range of opportunities and pathways for the community;
- Set out the requirements of the facility's provider in terms of insurance provision, compliance with health and safety requirements, and the employment of sufficient numbers of suitably trained staff to facilitate community use of facilities;
- Detail requirements for a management committee to ensure the community use of facilities is effectively run, self-financing, and monitored to facilitate any improvements in provision.

At planning application stage:

- Planning Statements should set out the applicant's commitment to facilitating community use of the facilities being provided, making clear what facilities will be available, at what times, and at what price. This will then be used to inform the conditions of any planning permission relating to the detailed content of a Community Use Agreement, developed in accordance with the guidance under 'planning considerations' above.

Links to other documents

- Community Use Agreements | Sport England
- Active Westminster Strategy 2018-2022

4.5 Public toilets

Policy context

Policy 15 sets the framework for the delivery of publicly accessible toilets to support the visitor economy. Clause I states:

> *I. Safe, secure and publicly accessible toilets will be required in proposals that generate a large amount of visitors including large retail, leisure and entertainment developments, tourist attractions and transport interchanges.*

Paragraphs 15.16 and 15.17 go on to explain that publicly accessible toilets provide an important facility for residents, workers and visitors. They are particularly important for some groups, such as the elderly, families with children, or those with certain health conditions to be able to access and linger in the public realm. They also contribute to keeping Westminster's streets clean and reduce the risk of anti-social behaviour.

Key London Plan policies of relevance:

- Policy S6 Public Toilets

When the requirement applies

In accordance with Policy 15 (and paragraph 15.17), large retail, leisure and entertainment developments, tourist attractions and transport interchanges will provide publicly accessible toilets. Large retail developments and entertainment uses are defined as follows for the purpose of applying this policy:

- Large retail development are those having 1,000 sqm of gross floorspace or more;
- Large entertainment uses are those having 500 sqm of gross floorspace or more.

Planning considerations

Where the provision of publicly accessible toilets is required, planning conditions and S106 legal agreements may be used to secure the following:

- That the WC be constructed to the current standards for public conveniences;
- That there should be provided in the WC facility a parent and baby changing facility and separate adult and carer changing facilities, and both of these facilities shall be available to the public free of charge;
- That the WC shall be maintained in good working order and remain open to the public at a minimum:
    i. For public facing toilets, between 7am and 8pm, or sunset, (whichever is later) daily;
    ii. For internal toilets, for the duration that the building is open to members of the public.

- That charges for the public to use the WC facility shall not apply to the disabled WC, and any such charges are approved by the council;
- That adequate signage is used to publicise the existence of the WC facility; and
- That the management and maintenance costs of the public toilets are to be covered by the applicant as part of the overall maintenance of the development.

5 Connections

5.1 Introduction

This section explains how planning obligations and conditions will be used to secure the policy objectives for the connections chapter in the City Plan. As both the City Plan and the London Plan set out in detail the approach to issues around sustainable transport and public realm, such matters are not duplicated here. Instead, the focus is on providing additional guidance necessary to support the implementation of a number Development Plan policies. It therefore includes guidance on:

- Walkway agreements;
- Building set-backs;
- Residential car parking and vehicle reduction; and
- Meeting servicing needs: On-street servicing, collections, and deliveries.

5.2 Walkway agreements

Policy context

Improving public realm accessibility is a key objective of the City Plan. Policy 25 (Walking and cycling) specifically requires that development must promote sustainable transport by prioritising walking and cycling in the city. Clause B states:

B. Development must:

1. Prioritise and improve the pedestrian environment and contribute towards achieving a first-class public realm particularly in areas of kerbside stress, including the provision of facilities for pedestrians to rest and relax (including seating) and high-quality and safe road environments and crossings, where needed.

2. Contribute towards improved legibility and wayfinding including signage to key infrastructure, transport nodes, green spaces and canal towpaths (such as through TfL's Legible London).

3. Be permeable, easy and safe to walk through, enhance existing routes which are adequately lit, creates step free legible access and entrance points whilst providing direct links to other pedestrian movement corridors and desire lines.

4. Facilitate the improvement of high quality footpaths to Department for Transport minimum standards with regard to existing street furniture and layout including through the provision of land for adoption as highway.

5. Enable footway widening, re-surfacing and de-cluttering where increased footfall is expected, to be suitable for vulnerable road users including older people, people suffering from dementia and disabled people.

Key London Plan policies of relevance:

- Policy D8 Public Realm
- Policy G4 Open Space
- Policy T2 Healthy Streets

When the requirement applies

The council will require walkway agreements where schemes involve the creation of new public realm, including courtyards, gardens, piazzas or passageways, which are offered by the applicant as a public benefit. As part of the S106 legal agreement, walkway agreements should:

- Secure public access to new spaces, while the area will remain privately owned and managed, and will not be adopted as highway;
- Stipulate the minimum area of the land to be kept clear as a public pedestrian footway of 3m or 25% of total width (whichever is greater);
- Ensure that walkways are safe and fully accessible and have clear access and egress points;
- Set out the hours the area must be open to the public.

At planning application stage:

- Maintenance and Management Plans will usually be required to demonstrate how the privately owned open areas will be kept clear, tidy, and well maintained. If commercial activity is intended to take place in the new space, the management plan should address how pedestrian access will be maintained.

Links to other documents

- Public London Charter

5.3 Building set-backs

Policy context

Policies 25 (Walking and cycling), 28 (Highway access and management) and 43 (Public Realm) of the City Plan seek to ensure that development contributes towards an improved pedestrian environment. Policy 28 sets the framework for the designation of new frontage land as highway. Clause A states that:

> *A. Given the increasing demands on existing highway space, the council will resist the loss of highway land, particularly footways. In cases involving the setting back of buildings, the council will seek the designation of resulting frontage land as highway.*

Many of Westminster's footways are under increasing pressure, which can have a negative impact on the function of an area, and the pedestrian environment. Policy 25 Clause B (as set out in Section 5.1.2 above) explains how footway widening achieved through, for example, a set back to the building line can have both design benefits and give an opportunity to enhance the pedestrian environment.

London Plan Policy T2 also requires that applicants identify opportunities to improve the balance of space given to people to dwell, walk and cycle, so space is used more efficiently, and streets are greener and more pleasant.

Key London Plan policies of relevance:

- Policy D8 Public Realm
- Policy G4 Open Space
- Policy T2 Healthy Streets

When the requirement applies

The council will generally support applications proposing a set-back to the building line from the existing façade from the existing public highway. Where this happens, the resulting space will be dedicated as highway land.

Planning considerations

Proposals which do include the set-back of a building adjacent to the public highway may be supported and could constitute a public benefit resulting from development. Applicants will ensure that:

- the resulting design does not have negative townscape implications;
- any new dedicated highway is built to highways standard and the design and materials are supported by the Highways Authority.

In order to maximise the potential enhancement of the pedestrian environment from building setbacks, the council (as Highways Authority) will seek to designate the resulting frontage as dedicated highway through an agreement pursuant to S38 of the Highways Act 1980 (as amended).

At planning application stage:

- Developers should include full details of the proposed materials for the dedicated land, which should be consistent with the surrounding highway. Developers should consult the forthcoming Public Realm SPD for further guidance.

