

LONDON BOROUGH OF WANDSWORTH LOCAL PLAN PARTIAL REVIEW
(WLPPR)

INDEPENDENT EXAMINATION IN PUBLIC

WRITTEN STATEMENT MAIN MATTER 5:
Policy LP29: Housing with Shared Facilities

WEDNESDAY 5 NOVEMBER 2025

COUNCIL RESPONSES TO MAIN MATTER 5

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Abbreviations

GLA – Greater London Authority

HBP – Housing Background Paper (2025)

HMO – Houses in Multiple Occupation

HNA – Housing Needs Assessment (2024)

LSPBSL – Large-Scale Purpose-Built Shared Living

NPPF – National Planning Policy Framework (December 2023)

PBSA – Purpose-Built Student Accommodation

RICS – Royal Institute of Chartered Surveyors

SOCG – Statement of Common Ground

VTR – Viability Tested Route

WLPPR – Wandsworth Local Plan Partial Review

WPVA – Whole Plan Viability Assessment (2024)

Question 5.1 - Are the requirements for Housing with Shared Facilities set out in Policy LP29 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in ‘general conformity’ with the London Plan?

The Council considers Policy LP29 to provide an effective and balanced approach to housing with shared facilities that sets out clear criteria for such developments to ensure they meet appropriate standards and are suitably located.

Although the NPPF (December 2023) does not directly address housing with shared facilities, Policy LP29 responds positively to national policy by aligning with NPPF paragraphs that require planning policies to assess and reflect the need for the size, type and tenure of housing needed for different groups in the community (paragraph 63) and plans to set out the contributions expected from development (paragraph 34).

Policy LP23 is in general conformity with London Plan Policies H9 and H16, which support the presence of HMOs and recognise their contribution to the wider housing market. The Local Plan policy also emphasises the wider aim of protecting and maintaining family housing.

Parts A, B and C of Policy LP29 are proposed to remain identical to those versions which were adopted as part of the 2023 Local Plan. Parts A and B are considered to provide a balanced and sound framework for assessing development proposals involving Houses in Multiple Occupation (HMOs), with respect to due consideration of their location, quality, amenity impacts and potential impacts on the character of neighbourhoods. Part C provides a sound framework for managing Large-Scale Purpose-Built Shared Living (LSPBSL) proposals and expresses the conditions in which LSPBSL will be permitted. It is necessary to resist LSPBSL which does not meet these conditions given the nature of LSPBSL is such that it can risk the over-concentration of single-person accommodation at a neighbourhood level, causing harm to the wider objectives of the development plan and NPPF in maintaining mixed and balanced communities. The over-provision of LSPBSL can also undermine the need to safeguard scarce land for conventional housing (including conventional affordable housing) for which there is a demonstrably greater need, as set out in the Housing Needs Assessment (HNA) 2024 (**SD020**) and Council's Statement for Main Matter 2. This concern is particularly relevant given LSPBSL does not deliver conventional affordable housing on-site and the product generally does not provide an alternative route to affordable housing to people on lower quartile incomes. The latter is because LSPBSL is often substantially more expensive in rental terms, on a square metre basis, than affordable rented accommodation and because the private space provided by most developments consists solely of bedrooms and compact private amenities, it therefore does not cater for long term residents who wish to remain within the Borough, but rather for a

more transient occupier. The nature of LSPBSL is also such that it can often result in high volumes of single person households, limiting the ability to provide mixed communities and neighbourhoods. Part C is nevertheless clear that LSPBSL can be permitted where conditions aimed at addressing these matters can be satisfied. Further justification to Part C is included in Paragraphs 17.56-17.59 of the supporting text. Overall, the policy is considered to take a justified approach to managing LSPBSL whilst safeguarding the need to secure and safeguard the delivery of conventional housing, including conventional affordable housing, that best meets the identified needs of Wandsworth's population, consistent with the approach of the adopted Local Plan.

Part D of Policy LP29 aligns the affordable housing requirements for LSPBSL developments with the requirements of Policy LP23. In accordance with London Plan Policy H16, the affordable housing contribution from LSPBSL developments is envisaged to be a financial contribution. Part D requires, by cross-reference to Policy LP23, equivalency with the Council's Fast Track Route thresholds. The level of discount from market rents, at 50%, aligns with the expectations of London Plan Policy H16 Part 10. The requirement for all LSPBSL schemes to be subject to the Viability Tested Route aligns with London Plan Policy H16 Part 10. In all other respects, Part D of Policy LP29 refers directly to the detailed requirements set out in London Plan Policy H16, save for the use of the Late-Stage Viability Review which is addressed below. At the time of writing, a Statement of Common Ground (SOCG) with the Greater London Authority (GLA) is being agreed, which establishes that, save for those matters set out in the GLA's formal representation, both parties are satisfied that all other provisions within draft Policy LP29 are in general conformity with the London Plan.

