

Corporate Partnership and Policy Team

Paul Bradbury
Housing Development Manager
Tel: 0208 891 7446
Email: paul.bradbury@richmond.gov.uk
Website: www.richmond.gov.uk

23rd May 2014

Review of local authorities' role,
Department for Communities and Local Government,
Zone 1/E2,
Eland House,
Bressenden Place,
London,
SW1E 5DU

Via email: Lahousingreview@communities.gsi.gov.uk

Dear Sir/Madam,

Review of the Local Authority Role in Housing Supply- Call for Evidence - Officer Response from London Borough of Richmond upon Thames

Thank you for inviting us to contribute evidence of how we are using our powers and flexibilities to deliver new social housing. Richmond Council is not a stock holding authority, having transferred its housing stock to Richmond Housing Partnership in 2000.

As a relatively small local authority with the fourth smallest social housing stock in Greater London, providing new social housing is particularly challenging given the high land value and the large proportion of public open space in the borough.

We are currently focusing on assisting delivery of both general needs and supported housing through use of our own land and other assets and a Local Authority funded housing capital programme.

Question 4: To what extent are councils actively valuing, assessing stock condition/ cost, or otherwise managing their asset portfolio to support new developments?

Our Cabinet has agreed a programme of disposals of our own land assets to be prioritised for delivery of affordable housing. We have agreed a corporate approach to disposing of these sites at a discounted value. This approach is based on the capitalised cost to the Council per household of providing temporary accommodation (the case of general needs housing) and the annual cost (in the case of supported housing for use by the Learning Disability Service) of providing an out of Borough residential placement for a young adult dependent on their requirements.

In the case of general needs housing the capitalised cost to the Council (over a 30 year period) is estimated at £128,000 per household, a formula is available if required. The link to the Council's Cabinet approval of this justification for discounting its land disposal receipts to provide affordable housing is provided here for information.

<https://cabnet.richmond.gov.uk/documents/s42893/Property%20SalesReinvestment%20Programme%20Update.pdf>

In the case of supported housing, the annual cost to the Council of each out of Borough placement in a residential care home where there are complex needs can be estimated at £100,000 per person. These figures provide persuasive justification for discounting the value of our assets when disposing to one of our partner Registered Providers.

Question 5: How are councils using their own land to support house building by themselves or with others? What more might be done to bring surplus/ redundant land back into use?

Question 7: What innovative finance mechanisms have councils used to support housing developments? How were risks identified and shared, and challenges overcome in utilising innovative finance models? What other factors would need to be in place to ensure success?

We are currently addressing the challenge of providing opportunities to deliver new supported housing either through new build or conversion of existing properties, currently used for other housing purposes. The following is an example of the issues we are facing and how we are addressing them.

Case Study- Land at Lock Road, Ham

Method of delivery

The site will shortly be sold to Paragon Richmond Churches Housing Trust at a discounted value. The scheme will be supported with £250,000 grant funding from our Housing Capital Programme. The scheme has also been awarded £250,000 from the Mayor's Care and Support Specialised Housing Fund, following a bid by the Registered Provider that was supported by LA Commissioners and Housing/ Service Delivery staff.

Scheme design

A key requirement in finalising the scheme was that its design needed to be of high specification and layout to meet the requirements of service users with complex needs and yet it should be flexible to allow for the scheme to be used as general needs accommodation should the use as supported housing no longer be required. This can be achieved through the conversion of the communal areas to allow enlargement of the existing flats.

A link to the approved plans is provided here for information.

http://www2.richmond.gov.uk/lbrplanning/Planning_CASENO.aspx?strCASENO=13/1934/FUL&DocTypeID=41#docs

Nominations Arrangements

We have recognised the risk to the RP and support providers arising from void periods whilst a new tenant is found and have sought to allow for this in the revised wording of our Nominations Agreement.

Should you have any further questions about any of the issues raised here, please contact either Paul Bradbury, Housing Development Manager on 020 8891 7446 or paul.bradbury@richmond.gov.uk, or Nicky Simpson, Policy and Planning Manager (Housing) on 020 8831 6221 or n.simpson@richmond.gov.uk.

Yours sincerely,

Paul Bradbury

Housing Development Manager
London Borough of Richmond upon Thames