

WANDSWORTH

Housing Background Paper

Local Plan Partial Review Publication (Regulation 19) Version
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Executive Summary

1. The Wandsworth Local Plan 2023-2038 was adopted in July 2023. It sets out a long-term strategic vision, objectives and spatial strategy to guide future development in Wandsworth.
2. The Wandsworth Corporate Plan 2022-2026 sets out three main objectives to make Wandsworth:
 - A fairer borough
 - A compassionate borough
 - A more sustainable borough
3. Within the context set by the Wandsworth Corporate Plan, ensuring local people have a genuinely affordable place to call home is a key priority for the Council in making Wandsworth a fairer borough.
4. In light of the above, and the significant need for genuinely affordable housing in the Borough, the Council has commenced a partial review of its adopted Local Plan (the Local Plan Partial Review) aimed at strengthening Local Plan affordable homes policy requirements, with a focus on the provision of homes for social rent for local people.
5. Wandsworth Borough has an extremely high long-term need for genuinely affordable housing, and particularly social rented housing, which is by far the most affordable and accessible tenure for a majority of those in need. As of March 2024, around 13,000 households were on one of the Council's Housing Waiting Lists, and the Council's evidence identifies that, in order to meet both existing and long-term needs, between 14,600 and 23,600 new affordable homes are needed in the Borough before 2038, which would be between 55% and 90% of all new homes expected to be built in the Borough over this period of time.
6. In either scenario, meeting the overall level of need for affordable housing would require above 50% of Wandsworth's London Plan-derived housing requirement, and well above 50% of its projected housing delivery, across the plan period to be provided as affordable housing.
7. With respect to understanding the need for different tenures of affordable housing, the Council's evidence identifies that between 8,200 and 17,200 social rented homes will be needed before 2038. The Council considers the latter number to more accurately reflect need, given the policy imperative to avoid insufficient delivery forcing local households in need to vacate the Borough to find affordable provision elsewhere. Social rented housing comprises over 70% of all need for affordable housing in the Borough and comprises the vast majority of the most acute needs for households facing homelessness or overcrowding.
8. Taking these findings into account, the Council's evidence concludes "*There is an extremely high need for affordable rent housing such as social or affordable rent... In light of the particularly high need for social rented housing, and the fact there is a large unmet existing need for such housing, we would recommend the Council pursues a tenure split which maximises the delivery of social rented housing in the first instance*".
9. This background paper explores the wider social and economic imperative to plan for sufficient affordable housing. It shows how the Council's proposed policies strongly

align with national planning policy and particularly the increased emphasis being placed on delivering sufficient social rented housing in Government and regional strategy and policy since the summer of 2024. The paper also identifies that a lack of sufficient social rented housing has a direct impact on the number of households requiring temporary accommodation and the impact that temporary accommodation has on life outcomes. The Council presently spends around £3.6m on temporary accommodation each month, which presents an extraordinary opportunity cost when considering how that funding could otherwise be invested, including into new affordable housing stock or improvements to existing stock. The paper also identifies a range of research published that acknowledges the importance of delivering sufficient social rented and affordable housing, including research by Shelter and the National Housing Federation (2024)¹, which identifies the following benefits from meeting the national need for social rented housing (estimated at c. 90,000 units per annum):

- a. A stable home helps people to get and keep work and reduces the long-term scarring effect that being homeless or living in insecure housing can have on employment prospects, generating £8.9bn for the national economy and a further £3.8bn in tax revenue.
 - b. Due to higher employment, yearly benefit claims would be cut by £1,218 per household, generating £3.3bn in savings over the long term.
 - c. On average social homes have fewer health hazards and stable homes are linked to better wellbeing, generating £5.2bn through NHS savings.
 - d. More social homes would mean fewer people living in temporary accommodation and requiring homelessness assistance, saving local authorities £4.5bn.
 - e. People in inadequate housing are more likely to experience crime. Social homes lead to fewer police callouts and reduced cost of crime, generating savings of £3.1bn.
 - f. Unstable homes can harm children by disrupting their education, which leads to lower economic contributions, increased crime, and greater use of public services. Reducing these disruptions would generate £2.7bn in savings.
10. Overall, it is clear that maximising the delivery of social rented housing is critical to advancing life opportunity and better outcomes for those most in need, and to unlock a wide range of public, social and economic benefits for local residents. Maximising the delivery of social rented housing is also crucial to alleviating the numbers of households currently within temporary accommodation and limiting the negative impacts of this on the households themselves as well, as reducing the financial burden of temporary accommodation on the Council, which could be put into the delivery of additional permanent affordable housing or other much needed services.
11. Within this background paper, the Council explores a range of trends relating to local delivery of affordable housing, and the potential role of grant and direct delivery. Key findings from examining these trends include clear evidence that existing (and past) planning policies have not delivered the overall quantum or tenure split of affordable housing that reflects the scale of current need, and that planning policies have typically (as a proportion) over-delivered intermediate housing and under-delivered social rented housing, as a consequence of viability negotiations. This is further reflected in the Borough's affordable housing pipeline, which does not currently reflect either the scale or tenure split of local need (i.e. in favour of social rent). These trends all point to a clear imperative to ensure that policy is realigned to better secure affordable housing at a

¹ [National Housing Federation - The economic impact of building social housing](#)

scale and tenure split that reflects long-term needs. In support of this, evidence explored as part of this background paper clearly shows how concerted effort from the Council has been able to positively influence affordable housing delivery, this includes a number of specific examples where it has been possible to negotiate an overall quantum and/or tenure split (in favour of social rent) that have exceeded existing policy requirements, as well the Council's own clear commitment to directly deliver genuinely affordable housing to help achieve its 50% overall strategic target.

12. The Council recognises that a critical element in policy development is to ensure the proposed policy approach is deliverable. Through this background paper, the Council has summarised the detailed viability evidence that has been prepared to inform the Local Plan Partial Review. This evidence demonstrates that a 50% overall affordable housing target, supported by a 45% Fast Track threshold for private sites, is viable on a majority of the site typologies that make up the largest proportion of sites within the housing pipeline in the borough, and particularly in the higher market value areas which can support a higher level of affordable housing delivery. The Council's strong housing supply position provides sufficient flexibility that even with the higher level of affordable housing being required from individual sites, the Local Plan's housing requirement can still be achieved, even if some sites within the housing pipeline are not deemed viable at the level of the proposed policy. It must also be emphasised that, within the draft Policy LP23, there remains the ability to viability test sites which genuinely cannot afford to meet the requirements of the policy, and as such there is no inherent reason why any site should not be able to achieve planning permission as a consequence of the Council's proposed policies. Overall, the viability evidence is considered to demonstrate the deliverability of the overall policy approach.
13. With respect to the proposed small sites contribution, the Council's viability evidence identifies that 90% of the small site typologies tested, within 9 different values areas across the borough, were viable at 15% affordable housing. This level of contribution has then been formulated into a monetary contribution and is the basis of the affordable housing contribution on small sites. Under the existing policy position, these outputs identify that there are a significant number of small site developments that come forward each year which could viably afford to make a notable contribution to affordable housing in addition to Community Infrastructure Levy and site-specific planning obligations, without adversely affecting the deliverability of these schemes. As set out in the background paper, the Council has calculated a value of £50,000 per dwelling which is aligned to the 15% contribution indicated above. The Council's proposed policy retains flexibility to ensure sites that genuinely cannot afford to meet the requirements of the policy will instead be subject to the maximum viable contribution.
14. Overall, in proposing updates to the six policies that form the Local Plan Partial Review, the Council has given weight to a range of considerations to ensure that the proposed approaches strike the appropriate balance between ambition and deliverability. The six policies have been drafted to provide clear mechanisms for managing development in a way that meets local needs and with methods that are effective to the particular context and, where appropriate, ensure flexibility to account for site-specific circumstances.

1 Purpose of Background Paper

- 1.1 This draft background paper has been prepared to provide an overview of the policy and evidential considerations that have informed Wandsworth Borough Council's Local Plan Partial Review (LPPR).
- 1.2 In publishing this draft background paper at the Regulation 19 stage, the Council's intention is to help inform representors and other interested parties of some of the key considerations that have informed the development of the Council's draft policies.
- 1.3 This background paper is intended to offer a concise summary of the Council's view on these considerations and as such is not intended to provide an exhaustive list or explanation of every consideration, nor is it intended to provide a comprehensive restatement of information available in other documents. Representors and other interested parties are encouraged to examine the full range of policy and evidence available, including wider documents or research cited in this background paper.
- 1.4 The Council will continue to develop this draft background paper, and will have further regard to representations and evidence, throughout the LPPR process.

2 Introduction and Background

- 2.1 Wandsworth is an inner-London Borough located in south-west London and is bordered on the northern edge by the river Thames with the London Borough of Lambeth to the east, London Borough of Merton to the south and London Borough of Richmond Upon Thames to the west.
- 2.2 It is a diverse and vibrant area known for its urban and suburban qualities, green spaces and cultural heritage.
- 2.3 The Wandsworth Local Plan 2023-2038 was adopted in July 2023. It sets out a long-term strategic vision, objectives and spatial strategy to guide future development in Wandsworth.
- 2.4 The Wandsworth Corporate Plan 2022-2026² sets out three main objectives to make Wandsworth:
 - A fairer borough
 - A compassionate borough
 - A more sustainable borough
- 2.5 Within the context set by the Wandsworth Corporate Plan, ensuring local people have a genuinely affordable place to call home is a key priority for the Council in making Wandsworth a fairer borough.
- 2.6 The Housing and Homelessness Strategy³ (2023-2028) outlines five key themes to support housing in the borough, including to recognise that social rented housing is the most

² [Corporate Plan 2022 to 2026 - Wandsworth Borough Council](#)

³ https://www.wandsworth.gov.uk/media/1d5fwvr0/housing_and_homelessness_strategy_2023_2028.pdf

appropriate form of housing to meet the needs of residents and to ensure that it is prioritised above all other forms of affordable housing.

- 2.7 To ensure that Wandsworth is a fairer borough, the Council intends to ensure that different housing development typologies, including smaller sites (fewer than 10 dwellings), student housing and other forms of specialist or shared housing, contribute towards affordable housing to support additional delivery throughout the borough and provide a mix of housing to meet the needs of Wandsworth residents. The diversity within the borough in relation to the land uses, types of buildings and demographic composition means that there is an increased requirement for a range of housing across the borough.
- 2.8 In light of the above, and the significant need for genuinely affordable housing in the Borough, the Council has commenced a partial review of its adopted Local Plan (the Local Plan Partial Review) aimed at strengthening Local Plan affordable homes policy requirements, with a focus on the provision of homes for social rent for local people. It is anticipated that a majority of the adopted Local Plan will not be changed, nor otherwise affected, by the Local Plan Partial Review.

3 Objectives of Local Plan Partial Review

- 3.1 In light of a vital need to increase the supply of affordable housing in the Borough, and particularly social rented housing, the reasons for which are expanded upon elsewhere in this paper, the Council has a positive ambition to strengthen the provision of affordable housing beyond what is likely to be achieved by the policies contained within the recently adopted Local Plan. The Council has therefore decided to undertake the Local Plan Partial Review. At the Regulation 18 stage in late 2023, the Council published three primary objectives. These were:
- Seeking to strengthen the Local Plan policy (Policy LP23 – Affordable Housing) by setting out a clear policy requirement for new housing developments in the borough, with the aspiration to deliver 50% of all new dwellings to be affordable homes.
 - Seeking a greater proportion of all new affordable homes to be genuinely affordable, with a minimum tenure split of 70/30 social rent to intermediate tenure.
 - Seeking to require affordable housing from small sites below the current threshold of 10 or more homes (gross).

4 Summary of Local Planning Policy Position

- 4.1 The Wandsworth Local Plan was adopted in July 2023, setting a strategic vision for development in Wandsworth over the next 15 years. As above, the Council has since sought to review its Local Plan, and principally the affordable housing policy (Policy LP23), to ensure it maximises genuinely affordable housing delivery within the borough.
- 4.2 The current Local Plan policy approach, principally set out in Policy LP23 (Affordable Housing), only relates to major developments (sites of 10 dwellings and above). It includes a strategic affordable housing target of 50% affordable housing, with the inclusion of the London Plan Fast Track Route (FTR)⁴. This allows the use of the 35% threshold for private sites, whereby applicants that provide at least 35% affordable housing (by habitable room) are not required to provide viability information at application stage, are not subject to a late-stage review mechanism, and are only subject to an early review mechanism if substantial implementation has not been achieved within 2 years. The 35% threshold does not apply to certain existing employment sites and publicly owned sites, unless there is a portfolio agreement with the Mayor. On these site types, 50% affordable housing is required by habitable room. However, if 50% is unviable, the Viability Tested Route can be used to determine the maximum viable level of affordable housing.
- 4.3 The tenure mix included within Policy LP23 includes a requirement for a 50:50 split between low cost rented (including social rented and London Affordable Rent) and intermediate housing (including tenures such as London Living Rent and shared ownership).
- 4.4 In practice, the existing policy position allows applicants on privately owned sites who provide 35% affordable housing on the basis of a 50:50 tenure mix to not provide viability information at application stage or be subject to a review mechanism (unless substantial implementation is not achieved within 2 years, whereby an early review mechanism would be applied). Affordable housing provision above 35% on private sites (including towards the overall 50% target) can only realistically be achieved if the applicant voluntarily decides to offer a higher percentage, or if a higher percentage can be negotiated at the application stage.
- 4.5 As stated above, Policy LP23 only applies to developments of 10 or more dwellings. In practice, this means that any housing developments of 9 or fewer dwellings are not required to contribute towards affordable housing and will, with very limited exceptions, come forward with 0% affordable housing, irrespective of the viability or feasibility of making a proportionate contribution. These developments (generally referred to as ‘small sites’ within the context of the Local Plan Partial Review) currently do not contribute at all towards the 50% strategic target.
- 4.6 Local Plan Policy LP24 (Housing Mix) also sets out the preferred housing mix within the open market and affordable housing components of proposed development within the borough.
- 4.7 The mix currently required is weighted towards smaller dwelling sizes, especially in the rented affordable housing component, to incentivise downsizing. This mix was informed by a previous Local Housing Needs Assessment (2020), which recommended adjustments to

⁴ Set out in London Plan Policies H4 and H5

the housing mix suggested solely by demographic modelling to account for market signals and to incentivise down-sizing (particularly amongst households who are under-occupying larger and family dwellings).

