

AFFORDABLE
HOUSING
SCRUTINY
TASK GROUP
—
FINAL REPORT

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FOREWORD



As Chair of the Social Care and Housing Overview and Scrutiny Committee, I am pleased to introduce this report on affordable housing in the London Borough of Richmond upon Thames.

Richmond and Twickenham were the second and third least affordable towns in the country in a survey from 2002 by the Halifax Bank. This ranking will not have changed much over the past two years. For anyone who owns property, this is pleasing news. However, the astronomical prices that properties here can command bring with them, for example, long-term difficulties in recruiting key workers as well as serious implications for the social fabric of the Borough. The need for affordable housing is well recognised both nationally and locally. There are no easy answers to this problem. This report offers some practical recommendations to improve the provision of affordable housing in Richmond upon Thames, meet national and local objectives and fulfil the Council's responsibility for community well-being.

I would like to take this opportunity to thank Task Group members and advisers for all their hard work and efforts.

Councillor Sue Jones
Chair of the Social Care and Housing O&S Committee

FROM THE TASK GROUP CHAIRMAN

I have pleasure in presenting the final report of the Affordable Housing Scrutiny Task Group. The Group was formed largely in response to the recognition within the Social Care and Housing Overview and Scrutiny Committee that lack of affordable housing was affecting recruitment to essential services in the Borough, not least those run by the Council. But this is only part of a much wider problem which affects a significant number of low-income households within the Borough, as the report attempts to show. I hope it will result in a more informed debate within and outside the Council about how it can be more effective with its key partners in addressing these problems. And above all, I hope the debate will translate into positive action.

I would like to thank everyone who has contributed to the work of the Task Group and who provided oral and written evidence. I am very grateful to many of them, as well as members of the Group, who gave feedback on early drafts of the report. Particular thanks are also due to Jonathan Hill-Brown, the Scrutiny Support Officer, for his support to the Group, especially during the concluding phase of its work.

I commend this report to the Executive and ask for their full and active support in taking forward our recommendations.

Patrick Kidner

Chairman of the Affordable Housing Scrutiny Task Group

PART I – ROLE AND FUNCTION OF THE TASK GROUP

INTRODUCTION

1. With house prices in the Borough at an average of £376,000 according to a recent study¹, and predicted to rise by 23% over the next four years, affordable housing is an issue which is of importance to many different sectors of the population. The vast majority of key workers cannot afford to purchase or rent accommodation in the area and there is an increasing shortage of social rented housing due to a net loss of units under “right to buy” and other factors. There are currently over four thousand households on the Common Housing Register (the Council’s waiting list) and this number is still increasing with all the direct and indirect cost implications for the Borough.
2. Members of the Social Care and Housing O&S Committee felt it was important to give more attention to these issues. At the meeting of the Committee on 20th October 2003 it was agreed to set up the Task Group and the following terms of reference were established:
 - i) To seek information concerning the demand, supply and quality of affordable housing in Richmond.
 - ii) To identify potential changes in policy and practice which could make a real impact in closing the gap between supply and demand.
 - iii) To make recommendations to the Social Care and Housing Overview and Scrutiny Committee.
3. In view of the planning implications of this brief, the Environment Overview and Scrutiny Committee was approached and a member of that Committee was invited to join the Task Group as its representative.

METHODOLOGY

4. The Task Group began by formulating a set of questions designed primarily with Housing and Planning Officers in mind. This was used as an agenda for discussion with the following individuals at a series of meetings between January and March 2004. The aim of this exercise was to clarify the nature and extent of the problem and to identify areas of policy, practice and management where there might be potential for development and change.

20 th January -	Rod Birtles	Joint Assistant Director of Housing
	Brian Castle	“ “ “ “ “
3 rd February -	David Barnes	Development Control Manager
	Cheryl Ould	Strategy and Development Team Leader
2 nd March -	Diana Rice	Planning Officer

¹ Report by Your Mortgage magazine. (Richmond and Twickenham Times 14.5.04)

5. These meetings were followed by visits to the offices of Richmond Churches Housing Trust and Richmond Housing Partnership on 23rd March. During these visits the following senior managers provided an overview of the work of their organisations and responded to questions by members of the Task Group...

John Wood	Chief Executive, Richmond Churches Housing Trust
Chris Whelan	Development Director, RCHT.
David Done	Chief Executive, Richmond Housing Partnership
Linda Wallace	Investment and Development Director, RHP.

(Please see Appendix A on page 23 for a full list of meetings.)

6. Members of the Task Group also read a large number of documents and reports on the subject, and the Chairman attended a national conference on “Encouraging Affordable Housing: Key Policy Issues” on 24th February. Three members also attended a local seminar entitled “Efficient, Affordable Homes in Affluent Areas” on 30th April organised by the Building Responsibly Group (under Local Agenda 21) in association with Richmond Council.
7. An initial draft of this report was circulated in July 2004 to all of those who had been interviewed, as well as the Cabinet Member and Director of Social Services and Housing, the Head of Legal Services and Director of Environment. The Task Group met to consider their written responses and a number of changes were agreed for inclusion in the Final Report.

