

LONDON BOROUGH OF WANDSWORTH LOCAL PLAN PARTIAL REVIEW
(WLPPR)

INDEPENDENT EXAMINATION IN PUBLIC

WRITTEN STATEMENT MAIN MATTER 2:

Policy LP23: Affordable Housing

WEDNESDAY 5 NOVEMBER 2025

COUNCIL RESPONSES TO MAIN MATTER 2

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Abbreviations

BLV – Benchmark Land Value

BNPP – BNP Paribas Real Estate

FTR – Fast Track Route

GLA – Greater London Authority

HBP – Housing Background Paper (2025)

HNA – Housing Needs Assessment (2024)

NPPF – National Planning Policy Framework (December 2023)

OA – Opportunity Area

PiL – Payment in Lieu

PPG – Planning Practice Guidance

RICS – Royal Institute of Chartered Surveyors

SOCG – Statement of Common Ground

SPD – Supplementary Planning Document

VBC – Vacant Building Credit

VTR – Viability Tested Route

WLPPR – Wandsworth Local Plan Partial Review

WPVA – Whole Plan Viability Assessment (2024)

Note: In responding to the questions below, the Council has sought to respond to the main issues raised in representations relevant to each question. A full response to matters raised in representations relevant to each question is included in Appendix 3F to the Statement of Consultation (Submission Version) (**SD010a**).

Question 2.1 - Are the requirements for Affordable Housing set out in Policy LP23 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in 'general conformity' with the London Plan?

Yes, Policy LP23 is justified by appropriate evidence and reflects national policy and guidance. It has been informed by two rounds of public consultation and a robust Sustainability Appraisal.

Paragraph 35 of the NPPF (December 2023) requires local plans to “set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required”. Furthermore, Paragraph 63 requires plans to assess and reflect the size, type and tenure of housing needed for different groups in the community, including those who require affordable housing. Policy LP23 clearly sets out the requirements for affordable housing, including the overall percentage of affordable housing required from different types of development, the required tenure mix and the nature of contributions expected from small-scale residential developments.

National guidance also requires policies to be set at a level which is viable. Paragraph 59 of the NPPF states that “where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable”. As set out below, the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) has been prepared in accordance with the relevant guidance.

Overall Strategy

The proportion and type of affordable housing sought by Policy LP23 is justified on the basis of providing a positive strategy for meeting the Borough’s significant and urgent need for affordable housing, as identified across the Council’s evidence base, including the Housing Needs Assessment (HNA) 2024 (**SD020**).

The HNA identifies that up to 23,601 of the Borough’s supply of 26,315 homes by 2038 would need to be affordable in order to meet local needs, of which up to 17,223 homes would need to be social rented (equivalent to around 65%). There are currently over 11,000 households in the Council’s Housing Waiting Lists, of which nearly 4,000 are homeless and many others are living in inadequate conditions, which reflects the urgency of a majority of this need. The HNA identifies that many of the Borough’s residents face severe affordability constraints which makes market

housing inaccessible to them. Paragraph 3.30 of the HNA states that the minimum income required for lower quartile private rents to be affordable for a one-bed property in Wandsworth is £48,000, while the minimum income required to afford median rents is £54,000. These figures increase to £58,000 and £66,000 respectively for a two-bed property, or £74,000 and £86,000 for a three-bed property. By comparison, the lower quartile annual income in Wandsworth is around £29,000 and the median annual income is around £45,000. This demonstrates the inaccessibility of housing for many local people, particularly households with only one predominant worker or households with children requiring their own bedrooms. The HNA concludes that there is an extremely high need for affordable rented housing, especially social rented housing, which accounts for the vast majority of the total need.

Section 8 of the Housing Background Paper (HBP) 2025 (**SD013**) brings together key evidence, statistics and research (**SD035-040**) to analyse the relationship between affordable housing delivery and a range of socioeconomic outcomes. On the one hand, the HBP identifies that meeting the Borough's long-term need for social rented housing is inextricably linked to avoiding negative life outcomes for Wandsworth's residents. It identifies a direct relationship between the inadequate supply of social housing and the reliance on temporary accommodation, as well as a negative correlation between time spent in temporary accommodation and life outcomes. On the other hand, the HBP identifies a direct relationship between meeting the need for social rented housing and several positive outcomes, including improving residents' ability to access and retain employment, enhancing economic productivity, reducing the higher incidence of crime experienced by those in inadequate housing, and lowering the increased risk of health hazards faced by those in unstable housing.

As a strategy, Policy LP23 seeks to optimise the delivery of affordable housing having regard to both need and deliverability. The Council notes that some representations suggest that the supply of affordable housing should instead be optimised by retaining, or even lowering, existing affordable housing thresholds but increasing overall housing supply. An increased supply of market housing, however, does not necessarily improve affordability. This is acknowledged within the Mayor's *Towards a New London Plan* consultation which states that "the focus must be on delivering affordable housing, not simply building more market homes. Put simply, even if the rate of market housebuilding significantly increases, house prices will remain unaffordable to most people who need a home". This trend has been clearly illustrated across a number of Opportunity Areas (OAs) which have delivered the following levels of affordable housing within London, including Wembley (27%), Olympic Legacy (29%), Isle of Dogs (24%) and Vauxhall, Nine Elms and Battersea

(21%)¹. While these OAs have all delivered a high level of open market housing, the focus on supply has not necessarily yielded high affordable housing figures.

Furthermore, the current low level of housing starts results from lack of effective demand for market housing, rather than the impact of affordable housing targets. Reduced affordable housing targets are unlikely to result in increased construction rates as this would exacerbate the issues developers have with high levels of unsold housing units.

Moreover, the 2023 Local Plan already takes a very positive approach to meeting overall housing needs, with the latest Authority Monitoring Report (**SD029**) identifying a five-year housing supply of 7 years and an overall plan period supply which exceeds its adopted housing target by 24%. The Council's most recent Housing Delivery Test result is 112% (**SD033**) and its overall completions in 2023/24, at 2,870² dwellings, are the second highest of any London Borough. Despite this positive approach, Section 10 of the HBP demonstrates that affordable housing delivery under existing policies is failing to adequately address needs, particularly for social rent. Given that there is a finite number of sites within Wandsworth, the Council's view is that it is important that the supply of genuinely affordable housing products from individual developments is optimised to meet these needs in addition to the development plan taking a positive approach to overall development, rather than as an alternative.

Specific Requirements

Policy LP23 prioritises the delivery of affordable housing on-site, consistent with Paragraph 64 of the NPPF which establishes that affordable housing should be delivered on-site unless specific circumstances apply.

Policy LP23 retains a 50% strategic affordable housing target, consistent with the 2023 Local Plan and London Plan Policy H4. The retention of the 50% target ensures conformity with the London Plan and reflects the high levels of affordable housing need identified in the HNA, as summarised above.

Policy LP23 includes a local Fast Track Route which reflects the same principles as London Plan Policy H5. Policy LP23 reflects London Plan Policy H5 in relation to the use of the Fast Track Route on industrial and public land with a threshold of 50% affordable housing by habitable room. However, a local threshold of 45% affordable housing applies to other sites. Further justification as to the Council's Fast Track Route is included in response to Question 2.6 below.

¹ [Vauxhall, Nine Elms, Battersea Opportunity Area](#)

² [Residential completions dashboard, London Datastore](#)

Policy LP23 includes a tenure split which prioritises social rent in light of the particularly high need for social rented housing identified in the HNA. Further justification as to this approach is set out under Question 2.4 below.

Policy LP23 also sets out an approach to seeking affordable housing contributions from small sites. Further justification for this approach is set under Question 2.11 below.

General Conformity

The Mayor's representation at the Regulation 19 stage identified a small number of areas where the Mayor was concerned that Policy LP23 may not be in general conformity with the London Plan. These are understood to be:

- The proposal to set a local Fast Track Route threshold for private non-industrial sites at 45%, rather than the 35% rate set out in London Plan Policy H5.
- The proposal to require a late-stage viability review from schemes which follow the Fast Track Route but provide less than 50% affordable housing.

The Mayor's representation included other comments which are addressed under the relevant question(s) across the Council's Hearing Statements.

Since the submission of the Wandsworth Local Plan Partial Review (WLPPR), the Council has continued to work constructively and positively with the Mayor of London to discuss these matters. At the time of writing, a Statement of Common Ground (SOCG) is being agreed with the GLA which seeks to identify all matters of common ground and any outstanding matters of uncommon ground.

