

GREATER LONDON AUTHORITY

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Department: Planning

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Dear Paige,

Re: Ealing Local Plan Examination. Consultation on the Inspectors' Matters, Issues and Questions.

Main Matter 4 – Housing

Thank you for inviting written statements in advance of the London Borough of Ealing's (LBE) Local Plan Examination in Public hearing sessions. In the Mayor's response to the Regulation 19 consultation in April 2024 he raised concerns regarding the proposed approach to affordable housing as set out in Policy HOU of the draft Local Plan (LBE Ref: S1).

In his earlier Regulation 18 consultation response in February 2023 (Our ref: LDF09/LDD16/LP01/HA01) the Mayor had raised the same concerns and was disappointed these had not been addressed to bring the draft Local Plan into closer alignment with the Spatial Development Strategy for London (referred to as the London Plan or LP2021).

As you will be aware, Development Plan Documents prepared by London boroughs must be in general conformity with the LP2021, in accordance with Section 24 of the Planning and Compulsory Purchase Act 2004 (as amended). The LP2021 was formally published on 2 March 2021, and forms part of LBE's Development Plan and contains the most up-to-date policies.

Since the Regulation 19 consultation LBE's policy on affordable housing has not changed. The Mayor considers that this remains a significant issue and that the draft Local Plan is not in general conformity with the LP2021.

A Statement of Common Ground agreed between the GLA and LBE (dated 28 February 2025) identified the GLA's position that draft Policy HOU is not in general conformity with the London Plan. The Mayor's approach reflects the more challenging market conditions that have arisen in recent years. All other draft policies were considered to be in general conformity by both the GLA and LBE.

It is noted that on 3 March 2025, LBE provided a response to the Planning Inspectorate regarding the general conformity issue raised by the GLA. The GLA have reviewed LBE's response and consider that this does not address the concerns previously set out in the GLA's

earlier written representations. This letter should be read alongside the Mayor's earlier consultation responses which continue to remain valid.

If there are further proposed modifications to the draft Local Plan and subsequent consultations in the future, the Mayor would review and provide his opinion on the general conformity of the draft Local Plan at that time.

Mayor of London Statement

Mayor's response to Matter 1 – Procedural and Legal Requirements

General conformity with the London Plan/ London Plan consistency

23. Overall, is the Plan in general conformity with the London Plan and how is that evidenced? Are any modifications necessary to address any inconformity?

In his response to LBE's Regulation 19 consultation in April 2024, the Mayor raised concerns regarding the proposed approach to affordable housing as set out in Policy HOU of the draft Local Plan made it clear that this was inconsistent with Policy H5 Part B (1) of the London Plan. In this respect, the draft Plan remains unchanged and fails to reflect Policy H5 of the LP2021 as it sets out a higher requirement of 40% affordable housing for sites on private, non-industrial land, compared with the 35% threshold for London Plan policy H5. GLA officers are of the opinion that modifications to the Policy HOU are necessary to address the inconformity identified, as set out below.

24. Is it clear how the individual policies of the Plan relate to those of the London Plan? Is there any duplication between the policies of the Plan and the London Plan in terms of their content?

The Mayor is concerned that Policy HOU(C) would result in an inconsistency with London Plan policy H5 if adopted in its current form. This would result in a lack of clarity for the development sector and land market and result in detrimental impacts on affordable housing delivery for the reasons considered in at paragraphs 3.5 to 3.8 of the Mayor's Accelerating Housing Delivery Planning and Housing Practice Note and as set out further below.¹

25. Where a policy proposes local variation to a London Plan policy, is modification needed to the policy number/reference to ensure that the variation and the original policy can be distinguished, for clarity and therefore effectiveness?

No comment.

Mayor's response to Matter 4 – Affordable Housing

In terms of Policy HOU:

- a) what is the background to the policy and the evidence justifying it, including specific detailed thresholds?**

¹ [Accelerating Housing Delivery - Planning and Housing Practice Note December 2024](#)

The Council relies upon an assessment of housing needs at borough level and an area-wide viability assessment to inform their affordable housing threshold for private non-industrial land. The Local Plan Viability Assessment (December 2023) forms part of LBE's evidence base.

However, GLA officers consider that Local Plan Viability Assessment does not provide sufficient viability evidence to support the higher 40% affordable housing threshold for private, non-industrial land sought by draft Policy HOU and the other variations to LP2021 policies H11, H15 and H16 which are linked to this.

