

Background Paper – Affordable Housing

Planning

1 November 2023

(to accompany submission of the Local Plan Publication (Regulation 19) Version

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1. Purpose of this paper

- 1.1 This background paper sets out details of the evidence base in relation to the emerging Local Plan's direction on affordable housing and the reasoning for the borough's need to prioritise affordable housing delivery across the borough. In some areas due to the borough's evidenced local circumstances, a different policy approach to that set out in national guidance and the London Plan is considered justified.
- 1.2 This background paper is accompanied by a paper on housing delivery within the borough and the impacts of previous levels of delivery on how the emerging policy approaches have been developed. They should be read in conjunction with each other as both form part of the evidence base for the emerging Richmond Local Plan and provide the background to the approach taken to housing policies, together with strategic policy, research and monitoring information on which the policies are based.

2. Context

Constraints

- 2.1 Richmond Upon Thames covers an area of 5,095 hectares (14,591 acres) in southwest London. Although Richmond Upon Thames is not one of the smallest London boroughs, more than two thirds of the borough's land area is protected by either open space or conservation area status. There are historic landscapes such as Richmond and Bushy Parks and the Old Deer Park, the River Thames and the River Crane corridors, and other tributaries which are enjoyed by many residents from in and outside the borough. The Arcadian Thames landscape runs through the borough, and is the setting of a number of parks, palaces, towpaths, open spaces and places of cultural and historic importance. The area is also one of high archaeological importance. We value our special and unique natural and historic environment and play a significant role in providing opportunities for recreation, sport, culture and tourism for not only those who live and work in this borough, but also for those from neighbouring and other London boroughs.
- 2.2 Given that much of the boroughs land area is heavily protected through open space and conservation designations, it means opportunities for large scale development are limited. In addition, the large areas of open space make the borough a popular place to live, especially for families, meaning a careful balance must be taken when considering development within the borough whilst not compromising the important functions of the borough as a key place for recreation and historic importance for a wide variety of residents and visitors. This results in a number of challenges where growth is concerned especially those associated with housing opportunities and affordability. These factors mean Richmond Upon Thames has one of the most challenging affordability ratios in the country, the current affordability ratio for lower quartile house prices to lower quartile earnings within the borough is 18.85, the third highest in England, exceeded only by Westminster (19.59) and Kensington and Chelsea (31.16).
- 2.3 The issue with affordability and the prevalence of affordable housing delivery is exacerbated by the limited opportunities for large scale housing development in the borough. In addition, the cost of living crisis has brought further pressures on resource and income, meaning the

need for affordable housing in the borough is growing annually with limited opportunities to fill this demand.

- 2.4 The constraints mean that land values are high and opportunities for new development are very limited. Finding space to accommodate needs is difficult, whether it be for jobs, community uses, or new housing. The scarcity of land pushes prices even higher, resulting in the high affordability ratio as mentioned previously, which is of particular concern. In addition to house prices being very high, the borough is also one of the most expensive Outer London boroughs to rent, and with only around 13% of the housing stock being social rented, there are few opportunities for households on lower incomes such as key workers.
- 2.5 This also results in a reliance on contributions from the development of small sites, which cumulatively can form a significant proportion of the pipeline of future delivery. The recently published [Annual Monitoring Report \(2022/23\)](#) shows completions from large sites have fallen as low as 14%, with just one large site of 20 units completed in 2022/23.

3. Relevant Policy and Guidance

Preparing the Richmond Local Plan

- 3.1 Although the Richmond Local Plan had only been adopted in July 2018, commencing a new Local Plan was agreed in 2019 in the context of changes in national and regional policy and guidance, including a revised National Planning Policy Framework (NPPF) (2019) and changes to the London Plan. The climate emergency and growing population were also identified as reasons why a new Local Plan was needed. It also links to other key strategies produced by the Council, including the Housing and Homelessness Strategy and associated research and guidance.

National Planning Policy Framework

- 3.2 Within National Planning Policy Framework (NPPF) there is a strong emphasis on housing delivery, including providing adequate housing to meet the objectively assessed need within a Local Planning Authority (LPA) area; paragraph 11 NPPF; *“b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses..”* and paragraph 15; *“The planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities...”*. This is further emphasised in Chapter 5 of the NPPF; *“Delivering a sufficient supply of homes”* which includes a clear focus on housing delivery as well as the provision of affordable housing. This emphasis is reflected in the emerging Local Plan.

London Plan

- 3.3 The emphasis on housing delivery from the NPPF is also mirrored in the London Plan which was adopted in March 2021. This is included within policy H1 *“Increasing housing supply”*, which has a focus on optimising all suitable sites, brownfield sites and intensifying sites in well connected areas, i.e within PTALs 3-6 or within 800m of a station or town centre boundary. There is also an additional focus within the London Plan to deliver housing on small sites, whereby the London Plan includes a housing target on small sites within each borough alongside an overall housing target to promote housing delivery on these types of sites.

- 3.4 The London Plan also includes a clear focus on affordable housing delivery. London Plan paragraph 4.4.5 refers to the 2017 SHMA which identified that 65% of London's overall housing need is for affordable housing. This high level of need is highlighted in policy H4 and includes the strategic target for 50% affordable housing across London, with measures such as providing at least 50% affordable housing on public sector land, affordable housing providers to deliver at least 50% affordable housing and promoting the use of grant to secure additional affordable housing, all these measures are included within policy to help meet this high level of affordable housing need across London.

Relevant Guidance and Supplementary Planning Documents

London Housing Strategy

- 3.5 The London Housing Strategy was adopted May 2018 and includes a clear focus on affordable housing delivery. Within the vision for the housing strategy there are 5 priorities of which the delivery of genuinely affordable homes is second on this priority list. The housing strategy also highlights the impacts the lack of affordable housing is having on the London workforce and wider economy, for example paragraphs 4.3 and 4.4:

"A shortage of affordable housing has also been linked to difficulties in recruiting and retaining public sector workers"

....."many of the industries that drive London's economy and our public services depend on a steady supply of highly-educated professionals who need access to homes they can afford".

- 3.6 These points included within the London Housing Strategy 2018 highlight not just the benefits to individuals having access to genuinely affordable housing but also the wider impacts on the economy and available workforce in a wider London context.

Homes for Londoners – Affordable Housing and Viability

- 3.7 The Affordable housing and Viability Supplementary Planning Guidance was adopted in August 2017 and focuses on affordable housing delivery within London. Within the SPG it reiterates the Mayors long-term goal for 50% of all new homes to be affordable. The SPG includes the Fast-Track Route which includes a threshold of 35% affordable housing which removes the requirement for a full viability appraisal if this threshold is met. However, the SPG includes the following paragraph which still allows Local Planning authorities to apply their own policies where they are evidence led, paragraph 15: *"The SPG is clear that where an LPA currently adopts an evidenced approach which will deliver a higher average percentage of affordable housing (without public subsidy) the local approach can continue to apply".*

Emerging Guidance

Affordable Housing LPG and Viability Guidance LPG

- 3.8 The GLA recently consulted on new Affordable Housing and Viability guidance. This would replace the current Affordable Housing and Viability SPG splitting the existing guidance into two documents. The new guidance on affordable housing and viability includes additional emphasis on the delivery of Social Rented housing, prioritising on site affordable housing delivery and adds additional emphasis to applying the Fast Track Route.