The Council notes that some representations at the Regulation 19 stage made reference to the GLA's Accelerating Housing Delivery Practice Note (**SD031**), published in December 2024, and the apparent inconsistency between the requirements of Policy LP23 and the Practice Note. The Council notes that the Practice Note has not been prepared in accordance with the formal legal process associated with planning policies or guidance and has not been subject to formal consultation or informed by a detailed evidence base in relation to housing need or viability. By comparison, as set out across the Council's Hearing Statements, the WLPPR has been prepared having due regard to available evidence and has been subject to detailed viability testing and public consultation. Overall, the Council's view is that there is no legal or evidential requirement for the WLPPR to conform to the Practice Note. Nonetheless, any apparent inconsistency between Policy LP23 and the Practice Note is fundamentally addressed within the Council's responses in relation to general conformity with the London Plan and it is not necessary to address the Practice Note independently.

The Council's view is that the policies within the WLPPR are in general conformity with the London Plan, as set out in its Hearing Statement for Main Matter 1. Further detail on the justification for specific parts within Policy LP23, including in relation to general conformity with the London Plan, is set out under the relevant questions below.

Question 2.2 - Are the requirements for Affordable Housing set out in Policy LP23 positively prepared 'in a way that is aspirational but deliverable'?

Policy LP23 has been positively prepared in a way that is aspirational and deliverable, as informed by the Council's detailed evidence base including the Housing Needs Assessment (HNA) 2024 (**SD020**) and the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**).

As mentioned above, the HNA and Housing Background Paper (HBP) 2025 (**SD013**) identify a significant and urgent need for affordable housing in the Borough, particularly for social rented housing, and demonstrate the wider imperatives for aspirational policies to meet those needs.

Summary of Viability Evidence

Policy LP23 has been subject to detailed viability testing through the WPVA and the supplementary Site Testing 2025 (**SD043**). These assessments were carried out by BNP Paribas Real Estate (BNPP), who are highly experienced consultants with extensive knowledge of the London development market. The viability testing followed the Planning Practice Guidance (PPG) and RICS' best practice, with the approach and assumptions subject to engagement with stakeholders in the development industry. Responses to this engagement exercise, and BNPP's responses, are included in Appendix 18 to the WPVA.

The Council notes that some of the representations received at the Regulation 19 stage sought clarity or raised concern with some of the assumptions used in the WPVA. The justification for each of these assumptions is set out in the methodology section of both documents and accords with PPG and wider best practice. Full responses to representations relating to specific assumptions can be found in Appendix 3E (Page 398-399) and Appendix 3F to the Statement of Consultation (Submission Version) (**SD010 and SD010a**).

The WPVA and Section 15 of the HBP identify that the majority of the Borough's housing pipeline is located in market value areas with the greatest capacity to deliver affordable housing. Appendix 8 of the WPVA demonstrates that across Benchmark Land Values (BLVs) 2 (Secondary Retail), 3 (Industrial) and 4 (Cleared Land), which include the most common sites in the housing pipeline, 77% of tests are viable at 45% affordable housing, based on the proposed tenure split and current day

assumptions in relation to values, build costs and yields. This increases to 82% of tests viable at 45% when excluding sites that are not viable at any level of affordable housing. Of the sites that are not viable at 45%, 71% are also not viable at 35% and 26% are not viable at any level of affordable housing. For these sites, a 45% threshold for private, non-industrial sites has no net impact on deliverability.

Whilst sites within BLV3 are generally subject to a 50% threshold, it remains a requirement of the PPG to test common typologies. These tests reaffirm that the London Plan threshold for industrial sites remains deliverable in Wandsworth, with 61% of tests viable at 50% affordable housing.

Considering only those BLVs (1, 2, 4) subject to the proposed 45% threshold, 71% of the tests are viable at 45% affordable housing, and 75% at 40% affordable housing, showing that a reduction of 5% to the threshold only results in a 4% increase in the number of viable tests.

It is also important to note that only 25% of the housing pipeline is in the lowest value areas between £8,030 to £8,860/sqm. The rest of the Borough's housing pipeline is located within the value areas of £9,200-£14,240/sqm. The WPVA and HBP demonstrate that, within these higher value areas, approximately 80% of sites are viable at 45% affordable housing.

Overall, this rate of viability gives strong support to the 45% threshold being deliverable for a large majority of likely development sites. It further demonstrates that, of the minority of development sites that would not be viable at 45%, the vast majority of these sites would already require use of the Viability Tested Route under existing London Plan policy (i.e. they would not be able to meet the 35% affordable housing threshold required to qualify for the London Plan Fast Track). Policy LP23 therefore seeks to optimise affordable housing contributions from more viable sites, whilst not significantly or materially impacting upon the viability or policy treatment of less viable sites. This local approach is considered to be the most effective way to achieve the Mayor's 50% strategic target as set out in London Plan Policy H4 for Wandsworth Borough.

Overall, the WPVA concludes, at Paragraph 6.15, that "...clearly evidence on viability needs to be considered alongside evidence of housing need and given the likelihood that a reduced target would deliver a lower overall affordable housing output, **the weight of combined evidence on affordable housing need and viability points to support for a 50% target, based on overall typologies and site specific testing.** It also allows for the maximisation of contributions across the significant number of development typologies which can viably deliver above the existing London Plan Fast Track threshold of 35%."

In line with the PPG, the WPVA tests a range of typologies common to the Borough. The Council have also sought to test specific sites (**SD043**), including some site

allocations and others which are representative of the future housing pipeline and previous completions but do not currently have permission³. The six sites tested include the redevelopment of mixed sites⁴, which are unlikely to be solely considered on the basis of the 50% threshold, and other sites subject to the lower threshold⁵. The Site Testing tested six sites, including one site with two scenarios, resulting in 7 different models. Of the 7 tests, four are viable at 45% affordable housing, based on current values, and one is viable at 40% based on current values, but viable at 45% affordable housing with some growth considered⁶. The findings of the Site Testing give further support to the proposed thresholds being deliverable for a majority of likely development sites.

Wider Market Conditions

The Council notes that a number of representations raised soundness concerns about Policy LP23 on the basis of wider viability challenges in the housebuilding sector, including a fall in nationwide permissions, high build costs and extended sales periods. The Council's view is that its viability evidence clearly demonstrates greater capacity and resilience within Wandsworth's housing market than may exist across London as a whole. It is important that the deliverability of any policy is assessed based on local, long-term evidence and not through an excessively short-term lens based on regional or nationwide conditions at the bottom of a market. The strength and capacity of Wandsworth's housing market is demonstrated in its most recent Housing Delivery Test result (112%), its above-requirement permissions in 2024/25 (2,243) and its second highest completions in London in 2023/24 (2,870). Many of the indicators of weaker market conditions cited by representors are not present in Wandsworth.

Furthermore, Section 8 of the HBP details analysis by Lichfields (**SD042**) which shows that higher levels of affordable housing on a site can actually increase build-out rates, as a diverse offering of tenures can tap into additional sources of demand, especially during difficult market conditions. The study concluded that the fastest build-out rates can be found on sites that deliver more than 40% of affordable housing (140 dpa). This aligns with the principle highlighted in the Letwin Review:

³ The specific sites are not all defined to ensure the modelling does not prejudice the assumptions applied to any specific viability testing of these sites in the future.

⁴ Including elements of industrial, office and parking

⁵ Large scale retail redevelopments, redevelopment of a vacant university site, a specific student accommodation site on industrial land which illustrates the Council's aspirations in Policy LP28 and an existing retail site

⁶ The site requiring some growth to viably achieve 45% affordable housing is an educational facility, last in use as for educational purposes and some student accommodation but currently, has been vacant for some time. The site is included much further down in the housing pipeline of the Local Plan and has no extant permission, however, the Council estimates in time it is likely to be redeveloped, therefore it is an accurate assumption that growth in values is very likely before the site is redeveloped based on the anticipated timeline of delivery

where demand exists, a mix of affordable tenures that complement market housing for sale can positively impact overall build-out rates.

Based on these trends, the Council consider Policy LP23 to be demonstrably deliverable on the majority of sites in current day values. The deliverability of the policy is further supported by encouraging applicants to seek public subsidy to bridge viability gaps and the mechanisms within the policy to cascade in such a way that allows developments which cannot meet the full requirements a clear route to planning permission through the Viability Tested Route (VTR). In light of the clear indications of the viability evidence, the Council does not consider that it will be necessary for a significant number of additional developments to use the VTR and would emphasise the fact that a large majority (71%) of the typologies that are unviable at 45% were also unviable at 35% and 26% are unviable at 0%, meaning Policy LP23 has no net viability impact upon these schemes. Nevertheless, the Council considers that the design of the policy both optimises the delivery of affordable housing whilst ensuring there is no material impact upon the overall deliverability of development within the Borough, and consequently upon housing supply.

