

# GLA Consultation on ‘Supporting Housebuilding in London LPG’ – December 2025

## Richmond Council Response

### **Part One: Cycle Parking**

**Question 1: Are the proposed changes to the cycle parking standards, in conjunction with the wider package proposed by this consultation, likely to make a material difference to the viability of residential schemes while still providing sufficient cycle parking to enable sustainable growth in London and mode shift?**

The Council considers it important that the occupants of new developments are appropriately encouraged to make sustainable transport choices, including by making it as convenient as possible for them to access, park and store bicycles (and similar vehicles) close to their residence, places of work and the places they visit. As has been widely recognised in national, regional and local strategies, including the Richmond Active Travel Strategy<sup>1</sup>, equipping communities with the tools they need to make positive decisions towards active and sustainable transport modes helps to unlock a multitude of benefits, including to promote healthier lifestyles, to alleviate and avoid congestion, noise and pollution, and to improve local sense of place and character.

The Council recognises that the application of minimum standards for cycle parking and storage helps to ensure that the occupants of new developments are enabled to cycle. The Council does however acknowledge that overly rigid application of cycle standards may, at times, be inappropriate and that since the preparation of the 2021 London Plan, other models of bicycle use, such as docked and dockless bikes for hire, have become more popular. As a result, the Council would take a flexible approach to the application of standards where specific circumstances justify flexibility.

The Council notes that one of the measures proposed as part of the consultation document is the time-limited substitution of the existing cycle standards set out in Table 2.1 of the London Plan with a series of slightly lower standards which will vary by Borough based on which of a set of pre-defined ‘bands’ a local planning authority falls within. Notwithstanding the wider comments made below, the Council welcomes the fact it has been placed in Band 1 where the highest standards continue to apply.

Whilst the Council acknowledges the need for measures to support housebuilding and that a modest reduction in cycle parking standards may have a marginally positive impact on viability in some cases, it considers that, when set against the wider challenges facing the housebuilding sector, including poor absorption of market

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<sup>1</sup> [richmond-active-travel-strategy.pdf](#)

housing, high build costs and high borrowing costs, the influence of cycle standards on viability will generally be negligible. The Council notes the list of potential ways in which it is considered that relaxed cycle standards may improve viability at Paragraph 2.3.4. With respect to point 1, for example, the Council considers it very unlikely that basements are being routinely provided on schemes with the sole purpose of accommodating cycle parking, and would suggest that, where provided, basements often also include space for plant, other building infrastructure, and resident facilities (e.g. swimming pool/gym), refuse and recycling storage, and vehicular parking, so that the ground floor of a building can be another land use with an active frontage, such as a commercial one.

As a result, the Council considers it very unlikely that a modest reduction in cycle parking standards will, in isolation, have a material impact on whether currently unviable developments come forward, yet it would be a point of concern if lower standards were brought forward in more viable developments without the need for any justification. To ensure the level of cycle parking is justified, the Council would encourage the need for proportionate evidence which allowed for a transparent and fair appraisal of the relationship between cycle parking provision and viability on a particular scheme, given the potential harms caused by the reduced take-up of cycling.

In general, and as is acknowledged by Paragraph 2.2.2 of the consultation document, whatever minimum standard may apply, the Council will still want to be satisfied that the provisions for cycle parking are appropriate, in terms of quantity, quality and siting, in the context of any particular development. The Council welcomes the recognition in the consultation document that authorities can continue to apply higher standards where locally justified.

**Question 2: Do you consider that the guidance on flexibility and quality in sections 2.3 and 2.4 of the guidance will address development viability and cycle parking quality challenges?**

The Council has no objection to the principle of taking a more flexible approach to considering alternative forms of cycle parking to contribute towards minimum standards provided that there is an appropriate balance between these forms, having regard to local circumstances, and provided that the overall balance of cycle parking provided fulfils the overall objective of enabling and encouraging the occupants of new developments to take up sustainable transport modes by making the access, parking and storage of bicycles as convenient as possible.

It would, however, wish to ensure that any relocation of cycle parking from within a development to a more communal off-site model needs to be carefully considered in the context of separate proposals relating to CIL relief. It clearly would not be

acceptable for developers to off-site their cycle provision if there was any uncertainty as to whether this off-site provision is capable of being delivered. In instances where the Council accepts some degree of off-siting in relation to cycle parking, it may be necessary to use planning obligations to ensure their delivery.

With respect to Option 1 (provision of space for public cycle or scooter hire), the Council notes that some developments already provide these facilities through a payment to TfL for bicycle docking stations. These can either be installed on the adopted highway or on private land.

