



London Borough
of Hounslow

An architectural rendering of a modern, multi-story apartment building. The building features a mix of brick and light-colored panels, with prominent balconies and large windows. Some balconies have greenery. A sign above the entrance reads "APARTMENTS". In the foreground, there are people walking on a sidewalk, a street, and a bus stop. The sky is a clear, light blue.

HOUSING DELIVERY PLAN

2022-26

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PART 1:

Background

Purpose

The purpose of this plan is to set out how the Council intends to “deliver 1,000 new council homes” and “purchase 1,000 new council homes” by May 2026. Like many Local Authorities in London, our residents are facing a housing crisis.

A shortage of good quality properties available at rents which are within the reach of people on average incomes, has led to increasing homelessness and people seeking assistance from the local authority.

Local Context

Hounslow is one of the most diverse boroughs across London situated in the western area of Outer London stretching over 5,598 hectares and home to a population of 288,200. The borough encompasses excellent links to Central London, Heathrow Airport, M4, A205 South Circular and A406 North Circular. Due to its geographical location, it lends itself to median monthly rents lower in comparison to the Inner London median, but greater than median earnings of local people.

The shortage of quality homes - at genuinely affordable rents for local people - has become an increasing challenge amongst the changing demographic and economic landscape of the borough. The coronavirus pandemic, combined with Brexit, has generated greater pressure on the Council as many people experience a reduction in income through furlough, job loss or loss of benefit entitlement and now the cost living crisis. While homeless approaches were minimised through the Government's intervention of eviction bans during the pandemic, once lifted, only led to a pent-up demand of homelessness approaches.

Significant increases to the number of homelessness approaches have exacerbated the demand to deliver a mix of homes to support emerging and existing needs of residents i.e., increasing aging population, single people, rough sleepers, those with complex needs, people requiring resettlement, families, and care leavers.

The construction of new homes has equally been impacted by rising material costs along with a shortage of manual skilled workers in the labour market, following the end to free movement post-Brexit. More recently, rising inflation and interest rates have led to increased costs and revised budgets in building new council housing, causing greater strain to the already pressured Housing Revenue Account (HRA).

In managing homelessness duties, the Council seeks to increase housing options through working with private landlords, letting properties via council owned Lampton 360 or housing associations – along with increasing council stock through the Council's own new build programme.



102,961
homes in Hounslow



37.4%
flats



28.6%
semi-detached



20.5%
terraced



6.4%
part of a converted
or shared house



4.9%
detached



1.2%
in a commercial
building i.e. over
a shop



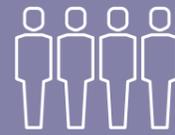
0.8%
part of converted
building



0.2%
caravan or other
mobile structure

Across all homes **48%** are owned either outright, through a mortgage or shared ownership, **31%** are private rented or rent free and **21%** are social rented.

The Challenges



Hounslow's growing population of **288,181** in 2021, an increase of **14%** from the 2011 census.



15,585 people approached the Council for housing assistance in 2021, an increase of **25%** from 2020.



7,428 homeless approaches in 2021, an increase of **70%** from 2020.



In October 2022, the average house price in Hounslow was **£463k**. This is **56%** above the average house price for the United Kingdom (**£296,422**).



House prices are **12 times** more against average earnings of people in Hounslow.



Approximately **40%** of households in Hounslow will be vulnerable to increases in the cost of living.



Inflation is at a 41 year high which has meant greater people **struggling to afford** basic necessities let alone rising rent.



Average cost to build a home **£450k**, an increase of **25%** increase from 2019.



In 2021, rental costs across London increased by an average of **16%**.



The greater demands have led to a high influx of applications of households applying to join the housing waiting list, leading to a greater need for genuinely affordable homes.

Housing Waiting List changes over the years	March 2019/ 2020	March 2020/ 2021	March 2021/ 2022	June 2022	Dec 2022
Households requiring 1 bedroom (or studio/bedsit)	565	1,068	2,347	2,573	3,299
Households requiring 2 bedrooms	533	835	1,385	1,548	1,952
Households requiring 3 bedrooms	578	968	984	1,016	1,331
Households requiring more than 3 bedrooms	254	467	320	294	394
Total	1,930	3,338	5,036	5,431	6,976

While the number of households awaiting a larger home appears lower, the wait time is much higher. For example, an applicant in a Band 2 who requires a large home will wait over five years as opposed to approximately two years for a one or two bed property.