5.4 Reducing residential car parking

Policy context

City Plan Policy 27 (Parking) and London Plan Policy T6 (Car parking) set out the approach to residential car parking and require the majority of developments in Westminster to be car-free, with the notable exception of disabled parking. Where on-site parking is delivered, London Plan Policy T6 sets out the parking standards to be followed. Policy 27 goes on to explain that in the limited circumstances where on-site parking may be acceptable, the council may require a range of mitigation measures. Clauses A and B state that:

> *A. The parking standards in the London Plan will apply to all developments. All new*
>
> *parking spaces should provide active provision for electric charging vehicles*
> *B. Where on-site parking is delivered applicants will:*
>
> *1. provide car club membership for all residents and provision of car club spaces;*
>
> *2. ensure that all outdoor and open parking areas are designed to a standard which accommodates the need for safe pedestrian and vehicle movement and creates permeable links through the site;*
>
> *3. prioritise the issue of parking spaces within development to families with young children; and*
>
> *4. let, rather than sell, parking spaces to residents of new developments on a short-term basis, with spaces allocated to individual addresses or property numbers.*

Policy 27 Clause F explains how car parking should be considered within Housing Renewal Schemes. Clause F states:

> *F. Where sites are redeveloped, existing parking provision must be reduced to meet the parking standards in the London Plan unless there is site specific justification to re-provide an element of the existing parking. On housing renewal schemes, parking provision may be retained or re-provided where it can be demonstrated that:*
>
> > *1. existing occupiers with established parking spaces or permits are to return to the site once the development is completed and that the retained or re-provided parking is for those residents only; and*
> >
> > *2. there is evidence of adequate capacity within the relevant controlled parking zone if the re-provided parking is to be on-street; and*

3. the retained or re-provided parking is delivered as part of an overall package of measures improving legibility, including walking and cycling routes, and making improvements to the public realm.

Paragraph 27.6 sets out that disabled parking will be provided in accordance with the London Plan standards.

Paragraph 27.5 goes on to explain that developments should not create or exacerbate areas of parking stress and how the council may require mitigation measures to off-set the impact of an increased number of cars on Westminster's streets.

The City Plan clarifies that on-street parking management is not only planning policy issue and Paragraph 27.13 explains that the council may keep the eligibility criteria for on-street parking permits under review.

Key London Plan policies of relevance:

- Policy T6 Parking
- Policy T4 Assessing and Mitigating Transport Impacts
- Policy T9 Funding transport infrastructure through planning

When the requirement applies

In accordance with City Plan Policy 27 Clauses A, development in Westminster will be car free. However, some developments may need to include the provision of new or retained on-site parking within the site, or its vicinity. In line with the London Plan, this will be assessed on a case-by-case basis according to justified operational needs and PTAL level of the area.

In accordance with Clause F, when existing residential buildings with on-site parking are redeveloped, the council will expect the level of provision is reduced to meet the maximum London Standards. If it is accepted that there is site specific justification that some on-site parking may be re-provided, or when homes are being amalgamated as part of redevelopment, the council will seek a net reduction in the number of on-site parking spaces.

Planning considerations

On-site parking

When the provision of on-site parking is deemed acceptable, the council will use S106 legal agreements or other tools available to the council to secure mitigation measures, including:

- Ensuring that parking spaces are let on a short-term basis (not more than 12 months), and the sale of spaces is prohibited; and
- That the requisite number of dedicated disabled bays (see Section 5.3.3 below) are retained. In developments that are otherwise car free, the council will use legal agreements to restrict the renting, sale, or use of disabled bays for general residential parking.

In schemes within Housing Renewal Areas, S106 legal agreements will be used to ensure that any re-provided parking spaces are offered only to returning occupants with established parking prior to redevelopment.

When a residential scheme triggers a disabled persons parking requirement, the requirement should be delivered on-site, especially in larger schemes, not to exacerbate parking stress. The location, design of the ground floor level frontage, parking stress of the area and impacts on other kerb side uses and users will be considered when assessing how the requirement should be provided. Where it is agreed with the Highways Authority that the requirement should not be delivered on-site, the council may require a financial contribution to fund new on-street bays. The contribution will be equivalent to the cost of providing a policy compliant or agreed number of disabled people's parking on-street.

Restricting parking permits in new residential developments

Policy 27 requires development to mitigate any negative impacts of development on the use of the highway. As explained in Paragraph 27.5 of the City Plan, notwithstanding that new development is required to be car free, the lack of on-site provision should not result in significant increases in demand for on-street parking in the vicinity of the development (whether from visitors or residents), resulting in harmful and adverse impacts around the development. The City Plan goes on to explain that to ensure this is the case, developments should not create or exacerbate parking pressure.

In order to prevent negative impacts resulting from increased car ownership, under the provisions of Section 16 of the Greater London Council (General Powers) Act 1974, Section 111 of the Local Government Act 1972 and Section 1(1) of the Localism Act 2011, the council will usually seek to prevent occupants of new residential developments (including some redevelopments and changes of use) from being eligible for on-street parking permits. The council will use legal agreements to ensure that:

- developers (or any subsequent owner(s) of the development) must notify all prospective purchasers/occupiers of the restriction;
- some residents of the development may be allowed to hold a permit where:
    - they are a White or Blue Badge holder; or
    - they are an affordable housing tenant, and they have been relocated into a new property either as part of a decanting process or to better meet their housing needs, and they were in possession of a parking permit for the previous year.; or
    - there are other exceptional circumstances agreed by the council.

5.5 Meeting servicing needs: On-street servicing, collections, and deliveries

Policy context

City Plan Policy 29 (Freight and servicing) sets out the framework for freight and servicing in Westminster. Policy 29 explains that the servicing requirements of development should be considered and planned for during the design phase of a new scheme and the requirements where possible delivered on-site. Clauses B, C and D state that:

B. Servicing, collection and delivery needs should be fully met within a development site and applicants will produce Delivery and Servicing Plans which encourage provision for low-emission, consolidation and last mile delivery modes.

C. Provision for servicing, collection and deliveries within developments will be:

1. located behind new or converted buildings, or below street level;

2. appropriate in size, type and anticipated frequency of arrival of vehicles; and

3. capable of being shared with other businesses.

D. Where it is not possible to fully meet the servicing, collection and delivery needs within a development site they must be met in such a way that minimises adverse effects on other highway and public realm users, and other residential or commercial activity. In this instance, the council will seek planning obligations in the form of a commuted sum for both the cost of implementation and maintenance of any loading bay as well as the opportunity cost of lost kerbside space.

Key London Plan policies of relevance:

- Policy T7 Deliveries, servicing and construction

When the requirement applies

In line with Policy 29 D, the council may use S106 legal agreements to secure a financial contribution from development which cannot fully or in part meet servicing, collections, and delivery needs within the site boundary, and which is either identified as having high servicing needs or is likely to have harmful impact on the surrounding highway.

Planning considerations

Applicants will be expected to demonstrate why they are unable to comply with Clause B and C of Policy 29, fully justifying site specific constraints that make on-site servicing untenable. The council will consider how on-street servicing impacts on other highway users and uses when determining if the justification provided by the applicant is acceptable. When it is agreed that the needs cannot be met on-site, the council will use S106 legal agreements to secure mitigation measures and the provision of an on-street flexible loading area.

