



NORTH HERTFORDSHIRE DISTRICT COUNCIL

Review of Affordable Housing Provision in North Hertfordshire

Report of the
Affordable Housing
Scrutiny Task and Finish Group

February 2007

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Membership:

Councillors:

- ◆ David Billing (Chair)
- ◆ Lorna Kercher
- ◆ Michael Muir
- ◆ Lawrence Oliver
- ◆ Michael Paterson
- ◆ Elliot Needham
- ◆ Raymond Shakespeare-Smith

Foreword



The provision of affordable housing is a common debate for authorities throughout the country. Current house prices and increased consumer spending are a cause for concern. As an authority, we are looking at ways we can help our residents to overcome the barriers and challenges that may be preventing them from living healthy and sustainable lives in homes that they can afford and call their own.

To look at the challenge for North Hertfordshire, the Scrutiny Committee set up a cross-party task and finish group. The following report sets out their findings and recommendations that we are presenting to the Council's Housing & Environmental Health Portfolio Holder.

I would like to thank the members of the task & finish group for their contribution to this useful piece of work.

Cllr Martin Stears, Chair of Scrutiny Committee



This task and finish group was seized with the importance to local people of considering in depth how the Council might work with partners to increase even further the provision in North Hertfordshire of affordable homes for rent or shared ownership. The 2006 update of the Council's Housing Needs Survey has pointed up the extent of the shortfall and therefore the challenge.

With the Council's housing and planning officers we have met registered social landlords, members of the public, a major developer, the local HomeBuy Agent and the NHDC Head of Financial Services, and have visited another Authority to compare practices and issues. So we have ranged widely, and at all stages have benefited immensely from the inputs and advice from our officers. We have also been pleased that Councillor Sarah Wren, NHDC Portfolio Holder for Housing and Environmental Health, has taken up our invitation to join in our meetings and that she has contributed fully to our discussions.

When we came to sum up our work and draw out recommendations, at first, I felt that we had less than I had hoped for by way of far reaching major recommendations that might assist a step change in provision of local affordable homes. However, the group convinced me that our existence and discussions with officers had pointed up many things which were then implemented, or reinforced things that were being considered - and in that sense our major achievement has been in stimulating innovations and thinking which have not needed formal recommendations to get put into practice. Further we all recognised that the provision of more affordable homes is so hemmed in by system constraints, especially financial ones, that radical steps are unlikely to emerge in the present central funding and bureaucratic situation. This is perhaps one of the best ways in which scrutiny can work, and so we have listed a number of these aspects in our report, along with some further suggestions which do not need to be approved formally as recommendations, and can just be adopted if felt useful.

Finally, I have very much enjoyed this scrutiny task, and the teamwork it has involved - both with members and officers. I have learned much from the task and the team. I would like to add, to the corporate acknowledgements, my personal thanks to the group members and the officers who have been with us throughout, for their ideas, perceptions, hard work and humour.

**Cllr David Billing,
Chair of the Affordable Housing Task & Finish Group**

Acknowledgements

The task and finish group would like to thank, from North Hertfordshire District Council; Councillor Sarah Wren (Portfolio Holder for Housing & Environmental Health), Andy Godman (Head of Housing & Environmental Health), Alan Davey (Housing Strategy & Renewals Manager), Debbie Ealand (Housing Development Liaison Officer), Martin Lawrence (Housing Needs Manager), Andy Beavan (Local Development Framework Manager), Barrie Jones (Head of Financial Services) and Grace Crawford (Scrutiny Officer). All of whom gave up their time to meet with the group and provide the group with information, advice and ideas that helped the group to achieve their aims and objectives.

The task and finish group are also grateful to the following Partners and members of the public, who also gave up their time to act as witnesses and provided a valuable contribution in the group's investigations: Kevin Thompson (Chief Executive, North Hertfordshire Homes), John Welch (Property Services Director, Howard Cottage Housing Association), Brian Everett (Business Development Director, Bellway Homes), Rose Crossman (Sales & Marketing Manager, Lea Valley Homes), Moira Milne (Intermediate Housing Co-ordinator, Lea Valley Homes), Graham Blair (Housing Strategy & Development Manager, Mid Beds District Council), Lynne Halliday (Affordable Housing Development Officer), Cllr Anita Lewis (Leisure, Culture & Safer Communities Portfolio Holder, Mid Beds District Council), Cllr Richard Holden (Planning Services Portfolio Holder, Mid Beds District Council), Alex Pender, Dean White and Kevin Conhenney.

1. EXECUTIVE SUMMARY

- 1.1 On 17th February 2006, North Hertfordshire District Council (NHDC) held an Overview and Scrutiny Members' workshop. The purpose of this workshop was to give members the opportunity to develop the Overview and Scrutiny work programmes for 2006/07. 'Affordable Housing' was chosen as one of the reviews to be undertaken.
- 1.2 In May 2006, the Affordable Housing task & finish group was established by the Scrutiny Committee. The group commenced their work on 28th June 2006.
- 1.3 The group met eight times and held their last meeting on 6th February 2007.

1.4 Scope

- 1.4.1 The scope allowed the group to investigate the following areas:
- the housing need survey and a breakdown of needs – first time buyers, black and ethnic minorities, lone parents, elderly, health issues etc;
 - issues around rent vs shared ownership;
 - the purpose and effectiveness of the Home Track IT system;
 - the current housing allocation system;
 - Capital Programme presentation;
 - key worker schemes and their effectiveness within North Hertfordshire;
 - benchmarking with other local authorities to gain best practice examples on planning issues;
 - meeting with relevant developers to discuss what barriers they perceive exist regarding the affordable provision.

1.5 Methodology

- 1.5.1 Gathering the evidence and information involved meetings with experts, including NHDC officers and external partners, a programme of desk research and discussions with members of the public and a neighbouring local authority.
- 1.5.2 The group agreed very early on that they would involve partners and members of the public to act as witnesses. Interviewing the witnesses was a very important part of the group's work as this provided some information that would have not been easily obtained otherwise.

