

## London Borough of Waltham Forest

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Report Title	Housing and Inclusive Growth Delivery Plan
Meeting / Date	Cabinet 14 <sup>th</sup> April 2026
Cabinet portfolio	Councillor Ahsan Khan, Deputy Leader (Housing and Regeneration)
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Wards affected	All
Public access	Open
Appendices	None



### 1. Summary

- 1.1 The council will continue to adopt an ambitious, plan-led and proactive approach to inclusive growth. This will support the delivery of the new homes and jobs that the borough needs, ensuring that developments achieve the highest standards of exemplar design.
- 1.2 The council's Local Plan, adopted in 2024, targets 27,000 new homes to be delivered across 16 inclusive growth areas over the fifteen years of the plan (2020-2035) a target significantly greater than our current London Plan apportionment. This is supported by detailed site allocations for key sites and the requirements for the infrastructure needed to support the spatial strategy and strategic priorities of the Plan.
- 1.3 New housing in Waltham Forest is delivered through council led projects, development agreements between the council and development partners and by private developers and registered providers (RPs).
- 1.4 Where new homes are not delivered directly by the council, we will support delivery by others through our plan-led approach, detailed site feasibility and masterplanning work. This will be underpinned by a tailored and collaborative approach to site delivery through Development Performance Agreements (DPAs) between the Local Planning Authority (LPA) and developers.
- 1.5 In February 2026, the Greater London Authority (GLA) announced its London Social and Affordable Homes Programme (LSAHP) 2026–36, inviting applications for up to £11.6bn of grant funding. The funding round encourages applications from councils and wider partners (developers and RPs) to support both long-term strategic partnerships and funding individual site-specific schemes.

- 1.6 This report provides an update on the council's individual projects and those being delivered through strategic partnerships with development partners. The council's intention is to enter a strategic partnership with the GLA in this new funding round to support the delivery of both council owned sites and other strategic priority sites in the borough. The overall aim of this will be to maximise the delivery of affordable homes in the borough.
- 1.7 A strategic partnership with the GLA would reflect the council's success in delivering new homes, including affordable homes, on council and privately owned land, by working in partnership with private landowners, developers and investors.
- 1.8 Alongside the application to LSAHP, the council has been successful in securing £18.2 million grant funding from Round 4 of the Ministry of Housing, Communities and Local Government's (MHCLG) Local Authority Housing Fund (LAHF). This is to acquire 77 homes, 62 to be used as temporary accommodation (TA) and 15 as longer term homes for the resettlement of refugees. The allocation includes up to £21k per unit for refurbishment works and £134k (in total) to fund revenue activities which support project delivery.

## **2. Recommendations**

- 2.1 Cabinet is recommended to:
  - 2.1.1 Approve the council's approach to the application for the GLA Social and Affordable Homes Programme (LSHAP). Noting the intention to apply to enter into a strategic partnership with the GLA to bring forward a long-term pipeline of affordable housing schemes on both council and wider land.
  - 2.1.2 Note both the council and wider schemes to be put forward as part of the LSHAP programme.
  - 2.1.3 Agree that the council enters into a Memorandum of Understanding with the Ministry of Housing, Communities and Local Government in respect of the £18.2m grant funding and approve the acquisition of a minimum of 77 properties, (or such greater number as can be acquired to utilise the grant), 62 to use for temporary accommodation and 15 for refugee resettlement.
  - 2.1.4 Approve prudential borrowing of £13.2m in the General Fund towards the purchase and refurbishment cost of the 62 properties to be used as Temporary Accommodation.
  - 2.1.5 Approve prudential borrowing of £3.8m in the Housing Revenue Account towards the purchase and refurbishment cost of 15 properties to be used as resettlement accommodation for refugees.
  - 2.1.6 Delegate the final terms of the acquisitions to the Corporate Director Capital Delivery and Estates.
  - 2.1.7 Delegate authority to the Strategic Director of Resources, in consultation with the Strategic Director of Place, to periodically review the updated

financials for the scheme and ensure that the proposals remain affordable and financially sustainable for the Housing Revenue Account and General Fund and to fully utilise any remaining grant funding to maximise value to the council.

- 2.1.8 Delegate authority to the Corporate Director of Housing, in consultation with the Strategic Director of Resources and Corporate Director of Governance and Law, the decision to determine the most appropriate method through which the council will provide the accommodation. This will be through the creation of a local lettings policy (if so advised) and amendments to housing policies which govern the letting of properties by the council. This may include consideration of using fixed-term tenancies.

