35% Campaign

Consultation response for the Draft London Plan 2026 14 Oct 2026

I am writing on behalf of the 35% Campaign. This is a small informal group of Southwark residents who have campaigned since around 2008 for 35% affordable housing from all major new developments in the borough, in line with long-standing local planning policy.

We wish to make the following comments. We also wish to speak at the Examination in Public.

Policy HN3 Delivering affordable housing.

We do not believe that this policy is positively prepared because it does not help to meet the objectively assessed need for affordable housing. For this reason we also do not believe it will be effective.

HN3 Our reasons and comment Southwark has a well attested need for affordable housing. The Southwark Plan 2022 states that *'CACI Paycheck data confirms that 93% of households in Southwark have a household income that requires social and intermediate housing'* (Development Plan Policy P1, Reason 2). While the policy is four years old, and the Paycheck data dates from 2018, there is no reason to think in 2026 that the situation has improved. In any event, a 35% affordable housing requirement is not sufficiently high enough to meet housing need in a borough where so few households can fully afford free-market housing.

HN3 does nothing to help Southwark deliver affordable housing. HN3 proposes across-the-board reductions in the affordable housing thresholds currently applicable under the London Plan 2021. The reductions proposed are for developments on public land (from 50% to 40% or 25%); on industrial land (from 50%, where new provision, to 35%); on Band A sites (from 35% to 25%, if 100% social rent/Key Worker Living Rent); on Band B sites (from 25% to 20% social rent, if 80% social rent/Key Worker Living Rent); on Band C sites (from 35%/50% to 20%) and on Small Sites from 35%/50% to 20%. We do not believe the new requirement for 50% affordable housing on Green Belt land will compensate for these reductions.

In particular we do not understand the logic of the proposed reduction for Bands A. We assume that the aim is to incentivise the delivery of social rent. If so, this is laudable, but misconceived. Our own borough, Southwark, is in band A and requires 35% affordable housing, consisting of 25% social rented, 10% intermediate, for compliance with the Southwark Plan. A developer who is minded to meet this requirement will quickly conclude he only needs to deliver the 25% social rented housing for compliance with the proposed London Plan; should the latter requirement prevail, then there would be a loss of intermediate housing, but with no gain of social rent.

We fear that these proposals will also relieve outer boroughs of their share of responsibility for providing affordable housing, while increasing reliance on inner London boroughs to meet London's affordable housing need. We fear that this may in turn have unintended social consequences.

The impact of reducing threshold requirements on housing numbers, measured against the HN3 target must be also considered. HN3 A.(2) *'seeks to collectively deliver 238,430 low-cost rent and 129,020 as intermediate homes by 2037 reflecting the extent of need'.* Having looked at the threshold bands and brownfield targets across the boroughs we estimate that the impact of reduced thresholds will be a loss of around 40,000 affordable homes.

Overall, we can see no justification or rationale for these reductions, which are inconsistent with the policy aim of maximising affordable housing and achieving the strategic 50% affordable housing target. They are also contrary to the Rationale for the Plan, as given in 3.54 and 3.55.

We note the Rationale given at 3.59, that the different levels of requirement reflect different levels of viability, growth potential and economic cycles. It is not properly explained how the very schematic division of the boroughs does this, as claimed. We can see nothing in the Plan that would take advantage of *'growth potential'* or improvements in the economic cycle. We do not believe that the *'ambition to get back to achieving 35% affordable housing on private land across London'* will be met, once the new requirements are embedded and regardless of any improvement in economic conditions. There is nothing in the Plan that would enable this, in the event of such improvement.

We presume that the reductions in affordable housing requirements are to incentivise delivery (though this is not explicitly stated in HN3). We question whether this I necessary and therefore whether the *'appropriate overall balance'* has been struck between need and viability (3.57). The Plan does not present any data to show whether the similar reductions introduced by the Support for Housing LPG March 2026 have been successful in re-starting stalled schemes.

We are also concerned that reducing the proportions of affordable housing necessarily increases market housing at a time when there is little demand for this. This in turn may slow down all housing delivery. The GLA's own evidence appears to support this position. This finds *'that schemes with a higher level of affordable housing are more likely to have commenced or completed, and that these also account for a higher proportion of homes in schemes that have commenced or completed'.* (3.10, Annex 6 to the London Plan Viability Study – Phase 1 Report, July 2026). We note that schemes with significant amounts of affordable housing are still being delivered, without the incentive of reduced requirements (to give a single example London Square's Woolwich development has 49% affordable housing).

