

CITY PLAN 2019 - 2040

Small-scale Residential Developments Topic Paper - Addendum

Submission

November 2024

Contents

1 Introduction	3
1.1 The purpose of this Addendum to the March 2024 Topic Paper	4
1.2 Structure of this topic paper	5
2 Regulation 19 consultation feedback	6
2.1 Review of representations	7
2.2 Summary of Regulation 19 feedback	8
3 Updated evidence and impact analysis	9
3.1 The need for supplementary evidence	10
3.2 Affordable housing supply - historic trends update	11
Overall contribution of ‘small-scale residential developments’	11
Number of homes delivered – breakdown by number of homes delivered (gross)	12
Number of homes delivered – breakdown by type of development (gross)	13
3.3 Viability Study Addendum	14
The need for the Viability Study Addendum	14
Viability Study Addendum sample	14
Viability Study Addendum methodology	15
Viability Study Addendum recommendations	15
4 Refinement of Policy 13 approach to Small-scale Residential Developments	18
4.1 Proposed clarifications	19
Policy approach to major and small-scale residential developments	19
Trigger for affordable housing requirement	19
Affordable housing threshold and payments in lieu	20
Other modifications	22
4.2 Response to representations referring to POAH SPD	23
Relationship between POAH SPD (March 2024) and the new policy 1323	
Update to the POAH SPD (March 2024)	23
5 Conclusion	24

1 Introduction

1.1 The purpose of this Addendum to the March 2024 Topic Paper

1.1.1 Westminster City Council is working on a Partial City Plan Review. The review focusses on three areas:

- affordable housing,
- retrofitting, and
- the inclusion of Site Allocations.

1.1.2 Consultation under Regulation 18 took place in 2022 and consultation under Regulation 19 took place in March-May 2024.

1.1.3 Alongside the Regulation 19 Draft City Plan (document reference CORE_001), the council has submitted a list of proposed modifications to the Draft City Plan. Proposed modifications address matters raised by representors at Regulation 19 stage- these are set out in the Schedule of Proposed Modifications (document reference CORE_002).

1.1.4 This document is an Addendum to the Small-scale residential developments Topic Paper (March 2024) (document reference EV_H_002) published at Regulation 19 stage. It adds to that previously published Topic Paper to better reflect the proposed modifications to how 'small-scale residential developments' are expected to contribute towards affordable housing, having regards to Regulation 19 consultation feedback, and updated evidence.

1.2 Structure of this topic paper

Section 2	This paper first summarises consultation feedback received at Regulation 19 stage in relation to the new requirement for 'small-scale residential developments' to contribute to affordable housing delivery.
Section 3	It then sets out the key findings of the updated evidence the council has produced following consultation feedback review.
Section 4	Finally, it explains how the consideration of feedback and supplementary evidence have led to the council proposed modifications to draft Policy 13.
Section 5	The paper ends with a conclusion.

2 Regulation 19 consultation feedback

2.1 Review of representations

2.1.1 The council is required to produce a Submission Consultation Statement (document reference CORE_014) to accompany the submission version of the City Plan Partial Review under Regulation 22 (1) (c) of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

2.1.2 The Submission Consultation Statement (document reference CORE_014) provides details of the Regulation 19 consultation activities and outlines the council's compliance with the statutory responsibility to consult stakeholders.

2.1.3 Alongside the Submission Consultation Statement (document reference CORE_014), Regulation 19 representations have also been published - see the Full Regulation 19 Representations (document reference CORE_015). All responses received were reviewed by the council.

2.1.4 The Submission Consultation Statement (document reference CORE_014) also summarises the key issues raised during consultation and outlines how the feedback received has informed further modifications to the Plan – as set out in the Schedule of Proposed Modifications (document reference CORE_002). For each of the key comments, the statement includes a council response.

2.2 Summary of Regulation 19 feedback

2.2.1 Table 1 below presents a high-level summary of the representations received in relation to the new requirement for ‘small-scale residential developments’ to contribute to affordable housing delivery.