Part D is considered to be justified to ensure that the affordable housing contribution from LSPBSL developments is optimised to respond to the significant levels of need identified in the HNA and wider considerations identified in the Housing Background Paper (HBP) 2025 (**SD013**). The Council notes some representations indicate that the affordable housing contribution should be set equivalent to the thresholds in London Plan Policies H4 and H5, and not those in Policy LP23. The Council's view is that to not align Policy LP29 with the thresholds within Policy LP23 would fail to optimise affordable housing contributions and inadvertently prioritise certain forms of housing, especially where site types such as LSPBSL, typically command high values and are subject to lower policy costs as they do not incur CIL. Further detail on the justification for optimising affordable housing contributions, including a full analysis of affordable housing need, is included in the Council's Hearing Statement for Main Matter 2. Further detail on the deliverability of Policy LP29 at the thresholds set out in Policy LP23 is included under Question 5.2 below.

The Council notes that representations received relating to Paragraph 17.58 suggest that the expectation that applicants should demonstrate that LSPBSL would be more affordable for people on lower-quartile and median incomes than conventional units is unsound, including because it is inappropriate for policies to seek to manage market rents, or that it is inappropriate to seek this in addition to an affordable housing contribution. The Council considers that the expectation in Paragraph 17.58, which is identical to that of the 2023 Local Plan, remains justified to ensure that any LSPBSL that comes forward, having met the requirements of the policy, genuinely caters for local needs, including young professionals and other single persons on lower quartile and median incomes.

The Sustainability Appraisal (**SD003**) evaluated a number of alternatives in relation to Policy LP29, including to retain the policy as is or to have no policy. The option pursued, to update the policy to align with the updated policy LP23, is considered to have the greatest positive impacts, largely as a consequence of optimising the contribution that LSPBSL makes towards affordable housing.

Further information on conformity with respect to review mechanisms is included under Question 5.4 below.

Question 5.2 - Are the requirements for Housing with Shared Facilities set out in Policy LP29 positively prepared ‘in a way that is aspirational but deliverable’?

Yes, the requirements within Policy LP29 are positively prepared as they facilitate sustainable development whilst managing the development of housing with shared facilities, through the application of clear criteria.

With respect to HMOs, Policy LP29 takes a positive approach to HMOs, consistent with the London Plan, whilst setting clear criteria which allow due consideration to be given to their location, quality, amenity impacts and any potential impacts on the character of neighbourhoods.

With respect to LSPBSL, Policy LP29 is clear about the conditions that need to be met for LSPBSL to be permitted. A detailed justification for this approach is set out in the Council’s response under Question 5.1. In summary, these conditions are necessary to ensure that the development that comes forward in the Borough best meets local needs (for conventional and conventional affordable housing) and does not lead to an over-concentration of single-person accommodation which is harmful to the objectives of the development plan and NPPF in building and maintaining mixed and balanced communities. Overall, Policy LP29 is considered to positively facilitate the delivery of LSPBSL where it can be demonstrated to not undermine the achievement of these wider objectives.

With respect to affordable housing, Policy LP29 requires a financial contribution towards affordable housing which is broadly equivalent to that which applies through Policy LP23. This includes equivalency with the thresholds that apply to the Council's Fast Track Route, and a 50% discount to market rent, which aligns with London Plan Policy H16. In this respect, Policy LP29 is aspirational in seeking to ensure that the affordable housing contribution made by LSPBSL developments is optimised to respond to the significant levels of need identified in the Housing Needs Assessment (HNA) 2024 (**SD020**) and wider justifications identified in the Housing Background Paper (HBP) 2025 (**SD013**).

To assess the deliverability of its policies, the Council has prepared a Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) which follows a methodology that accords with the Planning Practice Guidance (PPG) and RICS best practice.