The council will require developers to cover the costs associated with the on-street provision, including the ongoing costs of maintenance for the duration that the bay is required, and the opportunity cost of losing a parking bay:

- Maintenance costs will be calculated on a case-by-case basis, depending on the intensity of servicing and deliveries, and the resulting impact on the highway.
- Opportunity costs will be calculated as follows:

A hourly pay-to-park rate x B controlled hours x controlled days x 52 weeks and C X (average occupancy of the area)%

Example: *A Parking charge area: Zone A (£3.80 per hour)* *B 55 hours controlled hours per week X 52 weeks = 10,868* *C 33,310 x 25 years = £271,700 X 46% = £124,982*

In certain circumstances, the council may require a Delivery and Servicing Plan to be submitted. Applicants will need to demonstrate that collections, deliveries and servicing will be possible without detrimental harm to residential amenity or commercial activity within the locality. It will also explain how disruption to the public realm and highway users, including impacts on pedestrians' safety, has been considered. This will be secured through planning condition.

6 Environment

6.1 Introduction

This section explains how planning obligations will be used to secure the policy objectives set out in the environment chapter of the City Plan. As both the City Plan, the London Plan and the council's Environment SPD set out in detail the approach to a broad range of environmental matters this section focuses on air quality and energy.

6.2 Air quality

Policy context

Policy 32 (Air Quality) of the City Plan sets the policy framework for securing Air Quality Neutral and Air Quality Positive developments in Westminster. Clauses B and C state:

> *B. Major developments and developments incorporating Combined Heat and Power (CHP) should be at least Air Quality Neutral.*
>
> *C. Major developments in Opportunity Areas and Housing Renewal Areas and those subject to an Environmental Impact Assessment must additionally demonstrate how local air quality can be improved across the proposed development as part of an air quality positive approach.*

Paragraph 32.5 of the City Plan also sets out that where all measures to achieve Air Quality Neutral status have been exploited, financial contributions to off-set the impact on air quality may be considered as a last resort, using the process and calculations in the Mayor's Air Quality Neutral London Plan Guidance. It also acknowledges that at the time of publishing the City Plan, a review of the Mayor's guidance was expected.

Key London Plan policies of relevance

- SI1 Improving Air Quality

When the requirement applies

Policy 32 of the City Plan clearly sets out where developments should meet either Air Quality Neutral[10] or Air Quality Positive status. Financial contributions to meet these standards will only be appropriate where it is demonstrated that these standards cannot be achieved through on-site mitigation. Where financial contributions are sought, they will be secured through the use of S106 legal agreements.

Planning considerations

Since the City Plan was adopted, the Mayor has produced updated technical guidance on how Air Quality Neutral and Air Quality Positive standards will be assessed, and how financial contributions will be calculated where necessary. The process and calculations set out in these documents, and any subsequent revisions, will therefore be used to ensure developments meet relevant air quality standards.

[10] The London Plan defines Air Quality Neutral development as development that meet, or improve upon, the air quality neutral benchmarks published in guidance from the Mayor of London.

Links to other documents

- London Plan Guidance: Air Quality Neutral (2023)
- London Plan Guidance: Air Quality Positive (2023)

6.3 Open space and play space

Policy context

Policy 34 (Green infrastructure) sets the framework for the protection and delivery of open space and play space in Westminster. Clauses A-D set out:

A. The council will protect and enhance the city's green infrastructure to maximise its environmental, social and economic value.

CITY GREENING

B. Developments will, wherever possible, contribute to the greening of Westminster by incorporating trees, green walls, green roofs, rain gardens and other green features and spaces into the design of the scheme.

OPEN SPACE

C. All open spaces and their quality, heritage and ecological value, tranquillity and amenity will be protected.

D. Major developments will be required to provide new or improved public open space and space for children's active play, particularly in areas of open space or play space deficiency.

Open space is a key component of the public realm and is defined by the City Plan as "all land in Westminster that is predominantly undeveloped other than by buildings or structures that are ancillary to the open space use. It includes a broad range of types of open space within the city, in public or private ownership and whether public access is unrestricted, limited or restricted".

Play space provision can positively contribute to health, wellbeing and social integration. Policy 34 reasoned justification further explains how major developments will provide new or improved public open space and space for children's active play, particularly in areas of open space or play space deficiency. Paragraph 34.4 goes on to explain that the council may also use S106 legal agreements to ensure public access to privately owned open spaced.

Key London Plan policies of relevance:

- Policy D8 Public Realm
- Policy S4 Play and Informal Recreation
- Policy G4 Open Space
- Policy G5 Urban Greening
- Policy T2 Healthy Streets

When the requirement applies

In line with Policy 34, major developments will trigger an open space and play space requirement, particularly if the site is within an area of open space or play space deficiency. As explained in Section 3.7 of this SPD, when private amenity space cannot be delivered in major developments, schemes may also be required to provide new or higher quality open space to be acceptable.

Planning considerations

The council is currently preparing a Green Infrastructure Audit which will update the previous Open Space Audit from 2017, which was used to support City Plan Policy 34 (see Figure 27 in the City Plan for a map showing the areas of open and play space deficiency). The council may also use information in the City Plan, the London Plan, any made Neighbourhood Plans and any new evidence to inform planning contribution requirements.

When a requirement is triggered, S106 legal agreements will be used to secure on-site provision. Where it is not practical to deliver on-site, financial contributions may be accepted.

The council may also use S106 legal agreements to ensure public access to privately owned open spaces.

Links to other documents

- Mayor's Informal Recreation SPG (2012)
- Westminster Health and Wellbeing Strategy, 2023 to 2033

6.4 Energy

1. Carbon off-setting

Policy context

Policy 36 (Energy) of the City Plan sets the policy framework for ensuring new development in Westminster responds to the Climate Emergency by meeting net zero carbon standards through minimising on-site energy demand and utilising low carbon energy sources, in accordance with the Mayor of London's energy hierarchy.

As 86% of carbon emissions in Westminster are produced by buildings[11], the council's strong preference is for net zero carbon performance to be achieved on site, and this should be the starting point for development proposals. It is however recognised that site specific constraints may mean that this is not always possible. Clause C of Policy 36 (Energy) therefore offers scope for off-site solutions including carbon off-setting payment. It states:

> *C. Where it is clearly demonstrated that it is not financially or technically viable to achieve zero-carbon on-site, any shortfall in carbon reduction targets should be addressed via off-site measures or through the provision of a carbon off-setting payment secured by legal agreement*

Paragraph 36.5 of the supporting text explains that any developments that are unable to fully meet the carbon targets set out in policy (net zero carbon standard) at the development site will need to off-set any shortfall via a payment in lieu to the council's Carbon Offset Fund. This is to be undertaken in accordance with the methodology outlined in the London Plan, reflecting the local cost of carbon, where appropriate.

Where carbon off-setting funds are secured, they will be ring-fenced and used to support carbon saving projects elsewhere in Westminster. Funding will be prioritised towards supporting energy efficiency retrofit and clean energy projects in buildings, in order to tackle Westminster's main source of emissions. Further details on the management and allocation of carbon off-setting funds are set out in Westminster Carbon Offset Guidance (2023).

Paragraph 36.6 recommends applicants to engage with Planning Officers when considering a combination of physical (both on-site or off-site) and financial measures.

Key London Plan policies of relevance

- SI2 Minimising Greenhouse Gas Emissions
- DF1 Delivery of the Plan and Planning Obligations

[11] https://www.westminster.gov.uk/tackling-climate-change-westminster/our-climate-action-plan

(1) Off-site measures

When the requirement applies

When it not possible to achieve the required level of energy savings on-site, applicants may decide to propose off-site measures or a combination of off-site measures and carbon off-setting to account for the residual emissions.