- 3.9 The additional emphasis on the delivery of Social Rented housing is very positive and the Council is very supportive of this approach as this is the tenure most in need within the borough.
- 3.10 The Council had sought to update the Affordable Housing SPD. The update to the existing SPD (2014) was to reflect new or updated requirements in the Local Plan and also guidance published by National Government, the Greater London Authority (GLA) and the Royal Institute of Chartered Surveyors (RICS), with a draft subject to public consultation in 2022. However, in light of issues raised the update to the SPD will now be taken forward once the new Local Plan progresses.

4. Affordable Housing Needs in Richmond

Local Housing Needs Assessment

- 4.1 As part of the evidence for the emerging Richmond Local Plan a Local Housing Needs Assessment (LHNA) was commissioned to determine the specific housing needs within the borough and was published in December 2021. Within the Stage 1 2021 LHNA the study determined there was an annual requirement for 1,675 affordable homes overall. This comprised a need of 1,123 Rented Affordable Homes and 552 Affordable Home Ownership products. This is significantly higher than the previous Strategic Housing Market Assessment (SHMA) carried out for the Local Plan Review in December 2016 which concluded there was a need for 964 affordable homes per annum. This shows the level of need for affordable housing in the borough has continued to increase.
- 4.2 One of the key issues determined within the stage 1 study is affordability of housing within Richmond Upon Thames to be able to rent in Richmond Upon Thames a household income of least £57,000 is likely to be required, with an income of at least £100,000 being required to purchase a property in the borough¹. When considered against the mean UK average wage of £33,852² per annum, this is a concern, especially for single households. It is then important to consider how easy it is to access more affordable forms of housing. Recent figures included within the Councils recently published Infrastructure Delivery Plan (2023) states that only around 12% of households are within social rented homes in comparison to nearly 25% of households being in private rented accommodation³. Meaning social rented properties make up a very small proportion of the overall housing stock within Richmond Upon Thames.
- 4.3 To keep up to date the evidence base for the emerging Local Plan and to take into account the census 2021 information, a stage 2 LHNA was carried out and was published in March 2023. In relation to the overall need for affordable housing, the stage 2 assessment determined a slightly lower overall figure. This was as a result of refinement with a lower

¹ Richmond Upon Thames, Local Housing Needs Assessment 2021 (page 57) - https://www.richmond.gov.uk/media/22992/local_housing_needs_assessment_2021.pdf

² ONS – July 2023
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/kab9/emp>

³ Richmond Upon Thames, Local Housing Needs Assessment 2023 (page 8)
https://www.richmond.gov.uk/media/28049/local_housing_needs_assessment_2023.pdf

requirement needed for Affordable Home Ownership products, due to a further assessment of existing lower quartile housing stock and the potential for resales, which resulted in the overall need equating to 1,407 dwellings per annum. The study recommended of those 1,123 affordable rented homes are needed annually, and 284 dwellings should be provided as affordable home ownership products, showing the need remains very high for social rented housing.

4.4 In relation to the census findings within the stage 2 study it is clear that pressures are continuing within parts of the existing housing stock. The numbers of 1, 2 and 3 bed properties which will be the most affordable in the borough have decreased by 12.7%, the number of families in the borough have increased by almost 4,400, home ownership has fallen by around 1% and the number of households living in social rented housing has decreased by 3%, whereas the number of households living in private rented homes has increased by 14.5%.

4.5 These figures show there are likely to be difficulties in finding suitable family accommodation within the borough, as the census data shows more families have moved into the borough, however the number of 2 and 3 bed properties have reduced, which will likely be the most affordable to families.

4.6 The issues with the high level of demand for affordable housing are clear to see across London within the following graph, which shows the level of demand for housing by tenure in comparison to the supply. The graph shows the demand for affordable housing across London is around 42,500 each year, with only around 16% of the demand for affordable and social rented housing delivered since 2021, in comparison to just over 100% of the demand for upper mainstream housing and 77% of mid mainstream housing. This illustrates the need to prioritise affordable housing and especially for rented affordable housing where the demand is very high.

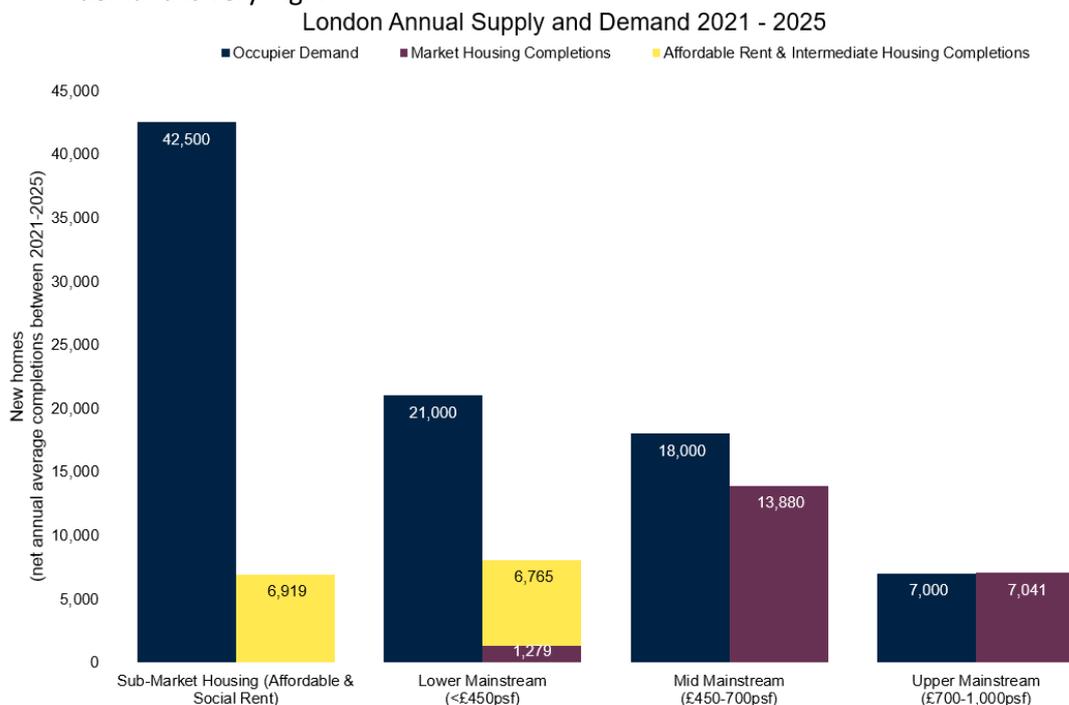


Figure 4.1 – Level of demand in comparison to supply of housing by type.