TASK GROUP MEMBERSHIP

8. The following elected and co-opted members have contributed to the Task Group:

Patrick Kidner (Chairman) - became a co-opted member of the O&S Committee in 2002. He is a qualified social worker and social services manager, having been employed in the public sector (probation, university teaching and local government) from 1966 until 1997. He accepted early retirement in 1997 in order to work in a freelance capacity.

Councillor Rodney Bennett - represents South Richmond Ward for the Conservative Party and has been a member of the Social Care and Housing Overview and Scrutiny Committee since 2002. He was previously a member of Kensington and Chelsea Council and is a retired radio journalist.

Liz Mackenzie – represented West Twickenham Ward for the Labour Party and was a member of the Social Services Committee for eight years from 1994 to 2002. She remains on the Overview and Scrutiny Committee as a co-optee. She was also a member of the Housing Committee from 1994 -1998 and was closely involved in the transfer of the housing stock to Richmond Housing Partnership. During her time as a Councillor she dealt with many enquiries from ward residents on housing issues.

Councillor James Mumford – represents Teddington Ward for the Liberal Democrats and has been a member of the Housing and Social Services Committees since 1998. He was a founder member of the Board of Richmond Housing Partnership 1999-2002, Chair of the Social Care and Housing Overview

and Scrutiny Committee 2002-2004, and now serves on the Environment Overview and Scrutiny Committee.

Vicky Phillips – has been a co-opted member of the Environment Overview and Scrutiny Committee since December 2002. She is a lawyer specialising in environmental, planning and housing law.

The Task Group received officer support from Democratic Services: from **James Stanton** initially, until he left the department in May 2004, and subsequently from **Jonathan Hill-Brown**.

*Members of the Group wish to record their appreciation for the work of **Councillor Jean Matthews** who sadly died before this report could be completed. As Cabinet Member for Social Services and Housing, she had followed the work of the Group with interest and commented on the first draft.*

PART II – FINDINGS

OUTLINE OF THE PROBLEM

What is affordable housing?

9. Affordable housing is defined nationally in circular 6/98 from the then DETR² (now ODPM) as “low cost market and subsidised housing....that will be available to people who cannot afford to rent or buy houses generally available on the open market.”

Key facts and figures on housing in the Borough

10. Chapter 2 of the Council’s Housing Strategy 2004 – 2007 demonstrates clearly why affordable housing will be such a key issue for Richmond in the next few years. The following data offers a useful background to the work of the Task Group:
11. According to research by the Halifax Bank in May 2002, Richmond and Twickenham were the second and third least affordable towns of 451 towns across Britain for first time buyers. A first time buyer needed to earn over £68k to purchase the average priced property, nearly double average earnings in Greater London.
12. Although a high proportion of households (15.4%) rent privately, much of this is at the top end of the market and only 16% of these tenants (2.5% of the total) claim housing benefit. This indicates that the local private renting sector plays a minor role in accommodating people on low incomes.
13. Social housing comprises only 12% of the housing stock (just over 9000 dwellings) and the number of permanent lettings available to the Council has fallen by 30% since 2001 / 2002. Right to buy sales are continuing to diminish the numbers of dwellings available for rent.
14. There is an imbalance between supply of vacancies, predominantly in one-bedroom properties, and demand which is greatest for family sized units, especially two and three bedroom properties.
15. There are growing numbers on the Common Housing Register (4119 households as of 1st April 2004) due to several factors including significant numbers accepted as homeless and others placed in temporary accommodation, pending offers of settled accommodation. Only 200-300 nominations are possible to RHP each year.
16. The Housing Department is to be commended on reducing the numbers of households placed in bed and breakfast accommodation from 58 in March 2002 to 18 in June 2004. Unfortunately this reduction has been more than

² Please see Glossary of Terms on p.21

compensated by a substantial increase in the use of other types of temporary accommodation, mainly private sector properties leased by the Council or Housing Associations. During the equivalent period, there was an increase in the number of such households from 416 to 497, resulting in a net increase overall of 82 households. This represents a substantial drain on the Council's resources although much less than it would if it was not heavily subsidised by central government via Housing Benefit. More crucially, there are significant human costs for the families involved. They are often deeply uncertain about the future, lacking in a local network of support and faced with the threat of disrupted education and employment.

17. The Housing Needs Survey completed in 2000 estimated that over seven thousand households were in unsuitable housing; over 62% of these were unable to afford the cost of market housing; and nearly 7800 additional affordable dwellings might be required to meet the Borough's needs up to 2005.³
18. According to projections based on the 2001 Census, the Borough's population is expected to increase by 6200, and the number of households by 2900, between 2001 and 2016, which may intensify the problems of affordability and the mismatch between supply and demand.

The Issue of Key Workers

19. The importance of addressing the needs of key workers was identified in the Council's Community Plan 2003-2006. People and groups who were consulted about the Plan argued that the Council "should work with partners to increase the availability of key worker and shared ownership in the Borough."
20. The local market has been a particular problem for key workers such as teachers, police officers, social workers and nurses. On average their incomes represent only 35.3% of that required to purchase the cheapest quarter of properties within the Borough. For those on lower incomes (e.g. bus drivers, refuse collectors and care workers), the position is obviously worse and the Task Group welcomes the fact that the Council has supported this wider definition in its Housing and Key Worker Strategies.
21. The Council, as employer of many hundreds of key workers, has a vital interest in this issue. Affordable housing is a factor in the serious vacancy rates in key worker departments as the table below indicates....

