

London Borough of Hammersmith & Fulham

Borough Investment Plan

London Borough of Hammersmith - A Vision for Regeneration



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Foreword

This Borough Investment Plan sets out Hammersmith & Fulham's housing investment priorities for the next 10-20 years. There is a clear regeneration focus to our approach with the large majority of new housing capacity located in five regeneration areas which we believe can deliver over 13,200 additional homes and 25,000 new jobs over the 2012/32 period. Of the total new homes, we aim to deliver 40% affordable housing which will be intermediate housing such as discounted market sale, shared ownership, sub-market rent and/or affordable rent, subject to viability and other constraints. This housing investment will provide the catalyst for a wider range of socio economic outcomes over and above new market and affordable housing. Housing investment from the Homes and Communities Agency and the private sector will be key to achieving those outcomes.

One of the recurring themes of this Borough Investment Plan is 'investing in success'. Hammersmith & Fulham hosts a strong housing market with some of the highest house prices in London. However, this has the detrimental effect of limiting the ability of first time buyers to access home ownership. Consequently, the Council places a high priority on marketing intermediate housing products for working people on low to medium incomes and on incentives for existing tenants in social housing to access the property ladder.

Whilst the borough is well served by transport infrastructure, a priority for the Council is promoting the Park Royal Opportunity Area, a major rail interchange between the proposed High Speed 2 Line, Crossrail, the Great Western line and West and North London lines. Realising this objective will be the catalyst needed to regenerate the north of the borough which hosts higher levels of deprivation than elsewhere and deliver the homes that we have identified capacity for.

Finally, we need to ensure that the new jobs created in the regeneration areas are accessed by current and future Hammersmith & Fulham residents. To afford to work, they will need affordable housing. For the future, we may need to change the way we allocate new and existing affordable housing and understand better and act on the related dynamics of the housing and jobs markets. Our forthcoming Housing Strategy will develop our approach in more detail.

Cllr Andrew Johnson
Cabinet Member for Housing

Executive Summary

This Borough Investment Plan sets out the rationale for the Homes and Communities Agency (HCA) and the Mayor of London for housing and regeneration investment in Hammersmith & Fulham. The key points in this document are as follows:

- Over the 2012/32 years, there is identified capacity for 14,400 additional homes, the large majority of which is in the five regeneration opportunity areas detailed in this document. Over the same period, there is potential for over 25,000 new jobs.
- Over the first ten years of this programme, the Council expects to deliver between 2,460 and 2,880 affordable homes, the majority of which will be located in the five identified regeneration opportunity areas. The timing and tenure profile of housing delivery will be significantly affected by the long lead in times associated with large strategic sites and will be subject to scheme viability and site constraints
- Ensuring working age residents in the borough, particularly affordable housing residents, access to new jobs created is an Investment Plan priority
- The housing market in Hammersmith & Fulham remains strong and it is expected that market interest in new development will continue as will the need for new and more innovative intermediate housing products to create opportunities for working residents to get onto the housing ladder
- The Council's affordable housing target will be 40% of total delivery which will comprise intermediate and affordable rent housing. The proportions of intermediate and Affordable Rent will be decided on a site by site basis taking account of the local area's characteristics and housing market. The Council will also seek new social rented housing necessary to enable proposals for the regeneration of council or housing association estates, or the replacement of unsatisfactory accommodation. Our intention is to tackle overcrowding in all households by increasing the supply of larger homes with incentives in place to encourage greater mobility for working households.
- A Local Housing Company has been established by the Council to deliver new market and affordable housing. This vehicle may require future Homes and Communities Agency funding to fully realize its potential. The Council intends to work with the HCA to progress and grow that ambition
- The Council will seek to deliver its Housing Estates Investment Plan designed to improve housing and wider socio economic outcomes for our residents
- Investment will be required to support key enabling infrastructure to allow people in deprived communities to benefit from opportunities that are being created

By setting out the rationale for investment in Hammersmith & Fulham to the Homes and Communities Agency and the Mayor of London, the Council looks forward to working with the HCA and the successor GLA Housing and Regeneration Directorate to achieving the objectives that we have set out in this Borough Investment Plan.

Section 1 – About Hammersmith & Fulham

Summary

In this section we briefly describe the area, the residents and the economy that makes up Hammersmith & Fulham.

- 1.1 The Hammersmith & Fulham **area** is an Inner London borough in a strategic location on the transport routes between the City and Heathrow. The borough is oriented north-south with most major transport links, both road and rail carrying traffic east-west across the borough. Some of the busiest road junctions in London are located in the borough at Hammersmith Broadway, Shepherds Bush and at Savoy Circus and the borough suffers disproportionately from the effects of through traffic.
- 1.2 The borough benefits from a long frontage along the River Thames (7km) and from a section of the Grand Union Canal in the north of the borough. These waterways enhance the environment and character of the borough and provide the potential for further benefit to the borough.
- 1.3 The area is one of contrasts of wealth and poverty, and of attractive environments, many of which are protected by conservations designations and other areas that are less attractive and that need improvement. It has at least four distinct areas, each with their own character – Fulham, Hammersmith, Shepherds Bush and the area to the north of Wormwood Scrubs – the College Park/Hythe Road area.
- 1.4 Hammersmith & Fulham **residents** are relatively young and ethnically diverse. Totalling approximately 81,000 homes and accommodating c 170,000 people, it is also a highly mobile population with about half of all households having moved in the previous five years. Nearly half of the population (43%) is between the ages of 19 and 40 years old which is significantly higher than in London (35%) and the rest of the country (27%) (1). The borough has a high proportion of single people, the second highest population (57.4%) of any local authority in England and Wales. Four in ten (40.3%) of all households consist of one person (2).
- 1.5 The Greater London Authority projects that taking account of the borough's housing target of an additional 615 dwellings p.a. that the population will increase from c 175,000 in 2006 to 189,800 in 2031 (a 14,000 (8%) increase) and that households will increase by 14,600 from 79,880 households in 2006 to 94,400 in 2031 (an 18% increase) (3). This is a slower rate of growth than most other London boroughs. The main growth in number of households will be in 'one person' households (32% up to 2026) while the number of 'couple' households will decrease by nearly 8%. There is expected to be a growth in the 50 to 64 age group of 9,500 between 2009 and 2026, equivalent to 46%. The population aged

20-49 is expected to grow by 16% during the same period and the population aged 65 to 79 to grow by 14%, and 80+ by 23% (4).

- 1.7 The Hammersmith & Fulham **economy** is part of the wider West London economic area. The borough occupies a favourable location in west London and is attractive to a variety of businesses. It has enjoyed significant growth in employment and economic activity over the last three decades with the central Hammersmith area becoming an important sub-regional location for offices. In 2006, 115,000 people worked within the borough boundaries which is an increase from the 111,500 employed in 2004 (5). Just over a quarter of people working in the borough also lived in the borough. The largest employer – the BBC - is based in Wood Lane and has expanded its complex there in recent years to 14,000 employees. The number will decrease with the move of some of the BBC's staff to Salford and central London.
- 1.8 The recent development of the Westfield Shopping Centre has also seen an increase in the retail sector's importance. Other key employers include education and health providers, the latter having expanded its research facilities in recent years. In recent decades, there has been a substantial change in the composition of businesses with a significant decline in traditional manufacturing, whilst the publishing, printing and recorded media sector has grown. Smaller firms have become much more important, with 76% of business having fewer than five employees. Despite the Borough's relative prosperity, there is a high degree of economic polarization in the borough with the 12th lowest employment rate in London with only 64.6% of the working age population aged 16-64 in employment. The borough also has the 16th highest Job Seekers Allowance claimant rate in London.
- 1.9 More detailed information and statistics on the demography, population, poverty indicators, socio-economic activity and housing can be found in Annex A which forms part of the evidence base for this borough investment plan.
- 1.10 In **conclusion**, Hammersmith & Fulham is a vibrant, cosmopolitan, successful borough of opportunity. We are also a borough of contrasts in terms of disparities in local people's income and wealth. Our Community Strategy is geared towards bridging the gaps that we know exist and we see our future strategic approach to housing being key to delivering the outcomes needed.

1. 2009 Mid-Year Estimates ONS June 2010
2. 2001 Census.
3. 2009 Round of GLA Demographic Projections Updated Jan 2010).
4. 2008 GLA Population projections.
5. 2004 Annual Business Inquiry.

Section 2 – Vision

Summary

In this section, we set out Hammersmith & Fulham's vision for housing within the setting of the Borough Partnership's Community Strategy 2007/14. The Strategy is the key document for defining the Council's and its key partners' vision for improving economic, social and environmental well-being of its people and places.

- 2.1 Published in September 2007, the over-arching vision of the Community Strategy is *creating a borough of opportunity for all*, enabling all local people to have a real stake in the area and share in its growing prosperity.
- 2.2 The Partnership's vision for Hammersmith & Fulham is to create a borough of opportunity for all, in which children receive a better education, neighbourhoods are safer, healthier and stronger, the local environment is protected and improving, there is more opportunity for home ownership and local people receive higher quality, public services that deliver real value for money.
- 2.3 As partners in delivering local services our aim is to combine opportunity with social responsibility and social justice to assist the vast majority of people in the borough to help themselves while supporting the most vulnerable in the community. To further his aim, a set of priorities was agreed that reflected the Partnership's commitment to delivering a better quality of life for residents:
 - **A top quality education for all** – we aim to improve school standards, promote school autonomy and deliver greater choice and diversity for parents
 - **Tackling crime and antisocial behavior** – our objective is to tackle crime and antisocial behaviour and improve the quality of life by reducing the environment for crime and the fear of crime
 - **Creating a cleaner, greener borough** – we aim to markedly improve the local environment, delivering cleaner streets all year round and improving parks so everyone can enjoy the green open spaces the borough has to offer. There will be strict enforcement of littering graffiti and fly tipping
 - **Promoting home ownership** – our aim is to make home ownership more affordable for a greater number of residents and, in so doing, increase home ownership in the borough. This will help address the current tenure imbalances and ensure that more local people stay in the borough and have a stake in its future. In particular, we will provide more home ownership opportunities for key workers, first time buyers and those on low to middle incomes.

- **Setting the framework for a healthy borough** – promoting healthier lifestyles and a healthier environment, reducing the use of more acute services and helping vulnerable residents to live more independent lives through the provision of high quality, responsive health and social care services
- **Delivering high quality, value for money public services** – we will seek to deliver the highest quality services at the lowest possible cost to the taxpayer.
- **Regenerating the most deprived parts of the borough** – by supporting local economic development and regeneration, raising educational standards and providing the opportunity for people to develop the right skills for the future.

2.4 The two housing and regeneration objectives identified above are those that are most relevant to the Borough Investment Plan.

2.5 On **promoting home ownership**, this is part of a wider ambition to promote housing opportunities for Hammersmith & Fulham's residents. The vision for new housing that is developed is that will deliver sustainable, mixed and safe communities; provide a housing ladder of opportunity that gives households greater choice and more housing options; increase levels of homeownership; and, increase tenant and leaseholder satisfaction.

2.6 On **regenerating the most deprived parts of the borough**, the Council has identified five Opportunity Areas (see Section 5) where the housing vision can be implemented. Over 13,000 homes can be delivered in the five areas which are in great need of investment and provide the opportunity to deliver the wider range of objectives set out in section 4.3. Historically, housing-led regeneration has been the catalyst for delivering such objectives and we expect that appetite for development in the borough to continue.

2.7 More up to date and detailed information on the Council's vision for housing is set out in the Local Development Framework Core Strategy and the Development Management Policies which are summarized in Section 4 of this document.

Section 3– Strategic Context

Summary

In this section, we briefly describe the strategic context in which we alongside other local authorities and interested parties operate. The key national and regional documents referenced are the Coalition Government's *Draft National Policy Framework*; *the Mayor's London Plan* and the *Housing Strategy*. In addition, two documents – *A Fairer Future for Social Housing* and the *Localism Bill* – are expected to strongly influence the type of affordable housing that is delivered in future and who will be allocated it. Overlaying this is an expectation that future affordable housing should play a more defined role in meeting the housing requirements of households on low to medium incomes.