Source: Savills Research using Molior, CACI and Oxford Economics (on behalf of London Councils)

Type of Affordable Housing Required

- 4.7 The Council does not directly provide housing, but has a legal duty to provide housing, through partnerships with Registered Providers, to residents falling within certain defined 'priority need' categories (such as families with children), who are homeless or at risk of becoming homeless through no fault of their own. In addition, the Council has an obligation to ensure that vulnerable people and households are housed in accommodation that will provide a safe and secure environment. The Council's Housing Service, in partnership with local housing associations, maintains the Richmond Housing Register, comprising a number of waiting lists which contain the names of households who are in housing need and require re-housing, based on a points scheme to decide priorities for housing.
- 4.8 Demand for affordable housing is clear to see within the Richmond Housing Register, and as of February 2023⁴, there were over 5,385 households on the housing register. This was an increase in numbers compared to the previous year, across all the housing access queues, indicating rising demand although it was noted a major de-registration exercise is due. This total included 235 homeless households for whom the Council accepts it has a duty (under the Housing Act 1996 S193 (2)). In comparison only around 13% of homes in the borough are in the social rental sector. The Council does not own any of its own affordable housing stock after the Council undertook a Large Scale Voluntary Transfer in 2000 with Richmond Housing Partnership (RHP) now forming one of the largest housing association in the borough. Richmond upon Thames Paragon Housing (PA Housing) also has significant stock at just under 2000 units. The main Registered Provider's (RP's) operating in the borough include RHP, PA Housing and MTV housing.
- 4.9 In terms of the type of affordable housing required, the stage 2 LHNA confirms the ageing population trend within Richmond Upon Thames. Since the 2011 census there has been an overall increase of 24.3% in people aged over 65, similar to national trends in the UK. A strong driver of recent population growth is natural change (births minus deaths), along with net international migration, according to the boroughwide housing research, with a notable level of net internal out migration to other parts of the UK. However, the 2021 census revealed population growth had been lower than forecast, and the borough's population had been growing at a slower rate than the London average, with only a 4% increase in the number of residents since the 2011 census compared with an 8% increase across London. The latest GLA projections (2020-based) estimated much lower future population growth, to reach 196,714 (identified capacity scenario), a 0.3% change by 2039, however there remain challenges around how the population will change.
- 4.10 A key challenge is to support an ageing population and the impacts on adult health and social care provision, for example both paid and unpaid carers. There is a projected change in the age structure of those aged 65+ to increase by 50% by 2039. Understanding how we can support the health and wellbeing of people of all ages is also key. The 2021 census showed Richmond has the third highest levels of very good health in England and the second highest in London, although there are health inequalities between more deprived and less deprived areas such as life expectancy.

⁴ Report to Adult Social Services, Health and Housing Committee 5 June 2023 - Homelessness forecasts and rehousing resources/lettings plan for 2023/24

4.11 In addition to general needs affordable housing, there is a growing need for specialist affordable housing. Within the stage 1 LHNA the report includes a population projection for people with disabilities. It is expected that the numbers of people aged below 64 with disabilities including Autism, Learning Difficulties, impaired mobility and challenging behaviour will reduce slightly. However, the numbers of people with these types of disabilities over 65 are likely to increase, as shown in the table below taken from the stage 1 LHNA:

Disability	Age Range	2021	2039	Change	% Change
Dementia	65+	1,905	3,072	1,167	61.3%
Mobility problems	65+	4,977	7,769	2,793	56.1%
Autistic Spectrum Disorders	18-64	717	711	-6	-0.8%
	65+	248	379	130	52.5%
Learning Disabilities	15-64	1,881	1,846	-34	-1.8%
	65+	563	843	280	49.6%
Challenging Behaviour	15-64	35	34	-1	-1.7%
Impaired Mobility	16-64	4,227	4,339	113	2.7%

Source: POPPI/PANSI and Demographic Projections

Figure 4.2 – Projected Changes to Population with Disabilities within Richmond (see table 6.4 within stage 1 LHNA)

4.12 Figure 4.2 above shows the increases in percentages are high, such as a 52.5% increase in adults over 65 with Autistic Spectrum Disorders. However, it is important to see the numbers involved as the increase from 2021-2039 is likely to be around 130 additional adults with this type of disability over an 18 year period (7 per annum). Although the level of increase is small, it is important to note that accommodation that can support people with complex needs is difficult to come by and the location of this type of housing needs to be carefully considered. For example, accommodation providing this type of care needs to be located in an area that allows social integration with the local community and accessible to local facilities, whilst also not being disruptive to existing neighbours. In addition, due to pressures of running costs for specialist affordable housing there are few Registered Providers offering this type of housing within the borough and it is a significant cost to the Council to house people in adjacent boroughs as well as the social impacts of potentially taking a vulnerable person away from their social network. This only happens in exceptional circumstances but due to the lack of housing available it does occur.

4.13 In response to these pressures, the Council is taking an active approach to improve this outlook, therefore, within the stage 2 LHNA the report includes a priority list of types of specialist affordable housing required. This priority list has been based on discussions with the Council’s commissioning group, who work regularly with providers, and understand the needs and requirements in the sector in greater detail. Below are some of the figures we have been provided by colleagues in commissioning which are included within the stage 2 LHNA (paragraph 5.3):

The Commissioning Statement outlines key drivers of need for increased specialist and supported housing, including projections of:

- 42% increase in older people with dementia in the Borough between 2019-35;
- 38% increase in older people with a limiting long-term illness;
- 5% increase in adults with learning disabilities;

- 2% increase in adults with mental health needs.

4.14 These needs have then been defined more directly within the stage 2 LHNA and included in the following list (paragraph 5.6 in the LHNA⁵):

- *Approx. 80 additional extra care / residential care units to 2035 with no currently contracted extra care provision in the east of the Borough, with the residential care beds focused on those with dementia. Dementia-friendly extra care provision is identified as a particular priority;*
- *Council-placed nursing care need to increase by around 30 additional placements by 2035 with potential for 10-15 beds needed for those with dementia. Bedspaces for those with dementia is identified as a particular priority;*
- *'Care and cluster' schemes of self-contained flats for adults with learning disabilities with 24/7 staffing and communal areas. A projected need for 31 units between 2019-35 is identified. Existing residential care schemes for this group are often not of the right quality; and there is some potential to deliver new supply through replacement/remodelling of existing stock. There is a limited current pipeline of supported living schemes;*
- *A marginal increase in adults with learning disabilities requiring nursing care is identified, with a potential shortfall of 36 places, but this is not identified as urgent need;*
- *Modern en-suite units in supported housing for adults with mental health difficulties, with a potential need for up to 100 units identified dependent on if more 'move on' pathways are cleared. The Statement identifies issues with the adequacy of some existing schemes;*
- *A lack of specialist supported living or extra care provision for adults with physical or sensory needs in the Borough.*

Delivering Housing Needs

4.1 It is important to understand how the Council is wanting to address these different needs given the limited land opportunities in the borough.