### **3. Proposals**

#### **Strategic approach to housing delivery**

- 3.1 The Local Plan is the long-term, inclusive growth strategy for Waltham Forest for 2020-2035. It is, therefore, the key document in establishing how plan led growth in the borough will meet the need for new, high quality, affordable homes, as well as maximise local jobs and employment space and deliver a range of community and social infrastructure. This includes health and education facilities, early years provision, public transport/station improvements, public realm and play spaces, facilities for young people and new cultural amenities.
- 3.2 The Local Plan sets a target of 27,000 new homes to be delivered across 16 areas for inclusive growth in the borough over the fifteen-year period of the plan. This equates to an average of 1,800 new homes per year, which is significantly more than the target the current London Plan expects Waltham Forest to meet, which is 1,264 new homes per year. Site allocations sets out detailed policy requirements and a clear planning framework for key and strategic sites, and are supported by placemaking plans and principles ensuring exemplar design standards.
- 3.3 The Plan's ambitious approach is underpinned and works in conjunction with the Infrastructure Delivery Plan (IPD) and Infrastructure Delivery Schedule (IDS). This provides a comprehensive and effective framework for delivering the necessary infrastructure to support development and the council's spatial strategy.
- 3.4 The council has been working collaboratively with development partners to unlock housing delivery on strategic sites identified in the Local Plan. We also advocate for them with the GLA to demonstrate a collaborate approach between the council and its partners in order to bring forward affordable homes delivery across the borough.
- 3.5 As an example, in 2024, the council successfully agreed a package of c. £200 million in principle grant funding from the GLA to unlock five potentially stalled strategic sites on council and private land land to deliver 2,141 new homes. These site were Avenue Road, Fellowship

Square, Montague Road, Lea Bridge Station sites and Patchworks (former Homebase) site, which is privately owned. The approach has been successful with significant progress made to unlock four out of the five sites:

### **Avenue Road**

- 3.6 Comprehensive redevelopment of Avenue Road Estate to provide 617 homes was approved in February 2021 following a successful resident ballot. In December 2025, Cabinet approved an innovative new delivery model using an institutional investment partner to unlock the viability of the full regeneration. Phase 1 will provide 116 Social Rent homes. Phase 2 will deliver 126 Social Rented units, 31 Shared Ownership and 344 Private units.

### **Lea Bridge Station Sites**

- 3.7 Following viability challenges delaying commencement of delivery, GLA grant funding has supported the delivery 387 affordable new homes will be provided across three council-owned sites including 174 social rent homes, 195 London affordable rent homes and 18 shared ownership homes as well as a new station entrance, plaza and other public realm improvements, commercial units in addition to cultural and community space.
- 3.8 Construction of Site 1, which comprises the new station entrance, 156 new homes and commercial space will commence in summer 2026 followed by commenced of works across sites 2 and 3.

### **Fellowship Square, including Willow House**

- 3.9 As well as the refurbishment of the Grade II listed Waltham Forest Town Hall and a new civic centre the scheme will deliver 429 a total of new homes 50% of which are affordable and made up of 133 social rent, 76 London affordable rent and 84 Shared Ownership. Over 80 homes across all tenures are three or four bedroom homes, providing accommodation for families. 297 homes have been completed including 53 social rent and 76 London affordable rent.
- 3.10 In summer 2025, the council acquired 53 homes through Right to Buy receipts which were a mix of private, shared ownership and London affordable rent and flipped them to Social Rent. This acquisition was fully funded through Right to Buy receipts.
- 3.11 A combination of GLA grant and Right to Buy receipts will enable the council to purchase a further 52 homes in Block H and 29 homes in Block J and flip the current private tenure to social rent and see 67% of homes provided on an affordable basis. Construction of the homes will commence in Summer 2026 and is forecast to complete in early 2029.

### **Patchworks (former Homebase site)**

- 3.12 Previously under construction by another housebuilder until 2023, Countryside Partnerships (part of Vistry Group) have entered into a contract to complete the construction of 583 homes including 228 affordable homes by 2028.

- 3.13 The council's success in unlocking sites for housing delivery has been widely recognised with GLA grant funding and S106 match funding crucial to the delivery of the 228 affordable homes.