On Option 2 (managed on-site shared cycles or scooters), the Council notes that some flatted developments are built and provided without a visible and active management company whose employees are on site. Development Management Plans, which can be secured by planning conditions, could secure this, but it would be subject to the agreement of the planning applicant.

The Council considers Option 3 (the additional provision of on-street parking such as cycle hangars) to be reasonable, subject to local circumstances and an appropriate Traffic Management Order being successfully made. The Council also considers Option 4 or 5 (storage for folding cycles and contributions to off-site communal parking respectively) to be reasonable in principle subject to any communal cycle parking being secure and of a high standard, the space on the highway being available, and the applicant agreeing to either maintain the cycle parking or pay the Council a commuted sum to maintain it.

As stated above, the Council considers the principle of additional flexibilities to be unobjectionable but would emphasise that the Council, as part of determining any planning application, would still be required to satisfy itself that the form and balance of cycle parking provided is appropriate in a given context. The LPG should therefore avoid any implication that the additional flexibilities, noting the objective of the flexibilities in relation to viability, have been introduced to allow applicants to pursue a more viable configuration of cycle parking provision regardless of whether this delivers an overall level, form or balance of cycle parking that meets the Council's expectations.

Whilst some of these additional flexibilities may marginally improve viability on some sites, the Council considers it unlikely that these measures will have a measurable impact on viability in isolation.

## **Part Two: Housing Design Standards**

**Question 3: The GLA welcomes views on the proposed changes to the housing design standards.**

The Council notes the proposals as part of the consultation to withdraw Standard C4.1 and B2.5 of the Housing Design Standards LPG (2023). This would have the practical consequence of removing the requirement for all new homes to be dual aspect and removing the cap on the number of homes accessed by a single core (currently 8).

The Council notes that the justification for the measures included in the LPG relates to addressing the challenges facing London's housebuilding market and are generally described as "emergency" measures. For this reason, the measures within the LPG are typically time-limited. However the Council notes that, in relation to the proposal to withdraw Standard C4.1 and B2.5, the proposals appear to be permanent.

The Council is concerned that that the proposals, rather than encouraging development to commence, may incentivise developers with existing consents to resubmit applications where there is an implied opportunity to increase the density, or otherwise improve the viability, of their site. Whilst, in limited circumstances, this may mean developments coming forward which otherwise would have remain stalled, it is likely to also mean that developments that could have come forward without the measures now have an incentive to not implement their permissions and instead return to the Council for a new permission, delaying the delivery of new housing.

Overall, the Council's view is that it is very important that new homes are delivered to a high standard which promotes a healthy living environment. There is ample evidence which draws links between the quality of a person's home and a range of health and socioeconomic indicators. There is also particular concern over the impacts of climate change on people's living conditions and heightened risks, particularly in London, of overheating. In that context, the Council supports the principle of maintaining ambitious housing standards which help to ensure all households benefit from a healthy living environment, both now and into the future, and as a means to ensure we do not permit buildings that will require extensive retrofit in the future to maintain that healthy living environment through, for example, the need for mechanical ventilation to make them liveable. Given the LPG is not policy, the Council would wish to avoid any implication that the publication of a revised LPG would automatically displace existing London Plan and Local Plan policies relating to housing standards, or that it establishes a presumption that local planning authorities will be expected to accept lower quality development in their areas. The Council considers it important that the LPG explicitly acknowledges that all developments will continue to be required to achieve a high-quality living environment in accordance with adopted policies and that any deviation from adopted policies would continue to need to be justified by exception.

Nevertheless, the Council recognises that there may be some circumstances where planning policies on housing standards have "doubled up" with Building Regulations or the role of the Building Safety Regulator, or where policy standards have been set at a certain level of compliance with Building Regulations where those regulations have

subsequently been updated, or prior to the Building Safety Regulator being established. The Council also notes that, at times, this doubling up means that the local planning authority is required to take a view on matters which are subject to separate regulatory regimes within which they are not necessarily qualified.

With respect to Standard C4.1, the Council considers that the overall policy objective that every new dwelling should be dual aspect should be maintained in line with London Plan Policy D6 for the reasons it sets out above, including the need to secure a high quality living environment and minimise the need for future retrofit. The Council notes its own Local Plan requires the provision of dual aspect dwellings to be maximised and for single aspect dwellings to normally be avoided, in accordance with London Plan Policy D6 and paragraphs 3.6.4 and 3.6.5. Given the policy position established by London Plan Policy D6, and provided all relevant Building Regulations continue to be complied with, the Council does not object to the ability for local planning authorities to consider single aspect dwellings acceptable in extremely limited circumstances where there is clear evidence that all dwellings would have adequate passive ventilation, daylight, privacy, avoid overheating and where the overall benefits of the development provide a clear justification. However, any change to the LPG should make it clear that the withdrawal of Standard C4.1 does not change the overall policy position on single-aspect dwellings which, in line with Policy D6, will continue to require specific justification.

