



Appeal Decision

Site visit made on 15 July 2024

by S Brook BA (Hons) MA MRTPI

an Inspector appointed by the Secretary of State

Decision date: 9 September 2024

Appeal Ref: APP/X5990/W/24/3340810

Second Floor, 1 Bridge Place, London SW1V 1QA

- The appeal is made under section 78 of the Town and Country Planning Act 1990 (as amended) against a refusal to grant planning permission.
 - The appeal is made by Fry & Co against the decision of City of Westminster Council.
 - The application Ref is 23/06062/FULL.
 - The development proposed is described as 'Proposed change of use from office (Class E) to a self-contained one-bedroom residential flat (Class C3)'.
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Decision

1. The appeal is dismissed.

Preliminary Matters

2. I am advised that an Article 4 Direction is in place which restricts the change from office use to residential use permitted under Class MA of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended).
3. Since the appeal was made, the government has published "Proposed reforms to the NPPF and other changes to the planning system", and the "National Planning Policy Framework: draft text for consultation", and the Secretary of State's written ministerial statement entitled "Building the homes we need" (WMS). Both parties have had an opportunity to comment on these publications and so have not been prejudiced by this change in circumstances.

Background and Main Issue

4. The Council's decision notice contains two refusal reasons, the second referencing flood risk. The appellant has provided supplementary information on flood risk at the appeal stage and the Council's Statement of Case indicates that subject to the Environment Agency raising no further objection, this second reason for refusal is overcome. A statement from the Environment Agency dated 18 June 2024 confirms that they do not wish to uphold their objection on the basis that the second floor flat would offer safe refuge. On this basis, it appears that this second refusal reason has fallen away, and so it is not necessary for me to consider this matter further.
5. As such, I consider the main issue to be the effect of the proposed change of use on employment targets or business and employment needs.

Reasons

6. The appeal site comprises the vacant second floor of an existing building located on Bridge Place. It contains one large, single aspect room with windows

facing onto Bridge Place, with separate kitchen and bathroom facilities. The ground floor appears to be in use as a luggage store in connection with an adjoining shop, while the first floor is in use for office accommodation. Access is available from a set of communal stairs. Bridge Place lies to the rear of Victoria Station and it is located within the Central Activities Zone (CAZ) and the Victoria Opportunity Area (VOA).

7. The London Plan¹, (LP) and Westminster's City Plan² (CP) provide the framework for decision making at the local level. While there is no dispute between the parties that new homes need to be provided within the CAZ and VOA, LP policy SD4 recognises the nationally and internationally significant office function of the CAZ and requires the support and enhancement of this role, including through the provision of sufficient space to meet demand for a range of types and sizes of occupier and rental values. LP policy SD5 states that new residential development should not compromise the strategic function of the CAZ and that offices are to be given greater weight relative to new residential development in all areas of the CAZ, except in wholly residential streets or predominantly residential neighbourhoods, which should be identified in development plans. It concludes that residential or mixed-use proposals should not lead to a net loss of office floorspace in any part of the CAZ, unless there is no demonstrable prospect of the site being used for offices.
8. LP policy E1 also recognises the CAZ as a nationally significant office location that should be developed and promoted. Criteria I of this policy states that the change of use of surplus office space to other uses, including housing, will be supported subject to consideration of the need for a range of suitable workspace including lower cost and affordable workspace. The supporting text to this policy states that surplus office space includes premises with no real prospect of being used for business purposes, and that evidence to demonstrate this should include strategic and local assessments of demand and supply, and evidence of vacancy and marketing (at market rates suitable for the type, use and size for at least 12 months). It continues that such evidence should be used to inform viability assessments.
9. The supporting text to CP policy 13 recognises Westminster as a global office centre and the need for significant office floorspace growth, as well as identifying that the loss of existing office floorspace from the CAZ risks undermining its key strategic employment functions as defined in the London Plan, and as a result, the global competitiveness of the London economy. As such, CP policy 13 seeks to support economic growth by restricting the net loss of office floorspace from the CAZ. It states that the change of use of office floorspace to residential use will only be supported in those parts of the CAZ that are predominantly residential in character and where the proposal would reinstate an original residential use. The CP has not defined clear boundaries for different character areas. Instead, a judgement will be based on an assessment of the mix of land uses within the vicinity of a development site.
10. Taking CP policy 13 first, the appeal site lies towards the southwestern end of Bridge Place. Bridge Place itself consists predominantly of offices and hotels, with an increasing number of restaurants and shops in and around Victoria Station. To the southwest lies the A3213, which has an increasing mix of uses. In and around its junction with Bridge Place, I noted a range of uses including

