

CITY PLAN 2019 - 2040

**Statement of Common Ground between the City of
Westminster and the Westminster Property
Association**

Submission

March 2025

Table of Contents

1 Introduction 3

1.1 Introduction 4

Introduction..... 4

2 Policy matters 5

2.1 Regulation 19 consultation 6

Regulation 19 consultation period 6

Proposed amendments to Retrofit First policy following the Regulation 19 consultation period 6

Further amendments to the Retrofit First policy following publication of Proposed Modifications. 6

2.2 Policy Matters Agreed Between Parties7

Overview of policy matters agreed between parties 7

Retrofit First..... 7

Affordable Housing..... 12

2.3 Policy Matters Currently Outstanding 13

Overview of policy matters currently outstanding between parties 13

Retrofit First..... 13

Affordable Housing..... 13

2.4 Matter 1: Conformity with the Development Plan and national policy ... 15

2.5 Matter 2: WPA does not support the proposed definition of new build development 19

2.6 Matter 3: WPA does not support the inclusion of Part C in Policy 43 22

2.7 Matter 4: WPA consider further clarification is required to establish that demolition figures are not required to be taken into account when assessing schemes against the proposed upfront embodied carbon limits. 23

2.8 Matter 5: Management of carbon performance changes at post-determination stage 25

2.9 Matter 6: Clarification on the use of embodied carbon offsetting and the crediting of embodied carbon against operational carbon emissions..... 28

2.10 Matter 7: Finch 31

2.11 Matter 8: Challenges regarding monitoring the effectiveness of Policy 43 33

2.12 Matter 9: Lack of evidence that the proposed policy is viable 36

2.13 Matter 10: The proposed tenure mix of 70% social housing and 30% intermediate housing 39

2.14 Matter 11: Absence of the payment in lieu values from the proposed policy or supporting text 41

2.15 Matter 12: Viability Evidence Base .. 43

2.16 Matter 13: Innovative Housing Delivery 44

3 Conclusion 45

3.1 Closing statement 46

Conclusion 46

Signed confirmation 46

Appendix 1..... 47

Appendix 2..... 48

Appendix 3..... 50

Appendix 4..... 53

1 Introduction

1.1 Introduction

Introduction

- 1.1.1 This document is submitted as a proposed Statement of Common Ground (SoCG) between the Westminster Property Association (WPA) and Westminster City Council (WCC), hereafter known as “the parties”.
- 1.1.2 This SoCG relates primarily to the proposed Affordable Housing and Retrofit First policies in the Westminster City Plan Partial Review.
- 1.1.3 The WPA are a not-for-profit advocacy group representing over 240 members from across Westminster’s built environment. Membership of the WPA is diverse and covers the full spectrum of the industry, including commercial, retail and residential sectors.
- 1.1.4 This SoCG focusses on points raised in representations made by the WPA at Regulation 19 stage, and reviews whether council proposed modifications (as set out in documents CORE_002a and CORE_002d) to the draft policies have had an impact upon the matters raised during consultation by the WPA. Where agreement between parties have subsequently been reached, and any remaining areas of disagreement, are detailed in this statement.
- 1.1.5 This document is structured as follows:
- Introduction
 - Section 1.1 – Introduction
 - Policy Matters
 - Section 2.1 – Regulation 19 consultation
 - Section 2.2 – Policy Matters Agreed Between Parties
 - Section 2.3 to 2.14– Policy Matters Currently Outstanding
 - Conclusion
 - Section 3.1 – Conclusion
 - i. Appendix 1: Agreed changes suggested to the supporting text of the Retrofit First policy and Retrofit First Policy Guidance Document for Environment SPD.
 - ii. Appendix 2: WPA suggested changes to the Retrofit First Policy Guidance Document for Environment SPD (EV_R_004), not currently agreed to by WCC.
 - iii. Appendix 3: Overview of inconsistencies identified by the WPA in the Environment SPD Review Consultation Version (January 2025) and the emerging Retrofit First policy.
 - iv. Appendix 4: Circular Economy Conditions attached to recent WCC planning permissions, as collated by the WPA.

2 Policy matters

2.1 Regulation 19 consultation

Regulation 19 consultation period

- 2.1.1 The Regulation 19 consultation ran for a period of eight weeks from 14 March 2024 to 9 May 2024. During this time, representations were received from a range of interested parties with regards to the policies proposed as part of the City Plan Partial Review. This included the proposed Policy 13 – Affordable Housing and proposed Policy 43 – Retrofit First.
- 2.1.2 The WPA submitted a consultation response to WCC via email on 25 April 2024. The representation submitted by the WPA included a written response, along with supporting evidence including data obtained by members to support the issues raised.

Proposed amendments to Retrofit First policy following the Regulation 19 consultation period

- 2.1.3 Following the receipt of a number of consultation responses on the Affordable Housing and Retrofit First policies, including those received from the WPA, a series of amendments to the draft policies were proposed by the council. In addition to this, the council commissioned updates and/or new evidence to support the emerging policies of the City Plan Partial Review. This included:
- Viability Study Addendum
 - Revised Embodied Carbon Evidence Study
 - Revised Retrofit First Topic Paper
 - Small Scale Residential Developments Topic Paper Addendum
 - Retrofit First Policy Guidance Document
- 2.1.4 The Cabinet Member Decision to proceed to submit the City Plan Partial Review to the Secretary of State was published by the council on 7 November 2024. As part of this decision, the proposed amendments to the City Plan Partial Review policies were made available in the public domain. In response to the proposed policy wording modifications, the WPA issued an interim letter of support to the council. Dated 25 November 2024¹, the letter highlighted that the WPA were supportive of the direction of travel of the proposed amendments to the Retrofit First policy, namely the changes to the upfront embodied carbon requirements.
- 2.1.5 However, as the supporting evidence documents listed above were not made available at the time of the letter being written, these were then reviewed in detail by the WPA following submission. Through this review, a revised list of matters agreed between parties was developed. This is included in further detail in Section 2.2 below.

Further amendments to the Retrofit First policy following publication of Proposed Modifications

- 2.1.6 Subsequently to the publication of the Proposed Modifications in November 2024, WCC proposed further amendments to the text of the emerging Retrofit First Policy to WPA during a meeting held on 25 February 2025. These further proposed amendments were discussed by WPA and WCC in a meeting on 27 February 2025. They are referred to as the February 2025 Suggested Amendments.
- 2.1.7 The February 2025 Suggested Amendments (i.e., the February 2025 Post-Submission Proposed Modifications) are set out within this Statement of Common Ground, alongside the position reached regarding them between the Parties. They are also scheduled separately within CORE_002d.

¹ See SCG_014a Westminster Property Association Response Letter to the Proposed Modifications for Policy 43 Retrofit First

2.2 Policy Matters Agreed Between Parties

Overview of policy matters agreed between parties

- 2.2.1 For the avoidance of doubt, the proposed Sequential Test following the February 2025 Suggested Amendments, as set out in CORE_002d, are set out below (the adjustments from the November submission proposed modifications, compared to February are in bold and underlined):

Test 1

Are existing buildings on site structurally sound and therefore can be retained and re-purposed either partially or in full?

Test 2

Where test 1 is not met, it is demonstrated that neither a retrofit nor deep retrofit option could deliver design and access requirements which: secure the best use of land; meet a statutory requirement; or address a justified operational need (optional)

Test 3

Where test 1 or 2 is not met, the whole life carbon emissions of the proposed development is less than a retrofit or deep retrofit." (an assessment against 2 options which must be deliverable)

Test 4

Where test 3 is not met, additional public benefits including economic, social and environmental benefits, which could not be delivered by a retrofit or deep retrofit must be demonstrated.

Retrofit First

- 2.2.2 Matters agreed by the parties in relation to emerging Policy 43, including proposed modifications (November 2024, CORE_002a) and February 2025 Suggested Amendments (CORE_002d) are listed below. Where changes to guidance are suggested, these are also scheduled in Appendix 1:

- a) **The strategic importance of reducing carbon emissions.** The parties agree that climate change is one of the biggest challenges facing society. Carbon emissions, including those from the built environment, should be reduced.
- b) **That embodied carbon is a Scope 3 emission.** The Parties agree that embodied carbon from construction is a Scope 3 emission.
- c) **Use of carbon limits.** WPA supports, and the Parties agree, the **principle** of carbon limits for embodied carbon. They support the use of numerical and specific carbon limits, as now within the Schedule of Proposed Modifications (November 2024).

For the avoidance of doubt, WPA previously did not support the use of third-party LETI limits in the Regulation 19 Publication Draft (March 2024) as the values were neither achievable nor specified within the policy wording itself.

d) **Proposed carbon limits.** The Parties agree, in principle, the actual proposed carbon limits set out within the Schedule of Proposed Modifications (November 2024) following their update from the Regulation 19 Publication Draft (March 2024) insofar as the limits set baseline thresholds to be met and aspirational targets to be worked towards and exceeded where possible. The Parties **further agree** that:

- i. the updated limits are to be derived from the RICS Professional Standard, Second Edition. They agree that this includes contingencies in accordance with that standard.
 - that the contribution of emissions from demolition should **not** be included when assessing the performance of developments against the upfront embodied carbon requirements proposed within Policy 43, because this would, in effect, provide a larger carbon budget for projects where smaller buildings are replaced than where larger buildings are replaced. WPA consider that further modifications are required to the guidance to explain this, over and above the reference at Paragraph 5.3.14 of the Topic Paper, which states that “it was not considered reasonable to incorporate demolition within the upfront embodied carbon requirements” of the Proposed Retrofit Policy. This is set out at Section 2.7 of the Statement of Common Ground.
- ii. That Cat B fitout for commercial buildings is not to be included within the calculation of embodied carbon for the purposes of demonstrating compliance with the limits in the policy.

Notwithstanding the above, the Parties agree that the limits proposed are stretching and challenging.

e) **The meaning of the definition of New Build development.** The Parties agree that the meaning of “New Building”, as defined within the Glossary, would be to include development that involves the demolition and replacement greater than (but not including) 50% of the existing gross internal floor area.

The Parties agree that the February 2025 Suggested Amendments proposed by WCC to replace reference to “floor slabs” with “Gross Internal Area” provides additional welcome clarity as to the application of the definition.

WPA acknowledge that WCC does not intend to make further updates to the Topic Paper but for completeness, the WPA highlight that Figure 10 of the Topic Paper is inconsistent with the policy definition, as it implies that substantial demolition comprises demolition of greater than 50% (including 50% itself).

For the avoidance of doubt, this agreement relates **only** to the meaning of the term. As listed below, the Parties **do not** agree that this is an appropriate definition of New Build development in principle.

f) **The application of the Sequential Test to “New Build” development only.** The Parties support the application of the Sequential Test to “New Build” applications only, where the new building involves the substantial or complete demolition of an existing building.

g) **The spirit of the February 2025 Suggested Amendments to the Sequential Test**

For the avoidance of doubt, WPA did **not agree** with the wording of the Sequential Test set out in the Proposed Modifications (November 2024).

In respect of the changes to Test 2, the Parties **agree** that making the best use of land and meeting statutory requirements including the objectives of the Development Plan are appropriate criteria against which to assess proposals for substantial demolition.

The Parties **agree** that the February 2025 Suggested Amendments to the Sequential Test, set out in Section 2.2.1 above, have made significant steps in addressing and reducing the areas of disagreement between them regarding the structure of the sequential test.

WPA considers that, as a minimum, some further consequential changes are required, set in out Section 2.4, below.

WPA considers that these amendments have partially addressed its concerns regarding the consistency of the policy with national and regional policy. WPA has set out its remaining concerns and further suggested amendments in **Section 2.4** below.

The Parties agree the explicit inclusion of public benefits covering economic, social and environmental benefits within Test 4 of the Sequential Test.

WPA welcomes the removal of reference to public benefits needing to exceed those of the Development Plan on the basis that this is not sound as clarified in a recent combined judgement handed down in August 2024.²

- h) That Test 2 of the Sequential Test is optional.** The Parties **agree** the February 2025 Suggested Amendment to confirm that Test 2 is optional:

*“Where test **1 or 2** is not met, the whole life carbon **emissions** of the proposed development is less than a retrofit or deep retrofit.”*

WPA supports this approach and understand that WCC intend to provide clearer clarification in due course that the entirety of Test 2 is optional.

- i) The inclusion of the requirement to make the best use of land in Test 2 of the Sequential Test**

The Parties **agree** that development should make the best use of land, in line with the requirements of Westminster’s Spatial Strategy, Objective GG2 and Policy D3 of the London Plan. This is also consistent with Section 11 and paragraph 124 of the NPPF September 2023 which seeks to “make effective use of land.”

The Parties **agree** that the reference to ‘best use of land’ is therefore not limited to land use changes and is defined by the Development Plan.

WPA has set out its remaining concerns and further suggested amendments in Section 2.4 below.

- j) That a third-party review of deliverables is only required for the Test upon which the Applicant is relying to justify demolition**

The Parties **agree** and WPA supports the clarification included at Paragraph 2.1.11 of the Retrofit First Guidance for the Environment SPD (November 2024) that requirements for third party review within the Sequential Test steps will arise only on the test that is being relied upon to justify substantial demolition i.e., if Test 1 is advanced, the Pre-Redevelopment Audit will be required to be reviewed by a suitably qualified structural engineer and if Steps 2 or 3 are advanced then the Pre-Redevelopment Audit will be required to be reviewed by a suitably qualified sustainability consultant.