Service area	Vacancy Rates
LBRuT LEA	Turnover rates of 14% for full-time primary staff, 21% for full-time secondary staff; estimated demand for key worker accommodation – 50 units a year. Vacancy rates are quite low; the borough is attractive for newly qualified teachers. The problem is that they are unable, due to property prices, to settle in the area and tend to leave after 2-3 years.

³ Please see the Council's Housing Strategy 2004-7, p.12
<http://www.richmond.gov.uk/depts/caring/housing/services/strategydevelopment/Housing%20Strategy%202004%20-%202007.pdf>

Service area	Vacancy Rates
LBRuT Social Services	<p>Figures for 2003/4</p> <ul style="list-style-type: none"> i) Care managers - adults (FTE posts 89, turnover rate 20%, vacancy rate 35%) ii) Occupational therapists (FTE posts 10, turnover rate 60%, vacancy rate 60%) iii) Care managers – child care (FTE posts 50, turnover rate 30%, vacancy rate 10%) <p>Total established posts in Social Services as at 1.4.04 (including Strategy and Resources: 740 FTE posts</p>

22. Information was provided by Workforce Planning and Development in Social Services and Housing about the difficulties in recruiting candidates from outside London, particularly to senior officer posts, as they often have families and require larger properties. Candidates who withdraw often cite the housing situation as their reason for doing so. Current recruitment difficulties are also due to present levels of full employment in the British/South-East economy but the affordable housing issue is a significant and distinct factor.
23. It must be recognised that there are several factors which are out of the control of a) the Council and b) Central Government. Housing supply and demand is subject to market forces over which the state has very little influence. The other factor is the attractiveness of living in a part of London which has easy access to the heart of the city combined with large areas of parkland and open spaces, including the riverbank nearby.
24. Whereas in the past, key workers who could not afford property in Richmond could live in neighbouring areas, this option is more difficult as the prices there have increased dramatically as well. The average price of a property in Hounslow is £194,000 according to the same survey quoted above.
25. There are currently several ways of assisting key workers in Richmond to obtain accommodation through equity loans, shared ownership and intermediate renting, including options which combine two or more of these elements. However, the availability of these schemes is extremely limited relative to the potential market and most are not affordable except by those earning higher salaries. It is generally accepted that intermediate renting is now the only realistic option for the majority of key workers.

OPTIONS FOR CHANGE

I. Introduction and Overview

26. Members of the Task Group have been required to assimilate a wide range of information in the course of their enquiries. In addition to the verbal evidence of officers who were interviewed, they have been supplied with a large amount of documentary evidence about policy, practice and research at both local and national levels. Several important themes have emerged from the exercise and it is important to acknowledge them as the background to the recommendations which follow...
27. Members have been impressed by the continuing efforts of Council Officers and Social Landlords to address the shortage of affordable housing in Richmond both in terms of supply and demand. It is encouraging to note that, in the short term at least, there will be a limited improvement in the equation due to a combination of factors on both sides; completion of some larger developments with substantial numbers of affordable units on the one hand and reduction, if only temporarily, in the numbers of homeless people requiring accommodation on the other.
28. Nevertheless the long-term prospects for low-income families in housing need remain poor and it has become clear to the Task Group that the Council by itself has limited powers to tackle these problems. This is partly due to sheer lack of space and the high cost of land in the Borough but also to various other factors over which the Council has little or no control: central and regional government policy, funding priorities and strategy within the Housing Corporation, the devolution of housing responsibilities to the sub-region of South West London and so on.
29. The Task Group has been mindful of these complexities in framing its recommendations and recognizes the importance of adopting a long-term perspective as a basis for any effective strategy.

II. The Common Housing Register

30. The importance of the Register in understanding the housing needs of poorer families in Richmond has been recognised by the Task Group. It is a sad reflection on the Borough that over 4000 households are waiting to be allocated suitable accommodation. Although there are apparently over 1800 households on Housing Benefit renting privately in the Borough, the majority of those on the register have no prospect of housing in the private sector. 83% have annual incomes of less than £15,000, and 85% have savings of less than £2,000.⁴ The fact that the Council is aiming to deliver 350 affordable units by March 2005, albeit a big improvement on previous years, will be of little consolation to many families whose prospects of rehousing remain limited for the foreseeable future.
31. In view of the implications of these figures and their importance for planning purposes, the Task Group consider there is a deficiency in the data currently available on the Common Housing Register although limited details can be found in Facts and Figures 2003. The Group recommends that data from the Register should be made more accessible and show a break-down of figures for example on the size and composition of family units, where they are living currently, length of time on the register and whether they are on the transfer list (i.e. are already in

⁴ Common Housing Register March 2003, quoted in Housing in Richmond upon Thames, Facts and Figures 2003.

social housing and need to transfer to larger accommodation). To obtain a more comprehensive picture across the Borough, the Council should also explore the possibility of obtaining data on households which appear on the transfer lists of Registered Social Landlords. Aggregated data from these sources would provide a clearer profile of housing need to inform the housing strategy and could also be included on the Council website.