Further information on the deliverability of specific parts of Policy LP23 is set out under the relevant questions below.

Question 2.3 - Is the Policy clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

Yes, Policy LP23 comprises of a clear and unambiguous set of criteria that a decision maker can assess a development proposal against. It follows a similar format to the majority of London Plan Policy H5, including:

- A 50% strategic affordable housing target;
- A 50% affordable housing requirement on public sector land where there is no portfolio agreement with the Mayor, Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites by habitable room;
- A Fast Track Route, with the thresholds defined clearly within the policy; and
- The ability for applicants to use the Viability Tested Route if the relevant threshold cannot be met.

The policy is structured under a set of headings which clearly identify the triggers for different criteria to apply, which are repeated, where appropriate, in the criteria themselves. Detailed or conditional requirements are clarified in the supporting text, where necessary, and the Council would envisage further guidance being included in a planned Affordable Housing SPD.

Part A of the policy sets out the Council's clear preference for social rented housing, alongside reference to the 50% strategic target and the requirement for delivery to be on-site, in accordance with the NPPF. Part A is considered to make the Council's priorities clear to both applicants and decision makers.

Part D clearly sets out the Fast Track Route thresholds which apply to different types of sites and Part A2 clearly sets out the tenure split expected from proposals. In addition, the policy sets out, at Parts D and F, how and when review mechanisms will be applied, including the requirement for a late-stage review on sites providing between 45%-50% affordable housing.

Overall, the policy is considered to provide a clear and logical set of criteria for decision makers to assess compliance against when considering development proposals, and clear instructions, including cascade mechanisms, for addressing proposals which do not meet particular criteria.

To aid in interpretation, the policy also clearly sets out the circumstances in which a Payment in Lieu (PiL) will be acceptable, which are defined in policy as exceptional. The policy seeks to define scenarios that might be considered exceptional circumstances such as where it has not been possible to secure a provider from any of the Council's preferred Registered Providers or any other Registered Providers operating within Wandsworth, or where it can be demonstrated that off-site provision on another site in the Borough would deliver significantly more family-sized affordable homes and/or more social rented homes to a higher standard. The definition of these circumstances is intended to help applicants and decision makers determine what is and is not likely to be exceptional.

Policy LP23 also sets out how a PiL should be calculated based on the approach outlined in the Homes for Londoners: Affordable Housing and Viability SPG (2017), which requires PiL to be at least equivalent to the increased gross development value resulting from affordable housing not being provided on-site. This provides clarity for applicants and decision makers as to how to calculate a PiL in justified circumstances.

A small number of representations have expressed a need for additional clarity or explanation, including in relation to:

- The interpretation of the term "net uplift" at Part A.4. and Paragraph 17.11
- The interpretation of demonstrating how potential public subsidy options have been utilised at Part E and Paragraph 17.20
- The interpretation of "meaningful discussions with Registered Providers" at Part A.2 and Paragraph 17.23
- The interpretation of "re-submitted" at Paragraph 17.24

- The treatment of developments following the Viability Tested Route at Paragraph 17.25

To improve the clarity of Policy LP23, the Council has suggested a small number of modifications (**M23/1-9**, see Appendix), which propose to add or amend wording to the supporting text to define terms used in the policy or provide greater clarity as to how specific circumstances will be considered.

Question 2.4 - Is the requirement to provide a housing tenure split of 70% social rent and maximum of 30% intermediate by habitable room consistent with national policy and in general conformity with the London Plan? If not, what justification is there for doing so?

Policy LP23 includes a tenure split of 70:30 between social rent and intermediate housing. This is in general conformity with London Plan Policy H6, which 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 these bounds.

The Council's proposed tenure split maximises the provision of social rent, whilst remaining within the bounds of London Plan Policy H6, to best address the Borough's significant and urgent needs for social rented housing, as identified elsewhere in this Statement. This is supported by the Housing Needs Assessment (HNA) 2024 (**SD020**), which identifies that up to 17,223 out of the Borough's pipeline of 26,315 homes may need to be social rented to meet needs to 2038. A further 6,300 households will require intermediate housing. Social rented housing is the only tenure which addresses the most acute and urgent needs for the several thousand households facing homelessness or overcrowding, identified on the Council's Housing Waiting Lists. Paragraph 6.4 of the HNA concludes "there is an extremely high need for affordable to rent housing such as social or affordable rent. This accounts for the vast majority of the total need [...] 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.**"

The need to maximise social rent as a proportion is also supported by the analysis within the Housing Background Paper (HBP) 2025 (**SD013**) which shows that the portion of the Borough's housing pipeline which received permission under current and former policies have failed to secure a ratio of social rent to intermediate housing that reflects need. This has the effect of creating a deficit in the Borough's housing pipeline with respect to the relative delivery of social rent as a percentage of overall development that Policy LP23 aims to address.

The remaining 30% of affordable housing is required as intermediate housing. Reflecting the findings of the HNA, Policy LP23 indicates a preference for rented products such as London Living Rent, which are comparatively more affordable to local residents. However, this is not a requirement and developments providing other intermediate tenures, such as Shared Ownership, would still be considered compliant and eligible for the Fast Track Route where it is not feasible to satisfy this preference.

Paragraph 63 of the NPPF requires planning policies to assess and reflect the size, type and tenure of housing needed for different groups in the community, including those who require affordable housing. Having regard to available evidence summarised above, the Council's proposed tenure split best addresses the balance of needs identified in the HNA. Whilst the Council notes that the WLPPR is being examined against the December 2023 version of the NPPF, it notes that its proposal also strongly aligns with Paragraph 66 of the NPPF (2024) and the Written Ministerial Statement (28 October 2024)⁷, which explicitly identify a need to plan for meeting need for social rent. Further examples of alignment with wider Government policy are detailed in Section 8 of the HBP.

The Council notes that some representations advocate for a more flexible approach which would allow tenure split to be determined by an applicant or otherwise justified on a case-by-case basis. Some of the rationale for this suggestion is perceived challenges in attracting Registered Providers to developments with higher rates of social rented housing. The Council does not consider there to be fundamental local or long-term challenges in attracting Registered Providers (or indeed itself) to acquire affordable housing under the proposed tenure split. The Council has, in any case, provided significant flexibility for this event as part of Part A.1a which identifies ways forward where it has not been possible to secure a provider, including off-site delivery or Payments in Lieu. The Council considers that further flexibility would be unjustified, speculative and inconsistent with the NPPF (Paragraph 64) and the London Plan. In particular, the Council considers it important that the tenure split in the policy is designed to address identified needs whilst remaining deliverable, which is assisted by the flexibility set out in Part A.1a. Given that the balance of affordable tenures has viability and commercial implications, the ability for applicants to propose or determine their own tenure splits risks these splits being optimised for a range of reasons that ultimately undermine the Council's ability to meet need. As evidence of this, Section 10 of the HBP contains analysis which identifies how past completions have typically under-delivered social rent (as a proportion) relative to adopted policy. For similar reasons, the Council does not consider it appropriate to allow for a cascade to other affordable housing products beyond those identified in the policy and London Plan as genuinely affordable. A majority of such products

⁷ [Written Ministerial Statement - Social and Affordable Housing - GOV.UK](#)

remain unaffordable to the vast majority of those with a need for affordable housing in the Borough, including those with the most acute needs.

A clear and unambiguous tenure split within the policy also provides clarity for developers on the Council's expectations which they can take appropriate account of when considering the purchase of sites.

The tenure split has been subject to viability testing, as outlined elsewhere in this Statement. As further evidence of the practical deliverability of the proposed approach, Section 14 of the HBP identifies a number of applications where this tenure split has already been secured, including the Former Gasworks Swandon Way and 57-59 Lombard Road. There are also other recent schemes where this tenure split has been agreed as part of the Fast Track Route including Heliport House 38 Lombard Road (35% with a tenure split of 70:30 social rent to intermediate tenure).

The 70/30 split reflects the tenure mix required by a wide range of London Boroughs, this change brings Wandsworth in line with that position.

Question 2.5 - Will this tenure split deliver an uplift in the level of affordable housing across the borough?

Yes, the tenure split would result in an uplift in the delivery of social rented housing, which is the type of affordable housing most needed in the Borough, as identified in the Housing Needs Assessment (HNA) 2024 (**SD020**).

The Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) demonstrates that amending the tenure split from a 50:50 split to a 70:30 split in favour of social rent has a limited impact on viability. At Paragraph 1.9, it concludes that: "our appraisals indicate that the **change to tenure mix will have limited impacts on the viable percentage of affordable housing in most development scenarios**. In situations where there is an impact, this is likely to be modest, with the viable level of affordable housing falling by no more than 5%". The detailed findings of the WPVA are set out under Questions 2.2 and 2.8.

Paragraph 10.16 of the Housing Background Paper (HBP) (2025) (**SD013**) identifies that, between 2017 and 2024, an average of 65% of affordable homes built in Wandsworth were intermediate, with only 35% being social or affordable rent. This trend provides further justification for maximising the proportion of social rented housing within policy, as recent completions reflect a consistent level of under-delivery of social rented housing relative to the number of intermediate dwellings delivered and the balance of needs identified in the HNA.

Modelling the change to the tenure split to the 'Identified Sites' and 'Potential Sites' (3,710 dwellings) categories in the housing pipeline⁸ would result in the following increases in social rented homes:

- 260 at 35%;
- 297 at 40%;
- 334 at 45%; and
- 371 at 50%.

At 45% affordable housing, this would result in an uplift of 334 social rented homes when considering only these two categories of the housing pipeline, which as previously mentioned is the most in demand tenure for the Borough.

The HBP also outlines the exceptional costs of temporary accommodation in the Borough, with an average cost to the Council of around £3.6m each month. The Council estimates that housing a household in temporary accommodation costs approximately £12,000 per annum. If this number of additional social rented homes were delivered as a result of the amendment to the change in tenure split, this would result in an annual saving of around £4m, along with significant improvements to the quality of life for those households gaining permanent social rented housing.

Question 2.6 - Is the requirement to provide 45% affordable housing on sites using the Fast Track Route (FTR) consistent with national policy and in general conformity with the London Plan? If not, what justification is there for doing so?

As set out above, the Council has developed Policy LP23 to provide a positive strategy for addressing the significant and urgent need for affordable housing across the Borough, as identified by the Housing Needs Assessment (HNA) 2024 (**SD020**) and Housing Background Paper (HBP) 2025 (**SD013**). The inclusion of a 45% threshold for private, non-industrial sites using the Council's Fast Track Route is one optimised component of this wider strategy. Justification for the overall policy approach on the basis of need is set out in response to Questions 2.1 and 2.2.

The application of a 45% affordable housing threshold for private, non-industrial sites responds positively to the requirements of national policy, in particular paragraphs 34 and 63 of the NPPF (December 2023), which require plans to set out the contributions expected from development (including the level and type of affordable housing provision required) and to assess and reflect the size, type and tenure of housing needed for different groups in the community (including affordable housing). Furthermore, the application of a 45% threshold adopts a balanced approach

⁸ [Housing Background Paper Table 6](#)

reflective of both need and deliverability as set out across this Statement. It addresses the requirements of the PPG on Viability which states that “policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage” (Paragraph: 002 Reference ID: 10-002-20190509).

The objectives of Policy LP23 strongly align with those set out in the London Plan, including increasing the delivery of affordable housing. Paragraph 1.4.2 of the London Plan acknowledges that the failure to provide sufficient numbers of new homes to meet London’s need for affordable, market and specialist housing has given rise to a range of negative social, economic and environmental consequences. These include worsening housing affordability issues, overcrowding, reduced labour market mobility, staff retention issues and longer commuting patterns.

In alignment with London Plan Policy H4 and H5, Policy LP23 deliberately retains a Fast Track Route which would operate akin to the London Plan approach, while enabling an optimised level of affordable housing delivery from private, non-industrial sites. This approach is more closely aligned with the requirements of national policy, the scale of local need and local viability. It also better supports the Mayor’s strategic affordable housing target of 50% across London while preserving the incentive created by setting the threshold below the overall target. With respect to local viability, the 45% threshold also facilitates a level of affordable housing that is demonstrably viable across the majority of housing sites within the Local Plan housing pipeline and common site typologies seen in the Borough as per the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and Site Testing 2025 (**SD043**). Further evidence of the deliverability of the 45% threshold is set out in response to Question 2.8 below.

The Council acknowledges that the Mayor of London’s representation at Regulation 19 expressed concern that the increased threshold from 35% to 45% (on sites not including the redevelopment of industrial space, or publicly available land) may not be in general conformity with the London Plan. The Mayor has recommended that Policy LP23 should maintain reference to the 35% threshold.

The Council considers that the overall construction of Policy LP23, including the inclusion of a Fast Track Route and a Viability Tested Route ensures general conformity with the London Plan and supports the overall operation of these processes in incentivising development and speeding up the application process. The Council’s view is that the application of a higher threshold supports the objectives of the Mayor and the London Plan in delivering more affordable housing and does not conflict with, or undermine, the operation of London Plan Policies H4 and H5, which do not suggest their thresholds are a ceiling. The Council’s approach

is also similar to a number of Local Plans in other London Boroughs which experience similar local circumstances and have successfully introduced affordable housing policies which apply different thresholds to the London Plan. These examples are set out in Section 6 of the HBP.

The adopted Mayor of London's Affordable Housing and Viability SPG (2017) states the following in relation to the use of the threshold approach in paragraph 2.7: "where a borough currently adopts an approach which they can evidence will deliver a higher average percentage of affordable housing (without public subsidy), the local approach can continue to apply". In addition, the London Plan itself indicates that the thresholds were always considered to be subject to re-assessment by the use of "initially" within Policy H5. This is also referenced within the London Plan's Inspectors' report, which states that "further suggested changes commit the Mayor to reviewing the thresholds in 2021 through a focussed review of the Plan or supplementary planning guidance. Taking all these considerations into the balance, the thresholds set in these policies represent a reasonable and justified approach".

Detailed evidence relating to any review of the current thresholds has never been published, and therefore the 35% threshold is based on viability information published in December 2017 and data collected in the years prior to this, which at a minimum would be 8 years old. The Council's evidence base which underpins the WLPPR provides an up to date assessment of local levels of viability.

Whilst the Council considers Policy LP23 to be in general conformity with the London Plan, it also maintains that its own evidence clearly justifies a 45% threshold for private, non-industrial sites as part of a broader policy that, in most other respects, closely mirrors the London Plan approach. The Council further contends that the thresholds within the London Plan were never intended to be treated as a ceiling and that they were informed by evidence which is now demonstrably out of date and unreliable. Further information on the deliverability of the 45% threshold is set out in the WPVA which provides the most up-to-date information on costs, values and assumptions relevant to today's housing market, as summarised in the Council's response under Question 2.8.

Question 2.7 - Will this deliver an uplift in the level of affordable housing across the borough?

Based on the evidence supporting the WLPPR, it is the Council's view that increasing the Fast Track Route threshold for private, non-industrial sites from 35% to 45% would result in a significant uplift in the number of affordable homes delivered. The thresholds within the policy would continue to be set at 50% for both industrial and public sector sites.

As set out in detail under Question 2.8 below, the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and the Housing Background Paper (HBP) 2025 (**SD013**) identify that a majority of sites in the Borough's housing pipeline are viable at a 45% affordable housing contribution. Under London Plan Policy H5, many of these sites would only be required to contribute 35% affordable housing. This is acknowledged in the conclusions of the WPVA which states that the Council's approach allows for the maximisation of contributions across the significant number of development typologies which can viably deliver above the existing London Plan Fast Track threshold of 35%.

Out of the minority of sites which are not viable at 45%, 71% are also not viable at 35%, and 26% are not viable with any level of affordable housing. For these sites, the increase in threshold would have no net negative effect on deliverability and they would continue to be subject to the Viability Tested Route.

The supplementary Site Testing 2025 (**SD043**) further demonstrates how increasing the FTR threshold to 45% would deliver an uplift in the level of affordable housing across the Borough. The Site Testing showed that the four sites out of the six that were tested could either support 45% level of affordable housing based on current values or with some growth. Based on those assumptions, including requiring purpose-built student accommodation to provide a contribution towards conventional affordable housing, these sites would deliver 286 affordable homes – an uplift of 108 affordable homes compared to a 35% threshold. This uplift is only based on four representative sites within the housing pipeline. Extrapolating those findings across the entirety of the housing pipeline would lead to a significant uplift in affordable housing delivery and the corresponding savings on temporary accommodation.