The Parties therefore **agree** the requirement for third party review within Sequential Test Step 1 (a third-party review of a structural report), would not arise if Applicants are not advancing structural concerns or defects as a reason to pursue demolition. This is because the need for third party verification adds additional cost and complexity to Applicants which is not justified as it is not being relied upon as the evidential basis for demolition. Furthermore, practically, there are a limited number of consultancies who are able to undertake the work noting the restrictions proposed by WCC that the third-party reviewer must be independent from the Applicant’s Team and not involved in any other ongoing projects for the Applicant.

The WPA recommends that the Retrofit First Policy Guidance Document clarifies in Paragraph 2.1.11 that a Pre-Redevelopment Audit is not required to be third-party reviewed for applications relying on Test 4 (i.e., public benefits) as this is outside the scope of their expertise and is instead for the Planning Officer to weigh in the planning balance. The WPA also recommends that the guidance clarify that the third-party review could be undertaken at an appropriate point during pre-application engagement rather than determination.

² *Vistry Homes Ltd v SSLUHC and Fairfax Acquisitions Ltd v SSLUHC* [2024] EWHC 2088

The council confirms that the document will be subject to update and a subsequent consultation process following the adoption of the Retrofit First policy.

k) The thresholds for the submission of a Circular Economy Statement

The Parties **agree** that the proposed requirement set out in the Proposed Modifications version of Policy 43 (Part F) for schemes resulting in any level of demolition to submit a Circular Economy Statement (as repeated by Paragraph 43.12 of the supporting text, and Paragraph 1.2.6 and Table 1.1 of the Retrofit First Policy Guidance) is not appropriate and requires further change.

The Parties **agree** that a threshold should be set to define when a Circular Economy Statement is required, with works of minor demolition / fabric removal not required to submit a statement. The Parties agree that the current approach as drafted would be overly onerous and does not reflect the City Council's intention.

The Parties **agree** that the requirement for all major development to submit a Circular Economy Statement including changes of use which are only defined as major development on floorspace grounds is overly onerous and requires further change.

The Parties agree with the February 2025 Suggested Amendments to Policy 43 (Part F) (see CORE 002d S/43/10/PS) as follows:

*"For all developments involving ~~any demolition~~ **deep retrofit or the construction of a new building**, a Circular Economy Statement shall be submitted which demonstrates how materials from existing building(s) will be re-used and re-purposed."*

The Parties **agree** with the changes that have been proposed to the supporting text (S/43/35/PS) to reflect this and agree that consequential changes should be made to the Guidance accordingly at the appropriate time.

l) The thresholds for the submission of a Whole Life Carbon Assessment

The Parties **agree** that the proposed requirement set out in the Proposed Modifications version of Policy 43 (Part G) for all schemes involving substantial demolition of a building with more than one storey and all major developments to submit a Whole Life Carbon Assessment is not required to make the policy effective. WPA had considered it to be overly onerous.

Any internal changes of use over 1,000 sqm would be considered by the City Council as major applications. Cat B fitout is explicitly described as being outside of planning control and therefore not included within upfront embodied carbon policy requirements.³

The policy, as currently drafted in the Proposed Modifications version, would therefore require the submission of a Whole Life Carbon Assessment for major changes of use regardless of the absence of any demolition or any physical works controlled by planning.

The Parties **agree** with the February 2025 Suggested Amendments to Policy 43 (Part G) (see CORE_002d S/43/11/PS) as follows:

*"G. All development involving substantial demolition of a building which has more than a single storey, and all major developments, **with the exception of applications solely involving a material change of use**, are required to:..."*

Changes have been made to the supporting text (S/43/36/PS) to reflect this, and parties agree that consequential changes should be made to the Guidance accordingly at the appropriate time. WPA agree with the proposed changes to supporting text (S/43/36/PS).

m) A cap of two alternative redevelopment scenarios to be assessed for full redevelopment schemes. The Parties **agree** to the clarification set out at Table 2.2 of the Retrofit First Policy Guidance for Environment SPD (November 2024) that two alternative scenarios are required to be assessed for a

³ Topic Paper Submission Version November 2024, paragraph 5.3.12

redevelopment scheme i.e., retrofit; retrofit with extension; deep retrofit or deep retrofit with extension.

n) That Applicants are not required to undertake optioneering of alternative uses contrary to Development Plan policy

Part C of Policy 43 currently reads **“Proposals should prioritise uses and/or development options (such as retrofitting or deep retrofitting) which facilitate the retention and repurposing of existing building(s).”**

Both Parties **agree** that it is neither justified nor sound to request that Applicants assess alternative land uses which are contrary to Development Plan policy. WPA understands this is not WCC’s intention.

The parties **agree** that significant further review to the proposed wording of the Retrofit First Policy Guidance Document is likely required to address this, and the council confirms that the document will be subject to update and a subsequent consultation process following the adoption of the Retrofit First policy.

WPA proposes some amendments to Policy 43 in respect of optioneering and this is set out in Section 2.6 of this Statement of Common Ground and at Appendix 2.

o) The use of planning conditions rather than Section 106 obligations to monitor carbon performance at post-determination stage

The Parties **agree** that it is more appropriate to secure carbon performance through planning conditions, rather than Section 106 obligations (as set out in Paragraph 43.13 of the supporting text incorporating the Proposed Modifications, see S/43/36/PS in CORE_002d) and that this approach is consistent with Paragraph 011 of the PPG – Use of Planning Conditions which clarifies that, in instances where the same objective can be met using either a condition or a planning obligation, a condition should be used.

The Parties **agree** that the guidance requires updating to clarify this point.

The Parties **agree** that the use of conditions is better suited to accommodating changes in carbon performance at post-determination stage than Section 106 obligations.

The Parties further **agree** to schedule a workshop with the WPA, WCC Planning Policy and Town Planning Teams following the adoption of Policy 43 to discuss the implementation of the adopted policy and the use of planning conditions.

p) The fact that there are inconsistencies between the emerging Retrofit First policy position and the consultation version of the Environment SPD

As part of the evidence base for the City Plan Partial Review, WCC submitted the ‘Retrofit First Policy Guidance for Environment SPD (November 2024)’. Concurrently to the City Plan Partial Review, WCC undertook consultation between 20 January 2025 and 3 March 2025 on updates to the Environment SPD.

WPA understand that the consultation version of the ESPD relates to the adopted policy position. However, WPA also understand that the updates to the ESPD are being consulted on (and are anticipated to be adopted) concurrently to the City Plan Partial Review.

It is **agreed** by the Parties that the consultation version of the ESPD will require further update to ensure it is consistent with the emerging policy position. WPA understands that WCC is committed to resolving these inconsistencies. On this basis, WPA request that guidance within the ESPD in respect of retrofit, demolition and circularity is inserted **after** Policy 43 is adopted to ensure alignment between the adopted policy position and the guidance.

For the avoidance of doubt, those inconsistencies identified to date are set out at Appendix 3, although this is not a comprehensive list.

q) The monetary values to be used for the embodied carbon offset charge

The parties **agree** to the principle of carbon offsetting for both operational and embodied carbon emissions.

The parties **agree** that the embodied carbon offset price should be set in line with the monetary figures tested in the Viability Study Addendum (October 2024). These prices are reiterated in the Topic Paper (Submission Version, November 2024, paragraph 5.6.13), based on the HM Treasury Green Book carbon values. These are either £153 (low), £307 (central) or £460 (high).

The parties **agree** that given embodied carbon emissions are not local to Westminster, the adopted local price of operational carbon (£880 per tonne) is not to be applied to embodied carbon emissions.

The WPA understand that it is the council's intention to provide further detail on the price of embodied carbon offsetting within an update to the Planning Obligations and Affordable Housing SPD. The WPA **does not agree** that this detail should be included within the SPD and contend that this price should be included in the supporting text to the policy. This is outlined in further detail in Matter 6.

Affordable Housing

2.2.3 Matters agreed by the parties in relation to emerging Policy 13, including proposed modifications are as follows:

- a) The requirement for major residential development to deliver a proportionate level of affordable housing.**
- b) The ability for major residential development to provide affordable housing via financial contributions to the Council where it is not practical, viable or appropriate to deliver affordable housing on site or off-site.**
- c) The clarification that payments in lieu are considered an acceptable means of delivering affordable housing for small-scale residential development.**
- d) That affordable housing should be delivered in a mix of tenures e.g., intermediate and social housing. However, the Parties do not agree the proportions sought, as detailed further in Matter 8 below.**
- e) The clarification that proposals to upgrade or increase existing residential floorspace (such as residential extensions) are exempt from the requirement to deliver affordable housing, in small-scale residential developments. This clarification had not previously been included and WPA welcomes its inclusion.**
- f) In respect of the Gross Development Value in the BNP Paribas Real Estate Viability Evidence, WPA consider the revisions to the rental value and yields now enable these viability inputs to be agreed. This overcomes the concern on the geographical split of the submarket areas.**

2.3 Policy Matters Currently Outstanding

Overview of policy matters currently outstanding between parties

Retrofit First

2.3.1 There are nine matters which remain outstanding relating to retrofit first. These are summarised below.

1. **Matter 1 is the principal remaining issue. This is the remaining tension between the objectives of the proposed Retrofit First policy to minimise upfront embodied carbon emissions by encouraging the retention of existing assets and the wider Development Plan context to deliver Good Growth.** WPA considers that the February 2025 Suggested Amendments have reduced, but not fully overcome, inconsistencies remain between the proposed Retrofit First policy, the NPPF and the Development Plan as a whole.

2.3.2 The other matters remain outstanding between the Parties are the following:

2. **Definition of new build development.** WPA suggests that, in general, material volume (accounting for carbon intensity) is a more accurate reflection of existing embodied carbon than floorspace.
3. **Inclusion of Part C in Policy 43.** WPA suggests that Part C is removed to avoid confusion in respect of the optioneering of alternative land uses.
4. **Further clarification required to establish that demolition figures are not required to be taken into account when assessing schemes against the proposed upfront embodied carbon limits.** WPA consider that this is not sufficiently clear in the policy or guidance.
5. **Management of post-planning determination changes.** WPA suggests that, given the likelihood of changes to understanding of existing buildings, design proposals and carbon performance, clarification is required as to how changes will be managed and allowed for during the design and construction process. Planning conditions rather than s106 agreements should be used.
6. **Carbon offsetting.** WPA requests clarification on the use of embodied carbon offsetting and the crediting of embodied carbon against operational carbon emissions.
7. **Finch.** The Parties do not agree the implications of the Finch decision, described at 3.1.28 of the Topic Paper.
8. **Challenges regarding monitoring the effectiveness of Policy 43.** WPA does not consider that the policy will lead to measurable reductions in Westminster's reported carbon emissions. Any reductions would accrue to the locations where construction materials are sourced. Evidence is not provided of the effect of a reduction in demand in Westminster on output / supply and, in turn, emissions.
9. **Lack of evidence that the proposed policy is viable.** WPA continue to have significant concerns with the financial modelling methodology undertaken by BNP Paribas in respect of both the Retrofit First policy and the Affordable Housing policy.

2.3.3 These matters are elaborated on in further detail below.

Affordable Housing

2.3.4 There are four matters which remain outstanding relating to affordable housing. These are as follows:

10. The proposed tenure mix of 70% social housing and 30% intermediate housing.
11. Absence of the payment in lieu values from the proposed policy or supporting text.

12. Viability Evidence Base.

13. Innovative Housing Delivery.

2.3.5 These matters are elaborated on in further detail below.

2.4 Matter 1: Conformity with the Development Plan and national policy

Introduction

- 2.4.1 WPA remains concerned that, despite the February 2025 Suggested Amendments, inconsistencies remain between the NPPF, Development Plan and the SSHCLG's recent determination of M&S.

WPA Position

- 2.4.2 WPA notes the tensions, and inconsistencies, between the proposed Retrofit First policy, and the NPPF and wider Development Plan.⁴
- 2.4.3 These inconsistencies arise partly from the fact that WCC are undertaking a Partial Review of the City Plan. As the Partial Review is restricted solely to retrofit, affordable housing and site allocations policies, the growth targets and objectives within the City Plan are not under review and therefore remain as set out in the adopted City Plan.
- 2.4.4 Conversely, the proposed Retrofit First policy seeks to reduce carbon emissions through encouraging the retention and retrofit of existing buildings and restricting demolition to identified circumstances.
- 2.4.5 Currently, the NPPF provides an explicit presumption in favour of sustainable development (Paragraph 10 and 11). The High Court has confirmed that it does not contain a presumption in favour of re-use / retention.
- 2.4.6 Indeed, Paragraph 11 of the NPPF states that “all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects.” [our emphasis]
- 2.4.7 At a regional level, the London Plan is required to be consistent with the NPPF. The London Plan strategic policy framework for carbon relates principally to Policies D3 (Optimising site capacity through the design-led approach), SI2 (Minimising greenhouse gas emissions) and SI7 (Reducing waste and supporting the circular economy). Policy D3 clarifies that “optimising site capacity means ensuring that development is of the most appropriate form and land use for the site” and that “the design-led approach requires consideration of design options to determine the most appropriate form of development that responds to a site's context and capacity for growth, and existing and planned supporting infrastructure capacity (as set out in Policy D2 Infrastructure requirements for sustainable densities), and that best delivers the requirements set out in Part D [of Policy D3]”. [our emphasis] Supporting text at Paragraph 3.3.12 clarifies that “the best use of the land needs to be taken into consideration when deciding whether to retain existing buildings in a development.” [our emphasis]
- 2.4.8 London Plan Objective GG2 also references the need for development to make the best use of land, but is an objective rather than an adopted policy.
- 2.4.9 Whilst London Plan Policy SI7 supports circular economy principles, the Decision Tree set out in the Circular Economy Guidance LPG (Figure 4) allows for the requirements of the Site to be weighed in the balance when undertaking optioneering analysis.

⁴ The policy matrix applicable to the CAZ is also set out within Section 4.12-4.22 of the WPA Regulation 19 representations.