4.8 The Wandsworth Local Plan (2023-2038) also includes a number of policies which address specific types of housing. With particular relevance to the LPPR, and in particular respect to affordable housing, the existing policy position can be summarised as follows:

- **Policy LP28: Purpose Built Student Accommodation**
 - No requirement to deliver conventional affordable housing.
 - Required to make provision for affordable student rooms in line with London Plan Policy H15⁵.
- **Policy LP29: Housing with Shared Facilities**
 - Required to make a financial contribution towards the provision of affordable housing in line with the London Plan⁶.
- **Policy LP30: Build to Rent**
 - Required to provide affordable housing in line with London Plan Policy H11⁷, subject to:
 - Where a development has the potential to include more than one residential core, expected to provide low-cost rented housing equivalent to 50% of the affordable housing requirement within this core, and the remaining 50% as a range of genuinely affordable rents.
 - Where it is demonstrated it is not feasible in design terms to include more than one residential core, required to deliver full affordable housing requirement as discount market rent with 30% at London Living Rent level.
- **Policy LP31: Specialist Housing for Vulnerable and Older People**
 - Required to provide affordable housing in line with Policies H4, H5 and H13 of the London Plan⁸.

⁵ London Plan Policy H15 requires the “maximum level of accommodation” secured as affordable student accommodation, as defined through the London Plan and guidance. In order to use the Fast Track Route, schemes must provide at least 35% of units as affordable student rooms, or 50% on public land or industrial land appropriate for residential uses.

⁶ London Plan Policy H16 requires a cash in lieu payment towards conventional affordable housing equivalent to 35% of units, or 50% on public land or industrial land appropriate for residential uses, to be provided at a discount of 50% of the market rent.

⁷ London Plan Policy H11 allows for Build to Rent schemes to provide their full affordable housing requirement as Discounted Market Rent (DMR) units. In order to use the Fast Track Route, schemes must provide 35%, or 50% on public land or industrial land appropriate for residential uses. Within this, Policy H11 expects at least 30% of DMR units to be provided at London Living Rent levels with the remaining 70% at a range of genuinely affordable rents.

⁸ London Plan Policy H13 require specialist older persons’ housing schemes to be subject to the general affordable housing policies set out in H4 and H5 and which are summarised above.

5 Summary of National Planning Policy Position

- 5.1 The National Planning Policy Framework (2024) outlines how local planning authorities are expected to plan for their areas. Of relevance to the Local Plan Partial Review, the NPPF specifically states (emphasis added):

At Paragraph 20

Strategic policies should set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision¹² for:

- a) **homes (including affordable housing)**, employment, retail, leisure and other commercial development;
- b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- c) community facilities (such as health, education and cultural infrastructure); and
- d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.

At Paragraph 63

Within this context of establishing need, **the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies**. These groups should include (but are not limited to) those who require affordable housing (including **Social Rent**); families with children; looked after children²⁶; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers²⁷; people who rent their homes and people wishing to commission or build their own homes²⁸.

At Paragraph 64

Where a need for affordable housing is identified, planning policies should specify the type of affordable housing²⁹ required (**including the minimum proportion of Social Rent homes required**), and expect it to be met on-site unless:

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
- b) the agreed approach contributes to the objective of creating mixed and balanced communities.

At Paragraph 66

Where major development involving the provision of housing is proposed, **planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent**, other affordable housing for rent and affordable home ownership tenures³¹.

- 5.2 On 4th July 2024, a general election was held which resulted in a change of Government to a Labour Government. The Labour manifesto included reviewing the current National Planning Policy Framework (NPPF) and consulting on the changes within 30 days of arriving in office.
- 5.3 On 30th July 2024, the Government published a consultation version⁹ of the NPPF, including: a new focus on increasing the delivery of housing; boosting the supply of affordable housing; removing the urban uplift included in the current NPPF; and amending the standard methodology, which would result in significant changes to the level of housing required in the majority of local authorities across the country. Other major changes were recommended for Green Belt policy, with the inclusion of a proposed new definition for Grey belt, and various changes to policy around reviewing and maintaining Green Belts.
- 5.4 In December 2024, a revised version of the NPPF was published which brought into force a number of the specific changes proposed within the consultation version of the NPPF, which are relevant to the LPPR: These include:
- An additional emphasis on the importance of delivering social rented housing.
 - Removal of mandatory 10% provision for affordable home ownership.
 - Removal of mandatory 25% provision for First Homes.
- 5.5 The Council is supportive of these changes, as demonstrated through the approach taken by its draft policies. The Council’s full response to the 2024 NPPF consultation is available on its website¹⁰.
- 5.6 In the context of national policy, the Council’s draft policies:
- (a) Set an appropriate strategy for affordable housing
 - (b) Are clear on the types of affordable housing required
 - (c) Actively prioritise the delivery of social rented housing
 - (d) Make a balanced provision for affordable homeownership products
 - (e) Do not make specific provision for First Homes
 - (f) Prioritise the delivery of affordable housing on-site
 - (g) Make provision for other forms of housing for which there is a need.
- 5.7 As such, the Council’s proposed policies are consistent and actively support the ambitions set out in both the existing and emerging NPPF. Further details on how the Council’s policies are justified and support national policy, including in a wider housing policy context, are set out later in this paper.
- 5.8 More information on specific compliance is also set out in the PAS Roadmap Soundness and Legal Compliance Toolkits.

⁹ [Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK](#)

¹⁰ [Proposed reforms to the National Planning Policy Framework and other changes to the planning system – Consultation Response on behalf of Wandsworth Borough Council](#)

6 Summary of London Plan Policy Position

- 6.1 Under the London Plan’s Threshold Approach¹¹, development proposals that provide 35% affordable housing (or 50% on public and industrial land¹²) and meet tenure, affordability and other relevant requirements, can follow the Fast Track Route.
- 6.2 The Fast Track Route enables developments to progress without the need to submit detailed viability information and without late viability review mechanisms which re-assess viability at an advanced stage of the development process. This includes the use of actual sales values and costs associated with the development.
- 6.3 The Threshold Approach does not itself set an affordable housing target. The strategic affordable housing target in both the London Plan and Wandsworth Local Plan is 50%. However, the Threshold Approach offers a potential route to permission for privately owned sites on non-industrial sites providing 35% affordable housing, irrespective of viability or their ability to deliver the full 50% strategic housing requirement.
- 6.4 The GLA are committed to the Threshold Approach, and this point is reiterated in the GLA’s recently published; [Accelerating Housing Delivery Planning and Housing Practice Note December 2024](#). Their position is understood to be that, across London, the Threshold Approach has had a net positive impact on affordable housing delivery because it:
- Speeds up the planning process by reducing the need for lengthy negotiation
 - Creates an incentive for developers to meet 35% where they may have argued for less
 - Creates a degree of policy consistency which influences land values over time.
- 6.5 A consequence of the existing London Plan approach is that private developments which can afford to deliver above 35% affordable housing (including those which could meet the full 50% target) have a route to planning permission which requires them to only meet 35%. This results with no mechanism, beyond negotiation, to require developers that can afford a higher affordable housing percentage to do so on-site.
- 6.6 Given the scale of need for affordable housing across London, the Council is aware of several other local planning authorities which have already introduced, or are in the process of introducing, a higher local threshold. These local thresholds better reflect a local position on need and viability, while ensuring their Local Plan remains in general conformity with the London Plan and the principle of a Fast Track Route, which avoids the need to viability test a majority of applications. These local planning authorities include:
- Islington¹³, which adopted a threshold of 45%, with a strategic affordable housing target of 50%

¹¹ Set out in London Plan Policies H4 and H5.

¹² Defined more specifically as Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites appropriate for residential uses in accordance with London Plan Policy E7 Industrial intensification co-location and substitution, where the scheme would result in a net loss of industrial capacity.

¹³ [Islington Council Local Plan: Strategic and Development Management Policies](#)

- Southwark¹⁴, which has adopted a 40% threshold
- Tower Hamlets¹⁵, which is looking to adopt a threshold of 40%.

- 6.7 With respect to tenure split, Policy H6 of the London Plan requires authorities to apply a minimum of 30% low-cost rented housing and 30% intermediate housing, with the remaining 40% at their discretion based on local need. The Council’s proposed tenure split is in conformity with this provision.
- 6.8 Whilst Policy H4 of the London Plan specifically addresses developments of 10 or more units, it identifies that London Boroughs may also require affordable housing contributions from minor housing development (e.g. small sites). The Council’s proposed policies are consistent with this provision and is an approach being taken in a growing number of local authorities, principally in London. This point is discussed further below in Section 16.
- 6.9 London Plan Policy H10 specifically deals with Housing Size Mix and broadly requires schemes to deliver a range of unit sizes, having regard to local evidence and other prescribed matters. The supporting text recognises the role that housing mix policies can play in facilitating down-sizing and the role one-bedroom units can play in meeting housing need. The Council’s draft policies conform to the London Plan approach, having been informed by its 2024 Housing Needs Assessment, and are considered to provide a suitable and flexible balance between the mix of homes suggested by demographic modelling alone and the role that a housing mix policy should play in facilitating down-sizing and housing delivery.
- 6.10 As set out in the previous section, the London Plan sets out a range of affordable housing mechanisms that apply to specific forms of housing developments. Of relevance, this includes Policy H11 (Build to Rent), Policy H13 (Specialist Older Persons Housing), Policy H15 (Purpose Build Student Accommodation) and Policy H16 (Large-scale Purpose-Built Shared Living). The Council’s draft policies aim to work within the framework of these policies, while updating specific wording required to reflect the need for equivalency with the updated overall approach to affordable housing (i.e. the Council’s draft Policy LP23). Where a more bespoke approach is proposed in relation to Build to Rent schemes, this conforms to the provisions of London Plan Paragraph 4.11.10 which states:
- “Where justified in a Development Plan, boroughs can require a proportion of affordable housing as low-cost rent (social rent or London Affordable Rent see 4.6.4) on Build to Rent schemes in accordance with Part A of Policy H6 Affordable housing tenure.”*
- 6.11 Overall, the Council’s draft policies are considered to conform to the London Plan approach whilst making provision for measures justified by local evidence. The importance of taking into account local circumstances is a key component within National Planning Policy.

¹⁴ [southwark.gov.uk/sites/default/files/2024-09/Southwark Plan 2022 reduced 1.pdf](https://southwark.gov.uk/sites/default/files/2024-09/Southwark%20Plan%202022%20reduced%201.pdf)

¹⁵ [New Local Plan | Let’s Talk Tower Hamlets](#)

7 The Need for Affordable Housing

- 7.1 Within the Local Plan Partial Review, the emphasis is on prioritising the delivery of social rented affordable housing, which is also reflected within the Greater London Authority (GLA) Affordable Housing Guidance consulted on in March 2023, which includes the Mayor’s strong preference for the delivery of Social Rent homes.
- 7.2 The Council’s most recent Housing Needs Assessment (HNA) (2024) was commissioned by the Council as part of the Local Plan Partial Review. It takes a modelling-led approach to understanding the need for affordable housing across the plan period (i.e. 2023 to 2038). The approach taken by the HNA aligns with the London Plan-derived housing requirement, Planning Practice Guidance and other best practice, and includes a separate exercise for calculating immediate affordable housing needs (i.e. needs for affordable housing as of 2023 that cannot be considered met) and forecast affordable housing needs (i.e. the net number of households falling into need before 2038).
- 7.3 The HNA (2024) identifies a minimum overall need for affordable housing over the plan period of 14,601 affordable homes. The overall need for affordable housing rises to 23,601 homes before 2038 when considering a net zero out-migration scenario (expanded upon below). In either scenario, meeting the overall level of need for affordable housing would require 50% of Wandsworth’s London Plan-derived housing requirement, and well above 50% of its projected housing delivery, to be provided as affordable housing across the plan period.
- 7.4 With respect to understanding the need for different tenures of affordable housing, the HNA (2024) states there is a need for “8,223 rented affordable dwellings (effectively social rented housing) for households unable to afford market housing, from an overall total supply of 26,315 over the period 2023-2038 (equivalent to 548 rented affordable dwellings per annum)”. This figure assumes that a significant proportion of households that are unable to afford housing within Wandsworth would migrate out of the borough to find an alternative housing solution. However, it is the Council’s strong belief that this assumption risks legitimising the under-delivery of affordable housing and the exporting of unmet affordable need. On the contrary, a reasonable policy position, which instead treats these households as being in need, would better reflect the total affordable housing requirement in the borough. The HNA identifies that where this out-migration assumption is not applied, then the annual level of need for social rented housing would equate to around 17,200 homes (1,148 homes per annum), which equates to just under 60% of the Council’s annual housing requirement of 1,950 homes per annum. Taking these findings into account, the HNA concludes “*There is an extremely high need for affordable rent housing such as social or affordable rent... In light of the particularly high need for social rented housing, and the fact there is a large unmet existing need for such housing, we would recommend the Council pursues a tenure split which maximises the delivery of social rented housing in the first instance*”
- 7.5 The Council considers the figure of 1,148 homes per annum as the annual level of need for social rented housing within the borough. If the lower figure is taken into account, which includes a high level of out-migration mainly due to affordability pressures, this figure would not be considered as the total level of need within the borough. The higher figure has a

greater alignment with policy objectives, as this would allow the Council to improve the affordability of housing and help retain more existing residents.