4.2 The Council's objective is to maximise delivery of affordable housing through working with partners and build a pipeline to see affordable homes delivery increase in future years. This is supported by the Council's grant funding and disposal of Council owned sites for affordable housing, as well as exploring other avenues to promote affordable housing. The Council has an Affordable Housing capital programme that supports affordable housing delivery in the borough, which is funded in the first instances from Section 106 affordable housing receipts. The Council's latest financial strategy⁶, continues to reflect the objective of increased provision of affordable housing. It notes that as of September 2023, £116,000 of financial contributions have been received in the year to date, which when committed spend is deducted leaves unallocated receipts of around £21m. There are some significant housing schemes already in the pipeline that will draw down on funds, as set out in section 5.

4.3 In relation to the ageing population, one of the key ways the Council is approaching the housing need for the ageing population is to ensure delivery of accessible and adaptable

⁵ See also the Adult Social Care Market Position Statement (2023) published at https://richmond.gov.uk/asc_market_position_statement

⁶ Report to Finance, Policy and Resources Committee on 12 September 2023 - Capital Programme and Funding Review 2023/24

housing. The Council's Specialist Housing Occupational Therapist assesses planning applications in detail to ensure they adhere to M4(2) and M4(3) standards. Currently their main focus is on affordable housing, however, officers have produced informal guidance for developers and may be able to provide guidance on private housing where resources allow. The aim of the role is included on the Council's website⁷:

"Our focus on inclusive design for all our new builds and home adaptations available through the DFG allows for you to live in your homes for longer, preventing upheaval and creating considerable savings. By providing our expertise, we can help reduce costs as well as ensuring we do not waste resources. Most importantly, the work being done provides valuable support to residents with complex disabilities and impairments as well as to our own colleagues across the Council.

We understand inclusive, adaptable and accessible homes help keep people active socially and economically, meaning residents can spend more time living their lives and with their community as well as reducing the pressure on public services. By collaborating with our partners, we can provide homes that meet the needs of residents – now and in the future."

- 4.4 This approach has been adopted by the Council to ensure that residents can live in their homes for longer, reduce the need to move vulnerable residents unnecessarily, allow residents to remain close to their social network and reduce the need for higher numbers of sheltered accommodation to be provided within the borough. The Council's current approach is for 90% of all new homes to adhere to M4(2) standards and 10% of all new homes to adhere to M4(3) standards and this remains within the emerging Local Plan.
- 4.5 This approach is highly important as it will increase the numbers of accessible, adaptable and wheelchair accessible housing within the borough which can help cater for the ageing population. With the Occupational Therapists commenting on applications and ensuring M4(2) and M4(3) standards are properly met, this will mean these properties can effectively support a large part of the ageing population within the borough.
- 4.6 Although the Council are taking an active approach in the delivery of accessible and adaptable housing, there are more challenges with the provision of specialist affordable housing to support people with more complex needs. Therefore, the Council are actively working with partners to find opportunities to deliver specialist affordable housing and will welcome opportunities especially for cluster flats as these are seen by the Council as a key benefit in any development proposal.

First Homes

- 4.7 As the borough is so constrained with few housing land opportunities it is important to focus needs on the types of housing that are required the most from Richmond Upon Thames residents. Within the NPPF and NPPG there is a clear drive to increase home ownership with the government seeking to promote Affordable Home Ownership products. Within the NPPG it is now a national requirement for sites to deliver first homes. First homes are defined in the NPPG as the following:

⁷ www.richmond.gov.uk/new_blog_borough_homes_convenient

“First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations”

- 4.8 Notwithstanding the requirements within the NPPG it is important to assess if there is a need for this type of housing within the borough. Within the LHNA stage 1 and 2 there is a detailed assessment of the requirements for first homes within the borough. One of the key findings within the LHNA stage 1 and 2 was that house prices are so high within the borough it’s unlikely that any dwellings other than 1 bed flats would come in below the national cap of £420,000 for Greater London, unless there was a high discount which would then impact on viability, likely reducing the amount of social rented housing that could be delivered. The overall findings of the LHNA stage 2 determined the following;

“Overall, it is concluded there is no evidence to prioritise the delivery of First Homes over other forms of housing. Indeed given the high level of need for rented affordable housing, there is a case to seek low (or no) proportions of this tenure. Key points can be summarised as:

- There is a clear need to provide rented forms of affordable housing, and social rented housing in particular as this will be affordable to the greatest proportion of households in need;*
- Those households who are able to afford First Homes (or indeed other forms of affordable home ownership) can already afford private rented housing in the Borough, and therefore do have choices within the housing market (choices not available to those on lower incomes who need subsidised rented housing);*
- Even if First Homes were provided, due to price caps, it is unlikely that a range of dwelling sizes and types could be provided. This would mean that provision could be limited to 1-bedroom homes, and only delivered in lower value locations – therefore not providing a good mix and choice of housing;*
- Linked to this, if prices of First Homes are close to the caps then there is likely to also be a limited range of households with eligible incomes. For example, a home priced at £420,000 secured with a 10% deposit and with a 4.5 times income multiple would need an income of £84,000. Therefore to afford this home would see a very narrow range of household incomes (from £84,000 to £90,000)”*

- 4.9 In addition, the current stance from the Mayor is to prioritise the delivery of social rented housing as included within the emerging GLA Local Plan guidance on Affordable Housing as this is the tenure most needed across London.
- 4.10 These findings have resulted in the emerging Local Plan following the GLA approach on the affordable housing tenure prioritised within emerging policy and not looking to include first homes within policy and instead prioritising the delivery of social rented housing.

5. Housing Delivery

- 5.1 The Housing Delivery Background Paper provided detailed information into previous and proposed housing delivery, this section provides a basic summary and should be read in conjunction within the Housing Delivery Background Paper.
- 5.2 Within the emerging Local Plan there are 38 sites allocated which add to the Local Plan housing trajectory. However, other large sites which will come forward, in addition to a significant proportion of small sites. The housing trajectory for the emerging Local Plan to meet the 10 year London Plan target is made up of the following components:

New Build Sites under construction	140
New Build Sites with planning permission	744
Conversion sites under construction	169
Conversion sites with planning permission	42
Conversion sites with prior notification approval	111
Non Self Contained	156
Site Allocations	270
Deliverable Sites	3,026
Total 10 year supply	4,658
London Plan 10 year Target	4,110

Figure 5.1 – Estimated supply over 10 year period.