The Council notes that a limit on the number of homes to be accessed by a single core is fundamentally a matter of building safety and that these matters are typically addressed through the Building Regulations. The Council supports the principle of controlling the number of homes accessed by a single core to ensure building safety, however, based on the consultation materials, the Council understands that it may be possible for a development to be designed in such a way that the relevant Building Regulations on fire safety can be met with a slightly higher number of dwellings per core than is stated in Standard B2.5, or indeed that such matters may instead fall to be agreed by the Building Safety Regulator for relevant developments. Provided that in all instances the relevant Building Regulations and necessary Building Safety Regulator approvals are met, the Council does not oppose the principle that attempts to control these issues through planning could be relieved.

### **Part Three: Affordable Housing Planning Route**

**Question 4: The GLA welcomes views on the time-limited planning route.**

**Do you agree that this will support the early delivery of housing development whilst also maximising affordable housing provision in the short term? Are there any changes to the approach that would more effectively achieve these objectives?**

The Council has a significant and urgent need for affordable housing, particularly social rented housing. The Council's Housing Needs Assessment<sup>2</sup> (2023) identifies, for affordable rent, an unconstrained need for 1,123 affordable homes per annum across the borough, and an additional need for 284 affordable homes per annum for affordable home ownership. Compared to the Borough's capacity-constrained housing target of 411 homes per annum, these unconstrained figures represent an extremely acute affordable housing need. In short, the Borough's unconstrained need for affordable housing exceeds, by over three times, the overall number of all homes it expects to be built each year. Similarly, nearly 4,000 households are currently on a Council housing waiting list, of which over 400 are homeless, and many others are living in inadequate or overcrowded conditions. There is a wide range of research identifying the socioeconomic imperative for properly planning for national and local social housing needs.

The Council recognises that housebuilding in some areas of London is experiencing a period of challenge due to build cost inflation, high interest rates, macroeconomic uncertainty and delays with the Building Safety Regulator. The Council supports the principle of taking targeted action that address the root causes of these challenges and which help unlock developments that are legitimately stalled due to current market conditions.

However, the Council has a number of significant concerns over the justification, effectiveness and legal status of the proposed time-limited planning route, which it sets out in detail below.

### **Lack of Appropriate Targeting or Local Justification**

The Council is deeply concerned that the proposed new time-limited planning route is inadequately targeted as proposed. The new route will not simply provide some additional flexibility to support those less viable sites which genuinely cannot afford to meet current policy requirements on affordable housing. Rather, the new planning route will incentivise developers to actively reduce the level of affordable housing provided even on the most viable sites without the need for any viability testing or site-specific justification that would have otherwise been captured through the Viability Tested Route.

The Council is concerned that introduction of the new time-limited planning route is largely justified by the statement that developments across all areas of London are struggling to deliver more than a negligible level of affordable housing, and that this new route will therefore increase the amount of affordable housing secured from

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<sup>2</sup> [Local housing needs assessment 2023](#)

development. This predicted outcome of the intervention assumes an unrealistic degree of homogeneity across London's housing market. In Richmond, the Borough has an extremely acute need for affordable housing but relatively few large or strategic sites where affordable housing can be delivered on-site. Once planning permission is granted on these sites, opportunities to deliver much needed affordable housing to meet local needs will be lost for at least a generation. In these circumstances, it is imperative that opportunities to maximise affordable housing delivery are not undermined by insufficiently targeted measures which provide applicants of more viable sites with an incentive to cap their affordable housing contribution at 20%. The Council is concerned that the practical impact of the proposed new route is that developments which could have clearly afforded to deliver 20-35% affordable housing are now incentivised to only deliver 20%. As a result, these developments will have a legitimate route to trading lower affordable housing contributions for abnormal levels of developer profit that exceed industry standard.