- 7.6 To put this into context, the HNA (2024) identifies a reduction of 3,278 25-29 year olds within the borough between 2023-2038. The data within the HNA (2024), states that 16% of households out-migrating are unable to afford housing costs in Wandsworth. In addition, the level of outmigration is most prevalent in younger age groups as per the following statement from the HNA (2024): “The data shows a high rate of household formation for those aged 25-44 years, but these households also have high in and out migration rates”. In total around 10% of these newly forming households are unable to afford housing costs within Wandsworth. With the exception of people aged 25-29 years, all other age groups are set to increase with some of the largest increases visible within age groups 65-69 years, 70-74 years and 0-4 years.
- 7.7 In relation to intermediate housing types, the HNA recommends that there is a very limited need for Shared Ownership and First Homes: “*While Shared Ownership and First Homes have a role to play in most local authorities housing mix, in Wandsworth they are too expensive to meet identified needs and should be largely replaced by London Living Rent (LLR) and other intermediate housing options which are affordable to those earning £67,000 to £90,000 per annum*”. At present the income cap on LLR is £67,000 as per the GLA updated income cap (previously £60,000 per household), therefore households which earn over this cap would not be eligible for LLR. However, there are a high number of households in need of rented accommodation (27%) that are unable to afford the Private Rented Sector (PRS) but would be able to afford LLR. This is set out in more detail within the following statement from the HNA (2024): “*Only 1,067 of the need comes from households with income below £67,000 who would be able to access London Living Rent under the set of rules. This leaves 5,311 households who cannot afford market housing, but who have incomes between £67,000 and £90,000 and who therefore would not be able to access London Living Rents*”. These figures are based on the level of need between 2023-2038 and equates to a significant proportion of households falling into need between this time. The Council is planning to update the Intermediate Housing Policy Statement and the evidence within the HNA (2024) will provide a useful insight into this process.
- 7.8 When considering the need for social rented housing identified within the HNA (2024), this equates to 60% of the overall housing requirement, and therefore the proposed tenure split of 70:30 social rent to intermediate tenure will not completely provide for the whole level of social rented need within the borough. It would, however, maximise the level of social rented housing delivered whilst conforming to London Plan policy H5.
- 7.9 The HNA (2024) identifies that the housing size type most required are 2-3 bed social rented homes, totalling nearly 70% of overall social rented affordable need. This does not currently align with the recently adopted Local Plan policy LP24, which includes a higher requirement for smaller properties in the borough to incentivise downsizing. Based on the updated information from the HNA (2024), the Council propose to amend the mix to take into account the updated evidence which shows a higher level of need for larger rented homes, whilst also considering the previous policy approach to continue to incentivise downsizing as this will help bring larger properties back into circulation.

8 The Wider Case for Meeting Housing Need

- 8.1 As of March 2024, there were 13,513 households on the housing waiting list, an increase of around 14% since March 2023. This shows not only are the numbers of households on the waiting list high, but the level of increase is also substantial. A proportion of the households on the waiting list are in an emergency situation, whereby urgent accommodation is needed, meaning the Council is reliant on the use of temporary accommodation to accommodate those households. On average this results in a cost of around £3.6m on temporary accommodation each month by the Council, as well as the personal costs for households living in temporary accommodation who experience considerable upheaval and uncertainty.
- 8.2 Housing costs are a significant challenge for many local residents. This is exemplified by the Borough's very high affordability ratio (ratio of house prices to workplace-based earnings) of 17, which compares to a national average of 8 and a London average of 12. The HNA (2024) identifies that the minimum income needed for median private rents to be affordable for a one-bed property is £54,000, or for a lower quartile private rent to be affordable for a one-bed property is £48,000. These increase to £66,000 and £58,000 respectively for a two-bed property, or £86,000 and £74,000 for a three-bed property. The median annual income is around £45,000¹⁶, and the lower quartile income is around £29,000¹⁴, which demonstrates the difficulty that many local people will have affording local market rents, particularly households with only one predominant worker or households with children requiring their own bedrooms. The HNA (2024) identifies the average income required to buy in Wandsworth being dramatically higher still at £104,200 for an existing dwelling, or £165,100 for a newly built dwelling, which both dwarf median and lower quartile annual incomes.
- 8.3 Meeting the Borough's long-term need for social rented housing is inextricably linked to ensuring the best life outcomes for the Borough's residents. The independent Marmot Review (2010)¹⁷ found housing to be a "social determinant of health", meaning it can affect physical and mental health inequalities throughout life. There is a wide range of evidence linking the importance of a stable, permanent home with a variety of quality-of-life determinants, including health, education, job prospects, skills, and equality. Ultimately, the consensus is that a lack of a stable, permanent home makes it much harder for people to build social networks and communities, interact with the services they require and benefit from stable employment or education.
- 8.4 An insufficient supply of social housing has a direct relationship with the growing reliance on use of temporary accommodation across many local authorities. Research by Shelter¹⁸ identifies a negative correlation between temporary accommodation and life outcomes, identifying a range of issues around quality and conditions reflective of some of the inherent financial and capacity challenges in ensuring temporary accommodation is of sufficient

¹⁶ [Earnings and hours worked, place of residence by local authority: ASHE Table 8 - Office for National Statistics](#)

¹⁷ [Marmot Review report – 'Fair Society, Healthy Lives | Local Government Association](#)

¹⁸ [Use of temporary accommodation must end - Shelter England](#)

quality to meet life standards. Whilst the Council works hard to ensure such issues do not routinely materialise in the Borough, the research ultimately concludes:

“...our results show that even if conditions are fair and facilities are adequate, temporary accommodation is still not a home. Living in temporary accommodation entrenches poverty and housing insecurity, separates people from their support networks and decimates their physical and mental health. Depriving children of space to play, interrupting their education and cutting them off from friendships can cause lasting harm to kids’ emotional, behavioural and academic development. Ultimately, this undermines their life chances.”

- 8.5 This is not an individual issue in Wandsworth but an issue across London as a whole. London Councils recently published figures on the extensive use of temporary accommodation across London, with 1 in 50 adults and 1 in 30 children currently living in temporary accommodation, costing Local Authorities across London around £4m per day. Research from Crisis¹⁹ shows that local authorities spent £2.29bn on temporary accommodation from April 2023 to March 2024, which was a 29% increase from £1.77bn spent the previous year, whilst LGA estimates²⁰ suggest overall spend has increased 89% in a decade.
- 8.6 This rate of cost increase is clearly unsustainable for local authorities and prevents their ability to invest in many other beneficial public services, which would be possible were these costs avoided through a sufficient supply of social housing.
- 8.7 There is widely recognised to be a national housing crisis caused principally by a failure to build a sufficient number of all types of homes over a long period of time. The Deputy Prime Minister, in her letter to Local Authority Leaders in July 2024, set out a range of planned interventions in the planning and housing sectors which are needed to enact “the Government’s plan to build the homes this country so desperately needs.” Extracts of relevance include (emphasis added):

“As the Leaders and Chief Executives of England’s local authorities, you know how dire the situation has become and the depth of the housing crisis in which we find ourselves as a nation. You see it as you place record numbers of homeless children in temporary accommodation; as you grapple with waiting lists for social housing getting longer and longer; and as your younger residents are priced out of home ownership.

We need to diversify supply, and I want to make sure that you have the tools and support needed to deliver quality affordable and social housing, reversing the continued decline in stock. This is vital to help you manage local pressures, including tackling and preventing homelessness.

Within the current Affordable Homes Programme (AHP), we know that particularly outside London, almost all of the funding for the 2021-2026 AHP is contractually committed. That is

¹⁹ [Council spending on emergency accommodation tops £2.2bn | Crisis | Together we will end homelessness](#)

²⁰ [£1.74 billion spent supporting 104,000 households in temporary accommodation | Local Government Association](#)

why I have confirmed that we will press Homes England and the Greater London Authority (GLA) **to maximise the number of Social Rent homes** in allocating the remaining funding.

The Government will also bring forward details of future Government investment in social and affordable housing at the Spending Review, so that social housing providers can plan for the future and help deliver the biggest increase in affordable housebuilding in a generation.”

- 8.8 As part of its 2024 consultation²¹ on proposed changes to the National Planning Policy Framework, the Government further outlined the importance of local planning authorities planning for sufficient social housing. This included the following, at paragraph 4 (emphasis added):

“To support our objectives around boosting delivery of Social Rent while leaving local planning authorities in the driving seat, we propose setting an expectation that housing needs assessments explicitly consider the needs of those requiring Social Rent and that authorities specify their expectations on Social Rent delivery as part of broader affordable housing policies. **We expect that many areas will give priority to Social Rent in the affordable housing mix they seek, in line with their local needs, and this is something we strongly support**, but we will not be prescriptive; it is for local leaders to determine the balance that meets the needs of their communities”

- 8.9 When announcing the new National Planning Policy Framework in December 2024, the Government released a statement which restated a series of ambitions relevant to the Council’s Local Plan Partial Review. These include the following (emphasis added):

“Today’s changes tackle the dire inheritance faced by the government, **in which 1.3 million households are on social housing waiting lists and a record number of households – including 160,000 children – are living in temporary accommodation.**

To further tackle the housing crisis, **councils and developers will also need to give greater consideration to social rent when building new homes** and local leaders have greater powers to build genuinely affordable homes for those who need them most.

I will not hesitate to do what it takes to build 1.5 million new homes over five years and **deliver the biggest boost in social and affordable housebuilding in a generation.”**

- 8.10 As part of the Government’s forthcoming Housing Strategy, it also published a consultation²² in November 2024 on proposals to reform Right to Buy. These proposals centre on a range of reforms to Right to Buy aimed at preventing the loss of existing affordable housing stock, particularly social housing, which is a constraint on the ability for local authorities to meet local needs. The introduction to the consultation states (emphasis added):

“However, reform of Right to Buy is **essential to better protect much-needed social housing stock**, boost council capacity and build more social homes than we lose,

²¹ [Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK](#)

²² [Reforming the Right to Buy - GOV.UK](#)

supporting the government’s commitment to deliver the biggest increase in social and affordable housebuilding in a generation.”

Consistent with the above, the Government announced a series of measures as part of the 2024 Autumn Budget which resolved to reduce the maximum discount attainable under the Right to Buy.

- 8.11 Taken together, these measures all speak to a clear recognition at the Government level of the vital importance that building a sufficient social housing stock has in resolving needs and addressing the national housing crisis.
- 8.12 Although the benefits of affordable housing delivery are undoubtedly felt most directly by households who are in receipt of this type of housing, it is also important to consider the wider public benefits of improving the affordability of housing.
- 8.13 Research by Shelter and the National Housing Federation (2024)²³ identifies the following benefits from meeting the national need for social rented housing (estimated at c. 90,000 units per annum):
- A stable home helps people to get and keep work and reduces the long-term scarring effect that being homeless or insecure housing can have on employment prospects, generating £8.9bn for the national economy and a further £3.8bn in tax revenue.
 - Due to higher employment, yearly benefit claims would be cut by £1,218 per households, generating £3.3bn in savings over the long term.
 - On average social homes have fewer health hazards and stable homes are linked to better wellbeing, generating £5.2bn through NHS savings.
 - More social homes would mean fewer people living in temporary accommodation and requiring homelessness assistance, saving local authorities £4.5bn.
 - People in inadequate housing are more likely to experience crime. Social homes lead to fewer police callouts and reduced cost of crime, generating savings of £3.1bn.
 - Unstable homes can harm children by disrupting their education, which leads to lower economic contributions, increased crime, and greater use of public services. Reducing these disruptions would generate £2.7bn in savings.
- 8.14 “Estimating the Effect of Housing Affordability on Economic Productivity in the Greater London Area”²⁴ is a recent study commissioned by the London Partnership Board, which includes the Greater London Authority, London Councils, Trust for London, and the G15 network of housing associations. The report brings together the wider impacts of delivering affordable housing.
- 8.15 This includes impacts such as the negative effect worsening housing affordability has on productivity. On the contrary, reducing house prices by as little as 1% can have an impact on GVA by approximately £225m over 10 years in the local authority and surrounding areas. The mechanism of this relation is summarised as:

²³ [National Housing Federation - The economic impact of building social housing](#)

²⁴ [240927 GLA Housing Productivity - Report FINAL.pdf](#)

“High housing costs in productive urban areas limit workers ability to move closer to high-productivity jobs, leading to longer commutes and reduced labour mobility. Skilled workers and potential innovators may leave high productivity but expensive cities, depriving these areas of human capital that drives productivity growth, while low-skilled workers may be forced out of expensive cities, leaving these areas with a labour shortage”.

Overall, maximising the level of social rented housing would alleviate the numbers of households currently within temporary accommodation and limit the negative impacts of this on the households themselves. It would also reduce the financial burden of temporary accommodation on the Council, which could be invested in the delivery of additional permanent affordable housing or other much needed services.

- 8.16 Comparing the numbers of households on the housing waiting list to the total number of homes completed in 2023/24 (which totalled 2,662 homes of which 824 were affordable homes¹), a stark contrast can be seen between the level of delivery and the number of households currently on the housing waiting list. 824 affordable homes makes up 31% of overall completions, which is not dissimilar to the London Plan Fast Track threshold.
- 8.17 In 2024/25, there are forecast to be 2,198 dwellings completed with 960 affordable homes currently under construction. It is clear to see the numbers of households on the waiting list, including the most vulnerable, far outstrip the number of projected completions, even though the level of affordable housing delivery is nearly in line with the London Plan threshold of 35%. This level of delivery is insufficient to provide housing to all the most vulnerable households on the housing waiting list.