#### **Montague Road**

- 3.14 The regeneration of John Walsh and Fred Wigg towers (Montague Road Estate) has significant viability challenges but continues to remain a high priority for the council.
- 3.15 Further financial modelling will be undertaken and negotiations with the GLA will take place to leverage grant funding, from their upcoming London Social and Affordable Homes Programme.

#### **London Social and Affordable Homes Programme (LSAHP)**

- 3.16 The council is well placed to enter into a strategic partnership with the GLA in this new GLA LSAHP funding round given the positive track record set out above and having already been in discussions with the GLA about a number of strategic sites which have been allocated within Local Plan 2:

- 3.17 Overall, the proposals the council seeks to progress will seek to deliver a substantial number of new and affordable homes. Combined the strategic sites to be put forward will seek to deliver over 7,000 new homes. This will include over 6,000 new homes on strategic sites across the borough, as follows:

- **Lea Bridge Gasworks**

770 homes, a healthcare facility, an early years facility, other commercial uses, new and enhanced public realm and accessible, biodiverse green open spaces - Resolution to grant planning March 2026, which is necessary to ensure a deliverable planning permission and access to GLA grant funding.

- **Coronation Square phases 1&2**

796 homes including 50% affordable homes - Phase 1 429 homes completed winter 2025. Phase 2 submitted to joint GLA and MHCLG New Home Accelerator (NHA) initiative, delivering 367 a further homes.

- **Blackhorse Yard**

Site owned by GLA Property who are in process of securing a development partner, following close collaboration with Waltham Forest on a council-led Planning Brief which demonstrated the potential to deliver around 500 homes, modern, flexible industrial uses, commercial uses, new public realm and accessible, biodiverse green open spaces.

- **Leyton Mills Asda**

Key site within the Leyton Mills Supplementary Planning Document which sets out a vision and planning guidance for the delivery of a new neighbourhood in the south of the borough. Potential to provide 1,950 homes, reprovide a suitably sized supermarket, and community use, an early years facility, workspace, retail, cultural and other commercial uses, new public transport infrastructure, new and enhanced public realm, and accessible, biodiverse green open spaces.

- **Sainsburys Walthamstow High Street**  
Capacity tested as part of 'Walthamstow Town Centre Development Framework', Potential to provide 345 homes, reprovide a suitably sized supermarket and community facilities, and provide new homes, town centre uses, new and enhanced public realm and accessible, biodiverse green open spaces.
- **17&Central future phases**  
Potential for 1,220 homes including 538 which have already been completed as part of Phase 1. Delivery strategy for Phase 2 agreed which will reprovide, enhance and modernise retail and town centre uses and provide a new step-free entrance to Walthamstow Central Station new retail and other town centre uses, new and enhanced public realm and accessible, biodiverse green open spaces, including an enhanced town square.
- **Uplands, Blackhorse Lane (NEAT/Black Rock)**  
The proposal approved by Planning Committee in December 2023 is an “industrial first” scheme that involves the re-provision of industrial floorspace in a modern, flexible configuration to enable the introduction of other uses such as housing and public open spaces. To achieve this, Phase 1 (detailed) is industrial led, re-providing 18,000sqm of industrial floorspace and creative workshops in a new, stacked format, together with 119 homes. Phase 1 is anticipated to take three years to complete. Phase 2 (outline) will take 10 – 12 years to construct and will replace the existing industrial floorspace with between 11,000 – 15,000sqm of industrial / employment floorspace co-located with up to 5,000sqm of commercial employment and community space and up to 1,681 new homes.

3.18 In addition, our Strategic Partnership work will also look to recommit to the delivery of our council-led delivery pipeline, delivering over 1,000 new homes at Avenue Road, Lea Bridge Station sites, Wigg and Walsh Towers (Montague Road) and progress plans for Fellowship Square and Willow House to further increase levels of affordable homes on the schemes.

- 3.19 Plans will also seek to increase direct acquisitions of street properties by the GLA Council Homes Acquisition Programme (CHAP), with initial expectations looking to progress funding applications for a further 140 homes between 2027 – 2029 (70 homes in 2027/28 and 70 homes in 2028/29).