Planning considerations

Any off-site measures proposed must account for the total amount of residual emissions calculated within the Energy Statement over the 30 year off-set period. The off-site measures must equate to the total residual emissions to be off-set, rather than be equal to the overall carbon off-setting payment. All off-site measures must be carried out within Westminster. The council will use legal agreements to secure the off-site reduction, and ensure works are completed before the completion of the development.

(2) Carbon off-setting payments

When the requirement applies

As has been the case since the introduction of the Mayor of London's zero carbon target for major residential developments in 2016, and subsequently for major non-residential developments in 2019, financial contributions will be sought to off-set the residual carbon impact of any development proposals that include the erection of new buildings (including schemes with façade retention), where the new build elements meet the following criteria:

- Proposals for new residential developments comprising 10 or more units, 1,000 sqm of gross internal area, or a site area of 0.5 hectares or more; or
- Proposals for new non-residential developments comprising 1,000 sqm of gross internal area, or a site area of 1 hectare or more.

Planning considerations

For all development proposals meeting the criteria for carbon off-setting, financial contributions will be sought on the basis of the development's residual carbon emissions using the below formula:

Carbon off-setting financial contribution =

Electrical residual emissions (tCO_2) x Local carbon off-setting price (£) x Grid decarbonisation allowance (%)

+

Non-electrical residual emissions (tCO_2) x Local carbon off-setting price (£) x Off-setting period (years)

When applying the formula above, the following definitions will be considered:

- **Residual emissions:** the 'carbon gap' between the on-site savings of regulated carbon emissions and those required under policy (i.e. the zero-carbon standard: equivalent to a 100% improvement on Part L of the Buildings Regulations).
- **Local carbon off-setting price:** currently set at £880 per tonne, informed by the findings of the 'Delivering Net Zero (2023)' report which, like its predecessor 'Towards Net Zero Carbon - Achieving greater carbon reductions on site (May 2020)' study, demonstrated that the London Plan charge of £95 per tonne is insufficient to deliver local carbon saving projects off-site. This charge may be reviewed in the future, based on any updated evidence of costs associated with off-site carbon savings, and viability testing.
- **Grid decarbonisation allowance:**
    - For electricity-based emissions, the council will ensure that the calculated residual emissions reflect the current projections for grid decarbonisation – the council will therefore allow an allowance is applied. The allowance is currently set at 37.5%-t his means the carbon off-setting price for electricity-based emissions will be £330 per tonne. The allowance may be reviewed in the future, in line with projections on the progress of grid decarbonisation and viability testing, this may mean that the overall financial contributions may increase in the future.
    - For non-electricity based emissions, no grid decarbonisation allowance will be applied –this means the carbon off-setting price for non-electricity based emissions will be £880 per tonne.
    - However, to reflect the benefits and London Plan's energy hierarchy, the grid decarbonisation allowance will also be applied to residual emissions from district heat networks, regardless of fuel type. The allowance will be applied to the price of carbon, to reflect the different local costs of gas and electricity-based emissions.
- **Off-setting period:** a period of 30 years, which is broadly representative of (i) the lifetime of onsite technologies and (ii) the period beyond which the electricity grid will be substantially decarbonised in the Government's Next steps to zero carbon homes - Allowable Solutions Consultation (2013).

If any off-site reductions are proposed, these will be discounted from the carbon off-setting payment.

In line with London Plan Policy DF1, the carbon off-setting payments should not be at the expense of affordable housing delivery. Where a carbon off-setting payment is likely to affect the amount of policy compliant affordable housing being delivered, applicants should submit a viability assessment demonstrating the maximum carbon off-setting payment that can be made without undermining affordable housing delivery. Applicants should still aim to maximise carbon reductions both on and off-site without affecting viability.

For example:

A 14-unit residential development submits an Energy Statement setting out that on-site measures result in a 35% reduction beyond Part L of the Building Regulations, but that on-site reductions beyond that are not feasible due to the heritage constraints of the site.

1. If electrical/district heating only scheme

The Energy Statement also identifies that to meet the net zero carbon standard (a 100% improvement against Part L of the Building Regulations) additional emissions savings of 3.4 tonnes per year are needed.

Using the formula above, the total carbon off-setting payment to be sought would be:

(3.4 tCO_2 x (£880 x 37.5%)) x 30yrs = £33,660

2. If electrical and gas based scheme

The Energy Statement also identifies that to meet the net zero carbon standard (a 100% improvement against Part L of the Building Regulations) additional emissions savings of 3.4 tonnes per year are needed, 1 tonne of which is from a gas based heating system.

Using the formula above, the total carbon off-setting payment to be sought would be:

((2.4 tCO_2 X £880x x 37.5%) + (1 tCO_2 x £880) x 30yrs = £50,160

At planning application stage:

To enable carbon off-setting requirements to be calculated, full planning applications must provide a detailed energy assessment which includes the following information:

- Calculations of estimated site-wide regulated CO_2 emissions and reductions (broken down for the domestic and non-domestic elements of the development), expressed in tonnes per annum, after each stage of the Mayor of London's Energy Hierarchy (be lean, be clean, be green, be seen). Emissions should be broken down into fuel types.
- Demonstrate how the net zero carbon target for major residential and non-residential development will be met, with at least a 35% improvement on Part L of the Building Regulations 2023 delivered on site, and proposals for making up the shortfall to achieve net zero carbon, where required. This should include justification of why net zero carbon targets cannot be met on site, where relevant.

2. Energy Monitoring

To ensure new developments genuinely meet net zero carbon standards, the Mayor's 'Be Seen' Energy Monitoring Guidance (2021) provides details on how the actual operational energy performance of residential and commercial buildings post construction should be monitored. Requirements set out in this document will be applied in Westminster, secured through S106 legal agreements, to help ensure the objectives of the City Plan and London Plan are met. Should this monitoring identify that actual energy consumption in developments exceed the levels originally anticipated at the planning application stage, guidance on potential mitigation measures will be produced.

Links to other documents

- Westminster Carbon Offset Fund Guidance (2023)
- Westminster Climate Emergency Action Plan (2021)
- Towards Net Zero Carbon - Achieving greater carbon reductions on site (May 2020)
- Delivering Net Zero (2023)
- Mayor's Energy Assessment Guidance (2022)
- Mayor´s Carbon Offset Funds Guidance (2022)
- Next steps to zero carbon homes - Allowable Solutions Consultation (2013)
- Mayor's 'Be Seen' Energy Monitoring Guidance (2021)

7 Design and heritage

7.1 Introduction

This section explains how planning obligations will be used to secure the objectives set out in the design and heritage chapter of the City Plan. As both the City Plan and the London Plan set out in detail the approach to the built environment, such matters are not duplicated here. Instead, the focus is on providing additional guidance necessary to support the implementation of the design and heritage policies including specific guidance on:

- Heritage and townscape;
- Tall buildings impacts on the microclimate and surrounding area.

7.2 Heritage and townscape

Policy context

City Plan Policy 39 (Heritage) sets outs the approach to conserving and enhancing Westminster's heritage recognising its unique contribution to the economy, character and quality of life in the city.

City Plan Policy 40 (Townscape and Architecture) seeks to ensure new development is sensitively integrated within existing townscape and will optimise densities, while responding to Westminster's distinctive character.