¹ The London Plan, The Spatial Development Strategy for Greater London, adopted March 2021.

² Westminster's City Plan 2019 – 2040, adopted April 2021.

offices, hotels, a public house, and shops. Some upper floors had the potential to be in residential use and the appellant confirms that this is the case at 7-9 Belgrave Road.

11. Further to the southwest, along Hugh Street and Eccleston Square for example, the character of the area is increasingly residential in nature. I also noted pockets of residential development elsewhere within the area. However, from the evidence before me, including the information provided by both parties relating to Council tax records, and my own observations on site, I do not consider that the area of the appeal site could be described as predominantly residential in character, given the extent of commercial uses.
12. An interested party suggests that the appeal building was a residential property in the past before being converted to office use, however, this information is anecdotal only and there is no substantive evidence before me to suggest that the proposal would reinstate an original residential use. The appellant accepts that a former residential use cannot be confirmed. As such, the proposal does not meet the circumstances within which CP policy 13 states that the loss of existing office floorspace from the CAZ would be acceptable.
13. While the proposal would result in a mix of uses of No 1 overall, retaining office accommodation at first floor, it would nevertheless result in a net loss of office floorspace within the CAZ. As such, it is necessary to consider whether this office floorspace is surplus to requirements, or if there is any prospect of the site being used for offices.
14. The existing premises, while small, appear well maintained with some attractive historic features. While not of a sufficient size to accommodate a significantly sized business, it appears to have the necessary facilities to be a useable office space for a small business and I note that the lower floor remains occupied for office use. The appellant states that a light touch refurbishment has been undertaken and neither main party references any specific works that could be undertaken to make this office floorspace a more attractive prospect in a physical sense.
15. I am advised that this office space has remained vacant since October 2020 and that it has been marketed by agents since May 2022. The marketing particulars have been provided and the Council does not dispute that this period of time exceeds the 12-month period specified within the supporting text of LP policy E1 for demonstrating that a particular office floorspace may be surplus to requirements. Further, no concerns are raised by the Council with regards to the method of marketing, including the advertised rental price.
16. Nevertheless, LP policy E1 states that the evidence to demonstrate office floorspace is surplus to requirements should include strategic and local assessments of demand and supply, as well as vacancy and marketing information, and that this evidence should inform viability assessment.
17. I have considered the letter provided by the letting agents, which references a change in market sentiment following the Covid 19 pandemic with a heightened demand from occupiers for best-in-class office accommodation and greater lease flexibility, and conversely, the poor performance of Grade B office space. The letter indicates that the appeal site is competing against new fully fitted conventional office space and serviced offices, with the latter being offered on a fully inclusive rent and including all the perks associated with the serviced

office model. They conclude that interest is likely to remain limited without significantly improving the existing or revising the rental level. While this information provides a useful insight, it is not sufficiently detailed or evidenced to amount to a strategic or local assessment of demand and supply.