- 5.3 Figure 5.1 shows the Council has a 13% buffer above the London Plan 10-year target. The Council have always been cautious with housing delivery estimates including 5 year housing land supply assumptions and have taken the same approach to the 10 year London Plan housing target of 4,110 homes which the Council is applying from 2021/22 to 2031/32. The Council is seeking to approach the housing target as a stepped trajectory where this target will start at a lower level earlier in the plan period and build each year to ensure the whole target is met over the 10 year period, more detailed information on this is included within the Housing Delivery Background paper.
- 5.4 The Council's ambitions are that the longer-term forecast for affordable housing delivery identifies the potential to deliver over 1,000 homes albeit subject to several factors not least of which is approval by the local planning authority (and in some instances the Greater London Authority). There are further details below about how this will be achieved.

Delivery from Registered Providers

- 5.5 Richmond has a positive relationship with the RP's operating within the borough. Regular meetings are organised between the Council and the main RP's operating in the area which helps to form a good relationship improving levels of affordable housing delivery as opportunities can be explored and information can be shared to help improve processes. An excellent example of this close working relationship with an RP is Ham Close, which is an urban re-generation project and has involved close working with RHP who are the RP delivering the scheme. The scheme (22/1442/FUL) is already underway with enabling works and increases capacity on the site by 260 units and provides much needed replacement and additional affordable housing (a net uplift of 78 affordable homes) of a higher quality than the existing dwellings on the site.
- 5.6 RHP are one of the most active RP's that operate in Richmond. RHP published their most recent annual report covering 2021/22. The report stated as of March 2022 RHP owned or managed 9,282 affordable dwellings of which 8,160 dwellings are within Richmond Upon Thames. Within the report there is detail regarding the types of affordable homes but does not specify this figure in each borough, however as nearly 90% of the overall dwellings owned and managed by RHP are in Richmond it can be assumed most of the dwellings included are in Richmond:
- General Needs Rented – 6,084
 - Affordable Housing – 781
 - Keyworkers – 94
 - Supported housing - 391
 - Shared ownership - 148
 - Market - 9
- 5.7 RHP are very active within Richmond Upon Thames and the report includes their anticipated pipeline for the next monitoring period, with a target of 145 new affordable homes in 2022/23 and a further committed supply of 375 affordable homes. It is not confirmed in the report if all of these new affordable homes will be in Richmond. The first phase of the Ham Close (as referred to at paragraph 5.5 above) will see 70 affordable homes built. The Council has already agreed the use of £5m of Housing Capital Programme grant funding to Richmond Housing Partnership to support the delivery of the Ham Close estate regeneration⁸, and made a Compulsory Purchase Order (CPO)⁹ in October 2023, and a construction start is expected this winter, and through future phases will deliver in total 221 affordable homes. RHP are also remodelling a sheltered scheme into a new state-of-the-art retirement scheme at Sommerville House (16/3506/FUL). In recent years RHP have brought forward a number of small sites, including on garage and infill sites, to make effective use of land holdings. For example, permission has been granted to RHP (21/2282/FUL) for 4 affordable homes at London Living Rent at Land Adjacent 12 Willow Avenue, Barnes. RHP also work with developers, including 15 affordable homes in the development underway at Richmond Royal Hospital.

⁸ Report to Adult Social Services, Health and Housing Committee on 5 June 2023 - Council Grant to Richmond Housing Partnership to Support Ham Close Estate Regeneration

⁹ Report to Finance, Policy and Resources Committee on 21 September 2023 - Ham Close Regeneration

5.8 Richmond Upon Thames Paragon Housing (PA Housing) has around 24,000 homes in over 60 boroughs primarily located in London and Surrey and the East Midlands with a total of 2,289 homes in Richmond. A summary of the homes PA housing own and manage in Richmond is below:

- General Needs Rented – 1,433
- Housing for older people (rented) - 192
- Leasehold/shared ownership - 390
- Supported housing - 151

5.9 PA housing are developing 30 affordable homes on the Council owned site at the former Strathmore Centre in Teddington (20/0539/FUL). However, PA Housing are currently in the process of transferring their supported housing portfolio to a specialist provider/s, and it is anticipated that this will be completed in 2023. The Council are working with PA Housing closely on this issue, however this is a concern given few RP's provide specialist housing and how the demand for this type of housing is high.

5.10 The next largest RP operating within Richmond Upon Thames is Metropolitan Thames Valley Housing (MTVH), although they operate across a much larger area than many of the other RP's within Richmond Upon Thames. MTVH has 807 properties in Richmond, including:

- 90 Care and Support homes
- 364 Leasehold & Shared Ownership homes
- 349 Social rent combined.
- 3 Equity Loans
- 1 commercial

5.11 There are a number of other RP's operating within Richmond Upon Thames, for example Clarion are delivering 108 affordable schemes at Richmond College, however the three above have existing stock and a management presence, and are the most active in new delivery, within the borough.

Delivering Affordable Housing

5.12 Within the emerging Local Plan the emphasis is on the delivery of social rented affordable housing being the priority. This mirrors the approach within the recently consulted Affordable Housing Guidance published by the GLA which includes the Mayor's strong preference for the delivery of Social Rent homes set in Paragraph 3.1.2. This approach is supported by the recent LHNA which states this is the tenure most in need in the borough. In the Local Plan 2018, the tenure split in Policy 11 in the emerging Local Plan is 80/20 in favour of affordable rent over intermediate products. The need for affordable rent has not changed in the borough but there has been a change in policy within the London Plan. London Plan Policy H6 prescribes the affordable housing tenure split that London Boroughs should be applying in their policies. This is 30% low cost rent (social or London Affordable Rent), 30% intermediate (i.e London Living rent or Shared Ownership) and 40% to be determined by the borough. As the overriding need as evidenced by the LHNA in Richmond is for low cost rented homes the whole of the 40% will be towards that product. This is the reasoning for the policy's 70/30 split in favour of affordable rented products.