Key London Plan policies of relevance:

- Policy HC1 Heritage Conservation and Growth

When the requirement applies

Where appropriate, the council may use S106 legal agreements to secure a range of townscape and heritage matters that could include but are not limited to:

- The repair, restoration, or maintenance of a heritage asset;
- Public access and improved signage to and from a heritage asset;
- Works related to the protection and enhancement of Westminster conservation areas and archaeological assets and any landscape treatment ancillary to the works.

Planning considerations

S106 legal agreements may be used to secure the identified works and ensure that works are provided in an appropriate timescale linked to the proposed phasing of the development. In addition, the council may also use S106 legal agreements to avoid harmful townscape impacts in the particular circumstances set out below.

S106 agreements will be considered on a case-by-case basis. Any matters will normally be proportionate to the significance of the heritage asset, and will be considered against the wider viability of the scheme.

Development and demolition in Conservation Areas

City Plan Policy 39 Clauses K, L and M set out the council's approach to preserving and enhancing Westminster's Conservation Areas. Paragraph 39.15 explains that development should take every opportunity to improve buildings that detract from the area and Paragraph 39.16 goes on to explain that demolition of unlisted buildings that make a positive contribution to a conservation area will be resisted. The City Plan goes on to note that where demolition is permitted, this will normally be as part of a

complete development of a site. This is to avoid harmful gaps occurring in the townscape as a result of empty plots.

In cases where demolition and redevelopment of a site is permitted, implementation of the development in its entirety may be assured by S106 legal agreement where this cannot be assured by condition.

Maintaining characteristic townscape uniformity

City Plan Policy 40 seeks to ensure new development is sensitively integrated within the existing townscape, having regard to the degree of uniformity in the surrounding area. Paragraphs in the reasoned justification explain that where there is a high degree of townscape uniformity, this may contribute to distinctive character. In such locations, policy supports proposals which take a coordinated approach to design across a group of separate properties to maintain uniformity and avoid harm to townscape character. This is particularly relevant in the implementation of Policy 40 clause F in relation to roof extensions. When considering roof extensions to a complete terrace or group with a consistent roofline, adding roof extensions of consistent design across the whole group may help to retain unity of character.

In locations where a coordinated approach to design is proposed across a group of separate properties in order to maintain uniformity and avoid harm to the townscape character, the council may use S106 legal agreements to secure the completion of development to all affected properties across a group at one time. In such locations, the S106 legal agreement will:

- Require completion of all building works within an appropriate and reasonable timeframe;
- Need to be signed by all relevant parties with an interest in the properties.

Links to other documents

- Westminster Conservation Area Audits
- Westminster Roofs a Guide to alterations and extensions SPD

7.3 Tall buildings impacts on the microclimate and surrounding area

Policy context

Policy 41 (Building height) defines tall buildings and explains under which circumstances they will be required to mitigate impacts. Clause B states that:

B. Proposals for tall buildings will be required to:

1. be proportionate to the role, function and importance of the location in terms of height, scale, massing and form; and

2. achieve exceptional architectural quality and innovative and sustainable building design from all viewpoints and directions; and

3. create an attractive and legible streetscape that takes account of the use of the public realm for a variety of uses and includes active uses at ground floor level; and

4. enhance the character and distinctiveness of an area without negatively affecting valued townscapes and landscapes, or detracting from important landmarks, heritage assets, key views and other historic skylines and their settings; and

5. mitigate negative impacts on the microclimate and amenity of the site and surrounding area; and

6. avoid unacceptable impacts on aviation and telecommunications; and

7. provide publicly accessible viewing platforms at the roof of the building (for any exceptionally tall buildings).

The City Plan explains that the potential benefits of tall buildings will be balanced with the need to mitigate their potential adverse impacts. Mitigation measures should focus on improving pedestrian comfort and safety, ensuring the enjoyment of open spaces and public realm around the base of buildings.

Key London Plan policies of relevance:

- Policy D9 Tall Buildings

When the requirement applies

In some locations, well-designed tall buildings can make a positive contribution to our townscape and can help deliver the growth and regeneration objectives of the City Plan, however they can also have potentially harmful impacts on the microclimate and amenity of the surrounding area. If harmful impacts which cannot be overcome through design solutions to the buildings are identified, the council will require developers to make contributions towards mitigation measures.

Planning Considerations

Any specific measures that alleviate urban heating, wind corridors, and shading should be identified and considered in any modelling submitted in support of applications for tall buildings. Some of these measures may be design features, which will be secured through condition, while other interventions may be in the vicinity of the site and will be secured through S106 legal agreement. The Environment SPD also includes some helpful guidance.

8 Overview of the decision-making process

8.1 Negotiating planning obligations

As explained in Section 2, the Planning Practice Guidance on Planning Obligations provides detailed advice on when and how planning obligations should be used to assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. As identified in the PPG, planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms in accordance with Regulations 122 of the Community Infrastructure Levy Regulations (2010)(as amended by the 2011 and 2019 regulations) and Paragraph 57 of the NPPF.

General expectations

In accordance with the PPG, the council will seek to use planning conditions to make otherwise unacceptable development acceptable. It is a core principle of the council to only use planning obligations where it is not possible to address unacceptable impacts through the use of effective and enforceable planning conditions.

The council's approach to the use of planning obligations is to secure them where they are necessary to ensure development satisfies the policy requirements of Westminster's Development Plan and any other material considerations, where they meet the tests identified in Section 2.

Expectations at pre-application stage

It is strongly recommended that pre-application advice is sought at the earliest possible stage prior to making a planning application, particularly for major and more complex developments. It maximises the opportunity at the earliest possible stage of the scheme design process to ensure development meets all relevant policy requirements and enables discussion of planning obligations where these are necessary to make a scheme acceptable. Early discussions help to ensure that formal applications can be dealt with in a more transparent, certain and speedy manner and allow the legal agreement or unilateral undertaking to be executed and completed as soon as practicable.

The council's 'Early Community Engagement' guidance provides best practice guidance to applicants and developers on engaging with the community and Planning Officers.

Where planning obligations are required, the pre-application stage offers the opportunity to identify the draft Heads of Terms and to consider the justification for a viability appraisal prior to submission of a formal application. Applicants should provide a full list of the Heads of Terms that they intend to deliver to mitigate the impact of their proposed development. Where possible, the expected value or scale of the contributions should be accurately identified.

Where development proposals are of a scale that they are referable to the Mayor of London it is recommended that pre-application advice is also sought from the Mayor. As above, developers should

ensure that where possible the Heads of Terms to be provided are identified clearly in their discussions with the Mayor.

Statutory and non-statutory consultees, such as Thames Water and Transport for London, also provide their own pre-application advice services and developers are strongly advised to also engage with these consultees at pre-application stage, particularly where the proposed development may give rise to impacts that need to be mitigated by using planning obligations.

Expectations at application stage

Typically, it will be appropriate in the case of complex and major development for the applicant to enter into a Planning Performance Agreement (PPA) with the council to extend the time available to determine the application to ensure that both parties have sufficient time available to negotiate an appropriate package of planning obligations that mitigate the impacts of the scheme. PPAs can also enable the council to prioritise S106 legal agreement drafting so that this occurs concurrently with the assessment of the application, thereby minimising delay in determining applications following a resolution to grant permission. In the case of larger and more complex developments it may be appropriate for a PPA to be entered into at pre-application stage and cover both the pre-application and application stages to enable more structured discussion of planning obligations, as well as other aspects of the development.