1.6 Structure of the report

- The Affordable Housing task and finish group, will be referred to, as "the group" throughout this report.
- The glossary provides explanations of unfamiliar terms or names used throughout the report.
- Following a general discussion of the policy background, the report is structured around findings arising from exploration of each of the elements of the scope, into which are integrated notes on the group's meetings with each of the groups of witnesses.

2. INTRODUCTION TO THE WIDER POLICY CONTEXT

2.1 One of the first tasks for the group was to gain an understanding of the current policies, both centrally and locally, and to establish an understanding of the relationships between the agencies that assist authorities to deliver the provision of affordable housing.

2.2 What is an affordable home?

2.2.1 A 'Section 106 Agreement' is negotiated with the local authority when property developers build housing, which ensures that a percentage of the development will be affordable.

The Department for Communities and Local Government (DCLG) has defined affordable housing as follows:

"Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision".

However, this is a generic statement, and each authority needs to define what is "affordable" in the context of its housing needs and market and the relationship between house prices (and rents) and household incomes.

2.3 Affordable housing in North Hertfordshire

2.3.1 Demand for housing in North Hertfordshire is high, and house prices are continuing to rise. People who are without adequate housing and who cannot afford to buy or rent suitable housing on the open market are said to be in housing need. The NHDC definition is that affordable housing is provided with subsidy for people who are unable to resolve their housing requirements in the general housing market because of relationship between housing costs and incomes. To ensure affordability we specify that intermediate rent should be no more than 80% of market rates and for shared ownership no more than 25% of gross income for households on average incomes of £20-£30K for a one person household and £25K-£30K for a couple.

2.3.2 NHDC provides a range of housing services. As the strategic housing authority for North Hertfordshire, we have a duty to consider the housing needs of the district and ensure that these needs are met.

2.3.3 A range of local housing associations, also known as Registered Social Landlords (RSLs), provide affordable housing in North Hertfordshire. Housing associations traditionally only provided rented accommodation at affordable, below market rents but now they also provide access to affordable home ownership. Although the Council no longer has a role as a landlord, we continue to maintain the housing register for people who want to apply for affordable housing in the district.

2.3.4 The Affordable Housing Scrutiny task and finish group was set up to review the need for affordable housing and assess the Council's ability to supply. The recommendations within this report have been made to assist the Council in achieving its objectives in this area.

2.3.5 North Hertfordshire District Council (NHDC), has published its aims and objectives in the '*Corporate Plan 2005-2015*' and '*Best Value Performance Plan 2006-2007*'. The publications state the following:

- to deliver on our commitment to enable the construction of a minimum of 500 new, affordable homes by 2008;
- to make sure that people are aware of their housing options;
- to make presentations to the Examination in Public for East of England Plan, which is currently proposing major greenfield developments in North Hertfordshire.

It is hoped that this review will have an impact in achieving these objectives.

2.4 What does the Government say?

2.4.1 The DCLG says; "everyone should have the opportunity of a decent home at a price they can afford, in a place in which they want to live and work".

2.4.2 The Deputy Prime Minister's five-year plan; '*Sustainable Communities: Homes for All*', published in January 2005 sets out how DCLG will do this by:

- introducing HomeBuy schemes to give greater choice and opportunity for home ownership to first time buyers, social tenants, some key workers (who meet the government definition) and people who rent privately;
- aiming to bring all social housing into decent condition by 2010;

2.5 The Housing Corporation

2.5.1 The DCLG funds the Housing Corporation, a government agency, and the Housing Corporation works with local authorities and other organisations to fund the delivery affordable housing and to regulate housing associations throughout England.

2.6 Delivering Affordable Housing

2.6.1 In November 2006, the government published a report called "Delivering Affordable Housing". The purpose of this report is to support local authorities and other key players in delivering more high quality affordable housing within mixed sustainable communities by using all tools available to them. It outlines the affordable housing challenge that needs to be met, and provides information on how existing delivery mechanisms operate to help in delivery.

2.7 Planning Policy Statement 3: Housing (PPS3)

2.7.1 In December 2005, the government published a consultation paper seeking views on PPS3. PPS3 is centered around five themes: quality and design, housing mix, quantity of housing, location and flexibility of supply. The consultation period ended in February 2006. The policy comes into force on 1st April 2007.

- 2.7.2 As a local authority NHDC will need to make sure it is getting the mix of homes right and meeting the needs of all of the community. This is currently determined by the Housing Needs Survey, and officers negotiate with developers and RSLs accordingly. Key characteristics of a mixed community are a variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people.
- 2.7.3 A mix of social rented and shared ownership assists creating mixed communities and increases potential and opportunities for home ownership. HomeBuy also assists NHDC in meeting need in the intermediate market alongside traditional social rented housing.
- 2.7.4 The Barker review recommended that there should be an increase in the provision of social rented housing to deal primarily with two factors: the growth in need for social housing and the consequence of the loss of stock through the Right to Buy. The Government has made a start in increasing provision on social housing in the 2004 Spending Review and has said that social housing will be a priority in the 2007 Comprehensive Spending Review.

2.7 **Communities England**

- 2.7.1 In January 2007, the government announced proposals for a new agency to deliver regeneration and to support the delivery of new homes and develop mixed, sustainable communities.

The new housing and regeneration agency, Communities England, is likely to be fully operational in 2009, and will merge the functions of English Partnerships and the Housing Corporation. Decisions about how exactly the agency will operate are yet to be reached.

3. FINDINGS

Objective

Examine the housing need survey and look at a breakdown of needs.

3.1 The Housing Need Survey

3.1.1 Consultants acting on behalf of NHDC conduct a district wide survey every four years to establish a picture of the type of housing that is needed. The purpose of these surveys is to help authorities make projections for the future so that they can determine their supply capabilities. The government publishes guidance for authorities through the DCLG.

3.1.2 The last housing need survey took place in 2002 and this was updated in 2006.

3.2 Housing Strategy

3.2.1 The current strategy is currently being updated and it was brought to the group's attention that 'Go East' have indicated to local authorities that they may no longer need to have a 'fit for purpose' housing strategy. However, the group agreed that there was still a need for an updated housing action plan, to extend the current strategy for a further year until guidance is received on future intentions. Members also expressed their wish to participate in developing this document if necessary.