Whilst the Borough continues to have few larger sites, positive and active work by the Council has meant the number of affordable homes permitted in the borough has continued to improve over the past 5 years, with the average share of affordable homes secured standing at 28%. The proposed new planning route risks undermining these gains. As stated in responses to subsequent questions, applicants with extant permissions will have an incentive to submit a new planning application with the aim of reducing affordable housing levels knowing they will not be required to provide specific evidence demonstrating their extant permission is undeliverable. A far more targeted approach is needed so that any flexibility is only available to developments where there is robust evidence that they would otherwise come forward with less than 20% affordable housing. However, in these circumstances, the Council considers that the Viability Tested Route already offers a practical and proportionate process for managing less viable sites with an appropriate degree of scrutiny. As set out in detail elsewhere, the Council is also concerned about the ability for applicants under the new route to trade affordable housing for CIL relief in a way that further undermines the public benefits of new development without sufficient site-specific justification or clear evidence. This is especially concerning as developments with higher levels of affordable housing typically require more services and facilities, as, for example, affordable housing includes generally higher proportions of families with children than market housing, meaning access to school places and relevant facilities will be a greater consideration.

### **Undermining of Evidence-Based Planning Policies**

The Council wishes to emphasise that affordable housing requirements in Local Plans have to go through rigorous testing, including whole plan viability testing, as well as the

detailed analysis of past levels of affordable housing delivery and levels of future housing need. In line with national policy, all of this evidence is soundly balanced in the justification of affordable housing requirements both in relation to the overall level of affordable housing required and the tenure mix. For this local and evidence-based approach to be effectively superseded by an approach which offers no specific evidence of its own risks undermining the primacy of the plan-making process, which is a key tenet of planning law. It risks sidelining proper process through which a range of individuals and organisations will have influenced the Local Plan process by commissioning and appraising evidence, comparing policy options, responding to consultations or attending Examination in Public hearings. The legal basis for superseding key strategic policies in the London Plan and Local Plans through London Plan guidance is also a point of concern. The Council recognises that London Plan guidance cannot introduce new policy, and must be consistent with the London Plan. In this case, neither requirement has been met. Due to the lack of this evidence, the Council considers an LPG to be an inappropriate method for introducing new policy that operates at the same level of instruction as a London Plan policy. The Council also considers the new planning route to be inconsistent with the current London Plan which is contrary to the GLA's own description<sup>3</sup> of what an LPG can be.

The Council has recently been through a Local Plan process with the Richmond Local Plan having been adopted in October 2025. As part of this process, the Council prepared detailed evidence which has been made available for public scrutiny, including a Housing Needs Assessment and a Whole Plan Viability Assessment<sup>4</sup> (2023). The Council's Whole Plan Viability Assessment demonstrated that, whilst there is variation in the viability of developments expected to come forward in Richmond, a 50% overall requirement would deliver the greatest amount of much needed affordable housing overall. For conformity with the London Plan, the Local Plan was modified prior to adoption to allow access to the Fast Track Route which sets the effective requirement upon developments at either 35% or 50%. However, there is no evidence in the Local Plan or its supporting evidence base that points to a lower threshold of 20%, of which half could potentially be publicly funded, being justified or effective on the basis of viability. The Whole Plan Viability Assessment also clearly identifies that the least viable development typologies in Richmond, which would be those mostly likely to deliver more affordable housing under the new route, are not expected to be a significant supply of housing. For the majority of sites which could viably deliver in excess of 10-20% affordable housing, as evidenced by the Whole Plan Viability Assessment, the

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<sup>3</sup> "LPGs have no specific statutory weight and cannot create or change London Plan policies. However, they are considered to be a material planning consideration in the same way as SPDs at a borough level; and can add further, more detailed guidance as to implementation of the London Plan and assist in achieving key objectives in practice. " [London Plan Guidance | London City Hall](#)

<sup>4</sup> [Local Plan Viability Assessment 2023](#)



availability of the new planning route will create a clear incentive to cap their contribution at 20% without any site-specific viability justification at the opportunity cost of delivering much-needed affordable housing.

### **Impacts on Land Values and Long-Term Viability**

While the Council notes that the new time-limited planning route would technically exist alongside the Fast Track Route, significant take-up of the new planning route would clearly undermine the purpose and functioning of the Fast Track Route. The Council understands and accepts that part of the rationale for a universal affordable housing fast-track threshold across London has been to embed the 35% affordable housing requirement in land values in order to improve the ability for a typical development to “afford” the affordable housing contribution. The GLA has iterated this point across all of the recent policy and research documents as well as consultation responses to London Boroughs. In the *Accelerating Housing Delivery* Practice Note published in December 2024, the GLA has also confirmed it will continue to raise general non-conformity with the London Plan if boroughs intend to change the applicable threshold. The Council considers that it would logically follow that a legitimate lower threshold, even if only in place for a limited period of time, is likely to have an inflationary impact on land values. As such, the current proposals for a new planning route thus contradict the GLA’s previous evidence on retaining the 35% threshold and undermine the aim and effective functioning of London Plan policy H5. The Council would welcome analysis of what impact the new planning route can be expected to have on land values, so that these impacts, and the potential long-term implications for affordable housing delivery, can be properly appraised. Likewise, there are risks of knock-on financial impacts upon Councils in relation to temporary accommodation, which are likely to be exacerbated as a result of the proposed policy changes as fewer new affordable homes will become available in which to permanent house those using temporary accommodation. For these reasons, the Council is concerned that the proposed time limited route is unlikely to address the underlying challenges facing housing delivery in London in the short-term, resulting in these policy changes needing to be extended. It could also have repercussions for years to come with inflated land values that will make any re-implementation of a higher threshold even more challenging, together with lasting negative impacts for households living in temporary accommodation.