- 2.4.10 As such, there is no adopted policy at national or regional level that precludes demolition or mandates a particular outcome from development.
- 2.4.11 Any Retrofit First policy must therefore be consistent with the NPPF and the Development Plan in allowing for Development Plan objectives for sites to be achieved. WPA considers that the February 2025 Suggested Amendments, including the changes suggested below, are the minimum necessary to integrate consideration of wider development plan objectives in the operation of the policy.
- 2.4.12 WPA remains concerned that Policy 43, as proposed to be modified, continues to make achieving development plan objectives more challenging, which goes to the soundness of the policy.
- 2.4.13 In particular, it may not be **justified** because it is likely to remain harmful to the realisation of growth objectives, relative to any benefit that is realistically, and measurably, achievable. It is not based on a proper assessment of the benefits and harms of the approach proposed, not least because the economic benefits of a more restrictive policy are assessed as being **greater** than a less restrictive policy that that responded to need.⁵
- 2.4.14 WPA suggests two further amendments to Tests 1 and 2. It suggests Test 1 is amended as follows:
Are existing buildings on site structurally sound and therefore can be **realistically** retained and re-purposed either partially or in full, **in accordance with development plan requirements for the site?**
- 2.4.15 WPA suggests that Test 2 is amended as follows:
Where the answer to Test 1 is “yes”, it is demonstrated that neither a retrofit nor deep retrofit option could **do the following, in accordance with development plan requirements for the site:** secure the best use of land; meet a statutory requirement; or address a justified operational need.
- 2.4.16 The first change to Test 2 is required to ensure the policy operates as WCC has indicated it should.
- 2.4.17 As set out above, both Parties **agree** to the inclusion of the reference to making the best use of land. However, the Parties **disagree** as to the definition of best use of land.
- 2.4.18 WPA considers that the inclusion of the wording “secure the best use of land; meet a statutory requirement; or address a justified operational need” is the minimum change required in order to make Policy 43 sound and in general conformity with the London Plan, as is required. The need to make effective / best use of land runs through the NPPF and London Plan as a key principle. The way in which Policy 43 operates, and what it means by “best use of land” must be aligned with national and regional policy for Policy 43 to be effective and to ensure that site optimisation can be considered at Step 2 of the proposed sequential test. This is essential for 43 to be sound.
- 2.4.19 In recognition of this, WPA consider that the definition of “best use of land” should align with the definition set out within London Plan Policy D3 in respect of site optimisation through a design-led approach.

WCC Position

- 2.4.20 The council do not believe that the amendments suggested by the WPA are necessary to make the policy sound.

Test 1

- 2.4.21 The use of the term ‘realistic’ in the proposed wording is ambiguous, and its meaning is insufficiently clear for the purposes of the policy. Furthermore, the use of this term is unnecessary given the clear directive already given in the supporting text and Retrofit First Policy Guidance Document.
- 2.4.22 Proposed paragraph 43.17 of the supporting text clarifies that Test 1 specifically incorporates the deliverability of any structural reinforcement. The text states:

“Where retrofitting is unfeasible due to structural or safety concerns, applicants must demonstrate this through an independently verified structural assessment from a suitably qualified engineer. Where structural

⁵ IIA, Policy 43, Page 51

reinforcement is possible, but the extent and cost of which would make the development undeliverable, this should also be supported by evidence.”

- 2.4.23 This wording, in addition to the detailed guidance set out in the Retrofit First Policy Guidance Document (EV_R_004) give sufficient clarity of how Test 1 would operate in practice and includes considerations on the deliverability of retention.

Test 2

- 2.4.24 The council do not believe that the proposed amendments by the WPA to Test 2 are required to make the policy sound.
- 2.4.25 The existing wording (subject to the council’s proposed modifications in CORE_002d) is sufficient in ensuring that the policy supports new buildings where an existing building is unsuitable for a retrofit or deep retrofit development option, due to specific design and access requirements, which facilitate (amongst other things) the best use of land. This approach is in general conformity with London Plan Policy D3, and the related Policy SI7. In accordance with paragraph 16 of the NPPF, the council contend that it is unnecessary duplication to repeat all policies of the Development Plan within the emerging policy itself. Furthermore, it would amend the parameters of how London Plan Policy D3 should be assessed, and could potentially alter the current evidential requirements required by Policy D3.
- 2.4.26 The removal of references to ‘design and access requirements’ as suggested by the WPA is therefore not supported by the council. The intention of Tests 1 to 3 is to focus primarily on requiring designers to consider the technical feasibility of retrofitting, and are intended to encourage the retrofitting of buildings by exploring the capacity of existing structures to deliver on the Development Plan objectives. Understanding why design and access requirements which are needed to deliver a specific proposed use cannot be achieved within existing structures is an important consideration of the policy which should not be removed.

With regards to issues of conformity

- 2.4.27 The council is of the position that the policy as drafted is consistent with the NPPF and Development Plan as a whole, including both the London Plan and the growth targets in the City Plan.
- 2.4.28 The Retrofit First policy as drafted does not set out a presumption against demolition and instead clearly sets out considerations to support new buildings. In particular it explicitly supports new buildings which would deliver greater environmental, social and economic benefits than a retrofit or deep retrofit option, while maintaining a strong preference for encouraging the reuse of existing resources through the conversion of existing buildings (in accordance with paragraph 152 of the September 2023 NPPF).
- 2.4.29 The policy would fail in its strategic objective to encourage the re-use of existing buildings if it did not require applicants to provide evidence of what any structural or design and access requirements are, and how these constrain the ability to retain existing structures.
- 2.4.30 Notwithstanding Test 2, the council are of the view that the sequential tests taken as a whole are in general conformity with London Plan’s requirement to optimise site capacities. It maintains explicit support for new buildings (in Test 4) where they provide significant additional social, economic and environmental benefits (referred to as public benefits in the policy), which would balance environmental impacts (resulting from carbon emissions and generation of waste) arising from development. Such public benefits would include the contribution of a development, which makes the best use of land, towards sustainable development. Explicit reference is made to site optimisation as a public benefit within the Retrofit First Policy Guidance Document (EV_R_004, pg. 32).
- 2.4.31 Furthermore, the council note that the Mayor of London has not raised any conformity issues in relation to the matters raised by the WPA, and moreover has expressed support with the policy approach to public benefit as a mechanism to ensure the continued sustainable delivery of economic and housing objectives. This is set out in the Statement of Common Ground with the Greater London Authority (SCG_001).
- 2.4.32 Furthermore, the council do not agree that the policy is not justified, as stated by the WPA in paragraph 2.4.13 above, due to no ‘proper’ assessment being undertaken of the policy. The IIA being referenced by the

WPA was prepared prior to the launch of the Regulation 19 consultation. The earlier version of the policy, as consulted on during Regulation 19, was more restrictive. The council's subsequent proposed modifications are intended to ensure the policy enables the delivery of the wider objectives of the Development Plan, and ensure sustainable development and growth. This will be re-assessed accordingly when the IIA is updated, as part of the Main Modifications Consultation following the examination of the Retrofit First policy.

- 2.4.33 Notwithstanding any updates to the IIA, the policy remains justified in its objective to create a framework to encourage the reuse of existing resources and to reduce carbon emissions, which ensuring that sustainable development is supported.

2.5 Matter 2: WPA does not support the proposed definition of new build development

- 2.5.1 The Sequential Test (Policy 43(D)) applies to development proposing a “new building.”
- 2.5.2 In the Proposed Modifications (November 2024), a “new building” is defined in the Glossary as “development which involves the demolition and replacement of more than 50% of the floor slabs and substructure of any pre-existing building over a single storey, or entirely new structures.” The Parties have agreed, above, that this measure is equivalent to floorspace.
- 2.5.3 WPA understands that WCC propose further amendments to this definition to clarify that the measure of demolition is to be calculated on the basis of Gross Internal Area are below:

*“Development involving the re-use of as much of the existing building(s) as possible and which involves measures to facilitate energy, performance and climate adaptation upgrades. For the purposes of the Retrofit First policy, this could include the removal and replacement of building envelope, services and finishes and may involve works to the superstructure of the existing building(s), involving the demolition and replacement of less than, or equal to 50% of the existing ~~floor slabs~~ **Gross Internal Area.**”*

WPA Position

- 2.5.4 WPA does not support the use of the 50% of gross internal area metric. It does not consider this to be justified, on the basis of evidence. Floorspace is not a direct proxy for retained carbon; if the objective of the policy is to promote circularity and re-use to prevent unnecessary additional carbon emissions the default measure for retention should be based on retention and re-use of structure and material containing carbon.
- 2.5.5 Retained / embodied carbon will not be distributed evenly across a building, by floorspace. For example, in some (but not all) cases, a disproportionate amount of carbon will be within the foundations of a building, for example where there are deep raft foundations, very extensive piling, or large basements. In these circumstances, retaining foundations and, perhaps, floorspace in the lowest floors will lead to significant carbon retention, but this would not be considered by policy.
- 2.5.6 WPA therefore suggests that the default position should be to define new build development by reference to retained material volume, taking account its carbon intensity, rather than by area. This will ensure that policy is focused on achieving the re-use of carbon intensive material, rather than prioritising the retention of floor area as a matter of course. Volumetric information on material, and carbon, retention is generally provided as a matter of course at planning stage now.
- 2.5.7 WPA understands the City Council’s approach to the use of floorspace in this context and recognises that there will be some instances in which, by necessity, floorspace may be the most appropriate, or only available, measurement, especially where detailed access to the building at planning stage is not possible.
- 2.5.8 It therefore suggests an amended definition:
- “For the purposes of the Retrofit First policy, development which involves the demolition and replacement of more than 50% of the structural embodied carbon (based on material volume adjusted for carbon intensity) of any preexisting building over a single storey, or entirely new development. Where establishing this is challenging, especially for longer term projects where survey information may be limited, applicants may request, and the City Council will consider, the use of floorspace as an alternative target. This should be raised as early as possible in pre-application discussions.”**

WCC Position

- 2.5.9 The council's position is that the use floor area is required to make the policy effective. The consistent functional unit of buildings is the floor area they provide, and therefore the potential capacity of a building to be converted to accommodate active uses. The use of Gross Internal Area (GIA) as the metric is also proposed by the council as it is based on data already commonly used in the planning process. It would be onerous to place a need on applicants to gather additional building information for the purposes of understanding how the policy applies to any given development proposal.
- 2.5.10 For the reasons set out below, the council consider that the modifications proposed by the WPA are not required to make the policy sound, and would not support the objective of encouraging the re-use of resources, including the conversion of existing buildings.
- 2.5.11 The use of volume could enable all above ground elements of a building to be demolished, due to the relatively higher material volume of substructures. For example, retaining 50% or more of existing building volume could be achieved through demolishing the majority of the superstructure (i.e. above ground structural elements), but retaining substructure (i.e. below ground structural elements) such as basement walls and foundations. Such schemes, where the majority of the floor area is demolished, could not reasonably be considered as a retrofit or deep retrofit scheme, and would undermine the strategic approach. This is especially true in London, where foundations can make up a considerable proportion of a building's volume. The NPPF seeks to encourage the re-use of resources, including the conversion of existing buildings. A policy definition which could enable the clearing of a site as to be classified as a retrofit or deep retrofit would therefore not be effective in achieving this aim.
- 2.5.12 The retention of substructural elements would not necessarily mean these elements continue to be functional, and it would be challenging to objectively assess whether these elements are being meaningfully repurposed without extensive and detailed evidential requirements at planning application stage, which the council view to be onerous. Several elements may therefore only be crudely estimated and as such, a definition based on volume/mass of material would lead to considerable uncertainty for applicants.
- 2.5.13 Furthermore, the council is concerned about material carbon intensity being introduced into the definition, as there is insufficient evidence to justify this approach. The council have not been provided with any evidence of an existing industry standard or methodology for converting existing material volume into carbon. The carbon associated with original production is often unknown, and carbon factors are constantly changing for new materials, so developing a fair and accurate method of undertaking the calculations required for the proposed wording would not be feasible.
- 2.5.14 It is the council's contention that, given the above, using either volume or volume adjusted for carbon intensity in the definition would not be justified by the evidence, and not sufficiently clear to applicants and easy to identify.
- 2.5.15 Finally, the definition of 'new building' proposed by the council aligns with the 'New Works' definition given within the emerging UK Net Zero Carbon Building Standard (UKNZCBS). The council note that a number of responses arising from the Regulation 19 consultation highlighted the benefits of aligning with the UKNZCBS to ensure consistency across the industry, as the UKNZCBS represented a congruous, national approach to consideration of carbon impacts of buildings.
- 2.5.16 'New works' are defined by the UKNZCBS as being either:
- construction resulting in $\geq 50\%$ of NIA being new⁶, or
 - building is single-storey, and all elements above the ground floor slab are new.
- 2.5.17 By aligning with this definition⁷, there is industry wide consensus on what constitutes 'new build' works. The UKNZCBS definition was derived by over 300 industry professionals who formed part of the task and steering groups including representatives from the UK Green Building Council (UKGBC), the Institution for Structural

⁶ See Section 3.1.4.9 of the UK Net Zero Carbon Building Standard Pilot Version, September 2024

⁷ As is also reflected in Appendix E (pg. 188, pg. 199) of the WPA Regulation 19 submission response

Engineers (IStructE), the Chartered Institution of Building Services Engineers (CIBSE), the Building Research Establishment (BRE), Low Energy Transformation Initiative (LETI), Royal Institute of British Architects (RIBA) and the Royal Institute of British Architects (RIBA).

- 2.5.18 In summary, the council contend that for consistency and to ensure that the policy is fair and accurately implemented, the proposed definition of a 'new building' shall not reference material volume.