3.2.2 In the longer term, and arising from proposals in the Local Government White Paper 2006, the housing strategy for the authority is ultimately intended to be subsumed into the Sustainable Community Strategy for the district, albeit this will still require consultation and participation of members in its creation.

3.3 North Hertfordshire Local Development Framework

3.3.1 The North Hertfordshire Local Development Framework (LDF) will set out the Council's planning policies and spatial vision for the district. It will also allocate land for housing and other land uses and provide detailed guidance on other planning related matters.

3.3.2 Members were informed about the on-going work being done to prepare a supplementary planning document on affordable housing. They discussed the idea of having a supplementary planning guidance for developers, to inform them of the Council's priorities and working methods.

3.3.3 Cabinet have agreed the LDF in principle however, the group discussed integrating the implications of the PPS3 and encouraging involvement from 'Go East'.

3.4 Partnership working and the Affordable Housing Toolkit

3.4.1 The group looked at the partnership agreement between Housing Associations and NHDC and noted that it is due to be reviewed.

3.4.2 Members also discussed development briefs. It was suggested that some form of partnership working on development briefs with neighbouring authorities would be useful. The group also agreed that development briefs should always be drawn up on development sites larger than a specific size (say 0.5ha) and that member involvement should be drawn in at a much earlier stage.

Objective

Look at the current allocation system.

3.5 Current allocation system

- 3.5.1 Current allocations are undertaken by using a banding scheme of 5 bands (A - E). Most lettings are usually from band C.
- 3.5.2 By talking to members of the public, members discovered that there were a great number of people who are not aware about the help and advice that the Council can offer. The group was informed that the Council's website would be updated to highlight all the information that the public should know, especially those that are not on the social housing register. This information should also be produced in the form of leaflets which can be obtained in accessible places. It was noted that officers will be working with HomeBuy Agents (formerly known as Zone Agents) on future publicity campaigns and marketing initiatives.

Objective

Receive Capital Programme presentation.

3.6 Sources of funding

- 3.6.1 The group was informed that most of the Council's capital receipts reserve would come to an end by 2010. It was also discovered that only a few small sites are left with available land to build on, including rural 'exception' sites i.e., sites that meet local need.
- 3.6.2 Members discussed the potential impacts in borrowing, and the possibility of borrowing from the Stock Transfer 'set aside' fund and the Community Benefit fund. They also questioned the possibility of seeking further funding from the housing corporation and were informed that North Hertfordshire is among the authorities within the East of England that currently receives the least in grant. All schemes go on the Housing Corporation Supply Chain Management (SCM) as funding bids.
- 3.6.3 The group noted that there will be a comprehensive spending review in 2007 and this may make social housing provision a priority.

Objective

Look at issues around rent vs shared ownership.

- 3.7 The group met with the Chief Executive of North Hertfordshire Homes and the Property Services Director of Howard Cottage Society on 17th August 2006. The group wanted to hear about the challenges they have overcome and currently face, funding arrangements that help them to achieve their objectives, their relationship with NHDC and their plans for the future.
- 3.7.1 **North Hertfordshire Homes** the largest Registered Social Landlord in Hertfordshire. They took over the housing stock from NHDC in April 2003 and manage over 8,200 properties, including 72 shared ownership properties and plan to develop over 700 additional new homes over the next 10 years.
- 3.7.2 **Howard Cottage Housing Association** is the second largest Registered Social Landlord in North Hertfordshire and was founded in 1911. They manage

over 1,107 properties, including 12 shared ownership properties and plan to develop many more similar schemes.

- 3.7.3 Members found this interview very informative and they learnt how important the relationship with NHDC is. Both organisations face and have overcome similar challenges. They both receive funding from the housing corporation by being part of a group structure with other housing associations. The full interview can be found in Appendix A.

Objective

Look at a breakdown of needs.

- 3.8 On 5th October 2006, the group met with three members of the public. Two were looking for affordable homes and one had purchased a shared ownership property. The common issue that was highlighted during the interviews was, without the funds to cover the initial purchasing costs or deposit, it would be virtually impossible to purchase a home through the shared ownership scheme. It would also be necessary to be on a salary that would allow them to keep up with the monthly payments, particularly as rent charges payable to housing associations increase on an annual basis. Where shared ownership is not affordable applicants should be considered for rented accommodation.
- 3.8.1 It was also found that publicity of the shared ownership scheme and other new schemes, such as the Key Worker scheme needs improving. Two of the interviewees had heard about shared ownership from their friends/colleagues. This raised a lot of concern amongst the group because it was felt that they should have heard about it from the Council or related agencies. This full interview can be found in Appendix B. Information is available on the council's website and Lea Valley Homes is planning a new homes show in the North Herts area in the near future.

Objective

Look at current key worker schemes and discuss its effectiveness within North Hertfordshire.

- 3.9 **Key worker schemes in North Hertfordshire**
Lea Valley Homes is the HomeBuy Agent for Hertfordshire. They provide a contact point for affordable home ownership in Hertfordshire and provide services and schemes that are led by government and are monitored by the Housing Corporation and local authorities.
- 3.9.1 On 5th October 2006, the group met with the Sales & Marketing Manager and the Intermediate Housing Co-ordinator of Lea Valley Homes, to hear about the work that has been done over the last two years and how effective this has been in North Hertfordshire.
- 3.9.2 It was found that there is a very low number of key workers living in North Hertfordshire, and based on research, the reason for this is that a lot of key workers prefer to live away from the area where they work.
- 3.9.3 A key success that was highlighted for Lea Valley Homes was a shared ownership pilot marketing scheme that took place in Stevenage. Using the authority's housing register, Lea Valley Homes were able to carry out direct marketing exercises and communicate with key worker employers. Members were keen about the possibility of hosting a similar event in North

Hertfordshire. As a result, Lea Valley Homes are planning a new homes show in the North Herts area which will include shared ownership and key worker accommodation.

Objective

Meet with relevant developers to discuss what barriers they perceive exist regarding the affordable provision.

3.10 The group met with the Business Development Director of **Bellway Housing Trust Limited** on 16 November 2006. The group wanted to hear a developer's views on the challenges and successes of providing affordable housing in North Hertfordshire.