The information required at application stage to set out the planning obligations that are proposed is set out in the council's Validation Requirements. Typically, the requirement will be for the Heads of Terms to be set out as a summary list within the Planning Statement. The summary list in the Planning Statement should include details of the value/scope of the planning obligations that are being offered. A more detailed assessment of the impact of the development that is to be mitigated by the planning obligations should be provided in the relevant supporting documents. The Planning Statement should include cross references to the supporting documents so that the rationale for the proposed obligations is clear.

Where the negotiation of planning obligations necessitates expert assessment by specialist consultants so that planning obligations can be agreed quickly and effectively (such as but not limited to viability consultants), applicants will be expected to meet the cost of this third-party assessment. These costs will be in addition to the application fee, the council's legal costs and (where applicable) the cost of entering into a PPA.

8.2 Viability appraisals

Viability principles

The overall aim of the council's approach to viability assessments is to establish that when policies in Westminster's Development Plan allow for consideration of viability, the level of contribution is the maximum that can be viably provided. Where development proposals accord with all the relevant policies in Westminster's Development Plan, no viability appraisal will be required to accompany the application. Where the need for a viability appraisal is justified by an applicant, it should reflect the recommended approach in the PPG, including the use of standardised inputs.

Planning obligations are a necessary cost of development and it is expected that the likely cost of obligations will have been factored into the development costs from an early stage (including the price paid for the land to be developed). The Planning Practice Guidance on Viability identifies that it is the responsibility of site promoters to engage in plan-making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. The price paid for land is not a relevant justification for failing to accord with relevant policies. The council considers that a viability assessment is unlikely to be necessary for the majority of planning applications as the cost of planning obligations including affordable housing should have been taken into account at the earliest stages of land purchase and/ or scheme design and costings.

In terms of local planning policies, the council has fully considered the cumulative impact of its policy requirements on development viability as part of the preparation of the City Plan 2019-2040, supporting Supplementary Planning Documents and the CIL Charging Schedule, as required by the PPG on viability. This has demonstrated the general viability of development in Westminster and demonstrated that the requirements of planning policies will not threaten the viability of typical sites in the city. In the interest of comprehensiveness and providing a robust evidence base, the council has reviewed its viability evidence prior to adoption of this SPD. The City Plan and POAH SPD Viability Study (July 2023) has been published on the council's website alongside this SPD. All this evidence supports the council's expectation that in general the planning obligations identified in this SPD are deliverable.

Methodology & assessment of viability appraisals

The Planning Practice Guidance on Viability sets out the government's recommended Existing Use Value (EUV) of the land, plus a premium approach to viability assessment for Planning (often referred to as 'existing use value plus' – EUV+). The PPG should be referred to for further guidance on how to apply this approach.

The Mayor of London provides further guidance on the most appropriate method for assessing development viability in support of delivering the requirements of the London Plan through the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (2017). The Mayor's SPG supports the

use of EUV+ when assessing the viability of development proposals within the context of a threshold approach to viability for affordable housing, where development proposing affordable housing in excess of the appropriate threshold are not required to submit a viability assessment. It also sets out standards on transparency and the use of viability review mechanisms. Applicants should follow the requirements for viability appraisals set out in the Mayor's SPG.

As identified in Section 8.1.2, applicants are encouraged to seek pre-application advice from the council on planning obligations and where relevant these discussions should include consideration of development viability to ensure that the impact of viability on the relative policy compliance of development is minimised. Whilst negotiation of development viability is encouraged at pre-application stage, applicants should note that these discussions cannot prejudice the council's formal assessment of development viability at application stage, which may differ from that at pre-application stage due to the evolving form and nature of schemes prior to formal submission, the lack of all supporting documents prior to formal submission and the need to take into account the particular economic conditions at formal application stage.

Where applicants reasonably believe development cannot viably deliver the planning obligations required by Westminster's Development Plan, a viability assessment should be submitted alongside other planning application documents and should include all relevant information and evidence as set out in this SPD. Applicants should provide a detailed explanation of all the inputs and assumptions used in their viability appraisal. Where use is made of a viability model, the council should be provided with the full working model/s and/or all of the assumptions and calculations included in the modelling so that these can be tested and interrogated. This will also allow Planning Officers to vary assumptions to determine the impact on viability.

In accordance with the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (2017), the council will treat information submitted as part of, and in support of, a viability appraisal transparently and make it publicly available on its website on the statutory register, except where Officers agree that genuinely exceptional circumstances, as identified in the PPG, have arisen. In such circumstances, an aggregated or redacted version of the viability report following the advice in the PPG should also be provided by the applicant for publication.

Viability appraisals will be robustly assessed by the council with advice from an independent third-party expert of the council's choice. The council will require its reasonable costs associated with the use of an external assessor or any other necessary cost/ valuation advice to be paid for by the applicant.

When assessing an applicant's viability evidence, the council or its consultants may request clarification or additional information. Where clarification or additional information is requested by a consultant, all correspondence should be copied to the council.

Westminster's Development Plan supports the use of review mechanisms when viability assessments demonstrate that current market conditions will support less than the target for affordable housing set out in City Plan Policy 9. These can obligate the applicant to resubmit a financial appraisal at various trigger points. This approach recognises that the costs, values and other factors of a scheme can alter

significantly from the point at which planning permission was granted and ensure that any improvements in the viability of a scheme will contribute towards meeting minimum policy requirements.

Reviews will be expected to be undertaken on basis of the process and formulae outlined in the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (2017). Applicants will be expected to pay the council's reasonable costs for assessment of viability assessments that are required to satisfy the requirements of review mechanisms.

8.3 Varying planning obligations

Where S106 A applications are made to vary the planning obligations in existing agreements or undertakings, the costs associated with varying these obligations, including legal fees and costs associated with independent assessment of viability on behalf of the council (where relevant) must be met by the applicant.

Where requests are made to vary a legal agreement or undertaking without an accompanying S73 or other planning application to vary the originally approved development, the council will require a fee[12]. The fee applicable in these circumstances reimburses the council's Planning Officer and administrative costs associated with the request. Other costs, as set out in this section, will still be required to be met by the applicant in addition to the fee.

Applicants are encouraged to seek pre-application advice prior to making a formal S106 A application to vary previously agreed planning obligations. Where the request forms part of a fresh planning application (either as a S73 or standalone application), the application and supporting documents should be submitted via the Planning Portal. Requests to vary previously agreed planning obligations outside the application process should be made in writing to planningreception@westminster.gov.uk and the applicable fee paid following guidance on our website.

[12] https://www.westminster.gov.uk/make-application/requests-vary-s106-agreements

8.4 Collection of planning obligations

Planning obligations are enforceable by the council as the local planning authority under the Town and Country Planning Act 1990. Financial contributions will normally be required on commencement of development unless otherwise specified in the agreement to be phased according to impact and need. Financial obligations may be index linked to ensure that contributions reflect the costs of delivery. Where there is a significant period of time between the agreement and payment due date[s], indexation clauses can be included so that payments reflect inflation.

Confirmation of delivery of non-financial obligations will typically be required at the appropriate point during the construction of the development. Non-financial contributions will typically be negotiated on a case-by-case basis, except where specific triggers for delivery are set out elsewhere in this or any other Supplementary Planning Document.

With specific regard to affordable housing, financial contributions to the Affordable Housing Fund will be required on commencement of development to enable the delivery of affordable housing to be delivered concurrently with the development elsewhere in the city. Where affordable housing is provided on site or off-site in the vicinity, section 106 agreements will generally require affordable housing to be made ready for occupation prior to occupation of market housing within the development.