Table 1: High-level summary of representation received during Regulation 19 on the new requirement for ‘small-scale residential developments’ to contribute to affordable housing delivery

1)	Consultees broadly supported the principle of seeking affordable housing contributions from ‘small-scale residential developments’ as it would help meet housing needs.
2)	The policy’s flexibility around the delivery mechanism and viability was welcomed.
3)	<p>Consultees raised concerns about the proposed approach as it could: constrain the delivery of smaller scale schemes and have negative viability implications; have negative impacts on SMEs; cause significant delays as viability assessments are prepared and reviewed; have the unintended effect of discouraging the improvement of housing stock in some cases.</p> <p>Accordingly, consultees asked the council to:</p> <ul style="list-style-type: none">• Clarify the interactions between draft Policy 13, the approach to ‘major’ and ‘small-scale’ developments and the Planning Obligations and Affordable Housing SPD (March 2024) (document reference CORE_025) – and update the SPD alongside draft Policy 13;• Clarify when an affordable housing requirement is triggered, the definition of ‘residential proposal’ and ‘home’ and if schemes being extended or refurbished trigger a requirement.• How the affordable housing requirement and the payment in lieu will be calculated:<ul style="list-style-type: none">– Some consultees asked the council to consider having a sliding scale.– Some consultees asked the council to ensure the policy’s viability evidence was robust.

2.2.2 The council believes the need for this policy was adequately justified at Regulation 19 stage and given consultees have not queried the need of the requirement and that the principle is supported, this Addendum therefore focuses on responding to detailed concerns and comments raised by consultees as set out in Point 3 above. The council believes that draft Policy 13 (with proposed modifications) is necessary to ensure Westminster delivers much needed new affordable homes, and that the policy approach ensures housing delivery is not compromised on ‘small-scale residential developments’.

3 Updated evidence and impact analysis

3.1 The need for supplementary evidence

3.1.1 Following Regulation 19 consultation feedback that the proposed approach to ‘small-scale residential developments’ could inhibit the extent to which such schemes continue to come forward:

- The council is publishing a more in-depth analysis of the type of schemes coming forward on ‘small-scale residential developments’, based on council’s own data’;
- The council has commissioned a Viability Study Addendum (October 2024)(document reference EV_GEN_003) that strengthens the council’s Regulation 19 Viability Study published in March 2024 (document reference EV_GEN_002).

3.1.2 This section summarises the findings of both workstreams.

3.2 Affordable housing supply- historic trends update

Overall contribution of ‘small-scale residential developments’

3.2.1 The Small-scale Residential Developments Topic Paper (March 2024)(document reference EV_H_002) shed some light on the nature of development taking place on ‘small-scale residential developments’. It highlighted the significant contribution ‘small-scale residential developments’ made to housing supply, and the extent to which the council was therefore ‘missing out’ on potential additional affordable housing.

3.2.2 Whilst the Topic Paper (March 2024) (document reference EV_H_002) presented data based on ‘net’ delivery, this addendum focusses on ‘gross’ figures to reflect the proposed policy approach of seeking affordable housing from the gross number of homes proposed. For simplicity, we have used the number of homes being delivered by the scheme (fewer than 10) as a proxy to define ‘small-scale residential developments’. It should however be noted that the definition of ‘small-scale residential development’ is not only based on the number of homes being delivered by a scheme.

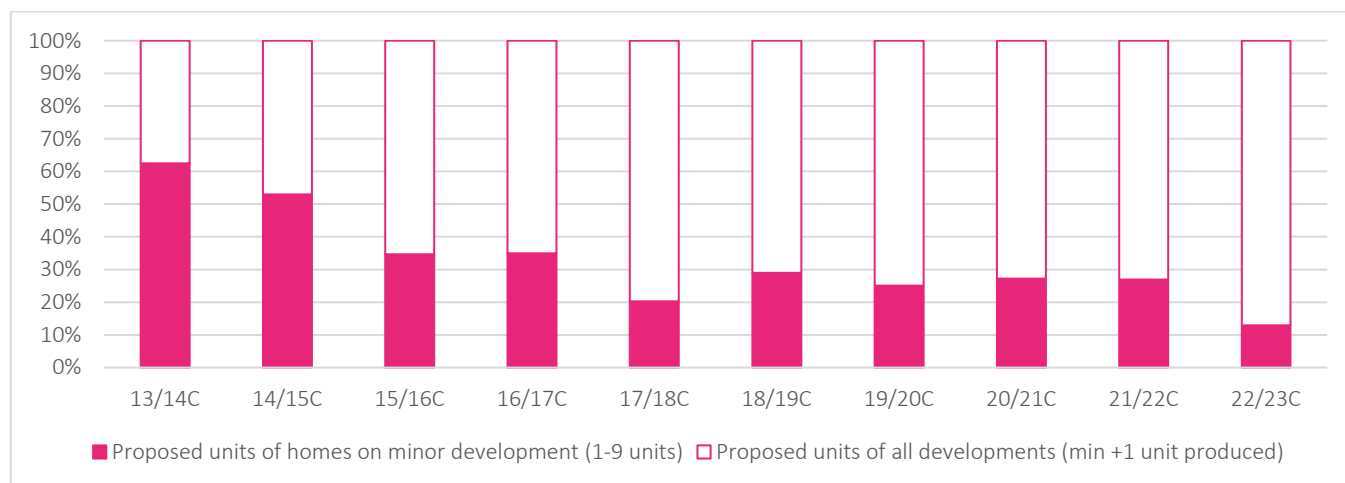
Table 2: Gross new homes delivered on developments delivering between 1-9 homes annually between 2013 – 2023