### **Lack of Available Evidence or Impact Analysis**

It is vital that new policy of any kind, but particularly policy that relates to a matter as important as affordable housing, is properly informed by evidence and public scrutiny of that evidence. It is not clear whether an evidence-led approach has been taken to developing the new planning route. This is despite the fact that the GLA’s engagement

with the Council's Local Plan making process placed great emphasis on evidence in plan-making. It is a matter of particularly deep concern that the new planning route is not supported by any new housing needs or viability evidence. The consideration of potential impacts appears to be completely speculative. Where development plan policies differ from the new planning route, and the Council's evidence indicates that the new planning route is not justified, the extent to which this LPG can be considered a material consideration holding material weight is fundamentally limited by the lack of objective evidence that has been made available for scrutiny. The Council would strongly encourage the GLA to prepare clear evidence which identifies the proportion of developments likely to be viable at existing policy levels and under the new planning route, and analysis of the consequential impact on affordable housing delivery that can be expected from the new planning route (positive or negative) prior to introducing the new planning route.

The Council would also raise concerns regarding the proposal to allow developments which include a GIA of 50% or less as either student accommodation or shared-living accommodation to be able to apply the lowered affordable housing threshold. The Council cannot find any justification or evidence provided to base this figure on. These forms of accommodation are highly viable and their inclusion in mixed use developments often has a significant positive impact on the viability. The Council would recommend this threshold is lowered to no more than 25% of the total GIA. The Council would also support the availability of clear evidence to justify the application of this threshold within the guidance, illustrating how this has been derived.

### **Lack of Impact on Root Causes of Poor Build Out**

In relation to evidence, the GLA's background report explores a range of factors that are negatively impacting London's housing market at this time, including build cost inflation, declining sales rates and delays with the Building Safety Regulator. The Council acknowledges that these factors are having a negative impact on London's development market and would support, in principle, targeted interventions at every tier of government to address these factors. However, it is not clear from the background report how the proposed new planning route seeks to address any of these factors. Importantly, the proposed new planning route also lacks theoretical justification and a clear evidence base. If the main concern in the development market is the lack of effective demand of market for sale units, then the lowering of affordable housing contributions is not going to have any impact on insufficient demand. If anything, a higher share of for sale market units will saturate the private housing market even further, impacting open market values. In the current market conditions, it is reasonable to expect that developers lower the price of market units and reduce completions to reflect the new market conditions and improve demand. This should be considered as

part of the normal behaviour of private developers as the risk of lower levels of actual profits is already reflected in the viability assessment. Developers are allocated between 15-20% of profit from for sale market units which reflects the risk associated with market for sale units not selling at the estimated price. Other products such as Build-to-Rent or Affordable Housing are allocated significantly lower levels of profit, of around 15% and 6% respectively, since the estimation of their Gross Development Value (GDV) is associated with a significantly lower level of risk due to higher demand for private rented and affordable rented housing products. As such, it is important to note that the 15-20% level of profit is not guaranteed to developers but instead attributed to the level of risk associated with the valuation of a specific housing product. A lower level of actually achieved profit due to changing market conditions is the normal operation of the viability assessment. In this situation, the market should be allowed to go through a correction without the risk of embedding lower affordable housing contributions into land values. If support is required for housebuilders, the Council considers that the logical conclusion of the background report ought to be that targeted interventions are urgently needed to help improve demand for new homes, the availability of affordable housing and the affordability of market housing, as well as addressing some of the strains on build cost such as known delays with the Building Safety Regulator.