- 3.1 After an economic cycle of relative prosperity, there is a general consensus that the current state of the national, and indeed the global, economy is very challenging. The Coalition Government in its 2010 Spending Review put in place plans for significant reductions in public expenditure in order to facilitate a reduction in the national deficit. Such reductions have impacted on planned expenditure on the delivery of new affordable housing and associated socio-economic infrastructure. Similarly, the impact of the credit crisis has been keenly felt by the housing market with developers and their funders displaying a more cautious attitude to development, particularly speculative schemes which are perceived as a significant risk, as are mortgage providers displaying towards would-be home purchasers. Therefore the need for enabling and community infrastructure funding to give greater certainty to future development has become a greater priority.
- 3.2 Whilst the impact of the continuing economic uncertainty on the national housing market has been clearly evidenced over the past three years, it is also clear that London has resisted the worst impacts. The Hammersmith & Fulham area is considered to be particularly resilient to such impacts as evidenced by house price inflation over the past five years, despite the dip in prices in 2008/9. More information on house prices and affordability can be found in Sections 6.2 and 6.3 of the Evidence Base in Annex A.

Table 1 – House Price Growth in Hammersmith & Fulham

Q1 2007	Q1 2008	Q1 2009	Q1 2010	Q1 2011	Q2 2011
£494,855	£584,706	£564,941	£603,354	£637,801	£668,802

Source: CLG Housing Statistics Table 581 Housing Market Mean Housing Prices

- 3.3 The Hammersmith & Fulham area has some of the most attractive and expensive housing in the country, complemented by excellent transport infrastructure; retail facilities; conservation areas; and a Thames river frontage. Whilst this is clearly an advantage to the borough in reputational terms and for those who have a

secure home, it also presents major difficulties to realizing the aspirations of local first time buyers who wish to remain in the borough. The average price of housing in Hammersmith & Fulham in Q1 2011 was £637,801 with a 5% increase by Quarter 2 to £668,802. With mean incomes averaging £41,045 and median income averaging £34,821 (1), without a significant deposit and a high income, access to such housing is simply impossible. More information on residents' income can be found in Section 5 of the Evidence Base in Annex A. The Council's strategic response in recent years has been to require from developers a range of low cost home ownership products, in particular the provision of Discounted Market Sale (DMS) housing that has enabled households on low to medium incomes to access home ownership opportunities.

- 3.4 The Council is confident that the Hammersmith & Fulham 'micro-market' (notwithstanding the different markets in the locality) will remain strong, but the Council needs to be mindful of the proposed changes in national policy as set out in the Government's **Draft National Planning Policy Framework** (July 2011). The Draft Framework identifies its key housing objective as the delivery of new homes:

Everyone should have the opportunity to live in high quality, well designed homes which they can afford, in a community where they want to live. This means:

- *Increasing the supply of housing*
- *Delivering a wide choice of high quality homes that people want and need*
- *Widening opportunities for home ownership; and*
- *Creating sustainable, inclusive and mixed opportunities, including the regeneration and renewal of areas of poor housing*

- 3.5 Hammersmith & Fulham supports the vision set out in the Draft Framework and expects that the *presumption in favour of sustainable development* (2) will lead in the medium to long term to more housing developed nationally. More development on non-urban, non-brownfield sites in the future may require the borough to be more competitive in its approach, as developer interest may move to sites that are considered easier to develop. The availability of local transport, and wider socio-economic infrastructure in Hammersmith & Fulham as outlined in section 3.3 is a major selling point which few other places can match. However, developers need to continue to see Hammersmith & Fulham as a place that they can do business with and therefore needs to remain competitive in its approach.

- 3.6 The recent publication of the final **Mayor's London Plan** (July 2011) has given the boroughs and development partners a clear statement of the Mayor's spatial development priorities. The Plan sets out an ambitious vision for housing London's population, against a backdrop of a rising population and increasingly less affordable housing. The Mayor's housing vision for London has three strands:

- A City that meets the challenges of economic and population growth
 - A City of diverse, strong, secure and accessible neighbourhoods
 - A City that delights the senses
- 3.7 Specifically on new housing in the capital, a 2011/21 ten year target of 322,100 additional homes is identified, which annualized comprises 32,210 additional homes. Over the same ten year period, the London Mayor identifies a target of 132,000 additional affordable homes, which annualized totals 13,200 additional homes of which 60% is planned for social rent purposes (low cost rents let on long-term tenancies, largely to households nominated by local authorities) with the remaining 40% for intermediate housing (priced to meet the needs of working households not eligible for social housing and unable to afford to access market housing). It should be noted that the London Plan policy was examined before the introduction of the Affordable Rent model (rents up to 80% of market rents with flexibility for local authorities to nominate appropriately) and will be subject to an early alteration.
- 3.8 The Hammersmith & Fulham element of this ten year target is 6,150 additional homes which would comprise 615 additional homes annually, excluding the increment to provision in the Earl's Court Opportunity Area identified by the EIP Panel in their report to the Mayor (3).
- 3.9 The Mayor's most recent housing strategy publication **A Revised London Housing Strategy – Initial Proposals** (August 2011) anticipates the bringing together of housing and regeneration roles and responsibilities of the Homes and Communities Agency (HCA), London Development Agency (LDA) and the Greater London Authority (GLA). This can be considered as a precursor to a more integrated and broader approach to new housing delivery and housing investment from City Hall. As well as having planning and funding responsibility for new supply of affordable housing and direct control of the LDA's landholdings, the Mayor will have control of Decent Homes investment (with sanctions where there is under-performance) and an interest in how additional resources yielded from the Housing Revenue Account (HRA) reforms are applied.
- 3.10 On new affordable housing supply, achievement of the 50,000 affordable housing target will not be known until April/May 2012 at the earliest. However, this has not precluded the Mayor in his Initial Proposals document setting a new target of nearly 55,000 affordable homes over the 2011/15 financial years. This represents a significant proportion – 32% - of the national (England only) target of 170,000 homes.
- 3.11 On the basis of the Hammersmith & Fulham's own 40% affordable housing target (discussed in more detail in the next section), the Borough's own contribution over the 2011/15 timeframe would be just under 1,000 affordable homes. Whilst this is a relatively modest proportion of the 55,000 capital target, it is nonetheless an

important contribution to the regional and national targets that are now in the public domain. Boroughs that have historically delivered significant proportions of affordable housing – Tower Hamlets, Hackney and Newham as examples – may not necessarily be able to deliver on the scale previously experienced, due to the continuing economic uncertainty. Therefore, affordable housing delivery, whether intermediate or social/affordable rent, in areas such as Hammersmith & Fulham is likely to become increasingly significant in future years.

- 3.12 The housing agenda is experiencing a number of policy initiatives which can be identified in the Coalition Government's *A Fairer Future for Social Housing* consultation paper and subsequently in the *Localism Bill* which are welcomed by this authority.
- 3.13 The Spending Review announcement in October 2010, and subsequent publication of the HCA's 2011-15 Affordable Homes Programme Framework document saw a significant change in the creation of the Affordable Rent model which will give scope to Registered Providers to charge up to 80% of market rents, as the main affordable housing type funded in the 2011-15 period. Providers of Affordable Rent homes can offer fixed term tenancies, rather than 'tenancies for life' (this flexibility is being extended to all social housing providers, in relation to newly granted tenancies through the Localism Bill). The scope and scale of the reforms, taken with the combined impact of housing benefit 'caps' on affordable and private landlords' rents; proposed household benefit limits; and the Universal Credit proposals, could present a financial challenges to larger families on low and medium incomes being able to live in newly developed (or re-let) homes if charged at 80% of market rents.
- 3.14 Councils will also have a statutory duty to develop a strategic tenancy policy. *This will set out the broad objectives to take into consideration by individual social landlords in the area regarding their own policies on the grant and re-issue of tenancies* (4). This will give scope to local authorities, if they wish, to facilitate the creation of more mixed, balanced communities. Hammersmith & Fulham expect to take full advantage of the freedom and flexibilities that are envisaged in the Localism Bill and will set out its response more fully in its forthcoming Draft Housing Strategy and Draft Tenancy Strategy in 2012.
- 3.15 In conclusion, the environment in which Hammersmith & Fulham is currently operating is dynamic and challenging, but one that offers major opportunities for a place that wishes to deliver its objectives. The next two sections of the Borough Investment Plan focus on what those objectives are and where in the borough they can be delivered.

(1) Table 6 Annex A Evidence Base

(2) Page 4 CLG Draft National Planning Policy Framework

(3) London Plan Table 3.1 Annual average housing provision monitoring targets 2011-2021).

(4) A Fairer Future for Social Housing Section 2.17 .(2010)

Section 4 - Growth, Capacity and Regeneration Objectives

Summary

In this section, we give some more detail on our approach to growth, capacity regeneration starting with the objectives that guide them. The Community Strategy sets the vision, giving our Core Strategy the direction to deliver the component objectives. This section is drawn substantially from the most recent iteration of the Core Strategy, highlighting the over-arching objectives of the strategy with the housing specific policies that underpin them.

- 4.1 The Core Strategy objectives set out below outline how we encourage the delivery of the Community Strategy vision set out in section 2 of this document for the future of the borough, which give direction to the spatial strategy policies. The objectives are:
- 4.1.1 In particular, encourage regeneration of the most deprived parts of the borough, especially in the White City area, North Fulham area and Hammersmith town centre area.
 - 4.1.2 Increase the supply and choice of high quality housing and ensure that the new housing meets local needs and aspirations, particularly the need for affordable home ownership and for homes for families.
 - 4.1.3 Encourage regeneration of key council housing estates.
 - 4.1.4 Reduce polarisation and worklessness to create more stable, mixed and balanced communities.
 - 4.1.5 Support the local economy and inward investment to ensure that existing and new businesses can compete and flourish.
 - 4.1.6 Support businesses so that they maximise job opportunities and recruit and maintain local people in employment.
 - 4.1.7 Build on the borough's attractions for arts and creative industries.
 - 4.1.8 Regenerate Hammersmith & Fulham's town centres to improve their viability and vitality and sustain a network of supporting key local centres providing local services.
 - 4.1.9 Ensure that both existing and future residents, and visitors to the borough, have access to a range of high quality facilities and services, including retail, leisure, recreation, arts, entertainment, health, education and training and other community infrastructure such as policing facilities and places of worship.

- 4.1.10 Ensure that the schools in the borough meet the needs and aspirations of local parents and their children.
 - 4.1.11 Encourage and promote healthier lifestyles and reduce health inequalities.
 - 4.1.12 Promote the health, safety and security of those who live, work and visit Hammersmith & Fulham.
 - 4.1.13 Improve and protect the amenity and quality of life of residents and visitors by ensuring a safe, accessible and pleasant local environment, where there is a strong sense of place.
 - 4.1.14 Preserve and enhance the quality, character and identity of the borough's natural and built environment (including its heritage assets) through respect for local context, good quality, inclusive and sustainable design.
 - 4.1.15 Protect and enhance the borough's open green spaces and create new parks and open spaces where there is major regeneration, promote biodiversity and protect private gardens.
 - 4.1.16 Increase public access and use of Hammersmith & Fulham's waterways as well as enhance their environment, quality and character.
 - 4.1.17 Reduce and mitigate the local causes of climate change, mitigate flood risk and other impacts and support the move to a low-carbon future.
 - 4.1.18 Ensure there is a high quality transport infrastructure, including a Crossrail station and a High Speed 2 rail hub to support development in the north of the borough and improve transport accessibility and reduce traffic congestion and the need to travel.
 - 4.1.19 Ensure that regeneration meets the diverse needs of not only the Hammersmith & Fulham of today, but also all its future residents and visitors.
- 4.2 The remainder of this section focuses on the Core Strategy *Meeting Housing Needs and Aspirations* policies that guide the Council's approach to housing.
- 4.3 **Policy H1: Housing supply** states that the council will work with partner organisations and landowners to exceed the proposed London Plan target of 615 additional dwellings a year up to 2021 and to continue to seek at least 615 additional dwellings a year in the period up to 2032. The new homes will be achieved by:
1. the development of strategic sites identified within the Core Strategy;
 2. the development of sites identified in the council's Strategic Housing Land Availability Assessment

3. the development of windfall sites and the change of use of buildings where land and premises are shown to be surplus to the requirements of other land uses;
 4. the provision of new homes through conversions; and
 5. the retention of existing residential accommodation.
- 4.4 The justification for the council's proposed housing target in the replacement London Plan is 615 additional homes a year in the period up to 2021. This figure was developed through collaborative working with the GLA on the London Housing Capacity Study 2009 and through further work on the council's Strategic Housing Land Availability Assessment. Table 2 in Section 5 of this document indicates that the Council would expect housing provision to exceed the London Plan target for additional homes.
- 4.5 The Park Royal (Old Oak Common and Hythe Road) area has been included in potential housing supply but the proposed High Speed rail hub in this area is unlikely to be completed until 2020. Any significant additional housing as a result of the regeneration of this area is unlikely to be available until the mid 2020s. The potential capacity for additional housing in this area will form part of the review of this Core Strategy and the future preparation of a planning framework.
- 4.6 The figures for the two opportunity areas in White City and Earl's Court & West Kensington are as included in the revised London Plan. However, these targets are being reviewed as part of the preparation of planning frameworks for the area and could be exceeded, depending on the eventual land-use mix, urban design considerations and the extent of estate regeneration in the areas. The White City Opportunity Area Framework and Earl's Court and West Kensington Supplementary Planning Document will provide more guidance on factors that will determine capacity.
- 4.7 The eventual capacity for new housing in all areas will depend on detailed assessment, site setting, urban design of housing areas, appropriate housing mix, transport capacity and other factors as set out in policies in the Core Strategy, Generic Development Management DPD and other guidance.
- 4.8 For the purpose of infrastructure planning, the Council has considered the extent to which the figures set out above could possibly be exceeded as shown in the table. The upper figures do not represent a target but indicate the range within which the actual total would be expected to lie.
- 4.9 **Policy H2: Affordability** states that Housing development should help achieve more mixed and balanced communities and reduce social and economic polarisation by improving the mix of affordable housing in the borough for those that cannot afford market housing.

