

Hounslow Local Plan (2020-2041)
Examination Matters, Issues and Questions

Matter 6 – Viability and Policy Requirements

December 2025



**London Borough
of Hounslow**

Council's Response to Inspectors' Matters, Issues, Questions

Matter 6 – Viability and Policy Requirements

Issue: Whether the Plan is positively prepared, justified, effective, consistent with national policy and in general conformity with the London Plan in relation to viability and policy requirements?

Questions:

Q1) Is the Council's viability evidence proportionate and up-to-date having regard to relevant national policy and guidance, and has it taken full account of and influenced the policy requirements of the Plan?

Q1) LBH response:

1. Yes. The Council's Whole Plan Viability Assessment 2024 (**EBV1**¹) was produced in June 2024 and has had full regard to the NPPF and relevant guidance in the NPPG as well as practice statements issued by the RICS. **EBV1** tests the ability of development typologies and identified strategic development sites in Hounslow to accommodate the emerging policies in the Local Plan alongside prevailing CIL rates in the adopted Charging Schedule which are subject to indexation. It should be noted that due to the extent and range of financial variables involved in residual valuations, they only serve as a guide, and based on individual site characteristics, the assessment is clear that conclusions may need to be moderated by the development management process.
2. The methodology applied in **EBV1** compares the residual land values of a range of development typologies and a sample of identified strategic sites in the borough, reflecting the types of developments expected to come forward over the Plan period. The residual land values generated by the development typologies and sample of strategic allocations are compared to a range of benchmark land values to reflect the existing value of land prior to redevelopment. The comparison in the appraisal tests varying levels of affordable housing and different tenure mixes as well as other emerging policy requirements.

¹ EBV1 [Hounslow Whole Plan Viability Assessment \(2024\)](#)

3. The approach in **EBV1** utilises the residual land value method of calculating the value of each development which involves calculating the value of the completed scheme and deducting development costs (including planning obligations and CIL) and developer's profit.
4. As noted in paragraph 1.5 of **EBV1**, the Council would make the point that the housing and commercial property markets are inherently cyclical, and the viability of the Plan is being tested at a time when the market has experienced a period of volatility following the coronavirus pandemic in 2020/21 and the fallout from the September 2022 'fiscal event'. Forecasts for future house price growth point to growth in mainstream London housing markets, although the Council acknowledges this growth is expected to be muted in the short term due to a current low in the market cycle as a result of high interest rates and other factors. However, market conditions are likely to improve over the Plan period, and **EBV1** has allowed for medium term growth over the Plan period by running a sensitivity analysis which applies growth to sales values and inflation on costs to provide an indication of the extent of improvement to viability that might result. The assumed growth rates for this sensitivity analysis are outlined in Section 4 of **EBV1**.
5. The Assessment reviews the policy requirements in the Plan and identifies where policies introduce additional costs. All costs identified as arising from policy requirements are reflected in the **EBV1** assessment. The Council has had regard to the results of **EBV1** prior to finalising the Local Plan. The Assessment identified that the emerging policies in the Plan will not have an adverse impact on viability and deliverability of sites in the borough, and it is therefore justified as viable.

Q2) Are the identified development requirements and principles in the policies of the Plan, including affordable housing, the housing mix, on-site and off-site provision of services and facilities and financial contributions toward infrastructure – justified, effective, consistent with national policy and in general conformity with the London Plan?

Q2) LBH response:

6. Yes. With regard to affordable housing policies, the approach in **EBV1** is consistent with paragraphs 34 and 58 of the NPPF. The emerging Local Plan policies and Policy H5 of the

London Plan 2021 (**ALP1**²) are applied subject to viability, having regard to site-specific circumstances. This enables schemes that cannot provide as much as the relevant policy target for affordable housing to still come forward rather than being sterilised by a fixed or ‘quota’ based approach to affordable housing.

7. **EVB1** adopts standard residual valuation approaches to test the viability of development typologies and identified strategic development sites, with particular reference to the impact on viability of the Plan’s policies alongside adopted rates of CIL (after indexation). Due to the extent and range of financial variables involved in residual valuations, the Council acknowledges they only serve as a guide. **EVB1** therefore finds that as a result of individual site characteristics, the conclusions of the assessment may need to be moderated by a level of flexibility in application of policy requirements at the development management stage, which as explained above, is achievable as the flexibility is built into the policy approach in the Plan.
8. The Local Plan is in general conformity with **ALP1** as confirmed by the GLA under the “General” subheading on page 2 of the Mayor’s Regulation 19 Response/General Conformity Statement (REP074 of Document **S9**³). This position is reiterated in the Council’s Statement of Common Ground with the Mayor (**EX5e**⁴) in paragraph 4.3.2.

Q3) Are the policy requirements set at a level such that the cumulative cost of all relevant policies would not undermine deliverability of the Plan objectives?

Q3) LBH response:

9. Yes. The Council considers that all policy requirements in the Local Plan have been justified through **EVB1**. The Council acknowledges that the assessment identifies some scenarios, such as certain combinations of sales values and benchmark land values, where developments may be unviable or unable to deliver affordable housing at target

² ADP1 [London Plan \(2021\)](#)

³ S9 [Link to Representations made pursuant to Regulation 20 \(in response to consultation at Regulation 19 Stage\)\(Redacted\)](#)

⁴ EX5e – [Statement of Common Ground between LB Hounslow and the Mayor of London \(October 2025\)](#)

levels sought by emerging Policy SC2. However, **EBV1** is clear that such instances are addressed by the flexibility in the policies in the Plan.