- 5.13 Policy 11 requires an affordable housing contribution from small sites below 10 units and it is acknowledged that this is in conflict with paragraph 64 of the NPPF but paragraph 9 allows for local circumstances to be taken into account. The same policy approach was found sound under the previous Local Plan Examination (Inspector’s Report April 2018 paragraph 38), which succeeded the Written Ministerial Statement on affordable housing on small sites (November 2014). The circumstances which justified the policy for the previous Plan remains the same as set out in this paper. These are that the borough has an acute need for affordable housing (in the context of high house prices and affordability issues, with evidence on homelessness) together with limited land for development, meaning the Council struggles to rely on large sites to provide a high quantum of affordable homes and an over reliance on small sites.
- 5.14 The Council recently published an Affordable Housing Update Report (AHUR) dated June 2023 which includes pipeline affordable housing development within the borough.
- 5.15 In addition, the AHUR includes the introduction of a benchmark of £150,000 per specialist affordable unit, and £120,000 for general needs affordable housing when considering applications for Housing Capital Grant, based on the wider costs of temporary accommodation placements. The evidence behind this within the report means we will use the figure of £120,000 per unit to calculate the number of units that can be delivered from the affordable housing contributions collected from either a payment in lieu and contributions collected from small sites, resulting in a more accurate figure of average affordable housing percentages across the borough. In reality costs of delivery of actual units would vary on any particular site and funding can be used effectively in different ways such as changing tenures, however this is a useful measure to quantify the value of financial contributions received.
- 5.16 There are current financial pressures RP’s are facing in light of recent legislation changes including fire safety regulations, cladding, repair issues and mould/damp prevention as well as the cost of meeting higher sustainability and climate change requirements. All these factors are very likely to impact upon RP’s capacity to purchase new affordable housing.
- 5.17 The Housing Delivery Background Paper includes more information about previous levels of affordable housing delivery within the borough and further information regarding pipeline delivery, however the main take home points from the published AHUR (as at June 2023) include the following:
- Planning applications permitted between April 2022 – March 2023 will deliver a total of 134 affordable homes.
 - £1,232,985 collected in financial contributions to affordable housing in 2022/23
 - £4.255m is committed against approved capital schemes and revenue support.
 - £11.881m of held funds unallocated at this time
 - The total spent in April 2022 – March 2023 was: £2,243,067
- 5.18 Delivering affordable housing also makes major savings to the Council. The AHUR reports that recent findings indicate the following:

“The use of Richmond Housing Capital Programme (HCP) grant continues to be promoted to increase the delivery of affordable homes in the Borough. This is available to any RP to apply to the Council for such grant and submit a business case as to why such grant is required. During the year through the HCP grant the Council supported the delivery of the seven LAR homes that are completed or under construction at Bucklands Road, Teddington by RHP. In addition, the property acquisition programme detailed in paragraph 3.13 of this report was supported by £2.04m of HCP grant (17 x £120,000 per unit)”.

- 5.19 However, more recent evidence shows the savings are likely to be higher as included within the following statement from the AHUR:

“Director of Finance indicates that the level of savings that might arise from moving vulnerable households from existing placements, particularly out of borough, can be around £150,000. It is therefore recommended that this benchmark is used when assessing applications for HCP”.

- 5.20 This cost is a useful measure as it extrapolates contributions/grant per unit based on the cost saving seen by the local authority, however this does more closely relate to the cost savings seen for specialist affordable housing whereas the cost saving of £120,000 per dwelling is more relevant to general needs affordable housing.
- 5.21 This approach is supported by the emerging Affordable Housing London Plan guidance that states: *“To avoid incentivising off-site provision or in-lieu contributions, there should be no financial benefit to the applicant relative to on-site provision”*. Meaning the level of contribution should be equivalent to the level of affordable housing required, showing this approach is justified.

Affordable Housing Delivery

- 5.22 The Council’s [2022/2023 Annual Monitoring Report](#) (AMR) includes information on previous levels of affordable housing delivered and pipeline development. More detail is included within the Housing Delivery Background Paper. In the past 5 years the AMR data shows – 2021/22 19% of net completions have been affordable homes and 81% have been open market.

Year	Open Market		Affordable		Total Units
	Units	%	Units	%	
2018/19	349	83%	70	17%	419
2019/20	297	90%	34	10%	331
2020/21	189	92%	17	8%	206
2021/22	142	87%	22	13%	164
2022/23	127	90%	14	10%	141
Total	5,152	81%	1,196	19%	6,348

Figure 5.2 – Open Market and Affordable housing delivery

- 5.23 However, this figure is not a clear representation of the amount of affordable housing secured as this does not take into account the amount of financial contributions for affordable housing. When this is considered the overall percentage of affordable homes

completed and the amount of contribution collected since 2018/19, equates to an average affordable delivery of 21.5%.

5.24 As Richmond has a different policy approach to large and small sites, whereby on small sites adopted policy includes a stepped target based on the site type and number of dwellings, with one of the aims of protecting employment sites by having a higher affordable housing percentage applied. This included in the following table taken from adopted policy LP 36:

No. of units proposed (gross)	% Affordable Housing		
	For conversions and reversions (where there is no loss of former employment floorspace.	For new build development or redevelopment (where there is no loss of former employment floorspace)	For any units replacing employment floorspace
9 units	36%	45%	90%
8 units	32%	40%	80%
7 units	28%	35%	70%
6 units	24%	30%	60%
5 units	20%	25%	50%
4 units	16%	20%	40%
3 units	12%	15%	30%
2 units	8%	10%	20%
1 unit	4%	5%	10%

Figure 5.2 – Adopted Local Plan Policy LP36

5.25 The policy approach on large sites includes a target of 50% affordable housing onsite. Given the different policy approaches we have separated the average level of delivery into small and large sites as included in figure 5.3:

Monitoring year	Site type	Overall affordable housing %
Completions 2022-23	Small Sites Total	29.22%
Completions 2022-23	Large Sites Total	0.0%
Completions 2021-22	Small Sites Total	9.47%
Completions 2021-22	Large Sites Total	14.01%
Completions 2020-21	Small Sites Total	20.98%
Completions 2020-21	Large Sites Total	32.41%
Completions 2019-20	Small Sites Total	14.55%
Completions 2019-20	Large Sites Total	36.43%
Completions 2018-19	Small Sites Total	10.27%
Completions 2018-19	Large Sites Total	26.76%

Figure 5.3 – Average level of affordable housing secured on small and large sites including units and associated contributions.

5.26 This shows on large sites average levels of delivery per annum have fluctuated from 0% to over 36%, and on small sites delivery has fluctuated from 9.47% to 29%. This shows the nature of Richmond’s housing delivery that year on year there are significant variations in the overall number of homes delivered and the amount of affordable homes. However, including the contributions as dwellings shows a far more realistic figure of the whole picture of affordable housing in the borough.

- 5.27 Although the overall average percentages on large sites do struggle to deliver the adopted target of 50% affordable housing, it is important to note that over the past 5 years, 10% of sites within the borough have either provided or contributed to more than 35% affordable housing.
- 5.28 In relation to the planned delivery of affordable housing there is a substantial pipeline of delivery. Again, more detailed information is available within the housing delivery background figures, however, the main headlines include an average level of affordable housing and contribution equivalent to 25% of net planned dwellings being affordable housing (not including permitted development), of these 23% of sites that have planning, have secured more than 35% affordable housing onsite or an equivalent payment in lieu.