The Council recognises that a small proportion of developments that are viable at 35% but not at 45% would have to go through the Viability Tested Route (VTR). The Council's view is that a slightly higher number of developments utilising the VTR would not materially undermine the benefits of the 45% threshold on affordable housing delivery. Firstly, the Council's expectation is that the number of sites within this category would be a minority compared to the number of sites able to use the Fast Track Route. As a result, there would be a consequential net positive impact on affordable housing supply. Secondly, the operation of the VTR would retain an effective way of optimising affordable housing delivery for this minority of sites and the Council's view is that the VTR, operated by the Council's in-house viability team and retained consultants, would not materially or disproportionately burden the overall deliverability of development. Thirdly, the Council considers that a 45% threshold would become increasingly viable over the plan period, as land values adjust to accommodate the threshold. As such, the percentage of developments subject to the VTR can reasonably be expected to reduce over time.

Question 2.8 - What would be the effect of requiring 45% affordable housing on sites using the FTR on the deliverability/viability of such developments?

The response below should be read alongside the Council's response under Question 2.2, which provides evidence of the deliverability of Policy LP23 as a whole.

As set out above, Policy LP23 has been subject to detailed viability testing through a Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and supplementary Site Testing 2025 (**SD043**).

The WPVA assesses viability based on a site typology approach with the assumptions applied in the assessment supported by clear evidence. BNP Paribas Real Estate (BNPP) have extensive experience of viability in a London setting, having carried out the majority of Local Plan viability testing for Boroughs across London, including the Old Oak and Park Royal Development Corporation, carried out on behalf of the Mayor of London. The methodology applied by BNPP follows the approach recommended within the Planning Practice Guidance (Paragraph: 004 Reference ID: 10-004-20190509) and wider best practice, with the approach and assumptions subject to engagement with stakeholders in the development industry. Responses to this engagement exercise, and BNPP's response, are included in Appendix 18 to the WPVA.

Section 15 of the Housing Background Paper (HBP) 2025 (**SD013**) includes extensive analysis on the outputs of the WPVA. Whilst the WPVA does not specifically point towards one percentage of affordable housing that is viable across all site types and all areas within the Borough, this is to be expected when assessing development viability across a diverse Borough such as Wandsworth. National policy does not expect affordable housing requirements to be set at a level that is viable for every site. Consequently, in line with the PPG, it is important to ensure that the requirements of the policy are deliverable for a suitable majority of likely site typologies, while also balancing this with the evidence of housing needs in the Borough.

As part of the WPVA and HBP, the Council has assessed the most common site types and locations within the Borough's housing pipeline. The WPVA demonstrates that sites within Benchmark Land Values 2 (Retail), 3 (Industry) and 4 (Cleared Land) can generally support a 45% affordable housing requirement. As per Appendix 8, 77% of the individual tests across these BLVs are viable at 45% affordable housing. This increases to 82% of tests viable at 45% when excluding sites that are not viable at any level of affordable housing.

Whilst sites within BLV3 are generally subject to a 50% threshold, it remains a requirement of the PPG to test common typologies. These tests reaffirm that the

London Plan threshold for industrial sites remains deliverable in Wandsworth, with 61% of tests viable at 50% affordable housing.

Considering only those BLVs subject to the proposed 45% threshold, 71% of the tests are viable at 45% affordable housing, and 75% at 40% affordable housing, with a reduction of 5% to the threshold only resulting in a 4% increase in the number of viable tests.

Sites where viability is the most challenging is BLV 1 (offices) which includes an Existing Use Value (EUV) of £15.44m/ha within the WPVA. It is important to note that sites where the EUV is high are likely to remain in that existing use as there would not be a suitable incentive to the landowner to release the site for development. In addition, existing Local Plan policies, including Policy LP33, seek to actively protect office floorspace. Overall, in relation to the Borough's housing pipeline, only 7.5% of this is planned on existing office space, and 16.7% on retail floor space, the second highest BLV tested at £9.17m/ha. Further analysis of this is set out in Section 15 of the HBP.

Of the minority of sites which are not viable at 45%, the vast majority (71%) are also unviable at the 35% affordable housing threshold included in the London Plan, and in a significant portion (26%) are unviable at 0% affordable housing. It is emphasised that, for these sites, the increase of threshold to 45% itself has no material impact on their viability or eligibility for the Fast Track Route.

It is also important to note that only 25% of the housing pipeline falls within the lowest value areas between £8,030 to £8,860/sqm. The rest of the Borough's housing pipeline, not including windfall small sites, are located within the value areas of £9,200-£14,240/sqm. The WPVA demonstrates that within these value areas, approximately 80% of sites are viable at 45% affordable housing.

Overall, this rate of viability gives strong support to the 45% threshold being deliverable for a large majority of likely development sites. It further demonstrates that, of the minority of development sites that would not be viable at 45%, the vast majority of these sites would already require the use of the Viability Tested Route under existing London Plan policy. Policy LP23 can therefore be seen to optimise affordable housing contributions from more viable sites whilst not significantly or materially impacting upon the viability or policy treatment of less viable sites.

The WPVA, at Paragraph 6.15, concludes that the Council's policies "maximise delivery of affordable housing by seeking the highest possible percentage on individual sites, in comparison to a reduced target tailored to the 'least viable' sites. Clearly evidence on viability needs to be considered alongside evidence of housing need and given the likelihood that a reduced target would deliver a lower overall affordable housing output, **the weight of combined evidence on affordable housing need and viability points to support for a 50% target.** It also allows for

the maximisation of contributions across the significant number of development typologies which can viably deliver above the existing London Plan Fast Track threshold of 35%.” The Council has nevertheless sought to set its threshold at 45%, rather than 50%, to provide an optimised balance with deliverability considerations and to incentivise uptake of the Fast Track Route.

Section 14 of the HBP identifies a number of examples where the Council has been able to negotiate affordable housing contributions in excess of the thresholds set out in adopted policy, despite no policy imperative to do so and such sites likely transacting at a higher value than they would were the 45% threshold to be in place. These examples further demonstrate that a higher threshold is deliverable and not just a theoretical possibility.

To aid in the deliverability of the minority of private, non-industrial developments that cannot meet the 45% threshold, Policy LP23 has been deliberately designed to cascade in such a way that allows these developments a clear route to planning permission through the Viability Tested Route. In light of the clear indications of the viability evidence, the Council does not consider that it will be necessary for a significant number of additional developments to use the Viability Tested Route and would emphasise the fact that many of the typologies that are unviable at 45% were also unviable at 35% and often at 0%, meaning Policy LP23 has no net viability impact upon these schemes. Nevertheless, the Council considers that the design of the policy both optimises the delivery of affordable housing whilst ensuring there is no material impact upon the overall deliverability of development within the Borough, and consequently upon housing supply.

Question 2.9 - Is the requirement for a late stage review for applications that follow the FTR consistent with national policy and in general conformity with the London Plan? If not, what justification is there for doing so?

Policy LP23 seeks to incentivise developers using the Council’s Fast Track Route (FTR) to reach the 50% affordable housing target by having a late-stage review mechanism apply to developments providing between 45% and 50% affordable housing. This measure is considered to provide a further incentive for developments to maximise their affordable housing contributions, consistent with the 50% strategic target, without materially affecting the deliverability of the policy. This provision is also similar to the approach included within the Islington Local Plan, within policy H3.C⁹ which was found sound after the adoption of the London Plan.

The Council recognises that the Mayor is concerned that the inclusion of a late-stage review mechanism for certain developments following the FTR would not be in

⁹ [Islington Local Plan \(2023\)](#)

general conformity with the London Plan. However, the Council consider that London Plan Policy H5 does not preclude the ability for Local Plans to apply review mechanisms based on a different threshold. In relation to other types of housing including shared living, the London Plan merely states in paragraph 4.16.8: “However, schemes which meet the relevant threshold will not be subject to a Late Stage Viability Review”, it does not therefore state that late-stage viability reviews must meet the relevant thresholds within Policy H5.

To assist in deliverability, Policy LP23 provides opportunities for applicants to avoid the requirement for a late-stage review by increasing the percentage of affordable housing through securing grant. This could include attracting housing capital directly from the Council or GLA in order to reach 50% affordable housing. Given that the current Affordable Homes Programme includes a funding budget of £11.5bn, including £4bn between 2021-2026 for London, with a further £2bn of bridge funding secured by the Mayor for projects starting between 2027-2029¹⁰, there is currently greater access to funding for Registered Providers to deliver affordable housing. By comparison, the previous Affordable Homes Programme had a total fund of £4.7bn¹¹ UK wide. In relation to bridge funding, the GLA recommends that “Partners interested in utilising Bridge Funding should speak to their Area Managers”.