4.10 On sites with the capacity for 10 or more self-contained dwellings affordable housing should be provided having regard to the following:

The proposed adoption policy for sites with the capacity for 10 or more self-contained dwellings affordable housing should be provided having regard to the following:

a) A borough wide target that at least 40% of all additional dwellings built between 2012-22 should be affordable.

b) The Council would prefer all additional affordable housing to be intermediate and affordable rented housing unless a small proportion of new social rented housing is necessary in order to enable proposals for the regeneration of council or housing association estates, or the replacement of unsatisfactory accommodation, particularly in accordance with policies for the regeneration areas set out in this plan.

c) The Council will encourage the provision of affordable rented and social rented housing in ways that enable tenants to be offered an equity stake or the opportunity to join a savings incentive scheme.

d) In negotiating for affordable housing and for an appropriate mix of intermediate, affordable rented and social rented housing in a proposed development, the council will take into account:

- site size and site constraints;
- financial viability, having regard to the individual circumstances of the site, the availability of public subsidy and the need to encourage rather than restrain residential development; and
- the affordability and profile of local housing; the scope for achieving a more mixed and balanced community in the borough, or in an area where there are existing concentrations of social rented housing.

4.11 The justification for this approach is to support the Core Strategy key aim to reduce social and economic polarisation in the borough and to encourage social mobility. The strategy aims to create a more socially and economically mixed borough and in particular, to enable young families to be able to afford to live and stay in the borough. It will significantly increase the amount of housing that is affordable to middle income earners, key workers and all those households who are neither very wealthy nor very poor. The strategy aims to reduce the concentrations of deprivation associated with the large mono tenure housing estates, mostly council owned and to significantly improve the fabric of these outdated estates.

4.12 In order to achieve this strategy Hammersmith & Fulham will seek to increase the amount of affordable housing in the borough by setting an affordable housing

target of 40% of additional dwellings to be built between 2012/13 and 2021/22. All the net gain in affordable housing should be intermediate housing and/or affordable rent available to households who cannot afford to buy and/or rent market accommodation in the borough (Hammersmith & Fulham Housing Market Assessment) except that the Council will seek a small proportion of additional social rented housing in order to enable proposals for the regeneration of council or housing association estates, or the replacement of unsatisfactory accommodation, particularly in accordance with policies for the regeneration areas set out in the Core Strategy (see below). In order to meet the target for affordable housing, the council will negotiate for affordable housing to be provided on all larger sites in accordance with the London Plan threshold target of sites with the capacity for 10 or more additional self-contained dwellings.

- 4.13 On **Income and the cost of housing**, as outlined previously, some parts of Hammersmith & Fulham are very deprived and other areas have some of the most prosperous neighbourhoods in London. There are 7 Super Output Areas (1) within the 10% most deprived nationally; and, 30 Super Output Areas, or 27% of the borough, amongst the 20% most deprived nationally. Department of Works and Pensions Households Below Average Income (HBAI) results show that Hammersmith & Fulham has more individuals on low incomes (27.1%) than Inner London (20.4%), London (18.2%) or England (16.8%). The most deprived neighbourhoods are also those with the highest levels of social rented housing.
- 4.14 House prices and private sector rents are well above the London and the West London average. Hammersmith & Fulham has the 4th highest house prices in the country. The average property price in January 2010 was £472,000 which is 29% above the London average and 185% above the national average. Also house prices are increasing faster than elsewhere in the country (2009 Land Registry data).
- 4.15 Rents in the private sector are also high compared to the rest of London. The lowest quartile rent for a two bedroom property was £269 per week and for a three bedroom property was £315 per week(2) : the very high cost of market housing both for owner occupation and for rent impacts on who can afford to live in the borough. The household income required to rent a 2 bedroom property (lowest quartile rent) in the borough is £56,100 and to purchase (lowest quartile market purchase) is £91,400 (3). It is estimated that 58% of younger working households (age 20 to 39 years) in Hammersmith & Fulham cannot afford to buy a 2/3 bedroom dwelling and private sector rents to earned income ratios are over 30% (4).
- 4.16 Although private sector rents are high in comparison to incomes they are significantly more affordable than owner occupation. It is estimated that private rented housing has risen from about 17,500 (23% of the stock) in 2001 to nearly 28,000 (35% of the stock) in 2009 (5). Most of this increase will have been through

a reduction in owner occupied dwellings which would result in less than a third of the housing stock being owner occupied, compared to 44% in 2001.

- 4.17 Although the stock of intermediate affordable housing has increased in the last 10 years it still makes up only about 1,850 dwellings or just over 2% of the housing stock. This compares to over 3,000 households registered for low cost homeownership on the Hammersmith & Fulham Homebuy Register.
- 4.18 Social rented housing is estimated to account for approximately 25,900 dwellings, 33% of the total stock, with over 1250 dwellings having been built in the last 9 years. In some parts of the borough, in particular the north of the borough the proportion is over 50% – College Park and Old Oak and Wormholt and White City wards.
- 4.19 On the issue of **Housing tenure mix of additional housing**, in considering the mix of tenure that is appropriate for additional dwellings to be built in the borough the Council needs to have regard to its assessment of the housing market, including housing need, and how this can be met.
- 4.20 The analysis of income and housing costs above highlights a severe lack of affordable market housing in Hammersmith & Fulham coupled with a probable reduction in owner occupation. This demonstrates a need to increase the supply of intermediate affordable housing. Even if all the 40% affordable housing target (2,500-2,800 homes by 2021/22) is intermediate housing, this will still only increase the intermediate housing stock to between 4,350 and 4,650 homes or c 5% of the total dwelling stock.
- 4.21 As house prices and market rents are so high in Hammersmith & Fulham, intermediate housing needs to be affordable to a broad range of incomes. The council will encourage the provision of a variety of intermediate housing products that will assist people who cannot afford market housing to buy or rent (e.g. shared ownership, equity share, discounted market sale or rent). The provision and affordability of such housing will be taken into account in considering the appropriate proportion of affordable housing on individual sites.
- 4.22 An increase in the supply of intermediate housing and the introduction of social “homebuy” and similar schemes will assist in releasing more of the existing stock of social rented housing for households in need of that type of affordable housing. The council also wants some affordable rented and social rented housing to be provided in ways that enable tenants to be offered some form of equity stake or savings incentive scheme so that they have the opportunity to move into home ownership if their income increases.
- 4.23 The Council will seek new social rented housing where this will enable the regeneration of existing estates and the provision of better accommodation (e.g. quality, dwelling size and conditions) for social rented tenants; and where it is possible to achieve a better mix of tenure and a more mixed and balanced

community in the area. The policies for regeneration areas set out details where applicable.

- 4.24 The Council considers that it should be possible to meet newly arising urgent need without increasing the overall amount of social rented housing in the borough (Hammersmith & Fulham Housing Market Assessment). In view of this, the overall net increase in affordable housing in the borough should be intermediate housing and affordable rent housing. However, the Council will monitor affordable rented and social rented housing supply options – new supply and re-lets - and seek to ensure there is sufficient provision to meet urgent need and will seek additional affordable rented/social rented housing where necessary.
- 4.25 Where new social rented is provided the Council will require a mix of dwelling sizes that helps to achieve a better match to household needs. Currently there are over 2,300 overcrowded households in the borough and there are also households that are under occupying their housing; just over 120 households are registered with the council wanting to move into smaller accommodation. There are likely to be other households who have not registered with the council but who may like to move from larger dwellings, if there is alternative housing that would meet their needs.
- 4.26 On **Negotiating for Affordable Housing**, in implementing this affordable housing policy, the council recognises that the location of sites and their characteristics will affect the amount and type of affordable housing that is appropriate. Where there are concentrations of social rented housing it will be particularly important to increase the choice of housing in order to achieve more mixed and balanced communities.
- 4.27 The amount and type of affordable housing that might be appropriate in a proposed development will be influenced by the potential for estate regeneration on council or housing association estates, especially where the proposed development is in, or close to the regeneration areas by providing new and better homes for local social rented tenants.
- 4.28 The council recognises that the amount and mix of affordable housing that can be achieved in any scheme will depend on the financial viability and individual site circumstances of that scheme and will therefore take account of evidence of financial viability.
- 4.29 **Policy H.3: Housing quality and density** states that the council will expect all housing development to respect the local setting and context, provide a high quality residential environment, be well designed and energy efficient in line with the requirements of the Code for Sustainable Homes, meet satisfactory internal and external space standards, and (subject to the size of scheme) provide a good range of housing types and sizes. The Council supports the requirements set out in the Mayor of London's Housing Design Guide.

- 4.30 Acceptable housing density will be dependent primarily on an assessment of these factors, taking account of London Plan policies and subject to public transport and highway impact and capacity.
- 4.31 In existing residential areas, and in substantial parts of regeneration areas, new housing will be expected to be predominantly low to medium rise consisting of small scale developments of houses, maisonettes and flats, and modern forms of the traditional mansion block, with gardens and shared amenity space in street based layouts.
- 4.32 Some high density housing with limited car parking may be appropriate in locations with high levels of public transport accessibility (PTAL 4-6) provided it is satisfactory in all other respects.
- 4.33 On the **justification** to this approach, the London Plan provides broad guidance on densities, but the upper ranges are often inappropriate in the local context. The council generally regards the borough as being in the "urban" category of the London Plan density matrix and wishes to ensure that all housing development is provided to a satisfactory quality, has an appropriate mix of types and sizes (with a particular emphasis on family accommodation), and is well related to its surroundings (and neighbouring residential properties in particular). Much of the new housing, particularly the family sized housing, should consist of low and medium rise street properties, with access to private gardens or shared amenity space. The council will prepare an SPD that will provide further detail on design standards.
- 4.34 Higher density development must have particularly good design quality and positively enhance the locality (its appearance and amenities). Mixed tenure housing developments should be tenure blind, meaning that it should be difficult to spot the difference in the architectural quality of market and affordable properties.
- 4.35 Small development sites can often be problematic and the Council will especially resist attempts to overdevelop which often leads to adverse effects on neighbours and the locality. In large schemes, such as in regeneration areas, there is more scope to achieve higher density housing and as long as there is still a good mix of housing types overall, some high rise non-family residential may be acceptable. Such large schemes will need to be supported by appropriate social infrastructure.
- 4.36 **Policy H4: Meeting Housing needs** states that the council will work with house builders to increase the supply and choice of high quality residential accommodation that meets the local residents' needs and aspirations. In order to deliver this:
- There should be a mix of housing types and sizes in development schemes, especially increasing the proportion of family accommodation. The precise mix in

any development will be subject to the suitability of the site for family housing in terms of site characteristics, the local environment and access to services.

- All new build dwellings should be built to “Lifetime Homes” standards with 10% to be wheelchair accessible, or easily adaptable for residents who are wheelchair users.
- Applications for HMOs and hostels will be considered in the light of their contribution to the range of housing in the borough and their impact on the locality and its character; and
- Housing for people who need care and support must be protected, and, subject to continuing need, applications for new developments

4.37 On the **justification** to this approach, in recent years high proportions of 1 and 2 bedroom homes have been permitted in Hammersmith & Fulham (6). There has been an under provision of family housing and there is a need for this to be addressed. This strategy also aims to provide a better mix of housing; a higher proportion of family sized housing and housing that is well designed – energy efficient, accessible and safe. The council will prepare an SPD on housing mix, which will be regularly updated to reflect housing need.