Financial year completed	Total new homes delivered on minor developments, delivering fewer than 10 homes (gross)	Total new homes (gross) delivered on all developments creating at least one new home (gross)	Percentage contribution of minor developments towards total housing delivery (all gross, considering only schemes where at least one new home is created)
13/14C	464	743	62.4%
14/15C	563	1063	53.0%
15/16C	390	1124	34.7%
16/17C	525	1503	34.9%
17/18C	252	1244	20.3%
18/19C	298	1028	29.0%
19/20C	311	1243	25.0%
20/21C	216	793	27.2%
21/22C	199	738	27.0%
22/23C	159	1235	12.9%
Total	3,377	10,714	N/A
Average	337	1,071	32,6%

Source: Council data and calculations

3.2.3 Table 2 above provides a consolidated account for housing delivery on all minor development¹ schemes that provide fewer than 10 homes (gross) and demonstrates how developments delivering fewer than 10 homes account for, on average, 33% of all homes delivered in Westminster (in gross terms). Figure 1 is a graphic depiction of Table 2.

Figure 1: Contribution towards total housing supply by development size between 2013 – 2023 (gross)



Number of homes delivered – breakdown by number of homes delivered (gross)

3.2.4 Using the same dataset as above, Table 3 shows how developments proposing new homes on schemes delivering fewer than 10 homes vary in terms of the number of homes delivered. This shows that a variety of scheme sizes below 10 homes have historically come forward, including a significant amount of developments that only provide 1 new home. Figure 2 is a graphic depiction of Table 3.

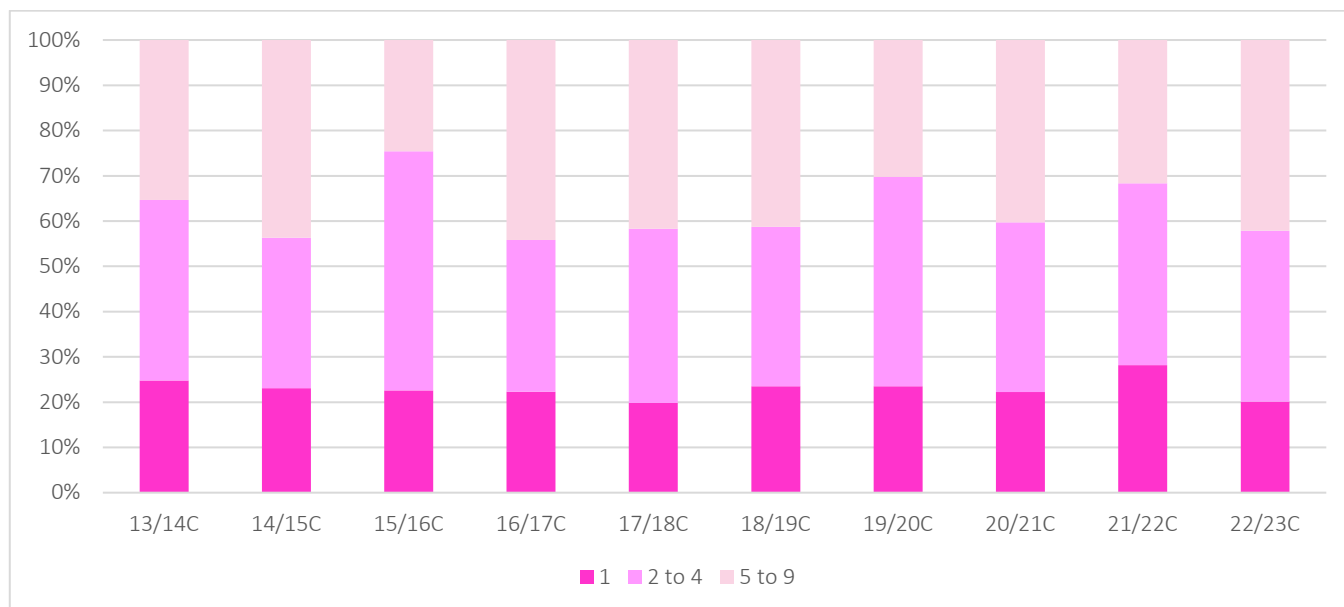
Table 3: Breakdown of the total new homes delivered on minor developments, delivering fewer than 10 homes – by number of homes delivered (gross) between 2013 – 2023