The development typologies which form the basis of the viability testing in LBE's Local Plan Viability Assessment do not take account of the draft Local Plan's site allocations; and it is therefore unclear whether the study reliably shows the viability impact of emerging policies on the types of sites and types of development expected to come forward over the Plan period.

The development typologies utilised in a borough Local Plan viability study should be directly informed by the borough's emerging site allocations as these reflect the types of sites expected to come forward and play a significant contribution towards delivering the Plan.

A review of a borough's emerging site allocations would enable a quantity and density of development to be assumed for the development typologies, taking account of other emerging policies where necessary, and typical Existing Use Values that make-up the borough's land supply. A review of the recent planning applications that have been through the borough's development management process can also be helpful in understanding the types of sites likely to come forward, the form of development and general spatial development patterns and trends which can inform the development typologies forming the basis of the viability testing.

Therefore, the GLA considers that the proposed 40% threshold is not justified by viability evidence. This would result in applicants not being sufficiently incentivised to follow the London Plan Fast Track Route and the majority of schemes following the Viability Tested Route. This would slow down the planning process, less effectively embed affordable housing requirements in land values and be counter-productive to affordable housing delivery.

b) how does the policy support the delivery of the strategic target of 50 per cent of all new homes being genuinely affordable in Policies CG4 and H4 of the London Plan?

GLA officers do not object to the 50% strategic target set out in Policy HOU(A)(i), which is in line with Policy H4 and Policy GG4 of the LP2021. As set out above, the main concern is the higher affordable housing threshold for private, non-industrial land as set out in Policy HOU(C), which is inconsistent with the 35% affordable housing threshold set for private non-industrial land in Policy H5 Part B (1) of the London Plan. By setting the affordable housing requirement for private, non-industrial land at a higher level than the 35% threshold in London Plan policy H5, draft Policy HOU would put delivery of the strategic target at greater risk by resulting in a greater number of viability tested schemes that typically provide lower levels of affordable housing. This can also result in slowing down the planning process and require additional resourcing to assess the application.

c) is the interaction with Policy H5 of the London Plan clear in terms of setting out the instances where an affordable housing contribution will be sought?

Paying regard to Policy H5(B)(2) and (3) is modification needed to clarify the position in relation to public sector and industrial land?

London Plan Policy H5 Part A sets out that the threshold approach applies to major development proposals which trigger affordable housing requirements; and Part B sets out the different threshold levels of affordable housing which apply for private non-industrial land, public sector land (where there is no portfolio agreement with the Mayor) and industrial land (where there is a net loss in industrial capacity occurring through redevelopment). As currently drafted, the draft Policy HOU does not provide this level of clarity.

Draft Policy HOU (C) seeks to introduce a higher 40% affordable housing threshold for private non-industrial land in place of the London Plan's 35% affordable housing threshold set out in Policy H5 Part B (1). The GLA considers that the introduction of a higher 40% affordable housing threshold for private non-industrial land would be counter-productive, where not supported by robust viability evidence.

Draft Local Plan Policy HOU (C) states that:

"The Fast Track route, set out in Policy H5 B 1) of the London Plan, in Ealing will only apply to schemes providing at least 40% affordable housing and a tenure split of 70% social rent and 30% intermediate."

The GLA considers that there is a clear conflict between the draft Local Plan and how affordable housing contributions are sought in line with Policy H5 of the London Plan. Applications would need to provide a higher level of affordable housing to follow the Fast Track Route on private, non-industrial land. Those that provide between 35-39% affordable housing would be required to follow the Viability Tested Route. These would be subject to viability testing and late stage reviews. In practice, applicants may propose low levels of affordable housing. This is in line with monitoring undertaken by the GLA which shows that on average referable applications following the Viability Tested Route provide significantly less affordable housing than those that follow the Fast Track Route (see below).²

In line with London Plan Policy H5 Part B (2), a 50% affordable housing threshold should apply to public sector land (where there is no portfolio agreement with the Mayor); and in line with Part B (3), a 50% affordable housing threshold should apply to industrial land (where there is a net loss in industrial capacity occurring through redevelopment). It is recommended that these are set out within draft Policy HOU to provide greater clarity.

d) are the identified needs in Ealing referred to in HOU(A) clear? If identified needs are set out elsewhere in the evidence base and in guidance, should they be repeated in the Plan for effectiveness?