Further work is to be carried out on housing register assessments and data in the near future, the expectation is reported data may not correspond to incoming demand as this is carried out and as applications are reviewed.

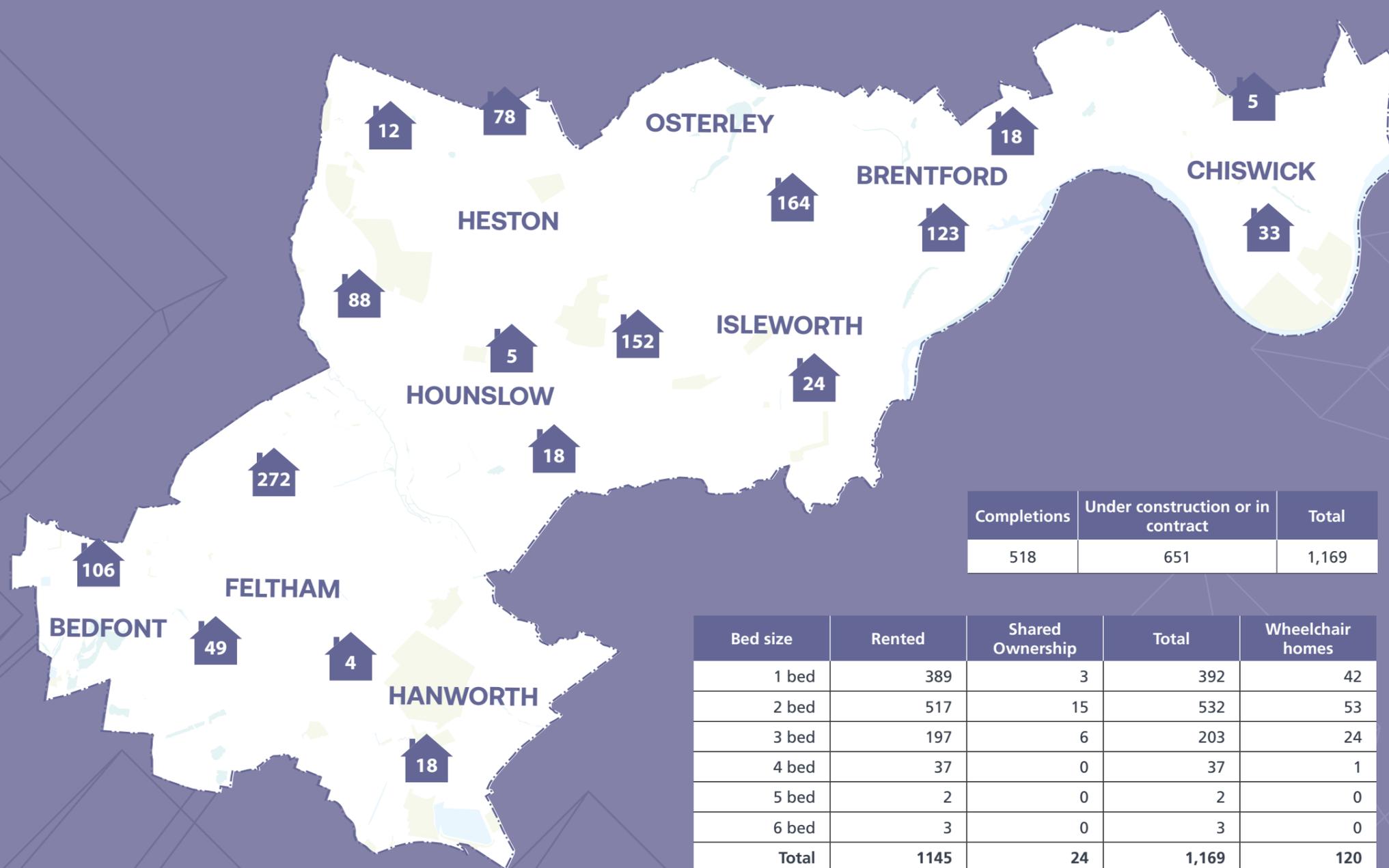
Looking Back

Despite the barriers in delivering new affordable homes, the Council continues to accelerate new housing supply. Against a pledge to secure and facilitate 5,000 homes for local people, we secured 3,617 homes for rent and low-cost home ownership through the planning process. Key to delivery were external agencies and partners such as Housing Associations and developers in enabling affordable housing provision.

