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By email only.

Dear Ross

## **FORMER ARCHWAY CAMPUS | AFFORDABLE HOUSING OFFER**

This letter is submitted on behalf of Seven Capital (Highgate Hill) Ltd (the Applicant) and should be read alongside the Planning Statement Addendum (Bidwells) and the Financial Viability Update (Savills, August 2026).

Its purpose is to set out the material planning considerations which, in our view, justify a departure from the requirement in London Plan Policy H15 for the provision of affordable student accommodation. It also explains why the affordable housing offer now proposed is a materially better outcome than a policy compliant position. Finally, it assesses the impact of a Late-Stage Review on the delivery of the project.

### **Policy H15**

Policy H15 requires the maximum reasonable amount of purpose-built student accommodation (PBSA) to be secured as affordable student accommodation. To follow the Fast Track Route, at least 35 per cent of the accommodation is required to be secured as affordable student accommodation. Where that threshold is not met, the policy requires the scheme to follow the Viability Tested Route, under which the maximum viable level of affordable provision is established through a Financial Viability Assessment (FVA).

The proposed development does not provide affordable student accommodation. The 242 student studios are expressly proposed as an enabling use in response to the premise of the site allocation. The PBSA is therefore assessed under the Viability Tested Route, and the departure from the 35 per cent affordable student accommodation requirement falls to be justified by reference to material considerations. Those considerations are set out below and are not unique to affordable PBSA. The related position on a nomination agreement flows from the same enabling-use rationale and is addressed in the Planning Statement Addendum.

### **Site allocation**

The Site is allocated for residential-led development under Policy ARCH5 of the Islington Local Plan (2023). The allocation states that, given the very limited supply of development land in Islington, development should prioritise the most urgent need, which is conventional housing. It expressly provides that an element of student housing may be acceptable as part of the development mix, provided that the



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quantum of student accommodation is not held to weigh against the provision of priority conventional housing on the Site, and provided that it ensures the development can achieve the quantum and tenure of affordable housing which is fully policy compliant.

The allocation therefore directly contemplates student accommodation as the means of enabling or subsidising the priority land use, which is conventional (and, in particular, affordable) housing. This reflects the plan-making history, in which the Council revised the allocation specifically to allow student accommodation to unlock a site that had remained vacant, and on the Heritage at Risk Register, following the departure of the universities in 2013, and two failed attempts to deliver new homes.

The proposed development responds directly to that allocation. The PBSA cross-subsidises the restoration of the heritage assets and the delivery of the affordable housing. To require the PBSA itself to be provided as affordable student accommodation would reduce its value and, in doing so, would erode the very cross-subsidy on which delivery of the priority land use depends. That outcome would defeat the purpose of the allocation. It would in effect “rob Peter, to pay Paul”. In this respect, the proposed departure is the very approach that the development plan itself anticipates.

### **Viability: a policy compliant position is not deliverable**

The Savills FVA demonstrates that, even with the benefit of grant funding and time-limited CIL relief, the scheme continues to generate a deficit against the Site Value Benchmark, and that 20 per cent affordable housing by habitable room (measured as blended across the C3 and PBSA accommodation) is the maximum viable level of affordable provision the scheme can support. On that basis the scheme delivers more than the maximum reasonable amount of affordable housing under the Viability Tested Route.

Nevertheless, Savills have modelled a wholly policy compliant position, comprising 20 per cent affordable housing measured against the C3 accommodation alone together with 35 per cent affordable student accommodation. That scenario produces a substantial negative residual land value and a corresponding viability deficit against the Site Value Benchmark. Without prejudice, Savills have also modelled the same policy compliant scenario using the GLA's own appraisal inputs and this too produces a viability deficit. The conclusion is therefore robust. A policy compliant position, including 35 per cent affordable student accommodation, is not viable and would threaten delivery of the scheme.

It follows that the affordable student accommodation requirement cannot be met without rendering the scheme undeliverable. That is a material consideration of substantial weight, particularly given the acute and well-evidenced need to return this vacant and deteriorating brownfield site to active use.

### **The result of policy compliance**

It is important to be clear that the departure from Policy H15 does not produce a lesser affordable housing outcome. On the contrary, the affordable housing now proposed is materially better than the position that strict compliance would produce.

The proposed scheme delivers 39 affordable homes, all as Social Rent, which is the tenure in most pressing need in the borough. That provision includes 12 family-sized (three and four-bedroom) Social Rent homes.