With respect to sales rates, the Council notes that the market is currently experiencing challenges with sales of market housing due to the general unaffordability of this housing, buyer concern relating to the lack of regulation of service charges and a reduction in the willingness of investors to purchase housing off plan. The consultation appears to suggest that the new planning route will help to improve build out by increasing the amount of affordable housing on-site (and therefore reducing the amount of market housing that developers are required to sell). This is on the basis that a lower percentage of affordable housing would happen without the route. However, as explained elsewhere, this is clearly not the case for the significant number of developments which have been recently consented at a higher level of affordable housing than the proposed new route and the developer now has a financial incentive to return to the Council to negotiate a lower percentage. By not limiting any additional flexibilities to those sites which genuinely require them for viability purposes, the proposed LPG is likely to actually harm build out by considerably reducing the amount of affordable housing delivered on more viable sites.

### **Lack of Justification Against Existing Mechanisms**

The Council is also concerned that the new planning route will displace the role of the Viability Tested Route. It is not clear why the Viability Tested Route is not seen as an effective mechanism for reaching a considered view on the maximum level of

affordable housing achievable on a particular scheme, whilst not offering charity to developments which do not require it. The Council's view is that the notion that the VTR causes long delays is often exaggerated and that viability negotiations are routinely concluded before many other issues. The Council would welcome the GLA publishing objective analysis of the actual timescales involved with the VTR so that these can be compared with the hypothetical timescales involved with the new planning route. The Council's view is that there is unlikely to be any material advantage to following the new planning route in terms of time to decision. Other factors such as delays with the Building Safety Regulator and the time it takes for the GLA to approve grant rates have a considerably more significant impact on slowing down the delivery of housing. The Council would welcome an analysis of the impact of determining applications that go through the Viability Tested Route in context of the impacts of these other delays.

In summary, the Council does not agree that the proposed new time-limited planning route will support the early delivery of housing development or maximise affordable housing provision in the short term. The Council recommends that the GLA applies the same standards of evidence to its policy-making process that it expects from London Boroughs by producing a Whole Plan Viability Assessment and a Housing Needs Assessment. If a lower affordable housing requirements is justified through this evidence, the Council suggests that the GLA use appropriate mechanism for introducing new policy such as revising the London Plan.

**Question 5: Do you agree with the proposed eligibility criteria for the time limited planning route? The GLA welcomes any views on whether this will, and how this better can, help to achieve the objective of increasing housing supply and supporting early delivery whilst also maximising affordable housing provision in the short term**

Please see the Council's response to Question 4 which is relevant to this question with respect to the thresholds that would apply.

With respect to tenure, the Council is concerned that the threshold proposed under the new planning route is not justified when considering the urgent and severe need especially for social rented housing. The Council's policy requires 70 per cent of affordable housing to be social rented, which has recently been examined and is a sound policy position that has been informed by evidence on both housing need and viability. The Council is concerned that the proposed tenure will underprovide social rented housing relative to need and is inconsistent with the previous position published as part of the GLA's Planning and Housing Practice Note (December 2024), which sought to respond to market conditions by prioritising the delivery of social rented

housing to generate interest from Registered Providers on bidding for new affordable homes on developments.

On a site-specific basis, the lower affordable housing threshold proposed will most likely result in lower numbers of affordable homes delivered. Given that Registered Providers typically seek economies of scale when bidding for affordable housing (often at least 40 affordable homes on one site), this could generate negative impacts on the delivery of affordable housing if it leads to the number of affordable homes on a particular site falling below the threshold at which Registered Providers are interested. Given that, in Richmond, only a handful of schemes in a Local Plan cycle exceed 200 dwellings in size, this could drastically and disproportionately impact on the future supply of affordable homes. This will also act contrary to the positives brought about by the 2024 Practice Note and the visible improvements in relation to interest from Registered Providers as a consequence of schemes receiving grant to 'flip' units to Social Rent and/or use of the equivalency principle to prioritise the delivery of more Social Rent homes.

If it is the GLA's view that the proposed tenure split is required to maximise viability then it should make its detailed viability assessment available for public scrutiny. In the absence of this evidence, the Council does not consider there to be any justification to depart from its recently examined Local Plan policy position.

Notwithstanding the Council's wider concerns, it welcomes the decision to exempt PBSA and PBSL from any new measures. Whilst remaining relatively uncommon in Richmond, both products appear to have become disproportionately viable relative to conventional housing, and we understand there is an increasing risk across parts of London that the prevalence of PBSA and PBSL imbalances land supply away from conventional housing. Given that London Plan policy does not require these products to deliver conventional affordable housing on-site, an oversupply of these products risks further undermining efforts to meet severe and urgent needs for affordable housing. However, as mentioned above the Council consider that the current threshold applied where the new route is applicable for sites which include 50% of the total GIA floorspace of less as PBSA or PBSL. As above the Council would recommend this threshold is lowered to at least 25 of the total GIA being either student or co-living. In addition any threshold should include clear evidence to justify the application of this threshold within the guidance, illustrating how this has been derived, which as mentioned above, would be required as part of any Local Plan examination.

