

LOCAL PLAN EXAMINATION IN PUBLIC

Position Statement on Updates to Policy 11 Affordable Housing

Planning

12 November 2024

1. Summary of this Position Statement

- 1.1 This position statement sets out details of the further discussions in relation to Policy 11 Affordable Housing since the Richmond upon Thames Local Plan Examination hearings earlier in 2024.
- 1.2 It captures the areas of agreement reached and areas of disagreement outstanding with the Greater London Authority (GLA) on behalf of the Mayor of London.
- 1.3 It is set out from the Council's perspective, to capture how discussions have addressed the Inspectors' fundamental concern that the policy should align with the London Plan in relation to the fast track viability threshold.

2. Update on Affordable Housing

- 2.1 There were further discussions during the Examination hearings in relation to the application of the Fast Track Route and associated thresholds. The Inspectors advised, as set out in the [Council's record of actions arising from hearings \(Week 3\)](#), that "Policy 11 must align with Policy H5 in the London Plan including a 35% threshold on privately owned land (or 50% on public sector land or employment sites), to give developers certainty and to aid housing delivery" (page 3). The Inspectors asked the Council to work with the GLA to agree amendments to Policy 11, to form the basis of proposed modifications that will later be subject to public consultation.
- 2.2 There were further discussions after the close of hearings between the Council and the GLA in relation to amendments to Policy 11. The Council proposed the whole policy is replaced with a new version to enable clear policy routes for applicants to follow, including the Fast Track Route, to aid clarity in implementation. The aim is to retain the clear strategic aspirations of the Council's policy approach, alongside setting out the detailed routes for major sites and small sites to be dealt with through the planning application process, retaining most of the Publication Plan Policy 11 and supporting text. This proposed modification has been put forward by the Council for consideration by the Inspectors. There will be public consultation on the Inspectors' Proposed Main Modifications expected in autumn/winter 2024/25.
- 2.3 The Council have summarised in this Position Statement progress on key issues, as there could not be an agreement on the specific wording details for an update to the Statement of Common Ground between the Council and the GLA (as originally signed 4 June 2024, [SOCCG-11](#)). The Council considers the progress made has sufficiently addressed the Inspectors' concerns relating to alignment with Policy H5 of the London Plan through reference to both the fast track and viability tested routes, to ensure there is general conformity. The Council considers further matters raised by the GLA are going beyond the high-level points discussed at the Examination which focused on the fast track and viability tested routes. Other matters would be considered on a site-specific basis through the decision-making process informed by the policy framework set out in both the Local Plan and the London Plan.
- 2.4 From the Council's perspective, there has been **agreement** with the GLA on the following matters in relation to Policy 11:

- The **inclusion of the Fast Track Route** in the policy, listed first in the policy under the sub-heading for major developments, **followed by the Viability Tested Route**.
- **Reference to Policy H5**, including the criteria set out in part C, to ensure Policy 11 is clearly in general conformity with the London Plan.
- Agreement from the GLA on wording to require evidence of meaningful **discussions with Registered Providers** within Policy 11.
- Agreement to remove the reference in the Publication Plan to **refusing applications** if the minimum level of on-site affordable housing was not provided (part E).

2.5 From the Council’s perspective, there are a number of areas of **disagreement** remaining with the GLA in relation to Policy 11. Where an issue of general conformity is raised by the GLA this is highlighted in **red text**. The reason(s) for the respective positions has been set out by the Council:

- The **umbrella terms in the definition of affordable housing** have been discussed. The GLA commented regarding the use of Affordable Rented in place of ‘low-cost rent’ within the definition and Policy 11 and supporting definition, stating *“it is recommended that low-cost rent is used as the overarching term for social rent and LAR, which is consistent with the London Plan and avoids confusion with affordable rent at up to 80% market rent”*, however this was not raised as a general conformity issue. The Council’s approach to defining genuinely affordable housing was set out early in the preparation of the Local Plan and is considered to accord with the NPPF, the evidence base and other Council strategies to reflect priorities. The Council suggested an amendment to use the umbrella term Rented Affordable to avoid confusion and have included this within the definition specifying Rented Affordable includes Social Rent and London Affordable Rent. The GLA seek clarity the terms refer to homes based on Social Rent levels, to reflect the Mayor’s preferred housing tenures (at paragraph 4.6.3 in the London Plan) and should be included as a footnote or glossary in the Local Plan.
- In reference to the **tenure split** in Policy 11, the Council’s suggested the inclusion of “will require a minimum affordable housing tenure split of 70% Rented Affordable housing and maximum 30% Intermediate housing by habitable room”. This was intended to offer clarity, that the priority is for Rented Affordable housing, and reflects the LHNA. Recently the GLA have raised concern at using the terms "minimum" and "maximum" in this context, as any changes to the tenure beyond the 70/30 split would conflict with London Plan Policy H6.
- Inclusion of a **preference** for the Fast Track Route (the GLA position) or for the Viability Tested Route (the Council position) was discussed, in relation to both the policy itself and the supporting text. The Council felt it had been agreed a preference should not be specifically expressed within Policy 11, to neutrally reference both routes, in a way that the policy is clear that either route can be used. The GLA do not agree, as the London Plan preference on the Fast Track Route is clear - if an application meets the relevant thresholds set out in London Plan Policy H5, it should go down the Fast Track Route, rather than letting the applicant choose which route to be used, to incentivise applicants to try and achieve the thresholds for the Fast Track Route. **This is raised as a general conformity issue**. The Council had suggested a reference in the supporting text to the Council’s preference to promote to applicants to use the Viability Tested Route, which the Inspectors had indicated as an option for the Council provided the high-level conformity in Policy 11 was addressed. The GLA consider it is not acceptable for the supporting text to set out the Council’s preference for the Viability Tested Route, and this sentence should be removed.