4.38 Approximately 10% of Hammersmith & Fulham’s households have one or more people with a physical disability and in addition young families and the elderly also benefit from accessible housing. There needs to be an increase in the amount of housing built to Lifetime Homes standards and that is wheelchair accessible in order to meet this need.

4.39 Houses in multiple occupation and hostels can provide flexible and cheaper accommodation for people on low incomes but they can often have an impact upon the amenity of neighbouring residents. A flexible approach will be taken to the conversion of self contained accommodation to HMOs that takes account of local circumstances.

4.40 There is likely to be a continuing need for housing for people who need care and support, particularly as the population ages. The loss of existing accommodation and the provision of new accommodation will be considered in relation to the impact on the local area and on the provision of community facilities and services.

4.41 **Policy H5: Gypsies and Traveller Accommodation** states that the council will work closely with RBKC to protect and improve the existing gypsy and traveller site at Westway which is located in Kensington & Chelsea. Any additional site to accommodate the specific needs of Gypsies and Travellers in this borough should:

- meet local need
- take account of suitable vehicular access and satisfactory parking, turning and servicing

- be within close proximity of local facilities and services such as a primary school, local shops and a GP, and
- be designed in such a way that it is compatible with existing and planned uses, fit for the occupants and at the same time does not impact on residential amenity

- 4.42 On the **Justification** for this approach, Circular 1/2006 and London Plan Policy 3A.14 require that this Core Strategy should have a specific policy to protect existing authorised sites and set out the criteria for the determination of any application for additional sites. Such sites should promote the development of socially inclusive local communities in accordance with PPS 3.
- 4.43 The council and the Royal Borough of Kensington and Chelsea (RBKC) jointly provide a site for 19 travellers' pitches on land in RBKC to the east of the White City regeneration area. Work is ongoing to improve the existing site. Although the bid for government funding to provide two additional pitches on the site as well as other improvements in terms of landscaping, safety and security, parking and access was unsuccessful, there is a commitment from both boroughs to improve the physical environment at a cost of £250,000. Work will commence in 2011/12.
- 4.44 The requirements for a gypsy and traveller's site are more demanding than for residential development. Gypsy and traveller sites often contain a number of ancillary employment activities for which space is necessary. These activities can in turn, cause a disturbance to the amenity of neighbouring residents. Site selection must therefore find a balance between finding a suitably sized accessible location near to local facilities and services and a location where the amenity of the borough's existing residents remains unaffected.
- 4.45 **Policy H6: Student Accommodation** The council recognises the London-wide need for student accommodation, and to assist in meeting this need it will support applications for student accommodation as part of mixed use development schemes within both the White City and Earl's Court and West Kensington Opportunity Areas. Applications for student accommodation outside of these areas will be assessed on a site by site basis, but the council will resist proposals which are likely to have adverse local impacts.
- 4.46 The **justification** for this policy is as follows: the borough is home to a number of university and higher education institutions, principally Imperial College, which has teaching facilities at Hammersmith Hospital and Charing Cross Hospital and proposals for development in the White City Opportunity Area, London Academy of Music and Dramatic Art (LAMDA) and London College of Fashion. A number of these higher educational institutions have expressed a need to increase their capacity, as have many other higher educational institutions across London, buoyed by London's international status and reputation as a global centre for higher education. This has put pressure on conventional housing to accommodate students and there is a need to increase the capacity of student

accommodation in London in order to ensure that there is a suitable choice of available purpose built accommodation.

- 4.47 The Council considers that the borough's two largest and most deliverable regeneration areas offer an opportunity to help deliver a significant quantum towards addressing this student accommodation shortage for local institutions. It considers that student housing in these areas will be best provided within major new developments as part of mixed use schemes. However all applications will need to demonstrate satisfactorily that the proposals will have a positive impact on the overall strategies for the Opportunity Areas and will not adversely impact on residential neighbours or town and local centres. Applications will need to be accompanied by a management plan, setting out how the impact upon neighbours and the amenity of the borough's existing residents will be managed. In order to ensure that students are able to adequately get to and from their area of study, it will be important that developments are located within areas of good public transport accessibility within the Opportunity Areas.
- 4.48 Outside of the Opportunity Areas, applications for student accommodation will be assessed on a site by site basis. It is acknowledged that students can create benefits for an area, for example by adding vibrancy and vitality to the local economy. However concentrations of students can also have a negative impact. In particular, the council is concerned about the direct impact of noise and comings and goings on neighbouring properties, and the indirect impact of the growth in facilities such as bars and takeaways that can themselves cause a nuisance, especially late at night. The council will consider all applications on their own merits, but the primary consideration will be the amenity of the borough's existing residents and the strategy to direct student accommodation schemes to the two identified Opportunity Areas.

1. A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. There are 111 SOAs in Hammersmith & Fulham each comprising about 700 households
2. West London Strategic Housing Market Assessment 2010
3. West London Strategic Housing Market Assessment 2010
4. Can't Buy: Can't Rent . The affordability of private housing in Great Britain
5. Fig 51 West London Strategic Housing Market Assessment 2010
6. DMAG London Borough Stat Pack 2009 (GLA)

Section 5 – Regeneration Opportunities

Summary

In this section, we identify five regeneration areas which represent opportunities for significant new sustainable place making and housing investment and will provide the focus for new development in the borough. We expect that the sites can provide over 13,200 additional homes and over 25,000 jobs over the next twenty years (2012/32). This section demonstrates that the five regeneration areas, which include three London Plan Opportunity areas, are central to achieving the capital's growth objectives. These schemes also represent opportunities in a number of instances to replace existing social housing with better quality social housing in more mixed tenure, mixed use sustainable environments.

- 5.1 The council will focus and encourage major regeneration and growth in the five key regeneration areas identified in Table 2 below and detailed further in this section.
- 5.2 The regeneration areas could provide at least 13,200 additional dwellings and 25,000 jobs during the period 2012-2032 as indicated in the table below. The extent to which these figures can be met or could be exceeded will depend on acceptable development proposals coming forward. In each case, the acceptability of any development will be dependent on a number of factors including:
- the appropriate response to the urban setting;
 - the creation of places that provide acceptable living environments with a suitable mix of housing types, sizes and affordability;
 - there being satisfactory public transport and highway accessibility and capacity, and measures to produce acceptable trip generation;
 - environmental impact assessment; and
 - the provision of services, facilities and infrastructure to support new development.
- 5.3 The figures in the tables below are indicative additional homes and new jobs. The extent to which they can be met or exceeded will depend on detailed planning in the light of the policies of the LDF and more detailed guidance (such as in Opportunity Area Frameworks or Supplementary Planning Documents) as well as the strategic policies of the London Plan. In this context, the actual capacity of development sites will depend on testing that has regard to, inter alia, urban design considerations, land use mix, provision of supporting facilities and social infrastructure, transport capacity and environmental impact. Although the Core

Strategy identifies the potential for estate regeneration in some cases, it does not include any site specific proposals for development within estates. Therefore, the figures do not include any estimates for additional housing as a result of estate regeneration.

Table 2 – Regeneration Areas and Indicative Homes and Jobs

Area	Indicative additional homes	Indicative new jobs	Comment
White City Opportunity Area	5,000	10,000	The indicative figure for additional homes in White City East is 4,500 excluding student accommodation, in accordance with the proposed Opportunity Area Planning Framework.
Fulham Regeneration Area (including Earl's Court and West Kensington Opportunity Area)	3,400 (* 2,900 indicative in Opportunity Area)	5,000 – 6,000	The Earl's court West Kensington Opportunity Area* is partly within the Regeneration Area and partly within the Royal Borough of Kensington and Chelsea. The indicative additional homes figure in this table only applies to land in Hammersmith & Fulham and does not as yet include the West Kensington and Gibbs Green Estates. A Supplementary Planning Document is in preparation for the opportunity area.
Hammersmith Town Centre & Riverside	1,000	5,000 – 6,000	
South Fulham Riverside	2,200	300-500	Supplementary Planning Document in preparation.
Park Royal Opportunity Area	1,600	5,000	The potential regeneration of this area is largely dependent on the proposed provision of a Crossrail station and/or a station for the proposed National High Speed 2 rail link.
Total	13,200	25,300 – 27,500	

5.3 cont/...

Table 3 provides a further breakdown of over what timeframe the new homes will be developed including a line for additional homes that will be delivered elsewhere in the borough.

Table 3 – Indicative Housing Targets

Area	2012/17	2017/22	Total 10 Years	2022/27	2027/32	Total 20 Years
White City OA	1,200	1,400	2,600	1,300	1,100	5,000
Hammersmith Town Centre and Riverside	500	500	1,000	0	0	1,000
Fulham Regeneration Area	700	700	1,400	1,200	800	3,400
South Fulham Riverside	800	800	1,600	400	200	2,200
Park Royal Opportunity Area	0	0	0	400	1,200	1,600
Rest of the Borough	1,000	200	1,200	0*	0*	1,200
Total	4,200	3,600	7,800	3,300	3,300	14,400
Average/Year	840	720	780	660	660	720
Maximum for infrastructure planning purposes			9,000			20,000

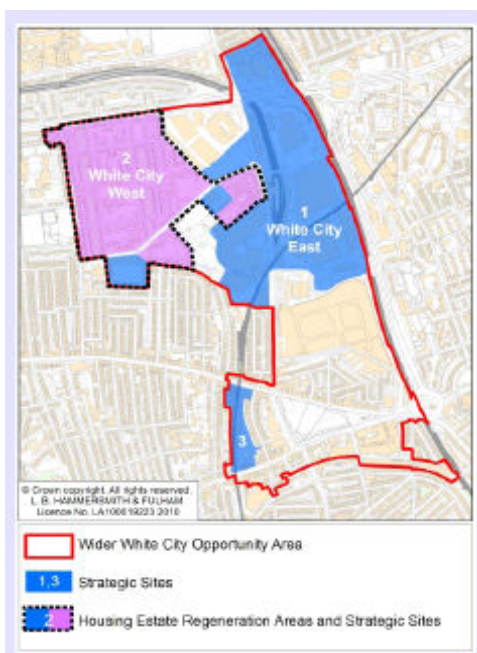
* The estimates are based on identified sites. Due to the smaller nature of the sites outside of the Regeneration Areas, there are no known sites that are expected to come forward outside of Regeneration Areas in the longer term.

** The figures for the White City Opportunity Area and the Fulham Regeneration Area are consistent with the London Plan. In the London Plan, the Earl's Court Opportunity Area has a minimum target of 4,000 dwellings. In the figures above, 2,900 dwellings have been allocated to the part of the Opportunity Area that also lies within the Fulham Regeneration Area (excluding for the time being, West Kensington and Gibbs Green housing estates). The Royal Borough of Kensington and Chelsea has allocated a minimum of 500 in the part of the Opportunity Area within that borough. The remaining dwellings within Fulham are indicative allocations for other sites.

Note: The executive summary states that in the first ten years of this Investment Plan, Hammersmith & Fulham could deliver between 2,460 and 2,880 affordable homes, mainly located in the five identified regeneration opportunity areas. The 2,460 figure is based on 40% of the London Plan target of 615 homes with the 2,880 figure based on 40% of the Council's 720 target. Table 3 above indicates that 7,800 homes could be delivered, which based on 40% affordable housing would comprise 3,120 affordable homes over the 2012/22 period. Given the challenges associated with bringing forward large sites forward delivery, delivery of between 2,460 and 2,880 affordable homes is considered more realistic.

5.4 The following sections are drawn from the Council's Core Strategy.

5.5 The **White City Opportunity Area (Strategic Policy WCOA)** is included in the London Plan. The site has some 18 hectares of potential development land lying east of Wood Lane in the hands of five landowners. The Council and GLA are preparing an Opportunity Area Framework to provide guidance for the more detailed planning of the whole area, including any regeneration of the Council estates and Shepherds Bush town centre.



White City Opportunity Area	
Indicative Additional Homes	Indicative New Jobs
5,000	10,000

5.6 The Council will work with the GLA, other strategic partners and landowners to secure the comprehensive regeneration of the White City Opportunity Area (WCOA); and, to create a vibrant and creative place with a stimulating and high quality environment where people will want to live, work, shop and spend their leisure time. The existing estates community must be able to benefit from regeneration of the area through access to jobs, better local facilities, better and more suitable housing, and improved environmental conditions.