The GLA recognises that there are significant housing needs in Ealing and across London. It does not object to these being set out in the plan and supports the principle of securing the maximum viable level of affordable housing through the planning system. However, as set out

² [Affordable Housing in Planning Applications Referred to the Mayor 2011-2023](#) (2024)

above the GLA objects to the proposed 40% requirement as it conflicts with the threshold for private, non-industrial in London Plan policy H5, which has been proven to be effective in increasing affordable housing delivery in London.

e) does HOU(B) repeat the requirement in HOU(A) and, if so, why is HOU(B) necessary?

No comments.

f) are the expectations in terms of mix and tenure clear? Is the interaction with Policies H6 and H10 of the London Plan clear?

It is noted that the Council has secured more intermediate housing than low cost rented housing over the last five years (see Table 2 below). Notwithstanding this, the GLA has no objection to the proposed tenure split at 70% low cost rented housing at social rent and 30% intermediate housing, and the affordable housing tenure split aligns with Policy H6 of the London Plan. It is considered that this policy requirement as currently drafted is clear when read alongside Policy H6 of the London Plan.

g) are the requirements in HOU(C), including any variance to Policy H5(B)(1) of the London Plan, justified? Has the deliverability of adopting the thresholds been appropriately considered, including the applicability of the requirements to Build to Rent developments?

The GLA considers that the proposed variance in draft Policy HOU (C) to Policy H5(B)(1) of the London Plan has not been justified by robust viability evidence. As set out in the reasons above, LBE's Local Plan Viability Assessment (December 2023) does not provide an adequately robust evidence base to justify the setting of a higher 40% affordable housing threshold for private, non-industrial land.

The Local Plan Viability Assessment (LBE ref: EB120) that forms part of LBE's evidence base, makes the argument that Policy H5 of the LP2021 would result in schemes that could have potentially provided 40% only achieving 35%. However, Table 1 below indicates that on average, less than 30% affordable housing has been approved by the borough for every year over the period of 2019-24. This includes schemes on public and industrial land.

Year	Total Units	Open Market Units		Affordable Units	
		Units	%	Units	%
2019/20	4,815	3,424	71%	1,391	29%
2020/21	5,445	3,937	72%	1,508	28%
2021/22	4,883	3,478	71%	1,405	29%
2022/23	2,065	1,548	70%	517	23%
2023/24	2,226	1,649	74%	577	26%
Total	19,434	14,036	72%	5,398	28%

Table 1: Affordable housing level in residential approvals in Ealing, 2019-24 (source: Planning London Datahub)

The figures in Table 1 above have not taken into account the tenures of the affordable housing. Despite the current Local Plan policy of 60/40 in favour of low cost rented housing, the borough has secured a significantly higher amount of intermediate housing compared with low cost rent over the last five years:

Year	Total affordable units	Low cost rent		Intermediate	
		Units	%	Units	%
2019/20	1,391	361	26%	1,030	74%
2020/21	1,508	468	31%	1,040	69%
2021/22	1,405	405	29%	1,000	71%
2022/23	517	280	54%	237	46%
2023/24	577	308	53%	269	47%
Total	5,398	1,822	34%	3,576	66%

Table 2: Affordable housing tenure split in residential approvals in Ealing, 2019-24 (source: Planning London Datahub)

Table 2 shows that over the period of 2019-24, the borough has secured almost double the amount of intermediate units than low cost rent units, notwithstanding the 60/40 tenure split within the current Local Plan. If the affordable housing contributions in the approved schemes had been delivered in line with the tenure mix set out in the current Local Plan (or the proposed 70/30 split in the draft Local Plan), the overall affordable housing level secured would have been considerably lower, as low cost rented housing (e.g. social rent) is a more affordable tenure that attracts a lower sales value and requires a higher amount of development cross subsidy.

In terms of the Build to Rent policy in HOU (C), the GLA considers that the 35% threshold should apply to Build to Rent developments, in line with Policy H11 Part C and Policy H5 of the London Plan. GLA officers do not consider that the higher 40% affordable housing threshold for Build to Rent developments has been robustly supported by viability evidence.