As Wandsworth is a delivery partner with the GLA, it would be feasible to provide funding to further support the minority of sites which are struggling to meet the full affordable housing requirement. As there is greater availability of grant currently than there was at the time of the London Plan examination, and a much greater focus on the delivery of genuinely affordable housing, Policy LP23 is designed to provide opportunities to avoid the late-stage review requirement through the use of grant. In essence, if the relevant threshold is met, with or without the use of grant, applicants can still use the FTR and avoid a late-stage review, as opposed to all applicants using grant being required to follow the VTR. This is clearly set out within Policy LP23 which actively promotes the use of grant on sites which may otherwise be challenging in respect to viability.

Overall, the use of the late-stage review in Policy LP23 is considered to provide a genuine, quantifiable benefit that incentivises developers to reach 50% affordable housing.

¹⁰ [Homes for Londoners: Affordable Homes Programme 2021–2026 | London City Hall](#)

¹¹ <https://www.nao.org.uk/wp-content/uploads/2022/09/The-Affordable-Homes-Programme-since-2015-Summary.pdf>

Question 2.10 - Is it clear within Policy LP23 when an early, mid or late stage review will, or will not, be required?

Yes, LP23 provides clear expectations for when applicants will be subject to an early, mid or late-stage review.

The use of early-stage reviews to incentivise build out reflects the approach in the London Plan. If substantial implementation is reached within 24 months (or other agreed time period), the requirement for an early-stage review would be removed. Policy LP23 is clear that early-stage reviews will apply to all schemes following the Viability Tested Route (VTR) and any schemes following the Fast Track Route (FTR) that are providing between 45% and 50% affordable housing. Further guidance is set out in Part D.3. and at Paragraph 17.25.

The use of mid-stage reviews for larger, multi-phased schemes reflects the approach in the London Plan. Policy LP23 is clear that mid-stage reviews will apply to schemes following the VTR (Part F). Further clarification is provided on the exact application of the mid-stage viability review within the supporting text paragraph 17.18 which states that a mid-stage review is “applicable at the discretion of the Council”. In response to representations, the Council has recommended a potential modification to the supporting text (**M23/5**, see Appendix) which would clarify that mid-stage reviews will be limited to larger, multi-phased developments and resolve the apparent inconsistencies between Part D.2 of the policy, Paragraph 17.18 of the supporting text and the London Plan.

The use of late-stage reviews for developments following the VTR reflects the approach in the London Plan. In relation to the Council's FTR, applicants providing 45-50% affordable housing would also be subject to a late-stage review. Policy LP23 is clear when late-stage reviews will be applied. Further detail on the justification for this requirement is set out in the response to Question 2.9.

Policy LP23 - Affordable housing requirement on small-scale residential developments

Question 2.11 - Are the requirements for Small-scale residential development set out in Policy LP23 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in ‘general conformity’ with the London Plan?

Yes, the requirements set out in Policy LP23 which relate to seeking affordable housing from small-scale residential development are justified by the Borough's significant and urgent need for affordable housing, identified in the Housing Needs Assessment (HNA) 2024 (**SD020**), Housing Background Paper (HBP) 2025 (**SD013**) and set out in detail in response to Question 2.1.

The London Plan (**SD025**) sets the Council's small sites target over the London Plan period at 4,140 dwellings, equivalent to 414 dwellings per annum or more than 20% of the overall annual housing target (1,950 dwellings per annum). Whilst the meaning of the term 'small site' differs slightly between Policy LP23 and the London Plan, to not seek an affordable housing contribution from small sites, where this can be demonstrated to be justified and effective, would nevertheless result in a substantial loss of affordable housing potential across the Borough. This would undermine the Council's ability to optimise affordable housing delivery in response to high levels of need and the 50% strategic target, consequently undermining the delivery of the wider objectives of the NPPF and the development plan.

The Council recognises the different challenges for small and medium developers to deliver housing in London, with there being fewer opportunities in relation to economies of scale. However, based on the individual circumstances in Wandsworth, the Council's view is that these challenges do not justify the exemption of small sites from affordable housing contributions. Rather, these are factors that need to be appropriately weighted as part of the development of a proportionate, deliverable policy. The Council has, therefore, deliberately developed Policy LP23 to take a proportionate, evidence-led approach and to ensure contributions from small sites reflect the different viability conditions that exist for small and medium developers.

The Council has developed a robust and justified policy approach which responds positively to high needs for affordable housing, whilst maintaining deliverability and overall effectiveness. While the policy does not wholly accord with Paragraph 65 of the NPPF, it is justified in doing so on the basis of the need to optimise the delivery of affordable housing as part of a wider strategy that responds positively to the objectives of the NPPF and the development plan taken as a whole. This is a position that has been established in other London Boroughs who, similarly to Wandsworth, face significant and urgent need for affordable housing and have the viability conditions that mean seeking a proportionate contribution from small sites would not render them unviable or otherwise undeliverable. In this respect, Policy LP23 mirrors and adapts approaches taken by a number of London Local Plans, as set out in Section 16 of the HBP.

The Council's approach also aligns with the Mayor's Affordable Housing and Viability SPG (2017), which states, at paragraph 3.13, that the Mayor supports LPAs that wish to apply requirements for affordable housing contributions on sites providing fewer than 10 homes where the LPA can demonstrate the role that these sites can play in supporting affordable housing delivery, and where the sites would remain viable.

Policy LP23 proposes to seek affordable housing from small sites on the basis of a financial contribution. This is preferred to on-site provision given it is highly unlikely to be feasible to deliver on-site affordable housing on many smaller sites and further

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.

Further information on how the value of the contribution has been evidenced, and how the policy would be deliverable, is set out below under Question 2.12.

Question 2.12 - What effect would the requirement for small-scale residential development to provide a financial contribution/viability assessment have on the deliverability/viability of such developments?

The Council has rigorously tested different typologies to ensure Policy LP23 seeks a deliverable and realistic contribution from small sites in the Borough. Within the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**), six small site typologies were tested, which reflect the most common small site typologies completed in the Borough. As part of the WPVA, the Council consulted stakeholders in the development industry on the approach as set out in Appendix 18. When considering the comments received as part of that process, from small to medium-sized developers, a tariff based on a standard price per dwelling was considered preferable to a formulaic approach. A price per dwelling approach is considered clearer, more consistent and less reliant on specialist support or negotiation.

As part of the WPVA, the Council was keen to ensure there was sufficient viability headroom to account for a borough-wide fixed price per dwelling to allow for variability 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.” The Council then considered in detail the outputs of the small site typologies, with the testing showing that 90% of small sites were viable at 15% affordable housing. The Council’s view is that although the WPVA indicates that a higher percentage may be viable across a majority of small sites, setting the contribution equivalent to 15% affordable housing would ensure deliverability across a wide range of developments throughout the Borough. This approach also allows significant viability headroom to address concerns raised in a small number of representations regarding certain forms of small site development having less viability headroom, such as conversions.

As identified in the WPVA, there are a number of different methodologies that can be used to calculate a contribution. The Council tested three different methodologies to identify the level of contribution equivalent to 15% affordable housing. These detailed calculations are set out fully on pages 45-46 within the Housing Background Paper (HBP) 2025 (**SD013**). The contribution within Policy LP23, at £50,000 per dwelling, takes an approximate average between these three calculations.

With respect to small sites, Policy LP23 is considered to take a proportionate, justified and appropriate approach which the WPVA demonstrates would be viable on 90% of the common small site typologies.

For the minority of sites that cannot afford to make a compliant contribution, Policy LP23 instead requires these sites to provide the maximum viable contribution. The Council's view is that the process through which this maximum viable contribution would be negotiated would be administered proportionately, aided by the Council's in-house viability team, and would not materially undermine the wider process required to develop a small site. Moreover, where legal agreements are required, the Council already have draft Unilateral Undertaking templates available to speed up the process which is a similar approach to that used across the Council's shared resource base with the London Borough of Richmond-upon-Thames, which has operated a small sites affordable housing requirement since 2014.

In response to representations, the Council has suggested a potential modification (**M23/2** and **M2/3**, see Appendix) which would resolve a potential anomaly in Policy LP23 whereby small site developments would appear to be expected to provide a financial contribution towards affordable housing irrespective of whether the proposal proposes to deliver affordable housing units on-site. These modifications would establish an equivalency principle between on-site and financial contributions to improve the effectiveness of the policy.

Further information on the application of the small sites viability assessment process would be set out in a planned Affordable Housing SPD.

Question 2.13 - Is the wording of Policy LP23 clear about when major and small-scale development is required to contribute towards the provision of affordable housing?