- 5.7 The regeneration of the WCOA will be focused on the development of White City East, partial development of the BBC TV Centre and encouraging the regeneration of the White City and adjacent estates. It will also involve improvements to, and developments within, the historic Shepherds Bush town centre, including a regenerated Market area that provides an enhanced focus and destination in the western part of the town centre. Major leisure activities and major retail that cannot be located within the town centre may be appropriate north of Westfield on the edge of the existing town centre boundary; and there is potential to consider a northwards extension of the town centre.
- 5.8 The new homes built in the area will be expected to provide a local ladder of affordable housing opportunity. Regeneration schemes will need to provide an appropriate level of supporting leisure, green space, schools, community and other facilities, possibly funded through a tariff-based scheme.
- 5.9 In the area consisting of White City West and East 40% of the new housing should be affordable housing. There should be no loss in the overall quantity of social rented housing but there should be a better overall mix of unit sizes that, in particular, helps to alleviate overcrowding in existing accommodation with incentives in place to encourage greater mobility for working households. Development of land in White City East should provide a sufficient mix and quantity of social rented housing (approximately 25%) to enable a proportion of existing estate residents to rehouse in better accommodation. As a result, there should be a more mixed and sustainable community across the area within which the existing community can thrive.
- 5.10 The development of privately owned land in White City East and West will not be acceptable unless it contributes directly to regeneration of the whole of the north of the opportunity area (that also includes the Council and Registered Provider housing estates); and, in particular, to achieving a mixed and balanced community across the whole of that area. This should happen through measures that include:
- provision or refurbishment of affordable and other housing in ways that:
 - enable estate residents to obtain better accommodation or move into home ownership; and
 - enables estate regeneration through provision of rehousing opportunities; and
 - directly contribute to refurbishment or replacement of residential accommodation on the estates; and
 - achieve a mixed and balanced housing tenure and dwelling size mix across the whole area.
 - provision of, or contributions, to programmes that enable local people to access new job opportunities through training, local apprenticeships or targeted recruitment;

- environmental improvement and measures to enhance environmental sustainability, such as decentralised energy and heat networks;
- provision of land, buildings and funding for new or improved publically available social infrastructure that benefits the area as a whole;
- provision of, or contributions to, transport infrastructure or improvements that are necessary to secure the regeneration of the whole area.

5.11 All development must incorporate high levels of environmental performance by the use of low and zero carbon technologies, including combined heat and power, the establishment of a decentralised energy network and the installation of renewable energy systems.

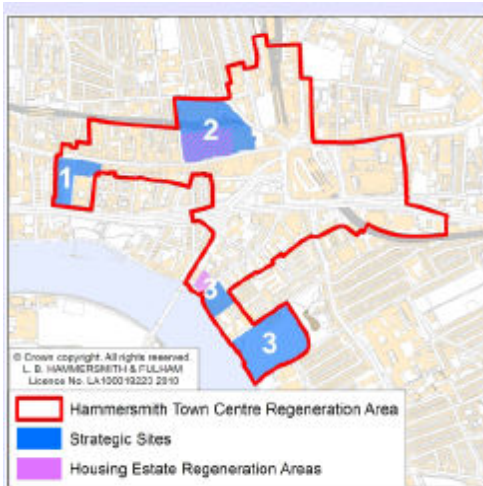
5.12 All developments must have regard to, and will be considered against, the White City Opportunity Area Planning Framework.

5.13 Specifically on **housing, mixed and sustainable communities and decent neighbourhoods** in the White City Opportunity Area, the development of White City East will include a substantial amount of new housing, and affordable housing, in particular. This will provide significant opportunities for estate residents to access better accommodation and for parts of the estates themselves to then be renewed:

- New social rented housing of the right sizes and types would provide more opportunities for transfers to alleviate overcrowding or to obtain housing more suited to a tenant's needs.
- Intermediate housing (e.g. shared ownership) at the right price levels would enable existing tenants who can afford to move into home ownership to do so while remaining in the same area. The opportunity to move into intermediate housing would be realised for many by the availability of many local jobs to help alleviate unemployment and low income levels.
- There would be opportunities for people who consider themselves to be living in less than ideal circumstances to seek to move to a home in the new development. For instance, it is generally acknowledged that living alongside a major dual-carriageway road is not ideal because of air and noise pollution, and people living alongside the A40 may feel they would prefer to move. If this were the case, then it may be possible for blocks such as these, to be replaced
- Similar benefits would exist for leaseholders living on the estates who could have opportunities to move if they consider that new homes are more suitable homes
- The layout of estates could be improved with better linkages to the surrounding area and to the land east of Wood Lane and the facilities it will provide in the future
- The new housing provided in White City East should be better quality and more energy efficient. Existing residents would need to be engaged in discussions about the provision of new housing to ensure it was agreed to be a better option, especially for families

- 5.14 The priority for social rented housing is to enable better accommodation for existing residents and enable estate regeneration, and the overall quantity of social rented housing in the WCOA will not reduce. However, as new housing is provided and the stock is regenerated there will be a better mix of housing sizes to alleviate any current overcrowding, especially affecting families, by providing more appropriate dwellings. There will be a substantial increase in intermediate housing in different forms. Existing estate residents should have the opportunity to be able to continue to live within the Opportunity Area or its vicinity.
- 5.15 All new housing should be provided to a high standard with a good mix of sizes and types, and available amenities. Low and medium rise housing providing a satisfactory proportion of family housing should predominate but higher rise blocks intended largely for non-family flats would also be appropriate in suitable locations.
- 5.16 Part of White City East is appropriate for student homes. The indicative housing figure includes any student provision that might be made.
- 5.17 Local facilities (e.g. shopping, leisure, entertainment, recreation, schools and health) should be provided in a phased way that meets the needs of the increasing population.
- 5.18 **Hammersmith Town Centre and Riverside (Strategic Policy HTC)** is an important centre for shopping, employment, arts and leisure activities, but has seen relatively little private investment over the last 10-15 years. It has high levels of public transport accessibility and there are planned improvements to the Underground. The town centre and riverside have a number of vacant sites and sites with development potential (totaling some 5.5 ha) which could accommodate a variety of uses. The development of these sites will directly contribute to meeting a number of our strategic objectives, such as helping sustain the town centre as a major centre within London's town centre hierarchy and improving linkages with the river. There are two housing estates within the area, namely Ashcroft Square and Queen Caroline Estate that are in close proximity to development sites, and where there could be opportunities for residents as outlined above.

Hammersmith Town Centre and Riverside	
Indicative Additional Homes	Indicative New Jobs
1,000	5,000



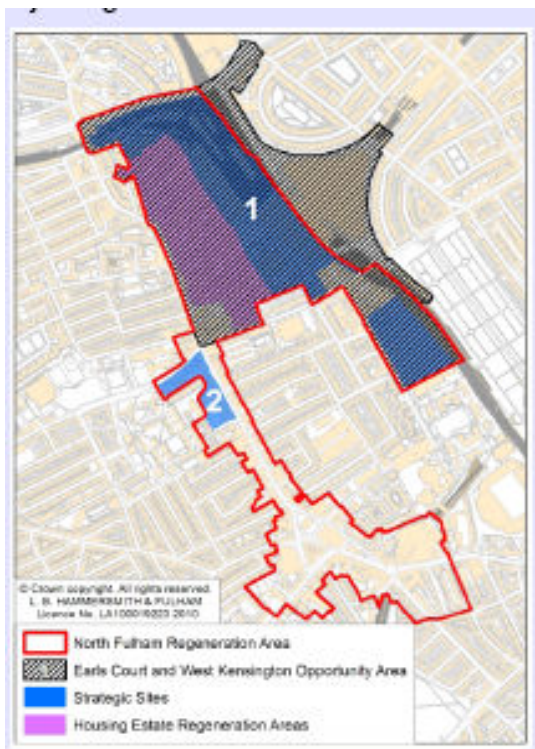
5.19 To encourage the regeneration of the town centre and riverside, the Council will continue to build on the centre's major locational advantages for office development and secure more modern accommodation. Opportunities will be taken to continually improve the environment and public realm, and to improve access between the town centre and the Thames.

This policy particularly promotes:

- the continuation of Hammersmith Town Centre as a major town centre and a strategic office location with high quality public realm that provides a wide range of major retail, employment, local government services, leisure, arts, entertainment and community facilities
- the redevelopment of parts of Hammersmith Town Centre by actively encouraging the improvement of the Kings Mall Shopping Centre and major stores in this area of the town centre
- the regeneration of the western part of the town centre around the Town Hall
- improvement in the range and quality of independent and specialist shops and services, as well as leisure services; and
- high quality development of prominent riverside sites.

5.20 Specifically on **housing** in the main town centre, the priority should be for shopping, leisure and offices but new residential development is also important. A very accessible location is a good place for higher density flatted accommodation, especially for small households without the need of a car. In addition, this helps bring evening activity and vitality into the town centre. Therefore, we will encourage the provision of housing. All new housing developments will be expected to contribute to a more mixed and balanced community and to provide more choice for people on low to middle incomes.

- 5.21 The **Fulham Regeneration Area** includes Fulham Town Centre and the Earl's Court West Kensington Opportunity Area. The latter is described in the London Plan (2011). There are 9.5 ha of land owned by Transport for London and Earl's Court & Olympia which is likely to become available for development from 2012, with the expected closure of the Earl's Court exhibition complex, together with the Earl's Court car park in Seagrave Road (2.5ha). The Council, GLA and Royal Borough of Kensington & Chelsea are preparing a Supplementary Planning Document to provide planning guidance for the whole area, including the estates and other land.
- 5.22 Both areas have relatively high levels of public transport accessibility which will be enhanced by planned improvements to the Underground and West London Line services. Indeed, we think the West London Line is capable of running services to a much higher level to help unlock regeneration potential and underpin much of the proposed growth. However, highway capacity is likely to be a constraint on development potential. In large scale mixed use development areas the Council considers there is considerable scope to encourage people to live and work in the same area to reduce trips on the public transport and highway networks.



North Fulham Regeneration Area	
Indicative Additional Homes	Indicative New Jobs
3,400 (excluding any increase on estate lands)	5,000-6,000

- 5.23 The Opportunity Area is a significant part of the Fulham Regeneration Area which includes Fulham Town Centre. A part of the Opportunity is within RB Kensington & Chelsea. There is a substantial opportunity for major regeneration based on a comprehensive approach to the Opportunity Area comprising the Earl's Court exhibition complex (with its car park in Seagrave Road), the TfL Lillie Bridge depot and adjacent housing estates. As a residential led mixed use

scheme, this area has the potential to become a major new neighbourhood for the borough and West London providing significant new housing and employment opportunities. The original Earl's Court building is located in the Royal Borough of Kensington & Chelsea and that borough broadly shares our aspirations in its emerging LDF Core Strategy. The Revised London Plan identifies Earl's Court and West Kensington as an Opportunity Area that 'presents a significant opportunity for regeneration comprising estate renewal and housing and employment growth'.

- 5.24 The impact of development of this area will be to bring tremendous regenerative benefits to the rest of the regeneration area and surrounding area, which will greatly enhance the economic health of North End Road. Within the town centre, this will particularly help stimulate regeneration of the area between Lillie Road and St John's Church. There is a particular opportunity to consider regeneration of part of the North End Road and Lillie Road shopping frontages.
- 5.25 Whilst the street market is an important part of North End Road's commercial offer, it limits footway width and pedestrian movement, and restricts traffic. In order to overcome these problems relocation to an off-street location should be sought but a dialogue should take place with street traders to ensure a logical solution that contributes to the wider regeneration of the area as a whole. The potential regeneration of the Opportunity Area may present new opportunities for relocating the market in the long term.
- 5.26 Any new development will have to be supported by commensurate increases in public transport capacity and highway improvements.
- 5.27 Specifically on **housing and decent neighbourhoods**, the Opportunity Area and its surrounding area is dominated by a number of large council housing estates which exhibit high levels of social, economic and physical deprivation with high levels of social rented housing. The council will seek phased regeneration over 20 years on West Kensington, Gibbs Green and Clem Attlee estates to establish mixed and balance communities and to help to support the economic regeneration which will, in turn, benefit residents through improving employment opportunities and local shops and services. This process will only go forward following a programme of engagement with estate residents, and the provision of opportunities for them to stay in the area.
- 5.28 The main opportunities for a substantial increase in new housing are in the Earl's Court/TfL Depot area and on the Seagrave Road car park site (subject to flood risk assessment) and through increasing density as part of the estate regeneration. The aim should be to provide a mix of dwelling sizes, types and tenure that will enable there to be a more mixed community across the area. If estate regeneration takes place, the Seagrave Road site provides the potential to enable the first phases of housing estate regeneration by providing modern quality homes for many existing estate residents. Across the regeneration area

the quantity of social rented housing should not be reduced, but the social rented dwelling size mix should be improved commensurate with need.