The total value of the agreed planning obligations will exclude the monitoring costs set out in section 8.5, which will be added to the final cost.

8.5 Monitoring principles and fees

In addition to the council's legal and other costs identified earlier in this section, monitoring fees are charged by the council under Section 111 of the Local Government Act 1972 and Section 1 of the Localism Act 2011. The Government acknowledges that there is a cost burden to local authorities associated with monitoring and reporting of S106 legal agreements and permits monitoring fees to be charged. This is reflected in the amended Community Infrastructure Levy Regulations (2010)(as amended by the 2011 and 2019 regulations).

To address the increasing costs of monitoring and reporting on agreements, the council is adopting a new fee structure. This better reflects the officer time typically involved in monitoring planning obligations, based on an assessment of time taken to carry out such work on a number of different planning applications that reflects the range in scale and type of schemes likely to come forward. A monitoring fee will be payable for each clause within a legal agreement or undertaking. The monitoring fee (Table 8) will be calculated using the following principles:

- a different value will be applied to financial and non-financial contributions;
- the total value of the monitoring fee to be payable to the council will be the sum of all the fees triggered by the different clauses within a legal agreement or undertaking:

Table 8: S106 Legal agreements monitoring fees

Type of contribution	Rate	
Financial	2.5% of the total value	Fee capped at £2,500
Non-financial	£500	Value to be index linked and increased annually on 1 April in accordance with the BCIS index
Deeds of Variation will be charged at £500 per Deed		

The fee structure:

- will meet the costs of monitoring and reporting whilst remaining in scale to the obligations;
- includes a cap on the amounts assessed per financial clause but not overall;
- establishes a positive correlation between the cost of the obligation and the fee;
- is easy to calculate, providing greater certainty to developers and the council; and
- is comparable to fee structures of other London boroughs.

Ensuring planning obligations are met over time requires monitoring and the input from a number of council departments. As the council starts managing and monitoring each legal agreement/unilateral

undertaking from the point at which it is signed, payment of the monitoring fee will be required on completion of the agreement or undertaking.

Index linking and interest/enforcement

Financial obligations will be index linked to maintain the value of the contribution, from the date the legal agreement is signed to the date they are due. How financial obligations will be index linked will be set out in the legal agreement.

In order to ensure financial obligations are paid on time and delivery of much needed infrastructure in the city is not compromised, the Council will include a standard clause in legal agreements providing that if any financial obligations are overdue on the date payment is required, the council will charge a financial penalty. In such circumstances, the council will require that the developer pays interest on such sum from the date such sum falls due to the date of actual payment at the rate of:

Annual Bank of England Base Rate + 5%

8.6 Procedure for the discharge of planning obligations

Applicants wanting to discharge S106 planning obligations should email their request to discharge a particular obligation or obligations to S106@westminster.gov.uk and copy their email request to the case officer for the development to which the request relates.

When submitting a discharge request, applicants should ensure to provide sufficient information to identify the original permission to which the request relates (including application reference number), the date of the S106 legal agreement or subsequent deed of variation (if applicable) and the clause within the agreement to which the request relates.

The discharge request should be made in accordance with any timeframes specified within the S106 clauses to which the request relates. Applicants should note that the timeframes included in agreements are reflective of the minimum time the council requires to assess whether the submission documents demonstrate compliance with the S106 clause and non-compliance with these timeframes will be likely to result in delays for which the council cannot be held responsible.

Where the details submitted with your initial request are not found to be sufficient you may be asked to provide further information by the S106 Monitoring Officer, a Planning Officer or another specialist council officer. You should respond to such a request without unreasonable delay to avoid delay in the assessment of your request and/ or avoid your request being declined.

Where the council is satisfied that the requirements of a particular clause or clauses have been complied with the S106 Monitoring Officer will formally confirm this by issuing a Discharge Notice.

8.7 Reporting, transparency and spend of planning obligations

The council recognises that it is important that developers entering into S106 planning obligations know where, when and how their money will be spent. The Innovation and Change directorate takes a strategic lead on the overall receipt, monitoring and programme management of financial contributions, working with other parts of the council and relevant external agencies such as Transport for London.

The council maintains records of financial and non-financial planning obligations including details of the developments site, relevant dates for the receipt of funds, the purpose of the obligation and the level of funding. Developers or interested parties are welcome to contact the council to enquire as to the use and status of planning obligations. The value of contributions received is reported annually in the Infrastructure Funding Statement.

9 Appendices

9.1 Appendix 1 Payments in Lieu

In the circumstances where it is agreed that a payment in lieu of affordable housing is acceptable, it will be necessary to establish the value of the payment in lieu of on-site affordable housing:

- It will be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing;
- It will take into account that the scheme is expected to deliver at least the threshold level of affordable housing and deliver additional affordable homes in addition to it;
- This will be based on a fixed rate per sq m of floorspace that would have been provided as affordable housing[13] on-site.

This approach ensures a cost neutral impact on the developer and is in accordance with the 'Westminster City Council Affordable Housing Payments in Lieu' note (October 2019) submitted as evidence during the Examination in Public of City Plan 2019-2040. The figures have been updated in accordance with the City Plan and POAH SPD Viability Study (July 2023).

Calculation of the payment in lieu

The payment in lieu per square metre is calculated using the following elements:

1) The Market Value of a sq m of floorspace

    - The Market Value per sq m is derived from the council's Community Infrastructure Levy ('CIL') Viability Study (June 2015), uprated by the change in the Land Registry House Price Index over the intervening period.
    - The average values for April 2023-April 2024 have been calculated following the approach set out in 'Westminster City Council Affordable Housing Payments in Lieu' note (October 2019). The values have been indexed using the previous October's House Price Index value, to ensure time for late transactions to be added and ensure robust data.
    - The Market Value per sq m to be used when calculating the payment in lieu is different in each of the three identified areas, as set out below:

	Average values £s per sq m for April 2023-April 2024
A (Mayfair, Knightsbridge, Belgravia, Whitehall, Covent Garden, Strand, St John's Wood)	£22,400

[13] The council will annually publish revised rates that will apply from 1 April to 31 March the following year.

B (Soho, Fitzrovia, Pimlico, Westbourne Grove, Paddington, Bayswater, Marylebone, Victoria)	£15,750
C (Lisson Grove, Church Street, Queens Park, Churchill)	£11,000

- The council will annually publish revised rates in its Annual Affordable Housing Statement based on indexing from this baseline. The revised rates will apply from 1 April to 31 March of the following year. The rate will be indexed using the previous October's Land Registry House Price Index.

A map showing the boundaries of the three areas can be found in Appendix 2.

2) The value of affordable housing per sq m (reflecting the blend between social and intermediate housing)
   - The value of the affordable housing is the value that the affordable units would have sold for if they were sold to a Registered Provider.
   - It is the capitalised value of the net rental stream for social and affordable rent (gross rent less service charge, management, maintenance, voids and bad debts), and the value of the first tranche sale plus the capitalised value of the net rental stream for the intermediate housing units.
   - These values are set out below:

	£s per sq m
Social rent	£2,249
Intermediate rent	£4,488
Blended rate, based on tenure split of 40% social rent and 60% intermediate	£3,592

3) Additional developer costs (profit and marketing)

   - In a development viability appraisal, profit is applied at different rates to different tenures, reflecting their relative sales risk. When considering the impact this has on a payment in lieu, affordable units that would have attracted a profit of 6% will be converted into private units, to which a 18% profit will be applied. The additional profit is reflected in the payment in lieu calculation.
   - Similarly, the developer will incur marketing costs of private units that they would not have incurred had the units been provided as affordable. This marketing cost typically amounts to 3% of private housing value.