Delivering Specialist Affordable Housing

- 5.29 It is clear above that the availability of specialist affordable housing is not just positive for individuals to allow them to stay connected to their family and social network but also the cost savings it makes for the Council with savings of £150,000 per dwelling included above.
- 5.30 Overall grant funding for affordable housing has reduced, however, funding is still available and accessible. Capital funding for the provision of new housing for people with learning disabilities or other specific needs can require a higher grant than general needs housing. Registered providers are expected to optimise their use of all resources including borrowings and recycled capital grant. The Council's Housing Capital Programme, as referred to at paragraph 5.7 above, ring fences funds to improve affordable housing provision within the borough. The Council will continue to maximise the number of affordable homes delivered onsite whilst ensuring the type of affordable homes in high priority such as specialist affordable housing are secured.
- 5.31 The largest pressures at present for specialist affordable housing is providing a pipeline of development, particularly with few specialist RPs in the area delivering this type of housing. Policy 12 in the emerging Plan sets out support for meeting the housing needs of different groups, and the priorities for specialist affordable housing at the time of writing are included within paragraph 17.44 of the Publication Local Plan, although it makes it clear that all residential uses are expected to contribute to the highest priority affordable housing needs as set out in Policy 11.
- 5.32 Within the London Plan table 4.3 includes an annual borough benchmark for specialist older person housing, of 155 dwellings between 2017-2029. The London Plan is clear that these indicative benchmarks are designed to inform local level assessments of specialist housing need (paragraph 4.13.9) rather than a target or requirement, and it is noted that the evidence base behind the London Plan borough benchmarks for specialist older persons housing was produced in 2017. The Housing LIN analysis (2021) accompanying the Council's LHNA sets out current anticipated likely need (prevalence rate) and the associated estimated need (units/bedspaces) for each type of specialised housing and accommodation for older people, but assumed that up to 50% of this estimated need could be met through the provision of mainstream housing. It reduces the indicative London Plan benchmark to circa 75 units per year for specialist older persons housing. This is considered proportionate to the overall housing target. Policy 12 is clear that the high level of need for general needs

affordable housing is the highest priority especially where there are multiple land pressures within Richmond.

- 5.33 This means the Council have sought to approach this need differently. The Council's Specialist Housing Occupational Therapists ensure the delivery of M4(2) and M4(3) housing is carried out to an excellent standard on all affordable dwellings and where resources allow will provide advice to developers on private housing. This means a large amount of the need for suitable elderly accommodation can be accommodated by having a larger stock of suitably accessible and adaptable dwellings. This means occupiers are able to remain in their own homes for a longer period of time, whilst remaining closer to their existing social network. Then if these dwellings are needed to be re-provided for general needs affordable this makes each dwelling available for people with different needs and requirements whilst not taking away much needed land to be used for only older persons accommodation. This approach is supported by the Councils OT's and means the need for specialist older persons housing will be far less within the plan period due to the prevalence of more accessible and adaptable dwellings within the borough.
- 5.34 The specific needs for different groups including accommodation for looked after children and care leavers are also local priorities. The Government has recently reiterated their support¹⁰ for the development of accommodation for looked after children and delivery through the planning system. The Council also needs to consider the importance of having appropriate accommodation for children asylum seekers. In a recent high court case the application of "ECPAT UK (EVERY CHILD PROTECTED AGAINST TRAFFICKING) – and- (1) KENT COUNTY COUNCIL (2) SECRETARY OF STATE FOR THE HOME DEPARTMENT"¹¹, which rules housing unaccompanied children in hotel and B&B accommodation is unlawful, meaning the Council need to ensure unaccompanied children have suitable accommodation and support within the Local Authority area.

Future Delivery of Affordable Homes

- 5.35 The Future delivery of affordable homes over the coming years is a high priority for the Council given the high level of need as evidenced by the recent LHNA which has been exacerbated further by the cost of living crisis. In addition to these pressures it is becoming evident the challenges facing Registered Providers are also increasing, with many RP's having to reassess their build-out programmes due to maintenance pressures on existing stock, including but not limited to; appropriately tackling mould and damp in light of Awwab Ishak's tragic death in December 2020 as a result of prolonged exposure to mould, additional fire safety measures required as a result of the Grenfell Tower tragedy, energy efficiency requirements and decarbonisation, which combined will add significantly to retro-fitting costs for RP's.
- 5.36 In a recent House of Commons Library report, "Social rented housing (England): Past trends and prospects included the following point:

"Results from the Housing Sector Survey 2022, run by consultants RESAM with Social Housing magazine, reportedly found that 49% of sector respondents were intending to cut back on

¹⁰ Written Ministerial Statement, 23 May 2023 – Planning for accommodation for looked after children

¹¹ <https://www.judiciary.uk/wp-content/uploads/2023/07/ECPAT-v-Kent-Council-judgment-270723.pdf>

new build, of which 5% were planning to reduce their programmes by over 50 per cent. Decarbonisation was identified as the most significant challenge facing providers over the next five years.”

5.37 This is a real issue for new affordable homes coming forwards as spending significant money on existing properties is likely to mean RP’s have less money to spend on new build programmes, and may reduce the number of new homes RP’s either seek to build or purchase from developers. It could mean even if we secure social rented on sites through S106, Registered Providers may not be able to bid for these effectively. It could also result in them scaling back on 100% affordable housing schemes. As previously stated, the Council has a good relationship with a number of RP’s operating across the borough and the Council is committed to working closely with them to ensure the pipeline of affordable homes is maintained.

5.38 The Council has an expected pipeline of affordable homes, having an adequate pipeline of affordable housing is a key priority for the Council to help meet the high level of need in the borough. This is detailed within the Council’s recently published Affordable Housing Update Report (July 2023). In relation to future delivery it includes the following statement:

Over the next three years 2023/24 to 2025/26 the Housing Enabling and Projects Team are forecasting that over 300 affordable homes will commence on site. It is forecast that there will be 55 affordable housing completions in 2023/24 and, from 2023/24 to 2024/25 completions are anticipated to increase considerably..... As mentioned in paragraph 3.1, subject to continued proactive working with RPs and the private sector to deliver sustainable levels of development and subject to resident consultation and planning requirements, up to 500 affordable homes could be delivered in the next five years. The longer-term forecast for affordable housing delivery identifies the potential to deliver over 1,000 homes albeit subject to several factors not least of which is approval by the local planning authority (and in some instances the Greater London Authority).

5.39 The Council is delivering more affordable housing in the borough via Ham Close (as detailed at paragraph 5.7), the Ellera Hall site (21/2533/FUL for 16 affordable units) as well as Twickenham Riverside redevelopment (21/2758/FUL for 21 affordable units). There are further Council owned sites for disposal being taken forward or feasibility explored, including Meadows Hall, Richmond and Mereway Cente, Twickenham. The longer-term forecast of over 1,000 homes includes what is anticipated to come from large sites such as the Stag Brewery, Homebase North Sheen, that as set out in the Housing Delivery Background Paper may not yet be reflected in the planning trajectory but are expected to provide delivery in the latter phases of housing supply.

5.40 The Council’s Planning Committee has recently resolved to grant permission on St Clares Industrial Estate (22/2204/FUL), which will add an additional 35 affordable homes to the short term pipeline.