### **Local Authority Housing Fund (LAHF)**

- 3.20 Alongside committing to a strategic partnership with the GLA, the council will also seek to continue positive partnership with wider Government. This includes both Homes England and MHCLG.
- 3.21 In early 2026 the council was successful in securing £18.2 million grant funding from Round 4 of the Ministry of Housing, Communities and Local Government's (MHCLG) Local Authority Housing Fund (LAHF) for temporary accommodation and the resettlement of refugees, there is no limit on how much grant can be used per unit, as long as the minimum 77 homes are acquired.
- 3.22 The financial modelling has been undertaken on the basis of maximising the grant and minimising council borrowing whilst ensuring that the minimum 77 homes are acquired. The proposed programme is a four year programme summarised as follows:
- II. 18 properties acquired in financial year 2026-27
  - III. 13 properties acquired in financial year 2027-28
  - IV. 32 properties acquired in financial year 2028-29
  - V. 14 properties acquired in financial year 2029-30
- 3.23 The modelling set out in the financial implications is based on this four year delivery profile and would require the following levels of borrowing:
- 3.24 £13.1m in the General Fund towards the purchase and refurbishment costs for the 62 properties to use as Temporary Accommodation.
- 3.25 £3.7m in the Housing Revenue Account towards the purchase and refurbishment costs for 15 properties to be used as resettlement accommodation for refugees.
- 3.26 To secure the grant and commit to delivering the homes the council is required to enter into a Memorandum of Understanding with the MHCLG. The report to Cabinet seeks approvals to enter into the Memorandum of Understanding and secure budgets in the General Fund and Housing Revenue Account to deliver a programme to acquire homes for temporary accommodation and for refugee resettlement.

## **4 Options & Alternatives Considered**

- 4.1 **Do nothing** – Accommodate households in privately sourced temporary accommodation, followed by Private Rented Sector Offers (PRSO) once secured, privately sourced temporary accommodation is

a costly option and there is no certainty that suitable PRSOs can be secured given current challenges in the rental market.

4.2 **Do minimum** – Acquire fewer properties and potentially return some of the grant. There will still be a need to use privately sourced temporary accommodation followed by PRSO.

4.3 **Preferred option** – Acquire a minimum 77 properties across the borough. This will provide additional affordable homes and reduce the need for privately sourced temporary accommodation

## 5. Council Strategic Priorities (and other National or Local Policies or Strategies)

5.1 The delivery of affordable housing is a strategic priority identified by the council's Local Plan and the sites will assist towards the borough's identified 5-year housing supply. This flows from the Waltham Forest Missions to tackle the housing crisis head on and build an economy that works for everybody.

5.2 The delivery of new affordable homes in the borough as set out in this report will help the council meet key outcomes of the Housing Strategy 2024-2029, including:

- Outcome 2a: Increasing the supply of different types of homes so people can stay in Waltham Forest throughout their lives.
- Outcome 2b: New development provides homes for residents who need them most.

5.3 The Inclusive Growth and Economy Framework was agreed by Cabinet in May and launched in July 2025. It outlines the principles for addressing economic inequality by ensuring an equitable distribution of growth across the borough, focusing on place-based growth, unlocking inclusive work, and building financial resilience.

5.4 It aims to reduce the systemic barriers to equal economic participation faced in particular by certain communities of focus: Residents in temporary accommodation, Black and South Asian women, young people, and adults living with long term health conditions Tacking these barriers requires a collective effort with partners and residents to ensure that we have a coordinated and targeted approach to how we improve outcome for residents and businesses. The newly formed Waltham Forest Inclusive Economy Mission Board will incorporate key housing delivery partners and ensure that economic policies, business practices, and initiatives support equitable opportunities and benefits for all, particularly marginalised or underrepresented groups.

## 6 Consultation

6.1 Council funding provided for the MHCLG Local Authority Housing Fund demonstrates meeting the Capital Prioritisation Framework's indicator delivery of new affordable housing and our residents' priorities, where

they are deliverable within the financial affordability parameters of the council.

## 7 Implications

### 7.1 Finance, Value for Money and Risk

7.1.1 Most updates in this report are for noting and as such there are no direct financial implications.

7.1.2 Properties used for TA will be held in the General Fund (GF) under s120 of the Local Government Act 1972 to acquire the property, and the Council's duties under Part 6 of the Housing Act 1996 to provide accommodation for homeless households. Resettled accommodation will be held in the Housing Revenue Account (HRA).