9 Local Housing Supply Position

- 9.1 At the point of adoption, the Council’s Local Plan (2023-2038) identified an overall trajectory of 26,315 homes by 2038, compared to a London Plan-derived housing target totalling 20,313 homes over the same period (a buffer of around 6,000 homes). The Council’s latest Authority Monitoring Report (AMR)²⁵ identifies that between 2021/22 and 2037/38, cumulative completions (based on known completions to date and the trajectory to 2038) are expected to be at least 30,058, relative to a total Local Plan housing target of 24,213 over that same period.
- 9.2 In the short-term, the AMR identifies that the Council has a supply of 7 years’ worth of housing over the next five years. In the medium and long-term, it is recognised that future London Plan and Local Plan cycles will inevitably include opportunities to find potential sources of housing supply not included in the 30,058 figure cited above, beyond which could reasonably be identified at this time.
- 9.3 Given that the housing supply across the plan period includes a significant buffer to its London Plan-derived housing target and there has been no material change in circumstances (e.g. a new London Plan or need to extend the plan period), the Council has not sought to review the overall housing strategy or requirement within this Partial Review. The Council recognises that, as is routine, its long-term housing supply position will need to

²⁵ www.wandsworth.gov.uk/media/hfeijst3/housing_trajectory_and_summary_tables_2023_24.xlsx

be updated over time to reflect emerging national planning policy and the outcomes of the ongoing London Plan review, through which process the Council expects that a new capacity-derived housing target will be identified.

- 9.4 In light of the above, it is clear that there remain ample development opportunities within the Borough to meet short-, medium- and long-term housing requirements and that, as would be expected, these will be identified proactively and progressively through subsequent Local Plan cycles (in tandem with London Plans). The Council routinely monitors its housing supply in the context of its housing requirement and will continue to make this information available to inform the next steps of the Local Plan Partial Review.

10 Past Delivery of Affordable Housing

- 10.1 Over the past 10 years, Wandsworth Borough has gone through a considerable amount of change. A significant amount of housing delivered within the Borough over this period came from several large-scale developments, including those within the Vauxhall Battersea Nine Elms (VNEB) opportunity area such as Battersea Power Station, which required significant remediation, infrastructure and place-making costs. Developments within VNEB have generally secured levels of affordable housing far below that which would normally be considered acceptable. This is partly a reflection of the significant costs that developments within VNEB bore, including remediation and infrastructure (most notably the Northern Line Extension), and partly a reflection of differing political or policy ambitions, which placed a stronger emphasis on non-housing matters at the time of permissions being granted.
- 10.2 More recently, with a new administration, the priorities relating to housing delivery have shifted within the borough, as is set out in the Council's new Corporate Plan 2022-2026.
- 10.3 It is important to consider these significant changes when considering the overall level and proportion of affordable housing completions within the Borough in preceding years, especially as many of the planning permissions currently being completed were approved when different priorities and planning policies were in place. A number of these would have formed part of a large masterplan of development where late changes to the overall levels of affordable housing would not have been possible with existing legal agreements already in place.
- 10.4 Taking the above points into consideration, during 2023/24, a total of 824 affordable homes were completed in Wandsworth and a total of £4.1 million was received from developers as commuted sums for affordable housing purposes.
- 10.5 The balance of available affordable housing commuted sums held at the end of 2023/24 was £31.326 million. A possible future pipeline of c. £16.192 million could also be received, depending on scheme completions and various trigger points being met, as included in the Wandsworth Affordable Housing Update Report²⁶. Overall a total of £53.151 million of

²⁶ Affordable Housing Update (Paper No. 24-354), 28 NOVEMBER 2024 EXECUTIVE – 9 DECEMBER 2024: report by the Interim Executive Director of Housing on future property acquisitions programmes and social rented and affordable homes delivery 2023/24.

commuted sums contributions has been utilised to support and progress major schemes in the Borough.

Completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Intermediate completions	142	173	196	220	224	359	446
Social/Affordable Rent completions	60	133	187	108	119	230	378
Total Affordable Completions (net)	202	306	383	328	343	589	824
Total Completions (net)	2,036	1,851	1,330	1,399	1,959	1,999	2,662
Percentage of completions as affordable (net)	10%	17%	29%	23%	18%	29%	31%

Table 1: Affordable Housing completions in comparison to overall completions (2017 – 2024)

- 10.6 Table 1 identifies that affordable housing completions have varied from between 10% and 31% of overall completions since 2017.
- 10.7 However, it is important to note that simply monitoring affordable housing completions against overall completions can be deceptive, as sites delivering fewer than 10 dwellings do not currently trigger an affordable housing contribution and, likewise, all permitted development schemes (such as ‘prior approvals’ under the General Permitted Development Order) are not required to provide affordable housing irrespective of their size. Table 1 also does not take into account sites that have provided an off-site or financial contribution due to site specific circumstances, such as an inability to secure a Registered Provider, where an off-site contribution may be necessary.
- 10.8 Table 2 provides a comparison between the affordable housing completions on major schemes in comparison to all net completions. The difference is significant especially when considering completions in years 2019/20 and 2022/23 which shows the numbers of affordable housing completions on major sites, where affordable housing requirements are triggered, have been as high as 34%, as shown in 2019/20. This proportion was nearly repeated in 2022/23 where 33% of net completions on major sites were affordable. However, when considering the number of affordable homes completed in 2023/24 (823 dwellings), this is by far the highest level of affordable housing completions ever recorded within the Authority Monitoring Report, which monitors as far back as 2006. When considering the data within Table 2, recent percentages of affordable completions remain a stark contrast from the extremely low proportion of affordable housing completions seen in 2017/2018 (8%). On both counts regarding the percentage of affordable homes completed and the overall number of affordable homes completed, the figures demonstrate the

significant improvements made by the Council in increasing the proportion of new housing secured as affordable.

Completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total Completions on Major Sites (net)	1,992	1,604	1,087	1,218	1,742	1,784	2,519
Total Affordable Completions on Major Sites (net)	158	288	375	315	339	580	823
Percentage of completions on Major Sites as affordable (net)	8%	18%	34%	26%	19%	33%	33%

Table 2: Affordable Housing completions as a percentage of net dwelling completions on major sites (2017-2024)

10.9 In addition to considering the percentages of affordable housing delivered, it is key to consider the level of off-site contribution as part of the overall level of affordable housing secured. This approach is supported by the emerging Affordable Housing London Plan guidance that states:

“To avoid incentivising off-site provision or in-lieu contributions, there should be no financial benefit to the applicant relative to on-site provision”.

The practical meaning of the above is to ensure that the value of any off-site or in-lieu contribution should be equivalent to the level of affordable housing required.

10.10 Based on the Council’s most recent Affordable Housing Update Report²³, the level of grant provided for a social rented dwelling ranges from £50,000 to £120,000 for a 1-4 bed dwelling. The Council has used the mean average level of grant, resulting in an assumed grant level of £85,000, and considers this an appropriate assumption to apply as equating to the delivery of an affordable home. In reality, the costs of delivery of an affordable dwelling would vary on a specific site and funding can be used effectively in different ways such as changing tenures, however this is a useful measure to quantify the value of financial contributions received.

10.11 The permitted level of affordable housing is also key to understanding the level of affordable housing that is being secured annually. Table 3 provides the level of affordable housing secured annually since 2017 in comparison to the total number of dwellings permitted. This includes applications for permitted development and small sites where affordable housing requirements are currently not triggered, therefore this should be a consideration as part the figures. The table also includes the level of affordable housing contributions secured. Financial contributions can be secured due to the delivery of affordable housing not being appropriate on a specific site and should still count towards the overall percentage of affordable housing secured, as these levels of contribution support the delivery of affordable housing within the borough.

Permissions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24*
Open Market	5,247	4,874	2,562	3,993	3,811	2,103	929
Intermediate	555	734	324	590	604	262	10
Social / Affordable Rent	281	383	244	326	708	205	479
Total affordable permitted	836	1,117	568	916	1,312	467	489
Total homes permitted	6,083	5,991	3,130	4,909	5,123	2,570	1,489
Percentage of homes permitted as affordable	14%	19%	18%	19%	26%	18%	34%
Off-site contributions secured/ received	£7,859,000	£4,908,000	£10,730,000	£2,035,000	£6,120,000	£29,257,000	£4,103,000
Equivalent dwellings	92	58	126	24	72	344	41
Total equivalent percentage of homes permitted as affordable	15%	20%	22%	19%	27%	32%	36%

Table 3: Affordable housing permissions as a percentage of overall permissions: actual and equivalent (2017-2024) (*permission based on major site only as data now available from 2023/24)

10.12 Considering Tables 2 and 3, it is clear the overall level of affordable housing completed or permitted in recent years has not delivered the strategic affordable housing target. However, the level of affordable housing secured in the past two years has improved significantly compared to previous years and shows the Council is making significant progress in securing more affordable housing, having ultimately secured a higher level of affordable housing than the 35% FTR threshold in 2023/24. This is despite a challenging economic climate with very high levels of inflation and the sudden interest rate increases seen in 2022-2023.

10.13 In relation to the delivery of different types of affordable housing, the Council's priority is to deliver social rented housing, as this is the tenure most needed within the borough. The Council's current adopted policy includes a 50:50 tenure mix between low cost rented and intermediate tenures, whilst the draft Policy LP23 seeks to adopt a tenure mix which is 70%

in favour of social rented housing. As expanded upon elsewhere, the proposed tenure mix is better aligned with the level of need in the borough as evidenced as part of the very high numbers of households on the housing waiting list and identified within the HNA (2024).

10.14 In addition to assessing the level of need within the Local Plan period by tenure, it is also important to understand previous tenure types most delivered within the borough. The following table provides a breakdown of the level of social/affordable rented homes in comparison to the level of intermediate homes completed:

Affordable homes completed by tenure 2017-2024					
Year	Intermediate homes	% of affordable	Social/ Affordable Rented homes	% of affordable	Total Affordable
2017/18	142	90%	16	10%	158
2018/19	177	61%	111	39%	288
2019/20	196	52%	179	48%	375
2020/21	220	70%	95	30%	315
2021/22	224	66%	115	34%	339
2022/23	350	60%	230	40%	580
2023/24	446	54%	377	46%	823
Total	2052	63%	1195	37%	3247
Average	293		170		464

Table 4: Affordable housing completions by tenure as a percentage of overall affordable housing completions (2017-2024)

10.15 Overall, it is clear that the majority of affordable homes completed recently have consistently been intermediate homes, however, the data does not separate these out into Shared Ownership and other intermediate products such as London Living Rent. The higher proportion in one year was observed in 2017/18 when 90% of all affordable homes completed were intermediate, whilst the lowest proportion was in 2019/20 when 52% of all affordable homes completed were intermediate. In an average year, 293 intermediate homes were built, and just 170 social or affordable rented homes were built.

10.16 On average, between 2017 and 2024, 65% of completed affordable homes were intermediate with only 35% being social or affordable rent. This does not align with the Council's currently adopted nor previous²⁷ Local Plan policies. The implication is that, notwithstanding the adopted policy position, a higher proportion of intermediate housing has tended to be built as a consequence of previous negotiations and planning permissions subsequently granted, which are now being built out and completed. This further supports the Council's proposal to increase the level of social/affordable rented accommodation required by the policy, as there has been a consistent level of under delivery of

²⁷ Core Strategy (2016) Policy IS5 required a tenure split of 60:40 in favour of social and affordable rent; Core Strategy (2010) Policy IS5 required a tenure split of 70:30 in favour of social rent

social/affordable rented dwellings, relative to the balance of needs identified. In order to meet needs moving forward, this position will need to be addressed by supporting the delivery of a higher level of social/affordable rented dwellings throughout the borough through the new Local Plan period.

10.17 Based on the points above, it is important to gain an understanding of the potential future pipeline of different affordable housing tenures, to understand the level of affordable housing coming forward within the borough and understand how a change in approach has so far impacted the type of affordable housing permissions. Table 5 sets out the number of affordable homes permitted by tenure below.

Affordable Homes permitted by tenure 2017-2024					
Year	Intermediate homes	% of affordable	Social/Affordable Rented homes	% of affordable	Total Affordable
2017/18	555	66%	281	34%	836
2018/19	734	66%	383	34%	1117
2019/20	324	57%	244	43%	568
2020/21	590	64%	326	36%	916
2021/22	604	46%	708	54%	1312
2022/23	262	56%	205	44%	467
2023/24	41	6%	598	94%	639
Total	3110	53%	2745	47%	5855
Average	444		392		836

Table 5: Affordable housing permissions by tenure as a percentage of overall affordable housing permissions (2017-2024)

10.18 Table 5 shows the percentage of social/affordable rented homes permitted significantly increasing from 2021 onwards to more closely align with the Council's aspiration to deliver more social/affordable rented accommodation. Of all affordable units which were under construction or with planning permission as of 1st April 2024, 48% (1,240) were social rented and 52% (1,338) were intermediate, which is very similar to the average permissions recorded over the last seven years, and broadly in line with current policy requirements.

10.19 Overall, even though the level of Social/Affordable rented homes permitted have increased substantially in recent years, to rectify the previous levels of under delivery the Council will need a strong policy approach to ensure the level of Social/Affordable rented homes are maximised to compensate for previous levels of under delivery of social rented housing which is the housing type most required within the borough.

11 Pipeline of Affordable Housing

11.1 As is required by national policy, the Council maintains a housing trajectory (or 'pipeline') which it publishes annually as part of its Housing Annual Monitoring Report (Housing AMR).

- 11.2 From this housing trajectory, it is possible to identify expected completions in future years across both conventional and non-conventional forms of housing, and to categorise expected sources of supply by status (e.g. under construction, with permission or an identified site) and tenure (e.g. open market, social rented or intermediate housing). Whilst the housing trajectory is inherently more reliable in the short-term (where more is known about the expected sources of supply) and less certainty can be placed on the accuracy of the trajectory in the latter years of any plan period (as the sites likely to make up supply in those years will often not yet be fully known), they form a reliable source of information on macro trends and expectations to underpin local plan-making.
- 11.3 Notwithstanding these caveats, the Council's Housing AMR 2023/24 identifies a supply of 4,651 affordable homes across all tenures. This is made up of sites currently under construction, with planning permission, or otherwise identified and expected to come forward. This supply assumes the continuation of the current policy position and does not account for the draft policies.
- 11.4 The affordable housing pipeline expected under the current policy position is clearly insufficient to meet the Borough's long-term need of c. 14,000–23,000 affordable homes over the plan period, which supports the Council's proposals to strengthen its policies to better support greater delivery over this period. Even when factoring in new sources of affordable housing supply that are likely to be identified before 2038, this shortfall would remain significant.
- 11.5 Of particular relevance to the Local Plan Partial Review is the tenure split of the existing affordable housing pipeline. It is important to emphasise that a proportion of the housing (including affordable housing) that will be built over the remainder of the plan period to 2038 will already have planning permission and, in a majority of cases, will not come before the Council again to be determined against new policy requirements. In this sense, it is possible for the housing pipeline to accumulate a 'debt' of housing against need, if existing planning permissions do not fully reflect the long-term need for particular tenures of housing.
- 11.6 Across all categories of site set out in Table 6, the percentage of affordable housing in the pipeline expected to be of intermediate tenure is 50% (2,321) and the percentage expected to be social/affordable rent is 50% (2,330). Considering sites where the tenure split is already established and unlikely to be renegotiated (i.e. sites already under construction, have planning permission or are subject to legal agreements), the percentage expected to be intermediate is again 50% (1,366) whilst the percentage expected to be social or affordable rent is also 50% (1,349).