Recommendation 1: That aggregated data on the Common Housing Register be incorporated in the next Housing Strategy and routinely made available to the Cabinet and Scrutiny Committee.

III. Targets in Housing Policy

32. There has been a prolonged debate about the Council's own thresholds and targets for delivery of affordable housing within new developments and the Task Group does not propose to repeat the arguments in this report. It is sufficient to note that the Council has decided, by contrast with the London Plan and against the advice of the Inspector who presided over the UDP Public Inquiry, to retain a 40% target for affordable units instead of raising it to 50% as he recommended. On the other hand, it has indicated that when national guidance changes, as expected in the near future, it will support the application of threshold criteria on smaller sites i.e. of 0.3 hectares or more and capable of providing 10 or more units. In the light of the controversy about this issue, the Task Group consider it is important to keep these targets under review. Also the Council should ensure as a minimum that the 40% target is achieved on all sites which meet the threshold criteria. Even this will be insufficient to achieve the UDP target which is expressed as a percentage of *all* completions in the Borough, not just those on threshold sites.
33. Evidence provided for the Task Group by the Policy and Design Section indicates that the actual delivery of affordable units has fallen well below target percentages since 1995 (see Appendix C). Between 1991 and 1996, 1512 housing units were completed in the Borough, of which 406 (27%) were affordable. Between 1997 and 2001, 1787 housing units were completed of which only 211 (12%) were affordable. With such a shortfall, it is estimated that the UDP target will need to be exceeded by a large margin in future years to achieve any significant improvement on the supply side of the equation.
34. Over the 12 years (1992-2003), the planning process has delivered an average of 11% of all completions as affordable housing through section 106 agreements, against a target of 25%, recently increased to 40%. Even with the higher target, just under 15% of units on private sites were affordable in 2003, reflecting the smaller nature of developments in Richmond. For the years in which the targets were met (1992-1995), these were supplemented by significant developments of affordable housing on Council-owned land. Since the Housing Stock Transfer to RHP, the Council has retained a number of small sites for development of affordable housing, but the latest Disposals list (July 2004) only identifies 4 of these as 'possible affordable housing sites' with the remainder proposed for open market sale. This is likely to widen the gap between targets and completions further.
35. There are several very practical steps which the Council could take in order to ensure that the UDP target is more achievable....

- On sites where a change of use from employment to residential has been agreed in line with planning guidance (EMP4), the Council could follow the policy requirement for up to 100% affordable housing, or secure a contribution to the Affordable Housing Fund.
- It could be more vigorous in seeking to achieve 100% affordable units on Council owned sites. Moreover, if the Council fails to comply with its own targets, it provides a very damaging precedent for other landowners and developers.
- It could become more transparent in accounting for decisions affecting Council owned sites, especially when, for any reason, the UDP target has not been achieved. In such cases, the relevant Council Officer should be expected to report to Cabinet and the relevant Overview and Scrutiny Committee, giving reasons for the shortfall and details of agreed numbers of units for social renting, shared ownership etc.

Recommendation 2 a: *That the Council should seek to provide affordable housing as the first priority when disposing of sites for residential development, or earmark part of the capital receipts for the Affordable Housing Fund.*

Recommendation 2 b: *That the Director of Environment report regularly to Cabinet and the relevant Overview and Scrutiny Committee(s) on the achievement of affordable housing targets.*

IV. Making planning more effective

36. As the Housing Strategy Report has indicated, the supply of new affordable units in the future will depend increasingly on effective use of the planning system and in particular, on successful negotiation of Section 106 agreements with developers. The Task Group welcomes the Draft Contributions Planning Strategy approved by the Cabinet on 22nd June 2004 and the strong emphasis in that report on affordable housing as a priority. It is a positive step forward in clarifying the ground rules for negotiations with developers and it has been warmly commended in the recent Tetlow King Report⁵ However it will be important to monitor carefully the way in which the strategy is implemented and its outcomes.
37. The Group notes the policy in HSG 6, paragraph 8.35 of the UDP, which sets out the basis for off-site provision in specified circumstances. The Task Group strongly endorses this approach, especially in respect of smaller sites, and would expect the Council when appropriate to harness developers' skills and knowledge in locating additional sites which should then be used for affordable units only. The Group also notes that further guidance on off-site provision is contained in section 7 of the Mayor's Draft Supplementary Planning Guidance published in July 2004.
38. Bearing in mind that Richmond Council is said to receive a much higher rate of planning applications per head of population than most local authorities, the Task Group acknowledge that this places a heavy burden on Development Control, as well as Legal and Housing Services. There is a need for effective collaboration

⁵ "Sharing the Benefits – A good practice guide to how planning obligations can provide community benefits" – A report by Tetlow King Planning, commissioned by the Association of London Government.

between all three, both in negotiating agreements and monitoring their implementation especially in respect of affordable housing provision and the use of capital receipts. The Group welcomes the efforts that the Planning Policy and Design Section are undertaking to recruit a specialist planner for Section 106 agreements. This is in line with the recommendations of the Tetlow King Report.