3.10.1 Bellway Housing Trust Limited is a subsidiary of Bellway Homes plc. The Trust was set up to assist first time buyers and those on moderate incomes with getting on the housing ladder. The Trust is not a housing association, but it is able to provide affordable housing by working with Bellway Homes, Local Authorities and RSL's to provide quality homes for local people. Bellway have also received a funding allocation from the Housing Corporation.

3.10.2 The meeting began with a site visit at Lavender Fields in Hitchin. Members had the opportunity to look at a model of the entire site, which showed the location of shared ownership housing, social housing and car parking etc. The group was then shown a two-bed house and a two-bed show flat.

3.10.3 Members found the site visit very useful and from observations and questioning, learned the following;

- all the tenures are built to the same standard, and shared ownership buyers and open market buyers are treated the same
- there are 11 shared ownership flats (25-50% share can be bought) and 19 houses for social rent
- the tenures have access to one car park space each
- the flats have been designed for flat sharing. Each flat has a separate bathroom and an en-suite main bedroom and the 2nd bedroom is slightly smaller
- Bellway Housing Trust handles the shared ownership units, and to encourage first-time buyers, it provides £5K deposits (no repayment needed), together with payment of stamp duty, and often carpets and furniture
- there is a list of criteria for selection of suitable shared ownership buyers, including living in or linked to Hitchin, and being first-time buyers (or certain other needy categories, e.g. retired or key workers)
- marketing of the private units has been done using local media, however Bellway Housing Trust have had to be vigilant about applicant's status and eligibility; they rejected any applicant who was buying to invest (i.e. to sub-let)
- each unit comes with a fitted kitchen, bathroom, central heating and for the houses which are social rented properties, a garden shed
- buyers are given a choice of interior flooring

- 3.10.4 Bellway Housing trust and NHDC officers liaised on nominations and NHDC officers put forward the names of people on their waiting list who have expressed an interest in shared ownership. Even though Bellway had received interest (in 9 of the 11 units) following their marketing campaign, not all units were reserved.
- 3.10.5 The session then proceeded with a round table discussion where the group were able to ask more specific questions. The main points of the discussion can be outlined as follows:
- Bellway Housing Trusts' relationship with NHDC's planning, building control and housing departments is good.
 - The importance of having negotiation meetings at a very early stage in the process, with the right representatives (such as planners, highways, education and health) was emphasised. This makes a significant difference in ensuring that the overall objective of the development is clearly understood by all organisations that will be affected and involved. The Development Team approach is vital, especially to deal with S106 negotiations.
 - Greenfield sites are easier to develop on and are less costly, and so make provision of affordable units more viable. Brownfield sites may carry contamination issues but they have existing usage. Contamination clean up costs will have a financial impact on the land value. It might be helpful for the authority to carry out a review of the green belt boundaries.
 - The maximum height that could be built using traditional methods is four storeys. Above four storeys, a framed structure with progressive collapse and additional access requirements means that it was often not viable unless the block could be much larger and seven or eight storeys high.
 - An important issue that was raised was how affordable housing can be supplied without grant. The percentage of affordable housing and the mix is pre-determined by the Local Plan and evidenced by the Housing Need Survey. In any case, a typical £30K housing corporation grant per unit will hardly pay construction costs let alone the cost of land. Without grant, or with inadequate grant, developers will try to secure more shared ownership properties rather than rented units, within the overall affordable proportion. Income from selling home on the open market has to be used to subsidise affordable units.
 - Some buyers on new developments are property investors who buy to let. There is no formal management system in place for these private tenants or their landlords, whereas, social housing is managed by the RSL and the shared ownership units are managed by Bellway Homes. Bellway has applied to the Housing Corporation for management accreditation for leasehold schemes.
 - When asked how the Council could help to overcome the barriers of supplying affordable housing in North Hertfordshire, a suggestion was made about setting up an Affordable Housing Forum with relevant representatives that include the NHDC housing dept, developers and RSLs - similar to, but wider than, the Planning Forum that is currently in place.

Objective

Undertake benchmarking with other local authorities to gain best practice examples on planning issues.

3.11 The group met with the Leisure, Culture & Safer Communities Portfolio Holder, the Planning Services Portfolio Holder, the Housing Strategy and Development Manager and the Affordable Housing Development Officer of **Mid Bedfordshire District Council** (MBDC) on 6 December 2006.

3.11.1 MBDC transferred the remainder of its housing stock to Aragon Housing Association on 5th November 2001. Local authorities have a statutory duty to provide homelessness advice and assistance and to keep a housing register and Mid Beds DC contracts these functions to Aragon HA.

3.11.2 Members asked some very specific factual questions and learned that MBDC would be completing their full Housing Market Assessment in 2007. A sub-region piece of work has already been carried out, which is quite simple and involves the 4 authorities within their County.

3.11.3 Like NHDC, MBDC's Housing Strategy is due to be reviewed and this will happen once further guidance is received from the DCLG.

3.11.4 Members learned that MBDC have an agreement that states 16 units or less must be evenly distributed throughout a development site. This generally works well with developers, and there is a Supplementary Planning Document. Challenges are presented when there are more than 16 units. This generally hasn't been an issue for RSLs. Their intention is to develop this approach to mix tenures.

3.11.5 Lessons learnt from this exercise can be summarised as follows:

- Producing development briefs more often in North Herts, with early member involvement and possibly developer assistance is a positive step forward.
- The 'cascade' approach that MBDC have adopted was an interesting concept for working with or without Housing Corporation grant.
- Greater exploitation of close working within the sub-region and sub-sub-region on housing strategy and the housing market assessment makes a difference.
- The concept of clusters of affordable homes, within the Affordable Housing SPD, as a means to ensure their varied distribution rather than concentration within a site should be explored.

3.12 **Questions asked throughout the review:**

3.12.1 One of the advantages of officers being present at each meeting, was the ability for members of the group to ask in-depth questions that arose.