2.6 Matter 3: WPA does not support the inclusion of Part C in Policy 43

Introduction

- 2.6.1 As set out above, both Parties **agree** that that it is neither justified nor sound to request that Applicants assess alternative land uses which are contrary to Development Plan policy. WPA understands this is not WCC's intention.

WPA position

- 2.6.2 WPA proposes that Part C is removed in its entirety as Part A of Policy 43 requires development proposals to prioritise retention. It is not within the scope of the Retrofit First policy to direct changes of use which may not accord with the wider Development Plan. This continues to be addressed through specific land use policies within the Westminster City Plan such as Policy 13 of the adopted City Plan and which are outside of the scope of the Partial Review.

WCC position

- 2.6.3 As set out in the introduction in 2.6.1 above, it is not the council's intention that land uses which are contrary to Development Plan policies are considered.
- 2.6.4 The inclusion of Part C of the policy (as proposed) is to reiterate the retrofit first approach and to encourage applicants to consider if there may be other uses for a site which could retain more of an existing building(s). The policy contains no direction to depart from the Development Plan's wider approach to land use, and instead it states that development should prioritise options which facilitate retrofit, which is in line with the NPPF requirement for the planning system to support the re-purposing and conversion of existing buildings.⁸

⁸ Paragraph 152 of the September 2023 NPPF

2.7 Matter 4: WPA consider further clarification is required to establish that demolition figures are not required to be taken into account when assessing schemes against the proposed upfront embodied carbon limits.

Introduction

- 2.7.1 As set out above, the Parties **agree** that the contribution of emissions from demolition should **not** be included when assessing the performance of developments against the upfront embodied carbon requirements proposed within Policy 43, because this would, in effect, provide a larger carbon budget for projects where smaller buildings are replaced than where larger buildings are replaced.

WPA position

- 2.7.2 In respect of the proposed carbon limits (common ground, item (d)) the Parties do **not agree** that the effect of the Guidance is clear.
- 2.7.3 WPA requests that this is made explicit in the supporting text to the policy in addition to the reference at Section 4.1.5 of the Guidance.
- 2.7.4 WPA considers that further alterations to the supporting text are required to the guidance to give effect to WCC's expressed intention (with which WPA agrees as set out above).

WCC position

- 2.7.5 Whole Life Carbon Assessments are undertaken to demonstrate the whole life-cycle carbon emission impacts of a building. These assessments are currently requested by the Mayor of London for referable schemes, along with a number of other authorities across the country.
- 2.7.6 Whole Life Carbon Assessments are complex pieces of work. In recent years their scopes have been enhanced, and industry practices have advanced. This is reflected in the recent adoption of the RICS Professional Standard on Whole Life Carbon Assessment (WLCA) for the Built Environment, Second Edition. The policy requires that the latest RICS guidance is used to complete the Whole Life Carbon Assessment, and further, more detailed technical guidance is included within the Retrofit First Policy Guidance Document (EV_R_004), which will become adopted guidance for the policy. The council are of the view that including detailed information within the policy itself is cumbersome, and that the preparation of detailed guidance is a better fit for this level of detailed information. Furthermore, in the event that the RICS Professional Standard is updated again, there is more longevity in the policy.

- 2.7.7 The upfront embodied carbon requirements set within the policy relate to the RICS modules referred to as A1-A5. However, whilst following the RICS Professional Standard, WCC recognise that to demonstrate compliance with the upfront embodied carbon requirements, some elements do not need to be counted when calculating if a scheme is compliant or not. This includes the following:
- Pre-construction demolition (A5.1)
 - Toxic/contaminated material treatment & Demolition (0.1.1)
 - For commercial buildings, Cat B finishes
 - For all other buildings, loose fit-out installed by the end user
 - External works
- 2.7.8 The reason for excluding these elements is because of the remit of the planning process. For example, an applicant may not be able to account for demolition which took place on site prior to purchasing it. Similarly, the planning process does not have control over 'Cat B' finishes, such as internal fit out and furniture.
- 2.7.9 All elements listed above will still need to be reported on, however the emission figures derived from the Whole Life Carbon Assessment will not be calculated to determine if the upfront embodied carbon requirements are met or not. This is clearly stated in the Retrofit First Policy Guidance Document as follows:
- "4.1.5 A full scope Whole Life Carbon Assessment to RICS WLCA Standard 2nd Edition is required for reporting purposes. However, some elements shall be excluded for demonstrating compliance with the upfront embodied carbon requirements within the Retrofit First policy."***
- 4.1.6 Excluded elements for meeting the A1-A5 upfront embodied carbon requirements are as follows:*
- Pre-construction demolition (A5.1)
 - Toxic/contaminated material treatment & Demolition (0.1.1)
 - For commercial buildings, Cat B finishes
 - For all other buildings, loose fit-out installed by the end user
 - External works"
- 2.7.10 Furthermore, the council's evidence base (including the Embodied Carbon Evidence Base, EV_R_003 And Viability Addendum, EV_GEN_003) are based on upfront embodied carbon requirements which do not include the items listed above.
- 2.7.11 In conclusion, the best place for detailed matters relating to scope and methodology of a Whole Life Carbon Assessment is within the Retrofit First Policy Guidance Document, and that the council would not have any grounds to alter this list of excluded items from the calculation of performance with respects to the upfront embodied carbon requirements, based on the evidence used to inform the aspirational requirements and limits set within policy.

2.8 Matter 5: Management of carbon performance changes at post-determination stage

Introduction

- 2.8.1 The City Council already imposes conditions requiring the resubmission of details through the construction and pre-occupation period confirming the extent of demolition and carbon performance.
- 2.8.2 The Parties **agree** that the use of planning conditions is more appropriate to monitor the carbon performance of buildings at post-determination stage than Section 106 obligations.
- 2.8.3 As a separate workstream, the Parties agree that the wording of current Whole Life Carbon conditions attached to current applications / permissions require further discussion, following the adoption of the Retrofit First policy.

WPA Position

- 2.8.4 The objective of Policy 43 is to increase the amount of retrofit, as opposed to new build development. Retrofit development, working with existing fabric, structure and foundations, is more complex than entirely new build development. That is not a reason not to do it, but this additional complexity should be recognised. This means that changes to proposals are likely to come forwards after planning permission has been granted. This is because detailed design will generally occur after planning determination (given the high costs of detailed design, for example to get to RIBA 4, it is not practical for developers to undertake this work whilst significant planning risk remains pre-determination) and this will lead to some detailed changes, including in some cases to structural design, the extent of retention, and the interface between retained and new elements.
- 2.8.5 Further changes are also likely to occur during construction, as it is only then that the full detail of existing site conditions will emerge, as the building is opened up.
- 2.8.6 Management of changes is, therefore, vital because such changes are more likely to occur in a retrofit scheme (whether that is a deep retrofit or a “new build” that incorporates retained elements).
- 2.8.7 Those changes may affect both the extent of demolition, for example in response to the discovery of structural issues not apparent prior to planning, and the carbon performance against the limits set out in Policy 43 (Part G).
- 2.8.8 WPA have collated example Whole Life Carbon Assessment conditions which have been attached to recent permissions or are proposed to be attached to forthcoming permissions. These conditions demonstrate that specific numerical upfront embodied and whole life carbon figures are currently being secured by condition with updated Whole Life Carbon Assessments required to be approved by WCC i) prior to commencement of any work including demolition; ii) prior to commencement of any construction works; and iii) within 3 months of the first occupation of the development. The wording of the identified conditions states that where the updated Assessment identifies that *“changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon and / or whole life carbon”* Applicants *“must identify measures that will ensure that the additional carbon footprint of the development will be minimised.”* The wording of the identified conditions such that works cannot commence until WCC as the Local Planning Authority is satisfied with the outcomes of the Assessment results in significant uncertainty for Applicants and developers, which represents an additional barrier to investment.

- 2.8.9 WPA have also collated Circular Economy conditions which have been attached to recent permissions or are proposed to be attached to forthcoming permissions. These conditions demonstrate that the wording of the identified conditions which require the submission of a detailed Circular Economy Statement “*prior to the commencement of any construction works and following completion of RIBA Stage 4*” is not reflective of the design and construction timelines of major development, whereby a requirement to complete RIBA Stage 4 prior to commencing any construction works could result in significant delays in construction and unnecessary costs.
- 2.8.10 All conditions are set out in the table enclosed at Appendix 4.
- 2.8.11 WPA does not agree, with an absolute requirement to meet or exceed the limits set at planning stage. Some change should be permitted. If the deliverability of a planning permission could be compromised by a modest change in either the extent of demolition, its embodied carbon performance, or the extent of reuse of material that proves possible it creates a very substantial risk which is likely to seriously compromise developers’ ability to secure funding, as well as adding significantly to build costs and programmes.
- 2.8.12 For example, if as a result of detailed design and conditions discovered during construction, the A1-A5 carbon performance was to increase from, say, 600kgCO₂e/sqm at planning stage and as stipulated in conditions in accordance with paragraph 43.13, to say, 650kgCO₂e/sqm, the effect of that on the permission is not set out.
- 2.8.13 In the same way, the potential to discover during construction or detailed design that retention of, say, 52% of a building is not possible, and instead only 48% can be retained, is not addressed. This could be caused by the discovery of slightly different existing conditions in terms of material volume or its carbon intensity, rather than because of any changes to design.
- 2.8.14 This is an area of serious concern for WPA members, because of its potential impact on funding and investment decisions and the robustness of planning permissions. Ensuring a planning permission is deliverable without continued significant planning uncertainty post the grant of planning permission is essential.
- 2.8.15 The Parties agree that further detailed discussion on the implementation of this policy is required, including with the City Council’s Development Management / Town Planning department, and commit to undertaking this work outside of the EIP process.
- 2.8.16 WPA suggests that this is addressed within the Guidance, by explicit recognition that (a) improvements to performance will be welcomed and that (b) changes within a limit of deviation of, say, 15% to embodied carbon performance and the extent of demolition will be acceptable.

WCC Position

- 2.8.17 The use of upfront embodied carbon requirements within the emerging policy have been informed by a detailed evidence base. The intentional use of aspirational requirements and limits has been to ensure transparency of the performance of developments, and to encourage good design practices to achieve these outcomes.
- 2.8.18 The council recognise that the nature of development means that things will change following granting of planning consent. The council contend that the policy and Retrofit First Policy Guidance Document makes clear the council’s position that the upfront embodied carbon performance of a scheme will likely change as design and construction progresses, and that this may be different from what is presented at planning application stage. Furthermore, the requirement of the council to use the RICS Standard Methodology for Whole Life Carbon Assessments, Second Edition, means that any calculations presented with planning applications at design stage will already incorporate a contingency allowance. This is to reflect any uncertainties which may arise through further design refinement and the construction phase.
- 2.8.19 As outlined in the Retrofit First Policy Guidance document, this will be monitored and reflected through the different elements of the Whole Life Carbon Assessment (see in Appendices B and C: pre-application, where relevant, pre-commencement and post-completion). This means that where upfront embodied carbon emissions are estimated at pre-application, or at pre-commencement stage, these will likely change within

the post-completion assessment. Furthermore, due to the RICS Second Edition Professional Standard incorporating a contingency allowance, this will mean that most schemes will demonstrate an improvement from what was reported at earlier design stages, when this contingency allowance is no longer applied.

- 2.8.20 To capture the situation where performance may exceed the upfront embodied carbon limit, the embodied carbon offset charge has been introduced within the policy as a mechanism to ensure that excess carbon is accounted for. This charge is calculated using the post-completion Whole Life Carbon Assessment, so that applicants are not charged for carbon emissions which they may be able to reduce through the construction period, or which may have been part of the contingency estimate.
- 2.8.21 With regards to changes in the proportion of an existing building retained, the council believe that a 15% deviation is quite high. If a high deviation is applied, it may be feasible that an applicant could inflate the percentage of retention at planning application stage to negate the need to complete the sequential test proposed as Part D of the policy (which is required for new buildings, as agreed by both parties in Section 2.2, Matter E above).
- 2.8.22 The council agree that further guidance within the Retrofit First Policy Guidance Document following the adoption of the Retrofit First policy to inform the consultation draft of the SPD would be useful. As such, the council commit to reviewing the guidance on policy implementation following the adoption of the Retrofit First policy. As noted in Matter N in Section 2.2, further discussions relating to the use of conditions will be held with the WPA following the adoption of the Retrofit First policy.
- 2.8.23 The council contend that it is inappropriate to specify a variance allowed within the policy wording or Retrofit First Policy Guidance Document and by doing so, this would make the policy ineffective. Any degree of variance would have to be considered on a case-by-case basis, with regard to any material considerations.

2.9 Matter 6: Clarification on the use of embodied carbon offsetting and the crediting of embodied carbon against operational carbon emissions.

Introduction

- 2.9.1 Paragraph 5.6.6 of the Retrofit First Submission Topic Paper (November 2024) introduces *“a mechanism whereby any embodied carbon saved below the upfront embodied carbon aspirational requirement can be deducted from the excess operational carbon emissions identified in Energy Statements.”*
- 2.9.2 An illustrative example is set out in Table 20 on Page 80 of the Retrofit First Submission Topic Paper (November 2024) which demonstrates that embodied carbon savings being deducted from the operational carbon offset contribution. In this example, the price of carbon is set at £330 per tonne of CO₂e which is the adopted operational carbon offset cost for developments with energy attributed to electricity, or district heating network connection in the City of Westminster.
- 2.9.3 Paragraph 5.6.10 of the Retrofit First Submission Topic Paper (November 2024) confirms that embodied carbon offset contributions *“would be charged at project completion, once the actual upfront embodied carbon of the development scheme is confirmed.”*
- 2.9.4 Paragraph 5.6.12 of the Retrofit First Submission Topic Paper (November 2024) states that: *“an appropriate price for embodied carbon offsetting will be reviewed in further detail following the adoption of the Retrofit First policy. This will form part of an update to the POAH SPD following the adoption of the City Plan Partial Review. However, in order to understand the potential viability impacts of the emerging policy, proxy prices were tested for the purposes of the Viability Study Addendum (October 2024). The HM Treasury Greenbook refers to an estimated price of carbon based upon government modelling of IPCC carbon usage.”*
- 2.9.5 Paragraph 5.6.13 of the Retrofit First Submission Topic Paper (November 2024) notes that the average prices of carbon between 2025 and 2040 ranged from £153 to £460.