7.1.3 The total capital budget over four financial years is £35.1m, funded by grant of £18.2m, requiring match funding through borrowing of £16.904m. This is shown across financial years in the following table:

FY	Acquisition Cost		Grant Allocation		Match Funding	
	TA (GF)	Resettlement (HRA)	TA (GF)	Resettlement (HRA)	TA (GF)	Resettlement (HRA)
2026/27	£5.397m	£2.483m	£3.003m	£1.260m	£2.394m	£1.223m
2027/28	£4.691m	£1.019m	£2.541m	£0.515m	£2.150m	£0.504m
2028/29	£12.478m	£3.055m	£6.006m	£1.543m	£6.471m	£1.512m
2029/30	£4.917m	£1.019m	£2.772m	£0.515m	£2.146m	£0.504m
<b>Total</b>	<b>£27.483m</b>	<b>£7.576m</b>	<b>£14.322m</b>	<b>£3.833m</b>	<b>£13.161m</b>	<b>£3.743m</b>
<b>Total</b>	<b>£35.059M</b>		<b>£18.155M</b>		<b>£16.904M</b>	

7.1.4 In addition to the capital grant, there is revenue grant of £0.1m to fund associated revenue costs of delivery of the programme.

7.1.5 The revenue model assumes that rental income for TA units will initially be set at the Local Housing Allowance (LHA) + 14% in line with February 2026 Cabinet TA Rent Setting Policy, while the Resettlement units will be let at London Affordable Rent (LAR).

7.1.6 Based on core assumptions (including annual rent growth), the overall undiscounted revenue cashflows of the schemes are positive in both the general fund and the HRA over their life (50 years). There is a small annual deficit in the HRA properties in the first ten years totalling £0.5m but revenue positive overall (£15m). The revenue cashflows in the general fund, when also assuming less reliance on leased temporary accommodation provision, would be £110M.

7.1.7 The financial model currently assumes an interest rate of 5.96%, (5.92% for HRA units, which is inclusive of the applicable HRA borrowing discount). This rate reflects the Public Works Loan Board (PWLB)

borrowing rate at a snapshot in March 2026, when the initial financial modelling was undertaken.

- 7.1.8 Given the ongoing volatility in the wider economic environment and global market uncertainty arising from recent international conflicts, interest rates remain subject to change. Any increases in borrowing rates could have a direct impact on the overall viability of the scheme and the long term affordability to the Housing Revenue Account (HRA) and the General Fund.
- 7.1.9 Interest rate assumptions will be refreshed as part of the final financial appraisal for the scheme.

## **7.2 Legal**

- 7.2.1 The acquisition of properties has the following legal implications.
- 7.2.2 The Council as local housing authority has the power under section 9 Housing Act 1985 to provide housing accommodation by, amongst other things, acquiring houses within the borough.
- 7.2.3 The Council also has the power to acquire properties for housing under section 1 of the Localism Act 2011 and/or section 111 of the Local Government Act 1972 in accordance with its powers and duties as a housing authority.
- 7.2.4 Under section 1 of the Local Government Act 2003 the Council may borrow money for any purpose relevant to its functions or for the prudent management of its financial affairs. The borrowing must be prudent and comply with the Prudential Code.
- 7.2.5 The Council will need to ensure that it complies with any obligations contained within the relevant grant agreements.
- 7.2.6 Any acquisitions must be in accordance with the Council's Property Procedure Rules.

## **7.3 Equalities and Diversity**

- 7.3.1 An equalities screener has been completed, and we conclude that there is likely to be a positive impact for refugees seeking a home in Waltham Forest as a result of these proposals and no adverse impact for any of the other protected characteristics

## **7.4 Sustainability (including climate change, health, crime and disorder)**

- 7.4.1 Unaffordable, sometimes poor quality housing is a key driver of health inequalities in Waltham Forest, as evidenced in the 2022 Waltham Forest 'Marmot' report, so if successful, the proposed approach to unlocking more opportunities for affordable housing delivery will support progress in making Waltham Forest a fairer & healthier borough.
- 7.4.2 The report seeks approval to secure funding from the MHCLG to undertake an acquisition programme. We aim to achieve a minimum rating of EPC C or above on each property acquired through the acquisitions programme to be delivered with the MHCLG funding.

## **7.5 Council Infrastructure**

7.5.1 The project will be delivered by existing council staff within the Place Directorate. There will be no requirement to create any new temporary or permanent roles.

Background Information (as defined by Local Government (Access to Information) Act 1985)

N/A