Status	Open Market		Affordable			
			Intermediate		Social/Affordable Rent	
	Gross	Net	Gross	Net	Gross	Net
Under Construction	3,863	3,742	268	257	767	703
Planning Permissions	6,989	6,426	1,097	1,081	1,222	537
Applications Subject to Legal Agreement	236	236	28	28	109	109
Identified Sites	3,507	3,507	901	901	927	927
Potential Sites	203	203	54	54	54	54
Small Sites Allowance	0	0	0	0	0	0
Total Pipeline at 31 March 2024	14,798	14,114	2,348	2,321	3,079	2,330

Table 6: Wandsworth Conventional Housing Pipeline by Tenure at 31st March 2024 (Source: Housing AMR 2023/24)

- 11.7 Given the Borough has such a significant long-term need for social rented housing, the fact that the existing pipeline is currently projected to relatively over-deliver intermediate housing and under-deliver social rented housing makes it even more important that developments that have not yet received planning permission maximise the proportion of social rented housing they deliver. Failure to do so, and to support other methods for securing more social rented housing such as the proposed approach to smaller sites, is likely to perpetuate the existing trend of affordable housing coming forward with a tenure split that does not truly reflect the relative need for the two broad tenures.

12 The Role of Grant in Increasing Affordable Housing Delivery

- 12.1 Another way to increase or otherwise strengthen affordable housing delivery is to increase the level of additional affordable housing funded and secured through grants.
- 12.2 Wandsworth have historically been very active in securing grants from the GLA to deliver additional affordable housing. However, the Savills' (2022) report *London's Affordable Housing Funding Requirement*²⁸ commissioned by the GLA identifies a significant funding gap between the amount of public subsidy secured per affordable home in comparison. The findings of the report state that across London:
- The total subsidy gap is around £19 billion over a 5-year period.
 - This equates to an annual subsidy gap of £3.8 billion between 2023/24 and 2027/28.
- 12.3 These findings are based on the following parameters:
- The totals draw upon all the assumptions within the modelling, driven by an average development delivery cost of between £449k/homes and £464k/home (depending on tenure).
 - The average subsidy requirement across the 5-year period is around £220,000 per home.

²⁸ <https://www.london.gov.uk/sites/default/files/2022-11/GLA%20final%20report%20-%202024nov22%20-%20CLEAN%20-%20no%20numbers.pdf>

- As would be expected, the average subsidy per home is, however, much greater for social rent and LLR homes, the former subsidy level being nearly £273,000 per home.

- 12.4 On this basis, it is clear to see that if average delivery costs are in the region of £450,000-£464,000, which aligns with the estimated delivery costs by tenure and house type provided by the GLA by Local Authority²⁹ (which is on average £460,300 per dwelling) and the average subsidy provided is £220,000 per home, there is a significant funding gap in the ability to deliver affordable homes through grant.
- 12.5 Whilst grant is expected to remain a very important funding mechanism for affordable housing, the findings of the report demonstrate the limitations of relying upon grant to fund new affordable housing at a rate anywhere close to need. This in itself demonstrates the importance of maximising the delivery of developer-funded affordable housing on-site, as well as ensuring that opportunities are taken to maximise the level of contributions from different site typologies, including small sites and student accommodation. This would enable the Council to deliver genuinely affordable homes across the borough in light of significant need and in full recognition of the limitations of grant.
- 12.6 The Council's draft policies are designed to maximise the ability for affordable housing to be delivered through a combination of developer funding and grant funding. They specifically do not over-rely on the availability of grant but nevertheless include measures to ensure that opportunities to increase the level of affordable housing delivery through use of grant are appropriately incentivised and required, as appropriate.

13 The Role of Direct Delivery in Increasing Affordable Housing Delivery

- 13.1 The Council has a clear understanding of the level of need within the borough and are making direct steps to deliver affordable housing at scale within the borough. There is a recognised need to diversify the sources of delivery of affordable housing which can enable, for example, an affordable housing pipeline to continue to be delivered even in challenging economic times for the wider market. The Council is taking direct action through its Homes for Wandsworth³⁰ affordable home programme, and specific place-based initiatives such as the Alton Renewal Plan³¹. This includes sites spread across the borough which are all brought forwards on the basis of maximising social rented housing.
- 13.2 In light of the current financial pressures facing many Registered Providers (RPs), such as recent legislation changes including fire safety regulations, cladding, repair issues and mould/damp prevention as well as the cost of meeting higher sustainability and climate change requirements, it is recognised that some RPs are struggling to bid on affordable housing brought forward by private developers, or the bids RPs are able to make are less favourable than in an previous years. Direct delivery through the Council's Homes for Wandsworth Programme is therefore an important component of the wider picture which supports wider supply.

²⁹ [ahp 21-16 assumed development costs february 2021 - copy.pdf \(london.gov.uk\)](#)

³⁰ [Where we are building homes - Wandsworth Borough Council](#)

³¹ [Alton Renewal Plan - Wandsworth Borough Council](#)

- 13.3 The Homes for Wandsworth Programme includes a commitment to deliver over 1,000 social rented dwellings across the borough. These social rent-led developments will help the Council to achieve the 50% affordable housing strategic target that applies across all additional homes completed within the borough.
- 13.4 This programme seeks to use Council owned sites alongside grant to deliver additional affordable housing within Wandsworth. As part of this programme so far, over 200 affordable homes have been completed with 413 currently under construction.
- 13.5 The Council has also set aside over £100m of capital funding to redevelop the Alton Estate which will provide much needed additional affordable housing and re-provide many of the existing homes within the estate that are in need of up-grading to achieve higher energy standards.
- 13.6 These opportunities will allow the Council to diversify the affordable housing pipeline throughout the new Local Plan period and be less reliant purely on the delivery of affordable housing from private developers.
- 13.7 The Council's draft policies seek to increase the overall level of affordable housing whilst also diversifying the types of housing that must contribute towards affordable housing. The latter better allows the Council to support existing RPs through an affordable housing fund using contributions secured from small sites and certain non-conventional housing schemes, which can increase the overall level of affordable housing delivered within the borough. This is also key to ensuring the delivery of affordable housing can be maintained, even in times where the delivery of affordable housing from RPs may be interrupted due to other outside pressures, providing consistency to the overall supply.

14 Affordable Housing Delivery – Site-Specific Examples

14.1 Although a Whole Plan Viability Assessment is important to assess standard typologies, it can also be beneficial to assess the previous levels of affordable housing either offered, approved or delivered on actual schemes to consider what level of affordable housing is realistic to deliver. It is also important to consider site specifics as average levels of affordable housing secured can mask the true picture of what levels of affordable housing have been able to be secured on individual sites.

14.2 Table 7 provides numerous examples of sites and the rates of affordable housing which have been either offered by a developer, approved or completed.

Application Number	Site address	Proposal	Affordable housing offer
2022/3954	Former Gasworks Swandon Way, Calor Gas London, SW18	Hybrid planning application (part Outline, part Detailed) for the demolition of all existing buildings and structures on site and a phased development comprising the construction of buildings across four development plots to include up to 646 dwellings with affordable housing (Use Class C3 (Residential) and Use Class C2 (Residential Institutions)); up to 5,145sqm of non-residential floorspace; with associated works.	37% affordable housing by dwelling (50% low-cost rent and 50% intermediate)
2021/5678	Burridge Gardens St John's Hill SW11 1UA	Demolition of the existing Peabody estate housing on site was approved through the original 2012 permission. At the time, there were 353 residential homes on the estate, 225 of which were social rent, and the remaining 128 were private tenure.	50% affordable housing by dwelling or 53.5% by habitable room
2019/4583	B&Q Depot Smugglers Way SW18 1EG	An increase in unit numbers from 517 to 554 (37 additional units), increase in affordable housing units from 184 to 197, change in housing mix, reduction in car parking from 60 parking spaces to 22 blue badge spaces, 1 commercial blue badge space and 1 car club space, elevational changes, introduction of D1 and D2 uses into the flexible floorspace and reduction in ground floor flexible commercial floorspace from 2969m ² to 1960m ² (GIA), reduction in Class B1(a) commercial floorspace at the mezzanine level from 5160m ² to 1054m ² (GIA) with the provision of 2,548m ² (GIA) residential facilities associated with the 'Build to Rent' model. Associated changes to the level of cycle storage, amenity with outdoor swimming pool, private amenity, public open space and play space across the site, increase in size of energy centre and other associated changes as a result of the revised development.	36% affordable housing by habitable rooms and by dwelling (30% low-cost rent and 70% intermediate)
2020/2369	58-70 York Road SW11 3QD	Demolition of existing building and erection of a mixed-use development plus basement, providing office (Class B1a) floorspace at ground and basement levels with residential units (Use Class C3) comprising market and affordable housing on upper floor levels with access to landscaped amenity deck; with car and cycle parking spaces located at basement level; public realm improvements to York Road, Yelverton Road and Badric Court; and associated infrastructure works to allow	40% affordable housing by dwelling (100% intermediate tenure)

Application Number	Site address	Proposal	Affordable housing offer
		creation of additional floor to provide 11 residential units (new total 93).	
2021/1677	120 Battersea Bridge Road	Demolition of existing building and removal of structures/raised levels and erection of a part 4, 7 and 8 storey building, providing Class F2 Community Hall /Class F1 Church Hall on the ground and mezzanine floors, Class E offices at mezzanine level.	38% affordable housing by dwellings or 36% by habitable room (100% intermediate tenure)
2018/5669	Ferrier Street Industrial Estate, 1 Ferrier Street and 332 Old York Road London, SW18	Demolition of existing buildings and construction of mixed-use development ranging from 4 to 10 storeys to provide 5826sqm light industrial (Class B1c) use, 5078sqm flexible business (Class B1) use, 106 residential units (Class C3) use and 213sqm retail.	42% affordable housing by habitable room or 39% by dwelling (49% low-cost rent to 51% shared ownership)

Table 7: Site-Specific Examples of Exceeding Policy Requirements

- 14.3 The above information shows that the Council has actively secured a number of schemes above the 35% London Plan threshold included within London Plan Policy H5 (and existing Policy LP23) despite the fact that the existing policy position does not require private sites to do so. In achieving these rates of affordable housing, it is demonstrated that there has been sufficient financial capacity within a number of local schemes to provide affordable housing at a level exceeding the 35% threshold, and that therefore implementing a local threshold which exceeds the 35% currently applied by the London Plan across London is not unrealistic or undeliverable in practice.
- 14.4 It is important to note that many of these higher affordable housing levels agreed are due to the Council's determination and ability to negotiate to secure improved levels of affordable housing where viability allows. These negotiations are often lengthy due to applicants seeking to first apply the minimum of 35% required through the FTR, meaning that the Council needs to actively negotiate with applicants to reiterate the importance of a higher level of affordable housing within the borough based on the high level of need.

15 Summary of Viability Evidence

- 15.1 As part of the evidence base for the Local Plan Partial Review, the Council commissioned BNP Paribas to prepare a Whole Plan Viability Assessment (WPVA) (2024) to assess if the policy position identified in the Local Plan Partial Review can be accommodated in viability terms.
- 15.2 Within the Planning Practice Guidance (PPG), it is made clear that viability is expected to be mainly used at the Local Plan making stage to establish policies which are deliverable. This is clarified in the PPG which states (paragraph 002, reference ID 10-002-20190509);
- “The role for viability assessment is primarily at the plan making stage. Viability assessments should not compromise sustainable development but should be used to

ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan”.

