

Appendix

Increasing the supply of new homes (Policy P3 & P4)

Shared ownership housing must be accessible and affordable to local residents and the Council's [Intermediate housing policy statement](#) works towards meeting these local aims. The Council welcomes the draft strategy's London wide focus on increasing home ownership opportunities for low to middle income working families. However, there is a need for local evidence on housing to also inform the ratio between intermediate and rented affordable homes. Richmond upon Thames has the fourth smallest social housing sector in Greater Londonⁱ and the Council provided significant research evidence to the Planning Inspectorate as to why our now adopted Core Strategy varies from the London wide position with an 80/20 ratio in favour of rented homes. The draft London Housing Strategy should therefore recognise the local circumstances of boroughs in setting the ratio of intermediate to rented homes. Richmond Council does offer flexibility regarding the tenure mix on a site by site basis, the starting point always being our adopted Core Strategy.

Affordable Rent – Capped and Discounted Rent products (Policy P3)

The Council has real concerns about the Discounted Rent product and how it is affected in high value rental areas as exists within the private rented market in the Borough. Our real concern is that Discounted Rents will conflict with both local and national priorities to 'make work pay' and will act as a disincentive to work. Rents in high value parts of the Borough such as Richmond, Kew and Barnes will likely be limited to Local Housing Allowance (LHA) levels. For a three bedroom home in Twickenham (which is a medium priced area) this will be £311 per week for a three bedroom property. A family with two children would have to be earning in excess of £40,000 per annum to be able to afford this product without significant reliance on benefits. There are very few households on Richmond's Housing Register earning this amount and these households are likely to be registered for shared ownership opportunities.

The Council is aware that investment resources are needed to deliver additional affordable housing, we would propose that local finesse is required in achieving this, with the need for the Affordable Rent product to reflect differences within housing markets across London (Richmond has the highest private rental prices in Outer Londonⁱⁱ). Our response therefore is that a blended model of 65% for both Capped and Discounted Rents is preferable with local flexibility for very high cost areas of the Borough to be deemed 'exceptionally high value areas' with a Capped Rent (for larger homes only) set at 50% of lower quartile rents. This is to ensure we can achieve development across all parts of the Borough. The Council welcomes a more informed discussion between the GLA and Officers to develop a local tailored approach.

Richmond upon Thames Council does not agree with the need for Capped Rent homes to be predominantly 1 and 2 bedroom homes and believes the draft strategy should be amended to provide flexibility for local circumstances to be taken into account. Richmond upon Thames historically has a high proportion of one and two bedroom homes and local evidence does not (to any substantial extent) support the need to prioritise smaller units for households affected by the Spare Room Subsidy. Furthermore there is no discretion given to the Council when it has a statutory homelessness responsibility to re-house a family into social housing, such as those households for whom we accepted a duty prior to November 2012. As such we need to

deliver local solutions and the overwhelming demand is for family sized accommodation. Housing delivered at Capped Rents in our Borough may also not be attractive to downsizers who already occupy homes let at Target Rents, which are generally lower.

Improving design (Policy P5 and P6)

Good design standards are intrinsic to making sure Richmond remains a good place to live and we strongly support the London Housing Design Guide standards. We are keen to stress the importance of high quality design incorporating on-going maintenance issues, as well as ensuring good internal standards.

Improving existing homes and estates (Policy P10)

Richmond Council recognises the need to tackle long term empty properties but wishes to highlight the importance of finding local solutions to this issue. The Council offers advice, support and grants to the owners of empty homes to help them bring properties back into use. However, where homes have been empty for more than 12 months, are detrimental to the area and the owners fail to take meaningful action to let, sell or otherwise bring the property back into use, enforcement action is considered.

Compulsory Purchase Orders (CPOs) are used as a last resort when the Council is satisfied that all other attempts to bring the home back into use have failed. This power can be very effective and in November 2011, Cabinet approved CPOs on four long term empty properties. Soon afterwards (without the need for further Council action) all four properties were sold, extensively renovated and brought back into use as homes. In February 2013 a further three properties were approved for CPO action. Two have been renovated for the letting market and the Council is taking further action to secure a CPO on the third.

A more structured intermediate market

Richmond Council does not agree with the proposals in the draft Strategy and subsequent Framework Agreement requirements that intermediate homes which local authorities will have negotiated are treated as a London wide resource after three months of marketing. The Council works hard to achieve local housing that addresses local needs. These homes must be for local residents to access. The marketing proposals are therefore unhelpful. Local authorities should be able to approve when marketing commences so that Richmond residents' are able to see show flats in actual schemes. They should not be disadvantaged by only having the opportunity to buy off-plan if marketing commences too early and the proposal for 6 months before practical completion is too soon.

Supporting home ownership, (Policy P17)

Richmond Council is supportive of the Mayor lobbying for stability of interest rates.