LBE's Local Plan Viability Assessment (December 2023) models a 5% reduction to the GDV of the study's development typologies which is stated to account for the variation in viability profile between Build for Sale development and Build to Rent development. The assessment does not therefore adopt a more granular approach reviewing market rents, appropriate levels of OPEX and yields to determine the GDV of Build to Rent developments in LB Ealing. In addition, the development typologies used in the study do not appear to account for onsite resident

amenity provision which often serves to reduce the net to gross floorspace efficiency of Build to Rent developments.

GLA officers further note that the Local Plan Viability Assessment assumes that the 40% affordable housing provision would be delivered as Discount Market Rent at London Living Rent levels. It does not appear to be the case that conventional low cost rent in the form of social rent alongside intermediate tenures formed part of the Build to Rent viability testing.

It is noted that paragraph 6.26 of the Local Plan Viability Assessment states the following:

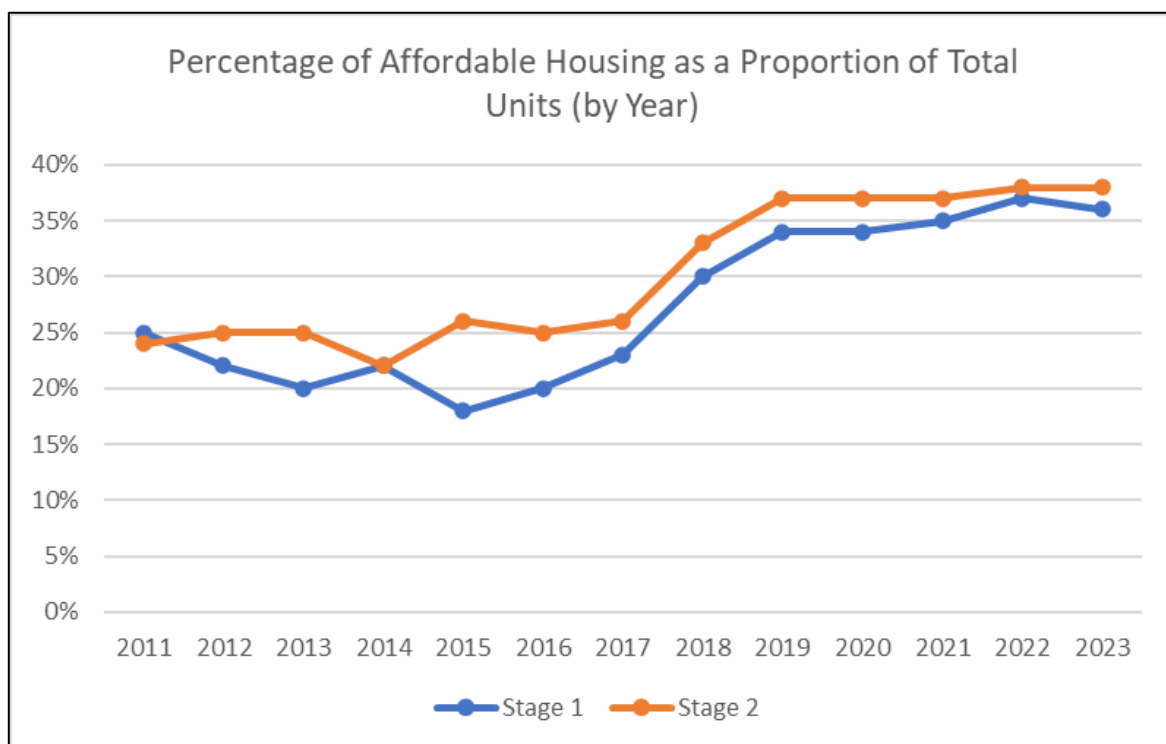
“Clearly there are differences in outcomes between build for sale and build for rent schemes, with the latter generating lower residual values and (in some cases) lower affordable housing levels as a consequence. There are many circumstances where 40% affordable housing is viable, but some schemes can only provide lower levels of affordable housing. The results indicate that some build to rent schemes will need to opt to use the viability-tested route and will not be able to utilise the 40% Fast Track route.”