- 5.29 The high level of accessibility close to the Underground and West London Line stations will allow higher density development in those locations but in general density should be such as to allow mainly low and medium rise housing.
- 5.30 In the **South Fulham Riverside Regeneration Area**, there are a number of sites and considerable potential for new housing in particular, but transport accessibility is currently relatively poor and the Thames-side location needs to be treated very carefully. Regeneration scenarios are also subject to the future of wharf safeguarding which currently applies to three wharves in the area. The Mayor of London has announced his intention to review safeguarding throughout London by 2012, and the council will be promoting the withdrawal of safeguarding in this borough, where wharves are vacant, so as to optimise regeneration potential in the South Fulham Riverside area. The amount of land that is clearly available for development (including a vacant protected wharf) is 21.4 hectares and is suitable for largely residential development.



South Fulham Riverside	
Indicative Additional Homes	Indicative New Jobs
2,200	300-500

- 5.31 The Council will work with landowners and other partners to secure the regeneration of the South Fulham Riverside Area. Development in the area will be expected to take place on the following basis:
- Most development sites should be developed for predominantly residential purposes and contribute to the South Fulham Riverside target of 2,200 additional dwellings by 2032
 - 40% of new housing should be affordable with an emphasis on forms of intermediate housing

- Employment based uses that are compatible with residential use will be required in the most accessible parts of the area, particularly in the vicinity of Imperial Wharf Station
- River related uses will be encouraged where they are compatible with the objectives of the policy
- The riverside should be opened up to public use with continuation of the Thames Path National trail (riverside walk) and provision of open spaces and leisure uses that create interest and activity, and opportunities taken for educational and leisure use of the river, and
- Improvements to existing major retail stores in the area and their surface level car parks will be encouraged to secure visual improvements and better permeability through to the River Thames, where this would form part of a comprehensive mixed-use regeneration. No new additional major stores should be constructed but new shopping for day to day needs and other uses to create activity can be provided.

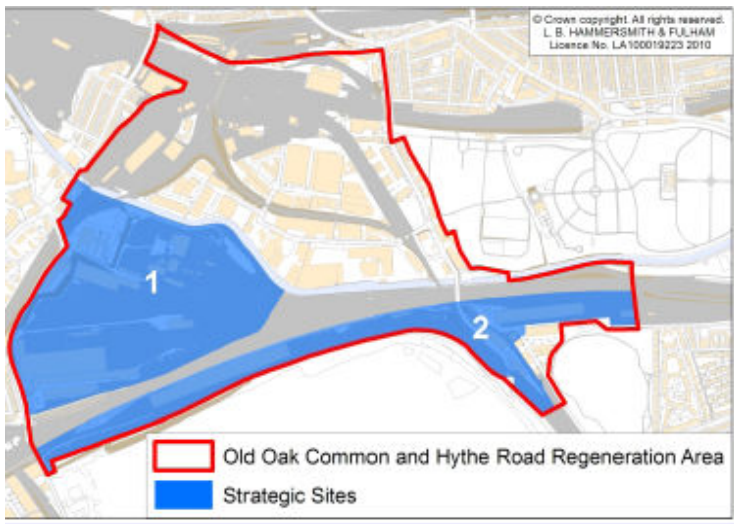
5.32 On the riverside, especially, a very high standard of urban design will be necessary, together with linkages to the river and riverside walk. In some locations higher buildings may be considered, if it can be demonstrated that a taller building would be a key design element in a masterplan for regeneration and that it would have a positive relationship to the riverside. All new development should create a high quality urban environment and accord with the urban design principles of the Borough Wide Strategic Policy on the Built Environment – BE1.

5.33 All developments must be acceptable in terms of their transport impact and will be expected to contribute to any necessary improvements to public transport accessibility and highway capacity in the area. The extension of the river bus service will be encouraged if feasible. The Council will provide more detailed guidance within a Supplementary Planning Document.

5.34 The Council continues to be opposed to the development of the Thames Tideway Tunnel and is concerned about its potential impact on the regeneration of the South Fulham Riverside area

5.35 Specifically on **housing** in the South Fulham Riverside area, given the constraints on development in this regeneration area, it is considered that the potential for additional homes and jobs in this area is likely to be significantly more limited than in the other regeneration areas. The total capacity of all of the sites identified in the Strategic Housing Land Availability Assessment (SHLAA) is nearly 4,000 additional homes, although the SHLAA estimated that approximately 2,200 additional homes may be completed in the plan period, up to 2031. Housing capacity and the provision of 300-500 additional jobs will be subject to detailed assessment, especially of the transport capacity, housing types and sizes and building massing on the riverside.

5.36 In **Park Royal**, the opportunities for growth are longer term and will be unlocked by major improvements to the transport infrastructure. A Crossrail station at Old Oak, interchanging with the West London Line, would enhance regeneration potential in the borough as well as supporting major development in that area. In addition, a High Speed Rail Line (High Speed 2) from London to West Midlands, with a hub station at Old Oak would provide a substantial boost to the aspirations for regeneration in the north of the borough. It would act as a major catalyst to regenerate these large tracts of railway land, with Old Oak becoming one of the capital's busiest interchanges, with train links to Heathrow and Bristol to the west, Birmingham to the north, Clapham Junction and Gatwick to the south. The benefits would be widespread in the borough, Park Royal and West London. In view of the lengthy planning period for the HS2 line, it would be premature to set out detailed policies for the surrounding area. When the HS2 proposal is confirmed by Government, the Council will consult on the regeneration potential of the area with a view to bringing forward site policies and detailed guidance.



Park Royal	
Indicative Additional Homes	Indicative New Jobs
1,600	5,000

5.37 The Council will promote Old Oak Common Sidings and the former North Pole Eurostar depot as a location for a major rail interchange between the proposed High Speed 2 line, Crossrail, the Great Western line and West and North London lines. Subject to the Government confirming that there should be such an

interchange, the Council will bring forward and consult on a revised policy and planning framework for major mixed use regeneration of the whole area,

5.38 Until such a decision is made by the Government and pending a revised policy for the whole area:

1. The whole area is designated as an employment zone/Strategic Industrial Location for a range of purposes (especially industrial, distribution, office based, research and development, recycling and the management of waste).

2. Old Oak Common Sidings is safeguarded for Crossrail purposes including a new depot and is within the designated SIL. In the longer term the Council is promoting the Old Oak Common Sidings for mixed use development, including significant residential development and support for passenger rail services as part of a potential HS2 rail interchange and/or Crossrail station. The council recognises the need to deliver the programmed Crossrail works as secured by the Crossrail Safeguarding directions, including the construction of a train depot on the site. The council will continue to press for a Crossrail interchange station in the area, irrespective of whether HS2 proceeds or not.

3. North Pole Depot in Hammersmith & Fulham should be retained for strategic rail uses, in particular to support enhanced rail passenger services

4. The EMR and Powerday sites are designated and safeguarded for waste and recycling purposes, and the Council will encourage use of the canal and greater use of rail for waste purposes.

5. The Council will encourage the location of bio-tech industries related to the biomedical research centre at Hammersmith Hospital.

6. Development should protect and enhance the heritage assets and the canalside and could include mixed employment/residential or residential if housing would not compromise the priority for employment uses.

5.39 Hammersmith & Fulham Council has commissioned Farrells to explore the wider potential of the proposed Crossrail and High Speed 2 stations at Old Oak Common and look at the economic benefits that could ensue from their co-location. The vision and potential for the area – **Park Royal City International** - is still evolving, however the number of homes and jobs that could be realized are exponentially higher than those set out in this section. By taking the wider cross-borough view of the area and envisioning Park Royal as a project that can deliver outcomes well beyond the West London area, it presents the opportunity to regenerate some 500 hectares of land. The Farrells' study indicates that up to 115,000 new jobs and 10,500 new homes could be provided, but if the transport proposals were to go ahead, the whole area would be subject to consultation on a revised planning policy and planning framework. This project will be the catalyst for the regeneration of the north of the borough and a major opportunity to create

jobs and homes on a long term basis. The Council intends to continue playing its part in delivering the significant regeneration potential that this area presents.

- 5.40 In the **Rest of the Borough**, development will continue to take place on vacant and underused sites, but the priority in these other areas will be to maintain the quality, scale and character of the local area, especially in conservation areas. Outside the regeneration areas, it will not be necessary for development to achieve high densities in order to help meet strategic housing targets. The main aim will be to preserve and enhance the townscape character of the local areas, and respect the local townscape context. Throughout the borough, housing development and conversions will be expected to adhere strictly to quality standards, such as garden size, overlooking and internal and external space. Development will be expected to address any local impacts arising from a scheme directly or by contributing to improvement of the local transport network, infrastructure and local facilities.
- 5.41 The total number of homes that has been estimated in this category is 1,200 with the large majority delivered in the 2012/17 timeframe. The Council will work with private sector and Registered Providers partners to bring forward sites in this category. A proportion of this delivery is likely to be supported by HCA funding through the 2011-15 Affordable Homes Programme. Once the HCA announces allocations, and indicative capacity, by provider the Council will seek to proactively engage with these providers to encourage them to invest in Hammersmith & Fulham. The Council has also created a Local Housing Company (See Section 8 for more detail) which will play a key role in developing infill sites on council-owned estates and the Council anticipates approaching the Homes and Communities Agency for resources/technical expertise/advice in the future to support its work.

Section 6 – Challenges to Securing Investment

Summary

In this section, we briefly describe the challenges to securing future investment to realize our housing and wider regeneration objectives.

- 6.1 Hammersmith & Fulham is a successful borough that continues to secure new investment. In the previous sections, we clearly identify our vision for the five regeneration areas where we wish to see future investment being channeled. In simple terms, we expect the appetite to invest in our borough to remain strong, despite the current economic downturn. The presence and ambition of our private sector partners in Earl's Court and White City are testament to that appetite. The Council enjoys a unique position of having major regeneration investment opportunities in an urban, high value location. Realizing these development values will be dependent on major infrastructure and enabling investment, particularly transport, 'accompanying' community infrastructure investment and site preparation works in order to facilitate the creation of successful and thriving places to live and work. Public investment to support these necessary works, could significantly improve scheme viability and outcomes for the borough as a whole. As an example, initial discussions with development partners for the White City Opportunity Area is indicating that the amount of affordable housing that can be achieved without public subsidy from the project is potentially limited. It may be the case that the Council will need to approach the HCA for future support to deliver the emerging vision for the White City Opportunity Area Planning Framework.
- 6.2 Drawn from the Core Strategy, the Infrastructure Investment Tables in Annex B set out the borough-wide requirements, not all of which relate to the regeneration areas but are necessary to deliver our wider Core Strategy vision. Chief amongst the requirements is the need for a new Crossrail station at Old Oak Common interchanging with HS2 the West London Line and other rail lines. The creation of this transport hub will trigger an exponential increase in residential and employment capacity in the area, the potential for which is reflected in the Core Strategy.
- 6.3 The housing and regeneration delivery trajectory for these five projects is medium to long term, with some schemes planned to deliver homes and jobs during the 2012/17 timeframe. The council will need to play a key 'enabling role' to ensure that these schemes gain the necessary momentum to ensure that the risks associated with the development process are reduced where possible. We will seek support from funding agencies such as the HCA where required. The

Council will expect development partners to take some risks in the normal way to ensure that respective projects outcomes are achieved.

