

GREATER LONDON AUTHORITY

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Department: Planning

Our reference: LDF32
/LDD02/LP02/AT01
Date: 24th February 2025

Dear Adam,

**Planning and Compulsory Purchase Act 2004 (as amended);
Greater London Authority Acts 1999 and 2007; Town and Country Planning (Local
Development) (England) Regulations 2012**

RE: Wandsworth Local Plan Partial Review: Regulation 19 Consultation

Thank you for consulting the Mayor of London on the London Borough of Wandsworth's (LBW's) proposed Draft Submission Local Plan (Partial Review) (Regulation 19). As you are aware, all Development Plan Documents in London must be in general conformity with the London Plan under section 24 (1)(b) of the Planning and Compulsory Purchase Act 2004. The Mayor has afforded me delegated authority to make detailed comments which are set out below.

The Mayor provided comments on the earlier LBW Local Plan (Partial Review) (Regulation 18) consultation on the 4 December 2023 (Reference: LDF32/LDD10/LP01/JB01). This letter follows on from that earlier advice and sets out where you should make further amendments so that the draft Plan is in general conformity and more closely aligned with the London Plan 2021 (LP2021). These comments should be read alongside the Mayor's previous response.

General

The Mayor notes that LBW has an up-to-date Local Plan, which was adopted in July 2023, and understands that this is a Partial Review of the Plan which seeks to reconsider the following six policies; LP23: Affordable Housing, LP24: Housing Mix, LP28: Purpose Built Student Accommodation, LP29: Housing with Shared Facilities, LP30: Build to Rent and LP31: Specialist Housing for Vulnerable People and for Older People.

It is the Mayor's opinion that as currently written the draft Plan is not in general conformity with the London Plan due to the proposed approach to affordable housing. Further detail on that is provided in the subsequent sections of this letter.

Affordable Housing

The Mayor notes that Policy LP23 of the draft Plan reflects his strategic target that 50 per cent of all new housing is to be affordable, as set out in Policy H4 of the LP2021. This is welcomed.

In order for residential planning applications on private land to follow the Fast Track Route (FTR), LBW are proposing to set the affordable housing threshold at 45 per cent, which is

higher than the 35 per cent threshold level for private, non-industrial land set out in the LP2021.

The thresholds set in Policy H5 of the LP2021 have been informed by viability testing and help to embed affordable housing requirements into land values, creating greater certainty and consistency across London, and increase affordable housing delivery while also speeding up the planning process. For privately owned land, the 35 per cent threshold is set at a level that has proven effective at securing affordable housing. The 2022 London Plan Annual Monitoring Report¹ illustrates that 84 per cent of all strategic applications provided at least 35 per cent affordable housing, representing an increase from 53 per cent of schemes in 2018.

The borough's area-wide viability assessment indicates that for the majority of scenarios tested, providing 45 per cent affordable housing, especially for private, non-industrial sites, would be unviable. Although intended to secure a higher level of affordable housing, in practice this would disincentivise applicants from following the FTR, and require the majority of schemes on private land to be viability tested, slowing down the planning process and requiring additional resourcing to assess applications. Most importantly, it is also likely to result in lower levels of affordable housing being secured and/or reduce the effectiveness of viability reviews.

This is important because between 2018 and 2023 the average proportion of affordable housing secured in referable applications that followed the FTR has been consistently higher than those that followed the VTR. The approach would also result in a greater uncertainty when acquiring land due to the lack of consistency in affordable housing provision from site to site.

Furthermore, applicants also typically seek to demonstrate the existence of 'viability deficits' through the viability assessment process and use these as a credit in viability review mechanisms which can reduce the likelihood that additional affordable housing is secured over the lifetime of the development.

It is also noted that Policy LP23 part D2 sets out a requirement for late-stage reviews for developments which follow the FTR. Insisting on a late-stage review for fast tracked developments is not in accordance with Policy H5 and could further disincentivise applicants from following the FTR. LBW are urged to remove this requirement from the policy and to follow the approach to review mechanisms set out in the LP2021.