WPA Position

- 2.9.6 WPA supports the use of carbon offsetting for both operational and embodied carbon emissions in principle to encourage innovation in embodied carbon construction practices.
- 2.9.7 WPA understands from WCC that the crediting of embodied carbon from operational carbon emissions is calculated firstly on tonnage figures and not monetary terms. WCC have provided WPA with the following worked example:

If a 10,000 sqm office scheme achieved 530 kg CO₂e/sqm, rather than the aspirational requirement of 550 kg CO₂e/sqm, this would show that 20kg CO₂e has been saved per sqm. If this is multiplied by the 10,000sqm floorspace, this equates to 200,000 kg of carbon saved, which is equivalent to 200 tonnes.

If the applicant's Energy Statement highlights that 1,000 tonnes of operational carbon needs to be offset over the development lifetime, then the 200 tonnes saved in embodied carbon would be applied to that figure. This

would therefore decrease it from 1,000 tonnes to 800 tonnes. This then means that (presuming an all-electric scheme), the applicant would be required to pay an offset charge on 800 tonnes of carbon. This would equate to a charge of £264,000 (800 tonnes multiplied by £330).

- 2.9.8 WPA supports this approach in principle provided the Planning Obligations and Affordable Housing SPD is updated to clarify that the monetary value attributed to embodied carbon emissions (when being credited against operational carbon emissions) is equivalent to the carbon offset price for operational carbon emissions i.e., £330 for developments with energy attributed to electricity, or district heating network connection, or £880 for developments with energy attributed to gas or other fossil fuels in the City of Westminster.
- 2.9.9 Notwithstanding this, WPA understands that WCC intends to introduce carbon offsetting for embodied carbon emissions (in line with the current adopted approach for operational carbon emissions and separately to any crediting against the two emission sources).
- 2.9.10 The Retrofit First Submission Topic Paper (November 2024) suggests that embodied carbon emissions will be charged at a rate other than the adopted figures of £330 for developments with energy attributed to electricity, or district heating network connection, or £880 for developments with energy attributed to gas or other fossil fuels in the City of Westminster.
- 2.9.11 Consequently, embodied carbon emissions, which WPA understands to have been estimated between £153 and £460 (as per Para 5.6.13 of the November 2024 Topic Paper), would be priced differently to operational carbon emissions.
- 2.9.12 In addition to the above, some Applicants already offset the embodied carbon emissions from their developments in order to contribute to achieving their internal ESG objectives. WPA recognise that the adopted Planning Obligations and Affordable Housing SPD allows for offsite measures to be delivered which Applicants can identify themselves rather than paying a financial contribution to WCC's Carbon Offset Fund. WPA request that this approach is clearly articulated in the supporting text and Guidance in respect of the Retrofit First policy to ensure that carbon offsetting schemes are not double counted (and therefore a carbon tax).
- 2.9.13 WPA consider that it is necessary to set out the carbon offset payment sought within policy to ensure compliance with CIL Regulation 122.

WCC Position

- 2.9.14 The council have proposed that different carbon values are used to reflect that Scope 3 emissions are not emitted within Westminster, and therefore the local price of carbon is not appropriate to be applied. This was in response to the comments received during the Regulation 19 consultation, including from the WPA.⁹ Furthermore, the carbon price for operational emissions is calculated for an assumed life-cycle of operational emissions over a 30-year period, whereas upfront embodied carbon emissions are not subject to a life-cycle calculation, and are therefore much lower.
- 2.9.15 The approach to carbon off-setting is clearly set out in EV_R_005 Retrofit First Topic Paper (Submission version, November 2024) paragraph 5.6.11. The HM Treasury Green Book prices have been used as a proxy for the purposes of modelling within the Viability Assessment Addendum (October 2024). These proxies were chosen as they are not local, but national figures, which are therefore more closely aligned with the nature of Scope 3 emissions.
- 2.9.16 For the avoidance of doubt, the cost of carbon set by the council is currently £880 per tonne, however a commuted sum is applied to carbon attributed to electricity or district heating networks. None of the HM Treasury Green Book prices exceed the £880 per tonne. The average prices considered by the council as proxies were either £153 (low), £307 (central) or £460 (high). Both the low and central average figures are

⁹ Paragraph 8.35 of the WPA Regulation 19 response

also lower than the commuted price of £330 per tonne applicable to carbon attributed to-electricity and district heating energy.

- 2.9.17 Any interaction between the offset charges is based on tonnes of carbon, rather than monetary values. For example, the credit to the operational carbon offset charge is based on the tonnes of embodied carbon saved below the upfront embodied aspirational requirement. This is clearly set out within EV_R_005 Retrofit First Topic Paper (Submission version, November 2024) Table 20, and in the example quoted by the WPA in paragraph 2.9.7 above.
- 2.9.18 In both examples, it is clear that the price at which embodied carbon emissions are set at does not interact with the charges applied to operational carbon, as it is instead dealt with in carbon terms, with the financial figure then applied following this crediting calculation.
- 2.9.19 As specified in both the supporting text for the policy in proposed paragraph 43.21 (see S/43/48) and within the Retrofit First Topic Paper (submission version, November 2024), and in line with the approach taken in relation to most planning obligations elsewhere by the council in City Plan, the final figure to be set for embodied carbon emission offsets will come forth as part of an update of the Planning Obligations and Affordable Housing SPD. The council do not feel that it is appropriate to update this SPD until the Retrofit First policy is adopted. Once this has occurred, there will be due consultation on the revised SPD and for these matters to be discussed in further detail, supporting with relevant evidence where appropriate.
- 2.9.20 Furthermore, the council appreciate and commend that some applicants already offset the embodied carbon emissions from their developments in order to contribute to achieving their internal ESG objectives. However, this is not a matter for planning policy, as it relates more to individual corporate objectives. Furthermore, individual organisations may be offsetting all of the embodied carbon emissions derived from a particular development, whereas the policy only proposes this to occur where compliance with the upfront embodied carbon limits is not achieved. In this case, only the excess tonnes of carbon above the upfront embodied carbon limit would require offsetting. Therefore, if a scheme achieves below these limits, then no embodied carbon offset charge will be applied in the first place.

2.10 Matter 7: Finch

- 2.10.1 Westminster City Council sets out its preliminary views on the implications of *R (on the application of Finch on behalf of the Weald Action Group) v Surrey County Council and others* [2024] UKSC 20 at 3.1.26-3.1.28 of the Topic Paper.
- 2.10.2 The case concerned the judicial review of planning permission granted to in respect of retention and expansion of oil drilling facilities in Surrey. The project-level ES assessed the Green House Gases that would be produced from the operation of the development itself not the GHG that would be emitted when the crude oil produced from the site is used by consumers. The issue was whether the legal duty to assess/understand indirect effects at the project-level approval stage included such effects (i.e. those that result from the use of an end product that is said to have originated from that development). The answer was yes, on the facts, given the scope to make a reasonable estimate of the GHG arising from the inevitable combustion.

WPA Position

- 2.10.3 WPA is unclear on the relevance of the Finch case, arising at as it did from the consideration of a case for fossil fuel (oil) extraction and the extent to which the downstream emissions of the combustion of that fuel should be considered when permitting that extraction.
- 2.10.4 WPA considers that, insofar as the Finch case is relevant to proposed Policy 43, it should consider a wider range of downstream effects rather than being limited to downstream carbon emissions.
- 2.10.5 WPA suggests that, if an assessment of downstream environmental effects was to be required, that should consider the wider sustainability implications, including social and economic, as well as environmental, effects of the proposed policy on development patterns within Westminster.
- 2.10.6 In this context WPA notes that the consideration of alternative options undertaken indicates that the economic benefits of the proposed policy option (IIA Policy 43, Option B, Category) are assessed as greater than Option A.¹⁰ WPA does not agree with this conclusion. A policy of greater restraint on investment in providing commercial office accommodation will have a greater adverse effect on Westminster's economic role.
- 2.10.7 This is acknowledged within the text, but unlike negative implications of other policy approaches is not scored as a negative.
- 2.10.8 The Submission Version of Policy 43 would have been a radical departure from national and London Plan policies and would conflict with the achievement of development plan objectives for sustainable growth with carbon implications. This concern is magnified because parts of the City Plan area are recognised by the UK Government as the most sustainable in the country. WPA's position, for the reasons set out in its previous submissions, is that the Topic Paper does not recognise this, the SA does not address it and so the Submission Version of Policy 43 was deeply problematic without substantial Modifications. This is a separate matter to the wider issue of conflict with the NPPF and retained City Plan and London Plan policies on sustainable growth patterns.

WCC Position

- 2.10.9 The council note that the Supreme Court decision in relation to the Finch case is still recent, and reference to it is caveated in the council's evidence base. The council maintain however that the Finch decision highlights that there is a rational basis for the council, as a local planning authority, to consider Scope 3 emissions (including embodied carbon) as an environmental effect of its local plan.

¹⁰ IIA, Page 51

2.10.10 The council note the WPA position in relation to the IIA prepared by the council as part of the Regulation 19 consultation. The IIA has not been updated to reflect the latest proposed modifications to the policy, as this will occur following the Examination. At this point, the as agreed modifications of the policy will be assessed, and the wider impacts (including on social, environmental and economic pillars of sustainability) will be re-considered.

2.11 Matter 8: Challenges regarding monitoring the effectiveness of Policy 43

Introduction

- 2.11.1 The policy seeks to reduce carbon emissions within the construction industry in line with WPA and WCC's shared objective. To do so, the policy is predicated on a reduction in new build development activity in Westminster through i. minimising instances of substantial demolition (and thereby minimising the scope of new build elements) and ii. limiting upfront embodied carbon emissions of the new build elements. This is based on the fact that the retention of existing assets reduces the need to manufacture and construct additional building materials, thereby reducing the carbon emitted through the raw material extraction, manufacturing, transportation and disposal of building materials i.e., embodied carbon.
- 2.11.2 WPA notes at Paragraph 3.2.33 of the Retrofit First Submission Topic Paper (November 2024) that **"the council's current Climate Emergency Action Plan to achieve net-zero carbon by 2040 does not currently include Scope 3 emissions, which embodied carbon emissions are considered as."** This is because the majority of embodied carbon emissions associated with construction in the City of Westminster are borne by the manufacturers of construction materials or the developers themselves as part of their Scope 1 or 2 emissions.

WPA Position

- 2.11.3 As set out above, the parties agree that the reduction in carbon emissions would be most effectively minimised and managed at a regional (London) or national level and that, in the absence of this, Local Planning Authorities are seeking to introduce local planning policy to seek to reduce carbon emissions.
- 2.11.4 On the basis that Scope 3 emissions i.e., embodied carbon emissions are not accounted for in the scope of the Council's Climate Emergency Action Plan to achieve net-zero carbon, WPA notes that the proposed policy may not contribute to the Council achieving net zero in accordance with its adopted framework. WPA is also concerned that the effectiveness of the proposed policy is challenging to establish and monitor by the Council.
- 2.11.5 WPA has also considered the relationship of embodied carbon emissions to Scope 1 and 2 emissions in its Regulation 19 statement.¹¹
- 2.11.6 It is not agreed that construction emissions are **"largely unregulated and do not form the basis of any national, regional or local targets to reach net-zero."**¹² Construction emissions will, largely, form part of the Scope 1 / 2 emissions of organisations producing the materials in which carbon is embodied. They are tracked and recorded accordingly. Therefore, the majority of reductions would be attributable to the location where the construction products (such as concrete, steel and cement) generating those emissions originates, elsewhere in the UK or globally.
- 2.11.7 It is not clear how WCC will effectively monitor the effect of the policy. WPA requests a clearer outline on how the policy will contribute to the Council's net zero ambitions and how these outcomes will be monitored to demonstrate the effectiveness of the policy. Notwithstanding this, the submission does not provide evidence on the effect a reduction in demand of construction materials from within Westminster may have on the manufacturing and supply of those products (which are likely to be supplied nationally or globally).

¹¹ WPA, Regulation 19 Submission, paragraphs 5.21-5.23

¹² Topic Paper, Page 13

Evidence is not provided on the price elasticity of supply of key construction products, to establish the scale of reduction in supply likely to result from a reduction in demand. If supply is highly price inelastic, a reduction in demand would only lead to a negligible reduction in supply, with almost the same amount of material being supplied.