Yes, Policy LP23 sets out clear criteria that apply to both major and small-scale developments which are conditional upon their size. The trigger for different types of contribution is clearly articulated in the use of headings within the policy and the first criteria listed (i.e. Parts B and C).

The criteria listed under each part is considered to be clearly articulated and elaborated on, where necessary, in the supporting text. Further information on how the policy will be interpreted would be set out in a planned future Affordable Housing SPD.

The Council has suggested a small number of modifications (see Appendix) which propose to add wording to the supporting text to define terms used in the policy or provide greater clarity as to how specific circumstances will be considered.

Question 2.14 - Is the wording of Policy LP23 clear about what constitutes small-scale residential development? Is the definition of small-scale residential development consistent with national policy and in 'general conformity' with the London Plan?

Yes, Policy LP23 and Paragraph 17.14 clearly define 'small sites' for the purposes of the policy as being developments of between 1 and 9 dwellings (gross). This is specifically designed to align with, but not overlap, the definition of major developments, being developments of 10 or more dwellings (gross).

The term 'small sites' is not specifically defined in national policy with Paragraph 65 referring instead to "residential developments that are not major developments". The wording of Policy LP23, as defined in the policy and supporting text, is more appropriate than this wording as it specifically avoids unintentionally scoping in developments based on floorspace.

The term 'small sites' is used in the London Plan (2021) to refer to sites of below 0.25 hectares. This is a different meaning to that used in Policy LP23, although there will be a large degree of overlap.

To assist with interpretation, the Council has proposed to supersede Paragraph 14.47 of the 2023 Local Plan, which addresses 'small sites' in the London Plan meaning, to add the following wording: *For the avoidance of doubt, 'small sites' has a different meaning for the purposes of Policy LP23, being a site capable of delivering between 1 and 9 dwellings (gross).*

The wording in Policy LP23 with respect to small-scale residential development is not a matter upon which the Mayor of London has expressed any concern on general conformity.

Question 2.15 - Do the changes to the introduction to the WLPPR, its strategic context, vision and objectives, its place making area strategies, and the supporting text to Policy LP7: Residential Development on Small Sites materially affect the WLPPR?

The Council has proposed making minor changes to the introduction and other supporting paragraphs relative to the 2023 Local Plan to provide for consistency and clarity of interpretation with the policies within the scope of the WLPPR.

These changes are considered to be generally minor and are not considered to materially alter the meaning or interpretation of the development plan as a whole. However, making such changes would avoid and resolve potential inconsistencies that might otherwise arise when the policies of the WLPPR are adopted into the development plan.

This includes, for example, ensuring that references to wider strategies and plans are updated to reflect the latest versions and that contextual information that sets out the Borough's opportunities and challenges uses the most up to date information and statistics. Including such information can serve a multitude of purposes, including to contextualise and support the wider policies of the development plan, and to inform potential applicants of useful context that may be material to the development of proposals. Consequently, the Council considers that identifying and subsequently consulting on such changes was beneficial to ensure these changes could be properly considered in context.

The Council received a very limited number of representations to these 'Other Wording Changes' as set out in the Council's Response to Representations Made at Regulation 19 (**SD010a**) and these changes, albeit minor, are considered to be justified.

Policy LP23 - Vacant Building Credit

Question 2.16 - Are the requirements for Vacant Building Credit set out in Policy LP23 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in 'general conformity' with the London Plan?

Part G of Policy LP23 states that the application of the Vacant Building Credit (VBC) is not appropriate in Wandsworth and will only be considered in limited circumstances. According to the NPPF (December 2023) and PPG, the aim of the VBC is 'to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings' (para 028 of the Planning Obligations PPG). The VBC reduces the requirement for affordable housing contributions based on the amount of vacant floorspace being brought back into use or redeveloped. The disapplication of the VBC in Wandsworth is informed by local evidence and context, as the majority of development in the Borough takes place on brownfield land where existing buildings are already present. As a result, Wandsworth has no identified need to introduce further incentives to encourage previously developed land to be redeveloped.

Applying the VBC in Wandsworth would result in an unjustified reduction in affordable housing delivery, undermining the Council's ability to respond effectively to local housing needs. This position is supported by the Housing Needs Assessment (HNA) 2024 (**SD020**), which argues that Wandsworth Council should not accept the VBC since the policy was designed to encourage the redevelopment of abandoned properties in areas with market failures which Wandsworth does not have (paragraph 4.106). Instead, the HNA emphasises the urgency for the Council to implement a

robust affordable housing strategy to address the significant need for up to 17,200 social rented homes by 2038.

The policy wording of part G of LP23 of the WLPPR is identical to part G of Policy LP23 of the 2023 Local Plan. The Examination in Public of the adopted Local Plan determined that the disapplication of Vacant Building Credit in most circumstances is justified and sound. The rationale and wording of Part G of LP23 is also consistent with the Mayor's approach to VBC as set out in the Affordable Housing and Viability Supplementary Planning Guidance (SPG) (2017). The SPG states that, in London, the VBC is unlikely to bring forward more development as brownfield land already delivers most of London's housing.

Furthermore, affordable housing requirements in London are already subject to viability testing as any developments which cannot meet affordable housing requirements can still achieve planning permission through the Viability Tested Route. Developments claiming VBC are ineligible for the Fast Track Route in line with paragraph 4.5.15 of the London Plan. To ensure that the VBC operates in a way that delivers the intention of paragraphs 20, 34, 63 and 65 of the NPPF and does not simply reduce the affordable housing requirement of schemes that would have come forward without the VBC, the Mayor's SPG encourages Local Plans to not apply VBC except in some limited circumstances.

As such, in line with the intention of the national policy, the SPG sets out four criteria that should be all met for developments to be eligible for VBC which have been reproduced in Part G of LP23. The restriction of the application of the VBC to exceptional circumstances is supported by paragraph 028 of the Planning Obligations PPG which states that the VBC should not apply to abandoned buildings and encourages authorities to consider whether the building has been made vacant for the sole purposes of redevelopment and whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development when evaluating if a development is eligible for a VBC.

Question 2.17 - Are the requirements for Vacant Building Credit set out in Policy LP23 positively prepared 'in a way that is aspirational but deliverable'?

The disapplication of the VBC in Wandsworth in most circumstances is a proactive and aspirational policy approach. It ensures that the Council retains its ability to meet the housing needs of the Borough and respond to the affordability crisis experienced by its residents. If all developments that took place on brownfield land with vacant buildings were permitted to reduce their affordable housing requirements through VBCs, the Council's capacity to secure affordable housing through S106 Agreements would be significantly undermined. As demonstrated by paragraph 4.98 of the

Housing Needs Assessment (HNA) 2024 (**SD020**), the Borough has an extremely high need for affordable housing, which is further detailed in Question 2.1.

The disapplication of the VBC except in exceptional circumstances would not undermine the delivery of housing on private sites in Wandsworth. No such effect can be evidenced since the introduction of the policy, as completions in Wandsworth have consistently exceeded the housing targets set by the current London Plan. The Council's latest Authority Monitoring Report (2023/24) (**SD029**) states that cumulative completions between 2021/22 and 2037/38 are expected to reach at least 30,058, relative to a total Local Plan housing target of 24,213 for that period. It also identifies that Council has a supply of 7 years' worth of housing over the next five years.

As highlighted in previous answers in this Statement, the policies put forward in the WLPPR have been subject to detailed viability testing as part of the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and Site Testing 2025 (**SD043**). These studies have shown that the majority of the most likely development typologies can afford to meet a higher threshold of 45% of affordable housing regardless of the inclusion of VBC, meaning most brownfield sites with vacant buildings do not need VBCs to incentivise redevelopment.

Question 2.18 - Is the Policy clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

Part G of LP23 sets out clearly the exceptional circumstances when a development would be eligible for a VBC based on four criteria that all need to be met. The wording of these criteria is consistent with the Mayor's SPG on Affordable Housing and Viability (2017). In exceptional circumstances when a development is eligible for a VBC, paragraph 2.76 of the Mayor's SPG provides further clarification on how an applicant can demonstrate that a building was not made vacant solely for the purpose of redevelopment. Additionally, paragraph 027 of the Planning Obligations Planning Practice Guidance (PPG) offers guidance on the process for determining the amount of VBC.