3.12.2 A number of key areas that were explored include:

- ODPM (DCLG) guidance on setting up a Housing Market Partnership
- The role of Zone Agents (Home Buy Agents)
- Housing Corporation grants
- The Audit Commission's summary report – Securing Community Benefits through the Planning Process
- The Affordable Housing Directory S106 Matrix – London Commuter Sub Region
- The Asset Disposal Programme & Capital Reserves

- Strategy for the disposal of surplus/under-used Council owned property
- The Lea Valley Homes Marketing Partnership
- Topics from the East of England Housing sub-regions conference
- Planning Gain Supplement consultation
- London Commuter Belt (LCB) Sub-Region
- Sub-Region Housing Strategy 2005-2008
- Affordable Housing Toolkit
- Housing Strategy 2004-2007
- The Barker Reports
- The PPS3
- Delivering Affordable Housing

3.13 Progress made throughout the review

The group is pleased to be able to report that throughout this review, members raised some suggestions for improvement and whilst the major ones are outlined in the recommendations section of this report, there has been a considerable amount of progress made throughout this review that the group has either noted, or has played some part in stimulating. These are as follows:

- 3.13.1 The group was keen to invite Lea Valley Homes to run a pilot marketing exercise in North Hertfordshire aimed at potential applicants for the Key Worker and HomeBuy schemes, comparable to the one held in Stevenage. This is now being promoted by the HomeBuy Agent and a local event is being planned in the near future and will continue to be promoted on a periodic basis. The Lettings Team also send out HomeBuy Agent details with all applications. Lea Valley Homes are also being encouraged to make more information available about the resale of shared ownership homes.
- 3.13.2 The group wanted officers to consider working with mortgage providers to facilitate mortgages for the lower % shared ownership schemes. The group noted that although it would be difficult to facilitate mortgages without financial advisors being employed by the Council, further research can be carried out with the main mortgage lenders to establish current issues relating to lower % shared ownership schemes.
- 3.13.3 After being advised that the need to continue to produce a 'fit for purpose' Housing Strategy is no longer required, the group wanted to see NHDC formulate its own updated version of the Housing Strategy, and offered to support officers in doing so. The current process will be to update the previous action plan from the 2004-2007 Housing Strategy and raise the current issues that have occurred since the writing of the last Strategy. This would lead to a new Local Action Plan and Housing Market Assessment to be presented in 2007/08. NHDC officers are involved in this work. The Local Government White Paper, 'Strong & Prosperous Communities' recommends that the housing strategy be incorporated into the Sustainable Communities Strategy (formerly, the Community Strategy). Housing Services will be working with Planning, Policy & Partnerships in the production of this document.
- 3.13.4 The group recognised that NHDC needed to promote a greater awareness of the housing advice services that it offers, together with those of RSLs; and that this should include a link to working with employers. The group were informed that letters have been sent out to all Health Centres, doctors surgeries, advice and counselling providers and other agencies in the District advising them of the service we provide. It may also be possible to have regular articles in

Outlook magazine publicising the service and/or giving advice on housing issues.

- 3.13.5 The group felt that the distribution of affordable housing units within a development site should allow for more integration with other types of tenure, rather than forming a separate 'affordable' group of units. Officers informed the group that the current distribution of affordable housing units within a development is considered acceptable to the RSL's that manage the project. For example small-scale blocks of units, up to 30 in total or pockets of affordable housing, rather than 'pepper-potting' in the literal sense, depending on the size of the project. In the evolving DPD policy there is agreement that where affordable housing is provided on a site of mixed tenure, it shall be physically indistinguishable from the other housing and there shall be no more than six affordable dwellings on any part of the site.
- 3.13.6 The group suggested that NHDC seeks independent financial expertise when challenging developers on financial matters, for example viability of affordable housing or commuted S106 payments.. No independent financial expertise is available to the Authority. The onus will be on the developer to make a case where there are viability issues in relation to a particular planning application. With regard to viability and policies, the Council are looking into appointing independent consultants to work on the evidence base in relation to supporting the final thresholds and amounts.
- 3.13.7 The group encouraged NHDC to continue working to exploit Empty Dwelling Management Orders (EDMO). The group has been informed that NHDC is working with two sub-regional groups to promote a standard format for implementing EDMO's. GO East are currently promoting an Empty Property Homes Charter, which is being considered for signing by the Authority.

3.14 **Suggestions for further work**

The group has identified some areas of work that it considers would be improvements in terms of helping in the provision of affordable housing. These are not necessarily recommendations, but rather suggestions for the Portfolio Holder of Housing and Environmental Health to consider.

- 3.14.1 North Hertfordshire District Council and the local Registered Social Landlords could explore innovative ways of providing financial support, at the initial stages of the process of purchasing a shared ownership property.
- 3.14.2 Once the website is updated with information about the Council's allocation system, a press release should be published with the same information, as it was found that the affordable housing options available for first time buyers are not widely publicised.
- 3.14.3 Developers should be expected to consider the benefit to their properties from building and sustaining a quality physical, natural and social environment. This should promote better design of the living environment..
- 3.14.4 Since developers usually prefer a low proportion of socially rented units, within the affordable mix, the group would like to see more lobbying of the government by the Council, to ensure that the grant system is made to work to provide these.

4. CONCLUSION

- 4.1 Access to affordable housing is clearly part of the Council's objectives. Being a home-owner provides an opportunity for households to achieve personal aspirations, an investment in potential wealth and (for some) long term security. But for many, this is not a reality and the provision of affordable rented housing and private sector renting needs to be given equal priority.
- 4.2 Throughout this review, it was discovered that many other factors, other than supply, affect affordability of housing. It is important for the Council to avoid relying on one policy and to examine a range of strategies, which influence demand. It is also important that all new developments cater for a wide range of needs, including first time buyers, older people and those with disabilities.
- 4.3 The evidence gathered has highlighted a gap - a group of people requiring affordable housing, who cannot access social housing and cannot afford to buy on the open market. The shared ownership scheme (now called new build HomeBuy) was introduced to try and fill this gap. However, the witnesses who were questioned concluded that the scheme was not affordable for them and therefore they would need to consider affordable rented accommodation. There is also a limited number of shared ownership units available in North Hertfordshire in comparison to rented accommodation. Approximately $\frac{2}{3}$ of affordable housing in the district are homes for rent, in accordance with the HNS recommendations and the Local Plan.