- 5.41 Although these figures provide a useful indication of what affordable units have been secured onsite, they do not include the level of contributions that have been secured through planning and the equivalent affordable homes secured as a result of the contribution.
- 5.42 More information is included within the Housing Delivery Background Paper, which outlines:
- Affordable Housing and/or offsite contributions have been secured on 59.24% of sites;
 - 21% of sites with planning permission have secured more than 35% affordable homes on site or an equivalent offsite contribution;
 - 12 sites have permission for 100% affordable housing schemes.
- 5.43 Compared to previous completions which show around 10% of applicable sites secured more than 35% affordable housing either onsite or as an equivalent contribution. However, the pipeline shows the percentage of applicable sites securing more than 35% affordable housing onsite or equivalent contribution have doubled. This shows the Council is making significant strides forwards to challenge affordable housing percentages. Although the overall level of affordable housing delivery within the past 3 years has not been high, the approach the Council is taking to ensure affordable housing is secured onsite or as a contribution wherever possible, is improving.

Fast Track Route

- 5.44 The Council does not support the Fast Track Route within Policy 11 in the emerging Local Plan. As set out above, Richmond's affordable housing need is so great and the borough has such a limited supply of major sites, using the threshold approach would have a detrimental impact on the Council achieving its goal of providing 50% affordable housing across the borough and maximising the viable amount of affordable housing delivered. Large scale sites in the borough can sometimes struggle to even reach 35%, which can be down to a variety of factors impacting on viability such as high existing use values, or another policy priority e.g. a new school or the enabling redevelopment of a listed building. This alone however does not justify the need to drop the 50% target on all eligible sites; there is a need to retain flexibility but by introducing the 35% fast track, there is a potential loss of a large quantum of affordable homes on the sites that could viably provide 50%, and would have a detrimental impact on the future supply of affordable housing. For example, 1,000-unit site at 70/30 split and 50% provides 500 affordable homes, with 350 of them being for affordable/social rent. Following the threshold approach on the theoretical site whereby the developer only needs to provide 35% using a 60:40 tenure split of affordable/social rent, meaning only 350 affordable homes would be provided and the affordable rented provision would be reduced to 210 dwellings. This potential under-provision of 140 affordable rented products would be an opportunity missed for a site that could provide 50%. As applicants are not required to submit viability information at the application stage, the Council does not have the opportunity to require developers to explore funding including the use of the Housing Capital Programme.

- 5.45 In relation to applying the Fast Track Route to the Local Plan period, which aims to speed up delivery and significantly reduce the amount of time it takes for sites to move through the planning process, this does not appear to be the case when applied in Richmond. An example of this is on one of the largest developable sites within the borough, included as an allocation within the emerging Local Plan, a now vacant Homebase site. A planning application was originally submitted in February 2019 and was granted planning permission subject to a S106 agreement by the Mayor on 1st October 2020 for 453 dwellings. However, the application remains at this point due to the S106 not being agreed with the GLA 3 years on. This shows within Richmond the Fast Track Route does not guarantee sites moving through the planning process quickly which is one of the key aims with applying the Fast Track Route and accepting a lower percentage of affordable housing onsite on the premise of quicker delivery, which on this application has not been the case.
- 5.46 In addition, the Fast Track Route would not fill the needs of the borough, it does not provide results quickly as seen on the Homebase site, and the accepted tenure mix of 60:40 Affordable Rented Tenure to Intermediate housing, goes further in the wrong direction for the boroughs needs. The 50% affordable housing target with a 70:30 tenure mix of Affordable Rented Housing to Intermediate housing goes much further to filling the annual level of need for affordable housing and the evidence provided shows the Council is improving on the percentage of sites either providing affordable housing onsite or providing an equivalent contribution.

6. Conclusion

- 6.1 The pressures of delivering affordable housing are significant and not just in Richmond but across London as a whole, as seen within the recently published report by London Councils¹² that identifies an annual need for around 42,500¹³ social/affordable rented homes per annum in comparison to an average delivery of 6,919 social/affordable rented dwellings.
- 6.2 The importance of boroughs being able to set their own affordable housing levels based on local evidence, local circumstances, local need and requirements is imperative to delivering affordable housing in the long term and meeting the arising level of need. The emerging Local Plan puts forward the combined policy approach in Policy 11 that is considered the most effective in light of the past trends and the future supply pipeline.
- 6.3 With the challenges ahead of RP's being under pressure to bring their existing stock up to a better standard, it is more important than ever before to ensure affordable housing delivery from developers is maximised. As shown by the recent LHNA Stage 1 and Stage 2 the need for affordable housing within the borough is very high, with the LHNA Stage 2 concluding there is an annual need for 1,407 affordable homes needed annually, of which 284 dwellings should be provided as affordable home ownership products. These unconstrained figures do not take account of capacity and land availability and are therefore significantly higher than Richmond's overall annual housing target of 411 homes per annum during the current

¹² Delivering on London's Housing Requirement interim report, London Council's - [/www.londoncouncils.gov.uk/our-key-themes/housing-and-planning/housing-and-planning-reports/delivering-london%E2%80%99s-housing](http://www.londoncouncils.gov.uk/our-key-themes/housing-and-planning/housing-and-planning-reports/delivering-london%E2%80%99s-housing)

¹³ Delivering on London's Housing Requirement interim report, figure 5, page 10, London Council's

London Plan period (2019-2041), which takes account of the borough's constraints, but shows the acute housing need.

- 6.4 In addition to the high level of need and significant affordability issues Richmond is a very constrained borough with a limited number of sites, especially larger sites which are more likely to provide affordable homes onsite, both of which further exacerbate the need for the Council to be able to challenge viability effectively using locally evidenced policy.
- 6.5 The Local Plan is supported by a Whole Plan Viability Assessment (2023) which shows the most prominent sites within the borough are backland and infill sites that are shown to be the most viable within the borough and are able to support 50% affordable housing with a tenure mix of 70:30 Social Rented to Intermediate tenure. With the renewed evidence base the Council is more able than ever before to challenge affordable housing viability which would be hindered by the application of the Fast Track Route within the borough.
- 6.6 The implementation of the adopted affordable housing on small sites is proving to be very successful as shown by the levels of affordable housing contributions secured on small sites within the past 5 years and developers and agents are aware of this policy and its application. There is consideration to site-specific viability as part of the planning application process where policy requirements are considered unviable. It is very important to the Council this approach remains in place especially where previous levels of completions on small sites has made up around 50% of net housing completions in the past 10 years. When looking forwards the London Plan target expects over 50% of the overall housing target to come from small sites, therefore, it will be highly important for this policy to remain in place whilst also protecting much needed employment sites where a higher percentage is applied.
- 6.7 The previous levels of affordable housing delivery and the current pipeline show the percentages of affordable housing secured onsite are increasing and the Fast Track Route could erode all the work the Council has done to challenge low offers of affordable housing on the few large sites remaining in the borough.
- 6.8 Overall, the Council are committed to continuing our current approach where each application is considered carefully to maximise affordable housing delivery, which may not deliver results quickly but does aim to deliver as much affordable housing as possible and it is highly important to continue this approach when there are only a small number of available housing sites within the borough.