The WPVA has not specifically tested the affordable housing requirements on LSPBSL typologies, as the relative paucity of such schemes in Wandsworth, including its housing pipeline, make such schemes a relatively unlikely typology. This approach accords with PPG. Nevertheless, the WPVA and Site Testing includes testing for Purpose-Built Student Accommodation (PBSA) schemes which are highly comparable, with similar assumptions included for aspects such as maintenance costs, voids, management fees and similar services and facilities provided as part of both tenures. With respect to the comparable typologies tested, the WPVA and Site Testing identifies that across all the models tested, PBSA typologies could viably provide a financial contribution towards conventional affordable housing equivalent to 50% of all habitable rooms delivered as conventional affordable housing at a 70/30 tenure split in addition to 50% affordable student accommodation. As a result, the WPVA and Site Testing concludes that it is viable for PBSA schemes in Wandsworth to make a financial contribution equivalent to at least 50% affordable housing. This demonstrates that the affordable housing requirements for LSPBSL would be deliverable in the majority of cases, as the requirements for LSPBSL would be broadly comparable to the requirements tested within the WPVA and Site Testing for PBSA typologies. Further detail on the viability testing for PBSA is set out in the Council's Hearing Statement for Main Matter 4.

Additionally, it is emphasised that Policy LP29 requires all LSPBSL developments to be subject to the Viability Tested Route (VTR), in line with London Plan Policy H16. In this respect, any LSPBSL development which cannot meet the equivalent requirements of Policy LP23 would have the opportunity to demonstrate this, with the affordable housing contribution optimised through the VTR in line with the provisions of Policy LP23. As a consequence, the Council's view is that requiring LSPBSL schemes to be subject to a lower threshold (such as the 35% set out in the London Plan) would not materially reduce or alter the process through which the affordable housing contribution is optimised on the basis of site viability but would have the

negative consequence of failing to optimise the affordable housing contribution that a considerable proportion of LSPBSL schemes can viably make above the London Plan threshold.

Overall, for these reasons, the Council considers Policy LP29 to take a demonstrably ambitious but deliverable approach to managing housing with shared facilities on the basis of need and viability.

Question 5.3 - Is the Policy clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

Yes, Policy LP29 is structured as a set of clear criteria which apply to housing with shared facilities. The policy separates out requirements for HMOs and LSPBSL, which themselves are defined in the supporting text and through cross-reference to the London Plan. The supporting text to Policy LP29 provides further guidance on how criteria in the policy will be interpreted.

The majority of the wording within Policy LP29 mirrors the version of the policy adopted in 2023 which was found to be sound. The Council does not consider any of the representations received in relation to Policy LP29 to specifically indicate ambiguity or a lack of definition.

Question 5.4 - Is the requirement of Policy LP29 to expect schemes for housing with shared facilities which do not provide a contribution equivalent to at least 50 per cent of units to be subject to review mechanisms, consistent with national policy and in 'general conformity' the London Plan? If not, what justification is there for doing so?

Policy LP29 requires LSPBSL developments that do not make an affordable housing contribution equivalent to 50% of units to be subject to review mechanisms.

With respect to early and mid-stage reviews, the Council's intended use of these reviews is consistent with London Plan Policy H5 Part F, which would apply to LSPBSL given that Policy LP29 requires all such schemes to be subject to the Viability Tested Route, in line with London Plan Policy H16. However, the Council's intended use of mid-stage reviews would be limited to large multi-phased schemes, in line with the London Plan. The Council has recommended a potential modification to the supporting text of Policy LP23 (**M23/5**, see Appendix of the Council's Statement for Main Matter 2) to clarify this. The Council considers these provisions to conform to the London Plan.

With respect to the use of late-stage reviews, the Council's view is that requiring developments that provide a PiL that is equivalent to less than 50% of the habitable

rooms let at 50% of open market rent, to be subject to a late-stage review encourages developments to maximise the affordable housing contribution they make in light of the Borough's significant need for affordable housing, identified in the Housing Needs Assessment (HNA) 2024 (**SD020**), Housing Background Paper (HBP) 2025 (**SD013**) and as set out in detail in the Council's Statement for Main Matter 2, and for consistency with the 50% strategic target set out in Policy LP23 and the London Plan. The Council understands that part of the objective of the London Plan exempting developments following the Fast Track Route from late-stage reviews is to incentivise use of the Fast Track Route, however in the case of LSPBSL, Policy LP29 and London Plan Policy H16 require all LSPBSL schemes to be subject to the Viability Tested Route. As a result, this incentive cannot be said to exist to the same extent for LSPBSL developments. Further information on the Council's proposed approach to review mechanisms is set out in the Housing Background Paper paragraphs 4.2 and 4.4.

For these reasons, the Council considers that its policy is justified and generally conforms to London Plan Policy H16.