Recommendation 3: That the Council continue efforts to recruit a permanent specialist S106 officer.

39. There are two aspects of planning which merit further attention in the view of the Task Group....

a) Legal Services

40. As the Council is increasingly reliant on S106 agreements as a means of delivering affordable housing, the availability and quality of legal advice has assumed greater importance. Developers usually employ solicitors specialising in planning matters which gives them an advantage in negotiations with the Council's Legal Services. Unlike some local authorities, Richmond chooses not to employ external firms of solicitors in these circumstances and calls on the advice of Housing Services in relation to affordable housing aspects of Section 106 agreements only on a case-by-case basis. In the light of these concerns, the Task Group consider there is a case for reviewing the role of Legal Services, at least in respect of more complex and higher value planning applications.

Recommendation 4: That the role of Legal Services, at least in respect of more complex and higher value planning applications, be reviewed.

b) Rebates on Education Contributions for RSLs

41. The Group was concerned to hear that there is a risk of a reduction in funding from the Housing Corporation for development of social housing in Richmond, if no rebates on S106 contributions to the Education Department are given. The Group considers that the benefits of having increased provision of social housing, reductions to the Housing budget etc, outweigh the losses that an Education rebate would entail. It is also worth noting that children for whom provision is made through social renting are by definition already resident within the Borough which immediately weakens the case for an education rebate in the first place.
42. The Draft Planning Contributions Strategy suggests that the Local Planning Authority will not seek a contribution where there is a net gain of only one private market unit of 1- or 2- bedrooms, or a net gain of a 1-bedroom unit of affordable housing. Several other London boroughs allow for education discounts to RSLs as a general policy, others allow it on a case-by-case basis.

Recommendation 5 a: That the current policy regarding education rebates be reviewed in the light of the Tetlow King report and;

Recommendation 5 b: That this review include a corporate cost-benefit analysis on the current arrangements for providing education rebates to RSL developments.

V. Providing the type and quality of accommodation that people need

a) Saving Energy and Costs

43. The Task Group noted with interest the emphasis which has been given by social landlords to renovation of the housing stock and new development, increasingly with energy saving principles and hence reduced outgoings for tenants in mind. RHP is currently promoting its own demonstration of energy saving techniques at Prospect Crescent and their Technical Director contributed to the recent seminar on “Efficient Affordable Homes in Affluent Areas” organised jointly by Local Agenda 21 and the Council. The conference was attended by three members of the Task Group and was well supported by local councillors, architects, developers and social landlords. Many wished to see the Council and its partners adopting a more vigorous approach to eco-building in Richmond and urged the Council to promote a model project as a way of educating the public and promoting local interest.
44. The Scrutiny Task Group on Climate Change, which has been running concurrently with this one, has been considering these issues from a different perspective and recently organised a visit to a Greenwich housing project based on eco building principles. The evidence of this project was that buildings using such methods and materials achieved cost parity with those built more conventionally. Furthermore, substantial savings have been achieved for residents in use of energy and water. Results so far show that gas consumption is down 60%, electricity by 45% and water by 50%.
45. These reduced bills would clearly be of great benefit to low income households. The Task Group welcomes the comments by the Cabinet Member for Environment and Planning that the Council is currently exploring the feasibility of a small eco-housing development (up to 5 houses) for Richmond on a Council-owned site. It could offer a model for RSLs and developers to follow and has the potential to be an excellent showcase of the Council’s commitment to affordable, sustainable housing. However, the group notes the views of the Climate Change Scrutiny Task Group that there is scope for a development larger than 5 units, and concludes that economies of scale could significantly reduce the costs and increase the value of a more ambitious scheme. Other successful, larger models have been piloted, for example in Greenwich (39 units) and, given the desirability of property in Richmond, it is unlikely that developers would be put off. In addition to the well-known BedZED eco-housing project in Sutton, at least three more zero-emission developments are being built or planned in Wandsworth and Harrow.
46. A key target of the Mayor’s energy strategy requires each London Borough to produce a “zero carbon” development by 2010. Richmond could be amongst the first to achieve this if it adopted the approach advocated here.

Recommendation 6: *That the Council explore the feasibility of a larger scale eco-development of social housing. Ideally this would involve use of one of its own sites but it could also encourage such a development on a site owned by other parties.*