The work of the Affordable Housing Development and Supply service was commended in the Council winning the Local Government Chronicle Award — “Council of the Year 2021”, citing; “its work on affordable housing, with numerous different means of intervening in the market, is particularly impressive”. In addition to the 5,000 pledge, the Council committed to deliver 1,000 new council homes through its own in-house delivery. This

commitment was exceeded and by March 2022, a total of 1,169 new council homes had been delivered. The homes were a mix of rent and shared ownership spread across the borough, as seen on the map below:

Appendix 1 outlines all new Council homes secured in the 2018-22 programme.





Registered Provider Completions

Separate to our own house building programme, the Council relies on external partners to deliver affordable rented homes to nominate to households on the Council's waiting list. The service negotiates homes at the pre-planning stage to ensure affordable housing provisions are secured through planning S106 agreements, which meet the identified housing need.

Below reflects the cumulative total of all affordable housing completions comprising of rented and low-cost home ownership delivered by Registered Providers of Social Housing.

CUMULATIVE TOTAL OF AFFORDABLE HOMES DELIVERED BY A REGISTERED PROVIDER OF SOCIAL HOUSING



A Healthier, Greener and Liveable Hounslow

The aspiration to deliver new council homes remains strong as the need for quality, genuinely affordable homes continue to grow.

AS SET OUT IN THE AMBITIOUS FOR HOUNSLOW CORPORATE PLAN 2022-2026 THIS HOUSING DELIVERY PLAN WILL:



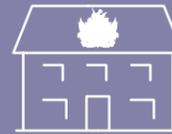
BUILD 1,000 NEW COUNCIL homes to help residents in need in these tough times.



BUY 1,000 EXISTING HOMES to provide more quality rent homes for the borough's residents.



Ensure that all **NEW COUNCIL DEVELOPMENTS ARE LOW CARBON**, doing our bit to protect our environment.



MAKE THE BEST USE OF COUNCIL BUILDINGS across the borough through its Assets Review and Strategy.



SUPPORT ASYLUM SEEKERS AND REFUGEES.



Ensure all **COUNCIL HOUSING MEETS ENERGY PERFORMANCE CERTIFICATE (EPC) Band B** or is as energy efficient as practically possible [Greener Hounslow].



Develop **LOW CARBON NEIGHBOURHOODS** [Healthier Hounslow].



Delivering Council Homes

The new Housing Delivery Plan will run from May 2022 to May 2026, with the Council delivering 1,000 council homes for rent and other discounted market products through the Housing Revenue Account. Homes contributing towards 1,000 council delivery will be at various stages of delivery, as listed below:

1. Completions.
2. Started on site
3. Contractor Procured
4. Planning Permission secured

New housing delivery and monitoring of definitions will be reviewed annually to ensure it fulfils the evolving and multifaceted needs of our residents amongst a changing social and economic landscape. This will also ensure new council homes equally meet the changing needs of residents.

Securing new council homes requires additional properties being secured from a range of sources, from new build construction, acquiring private homes, converting, renovating, and extending existing properties.

By securing we mean, for new dwellings; the granting of planning consent by the Council; the completion for purchase of existing properties; entering into a legal contract to build or extend an existing council property by at least one additional bedroom; or by returning to occupation long-term vacant properties.

This will include new homes that will be built by Housing Associations on Council-owned land across the borough, which the Council have 100% nominations in perpetuity to households on the Council's housing register.

Construction Standards

The standards to new build construction adopts the principals set out in the Social Housing White Paper to prioritise building, electrical and fire safety of new builds. Employer Requirements have been enhanced to reflect the changes in legislation, notably the Building Safety 2022 and new Fire Safety Regulations, to ensure the new housing designs meet the legislative standards and achieve Building

Control sign-off and meet National House Building Council warranty standards upon completion. Equally important, is ensuring new homes meet Decent Homes Standards, of which Government consulted a proposal between September and October 2022 to extend to the private rented sector for the first time.

Partnership Working

Meeting the new target will involve collaborative working as part of the One Hounslow operating model of cross-service partnership to achieve the best outcomes for our residents.