5. RECOMMENDATIONS

- 5.1 The group recommends that North Hertfordshire District Council lobbies relevant Government Ministers and local Members of Parliament about the obstacles in the way of overcoming the challenge of providing more affordable and high quality housing, in particular the overriding importance of a step change increase in Housing Corporation Grants, without which Authorities which have very few land assets to deploy will not be able to meet the major affordable housing demands revealed by their Housing Needs Surveys.
- 5.2 The group recommends that the North Hertfordshire District Council considers fully what can be done to increase the amount and quality of affordable housing in the situation where there is insufficient Housing Corporation Grant. The Council should consider the release of some of its limited land assets for this purpose and should try to work with public sector partners in relation to their local land assets. In particular the Council should set down how in practice it will realise rapidly the aim in the Capital Strategy to apply the Community Benefit Fund, amongst other things, to the provision of additional social housing in North Hertfordshire.
- 5.3 The group recommends that North Hertfordshire District Council adopts a stronger and more pro-active position in terms of initiating in good time the production of development briefs, as Supplementary Planning Documents, on significant sites of likely development where affordable housing can be justified and promoted. The Development Team is a vital means for doing this, and it should initiate early discussions with potential and actual developers on the optimal use of these significant sites, in line with the emerging Local Development Framework, and should ensure that local Members and other stakeholders are involved from these early stages.
- 5.4 The group recommends that North Hertfordshire District Council and Hertfordshire County Council investigate ways, both locally and through the Department for Education & Skills (DfES), in which housing and home ownership information, relevant guidance and advice can be included in schools' citizenship / PSHE curricula. Similarly, through the DfES, national further and higher education students and student services bodies should be encouraged to provide accessible opportunities for housing and housing finance advice.
- 5.5 The group recommends that North Hertfordshire District Council considers replacing the single percentage of affordable housing (40% proposed) at a single threshold site size, with a stepped approach in the Local Development Framework, to promote some affordable homes on the smaller sites.

6. GLOSSARY

6.1 Housing Register

The North Hertfordshire Housing Partnership operates a single register for people seeking access to housing in the district. The members of the partnership are: North Hertfordshire District Council, Howard Cottage Society and North Hertfordshire Homes.

6.2 Corporate Plan 2005-2015

North Hertfordshire District Council 's Corporate Plan was introduced in 2005 and covers the ten years until 2015. It focuses on six strategic objectives and sets out the actions for each of these objectives in the short, medium and longer term.

6.3 Best Value Performance Plan 2006-2007

Each year North Hertfordshire District Council is required to publish a best value performance plan and a best value performance plan summary.

The summary performance plan is published before 31st March and the full performance plan before 30th June.

Both documents provide details of and commentary on the council's performance and set out future improvement activities and initiatives.

6.4 HomeBuy Agents

HomeBuy Agent (a government - led initiative) - Provide a one stop shop service to qualifying applicants enquiring and applying for shared ownership properties.

6.5 Stock Transfer 'set aside' fund

Under the 1989 Local Government and Housing Act, a fixed proportion (75%) of capital receipts from the sale of 'housing' assets, which include Right to Buy and Stock Transfer sales, could not be used to fund capital expenditure. Instead the money has to be 'set a side' to offset external debt, these set a side monies are invested and the interest earned benefits the Council's revenue accounts.

6.6 Community benefit fund

Community Benefit agreement between NHDC and North Herts Homes established a Community Benefit Fund from monies from the VAT savings scheme and income from future Right to Buy sales, which initially was used to resolve the Letchworth leasehold problem and then used to fund jointly agreed capital schemes. The Agreement indicates that the following categories of capital expenditure may be funded from this source: -

- Provision of additional social housing
- Community benefit such as enhancement of community centres, provision and enhancement of recreation areas such as children's play areas, provision and enhancement of landscaped areas (e.g.: - to deter anti-social behaviour), road safety and congestion initiatives.

7. Background papers:

- North Herts Affordable Housing Programme 2003/04 – 2007/08
- East of England Plan – Addendum to Regional & Strategic Planning Report
- North Hertfordshire Housing Needs Survey – 2002
- Breakdown of Need from Housing Need Survey 2002
- NHDC 2005/06 Capital Outturn Report
- The Common Housing Register – Housing Options
- Allocating Properties information
- Gateway Housing Register diagram
- Hometrack Data Systems Limited presentation to London Commuter Belt Housing Strategy Officers – February 2005
- Shared Ownership presentation – January 2006 – Howard Cottage Housing Association
- Housing Association Partnership Agreement – April 2003 to March 2006
- Draft Development Brief – Ivel Court Radburn Way, Letchworth
- Therfield Housing Need Survey
- Draft Housing Market Assessment
- Capital Programme
- Audit Commission's summary report - Securing community benefits through the planning process
- London Commuter Belt Sub Region - Affordable Housing Directory S106 Matrix
- The East of England's Housing Timebomb – Affordability & Supply 2006 – 2011
- Asset Disposal Programme and Capital Reserves
- Mid Beds District Council Supplementary Planning Guidance – July 2004
- Bedfordshire Migration and Travel to Work Patterns – March 2006

Appendix A. WITNESS EVIDENCE (PART 1)

On 17th August 2006, the group met with Kevin Thompson, Chief Executive of North Hertfordshire Homes (NHH) and John Welch, Property Services Director of Howard Cottage Housing Association (HC).

- **What challenges have you had so far in providing affordable housing, and how have you overcome them?**

NHH - We are fairly new to development compared to Howard Cottage, since we took over the housing stock from the Council, however the strength that we have is the outcome of the transfer arrangement which gave both the Council and NHH a degree of land to build affordable housing on and we are working well to make best use of the land to create sites to build on. In addition, by being part of a partnership we have been able to maximise our capacity to get grants from the housing corporation. This partnership is a consortium called the ARC partnership, which includes Aldwyck Housing Association, plus two or three smaller housing associations. This year we have received approximately £1,000,000 from the Housing Corporation for our schemes.