<u>Modifications</u>

HN3 A. should be modified to read; *'Plan-making authorities <u>must</u>: (1) maximise the delivery of genuinely affordable housing to <u>ensure that</u> London's 50 per cent strategic affordable housing target is achieved'.*

HN3 B. should be modified to read '*Development proposals <u>must</u> maximise the delivery of genuinely affordable housing to: (1) <u>ensure that</u> London's strategic target of achieving 50 per*

cent affordable housing is met; and (2) must collectively deliver 238,430 low-cost rent and 129,020 intermediate homes by 2037 reflecting the extent of need'.

HN3 C Table 3.2 and Table 3.3 should be deleted and replaced by a single table of affordable housing requirements that sets a minimum baseline of 35% affordable housing for all developments across London for schemes of 10 units or more. The requirement for Public Sector Land should be restored to 50%. There should be an explicit definition for what constitutes 'significant strategic transport/health infrastructure'. The requirement for affordable housing under a Public Sector Land Portfolio Agreement should be 50%. The 50% requirement on Industrial Land (35% where reprovision) should be restored.

HN3 I. Our Comment This allows scheme amendments without a viability assessment (if HN3 C. and D. criteria are met). We can see no justification for this, which appears contrary to the Rationale given at 3.59 which refers to *'potential scope to deliver more affordable housing over economic cycles'*. This cannot be established without viability assessment. As it stands HN3 I. Incentivises opportunistic applications to reduce affordable housing, which will escape scrutiny. Insofar as it can, the London Plan should explicitly discourage eg s73 applications which seek a reduction in affordable housing.

Modification Delete HN3 1. And replace with a positive requirement for viability assessment where variations and new applications seek them.

HN3 J. Our Comment This sets the hierarchy for affordable housing delivery. HN3 J.(3) appears to open the door to more off-site deliveries and in-lieu payments, if there is an unspecified amount of additional affordable housing, above that required by HN3 C. D. The aim may be to increase affordable housing in these circumstances, but it may also encourage developments with very little additional affordable housing in less desirable locations.

Modification Reconsider rewording to avoid creating an unintentional incentive to build affordable housing in less desirable locations.

HN3 N. Our Comment We support the intention of HN3 N.(2), to secure the *'maximum possible level of affordable housing'* but fear it will be ineffective as currently framed and worded.

Viability assessments are being opportunistically used to solely reduce affordable housing. In these cases, if it can be demonstrated that a scheme cannot support any affordable housing, developers set a level at their own discretion, by 'commercial decision' (and without further assessment). This may be interpreted as generosity, but a more sceptical view is that the assessment did not reflect commercial reality in the first instance. It also means that planning committees do not have the assurance that the scheme is deliverable. HN3 N. must address these issues if there is to be any public confidence that the viability tested route truly delivers the maximum possible level of affordable housing.

Amongst other things there should be greater consideration of what constitutes *'genuine barriers'* to delivery, eg whether they are site-specific or more general changes.

Early, Mid and Late-stage reviews must also be strengthened to ensure that any viability improvements over time are captured, particularly bearing in mind the length of multi-phased schemes; this would be in line with the ambition of 3.59. Any surplus identified should go towards additional affordable housing, on the basis that the viability threshold (including target profit) has been achieved.

Modifications HN3 N. should be reconsidered in the light of the issues raised above.

HN3 O. Our Comment We support all efforts to ensure that viability assessments are *'objective, reasonable and realistic'*, given that the level of affordable housing too often depends upon them. It is disconcerting, though, when developers, councils and the GLA come to widely different conclusions about the viability deficit of a scheme (even if they might agree that overall, it is 'unviable'). In these cases, and where there are other significant differences of opinion, much less weight should be given to viability assessments. HN3 O should be strengthened with this caution. HN3 O. should also add that viability assessments are not and should not be the final determining factor in planning decisions, and that they should be weighed against an over-riding consideration of housing need.

Modifications HN3 O. to be changed to read *'When assessing the maximum possible level of affordable housing proposed, decision makers must be confident that the assessment and its conclusions are objective, reasonable and realistic, and confident that the scheme is deliverable. Decision-makers must give full weight to housing need when considering the assessment and the proposed level of affordable housing as part of the overall planning balance'*.

HN3 P. Our Comment We support the fullest scrutiny of any application or amendment which seeks to reduce the affordable housing in an existing planning consent. This can be done by a new application as well as a variation and HN3 P. should be reworded to make it explicit that it covers both routes. HN3 P. should also be explicit as to what qualifies as a *'robust justification'* and what would not qualify as such. Please note our reservations about the Viability Tested Route, described in our comment for HN3 N. and O. HN3 P should also be emphatic that the decision maker must have regard for any reduction in the public benefit caused by a reduction in affordable housing and this should be given great weight, alongside the wider merits of the scheme.

Modifications HN3 P. to be redrafted in the light of above comments.

We trust that all the above comments and modifications will be given due consideration.

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