- 6.4 With the introduction of the Community Infrastructure Levy (CIL) the standard S106 negotiation approach to planning obligations will change. Whilst affordable housing provision will sit outside the CIL process and be negotiated in the standard way, provision for future community infrastructure will be met from the levy charged to the developer. This has the advantage of clarity and ensures that the Council receives resources to fund the infrastructure required. The 2010 Comprehensive Spending Review saw a radical reduction in central government funding for new community infrastructure. It is unlikely that the private sector will be able to fully fund any community infrastructure previously earmarked for public funding and may present scheme viability issues.
- 6.5 One of the key challenges for the borough relates to the availability of subsidy for affordable housing. There are two aspects to this challenge. Firstly, the Affordable Rent model is unlikely to be an attractive option to those tenants who need to be decanted from their existing homes to make way for new developments. Therefore resources (and sites) will need to be identified to ensure that new accommodation for households to be relocated is available and appropriate to their needs.
- 6.6 Secondly, the development and implementation of the Affordable Rent model also presents a challenge. The HCA has announced allocations by its administrative operating areas (in London c. £628m to deliver c. 22,000 affordable homes on top of existing commitments), and expects to shortly publish information of providers indicative forward capacity by area. Despite the significantly reduced levels of subsidy available it is anticipated that the new model, combined with existing commitments, will enable increased delivery of affordable housing in London compared to recent levels. This new model of rented housing will enable Registered Providers to charge up to 80% of market rents for new housing. The Council has set out an early policy position on the rents that it will accept being charged for these homes (detailed in Section 9 of this document) which will need to be formalized in the Council's forthcoming Tenancy Strategy. The maximum rents that have been identified are within the Government's housing benefit caps and therefore will be affordable to benefit dependent households, although larger households are likely to be impacted by the aggregate benefit cap (expected to be £26k p.a.) that can be received by individual households. This issue will need to be analysed further with findings reflected in the Council's Tenancy Strategy. Clearly, where larger accommodation is proposed to be developed which cannot be afforded by the expected occupying client group, then a 'bespoke' approach may be required. This is likely to involve reducing the Affordable Rent to a level which sits within the relevant Housing Benefit cap. Conversely higher, but still under 80% of market, rents could still suit a non-benefit dependent household occupying an Affordable Rent property who will experience the advantage of a

discounted rent which will position them well to enter (or remain) in sustainable employment.

- 6.7 The challenges that have been set out in this section are not considered to be insurmountable as Hammersmith & Fulham continues to be a strong investment proposition and our regeneration proposals robust.

Section 7 - Investment and Delivery – The Mayor of London and the HCA

Summary

In this section we briefly describe how we envisage working with the Greater London Authority and the Homes and Communities Agency (and succession arrangements) in order to ensure that both the Mayor of London's and Hammersmith & Fulham's strategic housing and wider regeneration priorities are met.

- 7.1 The opportunities for investment and delivery in Hammersmith & Fulham are clearly set out in Section 5. The Council already works closely with the Mayor's strategic planners towards developing area frameworks for a number of the opportunities that have been identified and we expect this close working relationship to continue and grow.
- 7.2 The London Plan (July 2011) clearly sets out the Mayor's strategic planning priorities. The recently published *A Revised London Housing Strategy – Initial Proposals* (Aug 2011) sets out in more detail the Mayor's future housing approach and priorities. We particularly welcome the Mayor's proposals to:
- Work with boroughs to ensure that they are at the forefront of local decision-making over housing delivery
 - Align housing delivery with the Mayor's wider social and economic objectives and other major infrastructure investment opportunities, such as Crossrail and the Olympics
 - Work with boroughs that wish to develop their own new Affordable Rent homes
 - Promote new forms of funding for housing delivery, such as long term institutional investment and equity funding
 - Ensure that new housing development contain an appropriate mix of market and affordable homes and are developed in locations where they can help reduce concentrations of particular tenures
- 7.3 The Council also welcomes the proposed formation of the Housing and Regeneration Directorate at the GLA, bringing together the housing and regeneration roles and responsibilities of the HCA, LDA and GLA. Whilst accepting the strategic planning role will be separate from the new directorate's work, there is nonetheless an opportunity to ensure that the investment and strategic planning decision-making process on key issues and projects can be more closely aligned and streamlined.
- 7.4 The Council recognizes that the housing development in the Opportunity/Regeneration areas identified in Table 2 in Section 5 may have a significant 'lead in' time before homes are completed and available for

occupation. Therefore, it is important that some attention is given to smaller/other site delivery outside these areas – 1000 homes in 2012/17 and 200 homes in 2017/22 – is facilitated and that the Council's target of 40% affordable housing is secured. The Council's Strategic Housing Land Availability Assessment (SHLAA) will be an important reference point for this work.

- 7.5 The Homes and Communities Agency has advised Hammersmith & Fulham that there is strong appetite amongst Registered Providers to build new affordable homes in the borough. At the time of writing, the HCA expected to make a funding announcement for the North West London area (in which Hammersmith & Fulham is located) which will clarify the available resources for new affordable housing. The Council intends to work closely with the HCA (and the successor GLA Housing and Regeneration Directorate) to develop and implement a new programme of affordable housing, reflecting the requirements set out in the investment plan and other policies and strategies of the council. The Council will proactively engage with Registered Providers who have allocations in order to encourage them to invest in the area.
- 7.6 The Council will also work with the HCA and the successor GLA Directorate to identify schemes that can deliver new affordable housing through the Council's Local Housing Company (See Section 8). More detail on the Council's approach to Affordable Rents is set out in Section 9.
- 7.7 For the future, the Council will be working with the Homes and Communities Agency (and successor agency), drawing on their knowledge and expertise of affordable housing funding and wider regeneration delivery.

Section 8 - Investment and Delivery – The Local Authority

Summary

In this section, we set out how the local authority is playing the leadership role necessary to bring forward the housing supply and regeneration necessary to deliver Core Strategy objectives.

- 8.1 Hammersmith & Fulham is playing a leadership role in delivering new Core Strategy objectives, over and above the traditional ‘strategic enabling’ role. The significant opportunities for investment are set out in Section 5 of this document and are beyond the ability or capacity of the private or third sectors to deliver without Council leadership and intervention.
- 8.2 The Council’s leadership role for its regeneration areas has been key to identifying the **regeneration opportunities** set out in this document. These areas have the potential to yield over 13,000 additional homes and 25,000 new jobs. The opportunities that these project represent we believe are unique to an inner London area and are very attractive business propositions for investors.
- 8.3 The Council has worked closely with the GLA Planners to develop Opportunity Area Planning Frameworks (OAPFs) for three of the five regeneration areas identified in Section 5 of this document is part of that leadership role that the Council has demonstrated. We will need to continue playing a leadership role throughout the regeneration processes, particularly to ensure that the local employment opportunities presented by individual schemes are maximized to their full potential. On housing, that leadership role is being demonstrated through its approach to White City. The Council is seeking to achieve, through the planning process, 25 per cent new social housing and 15 per cent intermediate on the brownfield sites to the east of Wood Lane. The Council intends to ring-fence these new homes exclusively for existing residents of the White City estates who will be able to access one if they choose to and meet the allocations criteria which will be set out in a Local Lettings Plan. This will provide an opportunity to tackle high levels of overcrowding currently on the White City estates and better meet existing residents housing needs. In turn, this will help present new housing and regeneration opportunities for the current estates’ area.
- 8.4 The Council has established a **Local Housing Company** (LHC) to deliver an element of its new housing supply objectives. The Council has been concerned about the approach to disposing of land to developers, be they Registered Providers or private sector developers. The approach fails to maximize its

financial return; gives the Council limited control over what is built on the site; and, takes away control of the amount and timing of housing delivery.

- 8.5 Under the current legislation, the Council is unable to undertake commercial operations such as development of housing directly. Therefore, in order to be able to build homes directly it is necessary for the Council to establish subsidiary vehicles to overcome the potential *vires* issues. This would also ensure that commercial, legal and financial risks are not all contained within the Council. The objectives of the Local Housing Company are to ensure that any sale/development of land/properties will:
- a. Enable the Council to maximise its financial return.
 - b. Enable the Council to retain any affordable housing that is developed in such schemes within its portfolio.
 - c. Give the Council greater control over the design of the scheme and ensure it delivers what the Council and local community want in the built environment.
- 8.6 One of the key advantages to establishing the LHC is being able to transfer Council land into the development company. This will always be leasehold so that the Council continues to own and control the freehold interests. The length of the leases will vary according to the type of scheme. If the scheme includes units for market or intermediate sale a period of up to 125 years will need to be granted. Land can be transferred at nil value, discounted value or full value according to the viability of the particular scheme or programme. In most instances the land transfer will require the Secretary of State's consent which is normally provided within 14 days of application.
- 8.7 On delivery, we are initiating the first phase of conversion/infill sites which will be funded exclusively from our Decent Neighbourhoods Fund. Future phases could be funded from combination of disposal receipts, profits from new homes built for private sale/Discounted Market Sale, and some borrowing. In addition, we are aiming to establish a Joint Venture vehicle to take forward delivery of larger development sites which would be initiated using equity/borrowing brought in by the Joint Venture partner and development profits generated from private for sale/discounted market sale units. We plan to discuss with the Homes and Communities Agency possible future funding of projects that we wish to take forward.
- 8.8 In conclusion, the establishment of the local housing company vehicle has created a major opportunity for the Council to deliver housing and regeneration outcomes using its own land, under its own leadership. We see this as an

opportunity for the Council and the HCA to work closely to deliver outcomes in a relatively short period of time.

8.9 **Housing Revenue Account (HRA) Reform** – The Council will shortly be presenting a report to Cabinet on its approach to the reform of the HRA system. Without pre-empting the recommendations of that report, the Council considers the financial implications of the changes likely to be advantageous to the borough, creating potential borrowing headroom to undertake regeneration, remodeling and re-provision of social housing. There are clearly risks associated with the freedoms associated with managing the debt strategies for the Council's housing. There will be ongoing requirements to invest in the housing stock in line with the Council's asset management approach. However we are concerned that the opportunity to maximise the use of councils' assets, particularly where there are both high value assets and significant socio-economic deprivation, is being un-necessarily limited. The Council intends to maximise the use of freedoms and flexibilities proposed under the Localism Bill provisions and will use and/or seek if necessary greater freedoms on asset management; rent setting; use of capital receipts in order to deliver outcomes such as those set out in our housing estate investment plan approach below. We will explore what vehicles and/or mechanisms are available and needed in order to deliver these outcomes. The Council welcomes the Government's announcement to increase right to buy discounts for tenants. We would expect individual local authorities to have powers over the amount of discount that is granted and the use of resultant capital receipts, accepting the need to pay down the associated property debt.

8.10 The Council is currently consulting on an **Housing Estate Investment Plan** designed to improve the quality of life for residents living on the Council-owned and managed estates. The plan has the following components:

- Physical and Environmental improvements
- Local Lettings Plans
- Improving tenure diversity
- Coordinated Housing Management Services and Collaborative Neighbourhood Focused Services
- Employment and training
- Resident involvement

8.11 We see our estate investment plan approach as key to delivering locally focused regeneration outcomes and see a role for our newly established local housing company to deliver new market and affordable homes. Where it is appropriate and viable, comprehensive regeneration approaches involving demolition and new build will be adopted to achieve desired outcomes. However, this approach

will not be suitable in most instances, and lower level interventions are likely to be required. In housing development terms, this is likely to include 'infill' developments which may include selective clearance/demolition of spaces/buildings for development purposes. The Council will draw on information available from its housing condition survey to support this work.

- 8.12 On the **Asset Management** of its stock, Hammersmith & Fulham Council is the largest social landlord in the borough managing 18,000 homes, comprising 13,000 social rented homes and 5,000 leasehold homes. The Council is therefore a key service provider to a large number of residents, many of whom are on low incomes and disadvantaged. Following the substantial completion of the decent homes works programme, the Council in April 2011 brought back in-house the management service from its arms length management organisation. In addition to developing and implementing the Housing Estate Investment Plan proposals, the Council will asset manage its stock in a strategic, targeted and efficient fashion. The Council will need to ensure the overall performance of the stock portfolio is maximised and the asset management strategy fully funded. The Council already operates a void disposals programme to support its housing and regeneration activities. To this end, the approach will include considering options to maintain; refurbish; dispose; or redevelop homes that the Council manages to ensure business plan objectives are met and residents have a decent home to live in. We also intend to facilitate greater mobility for overcrowded households, with incentives in place to encourage greater mobility for working households.
- 8.13 The Council is proposing to undertake a review of its sheltered housing stock which is likely to feature in our forthcoming housing strategy. We will also review on an ongoing basis additional investment required to deliver housing for supported living purposes.
- 8.14 Our ambitious regeneration approach requires the Council to continue **working with our communities**. Our Housing Estate Investment Plan proposals identified above are currently the subject of consultation and will require a locally-focused approach when identifying priorities and implementing projects. The Localism Bill (when enacted) will place a range of requirements on the Council to work with communities in a different way. We have commissioned a review of our resident engagement process to improve the way the Council engages with its tenants and leaseholders, and expect to implement the review's recommendations in 2012. Our approach to this will be set out in our forthcoming housing strategy.
- 8.15 The Council remains committed to the principles of the '**slivers of equity**' approach, enabling tenants to acquire small tranches of their property. As part of

our Housing Strategy and response to the proposals set out in the Localism Bill, we will review and act on the opportunities available to develop the 'slivers of equity' approach, whilst continuing to promote affordable home ownership to our residents.