Breakdown of the total new homes delivered on minor developments, delivering fewer than 10 homes – by number of homes delivered (gross)			
	1	2 to 4	5 to 9
13/14C	25%	40%	35%
14/15C	23%	33%	44%
15/16C	23%	53%	25%
16/17C	22%	34%	44%
17/18C	20%	38%	42%
18/19C	23%	35%	41%
19/20C	23%	46%	30%
20/21C	22%	38%	40%
21/22C	28%	40%	32%
22/23C	20%	38%	42%

Source: Council data and calculations

¹ As defined by the council when assessing planning applications.

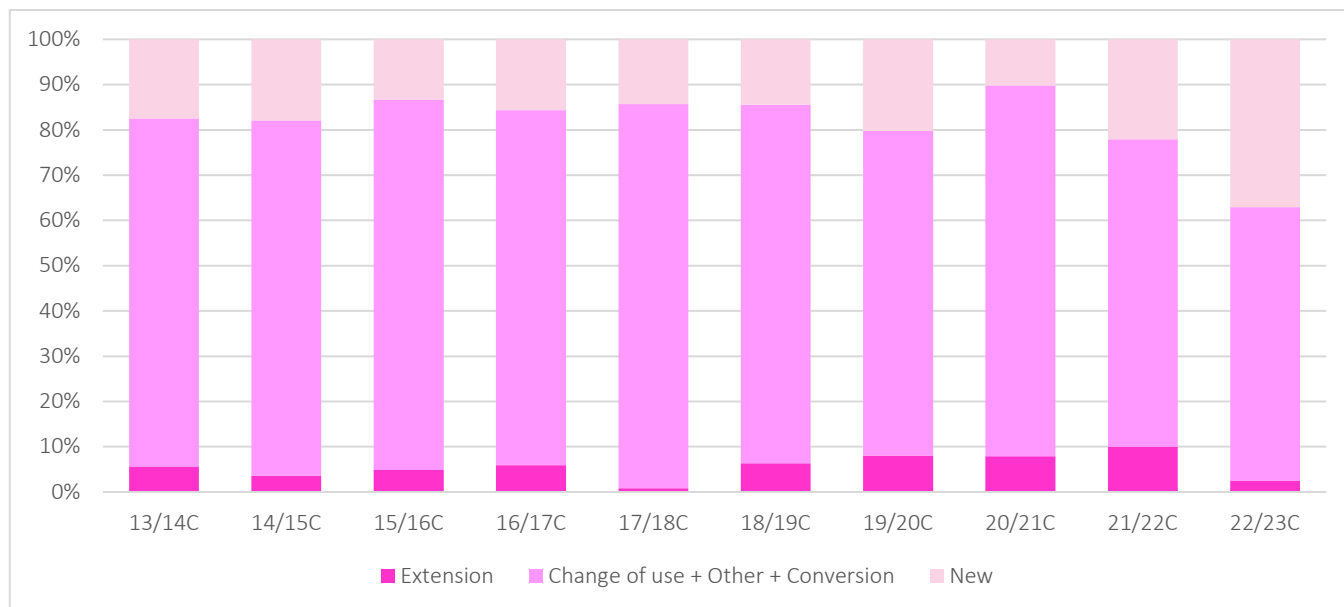
Figure 2: Breakdown of the total new homes delivered on minor developments, delivering fewer than 10 homes – by number of homes delivered (gross) between 2013 – 2023



Number of homes delivered – breakdown by type of development (gross)

3.2.5 Using the same dataset as above, the data shows that most new homes on schemes delivering fewer than 10 homes (gross) are gained through changes of uses rather than extensions and sub-division or the construction of new buildings – see Figure 3 for a graphic depiction.

Figure 3: Breakdown of the total new homes delivered on minor developments, delivering fewer than 10 homes - by type of development between 2013- 2023



3.3 Viability Study Addendum

The need for the Viability Study Addendum

3.3.1 As explained in the Small-scale Residential Developments Topic Paper (March 2024) (document reference EV_H_002), to support emerging policies as part of the Partial City Plan Review, the council conducted localised viability testing on adopted and emerging policies, including the requirement for 'small-scale residential developments' to contribute to affordable housing as proposed in draft Policy 13. This testing was carried out by BNP Paribas on behalf of the council – see the Regulation 19 Viability Study (February 2024) (document reference EV_GEN_002).