- ✓ Finance
- ✓ Procurement
- ✓ Planning and Building Control
- ✓ Asset Management and Repairs
- ✓ Caretaking
- ✓ Housing Adaptations
- ✓ Homelessness
- ✓ Children and Adults
- ✓ Housing Tenancy Management
- ✓ Voids and Allocations
- ✓ Mechanical and Electrical Compliance
- ✓ Waste and Recycling
- ✓ Transport
- ✓ Parks and Leisure
- ✓ Insurance
- ✓ Hounslow Highways
- ✓ Council Tax
- ✓ Environment and Climate
- ✓ GIS, Street Naming and Numbering
- ✓ Home Ownership

KEY EXTERNAL PARTNERS TO SECURING NEW COUNCIL HOMES INCLUDING:

- ✓ The Greater London Authority (GLA).
- ✓ Department for Levelling up Housing and Communities (DLUHC).
- ✓ Housing Associations.
- ✓ Developers, Contractors, and landowners.
- ✓ Voluntary Agencies.
- ✓ Transport for London.
- ✓ Ministry of Defence.
- ✓ Health Agencies.

Equally important to our delivery is the effective support to our programmes from our elected members, local community groups, tenants, and residents.

Purchasing Rented Homes

To deliver the Council's commitment to "purchase 1,000 additional council owned rented homes", the Council will commission its wholly owned arms-length company, Lampton Investment 360, to acquire suitable homes which meet both the Council's housing needs from its register but also improve the housing quality standards in the private rented sector. These are additional units to those acquired through the Housing Revenue Account.

The Trading Companies Business plan approved in March 2022 outlined an acquisition programme to purchase approximately 200 homes per year, subject to funding availability from the Council.

Within the current 2022/23 financial year Lampton Investment 360 have to date completed a total 270 of all tenures, of which 187 have been let to LBH nominations at local housing allowances.

In addition, Lampton Investment have a further 66 properties in its purchase pipeline in the remainder of 2022/23.

Planning Policy and Planning applications

The National Planning Policy Framework (NPPF) sets the context for the delivery of affordable housing through the planning process and is further refined regionally by the London Plan. At a local level, the Council has commenced examination of its Local Plan Review which is ongoing, with the first set of focussed hearings having concluded in November 2021. As required by the Inspectors examining the Local Plan Review, a further public consultation was held in October-November 2022 on amendments which were made to the Plans following Regulation 19 stage consultation. It is anticipated that further focussed hearings will be held into the Plans later this year.

In terms of Affordable Housing, the Local Plan provides policy guidance including the overall quantum, tenure mix, and unit types/sizes required to meet identified affordable housing need. The Council currently defers to London Plan guidance for the delivery of affordable housing, which requires an overall quantum of 50% affordable housing with a tenure split of 30% Social or London Affordable Rent, 30% low-cost home ownership and the remaining

40% based on borough identified need of rent or a low-cost home ownership product.

The National Planning Policy Framework (NPPF) also requires that Local Planning Authorities have a clear understanding of housing need in their area which should inform the Local Plan. The key piece of evidence used to identify housing need for the Local Plan is a Strategic Housing Market Assessment (SHMA). A SHMA identifies the scale, tenure and mix of housing required over the Local Plan period. In addition, the Council's own operational housing need data will be an important determinant in targeting new supply.

The London Plan 2021 has identified an overall housing supply target for Hounslow of 1,782 dwellings per annum - this represents an increase of 117% on the previous London Plan 2016 requirement.

PART 2:

Detailed Housing Revenue Account Programme

Sources of homes that will contribute to new council's HRA housing delivery programme

SOURCES OF HOMES THAT WILL CONTRIBUTE TO NEW COUNCIL'S HRA HOUSING DELIVERY PROGRAMME

This includes all new homes delivered by the Council within the HRA, including new build development; property purchases through partnerships with external agencies to facilitate and increase rented homes; extensions and conversions to existing council property.

The current programme is as follows:

Stage	Total
Pre-Planning	178
Accommodation for care leavers	30
Identified sites at early feasibility stage	88
Prospect and Place Opportunities	60
Planning Submitted	126
Hanworth Park House TW13 7EY	120
84 Bath Road	6
Planning Approval Granted	382
Bethany Way Garage Court, Feltham, TW14 8HJ	4
Burlington House, Burlington Close, Feltham TW14 8JU	5
Brentford Housing Offices	6
Charlton House, Albany Road, Brentford TW8 0NG	209
50-56 Fern Grove and Garages/Land at Nursery Close TW14 9AY	28