- 2.11.8 WPA acknowledge that WCC can only implement planning policy within the geographic scope of the City of Westminster. However, it is not clear whether a drop in demand in Westminster would result in global carbon savings, because those materials may still be made, acquired and used, perhaps slightly more cheaply, elsewhere rather than in Westminster. As a result of this, and as set out above, WPA agrees with WCC that carbon emissions budgets and limits are best dealt with at regional or national level.
- 2.11.9 Despite this, as the City Plan Partial Review only deals with the proposed retrofit first policy, affordable housing and site allocations, the remaining adopted targets and objectives, including the growth objectives, are not under review. As such, the proposed policy is required to balance the reduction in carbon emissions with the attainment of the adopted growth targets.
- 2.11.10 WPA is concerned that, without evidence of the effect of the policy in meeting the shared objective of reducing emissions, both at plan-making and implementation stages, demonstrating its effectiveness and weighing its effects against other potential consequences is not possible.
- 2.11.11 WPA considers that this is particularly acute in Westminster, given that it is an exceptionally carbon efficient location for development. WPA has shown that its carbon emissions / job are the second lowest in the UK.¹³ Constraints on its capacity potentially therefore have a greater effect on economic output as a result.
- 2.11.12 As the proposed policy or associated guidance does not set out how the impact of the policy is proposed to be monitored, it is not clear how the impact of the policy both in terms of the reduction of carbon emissions and the impact of its implementation on any other Development Plan objectives can be effectively monitored and assessed.

WCC Position

- 2.11.13 The council contend that the policy wording, as amended through proposed modifications, balances the need to maintain sustainable growth across the city.
- 2.11.14 The council's view is that the policy approach to encourage the design of buildings which makes efficient use of materials, and reduces the demand for more carbon intensive materials, is justified by the evidence. The policy approach is a reasonable strategy to support the radical reductions in carbon emissions, by aiming to influence the design of buildings to make more efficient use of resources, and to reduce demand for carbon intense materials.
- 2.11.15 Furthermore, by referencing the RICS Whole Life Carbon Assessment Professional Standard, Second Edition, the policy requires applicants at planning application stage to meet upfront embodied carbon requirements using baseline material specifications (i.e. not by relying on low carbon material specifications). Therefore, the majority of carbon reductions will therefore be driven by material reduction measures. Reducing overall material use is the main way to reduce upfront embodied carbon. Material reduction is primarily driven by brief setting and design measures, which is therefore relevant to the decision-making processes at planning application stage.
- 2.11.16 The WSP Embodied Carbon Evidence Base (EV_R_003), along with the third-party review undertaken by independent consultants at Max Fordham (see Appendix 1 of the Retrofit First Topic Paper – Submission Version, November 2024) refers to a number of these design measures, which can be adopted irrespective of whether lower carbon material alternatives are specified. The effectiveness of the policy in reducing the consumption of materials, will therefore be readily monitored and able to be captured at the design stage of a development scheme.

¹³ Regulation 19 Submission, Paragraph 4.4

- 2.11.17 Once the final policy is adopted, metrics for monitoring and assessing the effectiveness of the Retrofit First policy will be considered and integrated within the council's Authority Monitoring Report (AMR), also known as the City Plan Progress Report.
- 2.11.18 Finally, the council are in the process of introducing of a digital whole life carbon monitoring platform. As committed to by the council, this platform will streamline and standardise the capturing of carbon data through the planning application process. This will mean that the introduction of the requirement to prepare a Whole Life Carbon Assessment will result in effective data capturing and processing, which will enable the council to demonstrate on an annual basis the carbon savings arising from development activity in Westminster.

2.12 Matter 9: Lack of evidence that the proposed policy is viable

Introduction

- 2.12.1 The Local Plan Partial Review viability evidence base has been prepared by BNP Paribas. This comprises a Viability Review dated February 2024, and an Addendum Report dated November 2024. WPA provided detailed representations on the Viability Review in April 2024 and have the following comments following review of the Addendum report.
- 2.12.2 WPA continue to have significant concerns with the financial modelling methodology undertaken by BNP Paribas in respect of both the Retrofit First policy and the Affordable Housing policy.

WPA position

- 2.12.3 WPA continue to have significant concerns with the financial modelling methodology undertaken by BNPP in both the original viability assessment and Addendum Report. There is a lack of data transparency regarding various appraisal assumptions, which directly conflicts with the requirements of the RICS Professional Standards outlined in 'Financial viability in planning: conduct and reporting' (1st edition, May 2019). Despite this being raised in our previous representations in April 2024, BNPP have still only provided one sample appraisal (Typology 1) out of many hundreds of appraisal outputs in the Addendum Report. None of the appraisals for the 100 additional typologies tested for the retrofit and embodied carbon reduction policy has been provided.
- 2.12.4 WPA have the following observations from reviewing the one sample appraisal provided in the Addendum Report (Appendix 8):
- GDV is presented as a single figure for each commercial use and so it is not clear how rent, yield and incentives have been applied to the scheme areas.
 - The total construction cost for commercial uses is not fully included in the cashflow (i.e. total cost feeding through to the residual land calculation is less than the input cost total). This means that the viability of this appraisal is overstated.
 - The appraisal includes the investment value of capitalised ground rents, despite the Leasehold Reform (Ground Rent) Act 2022 prohibiting ground rents (unless a peppercorn i.e. of no financial value) on new long leases on homes purchased after 30 June 2022. This also means that the viability of this appraisal is overstated.
- 2.12.5 It therefore appears that the viability of the Typology 1 appraisal (and by inference potentially all typology appraisals) has been overstated. WPA request that all appraisal summaries and cashflows are made available for review, including breakdown of calculation of GDV in each case.
- 2.12.6 The WPA still have fundamental concerns in respect of the cost assumptions. Paragraph 14 of the Viability National Planning Guidance states "Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage." Westminster City is unique with a rich heritage and distinctive townscape, it is one of London's most densely populated boroughs, with growth set to rise year on year. To bring forward development, costs that in other authorities would be deemed exceptional, are the norm, including rights of light, party wall, demolition, and façade retention. The cost and programme impact of building on very constrained sites is not allowed for in the viability evidence base. BNP Paribas approach to simply rebase BCIS build cost assumptions is not credible or robust. As a minimum the WPA consider there should be an increase to the external costs allowance. The WPA also consider there needs to be due consideration of evidence from submitted financial viability assessments over the last 3 years adjusted for inflation.

- 2.12.7 WPA maintain that a finance rate of 8% is the minimum appropriate rate for area-wide viability testing. Five-year SONIA swap rates remain above 4% as at 24 January 2025, and have only fallen to the 3.5% level quoted by BNPP in their response for three very brief periods since September 2022. BNPP's adopted rate of 6.75% does not therefore come close to reflecting a sufficient margin above this base lending rate, based on evidence from the Bayes Business School Lending Report provided in our previous representations.
- 2.12.8 Existing Use Values have been determined using lower quartile rental values, taking this approach would result in a need to wait until assets were significantly underperforming. The WPA is of the opinion this does not fit with either WCC's or the government's growth agenda. In addition, increasing regulation including in respect of sustainability and the environment in many cases will bring the need for refurbishment or redevelopment in advance of this point. A broader range of existing use values needs to be accounted for in BNP Paribas's review.
- 2.12.9 WPA remain of the view the very basic sensitivity analysis undertaken by BNP Paribas, testing a single scenario, is not fit for purpose.
- 2.12.10 In conclusion, the WPA, consider the financial viability evidence and approach adopted falls short on transparency and evidential integrity. We do not consider a sufficient proportion of schemes will be viable over the Plan period to meet the necessary growth required in respect of both commercial floorspace and jobs.

WCC position

- 2.12.11 The council commissioned BNP Paribas Real Estate (BNPRE) to assess the financial viability of the policies as proposed within the City Plan Partial Review. As is referenced in both the Viability Assessment (February 2024) and the Viability Assessment Addendum (October 2024), the technical experts responsible for the drafting of these reports do not consider there to be any conflict between their methodology used, the National Planning Practice Guidance and the RICS Professional Standards outlined in 'Financial viability in planning: conduct and reporting' (1st edition, May 2019).
- 2.12.12 With regards to affordable housing policies, the viability studies acknowledge that not every scheme will be able to meet the full percentage target in the proposed policy. However, the policy is expressly a 'target', and it makes provision for applications to be determined with lower percentages of affordable housing if this is robustly justified by a scheme-specific viability assessment. In this regard, this reflects both current practice in Westminster and is also in full conformity with London Plan policies HO4 and HO5. The council's emerging policy fully reflects the 'threshold' approach in London Plan Policy HO5, which provides a 'Fast Track' route for schemes that can provide 35% affordable housing¹⁴ and a 'Viability Tested' route for schemes that are viable with lower levels of affordable housing.
- 2.12.13 The WPA position outlined above indicates some misunderstandings, which are clarified by the council as follows:
- The inputs to all the appraisals have been fully disclosed in the Viability Studies (February and October 2024, Appendix 3) and they are therefore fully transparent. It would be impractical to append all the appraisals to the study, as the numbers would run into thousands of appraisals. This is not an approach that has been applied in any other Local Plan viability assessments in London that have been examined and found sound.
 - GDVs for commercial floorspace are calculated in an entirely standard manner, taking the headline rent multiplied by floor area to calculate a rent per annum. This rent is then discounted to reflect the deferment (rent free period) and capitalised using the relevant yield for each area.
 - Construction costs for commercial area are calculated by applying the relevant rate per square metre to the gross internal area. In addition, external works are applied at 10% of the base construction costs.

¹⁴ 50% on sites in public ownership and sites currently in industrial use where the existing floorspace is not re-provided in the application scheme.

Section 106 on commercial floorspace is also included in this cost line, but Community Infrastructure Levy and Mayoral Community Infrastructure Levy are applied separately in the cashflow.

- With regards to ground rent, this equates to less than 0.6% of GDV and is largely offset in any event by the overstated legal fees, which are calculated as £7,000 per unit (far higher than the typical £1,000 per unit incurred). The net result has a de-minimis impact on the GDV.
- With regards to costs, the approach adopted is consistent with the requirements of the Planning Practice Guidance, which specifically references to the use of BCIS costs for viability testing local plan policies. Clearly, if there are particular costs when an application scheme is submitted, these can be reflected in a scheme-specific viability assessment if the Applicant chooses to go through the 'Viability Tested' route, for example for affordable housing provision.
- The WPA misunderstands the local weighting that BNPRE have applied to the BCIS costs. This is not an adjustment that BNPRE have made, but an adjustment that the BCIS database itself applies to reflect the scheme specific differences between tenders submitted for schemes in Westminster to the average rates included in the database.
- With regards to finance rates, the City Plan sets policies which will run over the whole plan period, not merely over a short-term period. The council does not agree that it would be appropriate to test the appraisals with a finance rate of 8% as this is not reflective of the rate typically applied in viability assessments, including those undertaken in support of local plans in London and recently found sound.
- With regards to existing use values, the adoption of lower quartile rents for existing use values is a reasonable reflection of the drivers for redevelopment or refurbishment. There is unlikely to be significant pressure for redevelopment in circumstances where buildings are performing well and generating high rents. If an owner decides to develop a building which is generating higher rents, these particular site-specific circumstances could be reflected in a scheme-specific viability assessment in support of a planning application.
- Finally, with regards to WPA suggestion that they do not consider a sufficient proportion of schemes to be viable over the City Plan period, this is largely a function of market dynamics and not related to policy requirements. As noted previously, the council's policy requirements for affordable housing cannot be considered as a barrier to development, as scheme-specific viability issues can be taken into account when applications are submitted. With regards to the Retrofit First policy, this offers explicit and clear support for new buildings, where these are identified as either providing an optimal, or only practical, outcome for the site.

2.13 Matter 10: The proposed tenure mix of 70% social housing and 30% intermediate housing

Introduction

- 2.13.1 The adopted Westminster City Plan Policy 9 requires the delivery of 60% of affordable housing units to be intermediate and 40% to be social rent or London Affordable Rent. The City Plan Partial Review proposes that this ratio is adjusted to 70% social housing and 30% intermediate housing under draft Policy 13.

WPA position

- 2.13.2 Currently, due to the nature of costs for Registered Providers including high service charge costs, the delivery of intermediate units within an affordable residential building assists in subsidising, and therefore 'de-risking', the full impact of costs for a Registered Provider.
- 2.13.3 The proposed policy change to 70% Social Rent dwellings is likely to produce a scenario whereby the reduced level of Intermediate product is incapable of subsidising/derisking the uplift in overall Social Rent units. As such, the proposed increased proportion of Social Rented tenure will potentially have an adverse impact of deliverability of schemes within the city. This would have the effect, commercially, of discouraging developments which trigger affordable housing threshold from being pursued by developers.
- 2.13.4 There is currently limited demand from Registered Providers, and many have limited funds for new homes. The proposal to revise the tenure split to a lower value mix comes at a time when viability and deliverability of affordable housing is very challenging. It would be counter-productive for the revisions to the tenure split to result in a lower delivery of affordable housing overall. If a revised tenure mix is to be introduced, we would propose that, to help ensure the delivery of affordable housing, there is provision in the Section 106 agreement for a variation to the tenure mix for a split between the parameters of the current Local Plan and the proposed policy. This could be done by inserting a cascade mechanism, which would only be triggered should there be marketing evidence presented that confirms the proposed tenure mix is not deliverable.
- 2.13.5 WPA notes that the evidence base presented is based solely on the need for social housing. Whilst we note that the need for social housing is greater than the affordable housing capacity identified for Westminster under the London Plan it does not negate the need for other forms of affordable housing, which the London Plan does acknowledge. The evidence does not consider the need for other forms of affordable housing such as intermediate rent as evidenced by WCC's own intermediate housing list <https://www.homesforwestminster.co.uk/>. It does not consider the capacity of developers and Registered Providers to deliver the mix sought.
- 2.13.6 This relates to WPA's concern that the viability evidence does not demonstrate that the policy is deliverable, noted below.

WCC position

- 2.13.7 In line with the NPPF and London Plan, draft Policy 13 sets out the type of affordable housing required based on an analysis of housing needs, that also considers viability. The local housing need assessment underpinning the City Plan Partial Review (document EV_H_001) shows that there is an overwhelming need for social housing in Westminster. It also identifies a continued need for intermediate housing, but that the greatest level of need is for social housing. As such, policy seeks a mix of social and intermediate housing as part of future affordable housing provision that prioritises social in light of evidence that this is the highest

area of need. The sought tenure mix is within the parameters set by London Plan Policy H6A and the emphasis on social housing brings the council's approach into line with most other central London boroughs.