Likewise, whilst the Council has wider concerns over the implications of changes to Green Belt policy, it welcomes, in principle, the proposal to exempt land in the Green Belt from any new planning route. Development in the Green Belt, where justified by exception, will generally be able to afford a much higher contribution towards

affordable housing, due to the existing use value generally being low due to planning restrictions and it is important in any event that a high contribution towards affordable housing is secured to help off-set any loss of Green Belt as a scarce resource, in line with the principles of the “golden rules” set out in national policy.

**Question 6: Do you agree that the proposed approach to grant will help to achieve the objective of increasing housing supply and supporting early delivery, whilst also maximising affordable housing provision in the short term? To what extent will this help to support the acquisition of affordable homes secured through the planning process by Register Providers?**

The Council welcomes the availability of additional grant towards affordable and social housing. However, it is concerned by the proposal that grant will be automatically available to make up half of the minimum 20 per cent affordable housing contribution without any viability testing, or at least a viability assessment that is available for officers, Councillors and the wider public to view. As set out across the Council’s comments, it is concerned that the new planning route offers an opportunity for developers of sites which can demonstrably deliver more than 20 per cent affordable housing to reduce their contribution and make an abnormally large profit. In this context, the availability of grant as part of that 20 per cent risks trading private capital, which in many cases will have already been committed to delivering that affordable housing, for public funding, without an assessment of whether that public funding is actually needed to make the scheme deliverable. In such instances, public funding may be used where not strictly required, releasing that private capital for abnormal profit. The Council’s view is that grant should instead be used to increase the amount of affordable housing to be delivered above that which can be delivered through private capital alone. This would still have the effect of making schemes more deliverable, by increasing the amount of affordable housing on a site, which has been demonstrated through Lichfield’s analysis<sup>5</sup> to have a positive impact on build out rates given that it limits the amount of market housing on-site which is the product that is currently hardest to sell.

The Council would also recommend that consideration be given, outside of the new planning route, to making the level of affordable housing where grant can be considered more flexible to incentivise delivery. This should be focussed on stalled sites. Within existing London Plan policy, grant is only considered if a site is delivering a minimum 35% affordable housing from the developer. However there are many sites where a lower level of affordable housing is shown to be the maximum achievable through developer-funding alone, yet the layout and design of the site would lend itself to additional affordable housing being delivered through grant. A good example of this is

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<sup>5</sup> [lichfields.uk/media/w3wjmw0/start-to-finish-3\\_how-quickly-do-large-scale-housing-sites-deliver.pdf](https://lichfields.uk/media/w3wjmw0/start-to-finish-3_how-quickly-do-large-scale-housing-sites-deliver.pdf)

the Stag Brewery site in Richmond, where the site has been rigorously viability tested, with the maximum level of affordable housing that can be delivered as 7.5% by habitable room. However, there is an interested Registered Provider involved in the site, and the design of the site means there are a number of smaller blocks of homes which could be flipped to more affordable housing. This is especially important where the Stag Brewery is providing a substantial proportion of the Council's 10 year housing land supply, with limited other opportunities for larger developments in the borough. Maximising affordable housing on this site, regardless of the level that can be delivered by the developer alone, would be far more beneficial for Richmond than a blanket lowering of the affordable housing threshold across London. As an alternative to what is being proposed, it may therefore be beneficial to reconsider the threshold of affordable housing that must be provided on-site for grant to be applied for, preventing sites which could have delivered more affordable housing having opportunities to deliver less and meaning sites which are unable to provide more affordable housing from private funding alone do not miss out on grant opportunities due to being below the grant threshold.

The Council welcomes the recognition in the draft LPG that further measures are required to support the financial capacity of social landlords. The Council supports recognition of the insights from the G15 that developers need to be required to undertake better and earlier engagement with social landlords to ensure that the design and quality of homes being offered to social landlords meets their expectations. The Council would support measures within the LPG to ensure that developers are not rewarded for perpetuating the conditions that mean social landlords are less likely to take on affordable units, including to mandate early and transparent engagement as a prerequisite for any subsequent grant or policy flexibility.

**Question 7: The GLA welcomes views on the approach to reviews under the time limited route, including whether any further criteria should be applied which would a) incentivise early delivery, or b) help to ensure that, if reviews are triggered, additional affordable housing contributions are provided where viability improves over the lifetime of the development.**

In light of the Council's concerns over the proposed new planning route, it is fundamentally important that any policy flexibility is strictly limited to developments that could not be viably delivered without it. The Council remains of the view that the Viability Tested Route already offers an appropriate mechanism through which this flexibility can be applied.