b) New kinds of tenure

47. It has been suggested elsewhere in this report that the price of market housing is so out of step with incomes that the majority of key workers look to intermediate renting as the only feasible option. The limitations of existing key worker schemes have been recognised in some research which was drawn to the attention of the Task Group and which proposes a radically new approach for this sector of the market⁶. To quote from the report itself *“the housing model proposed [...] has two main aspects: a Community Land Trust designed to extract the land from the market and retain it as a public asset, so that affordability is preserved on a long term basis, and a co-operative form of tenure. As land costs in many outer areas of London can range from 40-60 per cent of the house purchase price, the permanent removal of the land into a Community Land Trust can massively reduce the cost of homeownership to meet future local housing needs for generation after generation.”*
48. The report, based on research in London and other parts of the UK, provides details of how the model might be implemented and proposes pilot schemes in four areas with funding support under the Sustainable Communities Plan⁷. Whilst it is unlikely to offer any short-term solution for key workers in Richmond, members of the Task Group considered that the Council should take a lead in exploring the potential for the model both within the Borough and across the South West Region. In the event of pilot schemes being successful elsewhere, it will be important to lay the groundwork for local implementation, and to foster interest from an early stage.
49. In the shorter term, the group remains concerned at the predominance of shared ownership schemes in the Council's provision of housing for key workers. While this plays an important part in meeting some of the need, it remains inaccessible to large numbers of key workers on lower incomes, who are also unable to access housing through the Common Housing Register. Evidence was provided which demonstrated that shared ownership properties rapidly increase in value and are often beyond the reach of key workers when re-sold, therefore remaining 'affordable' for relatively little time and representing a poor return for the Council's investment. The Group notes the success of the pilot scheme (agreed between RHP and Services for Children & Families) which houses social workers in previously hard-to-let former sheltered housing properties. It has resulted in retention of many staff, and the Group believes that intermediate renting schemes should play a much greater part in new key worker provision.

⁶Common Ground - for Mutual Home Ownership, a Report by the New Economics Foundation and CDS Co-operatives about an action research project jointly sponsored by CDS Co-operatives and the Housing Corporation (2003)

⁷ The Sustainable Communities Plan is an ODPM document.
(http://www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=3657&l=1)

Recommendation 7 a: *That the Policy and Design Section and Housing Strategy and Design Section should jointly be invited to study the NEF report and advise on the local implications and potential value of the Community Land Trust model.*

Recommendation 7 b: *That the Director of Social Services and Housing should inform the Social Care and Housing Overview and Scrutiny Committee within six months about steps being taken to improve provision for key workers with a view to ensuring that intermediate renting is given equal priority with other forms of tenure.*

c) Meeting the needs of larger families

50. The shortage of accommodation for larger families figures in both the UDP and the Housing Strategy and was mentioned repeatedly in evidence to the Task Group, reflecting a historical imbalance within the housing stock transferred to RHP. The problem has been exacerbated by the loss of such properties under right-to-buy and by a failure to replace them in adequate numbers in recent years. The consequence is that larger families on the waiting list are less and less likely to achieve a move from potentially overcrowded conditions into more suitable accommodation.
51. It was clear to the Task Group that RSLs are aware of these difficulties and eager to collaborate in finding solutions. RHP for example would be willing to convert smaller to larger units and believe there is scope for freeing up under-occupied larger properties through sponsored moves. RCHT also supports this approach and points out that the additional cost of providing a two-bedroom unit as against one is not very significant. However, under Richmond's existing scheme, an elderly couple for example can only be offered a single bedroom property which limits the numbers of potential applicants who wish to take advantage of the scheme. It is likely that more would do so if they had the opportunity of moving for example to a 2-bedroom property which would enable them to accommodate visitors or even, should the need arise, a younger relative to assist in caring for them. There is an urgent need here for a more flexible approach and a commitment by all parties to resolve these issues.

Recommendation 8: *That the Director of Social Services and Housing be asked to submit proposals for resolving the shortage of family accommodation and disincentives to uptake of sponsored moves to the Overview and Scrutiny Committee within six months.*

VI. Housing Strategy and Management Structure

52. It is now four years since the Council's housing stock was transferred to the RHP and within that period there have been significant developments in the funding and planning of housing across London. In particular, the creation last year of the South West London Housing Partnership has established a completely new framework for developing policy and exploring ways of resolving common problems with neighbouring authorities. This has important implications for the Council and the way in which its housing services are managed. It is an opportune moment to ask whether these arrangements are appropriate for the

new environment, both in terms of strategic planning and leadership. As a result of their enquiries, the Task Group considers there is a case for change in both respects despite doubts and objections raised by several of those who were consulted about the first draft of this report.

53. At the strategic level, there are doubts about the adequacy of existing mechanisms for promoting regular high-level dialogue between the Council and its key RSL partners. They notably include RHP and the Richmond Churches Housing Trust who between them manage over 10% of properties in the Borough. There are evidently positive working relationships between the senior managers and frequent communication on matters of common interest. The Council is also represented by elected Members on the Board of RHP and RCHT and a series of standing forums exist to facilitate discussion in specific areas. One of them, the Housing Association Forum, does address strategic matters but differing views about its effectiveness have been expressed to the Task Group. Members of the Group accept that there would be no benefit in creating a new body if the Forum has greater potential for acting as a catalyst in developing housing strategy. However they would welcome a review of its role and membership and recommend accordingly.