3.3.2 The study tested 57 schemes which provide 9 or fewer homes and concluded that requiring 35% affordable housing from 'small-scale residential developments' would not compromise overall scheme viability of schemes of this scale in Westminster. The study also explained how viability can vary on a case-by-case basis, and that it is important that policies acknowledge this. Finally, it concluded that payments in lieu of affordable housing on 'small-scale residential developments' should be set out following the same methodology as done for 'major developments'.

3.3.3 On this basis, draft Policy 13 as consulted under Regulation 19 consultation requested 'small-scale residential developments' delivered 35% affordable housing. The policy also explained that applicants would be able to submit a viability assessment as part of the planning application process when the affordable requirement couldn't be met.

3.3.4 Given the council received comments questioning the robustness of the Viability Study (February 2024) during Regulation 19 consultation and concerns raised that the council's approach would discourage the future development of 'small-scale residential developments sites', the council commissioned BNP Paribas to carry out an addendum to the Regulation 19 Viability Study (February 2024)(document reference EV_GEN_002) to address these concerns - see the Viability Study Addendum (November 2024) (document reference EV_GEN_003) which examined the impacts of the policy to the greater detail

Viability Study Addendum sample

3.3.5 The Viability Study Addendum (November 2024) (document reference EV_GEN_003) has undertaken a finer grain assessment of the viability of 'small-scale residential developments'. The Viability Study Addendum analysis is based on a new sample of recently permitted sites in Westminster provided by the council to BNP Paribas:

- It has tested 37 new additional residential sites which comprise a range of homes, from 1 to 9 homes;
- Sites tested are located in different areas of the city;
- Sites tested include extensions, changes of use and new-built schemes.

3.3.6 This sample is therefore more representative of the type of schemes that have historically come forward on 'small-scale residential developments' in Westminster.

Viability Study Addendum methodology

3.3.7 The Viability Study Addendum (November 2024) (document reference EV_GEN_003) has tested the viability of ‘small-scale residential developments’. Following a residual land value methodology and comparing the values generated by each scheme to the Benchmark Land Value as a measure of viability:

- The study has run appraisals with 10, 20, 30, 40 and 50 % affordable housing.
- Considering that any financial contribution in lieu of affordable housing on-site should be financially neutral for the applicant when compared with on-site provision.

Viability Study Addendum recommendations

Affordable housing threshold

3.3.8 The Viability Study Addendum (November 2024) (document reference EV_GEN_003) explains how viability changes on a site-by-site basis, and how viability is higher when the Benchmark Land Value of a site is low or nil (this is mostly the cases in applications involving the creation of new floorspace, where the existing air space has no inherent value).

3.3.9 The Addendum concludes that the council could require an affordable housing contribution from ‘small residential developments’ in all parts of the city, without adversely impacting viability in most cases. Figure 4 shows how many schemes remain viable after a 20%, 30% or 35% affordable housing requirement is applied. It demonstrates that on the basis of testing a more robust sample of sites, viability of ‘small-scale’ schemes improves when the affordable housing requirement is reduced from the Regulation 19 policy requirement of 35%.

3.3.10 The report also notes that a relatively high number of the viable schemes are extension schemes where there is no existing use value lost as a result of development (e.g. roof space). The report therefore recommends the council to adopt the cautious end of the 20-30% range to account for this and reduce the number of schemes that may need to be viability tested, when compared with 35%. Doing so will help reduce the extent to which ‘small-scale residential developments’ need to submit site-specific viability assessments, meaning decisions on such schemes are not subject to additional delays.

Figure 4: Viability of ‘small-scale residential developments’ by city area

	Schemes viable with 20% affordable housing	Schemes viable with 30% affordable housing	Schemes viable with 35% affordable housing
Prime / A	80%	80%	80%
Core / B	88%	88%	75%
Fringe / C	60%	60%	60%
All zones	81%	81%	62%

Source: Viability Study Addendum (October 2024)

Sliding scale for affordable housing contributions:

The Viability Study Addendum notes that some London boroughs operate a 'sliding scale' approach to affordable housing delivery, with the threshold of affordable housing delivery increasing with the number of homes delivered. The study concludes that there is no clear relationship between size scheme and viability. Accordingly, the option of a 'sliding scale' in Westminster has not been recommended, to aid simplicity in application of the policy.

Affordable housing payments in lieu from 'small-scale residential developments'

3.3.11 The Viability Study Addendum (November 2024) (document reference EV_GEN_003) has explored different methodologies to be used to calculate affordable housing payments in lieu from 'small-scale residential developments'.

3.3.12 The Addendum explains how the most simple approach to calculating affordable housing payments in lieu from 'small-scale residential developments' is an approach based on a tariff, which can be based on the number of homes provided or the quantity of new residential floorspace.