- 15.3 As per the PPG, the WPVA (2024) assesses viability based on a range of common site typologies, and not on actual sites within the housing pipeline. In total, 48 typologies have been tested including more general site typologies, whilst also including other more specialist site types such as student accommodation and sheltered housing. The typologies have been assessed across four different land values and apply nine different Open Market values (which have been derived across the borough and range from £8,030/sqm to £14,240/sqm). The WPVA follows industry best practice and a methodology deployed in dozens of successful Local Plans, and thus provides a robust and comprehensive examination of viability across the borough.
- 15.4 One of the key aspects of the testing is the Benchmark Land Value (BLV). The following four BLVs have been applied and are represented (as £m per hectare) within the table below:

Use	EUV	Premium	BLV
Offices	£12.86	£2.57	£15.44
Retail	£7.64	£1.53	£9.17
Industrial	£5.07	£1.01	£6.09
Open land	£0.00	£0.00	£0.50

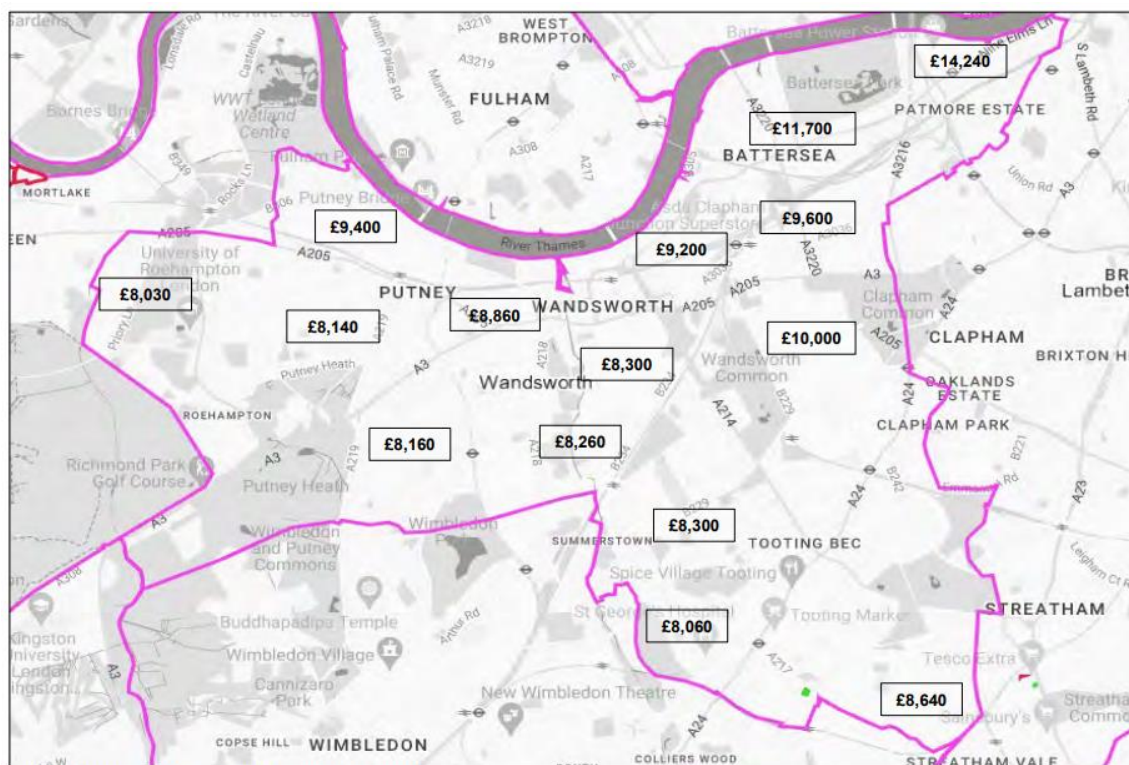
Table 8: Wandsworth Benchmark Land Values (Whole Plan Viability Assessment 2024)

- 15.5 Table 8 shows that the highest BLV is existing office use at £15.44m per hectare. This is due to the high Existing Use Value (EUV) of that land use, as returns for high quality office real estate are strong in the current market, especially within an inner London borough such as Wandsworth. Within the PPG, the accepted methodology of calculating the BLV is the use of an EUV plus premium. The premium is based on the level of incentive a landowner would need to release land for development. An office with a high rate of return would require a higher premium (in some cases as high as 20%) to be incentivised to release the land for development. This is the other reason for offices having a higher BLV. However, it is also important to consider that for high returning office space or other similar uses, the returns achieved in that existing use may be higher than the returns expected from residential development, in which case the site would not be released for redevelopment.
- 15.6 It is beneficial to consider the key types of sites within the Wandsworth housing pipeline, to ensure the most common site types are viable when applying the emerging policy position. The Council have assessed the types of sites included within the housing pipeline over the Local Plan period to assess the potential impacts of emerging policy on the delivery of the Councils London Plan housing requirement. The current housing pipeline based on the AMR 2023/24 figures includes the following number of dwellings proposed, categorised by the BLV included within the WPVA:

Benchmark Land Value Type	Net units proposed 2023/24-2038/39	% of housing pipeline
a. Office	1,732	7.5%
b. Retail	3,766	16.4%
c. Industrial	8,484	36.9%
d. Cleared land	1,933	8.4%
o. Other	7,099	30.8%
Totals	23,014*	100%

*Table 9: Proportion of Wandsworth Housing Pipeline in different Benchmark Land Value categories (2023-2039) *figure does not take into account any windfall or small sites allowance so will not equate to the total pipeline published by the Council elsewhere*

- 15.7 Overall, Table 9 shows that the smallest proportion of the housing pipeline is on existing office space, at only 8% of all sites. Overall, with the outputs of the WPVA and Benchmark Land Value, the highest value of the land values tested has the smallest amount of housing within the pipeline on that existing use type. Therefore, the higher affordable housing requirement in the emerging Local Plan would not impact on the delivery of the London Plan housing requirement, considering the substantial buffer within the housing pipeline as identified elsewhere in this paper and the ability for site-by-site viability negotiations.
- 15.8 In comparison, the largest proportion of the pipeline is categorised as being on industrial sites, however, the London Plan already includes a 50% affordable housing requirement on industrial land and therefore this would not need to be considered as part of the Local Plan Partial Review.
- 15.9 The retail BLV shows a slightly mixed picture in the lower value areas, however, within the value areas over £10,359/sqm, the majority of the site typologies tested are viable at 50% affordable housing. The main site types that are less viable within the retail BLV includes sheltered schemes and a small number of the medium density schemes. Given the adopted policy position seeks to only support sheltered and supported housing schemes where there is a robust identified need, the viability of these scheme types would contribute far less to the overall housing pipeline.
- 15.10 The Open Market values applied within the WPVA also have a considerable impact on the viability of the site typologies tested. It is therefore important to consider where the pipeline of housing is planned to assess the deliverability of policies, as generally the number of viable typologies increases within the higher value areas. The value areas determined within the WPVA are provided within the following map:



Sources: Map – Google; Values – Land Registry; Mollor London

15.11 The Council have used the above map to provide a general assessment of values by ward. These are not strictly defined but are loosely based on ward areas and are purely set out to provide context to the housing pipeline over the Local Plan period.

Area (Approximately by ward)	Average price per m2
Roehampton	£8,030
West Putney	£8,140
Thamesfield	£9,400
West Hill and Southfields	£8,160
East Putney	£8,860
Wandsworth Town and St Ann's	£8,300
Wandle	£8,260
Wandsworth Common and Earlsfield	£8,300
Furzedown, South Balham, Trinity, Tooting Bec	£8,640
Tooting Broadway	£8,640
Falconbrook and Riverside	£9,200
Shaftesbury and Queenstown	£9,600
Baltham, Lavender, Northcote	£10,000
Battersea Park and St Marys Ward	£11,700
Nine Elms	£14,240

Table 10: Average value per m² by ward (Whole Plan Viability Assessment 2024)

15.12 It is clear the values across Wandsworth differ significantly with the lowest average values within Roehampton, mainly due to the Alton estate which makes up a significant proportion of the housing stock within the ward. In comparison, values within Nine Elms are by far the highest in the borough. The Council have analysed the levels of housing within the pipeline in each ward to understand how much housing is planned within the higher and lower value areas, as shown in the table below:

Value Areas	£8,030-£8,860/sqm	£9,200-£14,240/sqm	Area not defined (small sites allowance)
Percentage of pipeline in value area (2023/24-2041/42)	25%	54%	21%

Table 11: Proportion of Wandsworth Housing Pipeline in different value areas (2023-2041)

15.13 Table 11 shows the majority of the housing pipeline between 2023-2042 is expected within the value areas over £9,200/sqm, meaning the majority of housing within the borough is proposed within the higher value areas. The WPVA shows that, within the value areas over £9,583-£14,240, on average 80.1% of sites are viable over 45% affordable housing. Based on this analysis, it is reasonable to conclude that the majority of sites within the pipeline could support the Council's proposed FTR threshold of 45% and that this would not impact on the deliverability of the Local Plan as a whole.

15.14 There is an element of the housing pipeline which is not able to be categorised into a value area as it is included within the small sites allowance. This approach accords with the London Plan. These small sites would not be subject to the requirements of draft Policy LP23 as they relate to on-site delivery, but rather the proposed financial contribution broadly equivalent to 15% affordable housing which the WPVA demonstrates would be viable for a majority of small site typologies. The rationale to the Council's proposed approach to small site contributions is set out in Section 17.

15.15 Although it is important to note that a Whole Plan Viability Assessment is only an assessment at a single point in time and must be treated as such, the conclusions from the assessment show that a 50% affordable housing target, supported by a 45% Fast Track threshold for private sites, is viable on a majority of the site typologies that make up the largest proportion of sites within the housing pipeline within the borough. This is particularly the case in the higher market value areas which can support a higher level of affordable housing. The Council's strong housing supply position, which includes a multi-thousand dwelling buffer within the pipeline as summarised in Section 9, provides sufficient flexibility that even with the higher level of affordable housing being required from individual sites the Local Plan's housing requirement can still be achieved, even if some sites within the housing pipeline are not deemed viable at the level of the proposed policy. It must also be emphasised that, within the draft Policy LP23, there remains the ability to viability test sites which genuinely cannot afford to meet the requirements of the policy, and as such there is no inherent reason why any site should not be able to achieve planning permission as a consequence of the Council's proposed policies. In the context of any reasonably sized development, the cost of preparing a viability assessment is negligible compared to wider

development costs. However, based on the WPVA, it is clear that the majority of sites expected to come forward in the Borough over the remainder of the plan period would be able to support 50% affordable housing or use the Council's proposed Fast Track Route threshold of 45% in the case of private sites.

15.16 This section only includes a short summary of the WPVA findings. For a comprehensive understanding of the findings of the WPVA, including more detailed findings at a typology or value area level, please refer to the full WPVA.

16 Rationale for Approach to Securing Affordable Housing from Small Sites (1-9 dwellings)

16.1 As part of the Local Plan Partial Review, the Council is seeking to introduce a mechanism for securing financial contributions towards affordable housing from small sites. For the avoidance of doubt, small sites in the context of draft Policy LP23 are those capable of delivering between one and nine dwellings and are not strictly defined, as elsewhere, by their size or area.

16.2 Due to the importance of maximising affordable housing delivery within the borough and for the reasons set out throughout this paper, the Council is seeking to secure financial contributions from small sites (sites of between one and nine dwellings) as part of its overall target of delivering 50% affordable housing within draft Policy LP23. It is acknowledged that this is in partial conflict with paragraph 64 of the NPPF, however it is important to acknowledge that paragraph 9 requires local circumstances, including the needs and opportunities of each area, to be taken into account.

16.3 Given the significant need for new affordable housing across London, the Council is aware that this policy mechanism has been introduced in a growing number of other London Boroughs including Brent, Islington, Hackney, Camden, Tower Hamlets and Richmond. All the Local Plans referenced include a small sites contribution that was found to be justified and sound at Examination despite the Written Ministerial Statement³² on seeking affordable housing on small sites (November 2014).

16.4 The Council has sought to ensure its draft policy approach is robust and justified in the context of potential alternatives. An initial part of this process has been to understand the approach applied by other London Boroughs, what has worked well and what could have been improved upon. It is recognised that all affordable housing small sites policies in London provide for a financial contribution. The Council considers this approach to be preferable, given it is highly unlikely to be feasible to deliver on-site affordable housing on many smaller sites, particularly the very smallest, and furthermore, unlikely that a Registered Provider would be willing or able to manage what may reasonably equate to one or two affordable units within a wider scheme.

³² [2.-DCLG-SupportForSmallScaleDevelopersCustomAndSelf-Builders.pdf](#)

16.5 The Council has specifically explored the following examples:

Brent (Local Plan adopted 2022):

Developments of between 5-9 dwellings will be required to make a financial contribution for the provision of affordable housing off-site.

“The Council commissioned a separate study to identify the small sites tariffs outlined below. This took a conservative approach toward contributions, seeking to settle on figures which are deliverable borough wide. Using area specific residual land values, the study determined that a financial contribution of £50,000 per unit would be viable in almost all scenarios across all value areas across the Borough. Whilst higher value areas, identified as Zones H & I (Appendix A), can conservatively provide £100,000 per unit”.

Islington (Local Plan adopted 2023)

Small sites policy seeks a value per unit of either £50,000 or £60,000, however this value is set within the policy and there appears to be no mechanism to increase this/index link this within the policy.

Hackney (Local Plan adopted 2020)

Schemes of 1-9 units are required to provide on-site provision or payments in lieu up to the equivalent of 50% of housing delivered as affordable housing, subject to viability.

Further guidance will be set out in the Housing SPD and Planning Contributions (s106) SPD.

The SPD requires a payment of £50,000 per dwelling on sites of 1-9 dwellings (except City Fringe) and requires this payment to be index linked from 2019/20.

Camden (Local Plan adopted 2017)

The sliding scale starts from a target of 2% where there is capacity for one additional home and increases on a ‘straight-line’ basis.

Capacity for each further additional dwelling increases the target by 2% (i.e. the target for a scheme with capacity for an additional 12 dwellings is 24%, at 18 additional dwellings the target is 36% etc.)

Richmond (Local Plan adopted 2018) and Tower Hamlets (Local Plan adopted 2020)

Both include a sliding scale approach to policy but also have an excel spreadsheet with formulas included to determine an exact affordable housing contribution.

16.6 Assessing previous trends, between 2017/18 and 2023/24, around 11% of net completions have been on sites of under ten dwellings. However, looking forward, the Borough’s small sites³³ target from the London Plan is 4,140 dwellings between 2019-2029. When compared to the overall London Plan target within Wandsworth over the same period (19,500

³³ It is recognised that the London Plan definition of small sites is based on area and is therefore not directly equivalent to the small sites definition being used by the Council in its draft Policy LP23. Nevertheless, there is considered to be a strong overlap between the two such that the logic of arguments presented here are fair and sound.

dwelling), small sites represent over 20% of the overall housing target. Left as is, the current policy position would result in a considerable number of residential developments coming forward within the borough without contributing towards any affordable housing, irrespective of viability. This in turn makes it far more challenging for the Council to meet its strategic affordable housing target of 50% or to maximise opportunities to meet its long-term need for affordable housing. The Council therefore considers there to be an opportunity to actively seek affordable housing contributions from small sites where viable to do so.