Whilst draft Policy HOU (C) departs from Policy H11 Part C of the London Plan in respect to seeking an affordable housing tenure split of 70% social rent and 30% intermediate housing from Build to Rent developments, GLA officers do not consider that this represents a general conformity issue. Paragraph 4.11.10 of the supporting text to LP2021 Policy H11 is clear that where justified in a Development Plan, boroughs can require a proportion of social rent housing to be delivered as part of Build to Rent developments. It is considered that LBE’s Local Housing Needs Assessment (updated in 2022) and the pan-London strategic need for social rent provision supports the approach taken in the draft policy (subject to being amended to a 35% threshold). However, further viability evidence should be provided to support this approach.

h) how does the evidence demonstrate that the 40% threshold will be effective in maximising affordable housing provision in Ealing? What is the Council’s response to the GLA’s representation setting out their view on the differences in provision between schemes following the fast-track route versus viability tested schemes?

As set out above, the GLA considers that the 40% threshold would be less effective in maximising affordable housing provision in Ealing compared with the 35% threshold for private, non-industrial land in London Plan policy H5.

Graph 1 below shows that the level of affordable housing as a proportion of residential units in planning applications referred to the Mayor of London increased significantly following the introduction of the Threshold Approach in June 2017 through the Mayor’s Affordable Housing and Viability Supplementary Planning Guidance. This included the 35% threshold for private non-industrial land, which also then formed part of the London Plan (2021).



Graph 1: Affordable Housing as a Proportion of Total Residential Accommodation in planning applications referable to the Mayor (Source: Affordable Housing in Planning Applications Referred to the Mayor of London)

Given that the Mayor's Threshold Approach has helped to deliver more affordable housing, LBE have not justified in their submitted evidence why the new Local Plan should take a different approach to Policy H5 of the LP2021.

Analysis of the time between Stage 1 and Stage 2 Reports also indicates that the Threshold Approach has had a material impact on the time taken to determine planning applications, with Fast Track Schemes progressing to Stage 2 on average three months quicker than Viability Tested schemes between 2018 – 2023, and five months quicker in 2023.

Conversely, applications assessed under the Viability Tested Route schemes took on average a quarter of the time longer than Fast Track Route schemes to progress to Stage 2 and 40 per cent longer in 2023. This does not take into account further time savings at pre-application stage, pre-Stage 1, and post Stage 2.

Applying a 40% threshold to private sites reduces the incentive to follow the London Plan FTR by meeting the 35% threshold, because applicants would still be required to undertake viability testing and agree to additional review mechanisms by the borough if not providing 40%. This has the potential to undermine the Threshold Approach in the London Plan and the progress made in affordable housing delivery since its introduction which is of strategic concern to the Mayor, as set out in the GLA Accelerating Housing Delivery Planning and Housing Practice Note (December 2024).³

³ [Accelerating Housing Delivery - Planning and Housing Practice Note December 2024](#)

It is important to understand that the 35% threshold for private, non-industrial land does not represent a minimum target that needs to be achieved in order for development to be permissible: it is the threshold at which viability evidence is no longer required as part of residential planning applications. This is reflected in Policy H5(C)(4) of the LP2021 which makes it clear that in order to demonstrate that the Mayor's strategic 50% affordable housing target has been taken into account, FTR applications must demonstrate that they have sought grant to increase the level of affordable housing above the thresholds. Residential development following the FTR can still achieve figures of affordable housing above the threshold level.

Based on the evidence above, the GLA considers that the proposed 40% affordable housing threshold would result in a higher number of planning applications following the VTR when compared with the London Plan position. This approach will effectively slow down the planning process and fails to provide certainty to developers when acquiring land due to a lack of consistency in affordable housing provision from site to site. Rather than factoring in affordable housing at the levels set out in the development plan when purchasing land as required by national planning guidance⁴, developers are more likely to take into account typical affordable housing levels agreed on other sites, resulting in the potential for land overpayments and disputes through the viability process.

i) in light of the stipulation in HOU(D) that provision should normally be made on site, is the Plan sufficiently clear on what would happen if a case was successfully made for off-site provision?

The GLA does not object to the principle of HOU(D), in terms of the prioritisation in securing on-site affordable housing.

This is in line with LP2021 Policy H4 B and paragraphs 4.4.9-4.4.13 which also sets out criteria for considering off-site provision in exceptional circumstances.