HC – We are also part of a partnership called Key Communities and the lead housing association is Beds Pilgrim Housing Association (BPHA) in Bedford plus five other associations. We have also been successful in receiving grant for all our bids. In order to achieve bids to the Housing Corporation, you have to be in a position where you can deliver what you are bidding for. This is what we are aiming for, which will strengthen our position and will hopefully attract more funding. The barrier for us is the administrative workload associated with the bidding process, which can take up a lot of resource time. Another challenge is the rising cost of schemes that are generated through S106 schemes. The Council has been very supportive, but there are a lot of other developing associations that are competing with us for sites and can outbid us. This will create a market for affordable housing where prices are driven up and in turn can lead to affordability problems, particularly on shared ownership properties.

- **Is the bureaucracy matter that you mentioned, primarily from the housing corporation?**

NHH – There is a review, which is designed to strip out any bureaucracy and to create a lighter touch regulation. But there is still the lobbying of government and other official sources about meeting the increasing demand for affordable housing. The projection figures for the East of England are really quite horrific. The National Housing Federation (our trade body) has recently produced a booklet called the 'East of England's housing time bomb'. It includes statistics about the average cost of units, average income etc, which I can email to Grace.

- **If other housing associations/developers purchase sites by outbidding you, what impact does this have on you?**

HC – Developers used to have to come to a housing association that had been nominated by the Council and they would provide the social housing on a scheme. The dynamic has changed now, and developers will now invite housing associations to tender and find the best (highest) price for a scheme. Some housing associations will aggressively bid more in order to increase their stock

numbers and that means that the unit prices are potentially going up. I am not aware that this is happening within the housing associations in North Herts and I think we all work together for the common aim, but the developers certainly want to maximise the money that they can get for the schemes.

AG – There are some S106 sites that have four RSLs chasing them and that is quite unusual but that is the situation that we are getting into. The bidding process is becoming more obvious as time goes on.

- **Is the housing corporation aware of this?**

HC - They are aware of this issue, but NHDC have been very supportive with us in trying to prevent this happening.

- **You mentioned that you work well with your partners, but are there any improvements that you have identified?**

HC – Our partnership works very well. Since the encouragement from the housing corporation to develop partnership working, we realised that we were too small to receive grant, as there is a strict criterion that you have to follow, which is based on the number of units that you can provide. Although we are not the lead association in the partnership, we do have a very good relationship with our lead BPHA and that allows us to access grants keeping a local autonomy and one of the strengths of our partnership is that we have local knowledge and expertise and we are completely independent. We also work well with our developers and contractors and the local authority. The only difficulty we have experienced is with the Highways department at both HCC and Beds CC.

NHH – There are lots of areas that can be improved, but the main objective of forming partnerships is to gain access to funding. The positive side of this, is we can expand this into the whole procurement arrangements. But if we can get local arrangements in land banking and supply chains and we are all using the same people etc, then that keeps the prices down and then that means more money available for more units. We have just recruited a Procurement & Partnerships Manager who will be driving this for our organisation and will make sure that all aspects of development, not just the building part will be done efficiently.

- **With land being the most expensive item and government guidance on housing density increased substantially, have either of you taken any action to increase the density of existing stock?**

HC – We are reviewing our asset management strategy and we do hold some 'back land' in Letchworth, so there is the possibility of development on there, but this is complicated by the leasehold issue with the Heritage Foundation. So it wouldn't be as straightforward as getting planning permission and then building on the land. We are looking at our stock in general and the asset management strategy looks at making sure that we have stock that matches the requirements of our customer base. This may result in modifying, converting or eventually demolishing and re-developing properties if they reach the end of their useful life.

NHH – With new developments, we work with the planners from a very early stage to make sure that we get the maximum units on a site that the planners are happy with. With existing properties, a lot of our properties are in villages and have huge gardens which could be development plots and currently when someone buys a property through 'right-to-buy' the garden is valued as a garden. The garden is

then sometimes built on by getting planning permission and we have not gained anything from it and have not been able to create affordable housing out of the land. Therefore, we will be introducing guidelines about this and we will have a two-tier approach, whereby, we will have a value for the property and a value for the land. So we are trying to work imaginatively with the fact that there are huge gardens that might end up as affordable housing plots.

The other aspect (and most controversial) is that we have approached a number of pre-cast reinforced concrete sites around the district that have poor properties on large grounds and have suggested demolition and rebuilding, instead of refurbishing, to get a better standard of housing and to increase the life of the property. But this has sometimes been met with resistance. For example, Milestone Road in Hitchin.

- **There are probably more people on the housing register that are looking for houses than those who are looking for flats or maisonettes, what steps are you taking to provide more properties that these people are looking for?**

NHH – We are guided by planners and the Council’s housing officers who will inform us of the demand from the information they hold on housing need and projection.

AG – Liaison takes place with planning about the kind of properties we need. In terms of S106 sites it’s not just about the number of units, it’s also about what the need is in the community. If the developer comes forward with a number of inappropriate units then we will let them know that this does not reflect the need of the community and as an authority, we will not want this to happen.

- **Is there ever any friction with developers about the distribution of affordable units within a site?**

HC – We are finding that developers are coming to terms with affordable housing being a part of their business. Developers used to build houses, sell them and then build the affordable houses after so that they didn’t have to market the site with the affordable houses on there. Section 106 has stopped that from happening and there is now a requirement to build affordable houses at the same time as the market housing.

In terms of matching the right type of property to the needs of the community, we did a scheme a couple of years ago in a rural area where we developed properties that are currently one bedroom properties but have the ability to be reasonably easily converted to two bedroom properties because the need there at the moment is for one bed. There is not a lot of development within that village, a lot of the local authority stock has been sold off, but it allows people to move in and as their family grows they can stay within the same property. If we built them as two bedroom properties we wouldn’t satisfy the allocation criteria now. So we try to work with the local authority to satisfy the need now.