Recommendation 9: *That the Council should take a lead in initiating discussion with its key partners about the role and membership of the Housing Association Forum, with a view to clarifying its remit in the areas of housing finance and strategy.*

54. The second aspect of the current arrangements which the Task Group wish to review concerns the management structure within the Social Services and Housing Department. Members of the Group have in mind that some alteration in senior management roles will be inevitable with implementation of the Children Bill which is currently going through parliament. Subject to the Council's response, it is likely that a new Director of Children's Services (covering both Education and Social Services) will be required, and the consequences for management of Adult Services and Housing will need to be reviewed in the near future.
55. Within the present departmental structure, housing responsibilities are divided between the Director and two joint Heads of Housing. The Task Group has questioned how appropriate these arrangements are within the current planning framework, bearing in mind the inevitable changes which are to come. They have been impressed by the vigorous way in which the present structure has been defended and by the evidence which indicates that Richmond is "*pulling above its weight*" in the South West London partnership. It is not the Task Group's intention to cast doubt on this evidence or to criticise the existing postholders who have been frequently commended in the course of the Group's deliberations.
56. However, the question remains as to how sustainable the existing structure might be when Social Services adapt to the new legislation and when, for example, there is a change of personnel. It is the Task Group's view that ideally there should be a single Director of Housing with clear authority to represent the Borough and to provide a focus for developing strategy in the next few years. This would give a clearer message to external partners, especially if the Director was supported in that role by an elected Member designated as a champion for affordable housing.

Recommendation 10 a: *That the management structure of Social Services and Housing be reviewed with the aim of strengthening leadership on housing matters.*

Recommendation 10 b: *That an Elected Member be nominated to take on affordable housing as a special area of interest.*

CONCLUSIONS

57. Members of the Task Group have valued the opportunity to explore a wide range of housing issues during the past eight months and have greatly appreciated the support and cooperation of those who supplied evidence. Several key themes have emerged and they are reflected in this report:
- Meeting the housing needs of low-income residents presents particular challenges in a Borough like Richmond. In the short term, large numbers on the Common Housing Register will have little prospect of re-housing and their needs should be given greater consideration.
 - Lack of affordable housing has continued to affect recruitment of key workers to a number of essential services despite national and local government initiatives to address their needs. Due to increases in house prices, intermediate renting has become the only viable option for many.
 - Since transfer of the housing stock in 2001, and the creation of the SW London Sub-Region, the Council has been developing new forms of partnership with other stakeholders. It is important to ensure that its own policies and management structure are suited to this changing environment.
 - Whilst certain short-term measures, including those proposed in this report, can be helpful, it is essential to maintain a long-term perspective in attempting to close the gap between supply and demand.
58. Due to the scope and complexity of the subject, members of the Task Group have been conscious that this has necessarily been a limited exercise and it has not been possible to explore a number of issues in greater depth. No doubt also there will be many with relevant expertise who might have been asked to give evidence, not least existing residents in affordable housing. However it is hoped that this report will stimulate a much wider debate across the Borough, in particular amongst elected members. They are warmly encouraged to read this report and to act on its recommendations.

TABLE OF RECOMMENDATIONS

	Rec. No.	Recommendation
1.	1	<i>That aggregated data on the Common Housing Register be incorporated in the next Housing Strategy and routinely made available to the Cabinet and Scrutiny Committee.</i>
2.	2a	<i>That the Council should seek to provide affordable housing as the first priority when disposing of sites for residential development, or earmark part of the capital receipts for the Affordable Housing Fund.</i>
3.	2b	<i>That the Director of Environment report regularly to Cabinet and the relevant Overview and Scrutiny Committee(s) on the achievement of affordable housing targets.</i>
4.	3	<i>That the Council continue efforts to recruit a permanent specialist S106 officer.</i>
5.	4	<i>That the role of Legal Services, at least in respect of more complex and higher value planning applications, be reviewed.</i>
6.	5a	<i>That the current policy regarding education rebates be reviewed in the light of the Tetlow King report.</i>
7.	5b	<i>That this review include a corporate cost-benefit analysis on the current arrangements for providing education rebates to RSL developments.</i>
8.	6	<i>That the Council explore the feasibility of a larger scale eco-development of social housing. Ideally this would involve use of one of its own sites but it could also encourage such a development on a site owned by other parties.</i>
9.	7a	<i>That the Policy and Design Section and Housing Strategy and Design Section should jointly be invited to study the NEF report and advise on the local implications and potential value of the Community Land Trust model.</i>
10.	7b	<i>That the Director of Social Services and Housing should inform the Social Care and Housing Overview and Scrutiny Committee within six months about steps being taken to improve provision for key workers with a view to ensuring that intermediate renting is given equal priority with other forms of tenure.</i>
11.	8	<i>That the Director of Social Services and Housing be asked to submit proposals for resolving the shortage of family accommodation and disincentives to uptake of sponsored moves to the Overview and Scrutiny Committee within six months.</i>
12.	9	<i>That the Council should take a lead in initiating discussion with its key partners about the role and membership of the Housing Association Forum, with a view to clarifying its remit in the areas of housing finance and strategy.</i>
13.	10a	<i>That the management structure of Social Services and Housing be reviewed with the aim of strengthening leadership on housing matters.</i>
14.	10b	<i>That an Elected Member be nominated to take on affordable housing as a special area of interest.</i>