- 16.7 As part of the commissioned Whole Plan Viability Assessment (WPVA), the Council sought views from the development industry operating within Wandsworth to understand their perspective on a potential small sites contribution. Appendix 18 within the WPVA sets out the responses received in more detail; as can be observed, there was concern relating to the inclusion of an affordable housing contribution from small sites and the associated impacts of this contribution on viability. This was also reflected within Regulation 18 consultation responses, which included a number of representations from smaller developers that were concerned regarding the inclusion of a small sites contribution. However, these concerns were largely made ‘in principle’ and in the absence of a quantified contribution or formula. One of the purposes of undertaking the WPVA was therefore to consider the validity of these concerns as part of an objective viability appraisal and to identify an approach which would not lead to such viability challenges in a majority of cases.
- 16.8 Insight from this engagement also identified that a formula-based approach, as is used in some local authorities, would be complex to navigate and calculate, and that, overall, there was greater favour towards a fixed price per dwelling approach. It is recognised that a formula-based approach (where the specific contribution sought from a development is calculated using a published formula that takes into account variables that relate to a specific development’s size, costs, values and location) can help make contributions more ‘site specific’. However, the use of a formula is fundamentally more complex and volatile, requires more specialist support and resource (time and financial) to calculate, and is susceptible to change over the development of a scheme. Conversely, the advantages of a fixed price per dwelling approach are that it is clearer, more stable (subject to basic indexation) and less reliant on specialist support, and therefore more straightforward for smaller developers to factor into scheme development and land values. For these reasons, and given the insights received from engagement, the Council’s draft policy takes a fixed price per dwelling approach.
- 16.9 As part of the WPVA, six small site typologies were rigorously tested; these typologies were based on the most common small site typologies completed within the last monitoring period to ensure the tests are reflective of common small sites completed within the borough. Considering the comments from small to medium-sized developers, the Council was minded to ensure there is sufficient headroom to account for a borough-wide fixed price per dwelling which would allow for differences in viability across the borough. This is highlighted within the WPVA which states:
- “a tariff-based system, in which a flat rate fee is charged per unit provided on the development. The tariff would need to be established....but then discounted below the

maximum potential rate to allow for site specific differences in costs and benchmark land value.”

16.10 Assessing the outputs of the small sites typologies showed that 90% of small sites were viable at 15% affordable housing and this is the level of contribution the Council has based its calculations on. Under the existing policy position, these outputs identify that the significant number of small site developments that come forward each year could viably afford to make a notable contribution to affordable housing without adversely affecting the deliverability of these schemes. In the current policy position, the viability headroom that allows a contribution to be sought is not being secured for a public benefit but rather likely being reflected in a higher than necessary price paid for land.

16.11 There are a number of different methodologies that can be used to calculate a contribution. The following three calculations provide potential methods for identifying a suitable contribution based on a 15% affordable housing contribution:

- 1) 15% of the costs of developing an affordable home (based on GLA figures accurate for Wandsworth³⁴)

Average cost of an affordable home in Wandsworth = £460,300 (15% of this figure = £69,045)

Using this calculation, 15% of the cost of constructing an affordable home would equate to **£69,045**

- 2) Applying the following formula recommended by the WPVA (2024)

$X = ((A - B) \times C) - ((A \times C) \times D)$ where:

A = The market value of a square metre of floorspace in the development

B = The value of affordable housing per square metre of floorspace (reflecting the blend between affordable rent and shared ownership)

C = the number of square metres that would be required on-site to meet the 15% target

D = Additional developer costs (the difference between the profit applied to market housing and affordable housing and marketing costs on private housing)

The values inputted into the formula have been derived from the following:

Variable A – The market value of a square meter of floorspace has been calculated by averaging out the different areas applied as part of the market value analysis within the Whole Plan Viability Assessment. This is set out as the following:

Area (Council broad definition)	Average value per m2
Roehampton	£8,030
West Putney	£8,140

³⁴ [ahp 21-16 assumed development costs february 2021 - copy.pdf \(london.gov.uk\)](#)

West Hill and Southfields	£8,160
Wandle Valley	£8,260
Wandsworth Town and St Ann's	£8,300
Wandsworth Common and Earlsfield	£8,300
Furzedown, South Balham, Trinity, Tooting Bec	£8,640
Tooting Broadway	£8,640
East Putney	£8,860
Falconbrook and Riverside	£9,200
Thamesfield	£9,400
Shaftesbury and Queenstown	£9,600
Lavender and Northcote	£10,000
Battersea Park	£11,700
Nine Elms	£14,240
Average	£9,298

The Council have rounded this figure to £9,300 per sqm and applied this figure to the formula below.

Variable B – Within the WPVA, the average value (per m²) of social rented and intermediate housing is defined as below:

Tenure	1 bed	2 bed	3 bed	4 bed	Blended value ¹¹
Social Rent	£2,530	£2,092	£1,989	£1,982	£2,090
Shared ownership ¹²	£5,201	£5,201	£4,328	£3,746	£4,682

The Council has used the blended average for each tenure type, and applied the value on the basis of the emerging tenure split (70:30 social rented to intermediate tenure), as set out in the calculation below:

$$(0.7 \times 2090 + 0.3 \times 4682) / (0.7+0.3) = £2,867.60$$

Variable C – There are two parts to this part of the formula. We have first assessed a viable affordable housing percentage as determined within the WPVA. Assessing the different typologies tested under 10 dwellings, over 90% of the small site typologies are viable at 15% affordable housing. Therefore, as an assumption, 15% of the floorspace provided within a small site would be provided as affordable housing. The Council then determined the appropriate floorspace for a common small site. Using the emerging housing mix, a blended housing mix was applied across the three tenures (open market, social rent and intermediate), resulting in the following percentages of 1-bed, 2-bed, 3-bed and 4-bed dwellings using minimum space standard requirements. This results in an average dwelling size of 62.75m², with 15% of the floorspace being expected to be provided as affordable.

Variable D – The additional developer profit is based on the standard assumptions applied within the WPVA which includes 17.5% for open market dwellings and 6% for affordable, therefore the difference between these figures is 11.5%.

This results in the following formula:

X = the Payment in lieu	Average value estimate*	Notes
A = The market value of a square metre of floorspace in the development	£9,300.00	Average of floorspace values (from WPVA)
B = The value of affordable housing per square metre of floorspace (reflecting the blend between affordable rent and shared ownership)	£2,867.60	Weighted average of affordable values (from WPVA)
C = the number of square metres that would be required on-site to meet the 15% target	9.4125	62.75 sqm average (based on an average of the emerging mix in draft Policy LP24)
D = Additional developer costs (the difference between the profit applied to market housing and affordable housing; and marketing costs on private housing)	11.5%	11.5% is 17.5% open market GDV profit minus affordable profit at 6%
	£50,478	

This equates to a value of **£50,478** based on the average market value assessed with the WPVA value areas.

- 3) The Council have used a commuted sum formula similar to that used within Richmond and Tower Hamlets as a third comparator. The commuted sum calculator includes aspects such as profit, professional fees etc as part of the formula. To calculate the figure, officers used the average size of property when considering the housing mix set out in draft policy LP24 in the borough, and applying the average price per m² of £9,300 as above. This equates to an equivalent contribution of **£44,221**.

16.12 Based on the three potential methods of calculating the contribution, a figure of £50,000 per dwelling is considered by the Council to be proportionate, justified and appropriate, and one which reflects an approach that would be considered viable on the vast majority of common site typologies. It is noted that the draft policy includes flexibility for sites which genuinely cannot afford this contribution and instead requires these sites to provide the maximum viable contribution. For these reasons, the Council considers its draft policy to provide a clear and simple mechanism for securing contributions from small sites towards affordable

housing, which for the reasons set out in this paper is greatly needed, without placing an undue burden on the deliverability of small sites within the Borough. The Council considers its overall approach to be balanced, proportionate and justified and the introduction of a small site affordable housing requirement would align Wandsworth's approach with other London boroughs.

17 Rationale for Approach to Housing Mix Policy

17.1 The current adopted Local Plan sets out the proposed housing mixes within Policy LP24, which includes the following mixes:

Dwelling size /Tenure	1-bed	2-bed	3 -bed	4+-bed
Market	30-40%	30-40%	15-25%	15-25%
Low-cost rented Affordable Housing	40-45%	30-35%	20-25%	5-10%
Intermediate Affordable Housing	35-40%	40-45%	15-20%	5-10%

Table 12: Adopted Housing Mix (Policy LP24)

17.2 The adopted housing mix policy (Policy LP24) was informed by the Local Housing Needs Assessment (LHNA) (2020) which recommended adjustments to the mix suggested purely by demographic modelling. A key element to the adopted mix was underpinned by a high rate of under-occupation and the principle of delivering a higher number of small dwellings to incentivise downsizing, especially within the low-cost rented Affordable Housing tenure to bring more family-sized housing back into circulation. However, there is limited evidence to suggest if this approach is working in practice. The Council have sought some data on downsizers. This data showed on one Council scheme, 39% of nominated households were downsizers, illustrating there is some evidence of this approach working in the borough. However, this approach needs to be balanced alongside the high level of need for larger family-sized units in high priority categories within the housing waiting list. In addition, the current mix within the policy again does not align with the mix suggested by newer demographic modelling contained in the Council's Housing Needs Assessment (2024), which identifies the following:

Dwelling size / Tenure	1-bed	2-bed	3-bed	4+-bed
Market	6%	38%	46%	9%
Social Rented Affordable Housing	20%	36%	31%	13%
Intermediate Affordable Housing	20%	52%	17%	10%

Table 13: Demographically Modelled Housing Mix (Housing Needs Assessment 2024)

17.3 Whilst the principle of encouraging down-sizing (which informed the adopted policy) remains a valid concept with some evidence of it working in practise, the identified housing mix suggested by demographical modelling within the new HNA is significantly different to the adopted policy. Moreover, the Council's internal housing team also recommended the need for larger, especially social rented dwellings. The Council has therefore sought to

amend the policy approach to target a slightly reduced proportion of smaller dwellings, and to target a greater proportion of 2- and 3-bed social rented dwellings which are needed for families. The modelled need for one-bed market housing is particularly low within the new HNA; the Council have not sought to reflect this entirely as this would result in a policy which is significantly removed from the proportion of one-beds previously delivered within the Borough and the proportion projected to be delivered within the Borough, recognising that a large proportion of the Council's housing pipeline is likely to remain flatted. Similarly, the Council has not sought to significantly increase the proportion of 3-bed market homes targeted, recognising that this size of housing sees high rates of under-occupation within the existing housing stock. Overall, the Council have therefore sought to modestly reduce the levels of 1-beds within its draft Policy LP24 to seek an overall balance between pure demographically modelled need, the types and nature of development likely to come forward in the Borough, and policy incentives around down-sizing. The mix proposed includes the following:

Dwelling Size / Tenure	1-bed	2-bed	3-bed	4+-bed
Market	20-30%	30-40%	15-25%	5-10%
Rented Affordable Housing	30-40%	30-40%	25-35%	10-15%
Intermediate Affordable Housing	35-45%	45-55%	0-5%	0-5%

Table 14: Proposed Housing Mix (draft Policy LP24)

- 17.4 Another consideration which justifies the draft policy not directly applying the demographically modelled housing mix from the HNA (2024) is the relatively high number of households on the Council's main housing waiting lists which require 1-bed dwellings as shown in Table 15 below. Some caution should be applied to treating these figures as an accurate reflection of 'need' however, as a considerable number of those seeking 1-bed properties are likely to fall outside priority bands when compared to those seeking family-sized affordable properties.

	1-bed	2-bed	3-bed	4-bed +	Total
General needs	4,340	1,579	779	260	6,958
Homeless	1,546	826	611	316	3,299
Total units	5,886	2,405	1,390	576	10,257
Percentage of all units	57%	23%	14%	6%	100%

Table 15: Numbers on Wandsworth Main Housing Waiting Lists by No. of Bedrooms Sought

- 17.5 Housing mixes within draft Policy LP24 are specified as ranges to provide flexibility for developers and to account for site specifics. It is also emphasised that the draft policy, as with the adopted policy, continues to allow for flexible site-specific considerations which may justify a different mix of homes on individual sites.
- 17.6 In relation to the changes proposed to the mix for intermediate dwellings within the draft policy, the Council has amended the percentages of 3- and 4-bed dwellings required. This is primarily due to the income caps set out within London Plan guidance, which includes a household income cap of £90,000 for Shared Ownership and £67,000 for London Living Rent properties. With these caps in place, 3- and 4-bed intermediate properties would not be affordable to households on incomes below these associated caps. Therefore, it is the Council's judgement that requiring greater proportion of these sizes of intermediate housing is unlikely to be a deliverable approach in practice.
- 17.7 As part of the WPVA, the existing policy approach has been tested as part of the viability modelling. However, a sensitivity test was also carried out to test the viability of the housing mix included within the HNA (2024). The conclusion of this test was a small increase in the number of typologies viable at 50% affordable housing. Therefore, the proposed housing mix, being a balance between the two approaches, is considered to have a limited impact on viability, and where an impact does occur the indications are that this would be a positive one for viability.
- 17.8 Overall, the proposed mix within draft Local Plan Policy LP24 is considered to provide a justified and deliverable balance between the emerging demographic need identified within the HNA (2024), the nature of future development within the Borough, the composition of the Council's housing waiting list and the need to provide appropriate incentives for down-sizing within the existing housing stock.

18 Rationale for Approaches to Non-Conventional and Specialist Housing

- 18.1 The Publication version of the Local Plan Partial Review proposes updates to four other policies which specifically address non-conventional or specialist forms of housing. These are:
- Policy LP28 which addresses Purpose Built Student Accommodation
 - Policy LP29 which addresses Housing with Shared Facilities
 - Policy LP30 which addresses Build to Rent
 - Policy LP31 which addresses Specialist Housing for Vulnerable and Older People
- 18.2 This section briefly summarises the main changes proposed to these policies and the key considerations in making these changes. The context to existing policy requirements, including in relation to national policy and the London Plan, is set out elsewhere in this paper.