Recognising the importance of the private rented sector (Policy P20, P21)

The Council fully supports the need for good standards in the private rented sector to ensure homes are well managed and of good quality. The Council is a member of the London Accreditation scheme yet despite marketing, promotional activity, discounts and training there are currently under 200 landlords accredited on this scheme compared to 17,740 private rented households in the Borough. We do not see much benefit in the apparent additional bureaucracy involved in setting up the London Standard in areas where it will do little to assist households residing in buoyant housing markets. In

Richmond upon Thames demand for private renting is extremely high and landlords can pick and choose tenants. The proposal therefore apparently offers more bureaucracy yet is unlikely to influence landlords in Richmond upon Thames.

Rethinking affordable housing allocations (Policy P25)

We are strongly supportive of this policy, with our own Housing Allocations Policy already providing additional priority to both working households, those making a 'community contribution' and also prioritising local residents. We also support the Military Covenant, again reflected in our Allocations Policy.

Facilitating Mobility (Policy P27, P28)

Richmond Council is stridently opposed to Policy P28 and the requirement for 5% of nominations from all new developments to be placed into a 'pan London' pool. We wish to see this 'top down' policy removed from the draft Strategy or for it to contain provisions for Boroughs to opt out of the scheme without penalty. Richmond Council does not believe that there is a need for this scheme locally and as part of our consultation response would stress that mobility issues within social housing can be met using existing mechanisms such as 'Homeswapper', reciprocals or mutual exchange. The Council already gives 25% of re-lets which can be used by Registered Providers (RPs) to assist with mobility issues.

Richmond upon Thames is an attractive place to live and with good schools, green spaces, low crime and good transport links households on the Housing Register or within social housing overwhelmingly want to stay in the borough. The Council does not consider this scheme in anyway beneficial, actually taking away homes needed to house local residents. In examining the evidence for this scheme to date we have established that people moving into Richmond upon Thames are not doing so for employment reasons. We would ask the GLA what local evidence they have to suggest this scheme will be equitably applied so that it meets the needs of Richmond residents?

The Council is also strongly opposed to linking affordable housing development grant to Pan London mobility and request this is removed as a condition of grant.

The Council is compelled to challenge the draft London Housing Strategy proposals that RPs get 10% of new build nominations and believe the GLA should not impact on locally agreed arrangements between the Borough and their partners. As a Large Scale Voluntary Transfer (LSVT) authority arrangements have already been agreed with the RP to cover this issue. The Borough has strong working relationships with partner RPs and we will be continuing with these locally negotiated arrangements. Richmond Council recognises the need for RPs to have some need for mobility within their own stock but these can be met using existing mechanisms. We also show flexibility in meeting particular requirements for assistance from RPs.

Towards a London rental policy (Policy P30)

The Council is supportive of the GLA's policy giving flexibility for RPs to adopt a high earners contribution and have included this flexibility within our existing [Tenancy Strategy](#).

Meeting a range of housing needs (Policy P32, P34, P35)

The Council strongly supports policies that assist older people and support the vulnerable. Richmond has strong working relationships with SPEAR our local provider of services for rough sleepers and the single homeless. The administration also strongly supports older people, having developed a Member 'Champion for Older People' who this year has focused her attention on social isolation and befriending services. The Council also recognises the draft Strategy's focus on addressing overcrowding. Richmond upon Thames Council has through an extensions programme used £750,000 of its own funding to assist RPs to deliver 25 additional bedrooms in 20 homes for overcrowded households. Richmond believes it would be beneficial for the funding prospectus to provide more detail on addressing these needs should additional resources become available.

Financing Housing Delivery (Policy P37)

The Council believes stamp duty levels are too high and act as a disincentive to housing mobility. Richmond Council does not agree to the devolution of property taxes such as stamp duty and Council tax to the GLA.

Whilst the Council is supportive of the need to assist RPs to deliver affordable housing we have concerns over how the draft strategy will impact locally. As an LSVT authority we are already aware from independent research that we have experienced a disproportionate level of conversions to Affordable Rent when compared to stock holding Boroughs. This has impacted on the number and type of homes available for the Council to nominate to. There needs to be a commitment in the Strategy to limit the number of conversions, especially for LSVT authorities where there is a specially created Registered Provider.

Disposal of high value assets could also impact high value areas of the Borough, further taking away valuable hard earned resources for local families in housing need. Richmond Council believes a strategic commitment from the GLA is essential to 'facilitate a consistent and equitable approach to the development of housing and how assets generated locally can be applied locally'. Richmond Council welcomes more detailed discussion between Officers and the GLA on this topic. To assist RPs to deliver homes Richmond Council welcomes solutions such as cross subsidy through market sale.

Bringing forward land for development (Policy P43, P47)

Whilst we understand the need to capitalise on large sites focused on London's Opportunity Areas we believe this should not be detrimental to affordable housing investment elsewhere. The focus on increasing intensification of Outer London town centres cannot be applied uniformly and must reflect local circumstances. Given the nature of some town centres in the Borough (which include conservation areas) it would be inappropriate to adopt automatic intensification.

ⁱ Census 2011

ⁱⁱ Hometrack, January 2014