Overall, this divergence from the approach set out in LP2021 Policy H5 is significant and risks the successful implementation of the London Plan threshold approach which is a matter of strategic concern for the Mayor. For that reason it is the Mayor's opinion that the proposed approach to affordable housing is not in general conformity with the LP2021. The Mayor's position is reflected in the Practice Note on Accelerating Housing Delivery² at paragraph 3.8 which is clear that where boroughs intend to increase the threshold level to one which is higher than in the LP2021, the Mayor will raise this as an issue of general conformity with the LP2021 at local plan consultations and inquiries.

In order for the Mayor to withdraw his general conformity objection LBW should reflect the thresholds established in the LP2021, and remove the requirement for a late-stage viability

¹ https://www.london.gov.uk/sites/default/files/2024-05/AMR19%202021_22%20%28final%29%20%281%29.pdf

² <https://www.london.gov.uk/sites/default/files/2025-01/Accelerating-Housing-Delivery-Planning-and-Housing-Practice-Note-December-2024-2.pdf>

review from schemes that follow the FTR. This is important to maximise the delivery of affordable housing in the borough.

Student Accommodation

Draft Policy LP28 supports the provision of purpose-built student accommodation (PBSA) on sites that are not suitable for conventional housing and seeks a financial contribution towards affordable housing equivalent to Local Plan Policy LP23. Whilst the Mayor does not object to the requirement for financial contributions towards conventional C3 affordable housing, it should be noted that LP2021 Policy H15 states that affordable student housing should be sought in the first place.

Furthermore, there should be provision allowing schemes to follow the FTR if they provide affordable student accommodation in line with Policy H15.

Build to Rent Accommodation

Draft Policy LP30 of the Plan sets out that for Build to Rent developments to follow the Council's FTR 70 per cent of the overall affordable housing requirement should be provided as social rented units, with the remaining 30 per cent of units provided as a range of genuinely affordable rents. In line with LP2021, for clarity, the policy should specify that the remaining 30 per cent of affordable units should be provided as intermediate housing (e.g. London Living Rent or Discounted Market Rent). The GLA has published the Accelerating Housing Delivery Planning and Housing Practice Note December 2024 which provides further support in the delivery of intermediate rent units, relating to the maximum income threshold, maximum housing costs, and flexibility on grant funding eligibility.

Housing with shared facilities

Draft Policy LP29 of the Plan requires schemes for housing with shared facilities which do not provide a contribution equivalent to at least 50 per cent of units to be subject to review mechanisms. This is not consistent with LP2021 Policy H16 which sets the requirement at 35 per cent and should be amended accordingly.

Specialist and Older Persons Housing

Draft Policy LP31 seeks to protect existing specialist and supported housing where it is considered suitable for its use and sets out the criteria that needs to be addressed should it be proposed to be redeveloped or re-purposed. While that is welcomed, the draft Plan should establish what the need is for specialist older persons housing. In the absence of a figure of need, LBW should rely on the Mayor's indicative benchmark figure which is set out in Table 4.3 of the LP2021 for the delivery of 120 new homes a year. In accordance with Policy H13 of the LP2021 and in order to meet identified need, LBW should work in collaboration with providers to identify sites which may be suitable for specialist older persons housing.

Viability Assessment

The draft Plan is supported by a viability assessment. Officers have reviewed this assessment and have the following comments for your consideration:

1. The majority of the scenarios tested in the viability assessment appear to be unviable with 45 per cent affordable housing, especially for private, non-industrial sites which have higher benchmark land value (BLVs).
2. The net to gross ratios assumed for the residential typologies in the viability testing seem optimistic. Evidence should be provided to justify the net to gross assumptions

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adopted in the whole plan viability assessment with reference to recent cases in the borough to ensure that they are realistic.

Next Steps

I hope these comments help to positively inform the ongoing preparation of LBW's Local Plan. We continue to be keen to work with you to address the issues identified in this letter and to ensure it aligns more closely with LP2021 as well as delivering the Council's objectives. If you have any specific questions regarding the comments in this letter, please do not hesitate to contact Amy Tempest on amy.tempest@london.gov.uk.

Yours sincerely,



Lucinda Turner

Assistant Director of Planning and Regeneration, Greater London Authority

Cc: Leonie Cooper, London Assembly Constituency Member
Andy Boff, Chair of London Assembly Planning and Regeneration Committee
National Planning Casework Unit, MHCLG