3.3.13 The Addendum recommends that any tariff payments:

- should be equivalent to the uplift in value resulting from the floorspace that would have been provided as affordable housing being delivered as private housing;
- take into account that schemes are expected to deliver at least the relevant threshold level of affordable housing;
- are different in different parts of the city to account for differences in land values.

3.3.14 The Addendum explains how the tariff could be either set:

- On a floorspace basis, in line with what the council does for 'major developments'; or
- On a per unit/home basis.

3.3.15 Figures 5 and 6 below show the level of payments that could be charged with either 20% or 30% affordable housing - the thresholds recommended by the report.

Figure 5: Affordable housing payment in lieu from 'small-scale residential developments' by city area – floorspace basis (rate to be applied to the total residential floorspace of the scheme)

	Payment in lieu with 20% affordable housing	Payment in lieu with 30% affordable housing
Prime / A	£2,064/sqm	£3,096/sqm
Core / B	£1,313/sqm	£1,969/sqm
Fringe / C	£840/sqm	£1,260/sqm

Source: Viability Study Addendum (October 2024)

Figure 6: Payments in lieu for affordable housing from ‘small-scale residential developments’ by city area – unit/home basis

	Payment in lieu with 20% affordable housing	Payment in lieu with 30% affordable housing
Prime / A	£160,000/home	£241,000/home
Core / B	£142,000/home	£214,000/home
Fringe / C	£61,000/home	£91,000/home

Source: Viability Study Addendum (October 2024)

3.3.16 Although the Addendum supports both options, the study recommends the council to adopt an approach based on a fixed rate per sq m of floorspace. This option is preferred given the nature of development in Westminster, where there is significant variation in the size of homes proposed, and therefore the value generated by individual homes.

4 Refinement of Policy 13 approach to Small-scale Residential Developments

4.1 Proposed clarifications

4.1.1 In response to some representations, alongside the Regulation 19 Draft City Plan (document reference CORE_001), the council has submitted a Schedule of Proposed Modifications to the Draft City Plan (document reference CORE_002). Proposed modifications address matters raised by the representors and have been informed by the conclusions of the updated evidence as set out in Section 3 of this Addendum.

Policy approach to ‘major’ and ‘small-scale residential developments’

4.1.1 Interactions between the policy approach to ‘major’ and ‘small-scale residential developments’ and the Planning Obligations and Affordable Housing Supplementary Document (POAH SPD) (March 2024) (document reference CORE_025) raised questions and signalled confusion between consultees regarding the extent of policy application for different scale of residential development.

4.1.2 Some consultees said that draft Policy 13 was unclear, and that it should be modified so it is clear how ‘major’ and ‘small-scale residential developments’ should contribute to affordable housing:

- The council agrees that the policy wording could be made clearer.
- Given that supplementary evidence also points to the need to amend the policy approach to ‘small-scale residential’ developments, the council is proposing modifications so different policy clauses within Policy 13 apply to ‘major developments’ and ‘small-scale residential developments’:

For ‘small-scale residential developments’, modifications S/13/11, S/13/12 and S/13/13 insert these new clauses:

“SMALL-SCALE RESIDENTIAL DEVELOPMENT

G. Small-scale residential development will provide 20% of the floorspace as affordable housing. Provision can be made on-site or through a payment in lieu to the council’s Affordable Housing Fund.

H. Regardless of the delivery mechanism chosen, small-scale residential development unable to deliver the full affordable housing requirement will be required to submit viability evidence that shows the maximum level of affordable housing that can be provided.”

Trigger for affordable housing requirement

4.1.1 Representors expressed confusion about when ‘small-scale residential developments’ trigger an affordable housing requirement.

4.1.2 Consultees queried the wording used within draft Policy 13, and said that it was not clear which ‘non-major developments’ would trigger an affordable housing requirement and if small schemes being extended or refurbished would trigger an affordable housing requirement.

4.1.3 The council agrees this should be clarified, so it is clear to applicants how the policy should be implemented. A series of modifications are therefore proposed:

Modification S/G/04 introduces a new definition to the Glossary:

“Small-scale residential development: For the purposes of affordable housing delivery, small-scale residential developments are those schemes that do not meet the definition of ‘major residential development’ and create new homes.”

Modification S/13/12 refers to *“Small-scale residential development”*, and modification S/13/02 removes references to *“All residential proposals”*.

Modification S/13/18 introduces a new paragraph 13.6 to the supporting text:

“Developments creating new self-contained homes (including conversions) and not classed as ‘major development’ will trigger an affordable housing requirement, calculated on the total gross residential development proposed (Gross Internal Area, GIA). Proposals that only upgrade or add floorspace to existing homes are excluded.”