GLOSSARY OF TERMS

DETR	Department for the Environment, Transport and the Regions. The Department became the Department for Transport, Local Government and the Regions (DTLR) in 2001. Further reorganisation brought led to the creation of a dedicated Department for Transport (DfT) and the Office of the Deputy Prime Minister (ODPM) in May 2002.
HMO	Home in Multiple Occupancy
Housing Corporation	The Housing Corporation is a Non Departmental Public Body, sponsored by the Office of the Deputy Prime Minister. Its role is to fund and regulate housing associations in England.
Key Worker Living Scheme	This replaced the Starter Home Initiative and provides key workers with help to buy a first home or to move into a family home. Under the scheme, opportunities are also available to rent homes at affordable prices.
LBRuT	London Borough Of Richmond Upon Thames
LEA	Local Education Authority
ODPM	Office of the Deputy Prime Minister
O&S	Overview and Scrutiny Committee
RSL	Registered Social Landlord (RSL) is the technical name for social landlords that are registered with the Housing Corporation — most are housing associations, but there are also trusts, co-operatives and companies. Housing associations are run as businesses but they do not trade for profit. Any surplus is ploughed back into the organisation to maintain existing homes and to help finance new ones.
S 106	A legal agreement under Section 106 of the Town and Country Planning Act 1990 whereby a developer and potentially the local authority are obliged to undertake actions or contribute in benefit or in kind towards measures required to obtain planning permission.
SHI	Starter Home Initiative (SHI) was a Government funded scheme to help key workers, primarily teachers, health workers and the police, to buy a home in areas where high house prices are undermining recruitment and retention. It was available from 2001 to March 2004. As of 1 April 2004 it has been replaced by the Key Worker Living Scheme.
UDP	Unitary Development Plan

APPENDICES

Appendix A	Timetable of meetings
Appendix B	Policy and Strategy Framework
Appendix C	Affordable Housing Completions 1992 - 2003

Appendix A – Timetable of Meetings

Date	Who attended	
2 Dec 2003	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips	
16 Dec 2003	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford	
20 Jan 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips, Rod Birtles and Brian Castle (Joint Assistant Directors of Housing)	
3 Feb 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, David Barnes (Development Control Manager) and Cheryl Ould (Strategy and Development Team Leader – Housing Strategy and Development)	
24 Feb 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips, Diana Rice (Planning Officer)	
23 March 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips, John Wood (Chief Executive), Chris Whelan, Development Director	
23 March 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips, David Done, Chief Executive, Linda Wallace, Investment and Development Director, RHP.	
25 May 2004	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Vicky Phillips	
8 June	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford	
22 June	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Cllr Sue Jones	
17 August	Patrick Kidner, Cllr Rodney Bennett, Liz Mackenzie, Cllr James Mumford, Cllr Sue Jones	
Other events:		
24 Feb 2004	Patrick Kidner	National Conference on “Encouraging Affordable Housing: Key Policy Issues”
30 April 2004	Patrick Kidner Cllr James Mumford Vicky Phillips	“Efficient, Affordable Homes in Affluent Areas” – organised by Building Responsibly Group with Richmond Council.
15 June 2004	Cllr James Mumford	Visit to Gallions Ecopark, Greenwich Thamesmead
24 June 2004	Cllr James Mumford	Visit to BedZED (Beddington Zero Emission Development), in Wallington, LB Sutton

Appendix B – Policy and Strategy Framework

The following documents form the national, regional, sub-regional and local policy framework for affordable housing:

National	Sustainable Communities: Building for the Future (February 2003)
Regional	1) Sustainable Communities in London: Building for the Future (February 2003) 2) Mayor's London Plan (February 2004)
Sub -Regional	South West London Housing Strategy (September 2003)
Local	UDP, Housing Strategy, Community Plan, Supplementary Planning Guidance on Affordable Housing and on Planning Contributions

Appendix C - L. B. Richmond upon Thames Affordable Housing Completions 1992 – 2003

	Total completions	Affordable housing units*		Total affordable	Affordable as % of total completions		
		Private sector sites*	LA/RSL owned sites		Private	LA/RSL	TOTAL
1991	219	none	33	33	0.0%	15.1%	15%
1992	360	44	69	113	12.2%	19.2%	31%
1993	204	64	13	77	31.4%	6.4%	38%
1994	257	26 (6)	49	75	10.1%	19.1%	29%
1995	387	29 (18)	76	105	7.5%	19.6%	27%
1996	304	21 (15)	15	36	6.9%	4.9%	12%
Total 1992-6	1512	184	222	406	12.2%	14.7%	27%
1997	90	5 (3)	-5	0	5.6%	-5.6%	0%
1998	479	61 (42)	31	92	12.7%	6.5%	19%
1999	552	13	1	14	2.4%	0.2%	3%
2000	475	67 (32)	16 + 3 RSL site	86	14.1%	4.0%	18%

	Total completions	Affordable housing units*		Total affordable	Affordable as % of total completions		TOTAL
		Private sector sites*	LA/RSL owned sites		Private	LA/RSL	
2001	162	14	5	19	8.6%	3.1%	12%
Total 1997-01	1758	160	51	211	9.1%	2.9%	12%
2002	349	41 (2)	7	48	11.7%	2.0%	14%
2003	209	31	9	40	14.8%	4.3%	19%

Figures are net of demolitions

* includes units for which a financial contribution to the Affordable Housing Fund was agreed as an alternative to on-site provision. The number of units concerned is put in brackets afterwards.

Some units partly funded from the Affordable Housing Fund (e.g. 5 in 1997, 23 in 1998, 9 in 2002)