Brentford Lock West, Commerce Road	124
Caretaker Houses	6
Under Construction or In Contract	273
Fishers Lane Chiswick London W4 1RX	55
Manor Lane, Feltham	35
Triangle Site, New Road, Feltham TW13 4BY	124
Schemes under negotiation	59
Purchases	90
Street property purchases	90
Total	1049

COUNCIL HOUSING NEW BUILD DELIVERY BY YEAR

CUMULATIVE NUMBER OF HOMES EXPECTED TO HAVE STARTED ON SITE



PART 3:

Funding Plans

Financing the Council House Building Programme

HRA BUSINESS PLAN

The Housing Revenue Account (HRA) Business Plan details how the council uses tenants' rental income to manage, maintain and develop its stock of housing. It is underpinned by a detailed financial model that considers all council housing income and expenditure; the use of grant funding such as S106 Contributions and GLA grants; our own Right to Buy (RTB) receipts from the sale of HRA land and buildings; and macro-economic factors such as interest rates and inflation.

In 2021 LBH were successful in securing a 50% increase in allocations from the GLA's new 2021-26 Affordable Housing Programme of £93m. This sum is for new build new homes, starting on site between 2021 – 2026 and with expected completions by 2028.

The new 2021-2026 programme consists of negotiated grant rates which vary from £100,000 upwards for different types of social housing schemes, including Estate Regeneration.

GREATER LONDON AUTHORITY GRANT FUNDING

The Greater London Authority (GLA) headed by the Mayor of London, have various affordable housing grant funding streams to support new build council housing delivery. New homes delivery must be affordable to rent or low-cost home ownership to help households unable to find a home to meet their needs on the open market. Homes must meet mandatory building safety, sustainability, design, diversity, and inclusion standards which Hounslow already meets or exceeds.

The existing GLA programme Building Council Homes for Londoners 2016-2023 with LBH awarded £63m funding to start new council housing delivery by March 2023, which we are on track to deliver. This programme secured fixed grants of £60,000, £70,000 and £100,000 per unit depending on the type and timing of the schemes.

Following its successful delivery of Affordable Housing to date through the 2016-2023 Affordable Housing Programme, the Council retained its Investment Partner Status to enable it to secure future funding through this programme.

RIGHT TO BUY RECEIPTS

Capital income received through sales of council properties otherwise known as Right to Buy (RTB) receipts make up a significant proportion of financing for new housing delivery. In 2021, the Government changed its rules on the use of RTB receipts whereby funds must now be spent within five years as opposed to three. The council can now spend 40% of scheme costs from its RTB receipts rather than the previous 30%, thereby requiring less match funding.

S106 RECEIPTS

S106 receipts refers to obligations or financial contributions agreed between the council and developer from planning consent to investing in local infrastructure projects, including housing. Where new build developments are unable to provide the maximum on-site affordable housing provisions, they are subject to a deferred contribution which is allocated to construction of new council homes elsewhere. The Council have benefited from £33.5m, £24.5m of which has already been spent on the current and previous programmes. Further S106 contributions will be allocated by Cabinet as new contributions are received to support the programme.



Delivery Options

JOINT VENTURE

The Council would work jointly in a contracting partnership for one off and significant schemes, where costs would be unviable if the Council were the single delivery partner. This would provide better value for money to deliver maximum genuinely affordable homes on-site and avoid the prospect of increased market sale homes to enable scheme viability.

INSTITUTIONAL INVESTMENT

Alternative funding models such as bonds, pension funds potentially offer funding at lower rates and can be competitive as interest rates rise.

SALES AND LEASEBACK

Under this option the Council would release land or assets to a delivery partner who would construct new homes and when completed lease it back to the council for an annual rent. This provides an option to also purchase the asset back after the developers cost and return have been recouped.



ALTERNATIVE FUNDING SOLUTIONS AND DELIVERY OPTIONS

Hounslow have been delivering new social rented homes for the last 12 years as London Affordable Rent and Affordable Rent tenures are not deemed truly affordable for Hounslow's residents in need of Affordable Housing. Average salaries are low within the borough, and we are conscious we need to deliver real affordable homes for those in housing need.

Proposed national restrictions on the current and short-term rent levels are threatening our ability to deliver new homes in the future. A stable medium term financing plan is required to effectively plan forward programmes. We will need to look at alternative funding solutions beyond the HRA to meet our housing needs of the future, particularly if we are to retain key workers and their families within the borough.