The payment in lieu

Applying the methodology set out in the previous paragraphs, leads to the following payments in lieu per sq m figures:

	A	B	C
Private value	£22,400	£15,750	£11,000
Social rented value	£2,249	£2,249	£2,249
Intermediate rent value	£4,488	£4,488	£4,488
Blended rate (40%/60% split)	£3,592	£3,592	£3,592
Uplift (affordable to private)	**£18,808**	**£12,158**	**£7,408**
Additional developer costs – Profit differential (18% less 6%) – 12%	-£2,257	-£1,459	-£889
Marketing allowance – 3%	-£564	-£365	-£222
Net uplift in value	**£15,987**	**£10,334**	**£6,297**

For simplicity, we have rounded the rate to be applied to the nearest hundred:

	A	B	C
Payment in lieu per sq m	**£16,000**	**£10,300**	**£6,300**

Worked examples

Example with payment in lieu only

The indicative scheme shown in the table below is a wholly residential development that has a total gross residential floorspace (GIA) of 1,500 sq m. For simplicity, in the worked example, each residential unit has a floor area of 75 sq m, with floorspace that is not within the demise of each unit, but comprises part of the overall GIA (e.g. communal and servicing areas) of the development aggregated across the units.

Case assumptions				Payment in lieu calculation
Total number of units	20 units	100%	1,500 sq m	**A area:**
Private units	13 units	65 %	13x75 = 975 sq m	16,000x525= £8,400,000
Affordable units	7 units	35%	7x75 = 525 sq m	**B area:**
				10,300x525= £5,407,500
				C area:
				6,300x525= £3,307,500

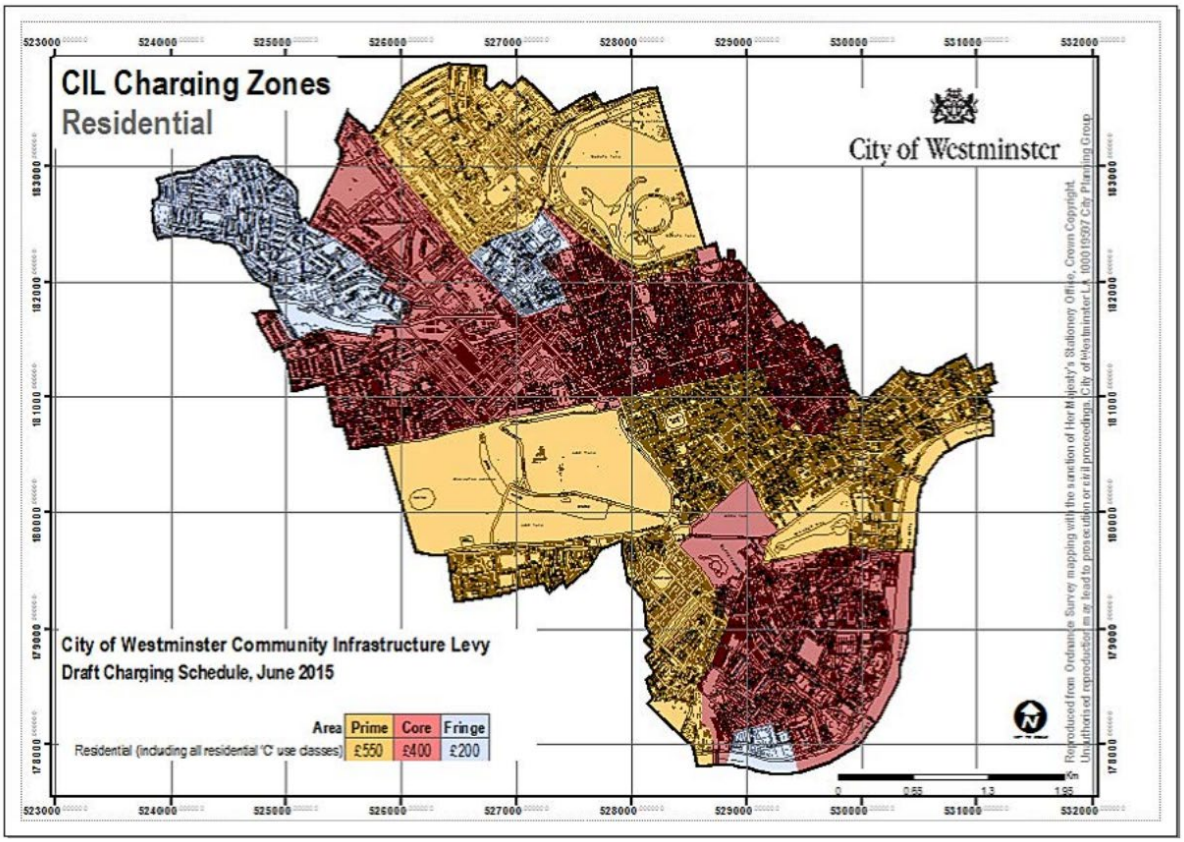
Example with delivery on-site and payment in lieu

The indicative scheme shown in the table below is a wholly residential development that has a total gross residential floorspace (GIA) of 1,500 sq m. In this worked example, it is assumed that only four affordable units can be delivered on-site and that it is agreed that the rest can be delivered via a payment in lieu. For simplicity, in the worked example, each residential unit has a floor area of 75 sq m, with floorspace that is

not within the demise of each unit, but comprises part of the overall GIA (e.g. communal and servicing areas) of the development aggregated across the units.

Case assumptions				Payment in lieu calculation
Total number of units	20 units	100%	1,500 sq m	
Private units	13 units	65 %	13x75 = 975 sq m	
Affordable units total	7 units	35%	7x75 = 525 sq m	
Affordable units on-site	4 units		4x75 = 300 sq m	
Payment in lieu	3 units		525- 300 = 225 sq m	A area: 16,000x225= £3,600,000 B area: 10,300x225= £2,317,500 C area: 6,300x225= £1,417,500

9.2 Appendix 2 CIL Charging Zones (Residential uses) and PiL areas



For the purposes of Affordable Housing Payments in Lieu, the three areas as showed on this map are renamed as follows:

CIL Charging Schedule area name	Affordable housing payments in Lieu area name
Prime	A
Core	B
Fringe	C

9.3 Appendix 3 Number of households per incomes, Intermediate Housing Register (February 2023)

Household Income Band	Number of households	%
£0k-£10k	26	1.0%
£11k-15k	14	0.6%
£16k-£20k	55	2.2%
£21k-£25k	120	4.8%
£26k-£30k	217	8.6%
£31k-£35k	283	11.2%
£36k-£40k	283	11.2%
£41k-£45k	307	12.2%
£46k-£50k	246	9.8%
£51k-£55k	191	7.6%
£56k-£60k	182	7.2%
£61k-£65k	159	6.3%
£66k-£70k	133	5.3%
£71k-£75k	87	3.5%
£76k-£80k	76	3.0%
£81k-£85k	66	2.6%
£86k-£90k	71	2.8%
TOTAL	**2517**	**100%**

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