Affordable housing threshold and payments in lieu

4.1.4 Consultees queried the threshold set at 35% of floorspace for ‘small-scale residential development’ (regardless of the number of homes delivered) as it could have unintended consequences on housing delivery, decision-making and the improvement of the existing housing stock:

- In light of the results of the supplementary evidence summarised in Section 3, modifications to the Regulation 19 policy are proposed to reduce the threshold for ‘small-scale residential developments’ from 35% to 20% (based on floorspace).
- Although the Viability Study Addendum (November 2024) (document reference EV_GEN_003) concludes that a threshold set at either 20% or 30% would have broadly similar viability impacts, the council acknowledges the importance of housing delivery on small-scale schemes and that pushing small schemes to follow a viability tested route could have unintended consequences². A threshold set at 20% is therefore justified in ensuring this important form of future housing supply is not compromised, and that where it does come forward, it contributes to much needed affordable housing as well as market housing.

4.1.5 Consultees queried the use of an affordable housing threshold based on floorspace, and not the number of homes or bedrooms provided:

- It should be noted that the National Planning Policy Framework (September 2023), for ‘major developments’, does not explain how affordable housing requirements should be calculated.

² When making this decision, the council has also taken into account that applications for on-major developments’ need to be decided within shorter timeframes than ‘major developments’ and that application fees are also lower.

The London Plan (2021) does take a view on this issue, but it only relates to ‘major developments’³.

- As explained in the Submission Consultation Statement (document reference CORE_014), Westminster has historically used ‘floorspace’ when setting out affordable housing requirements from ‘major developments’. There are no indications that the adopted approach for ‘major developments’ has been ineffective or difficult to implement. For simplicity, and given the varying size of homes and the value they generate in Westminster, a similar approach to ‘small-scale residential developments’ is justified.

4.1.6 As both the NPPF and the London Plan are silent on the issue of affordable housing contributions from ‘small-scale residential developments, and the fact that the council approaches ‘major developments’ on a floorspace basis, the council has opted to also do so on ‘small-scale residential developments’. As is the case for ‘major developments’, Westminster is unusual in the sense that homes of varying sizes are delivered with some schemes delivering small homes and some others very large ones. An approach based on floorspace is therefore fairer. The Viability Study Addendum (November 2024) (document reference EV_GEN_003) also recommends this approach is followed.

4.1.7 Consultees queried how payments in lieu from ‘small-scale residential developments’ will be calculated should the requirement be adopted:

- The council agrees this should be clarified and that the methodology to be followed to calculate contributions from ‘small-scale residential developments’ should be clearly set out in the supporting text. Modifications to the supporting text are there proposed:

Modification S/13/22 introduces a new paragraph 13.12 to the supporting text:

“The payments in lieu for both major and small-scale residential developments will be based on a fixed rate per sqm of floorspace that would have been provided as affordable housing on-site, ensuring a cost-neutral impact on developers. The values of the payments in lieu and indexation details for both type of schemes are set out in the council’s Planning Obligations and Affordable Housing Supplementary Planning Document. Payments in lieu may also be deemed appropriate to address shortfalls in on-site or off-site contributions (e.g. because the site’s size or constraints mean it is not practicable to deliver a mix of housing types on the site).”

4.1.8 In line with the recommendations of the Viability Study Addendum (November 2024) (document reference EV_GEN_003), the council will be using a methodology based on a fixed tariff and rate per sqm of floorspace. The approach is similar to the approach currently followed for ‘major developments’. It is the council’s experience that a methodology based on tariff is easy to implement for both applicants and Planning Officers. As has been the case when deciding to set out a threshold based on floorspace rather

³ Policy H5 of the London Plan requires the threshold of affordable housing to be calculated on ‘gross residential development’ and paragraph 4.5.3 explains how information should be presented as a percentage of habitable rooms, units and floorspace to enable comparison.

than the number of homes, a payment in lieu methodology based on floorspace is fairer in a Westminster context.

4.1.9 As is currently the case for ‘major developments’ (and this approach is proposed to remain unchanged by emerging Policy 13), the council believes that there is no need for the payment in lieu rates to be set out in the City Plan. The updated Planning Obligations and Affordable Housing SPD will set out the rates to be used for ‘small-scale residential developments’ and will include examples on how to calculate payments in different types of schemes – informed by the findings of the Viability Study Addendum (November 2024) (document reference EV_GEN_003) or any subsequent updates. Nevertheless, in the interim period until the POAHSPD is updated and adopted, the council intends to use the rates set out in the Viability Study Addendum (November 2024) (document reference EV_GEN_003) for the purposes of calculating payment in lieu contributions. See Section 4.2 for further information on the POAH SPD revision.