The Council, like other Local Authorities, are facing construction cost rises of, currently, 1% a month, after increases of over 20% in 2021 led by an increase in the price of materials and labour shortages. Generally, contractors have become more risk adverse than in proceeding years and pessimistic over further supply. Recent Interest rate rises are now also threatening Local Authority HRA business plans and the viability of delivering further council homes. With the prospect of a long deep recession, our homelessness services' ability to manage increasing demand will place a greater burden on the use of inappropriate Temporary Accommodation. Therefore, the Council will need to explore alternative funding and delivery models to increase supply.

MODERN METHODS OF CONSTRUCTION

This involves off-site construction within a factory setting to construct new homes within weeks, with minimal disruption to local people and replaces from traditional construction methods. The pace of construction would mean homes would be let in advance of normal timescales in comparison to traditional methods thus generating an income more quickly to the HRA.

BULK PURCHASE

Previously the Council successfully acquired 279 homes from private developers or housing associations to deliver as social rented homes. In doing so, homes are purchased at a competitive price amidst rising material and labour costs and where already completed are often available to let immediately.



PART 4:

Management and Governance



THE HOUSING DEVELOPMENT AND SUPPLY SERVICE COMPRISES OF TWO BROAD AREAS DEDICATED TO AFFORDABLE HOMES DELIVERY:

- ✓ Partnerships and Enabling – to facilitate and enable the maximum affordable housing provisions pre-planning. Working in partnerships with housing associations, private developers, local housebuilders to ensure provisions of affordable housing meet identified housing need.
- ✓ Development and Supply – to deliver and closely manage the Council's own new-build house building programme by working in partnership with contractors and consultants.

RESPONSIBILITIES OF THE TEAM INCLUDE BUT ARE NOT LIMITED TO:

- ✓ Collaborate with internal partners within the Council to provide high level strategic direction to deliver new council housing, especially of social rent, affordable homes across the borough through innovation and problem solving.
- ✓ Increase council housing stock through new builds and purchase of ex-council/ market properties.
- ✓ Unlock opportunities with external agencies such as Housing Associations, Lampton 360, land developers to facilitate and maximise various options for housing (wheelchair adaptable, mix of tenures, supported housing etc).
- ✓ Engage with residents and community groups on new affordable housing proposals to gain local buy-in and consideration to people and places.
- ✓ Ensure new buildings contribute to the Councils wider regeneration goals such as sustainability and employment.

Governance Arrangements

Key decisions pertaining to the strategic delivery of the Council house building programme and supply options will be made by Cabinet. The HRA Business Plan update in January 2023 outlines the financial capability to deliver new housing.

Decisions related to facilitating new housing supply, as identified in the HRA Business Plan, is delegated to the Affordable Housing Committee. This extends to considering detailed proposals for schemes, recommendations for alternative delivery models, the approval of detailed budgets for specific projects.

The Prosperity and Place board will oversee new council housing delivery, which will include Chief Officers from the Council to provide high level strategic management to maintain alignment with corporate priorities.

In addition to internal governance arrangements, monthly monitoring and progress meeting will also be held with the GLA.

Delivery Team – Roles and Responsibilities

Role	Position	Responsibilities
Affordable Housing Committee Board	Cabinet member for Development and Regeneration	Approve individual schemes and budgets. Overall monitoring, risk management and strategic decision making.
Prosperity and Place Board	Executive Director of Housing, Planning and Communities	Accountable for affordable housing delivery. Overall monitoring, risk management and strategic decision making.
Council Housing Delivery Sponsor	Director of Regeneration and Growth	Responsible for strategic leadership and delivery. Ensure co-ordinated cross-departmental working.
Strategic Housing Delivery Lead	Assistant Director – Housing Development and Supply	Oversee strategic housing delivery and financial prudence of programme. Overall responsibility for the HRA.
Partnerships and Development Lead	Head of Partnerships and Development	Facilitate and maximise housing delivery in accordance with identified need.
Council Housing Delivery Lead	Head of New Build Development	Manage delivery of council's own house-building programme.



Risk Management

In developing the delivery plan, we have carefully considered and put in place arrangements to ensure there are effective governance arrangements for managing risks whilst providing assurance that the service is 'risk aware'.

This involves being able to identify risks, evaluate their potential consequences and determine the most effective methods of controlling or responding to them. Risk management forms part of our corporate performance management framework and monitoring cycles. The approach follows the corporate methodology, which is integral to all our delivery planning and operational management.

HOUSING DELIVERY PLAN

2022-26



**London Borough
of Hounslow**