- The GLA are concerned that **references in the supporting text to Policy 11 undermine the London Plan threshold approach** and **raise general conformity issues**. The GLA consider the inclusion of references to the Viability Tested Route within Policy 11 as a contradiction to supporting text which states that viability testing should be exceptional. The GLA seek to include a reference within Policy 11 to paragraph 4.5.1 of the London Plan which strongly encourages applicants to take the Fast Track Route by providing the threshold level of affordable housing and meeting other Development Plan requirements to the satisfaction of the borough, which the Council do not consider is necessary. The GLA commented on the wording within the supporting text which states *“The Council’s preference is for applicants to use the Viability Tested Route if less than 50% affordable housing is provided”*. Commenting that setting this preference would raise a general conformity issue with the London Plan and would contradict the supporting text which states viability testing should be considered exceptional. The Council’s position is that the proposed wording is reflective of the Council’s preference to use the Viability Tested Route and would be acceptable within the supporting text.
- The details of the policy approach to **employment land in viability** has been discussed. The Council had included details in the policy including specifying in the Fast Track Route that industrial sites in the borough are the Council’s Locally Important Land & Business Parks and any non-designated industrial land. The Council suggested the inclusion of “employment” in place of “industrial” sites in the Viability Tested Route, which is **considered by the GLA as a general conformity issue** as the 50% threshold should only be relevant to industrial and publicly owned sites, in line with Policy H5, where development would result in a loss of industrial capacity as otherwise a 35% threshold would apply (London Plan footnote 59). The GLA’s position is that applying 50% to all employment sites risks more applications going down the Viability Tested Route and risks the effective operation of the threshold approach in the London Plan. The Council’s position is that a wider definition including employment sites should apply, which has formed a long-standing policy approach continued from previous Local Plans, which was not discussed in the Examination hearings. Although the Council understand the arguments put forward by the GLA, the Council considers it highly important to set a policy requirement for 50% affordable on all employment sites, not just industrial land. As per the London Plan examination report (paragraph 196) the approach included within the London Plan includes the following; *“The approach to industrial land aims to ensure industrial floorspace is reprovided, in accordance with policies E4-E7, whilst safeguarding against overpayment for sites suitable for residential development”*. The Council considers the 50% threshold should be no different across all employment land, to align with the aspirations of the London Plan to prevent employment sites from having artificially inflated land values as a result of a lower threshold being applicable. In addition this would also support the delivery of higher levels of affordable housing within the borough which are much needed based on the findings of the Local Housing Needs Assessment. The narrowing of this policy requirement to only industrial land would further undermine the Council’s ability to aspire to deliver 50% affordable housing on a range of types of sites across the borough. The GLA do not agree, as there are differences between commercial and industrial sites in terms of the nature of use as well as land value, and believing the Council’s approach will likely result in more applications following the Viability Tested Route and secure less affordable housing. The GLA consider applying the same affordable housing threshold for office and industrial at 50% means it conflicts with the London Plan and that fewer office sites would likely come forward for redevelopment compared to industrial sites.

- The GLA commented regarding the inclusion of an 18 month early stage **review mechanism** within the supporting text to Policy 11, however, this was not raised as a general conformity issue. The GLA view is this is overly stringent and seek reference to 2 years to reflect the London Plan requirement. The Council's position is that this was included in the Publication Plan as within the borough there are a high number of dwellings permitted (as set out in the Housing Delivery background topic paper ([SD-019](#))), but lower levels of completions recorded in recent years. Therefore, incentivising quicker delivery will help the Council to meet its housing target.
 - The GLA commented recently on the Council's suggested modification to **update the affordable housing need** figure referenced in the supporting text - the LHNA estimates a net annual need of 1,123 affordable rented and ~~552~~ 284 affordable home ownership products to be provided between 2021-2039. The GLA queried the change of the figure, as the Council's [own evidence](#) at paragraph 4.4 states that 'the report suggests there is a need for around 552 affordable home ownership units each year...' The report then states that there might be supply for 537 homes, which means a requirement for between 15-552 homes a year. The GLA noted that the Council have gone for a middle figure by all accounts, which is not considered to be the appropriate approach, as the need figure is still 552. The Council's suggestion (set out originally in [LBR-002](#)) was to correct an error and reflect the update to the Local Housing Needs Assessment ([2023 update](#)) (SD-056), which included a reasonable refinement of the net need for affordable home ownership to around 284 homes per annum (as specified at paragraph 4.6).
- 2.6 As part of discussions within the Examination hearings the Council made it clear that once the Local Plan is adopted a review of relevant Supplementary Planning Documents would be undertaken, including the Affordable Housing SPD which would reflect the emerging Local Plan and clearly set out the Council's aspirations for the delivery of affordable housing within the borough. This can also signpost to relevant guidance in the London Plan Guidance (LPG) covering affordable housing and development viability.
- 2.7 The Council's suggested amendments to Policy 11 will be set out in the Council's record of Key actions arising from hearings– post hearings follow up (to be published separately).