Other modifications

4.1.10 As set out in the Schedule of proposed modifications to the Draft City Plan (document reference CORE_002), a small number of extra modifications not mentioned above are proposed to emerging Policy 13, namely to clarify the policy’s approach to delivery and viability.

Modifications including S/13/21 and S/13/26 do clarify the approach delivery and viability.

Modification S/13/21:

While applicants are encouraged to explore on-site delivery, it is acknowledged that there may be practicable and management issues of providing small numbers of affordable housing that mean on-site delivery is not appropriate. Therefore, the sequential approach to affordable housing delivery that applies to major developments does not apply to small-scale residential developments. Payments in lieu towards the council’s Affordable Housing Fund therefore represents a pragmatic approach that ensures the opportunity for small-scale residential development to contribute towards affordable housing is not lost, and offers a more straightforward approach for small-scale residential schemes’ developers compared to on-site delivery.

Modification S/13/26:

The updated Planning Obligations and Affordable Housing SPD will also include information on viability assessments.

4.2 Response to representations referring to POAH SPD

Relationship between POAH SPD (March 2024) and the new policy 13

4.2.1 Consultees queried how the guidance in the Planning Obligations and Affordable Housing SPD (March 2024) (document reference CORE_025) related to draft Policy 13.

4.2.2 The adopted Planning Obligations And Affordable Housing SPD (document reference CORE_025) provides guidance on adopted policies and should therefore be read as to providing guidance on adopted City Plan 2019-2040 (2021) Policy 9, which only requires affordable housing from ‘major developments’ – for the avoidance of doubt, this means that the guidance in the adopted Planning Obligations And Affordable Housing SPD (document reference CORE_025) should not be read as to applying to ‘small-scale residential developments’.

Update to the POAH SPD (March 2024)

4.2.1 Consultees asked the council to review the POAH SPD (March 2024) alongside draft Policy 13.

4.2.2 SPDs can only supplement adopted policies and the council’s intention is to update the POAH SPD upon the adoption of the City Plan Partial Review to ensure consistency between documents. The council has committed to the updating the Supplementary Planning Documents affected by the adoption of the City Plan Partial Review in its Local Development Scheme (Planning Policy Team Work Programme) 2024-2027 (document reference CORE_018).

4.2.3 Once the City Plan Partial Review is completed and the final wording of draft Policy 13 is known, the council will assess which sections of the adopted Planning Obligations and Affordable Housing SPD (document reference CORE_025) need updating, and if the scope needs to be widened to provide guidance on any new policy approaches inserted by the City Plan Partial Review. If draft Policy 13 is adopted, the revised Planning Obligations and Affordable Housing SPD will include a new section on ‘small-scale residential developments’. As explained by draft Policy 13 (including modifications) and paragraph 4.1.12, the revised SPD will set out the rates to be used for ‘small-scale residential developments’, will include examples on how to calculate payments in different types of schemes and will provide guidance on viability assessments.

5 Conclusion

5.1.1 This Topic Paper Addendum to the Small-scale Residential Developments Topic Paper (March 2024) (document reference EV_H_002) has been prepared by the council to support the submission of the Regulation 19 Draft City Plan (document reference CORE_001) alongside a Schedule of Proposed Modifications (document reference CORE_002) to the Secretary of State.

5.1.2 It has been prepared to explain how consultation feedback received at Regulation 19 stage in relation to the council's new requirement for 'small-scale residential developments' to contribute to affordable housing has been considered. It provides a summary of the updated evidence and further context on the reasons justifying the council's proposed modifications (document reference CORE_002 in the Examination Library).

5.1.3 The original Topic Paper and this Addendum demonstrate that Westminster has considered the national and regional policy context, along with local evidence and consultation feedback in making a justified planning policy.

5.1.4 It is anticipated that whilst the emerging policy 13 on 'small-scale residential developments' (with proposed modifications) will be a step-change for the delivery of more affordable housing this city, this will not have an overall negative impact on the viability of development schemes across the city. The policy seeks to remain pro sustainable growth and as such, will be monitored and reviewed to ensure that this objective remains once the draft policy is adopted.

5.1.5 In summary, together the Small-scale Residential Developments Topic Paper (March 2024) (document reference EV_H_002) and this Addendum to it explain the why the council considers the emerging requirement for 'small-scale residential developments' to contribute to affordable housing is necessary and justified.

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November 2024



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