10. Referring to the affordable housing requirements in Policy SC2 of the Plan, these cannot render schemes unviable as the policy is applied on a 'subject to viability' basis, in line with the threshold approach in Policy H5 of **ALP1**, which is reflected in the Local Plan. Policy SC2 allows qualifying proposals to come forward through the Fast Track Route, however, proposals that cannot meet that target can utilise the viability tested route. The Plan's affordable housing policies are therefore able to address market cycles by seeking a provision of 35% affordable housing on qualifying proposals, but allowing for schemes to come forward with lower proportions based on them submitting robust viability evidence that is tested through the planning application process.

11. **EBV1** finds that the policy requirements of other policies in the Plan have a relatively small impact and are, in any event, taken into consideration alongside the affordable housing policies which have the built in flexibility referred to above. As such, the viability evidence demonstrates that policies in the Plan cannot undermine the deliverability of the Plan objectives.

Q4) Is there any clear evidence that the policy requirements of the Plan would affect the viability or deliverability of sites in strategic policies or the proposed allocation of sites as listed in Chapter 12 of the Plan or that any further changes are required to achieve soundness in those respects?

Q4) LBH response:

12. No. The Council has produced a Viability Assessment (**EBV1**) that clearly justifies the policy requirements in the Plan. The Council refers to the answers to Q2 and Q3 of Matter 6. Given that the relevant policies in the Plan are applied flexibly, there is no evidence that the policy requirements of the Plan would adversely affect the viability or deliverability of sites in the Plan's strategic policies or in Chapter 12.

Q5) Is the approach of Policy IMP3 insofar as it seeks to support the implementation and monitoring of the Plan through the timely delivery of infrastructure; positively prepared, effective, justified and consistent with national policy and in general conformity with the London Plan 2021? Responses should address:

- a) Whether it is justified to seek to mitigate the impact of development through Section 106 agreements, where necessary and appropriate, but to defer the detail of how such planning obligations would be calculated to a supplementary planning document rather than including those details in the Plan?**

Q5)a) LBH response:

13. Yes. Policy IMP3 is positively prepared and effective as it supports timely infrastructure delivery, is consistent with national policy, and in general conformity with the London Plan 2021. As to the approach to setting out details of how planning obligations would be calculated within a supplementary planning document, the Council consider this approach to be justified. The Local Plan should remain focused and concise, as required by the NPPG (paragraph 002 Reference ID: 61-002-20190315). The detailed methodology for calculating planning obligations is technical; therefore, the Council has previously decided to set this out in a Planning Obligations and CIL Supplementary Planning Document (Document **SPD3**⁵), which has allowed for more detailed guidance on how planning obligations and the Community Infrastructure Levy (CIL) will work alongside each other in order to secure necessary infrastructure required to support growth and development in the borough. This is an approach that has been adopted by many other charging / local planning authorities. It is the intention that the guidance contained within this SPD will be updated following the adoption of the Plan to reflect any changes in regulation, policy and fees, and this will be made available to help guide decision-making.

14. Further information on specific infrastructure projects required to support growth are set out in the Hounslow Infrastructure Delivery Plan (Document **EBID1**⁶), and this will be

⁵ SPD3 [Planning Obligations and CIL SPD \(2015\)](#)

⁶ EBID1 [Hounslow Infrastructure Delivery Plan \(May 2025\)](#)

updated regularly to reflect changing needs and circumstances. This approach is consistent with national policy (NPPF paragraphs 34, 55-58).

b) Whether the expectations of development proposals to engage with relevant infrastructure and utility service providers is sufficiently clear to be justified and effective?

Q5)b) LBH response:

15. Yes, the expectation is clear, justified, and effective. The Council does not have the capacity or statutory role to engage with infrastructure and utility providers on behalf of all applicants in relation to specific site level utilities requirements (e.g. for electricity supply and water utilities connections), which often require engagement with infrastructure providers prior to an application even being submitted. Therefore, the policy seeks to ensure that developers undertake early engagement with utility providers to ensure their proposals are deliverable and do not compromise service capacity (as set out at supporting text at 11.7). This approach is supported by Thames Water, who requested the inclusion of additional policy wording as part of their Regulation 19 consultation response (see document **S9**⁷ representation **REP039**, and Document **S8**⁸). Further elaboration is included in the supporting text at paragraph 11.8 of the Local Plan. The policy seeks to ensure that such early engagement will avoid delays in delivery, and it is consistent with best practice and the NPPF paragraph 41.

c) Are the expectations that development proposals mitigate the impact of development on the highway network consistent with national policy, or otherwise justified?

Q5)c) LBH response:

16. Yes, it is justified and consistent with national policy. The expectation for development proposals to mitigate their impact on the highway network aligns with the NPPF paragraph 114 (especially part d). The Council assesses the likelihood of impact in line

⁷ S9 [Link to Representations made pursuant to Regulation 20 \(in response to consultation at Regulation 19 Stage\)\(Redacted\)](#)

⁸ S8 [Regulation 22 Consultation Statement](#)

with Policy EC2 (clause L), and this is undertaken with specialist input from the Council's transport planners and its highway authority to ensure that any necessary mitigation measures are informed by local knowledge. This may include the use of Section 278 agreements to secure mitigation where this would involve a public highway. This approach is clearly set out in Policy IMP3, clause N. It should be noted that TfL have requested alternative wording to this clause, which the Council has agreed to present as a suggested modification through a Statement of Common Ground (Document **EX5a**⁹).

⁹ EX5a – [Statement of Common Ground between LB Hounslow and TfL \(August 2025\)](#)