The Council considers that the requirement for late-stage reviews should remain in place for any development that does not meet the full policy requirement towards affordable housing, whether through the Viability Tested Route or any proposed new route. The Council does not consider that this should be limited to developments that

have not reached a prescribed level of build out by 31 March 2030 but rather any developments achieving less than the full policy requirement.

In the context of the specific proposal contained in the LPG, the Council considers that the requirement for applicants to notify the local planning authority where they have not met the prescribed level of progress may introduce potential perverse incentives and differing interpretations of what it means to have completed the first floor. The LPG should be much clearer in providing an objective definition of this that is independently verifiable (e.g. through Building Regulations) and identify that failure to self-report that lack of progress will automatically make that development eligible for a late-stage review to ensure that delayed or incomplete reporting cannot be used to obscure the eligibility of a development for such a review.

**Question 8: Recognising that the substantial implementation milestone of the first floor set out in 4.6.1 may not be appropriate in all instances, are there any circumstances in which an alternative review milestone to completion of the first floor would be necessary and justified, in a way that continues to incentivise fast build out?**

Please see response to Question 7.

**Question 9: An alternative approach for phased schemes would be for boroughs, and the Mayor for referable applications, to have discretion to agree forward dates and milestones for future phases if it would support the faster build out of the scheme, which if met mean that no review is required for that phase. Do you agree with this and what measures would be required to ensure that this resulted in faster build out than may otherwise be the case?**

Please see response to Question 7.

In isolation, the Council would have concerns over any suggestion that the notional milestones for a late-stage review on multi-phased schemes are negotiable. There is a risk that developers will routinely petition local planning authorities for more favourable milestones to essentially preserve the life of the lower affordable housing threshold in perpetuity. Any such negotiability should therefore be led by the local planning authority and its own discretion as to whether the particular circumstances of a development warrant proactive agreement of future milestones.

**Question 10: The GLA welcomes views on any additional measures that would support the delivery of schemes with existing planning consents which**



**provide 35 per cent or more affordable housing. Do you agree that the time limited planning route would support schemes which have been granted planning consent but are currently stalled?**

The Council is gravely concerned about the ability for applicants on recently consented developments which have achieved policy compliance on affordable housing, or a level of affordable housing contribution that has been evidenced through the Viability Tested Route, to return to the Council proposing a reduced level of affordable housing aligned with the new planning route. The draft LPG indicates that developments which have achieved 35 per cent affordable housing (or more) but are currently stalled due to viability reasons will be expected to explore the availability of grant to maintain or increase the level of affordable housing. However, the Council's reading of the new planning route is that there is no mechanism through which to test whether a site is genuinely stalled due to viability reasons, or has been deliberately stalled so as to benefit from the new planning route. There is widespread reporting of developments across London which have been deliberately stalled to await the proposed new measures.

The Council is concerned that any development with an extant permission could self-report as stalled and the Council would not be able to undertake any means-testing to ensure the original permission is genuinely undeliverable. In some cases, the Council will have only very recently consented developments at full policy compliance or at levels of affordable housing negotiated through the Viability Tested Route where there is clear evidence, in the form of a recent Full Viability Appraisal, that the development can deliver more than 20% affordable housing. The practical implication of allowing recently consented developments to access the new planning route will be that they will be able to legitimately reduce their affordable housing contributions in return for an abnormal profit, with the only requirement upon them being to explore whether they can access grant. This means it is highly likely that local planning authorities will be asked to allow developments to provide low levels of affordable housing that do not meet the requirements of their development plan policies and which the available evidence (in the form of recent Whole Plan Viability Assessments, extant permissions and site-specific viability assessments) suggests is not justified on viability grounds. In these instances, it would appear to be irrational for that local planning authority to apply the new planning route, particularly given that the new planning route is not development plan policy and has not been accompanied by any objective evidence which can be weighed in the planning balance against those referenced above.

As proposed, the new planning route appears extremely gameable for developers of recently consented schemes. The Council considers that the LPG should make clear that developments which have been recently consented at levels of affordable housing exceeding 20% are not eligible for the new route and must follow the Viability Tested

Route if they wish to renegotiate their affordable housing contribution. Notwithstanding the Council's wider concerns, the ineligibility of recently consented schemes would add a significant amount of rigour to the process.

**Question 11: Are there any further measures that would help to prevent the level of affordable housing being reduced in consented schemes where this is not needed to enable the development to progress?**

Please see response to Question 10.