In addition, it is noted that paragraph 5.19 of the supporting text for Draft Policy HOU states that: *"Offsite provision will be acceptable only in limited circumstances where it best meets the requirement to deliver against identified needs, for example where smaller schemes would result in delivery of a small number of units that are unattractive to registered providers."*

However, GLA officers consider that it is not sufficiently clear what would happen in circumstances where an application proposes an off-site affordable housing provision. Paragraph 4.5.15 of the supporting text of Policy H5 of the LP2021 sets out that applications which propose affordable housing off-site or as a cash in lieu contribution must follow the Viability Tested Route. It is therefore considered that amendments to draft Policy HOU should be made to reflect this position and to ensure clarity.

j) are the requirements in HOU(E) in relation to large scale purpose built shared living developments justified? Is a contribution in the form of conventional housing units on site deliverable in practice?

London Plan Policy H16 seeks financial contributions for affordable housing from large scale purpose built shared living developments, because it does not meet minimum housing space

⁴ PPG Viability Paragraph: 014 Reference ID: 10-014-20190509

standards. However, the GLA acknowledges that LBE wishes to secure conventional C3 use affordable housing units onsite reflecting the significant need for affordable housing in the borough. This approach is in line with paragraph A.2.5.3 in the Draft Affordable Housing London Plan Guidance, and GLA officers consider that the LBE's Local Housing Needs Assessment (updated in November 2022) provides sufficient justification for this approach. Therefore the GLA does not raise a general conformity objection to this element of the draft policy.

In light of the habitable room size differential between LBSL (Sui Generis use) and conventional C3 Use at an appropriate unit type mix, it is considered that the affordable housing provision of such schemes should be measured on a floorspace basis rather than by habitable room.

GLA officers however do not consider that an onsite 40% affordable housing requirement for LBSL schemes on private non-industrial land is supported by viability evidence. It appears to be the case that LBE's Local Plan Viability Assessment (December 2023) only modelled a single LBSL (co-living) development typology comprising 200 units, and this did not include any onsite C3 Use affordable housing. Further viability evidence is required to support this approach.

k) are the requirements in HOU(F) in relation to purpose-built student accommodation (PBSA) including any variance to Policy H15(4) of the London Plan justified? Has the deliverability of adopting the threshold been appropriately considered?

Draft Policy HOU (F) seeks 40% affordable student accommodation from PBSA developments to follow the Fast Track Route. This represents a departure from Policy H15 Part A (4) and Policy H5 of the London Plan. Draft Policy HOU (F) as currently drafted is not clear whether the 40% affordable student accommodation requirement applies to private non-industrial land only, and whether 50% affordable student accommodation remains the requirement for public and industrial land in line with the London Plan.

GLA officers do not consider that viability evidence has been provided to support the adoption of the 40% affordable student accommodation requirement on private non-industrial land. A review of LBE's Local Plan Viability Assessment (December 2023) appears to indicate that no PBSA development typologies were tested as part of the viability study. Further viability evidence is required to support this approach.

l) are the first two paragraphs of 5.22 detailing how applications for PBSA will be treated reflected in policy? If not, is modification needed to remove the text for clarity?

As per response in k) above, the GLA considers that in the absence of robust supporting viability evidence, the threshold for PBSA schemes should be 35% rather than 40%, and 50% on public and industrial land and therefore, the last sentence in paragraph 5.22 should be modified to reflect this position.

m) is the policy in general conformity with the London Plan?

As set out in the reasons above, Policy HOU is not in general conformity with the London Plan.

n) are any other modifications needed to Policy HOU for soundness?

Yes, the policy should be modified to further align with London Plan policies, particularly H5, H11 and H15, in regard to the relevant thresholds for affordable housing to incentivise delivery of affordable housing through the Fast Track Route across the Borough.

Conclusion

Without necessary amendments to Policy HOU as discussed above and as currently written, the draft Plan continues to not be in general conformity with the London Plan 2021.

London Plan Policy H5 sets out the Mayor's Threshold Approach to affordable housing delivery and seeks to reduce the circumstances where viability evidence is required as part of residential planning proposals, incentivising developers to achieve at least the minimum level of affordable housing to qualify for the Fast Track Route (FTR). These have helped to embed affordable housing requirements into land values, creating greater certainty and consistency across London, while also speeding up the planning process.

GLA officers will continue to offer their support to assist the Examination process. I hope this statement will help inform the Examination of LBE's Local Plan. If you have any questions in relation to this Statement, please contact David Nip at david.nip@london.gov.uk

Yours sincerely



Lucinda Turner

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