- 2.13.8 In line with the NPPF and guidance, the City Plan Partial Review draft policies have been viability tested to ensure the Plan's deliverability. Given the Viability Study and its Addendum (documents EV_GEN_002 and EV_GEN_003) conclusions and recommendations, draft Policy 13 (including modifications) has been drafted to align with the London Plan approach to affordable housing delivery and viability. Schemes on private land not able to deliver 35% affordable housing and adhere to the tenure split, can still come forward but will need to be assessed under the Mayor's 'Viability Tested Route' as set out in London Plan Policy H5. When following the Viability Tested Route, discussions between the parties will conclude how many affordable homes – and which type – can be delivered as part of proposals without compromising the deliverability of the scheme.
- 2.13.9 Please see response to Matter 9, as included above. The council do not agree with the concerns raised by the WPA with regards to the financial viability modelling undertaken by BNPRE.

2.14 Matter 11: Absence of the payment in lieu values from the proposed policy or supporting text

Introduction

- 2.14.2 Paragraph 13.12 of supporting text to draft Policy 13 states that “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.”
- 2.14.3 New Paragraph 13.4 states that “in line with the London Plan, all affordable housing requirements from major residential development will be calculated based on the total gross residential development proposed (Gross Internal Area, GIA). Where residential floorspace is proposed as part of major redevelopment and intensification proposals that include existing housing, applicants should have regard to guidance set out in the Planning Obligations and Affordable Housing SPD on how the Gross Internal Area of the scheme will be determined.”

WPA position

- 2.14.4 WPA considers that neither the threshold for the application of the policy nor the per sqm floorspace figures to determine affordable housing contributions should be determined using an SPD. These items should instead be included within the City Plan itself allowing them to be tested via the policy examination process. In addition, the inclusion of payment in lieu information in the SPD means that the figures could be updated without any required corresponding update of the policy wording to ensure the viability of the policy for applicants. Notwithstanding this, the SPD should in any event be updated alongside the City Plan Review, to ensure the documents are consistent with each other in practice.
- 2.14.5 WPA request that any updates to the POAH SPD are undertaken alongside the preparation of the Partial Review, rather than rely on a future update, so that the effect of the POAH definitions and the change in thresholds can be considered together, or guidance to address this issue and the relationship with the SPD provided in the supporting text to the policy, subject to further appropriate consultation.

WCC position

- 2.14.6 The threshold for the application of the policy – for both ‘major developments’ and ‘small-scale residential developments’ - is set out in Draft Policy 13. Draft Policy 13 also explains the methodology for calculating affordable housing payments in lieu.
- 2.14.7 What the adopted Planning Obligations and Affordable Housing Supplementary Planning Document (POAH SPD) does is to provide guidance on how the Gross Internal Area of some complex schemes may be assessed. The POAH SPD also sets out the rates – not the methodology – for calculating payments in lieu. This approach is in line with national and regional policy and guidance, that this level of detail does not need to be set out in a strategic document like the City Plan. The approach to both issues in draft Policy 13 carries over the adopted approach as set out in adopted Policy 9. The council does not believe the current approach has created any issues to applicants.
- 2.14.8 Given Supplementary Planning Documents need to provide guidance on adopted policies, it is not possible at this stage to update the adopted POAH SPD. If the Partial Review is adopted, then the council will update the POAH SPD to make sure its guidance supports any revised or new policies. The council has already

committed to this – see the Local Development Scheme (2024-2027)(CORE_008). As part of the process, the council will consult on any changes.

2.15 Matter 12: Viability Evidence Base

Introduction and WPA Position

- 2.15.1 As set out in detail above, WPA continues to have significant concerns with the financial modelling methodology undertaken by BNP Paribas in respect of both the Retrofit First policy and the Affordable Housing policy.

WCC position

- 2.15.2 Please see response to Matter 9, as included above. The council do not agree with the concerns raised by the WPA with regards to the financial viability modelling undertaken by BNPRE.

2.16 Matter 13: Innovative Housing Delivery

Introduction and WPA position

- 2.16.1 Policy 15 relates to innovative housing delivery. Part (B) relates to build to rent accommodation. Paragraph 15.2 states that “a deviation from the social / intermediate tenure split set out in Policy 9 may be acceptable if any of these models of housing are delivered following the conditions set out in the London Plan.
- 2.16.2 The London Plan permits 100% intermediate housing within the context of a Build to Rent development, at an appropriate range of rental levels.
- 2.16.3 Paragraph 15.2 requires a consequential amendment to, firstly, refer to Policy 13 rather than Policy 9 and, secondly, to be clear that a deviation from split sought by Policy 9 **will** be acceptable in these circumstances, to ensure conformity with the London Plan.

WCC Position

- 2.16.4 Adopted Policy 11: Innovative Housing Delivery¹⁵ is not within the scope of the City Plan Partial Review.
- 2.16.5 The council agrees that a consequential amendment is needed to refer to Policy 13 instead of Policy 9 within adopted Policy 11. The council will be proposing a modification, as set out in CORE_002e- ‘Schedule of Additional Modifications – Post-submission Addendum I’ (see PS/15/1).
- 2.16.6 However, given the scope of the City Plan Partial Review and that this policy is not included, no further wording changes can be considered at this stage as these would be considered as ‘Main Modifications’. As set out in the Local Development Scheme (2024-2027)(CORE_008), the council has committed to a City Plan Full Review commencing in 2025, and changes to other City Plan policies will be considered as part of this review, at the appropriate time. Any wording changes will be subject to public consultation.

¹⁵ Renumbered as Policy 15 by the City Plan Partial Review

3 Conclusion

3.1 Closing statement

Conclusion

- 3.1.1 This SoCG has been prepared in collaboration with WCC officers and representatives of the WPA between September 2024 to February 2025 and represents our respective positions as of March 2025.
- 3.1.2 The statement has been prepared as a live document that can be updated in response to any issues arising through the examination as necessary.

Signed confirmation

- 3.1.3 Both parties consider that this SoCG represents an accurate record of their respective positions in relation to draft Policy 13 – Affordable Housing and Policy 43 – Retrofit First.

Signed on behalf of Westminster City Council		
Name and Position	Signature	Date
Debbie Jackson		24 March 2025
Executive Director of Regeneration, Economy and Planning		
Westminster City Council		

Signed on behalf of the Westminster Property Association		
Name and Position	Signature	Date
Charles Begley		21 March 2025
Chief Executive		
Westminster Property Association		

Appendix 1

This Table schedules items where the need for changes to guidance or explanation within the supporting text to Policy 43 is agreed between the parties.

Cross-reference to Statement of Common Ground	Document suggested for amendment	Comments
2.2.2 (j)	Alterations to Retrofit First Policy Guidance Document	to further elaborate on existing paragraph 2.1.11 in the Retrofit First Guidance Document to confirm that the requirement for third party review arises only at the step of the sequential test being relied upon to justify extensive redevelopment. This will occur prior to the public consultation of the guidance as an SPD, once the Retrofit First policy is adopted.
2.2.2 (k)	Consequential amendments to the supporting text and Retrofit First Policy Guidance Document	<p>Modification S/43/35/PS to supporting text of policy, as proposed in CORE_002d.</p> <p>Further consequential changes to be made to the Retrofit First Policy Guidance Document to clarify that requirements for a Circular Economy Statement arise from deep retrofit or new buildings only. This will occur prior to the public consultation of the guidance as an SPD, once the Retrofit First policy is adopted.</p>
2.2.2 (l)	Consequential amendments to the supporting text and Retrofit First guidance	<p>Modification S/43/36/PS to supporting text of policy, as proposed in CORE_002d.</p> <p>Further consequential changes to be made to the Retrofit First Policy Guidance Document to clarify that requirements for a Whole Life Carbon Assessment do not arise from major developments solely involving a material change of use. This will occur prior to the public consultation of the guidance as an SPD, once the Retrofit First policy is adopted.</p>

Appendix 2

This table schedules items where the need for changes to guidance or explanation within the supporting text to Policy 43 is not agreed between the parties.

With regards to the Retrofit First Policy Guidance Document, both parties agree that further changes will be required to the document following the examination of the Retrofit First policy. This document will then be subject to public consultation.

The WPA will provide further comments on areas where they believe wording should be changed during the consultation period proposed for the document, at appropriate time.

Cross-reference to Statement of Common Ground	Document suggested for amendment	Comments
Section 2.4 (Matter 1)	Policy text	WPA suggests Test 1 is amended as follows: “Are existing buildings on site structurally sound and therefore can be <u>realistically</u> retained and re-purposed either partially or in full, <u>in accordance with development plan requirements for the site</u> ?”
Section 2.4 (Matter 1)	Policy text	WPA suggests that Test 2 is amended as follows: “ <u>Where the answer to Test 1 is “yes”</u> , it is demonstrated that neither a retrofit nor deep retrofit option could do <u>the following, in accordance with development plan requirements for the site</u> : secure the best use of land; meet a statutory requirement; or address a justified operational need.”
Section 2.4 (Matter 1)	Supporting text	To provide a definition for the best use of land, aligned with Policy D3 of the London Plan
Section 2.6 (Matter 3)	Policy text	Removal of proposed clause C
Section 2.7 (Matter 4)	Supporting text	To confirm that demolition emissions should not be included when assessing the performance of developments against the emerging upfront embodied carbon requirements.
2.2 (n) and Section 2.6 (Matter 3)	Retrofit First Policy Guidance Document	Specifically, the WPA propose these adjustments to “Proposed Use” in Table 2.4: “The proposed <u>land</u> use is supported by the City Plan and/or London Plan requirements <u>for the site</u> , including consideration of the geographic location of the development, the existing use of the building(s) <u>and any planning policy constraints</u> . The proposed use is suitable for the existing building (in parts or as a whole). Where this cannot be demonstrated, confirmation that other alternative sites to deliver the use unsuited to the existing building(s) have been reviewed, and any reasons why a different site is not possible are provided.”

2.2 (n) and Section 2.6 (Matter 3)	Retrofit First Policy Guidance Document	<p>The WPA propose that the second bullet of Section 2.3.9 of the Guidance should be removed. This currently reads:</p> <p>“Whether alternative sites could provide the proposed use through retrofit approaches, with less demolition than proposed.”</p>
------------------------------------	---	---

Appendix 3

The table below sets out the WPA’s comments on the inconsistencies between the draft Environment SPD and the proposed Retrofit First Policy and guidance. This is not comprehensive.

Reference in ESPD	ESPD Content	Commentary
Page 106	All schemes are encouraged to prepare a Pre-Demolition Audit setting out the existing condition of the building, building dimensions, material quantities, environmental impact of existing buildings and disassembly recommendations.	<p>The Policy Guidance prepared in support of the Retrofit First Policy (Policy 43) confirms that Pre-Demolition Audits are proposed to be renamed “Deconstruction Audits”. Paragraph 3.2.3 states that a Pre-Deconstruction Audit is required to be submitted in support of a planning application with an updated version submitted via condition prior to any deconstruction works and a Post-Deconstruction Audit is required to be submitted following completion of deconstruction works.</p> <p>The ESPD will require adjustment to ensure full alignment with Policy 43, and the thresholds for Circular Economy statements, within which Deconstruction Audits will be contained.</p>
Page 107	Major schemes are encouraged to submit a Structural Report confirming that it is technically not feasible for the existing structure to be retained (as a part or as a whole).	<p>As drafted, the emerging Retrofit First Policy (Policy 43) would require all applications for substantial demolition or new build to produce this report.</p> <p>As above, WPA considers Step 1 (Structural Condition) of the Sequential Test which requires Applicants to consider whether existing buildings are structurally sound should be optional if structural defects or condition are not being advanced as the reason for demolition.</p> <p>The ESPD requires adjustment.</p>
Page 107	Where the Pre-Demolition Audit, or Structural Report, identify that it is possible for an existing building to be retained and retrofitted, an assessment shall be undertaken to compare the Whole Life Carbon (WLC) impacts of the following development options:	<p>This requirement is more onerous than both the existing position and the proposed approach set out within the proposed Retrofit First Policy (Policy 43), whereby Step 3 of the Sequential Test requires Applicants to demonstrate whether the whole life carbon of the development will be greater than if the existing building(s) were retained. It does not specify how many options are required to be assessed.</p> <p>The ESPD requires adjustment.</p>

	<ol style="list-style-type: none"> 1. Where existing basement and foundations are retained only 2. Where existing building is partially retained 3. Where existing building frame is retained, and a deep refurbishment is undertaken <p>Where existing building is retained in full, with a light touch refurbishment, focussing on fit-out is undertaken.</p>	
Page 108	<p>Relevant reasons for proposing substantial demolition shall be detailed within a Sustainable Design Statement, including reference to the Pre-Demolition Audit [Deconstruction Audit], Structural Report and WLC comparison study. Sustainable Design Statements are a validation requirement for all applications which create new floorspace and / or where extensive works to retrofit / improve the environmental performance of a building are proposed. This includes householder applications.</p>	<p>References to Sustainable Design Statements were removed from supporting text in respect of the proposed Retrofit First Policy (Policy 43) as part of the Proposed Modifications in November 2024, although Sustainable Design Statements are an adopted validation requirement.</p> <p>WPA request clarification on the deliverables required to be submitted for at pre-application and submission stages for schemes proposing substantial demolition.</p> <p>It is understood that instead of a Sustainable Design Statement, a Pre-Redevelopment Audit would be required to demonstrate how the scheme has considered each of the points in the Sequential Test.</p>
Page 108	<p>The consultation ESPD defines ‘substantial demolition’ as “where 50% or more of floor slabs and substructure of any existing building(s) is being demolished.”</p>	<p>This is contrary to the Retrofit First Policy which defines substantial demolition as “the demolition and replacement of more than 50% of the floor slabs and substructure of any pre-existing building over a single storey.”</p>
Page 109	<p>The outcomes of the WLC Assessment should demonstrate the achievement of either the London Plan upfront embodied carbon targets, the emerging UK Net Zero Carbon Building Standards and/or requirements specific to Westminster which may be adopted in the future.</p>	<p>This suggests that schemes which achieve the London Plan upfront embodied carbon targets but not the proposed carbon limits set out within the proposed Retrofit Policy would be acceptable.</p>

Page 110	The Council also encourage all major applications, and any non-major applications involving demolition to prepare Circular Economy Statements.	This is contrary to the current wording of the proposed Retrofit First policy which requires a CES for all applications involving any level of demolition. Notwithstanding this, WCC and WPA have subsequently agreed that this should be restricted to the circumstances set out elsewhere within this document.
Page 112	Reference is made to additional guidance for the preparation of Sustainable Design Statements online although the footnote confirms that these are being updated and will be available online following the publication of the updated ESPD.	WPA requests that these are published for consideration alongside the consultation version of the ESPD.