- 8.16 Finally, regarding the supply of new affordable housing, the Council's preference is for 40% of total delivery which will comprise intermediate housing such as discounted market sale, shared ownership, sub-market rent and/or Affordable Rent housing. The Council will also seek a proportion of new social rented housing necessary to enable proposals for the regeneration of council or housing association estates, or the replacement of unsatisfactory accommodation. In addition, the Council will seek the delivery of some new social housing at target rent, particularly family accommodation, where it presents additional choices for tenants with 'decant' status; reduces overcrowding; and/or reduces homelessness. Our intention is to tackle overcrowding in all households by increasing the supply of larger homes with incentives in place to encourage greater mobility for working households.

Section 9 - Investment and Delivery – the Private and the Third Sectors

Summary

In this section, we set out briefly how we intend to work with the private and third sector agencies who wish to deliver new housing and wider regeneration objectives in the borough.

- 9.1 Land and property values in Hammersmith & Fulham are amongst the highest in the country. The rationale for the private sector to invest and deliver in the borough from a purely commercial perspective is very strong. The third sector in this instance, principally Registered Providers (e.g., housing associations), play a significant role in accommodating a large proportion of the borough's population.
- 9.2 On the **private** sector, the Council enjoys effective and close working relationships. On two of our five regeneration/opportunity areas – White City and Fulham – working relationships are well developed. We expect the private sector to play a key role in bringing forward the other identified opportunities in the borough as the housing market in the borough remains strong.
- 9.3 On the **third sector**, the key agencies here are Registered Providers (previously known as normally known as Registered Social Landlords/housing associations). In 2009, of the c 81,000 homes in the borough, Registered Providers totaled 16% of the total housing stock, with an equivalent amount provided by the local authority with the remaining 68% provided by the market sector (i.e., owner occupation and the private rented sector). Therefore, Registered Providers have a 'default' position as key social housing providers in the borough.
- 9.4 The council is supportive of the new Affordable Rent and tenure regime given the flexibility it provides in the allocation and management of social housing. The potential additional funding that can be used for further affordable housing development at a time of restricted public funding is also welcome. Therefore, we do anticipate working closely with the HCA and Registered Providers with a view to bringing forward new developments that feature this new tenure.
- 9.5 The Council is aware that Registered Providers have bid for 83 new affordable homes on specific sites in the borough from the 2011-2015 Affordable Housing Programme and that the success of these and larger indicative allocations will be published by the HCA in the near future. We expect to proactively engage with Registered Providers who have secured resources for new homes but have yet to secure sites and associated consents. In tandem with the new supply of Affordable Rent homes, it is expected that the Affordable Rent regime will be

applied to a proportion of re-lets in order to further maximize rental streams for new build purposes.

9.6 A well documented issue relates to both housing benefit caps and the implementation of the Government's Universal Credit in 2013. The maximum Affordable Rent that the Council at present expects Registered Providers to charge for new and from the 50% re-let homes are as follows:

1 bed rent of no more than £250

2 bed rent of no more than £290

3 bed rent of no more than £340

4 bed rent of no more than £400

9.7 These rental costs are to include service charges and these costs will be reviewed on an annual basis. The Council wishes to see nomination rights for potential tenants to the new tenure to be promoted to working households. The rental costs identified above dovetail with the Government's own housing benefit caps and will be a tenure that can be afforded by both those households dependent on benefits and also those who are in work.

9.8 Regarding the expected additional revenue generated from the Affordable Rent, the Government's intention was that this money should fuel the development of further Affordable Rent housing. The Council supports this approach and would see this principle extended to its own Local Housing Company. However it is not clear at this early stage of the process what quantum of additional revenue is likely to be generated; what mechanism can be adopted to record how much surplus is being generated. The Council would like to proactively encourage Registered Providers to invest capacity generated from conversions into new supply within the Borough boundaries.

9.9 Guidance on the issues identified in the above two sections and others (e.g., fixed term tenancies) will be consolidated in the Council's Draft Tenancy Strategy with the rental issue reviewed annually. The Council does expect new affordable rent housing to make a significant contribution to the Council's 'borough of opportunity' vision.

Section 10 - Gap Analysis

Summary

In this section is set out where the gaps in our approach which we need to address in order to deliver our housing and wider regeneration objectives.

- 10.1 In this Borough Investment Plan we have set out a strong case for housing investment in Hammersmith & Fulham. Through our Core Strategy, we clearly identify the opportunities where we expect investment to be directed in the next twenty years. We expect to deliver a minimum of 13,200 homes and 25,300 jobs. Of the housing delivered, we wish to see 40% affordable housing which will comprise intermediate and affordable rent housing. The proportions of intermediate and Affordable Rent housing will be decided on a site by site basis taking account of the area's characteristics and local housing market. In terms of jobs and housing, we see a clear correlation between future affordable housing and new jobs created, ensuring that new households in affordable housing are able to enter the 'world of work'.
- 10.2 Our gap analysis identifies the following issues:
- 10.2.1 The large proportion of future housing delivery will be located in the regeneration areas identified in this document and the Core Strategy. Inevitably there is a relatively long lead-in time for such projects and therefore there needs to be some urgency in the programme and project planning phases of the individual schemes to ensure that housing delivery is achieved, specifically the 3,200 additional homes in 2012/17 (Section 5, Table 3)
- 10.2.2 In connection with above, capacity has also been identified for 1,000 additional homes in the rest of the borough to be delivered in 2012/17 timeline, with a further 200 in 2017/22. The borough will need to work with private and affordable developers to ensure that this element of delivery is achieved with the current and planned pipeline development programme actively monitored
- 10.2.3 The five Opportunity/Regeneration Areas estimate a minimum of 23,000 jobs to be created: the Council needs to develop a 'smart' approach to ensuring that these new jobs advantage Hammersmith & Fulham residents, specifically tenants in social housing who are able to work. A more community-focused approach is needed to understand what the barriers to employment are amongst specific client groups represented in social housing and how future job opportunities can be communicated to

people of working age in a timely and organized fashion. The Council will need to work closely with Registered Providers (i.e., housing associations) where the Council would want to achieve similar outcomes.

- 10.2.4 The Council has established a Local Housing Company (LHC) to deliver new market and affordable housing. The aim is to ensure that 'value' that is created through the development of new homes is ploughed back into the vehicle with a view to supporting the development of further new housing. An element of the new delivery is to be achieved through the 'hidden homes' initiative using surplus sites on council estates through our proposed Housing Estates Improvement Plan. The Council expects to be delivering outputs from this initiative from 2012 onwards and will need to demonstrate to a track record of success in a relatively short period of time.
- 10.2.5 The delivery of affordable family housing will need to feature as a greater priority in the delivery programme in order to ensure that households with children have options to stay in the borough if they wish to. Given that the borough is geographically the fourth smallest in London, the opportunities to develop family houses with gardens is limited and therefore there should be some recognition that such resident aspirations may have to be met outside the borough.
- 10.2.6 Adjusting to the development and delivery of the new *Affordable Rent* model. Whilst the Council welcomes the flexibility that the new model offers both providers and recipients, there are issues about how family accommodation will be affordable if such homes are charged at 80% of market rent and similarly kept within the benefit caps set by central Government.
- 10.2.7 Infrastructure costs for the schemes identified for the regeneration areas will need to be fully developed and regularly reviewed to ensure that schemes remain viable and affordable housing and wider regeneration outcomes are delivered. The balance to be struck between ensuring the required community infrastructure and other major infrastructure can be provided and the provision of affordable housing is often challenging. The requirement for community infrastructure is often directly linked to the quantum of affordable housing sought. The Council is currently commissioning development and infrastructure funding studies (DIFs) to identify the infrastructure requirements for future development in White City and South Fulham Riverside. In addition, the Council is developing a borough-wide draft charging schedule for a Community Infrastructure Levy. As part of this work the Council has developed a schedule of the infrastructure that will be required to support the proposed development in Hammersmith & Fulham

10.3 In conclusion, the Council considers itself to have a strong understanding of where the gaps in its current service exist; how it can bridge those gaps; and ensure that the Borough Investment Plan priorities are delivered.

Section 11 - Investment Plan Business Case

Summary

In this section we briefly set out the rationale for Homes and Communities Agency and private sector investment in Hammersmith & Fulham.

- 11.1 In this borough investment plan, we believe we have set out a robust case for housing and regeneration investment in the borough. The majority of the investment required will by default come from private sector sources. With the continuing need for intermediate and/or affordable rent housing, the Council does expect to approach the HCA and the successor GLA Housing and Regeneration Directorate for housing investment resources. Specifically, we anticipate resources being required to support the work of our newly established Local Housing Company.
- 11.2 Our ambition for a Crossrail Station in the north of the borough which we wish to see complemented by a High Speed Rail 2 station will require both leadership and resources from national agencies, over and above what is available locally. The advantage of investing in such projects is that the Council is a willing partner in wishing to progress its ambition to realize the opportunities that it has identified.
- 11.3 **Strategic Case** – Hammersmith & Fulham is a strategically important borough for the capital. Situated in the west of London in close proximity to the capital's centre and a gateway to western England and Heathrow Airport, we continue to be a strategically important area for the capital's economic success. We host three London Plan Opportunity Areas and a further two areas identified for regeneration purposes.
- 11.4 **Economic Case** – As referenced in the evidence base (Annex A, sections 3.1.3 and 3.1.4) in 2010, Hammersmith & Fulham came out as the 65th most resilient authority in the country, and 8th most resilient in London using the Experian model. Similarly, the Huggins Competitiveness Index (2010) shows that the borough is the 5th most economically competitive in the country. The local economy is very stable, and has remained in the top 6 most competitive since the beginning of the index. In summary, by investing in Hammersmith & Fulham, the HCA is investing in a place that is already successful and that investment and development value will be realized.
- 11.5 **Commercial Case** - the Hammersmith & Fulham housing market remains robust, despite the current economic downturn. House prices continue to rise which is beneficial for current homeowners and those who are able to afford new market homes. Conversely, this presents increasing financial barriers to those on low to medium incomes who wish to start on the lowest rung of the housing ladder, hence our recent emphasis on intermediate affordable housing options.

- 11.6 **Financial Case** – The case for financial investment by the Homes and Communities Agency in individual projects will be made on a project by project basis. Therefore there is no assumption that resources will be forthcoming for schemes that the Council and its partners propose. However, we are keen to ensure that the option for funding the Local Housing Company is actively pursued as this has the opportunity to realize outcomes for the Council and the HCA in a relatively short timescale.
- 11.7 **Management Case** – The Council has strong political and management leadership to bring forward the priorities that it has identified. The opportunities identified in the Core Strategy and reflected in the ‘Regeneration Opportunities’ section of this document sets out where the regeneration areas are in Hammersmith & Fulham are, and how they will be brought forward.
- 11.8 With the expected creation of the Housing and Regeneration Directorate in the Greater London Authority, bringing together the responsibilities of the HCA, LDA and GLA in London, we expect this to lead to a sharper focus on the delivery of London Plan and London Housing Strategy requirements. Given the importance of transport infrastructure to our strategic objectives, we will need to continue working closely with Transport for London, Crossrail and High Speed 2. Therefore the way we work with these agencies in seeking to create value and sustainable outcomes will be crucial to our future success.
- 11.9 Finally, we have set out a strong **Regeneration Case** to the Homes and Communities Agency and the Mayor of London for future housing and wider regeneration investment in Hammersmith & Fulham. Our core aim is to ensure that people from deprived communities benefit from the economic activity generated from our identified regeneration priorities. This will help us reduce worklessness and enable people to access ladders of opportunity. We are seeking Investment from public, private and third sector sources from national, regional and local sources to deliver major changes where needed. Despite the continuing economic uncertainty, we have a borough investment plan that is clear in its objectives, deliverable which can make local, regional and national regeneration objectives a reality.

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