18. The Council has provided extracts of various assessments of the local economy which have informed policies of the current and previous plan. These highlight the high number of smaller enterprises within Westminster, illustrating the size and importance of the small office market to the area, as well as the large scale residential driven loss of office space over a number of years. The LP recognises an increasing number of micro, small and medium sized enterprises and the continued need for office floorspace so that potential growth is not compromised. There is no contrary evidence before me demonstrating that there is no longer a requirement for smaller office floorspace generally.
19. I note the letting agent's suggestion that interest is likely to remain limited without revising the rental level. I am advised that a reduction to the quoting rent has already been included in the marketing initiatives for the premises, yet given the lack of viability assessment, there is nothing before me to demonstrate that the rental level could not be considered further. This is pertinent to the requirement of LP policy E1, that proposals involving the loss of office space to residential use, consider the need to provide a range of suitable workspaces, including lower cost and affordable workspace. While I appreciate that the unoccupied premises may be placing financial burdens on the appellant, the evidence before me does not demonstrate that this could not be resolved by a re-consideration of the rental level.
20. For these reasons, it has not been robustly demonstrated that there is no real prospect of the appeal site being re-used for offices, or that it is surplus to requirements. Therefore, the proposed change of use would be harmful to employment targets, and business and employment needs. The proposal would conflict with the requirements of LP policies SD4, SD5 and E1, in addition to the conflict with CP policy 13 identified above.

Other Matters

21. 1 Bridge Place is identified by the Council as an unlisted building of merit within the Pimlico Conservation Area (CA). A number of listed buildings are also located in the area. While I have identified above that the surrounding area is not predominantly residential in character, given the mix of uses present, the proposed change to residential use would adequately preserve the character of the CA. No external alterations to the appeal building are proposed and so the appearance of the CA would not change. Accordingly, the proposal would preserve the character and appearance of the building and the CA. For the same reasons, the proposal would not harm any significance derived from the setting of nearby listed buildings.
22. I have been provided with a number of appeal decisions relating to the loss of office space. However, these decisions appear to have been determined under a previous policy regime. I have considered the appeal on its individual planning merits, having regard to up-to-date development plan policies.
23. Reference has been made to the Central Activities Zone Supplementary Planning Guidance (March 2016); however, the Council has confirmed that this

document has been revoked and so it has not been necessary for me to consider this document further.

24. Given that the appeal scheme involves the provision of housing, I have considered the Government's WMS, and the proposed changes to the National Planning Policy Framework (the Framework), particularly in relation to housing supply, and the implications of this for Westminster. While a direction of travel has been outlined within the WMS, which is a material consideration, the changes to the Framework can only be given limited weight at this stage, given that any revisions may still be subject to change following the consultation process and no final document has yet been published.
25. Nevertheless, the delivery of a single dwelling, utilising an existing building, within a highly accessible location would make a small but positive contribution towards the Government's objective of significantly boosting the supply of homes. This would be from a small site, which the Framework recognises as making an important contribution to meeting the housing requirements of an area. I note there is also local support in this regard. Residential occupancy of a vacant unit could also contribute to the vibrancy of the area. Given the scale of the proposal, these benefits attract modest weight in favour of the appeal scheme.
26. The appellant advises that the first-floor office tenant would be keen to rent the proposed residential accommodation for staff, which could make the lower-level office floorspace more attractive, strengthening the commercial function. However, there is no mechanism before me which would secure this arrangement. Nor is there any guarantee that future occupiers would live and work in the area. As such, I afford these matters limited weight.
27. The proposal would comply with the Nationally Described Space Standards, providing an acceptable standard of residential accommodation. This is a neutral matter that do not carry weight for or against the proposal.
28. These other matters do not outweigh the harm that I have identified in relation to the main issues.

Conclusion

29. The appellant references several documents addressing housing need, land supply and delivery. However, the Council has provided a more up-to-date 5-Year Housing Land Supply Statement 2022/23 - 2026/27, which suggests that the Council is able to demonstrate a five-year supply of housing land. The latest published Housing Delivery Test measures, indicate that Westminster has not fallen below 75%. As such, the evidence before me indicates that paragraph 11d) of the Framework is not engaged in this instance.
30. For the above reasons, the proposed change of use would be harmful to employment targets, and business and employment needs, conflicting with the development plan. There are no other material considerations worthy of sufficient weight that would indicate a decision other than in accordance with the development plan. As such, the appeal should be dismissed.

S Brook

INSPECTOR