Appendix 4

This Table schedules recent conditions, as collated by the WPA.

Address	Reference	Status	Condition no.	Whole Life Carbon Condition Wording
38-70 Baker Street	22/08200/FULL	Approved subject to signing of S106	33	<p>You must apply to us for approval of an updated version of the Whole Life Carbon Assessment (whereby the updated assessment identifies changes to the design, procurement, or delivery) hereby approved at each of the following stages of development:</p> <ul style="list-style-type: none"> (a) Prior to commencement of any work on site including all works of deconstruction and demolition., (b) Prior to commencement of any construction works., (c) Within 3 months of first occupation of the development. <p>Where the updated assessment submitted pursuant to (a) or (b) above identifies that changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon (A1-A5) above 532kgCO₂e/m² and/or Whole Life Carbon (A1-C4) above 831kgCO₂e/m², which are the benchmarks established by your application stage Whole Life Carbon assessment, you must identify measures that will ensure that the additional carbon footprint of the development will be minimised.</p> <p>You must not commence any work on site and/or construction works (as appropriate pursuant parts (a) and (b) above) until we have approved the updated assessment you have sent us.</p> <p>You must then carry out works, as permitted by the relevant part of the condition, in accordance with the updated version of the Whole Life Carbon assessment that we have approved.</p> <p>The post construction assessment submitted for our approval pursuant to (c) shall demonstrate how the development has been completed in accordance with the updated benchmarks identified in the updated assessment submitted pursuant to part (b).</p>

206 Marylebone Road	24/03776/FULL	Resolution to Grant at Committee in February 2025	26	<p>You must apply to us for approval of an updated version of the Whole Life Carbon Assessment hereby approved at each of the following stages of development:</p> <ul style="list-style-type: none"> (a) Prior to commencement of any work on site including all works of deconstruction and demolition. (b) Prior to commencement of any construction works. (c) Within 3 months of first occupation of the development. <p>Where the updated assessment submitted pursuant to (a) or (b) above identifies that changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon (A1-A5) above 650 kgCO₂e/m² and/or Whole Life Carbon (A1-C4) above 1139 kgCO₂e/m², which are the benchmarks established by your application stage Whole Life Carbon assessment, you must identify measures that will ensure that the additional carbon footprint of the development will be minimised.</p> <p>You must not commence any work on site and/or construction works (as appropriate pursuant parts (a) and (b) above) until we have approved the updated assessment you have sent us. You must then carry out works, as permitted by the relevant part of the condition, in accordance with the updated version of the Whole Life Carbon assessment that we have approved.</p> <p>The post construction assessment submitted for our approval pursuant to (c) shall demonstrate how the development has been completed in accordance with the updated benchmarks identified in the updated assessment submitted pursuant to part (b).</p>
1 Victoria Street	24/00977/FULL	Approved November 2024	45	<p>You must apply to us for approval of an updated version of the Whole Life Carbon Assessment hereby approved at each of the following stages of development:</p> <ul style="list-style-type: none"> (a) Prior to commencement of any construction works. (b) Within 3 months of first occupation of the development. <p>Where the updated assessment submitted pursuant to (a) above identifies that changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon (A1-A5) above 595kgCO₂e/m² and/or Whole Life Carbon (A1-C4) above 1111kgCO₂e/m², which are the benchmarks established by your application stage Whole Life</p>

				Carbon assessment, you must identify measures that will ensure that the additional carbon footprint of the development will be minimised. You must not commence any construction works until we have approved the updated assessment you have sent us. You must then carry out works in accordance with the updated version of the Whole Life Carbon assessment that we have approved. The post construction assessment submitted for our approval pursuant to (b) shall demonstrate how the development has been completed in accordance with the updated benchmarks identified in the updated assessment submitted pursuant to part (a).
7 Soho Square	24/01591/FULL	Approved February 2025	20	<p>You must apply to us for approval of an updated version of the Whole Life Carbon Assessment hereby approved at each of the following stages of development:</p> <ul style="list-style-type: none"> (a) Prior to commencement of any work on site including all works of deconstruction and demolition. (b) Prior to commencement of any construction works. (c) Prior to the occupation of the development the post-construction tab of the GLA's Whole Life-Cycle Carbon Assessment template should be completed in line with the GLA's Whole Life-Cycle Carbon Assessment Guidance. The post-construction assessment should be submitted to the GLA at: ZeroCarbonPlanning@london.gov.uk, along with any supporting evidence as per the guidance. Confirmation of submission to the GLA shall be submitted to, and approved in writing by, the local planning authority, prior to occupation of the development. (d) Within 3 months of first occupation of the development. <p>Where the updated assessment submitted pursuant to (a) or (b) above identifies that changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon (A1-A5) above 656kgCO₂e/m² and Whole Life Carbon (A1-C4) excluding B6 and B7 above 1051 kgCO₂e/m², which are the benchmarks established by your application stage Whole Life Carbon assessment, you must identify measures that will ensure that the additional carbon footprint of the development will be minimised. Notwithstanding any changes to the design, procurement or delivery of the approved development at least 30% of all structural steel shall have recycled content, at least 80% of all standard structural steel sections shall be sourced from existing re-used sections on the secondary market, at least 80% of all aluminium elements shall be derived from products with recycled content, all concrete</p>

				elements shall have at least 40% cement replacement content, and all cross laminated timber (CLT) elements shall be designed for disassembly.
61-71 Victoria Street	24/03540/FULL	Approved December 2024	23	<p>You must apply to us for approval of an updated version of the Whole Life Carbon Assessment hereby approved at each of the following stages of development:</p> <p>(a) Prior to commencement of any work on site including all works of deconstruction and demolition.</p> <p>(b) Prior to commencement of any construction works.</p> <p>(c) Within 3 months of first occupation of the development.</p> <p>Where the updated assessment submitted pursuant to (a) or (b) above identifies that changes to the design, procurement or delivery of the approved development will result in an increase in embodied carbon (A1-A5) above 746kgCO₂e/m² and/or Whole Life Carbon (A1-C4) above 930kgCO₂e/m², which are the benchmarks established by your application stage Whole Life Carbon assessment, you must identify measures that will ensure that the additional carbon footprint of the development will be minimised.</p> <p>You must not commence any work on site and/or construction works (as appropriate pursuant parts (a) and (b) above) until we have approved the updated assessment you have sent us. You must then carry out works, as permitted by the relevant part of the condition, in accordance with the updated version of the Whole Life Carbon assessment that we have approved.</p> <p>The post construction assessment submitted for our approval pursuant to (c) shall demonstrate how the development has been completed in accordance with the updated benchmarks identified in the updated assessment submitted pursuant to part (b).</p>

Address	Reference	Status	Condition no.	Circular Economy Condition Wording
206 Marylebone Road	24/03776/FULL	Resolution to Grant at	27	(a) Prior to commencement of any works on site including works of deconstruction and demolition full details of the updated pre-demolition audit in accordance with section 4.6 of the GLA's adopted Circular Economy Statement guidance shall be submitted to us and

		Committee in February 2025		<p>approved by us in writing. The details shall demonstrate communication with supply chain as well as storage allocation to meet the relevant targets set out in the submitted pre-demolition audit at planning, and in particular to meet the below recovery rates for the main building materials: For onsite direct reuse: 16% basement reinforced concrete, 39% masonry/ brick/ stone, 35% of rebar, 88% modern structural steel, 20% crushed concrete. For off-site upcycling: 100% glazing, 100% early age structural steel, 65% rebar. You must not carry out any works on site including works of demolition until we have approved what you have sent us. The demolition and other pre-construction works shall then be carried out in accordance with the approved details.</p> <p>(b) Prior to the commencement of any construction works and following completion of RIBA Stage 4, a detailed Circular Economy Statement including a site waste management plan (or updated version of the approved Circular Economy Statement that reaffirms the approved strategy or demonstrates improvements to it), shall be submitted to us and approved by us in writing. The Circular Economy Statement must be prepared in accordance with the GLA Circular Economy Guidance and demonstrate that the development has been designed to meet the relevant targets set out in the guidance. The end-of-life strategy included in the statement shall include the approach to storing detailed building information relating to the structure and materials of the new building elements (and of the interventions to distinguish the historic from the new fabric). The development shall be carried out in accordance with the details we approve and shall be operated and managed throughout its life cycle in accordance with the approved details.</p>
1 Victoria Street	24/00977/FULL	Approved November 2024	46	<p>(a) The demolition and other pre-construction works shall be carried out in accordance with the pre-demolition audit at Appendix 3 of the Detailed Circular Economy Statement 1VS-ARUPZZ-ZZ-RP-X-000002.</p> <p>(b) Prior to the commencement of any construction works and following completion of RIBA Stage 4, a detailed Circular Economy Statement including a site waste management plan (or updated version of the approved Circular Economy Statement that reaffirms the approved strategy or demonstrates improvements to it), shall be submitted to us and approved by us in writing. The Circular Economy Statement must be prepared in accordance with the GLA Circular Economy Guidance and demonstrate that the development has been designed to meet the relevant targets set out in the guidance. The end-of-life strategy included in the</p>

				statement shall include the approach to storing detailed building information relating to the structure and materials of the new building elements (and of the interventions to distinguish the historic from the new fabric). The development shall be carried out in accordance with the details we approve and shall be operated and managed throughout its life cycle in accordance with the details we approve and shall be operated and managed throughout its life cycle in accordance with the approved details.
7 Soho Square	24/01591/FULL	Approved February 2025	21	<p>(a) Prior to commencement of any works on site including works of demolition full details of the pre-demolition audit in accordance with section 4.6 of the GLA's adopted Circular Economy Statement guidance shall be submitted to us and approved by us in writing. The details shall demonstrate that the development is designed to meet the relevant targets set out in the GLA Circular Economy Statement Guidance. You must not carry out any works on site including works of demolition until we have approved what you have sent us. The demolition and other pre-construction works shall then be carried out in accordance with the approved details.</p> <p>(b) Prior to the commencement of any construction works and following completion of RIBA Stage 4, a detailed Circular Economy Statement including a site waste management plan (or updated version of the approved Circular Economy Statement that reaffirms the approved strategy or demonstrates improvements to it), shall be submitted to us and approved by us in writing. The Circular Economy Statement must be prepared in accordance with the GLA Circular Economy Guidance and demonstrate that the development has been designed to meet the relevant targets set out in the guidance. The end-of life strategy included in the statement shall include the approach to storing detailed building information relating to the structure and materials of the new building elements (and of the interventions to distinguish the historic from the new fabric). The development shall be carried out in accordance with the details we approve and shall be operated and managed throughout its life cycle in accordance with the approved details.</p>

				<p>(c) Prior to the occupation of the development a postconstruction monitoring report should be completed in line with the GLA's Circular Economy Statement Guidance. The postconstruction monitoring report shall be submitted to the GLA, currently via email at: circulareconomystatements@london.gov.uk, along with any supporting evidence as per the guidance. Confirmation of submission to the GLA shall be submitted to, and approved in writing by, the local planning authority, prior to occupation of the development.</p>
61-71 Victoria Street	24/03540/FULL	Approved December 2024	22	<p>(a) Prior to commencement of any works on site including works of deconstruction and demolition full details of the pre-demolition audit in accordance with section 4.6 of the GLA's adopted Circular Economy Statement guidance shall be submitted to us and approved by us in writing. The details shall demonstrate that the development is designed to meet the relevant targets set out in the GLA Circular Economy Statement Guidance. You must not carry out any works on site including works of demolition until we have approved what you have sent us. The demolition and other pre-construction works shall then be carried out in accordance with the approved details.</p> <p>(b) Prior to the commencement of any construction works and following completion of RIBA Stage 4, a detailed Circular Economy Statement including a site waste management plan (or updated version of the approved Circular Economy Statement that reaffirms the approved strategy or demonstrates improvements to it), shall be submitted to us and approved by us in writing. The Circular Economy Statement must be prepared in accordance with the GLA Circular Economy Guidance and demonstrate that the development has been designed to meet the relevant targets set out in the guidance. The end-of-life strategy included in the statement shall include the approach to storing detailed building information relating to the structure and materials of the new building elements (and of the interventions to distinguish the historic from the new fabric). The development shall be carried out in accordance with the details we approve and shall be operated and managed throughout its life cycle in accordance with the approved details.</p>

Westminster City Council
64 Victoria Street
London, SW1E 6QP

020 7641 6000

March 2025