Purpose Built Student Accommodation (PBSA) (Policy LP28)

- 18.3 The draft changes to Policy LP28, relative to the adopted policy, can be summarised as:

- An additional clause which requires PBSA to be located on sites not suitable for conventional housing.
- An additional clause which requires a financial contribution towards affordable housing, equivalent to what is required by the proposed Policy LP23 (Affordable Housing).
- A sequential requirement for PBSA to demonstrate priority towards meeting the needs of local Higher Education Providers (HEPs).
- A requirement for PBSA schemes to make facilities provided for student residents available to the wider community.
- A more explicit requirement to provide a high-quality living environment, in terms of layout, amenity and integration of community areas.

18.4 The London Plan recognises there is a need for additional PBSA across Greater London. Unlike the approach taken for other forms of housing, the London Plan does not identify a disaggregated Borough-level of need or target for such housing and instead treats the need as being ‘pan London.’ Whilst there is demand in Wandsworth for PBSA schemes, the existing policy approach makes it difficult to arrive at sensible policy decisions over the level of contribution that a borough like Wandsworth ought to make to meeting London’s need for PBSA, particularly given that the PBSA coming forward in Wandsworth typically has no tie to local HEPs.

18.5 Wandsworth is home to a number of HEPs, the largest two of which are St. George’s University and University of Roehampton. As above, the Borough has seen a growing number of PBSA schemes come forward in recent years which have no tie to any HEP located within the Borough, and instead predominantly provide short-term housing for students accessing higher education in other Boroughs, including some that are reasonably distant from the PBSA. The Council’s previous engagement with local HEPs has suggested that there is limited to nil short-term need for additional PBSA in association with any of the HEPs within its boundary.

18.6 As set out elsewhere in this paper, the Borough has a very high need for conventional affordable housing. At present, PBSA schemes are not required to contribute towards conventional affordable housing and, in fact, in many cases come forward on sites which would have been suitable for conventional housing (including affordable). PBSA schemes can, therefore, have a directly detrimental impact on affordable housing supply. The Council’s observation has been that prevailing market economics and policy conditions appear to have made PBSA schemes relatively more attractive than conventional housing, the consequence of which risks new PBSA schemes continuing to displace forms of conventional housing for which there is a clearly greater need (both numerically and socioeconomically).

18.7 The Council’s proposed policy strikes a better balance between these policy tensions, allowing the Council to safeguard land that will be critical in meeting the more severe need for conventional housing (particularly affordable), encouraging PBSA schemes to take a more sequential approach to meeting the needs of local HEPs, and to require PBSA schemes to make a contribution to conventional affordable housing, which has been the subject of separate viability testing.

- 18.8 The WPVA tested two different site typologies of student accommodation including 100 units at a high density and low density, within the four previously mentioned BLV's and nine different open market value areas. The testing determined that both common student typologies are viable at 50% affordable housing across all the models tested. Therefore, student accommodation can support a contribution equivalent to 50% affordable housing.
- 18.9 The proposal to safeguard land that will be critical in meeting the more severe need for conventional housing is in line with a similar provision in the existing Policy LP29 (Housing with Shared Facilities) which was found to be a sound and justified approach as part of the Wandsworth Local Plan (2023-2038).
- 18.10 Other provisions in the draft policy relate to ensuring a quality environment and community benefits. These align with similar provisions in a range of other Local Plans and are considered to be sound planning concepts that are sensible to include at this opportunity.

Housing with Shared Facilities (Policy LP29)

- 18.11 The draft changes to Policy LP29, relative to the adopted policy, can be summarised as:
- Clarifying that the financial contribution required towards conventional affordable housing should be equivalent to the local threshold levels set out in draft Policy LP23 (previously the threshold levels set out in London Plan Policy H5).
 - Removal of references to criteria A10 of London Plan Policy H16 to avoid confusion with the above.
- 18.12 The purpose of these changes is to ensure consistency with the wider approach to affordable housing which is evidenced throughout this background paper.

Build to Rent (Policy LP30)

- 18.13 The draft changes to Policy LP30, relative to the adopted policy, can be summarised as:
- A sequential requirement for Build to Rent schemes to provide conventional affordable housing in line with the local thresholds and tenure split set out in draft Policy LP23, including:
 - First priority for the low-cost rented units to be provided on-site within a separate core or block, subject to feasibility.
 - Second priority for the low-cost rented units to be provided off-site, subject to feasibility.
 - Third priority for an equivalent financial contribution towards affordable housing.
- 18.14 The draft policy broadly aligns with the existing policy approach in adopted Policy LP30 in that the adopted policy already requires priority to be given to delivering low-cost rented units in a separate core or block. This provision would remain, albeit with updated thresholds and tenure split to align with draft Policy LP23.
- 18.15 The existing policy allows for Build to Rent schemes to 'default' to providing the affordable contribution as Discounted Market Rent (DMR) units where they can demonstrate it is not

feasible to include a separate core or block. The ability for Build to Rent schemes to provide affordable housing via DMR is established in the London Plan.

18.16 The Council's draft policy seeks to prioritise the delivery of low-cost rented housing, in practice social rented housing, which for the reasons set out throughout this background paper is the tenure most needed within the Borough. Relative to a policy-compliant level of affordable housing from conventional housing, the average discount per unit provided by DMR will be far less, and as a consequence will be far less affordable. As established elsewhere, the Housing Needs Assessment (2024) considers a range of affordable products and their relative affordability in local terms; in doing so, the HNA identifies the clear importance of maximising the delivery of social rented housing as it is the only realistic tenure of affordable housing that is capable of meeting the most urgent local needs. By comparison, intermediate housing tenures are far less affordable and accessible to a majority of Borough residents.

18.17 It is recognised that there are inherent reasons as to why the London Plan currently allows Build to Rent schemes to deliver DMR units, including the delivery model lacking the early cashflow release that is achieved from saleable units and the challenge presented by having Registered Provider-managed units in a singularly managed block. The Council's draft policy addresses the second point by taking a sequential approach which prioritises the low-cost rented units within a separate block (capable of separate management), and which allows schemes which genuinely cannot accommodate a separate block to instead provide units off-site or via a financial contribution. This is consistent with the approach already taken in the adopted policy. Furthermore, the Council's draft policy allows flexibility for schemes which can demonstrate clear viability reasons as to why the full amount cannot be provided.

18.18 The Council's proposed approach also conforms to the provisions of London Plan Paragraph 4.11.10 which states:

Where justified in a Development Plan, boroughs can require a proportion of affordable housing as low-cost rent (social rent or London Affordable Rent see 4.6.4) on Build to Rent schemes in accordance with Part A of Policy H6 Affordable housing tenure.

Specialist Housing for Vulnerable and Older People

18.19 The draft changes to Policy LP31, relative to the adopted policy, can be summarised as:

- Clarification that the affordable housing requirement should be equivalent to the local thresholds and tenure split set out in draft Policy LP23 (previously the thresholds set out in Policy H5 of the London Plan).

18.20 A number of typologies have been included in the Whole Plan Viability Assessment (2024) which demonstrates that certain specialist housing schemes could viably provide affordable housing equivalent to the thresholds of draft Policy LP23 (45%).

18.21 The purpose of the proposed changes is to ensure consistency with the wider approach to affordable housing which is evidenced through this background paper.

19 Conclusions

- 19.1 Wandsworth Borough has an extremely high long-term need for genuinely affordable housing, and particularly social rented housing, which is by far the most affordable and accessible tenure for a majority of those in need. As of March 2024, around 13,000 households were on one of the Council’s Housing Waiting Lists. The Council’s evidence identifies that, in order to meet both existing and long-term needs, between 14,600 and 23,600 new affordable homes are needed in the Borough before 2038, which would be between 55% and 90% of all new homes expected to be built in the Borough over this period of time.
- 19.2 In either scenario, meeting the overall level of need for affordable housing would require above 50% of Wandsworth’s London Plan-derived housing requirement, and well above 50% of its projected housing delivery, to be provided as affordable housing across the plan period.
- 19.3 With respect to understanding the need for different tenures of affordable housing, the Council’s evidence identifies that between 8,200 and 17,200 social rented homes will be needed before 2038. The Council considers the latter number to more accurately reflect need, given the policy imperative to avoid insufficient delivery forcing local households in need to vacate the Borough to find affordable provision elsewhere. Social rented housing comprises over 70% of all need for affordable housing in the Borough and comprises the vast majority of the most acute needs for households facing homelessness or overcrowding.
- 19.4 Taking these findings into account, the Council’s evidence concludes *“There is an extremely high need for affordable to rent housing such as social or affordable rent...In light of the particularly high need for social rented housing, and the fact there is a large unmet existing need for such housing, we would recommend the Council pursues a tenure split which maximises the delivery of social rented housing in the first instance”*.
- 19.5 This background paper also explores the wider social and economic imperative to plan for sufficient affordable housing. It shows how the Council’s proposed policies strongly align with national planning policy and particularly the increased emphasis being placed on delivering sufficient social rented housing in Government strategy and policy since the summer of 2024. The paper also identifies that a lack of sufficient social rented housing has a direct impact on the number of households requiring temporary accommodation and the impact that temporary accommodation has on life outcomes. The Council presently spends around £3.6m on temporary accommodation each month, which presents an extraordinary opportunity cost when considering how that funding could otherwise be invested, including into new affordable housing stock. The paper also identifies a range of research published that acknowledges the importance of delivering sufficient social rented and affordable housing. This includes research by Shelter and the National Housing Federation (2024)³⁵ which identifies the following benefits from meeting the national need for social rented housing (estimated at c. 90,000 units per annum):
- A stable home helps people to get and keep work and reduces the long-term scarring effect that being homeless or insecure housing can have on employment

³⁵ [National Housing Federation - The economic impact of building social housing](#)

prospects, generating £8.9bn for the national economy and a further £3.8bn in tax revenue.

- Due to higher employment, yearly benefit claims would be cut by £1,218 per households, generating £3.3bn in savings over the long term.
- On average social homes have fewer health hazards and stable homes are linked to better wellbeing, generating £5.2bn through NHS savings.
- More social homes would mean fewer people living in temporary accommodation and requiring homelessness assistance, saving local authorities £4.5bn.
- People in inadequate housing are more likely to experience crime. Social homes lead to fewer police callouts and reduced cost of crime, generating savings of £3.1bn.
- Unstable homes can harm children by disrupting their education, which leads to lower economic contributions, increased crime, and greater use of public services. Reducing these disruptions would generate £2.7bn in savings.

19.6 Overall, it is clear that maximising the delivery of social rented housing is critical to advancing life opportunity for those most in need, and to unlock the types of wider public, social and economic benefits listed above. Maximising the delivery of social rented housing is also crucial to alleviating the numbers of households currently within temporary accommodation and limiting the negative impacts of this on the households themselves. It would also reduce the financial burden from temporary accommodation on the Council, which could be invested in the delivery of additional permanent affordable housing or other much needed services.

19.7 Within this background paper, the Council has explored a range of trends relating to local delivery of affordable housing, and the potential role of grant and direct delivery. Key findings from examining these trends include clear evidence that existing (and past) planning policies have not delivered the overall quantum or tenure split of affordable housing that reflects the scale of current need, and that planning policies have typically (as a proportion) over-delivered intermediate housing and under-delivered social rented housing as a consequence of viability negotiations. This is further reflected in the Borough's affordable housing pipeline, which does not currently reflect either the scale or tenure split of local need (i.e. in favour of social rent). These trends all point to a clear imperative to ensure that policy is realigned to better secure affordable housing at a scale and split that reflects long-term needs. In support of this, evidence explored as part of this background paper clearly shows how concerted effort from the Council has been able to positively influence affordable housing delivery. This includes a number of specific examples where it has been possible to negotiate an overall quantum and/or tenure split (in favour of social rent) that has exceeded what has been specifically required in policy, as well the Council's own clear commitment to directly deliver genuinely affordable housing to help achieve its 50% overall strategic target.

19.8 The Council recognises that a critical element in policy development is to ensure the proposed policy approach is deliverable. Through this background paper, the Council has summarised the detailed viability evidence that has been prepared to inform the Local Plan Partial Review. This detailed viability evidence demonstrates that a 50% overall

affordable housing target, supported by a 45% Fast Track threshold for private sites, is viable on a majority of the site typologies that make up the largest proportion of sites within the housing pipeline within the borough, and particularly in the higher market value areas which can support a higher level of affordable housing. The Council's strong housing supply position provides sufficient flexibility, so that even with the higher level of affordable housing being required from individual sites, the Local Plan's housing requirement can still be achieved. This is the case even if some sites within the housing pipeline are not deemed viable at the level of the proposed policy. It must also be emphasised that, within the draft Policy LP23, there remains the ability to viability test sites which genuinely cannot afford to meet the requirements of the policy, and as such there is no inherent reason why any site should not be able to achieve planning permission as a consequence of the Council's proposed policies. Overall, the viability evidence is considered to demonstrate the deliverability of the overall policy approach.

- 19.9 With respect to the proposed small sites contribution, the Council's viability evidence identifies that 90% of small sites were viable at a 15% affordable housing contribution and this is the level of contribution the Council has based its calculations on. Under the existing policy position, these outputs identify that the significant number of small site developments that come forward each year could viably afford to make a notable contribution to affordable housing without adversely affecting the deliverability of these schemes. As set out in the background paper, the Council has calculated a value of £50,000 per dwelling which is aligned to the 15% contribution indicated above. The Council's proposed policy retains flexibility to ensure sites that genuinely cannot afford to meet the requirements of the policy will instead be subject to the maximum viable contribution.
- 19.10 Overall, in proposing updates to the six policies that form the Local Plan Partial Review, the Council has given weight to a range of considerations to ensure that the proposed approaches strike the appropriate balance between ambition and deliverability. The six policies have been drafted to provide clear mechanisms for managing development in ways that meet local needs and that are effective to the particular context and, where appropriate, ensure flexibility to account for site-specific circumstances.
- 19.11 As set out above, this background paper is only intended to provide an overview of the considerations that have informed the Local Plan Partial Review and is not a comprehensive account of all such considerations, or a comprehensive restatement of the information contained in other documents. Respondents and other interested parties are strongly encouraged to read all the supporting documents published alongside the Publication Local Plan Partial Review.

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