Appendix: Table of Proposed Modifications

Details taken from the Schedule of Proposed Modifications suggested by the Council (April 2025) (SD015)

Mod Ref	Policy Ref	Policy or Paragraph Number	Response Reference	Proposed Modification	Reason for Modification
M23/1	LP23 (Affordable Housing)	Paragraph 17.11	Mr Angus Robertson (REP085); Battersea Society (REP105).	The affordable housing policy applies to all new housing developments, including new builds changes of use to wholly residential and mixed-use sites incorporating residential use, where planning permission is required. Given the high level of need for affordable housing in the borough, the Council's priority is to maximise the delivery of general-needs social rented housing. Where forms of housing are proposed which do not contribute to this need, they will only be considered appropriate if they meet a demonstrable and specific local need, which is supported by a clear evidence base. Furthermore, proposals which propose the loss of existing affordable housing will not be acceptable unless applicants can clearly demonstrate that the loss of this affordable housing would facilitate the reprovision of at least the equivalent amount of affordable housing overall, by numbers of dwellings and/or habitable rooms, and an overall increase in the number of social rented dwellings and/or habitable rooms. The Council will look to secure this within permissions and legal agreements as appropriate.	In response to representations, this modification would provide additional clarity over the interpretation of the phrase 'net uplift' in the context of Policy LP23
M23/2	LP23 (Affordable Housing)	Part B.	Battersea and Wandsworth Trades Union Council (REP069)	Developments delivering between 1 and 9 residential dwellings (gross) are required to provide a financial contribution to support the delivery of affordable housing in the borough. The level of contribution required will be £50,000 per unit on a gross basis	This modification would resolve a potential anomaly in Policy LP23 whereby developments between 1 and 9 residential dwellings would potentially be expected to provide a financial contribution towards affordable housing irrespective of whether the

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				(subject to indexation), unless at least 15% of the units would be provided as affordable housing on-site.	proposal proposes to deliver affordable housing units on-site. This modification would establish an equivalency principle between on-site and financial contributions to improve the effectiveness of the policy.
M23/3		Paragraph 17.14		For the purposes of Policy LP23, 'small sites' are those which deliver between 1 and 9 dwellings (gross). It is recognised that on-site delivery of affordable housing would be difficult to achieve for a majority of small sites and so the policy envisages that affordable housing contributions from small sites will primarily take the form of a financial contribution. All small sites will be required to make a financial contribution of £50,000 per gross dwelling, subject to viability. However, in circumstances where it is proposed that a small site development would incorporate affordable housing on-site, no financial contribution will be required as long as at least the equivalent percentage of units (15%) would be provided as affordable housing on-site. Small site developments providing affordable housing on-site below the equivalent percentage of units (15%) will need to make a financial contribution equivalent to the difference between what is proposed and the equivalent percentage of units. All financial the contributions will be indexed annually in line with the Community Infrastructure Levy using the BCIS All-in tender price index, and the level will be assessed on the validation date of a planning application and secured through a legal agreement.	
M23/4	LP23 (Affordable Housing)	Paragraph 17.17	Wandsworth Council	Intermediate housing within the borough includes Shared Ownership and London Living Rent. Intermediate housing should be delivered in compliance with the Council's Intermediate Housing Policy. The Council's latest affordability criteria and priority allocation for intermediate housing is included within the Council's Intermediate Housing Policy and annual Affordable Housing Update Report. The Council's priority within this tenure is to deliver intermediate housing as London Living Rent as this tenure caters for households on a lower relative income. Applicants will need to justify to the Council where other forms of intermediate housing are proposed, including on viability grounds, particularly if the number of	In response to the plan-making reforms, February 2025, where it is confirmed that reforms will remove the role of Supplementary Planning Documents where the affordability criteria is normally referred to, the Council therefore considers it prudent to include this

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				social rented units proposed are impacted. Shared Ownership is unaffordable to a majority of local residents with affordable housing needs and will therefore only be accepted if it facilitates the delivery of a higher number of social rented dwellings and/or habitable rooms and this will need to be clearly set out to the Council as part of any planning application.	reference within the supporting text of the plan.
M23/5	LP23 (Affordable Housing)	Paragraph 17.18	Watkin Jones (REP009)	The Council's Fast Track Route has a minimum threshold of either 45% or 50% by habitable room depending on the type of site. Fast-tracked applications that provide between 45-50% affordable housing by habitable room, with the specified tenure mix within the policy, will not be required to submit viability information at the planning application stage. However, they will be subject to an early and late-stage review, <u>with a Mid-stage reviews may also be applicable at the discretion of the Council on large multi-phased developments.</u>	In response to representations, this modification would clarify the role of mid-stage reviews in relation to Policy LP23 and resolve apparent inconsistencies between Part D.2 of the policy, Paragraph 17.18 of the supporting text and the London Plan.
M23/6	LP23 (Affordable Housing)	Paragraph 17.20	Watkin Jones (REP009); Southern Housing (REP042)	Applicants will be expected to demonstrate that all opportunities to secure public subsidy to deliver a greater number of affordable homes have been taken, particularly for any applications which are unable to achieve 50% without subsidy. This should include proactive and ongoing engagement with <u>both the Council and Registered Providers at the earliest opportunity. The Council will support applicants to understand what public subsidy options may be available to them. Applicants should provide evidence with their applications to identify what public subsidy options have been sought and secured, and demonstrate the reasons why other public subsidy options have not been sought or secured. Evidence would include clear records of correspondence, meetings or applications with the Council, Registered Providers and/or funding providers.</u> Public subsidy would include, but is not limited to, any form of grant and loan from a public body, land received at zero or discounted value, and other funding sources available to Registered Providers such as rent receipts, receipts from sale of land, sale of shared ownership properties or similar products, and other funding a Registered Provider may provide. Applicants must make clear the level of affordable housing that can be achieved with and without	In response to representations, this modification would provide additional clarity over the interpretation of Part E of Policy LP23 which requires applicants to demonstrate how all potential public subsidy options for maximising affordable housing have been utilised.

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				subsidy as part of any application. <u>Guidance on use of public subsidy will be included in the Affordable Housing SPD and any successor document.</u>	
M23/7	LP23 (Affordable Housing)	Paragraph 17.23	Watkin Jones (REP009); Southern Housing (REP042)	<u>The Council understands that securing a Registered Provider is a fundamental part of affordable housing delivery in most cases. Registered Providers are more likely to bid for affordable housing if they are engaged early. As a result, the Council will expect all developers to ensure that they identify and seek the Council's approval of a Registered Provider to support the delivery of affordable housing on site at the time of submission of a planning application. Applicants should seek to evidence this through providing records of discussions, meetings or agreements that have taken place.</u> To confirm on-site deliverability and/or establish notional values of affordable units which reflect local housing market conditions, evidence should be provided of discussions with at least the Council's preferred Registered Providers (RPs), or any other RPs recommended by the Council (Not for Profit and demonstrating a high standard of management). <u>In exceptional cases where applicants can demonstrate it has not been possible to secure a Registered Provider early, this must be demonstrated through the provision of clear evidence. More guidance will be set out in the Affordable Housing SPD and any successor document.</u> The onus will be on applicants to pay for any viability assessment if the proposal is not policy compliant and any cost of independent assessment. If build costs need to be assessed, then applicants will also need to pay for these to be reviewed by an independent Quantity Surveyor	In response to representations, this modification would provide additional clarity over the interpretation of requirements within Part A.2. of Policy LP23 which expects applicants to provide evidence of meaningful discussions with Registered Providers which have informed the proposal.
M23/8	LP23 (Affordable Housing)	Paragraph 17.24	St George's Plc (REP111); Battersea & Wandsworth Trades Union Council (REP069)	All viability tested applications, and schemes which have been re-submitted for the Council's consideration where the original permission did not meet the threshold or required tenure split, will be subject to the inclusion of early, mid and late-stage review mechanisms at appropriate stages/ milestone(s) of the construction period. <u>This requirement would generally not include non-material amendments but may include applications to vary conditions where the application of affordable housing policy is relevant.</u> Where	In response to representations, this modification would clarify the interpretation of "re-submitted" in the context of Paragraph 17.24, specifically to acknowledge that non-material amendment applications would not trigger additional early, mid

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				reviews are required, these will be expected to follow the formula set out in the London Plan unless otherwise agreed by the Council.	or late-stage review mechanisms.
M23/9	LP23 (Affordable Housing)	Paragraph 17.25	TfL Places for London (REP087)	Affordable housing will be secured on-site by way of a legal agreement. To incentivise developers to build out their permissions in a timely manner, an early-stage review will be inserted into all legal agreements securing affordable housing with a trigger date of 24 months after the date of the decision. Other than where agreed through the Viability Tested Route, the Council will strongly resist any development which provides less than a policy compliant offer of affordable housing on site	In response to representations, this modification would clarify that developments providing affordable housing below the full requirements of the policy will not be resisted provided that this is agreed through the Viability Tested Route.