By contrast, the modelled policy compliant position (providing 35 per cent affordable student accommodation) would reduce the conventional affordable provision to 25 homes, split 16 Social Rent and 9 Shared Ownership within a single block. That outcome is materially inferior. It would:

- Deliver fewer affordable homes (25 rather than 39, being 109 rather than 155 affordable habitable rooms);

- Deliver less of the priority tenure, substituting Social Rent homes with a mix of Social Rent and intermediate (Shared Ownership) tenure, while diverting resource into affordable student accommodation, which the allocation does not prioritise;
- Be less deliverable, because a provision of 25 homes, comprising a mix of Social Rent and Shared Ownership co-located within a single block, falls below the minimum requirements of most Registered Providers (as does the co-location of mixed tenures in one block), and would make it materially harder to secure a Registered Provider; and
- As set out by Savills, not be viable.

The proposed approach therefore secures a greater quantum of the most-needed affordable tenure, in a more deliverable form, and does so in the manner expressly contemplated by the allocation. This is a material consideration of substantial weight in favour of the approach taken, and it directly answers the concern that a departure from Policy H15 would prejudice affordable housing delivery. The opposite is the case.

### **Wider policy support**

The approach is reinforced by the wider policy context. The NPPF 2026 directs that development proposals within settlements should be approved unless the benefits of doing so would be substantially outweighed by any adverse effects. Further it is set out at HO7 that substantial weight should be given to the benefits of providing homes which will contribute towards meeting the evidenced accommodation needs of the community.

The Support for Housebuilding London Plan Guidance (March 2026) is a key material consideration introduced as an emergency measure to address the current downturn in housing delivery, and its clear purpose is to bring forward deliverable housing schemes. The retention of the full 35 per cent affordable student accommodation requirement in circumstances where it would render this scheme unviable would run counter to that purpose.

The PBSA itself responds to an evidenced strategic need. The London Plan sets a strategic target of 3,500 PBSA bedrooms per annum, and the submitted Student Need Assessment concludes that the gap between supply and the student population is being maintained or widened. The provision of PBSA is therefore a benefit in its own right, and will reduce wider pressure on conventional C3 accommodation, notwithstanding the absence of an affordable student element.

Finally, the conservation area remains on Historic England's Heritage at Risk Register in "very bad" condition with "high vulnerability". The Site has been vacant since the universities departed, and previous attempts to bring it forward have failed. There is an increasingly urgent need to secure a viable use, which the enabling PBSA makes possible.

### **The development plan read as a whole**

Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires the application to be determined in accordance with the development plan unless material considerations indicate otherwise. The development plan itself, through Policy ARCH5, contemplates student accommodation as an enabling use to secure the priority land use. Read as a whole, and having regard to the FVA and the material considerations above, the absence of affordable student accommodation does not place the scheme in conflict with the development plan taken as a whole. To the extent that a tension with Policy H15 is identified, it should be afforded limited weight in the context of viability constraints, the specific terms of the allocation, and the material considerations set out above.

### **Late Stage Review**

The maximum viable level of affordable housing has already been established at application stage through the comprehensive FVA. The affordable offer has been fixed on that evidence.

The eligible C3 residential element of the scheme follows the time-limited planning route in the Support for Housebuilding London Plan Guidance. That route deliberately dispenses with Mid Stage and Late Stage review mechanisms (paragraph 4.6.12), retaining only an Early Stage review triggered by a failure to make substantial progress within 30 months of the grant of permission. The removal of later-stage reviews is an intentional feature of the emergency framework, designed to provide certainty and to incentivise timely delivery and build-out.

A Late Stage Review is, by contrast, a Viability Tested Route mechanism (paragraph 4.7 of the Guidance, applying London Plan Policy H5). To impose one on this scheme would reintroduce viability uncertainty and materially harm the scheme's delivery. That uncertainty would directly undermine the funding certainty on which deliverability depends, including the ability to secure grant, the ability to secure a Registered Provider for the 39 Social Rent homes, and potential investment in the PBSA needed to fund the wider delivery. It would therefore demonstrably impact delivery, and be inconsistent with the delivery-focused purpose of the emergency measures.

The Early Stage review that already applies is sufficient to protect the public interest, since it captures any improvement in viability before substantial implementation. A Late Stage Review is neither necessary nor consistent with the framework, and we ask that one is not imposed.

### **Conclusion**

For the reasons above, there are material considerations of substantial weight which justify a departure from the requirement to deliver affordable student accommodation in accordance with London Plan Policy H15. The departure is the approach the site allocation expressly contemplates. A policy compliant position is not viable and would threaten delivery; and the affordable housing now proposed (39 Social Rent homes, including 12 family-sized homes) is materially better than the smaller, mixed-tenure and unviable provision that compliance would produce.

Yours sincerely

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Partner, Planning

**For and on behalf of Bidwells LLP**