- **Apart from grants from the Housing Corporation and land, are there any other sources of funding available for affordable housing?**

NHH – There are a number of smaller grants that you can get for the various aspects of building of housing, particularly if you are building environmentally friendly homes etc. There is a lot of emphasis being placed by the housing corporation and the government, on housing associations making their own assets

work for them. It is very difficult to build houses without a grant but there are a lot of big housing associations with very large land banks and large asset bases that could just about manage this. Our principle is that if we can cover development costs in a 30 year period, then we will do it. But if this is extended to 40 years, then you could build houses without any grant what so ever and we would be willing to do that on smaller things where there was a strategic importance to it. Our strong asset base gives up a lot of capacity to borrow money through our funders. However, the bulk of the money will always be from grants or the land subsidy. One thing that could be done is to encourage other housing associations in this district to 'sweat' their assets, which is what the housing corporation is doing, to make sure that the money and land that they have works for your benefit as well.

- **Andy, is this something we can do?** (Andy Godman (AG), is the Head of Housing & Environmental Health)

AG – Not all housing associations have the capacity to do this, as they tend to be quite traditional and quite small, but certainly the larger ones can work better because they have access to cheaper capital than many other organisations and there is an opportunity there that isn't open to those other organisations. So from the Council's point of view we want RSLs to be as expansionistic as possible.

HC – What we don't want to do is to 'sweat' our assets just to pay developers more money for schemes. When sweating assets, the 'sweat' needs to go back into social housing.

- **Should we be encouraging housing associations to be more competitive, so that they can go for more bids to increase their asset base?**

HC – You really need to ensure that your support of grant is being used to the best effect rather than allowing it just to be effectively used to top up the actual price paid to a developer, which is not good for the sector as a whole.

NHH – Basically, you want to be working with the most efficient housing associations, and there is no evidence to suggest that the bigger the association the more efficient they are. So there are issues about quality to bear in mind as well. The location of a housing association is also important. An association with properties in various parts of the country hasn't got an accessible base to provide good support to their tenants, but we can and Howard Cottage can.

AG – If you look at the Pipeline Project (which has been set up to look at improving the procurement of affordable housing), which we do obviously favour (as an organisation) local providers, because it is an on-going management project.

NHH – We can also apply a more strategic approach that provides opportunities for regeneration, employment and crime prevention etc. So we can bring together more than just housing for the area.

- **The Council's affordable housing policies state certain figures to do with the threshold for Section 106, the percentage of affordable housing that there should be on new developments and the percentage splitting of social housing, rented and shared equity. Do these figures affect you and have we got them right?**

HC – My preference would be to decrease the threshold in rural areas because quite a lot of rural schemes will always be below the 20 unit threshold limit. But for example, if there was a policy that stated in defined rural areas the threshold was reduced to say 5 units, then you could achieve social units on many more schemes. So if a developer builds 5 units, they would have to provide 1 affordable unit. Currently there are a lot of villages where access to affordable housing is not possible. So if the Council could do this, then this would assist us. The only rural development that we do at the moment is through 'exception' sites or where we have been given the land from the local authority as we do not get section 106 rural schemes at all.

AG – It can be difficult to push too hard on developers because at the end of the day they are looking at making a profit.

- **In a previous meeting, we looked at rent vs shared ownership. What are your thoughts on this?**

NHH – rent will always be the cheaper option and, although shared equity is designed to fill the gap between those who want to get on the property ladder but can't afford to, it isn't all that affordable.

- **So is shared ownership not working?**

HC – There is a clear and growing gap between those who can afford to solve their own housing need and those who will qualify for traditional social housing. We still need to keep doing these schemes to try and fill that gap and ensure our communities remain sustainable.

AG – There is a general thought among some people who purchase shared ownership homes that they are seen as social tenants, who receive the services that other social tenants would.

- **Are there any equality issues that need to be addressed locally or nationally?**

NHH – We are reasonably confident that the sorts of lets are adequate to the proportionality of ethnic groups. We have a target to achieve and we have over-achieved this. There is an issue around poverty. An important aspect of affordable housing is being able to maintain the running costs after the purchase and being able to support families in terms of financial inclusion. We have a financial inclusion strategy, which includes how we can support families if they need financial support.

HC – We are looking to build on our successful scheme at Unity House in Hitchin. We tried to build another one in Hitchin but unfortunately we could not compete with potential private developers for the site we identified. But if there were an opportunity to work on similar schemes, then we would welcome that.

- **How significant is the proportion of representation of equal opportunities in terms of the lettings to ethnic groups?**

NHH – The district has between 8% - 10% of ethnic minority communities, we let approximately 13% - 14% of our properties to this group.

- **Do these people come from our geographical area or are we importing?**

NHH – they come from the district generally.

- **Is the reason for this connected with income?**

NHH – I don't think so. If there is any trend that we have identified, it's that certain ethnic minority communities like to buy or like to rent privately and wouldn't come to us. It doesn't seem like this is the preferred choice of housing for some communities.

- **I regularly come across people who may benefit from the shared ownership scheme but have never heard of it. This is causing me some concern as this may be the only answer for them and they do not know it. Has this been the case for you, and if so, what are you doing about making people more aware of this scheme?**

NHH – Zone Agents are normally responsible for marketing, although some housing associations do this themselves but I don't think we are very good at doing that. However it isn't just about awareness, it's also about some of these schemes don't produce the results that we hoped they would to bridge that gap.

HC – In terms of sustainable communities, people are leaving our communities and the people who are earning, say, between £20,000 - £45,000 can't afford the top end of the market and don't qualify for the bottom end, they will be moving elsewhere.

From our point of view, we are not providing enough units to justify employing someone to take on the responsibility for marketing. We currently only provide 5-8 units per year (although this number is growing). Whereas some of the bigger housing associations that are developing their own schemes outside section 106 will have their own marketing departments.

- **Maybe this is something that the Council could provide support in for our local housing associations.**

AG – Access channels for those who could purchase shared ownership properties are not that easy. They need to go to the zone agent, then they need to approach the Council to go on the housing register, they then have to approach the RSL provider to discuss affordability tests. This is not particularly easy and could present a barrier and do the opposite of what sustainable communities are all about.

- **What can we do as a Council to enable more affordable housing?**

NHH – When you look at the table of capital investment in Hertfordshire, North Herts has been one of the higher investors and that's why there is such a good respect for this local authority. But you need to try and maintain that level of capital. It is also important to be clear about which housing associations you want to work with and having rationales behind that which is sustainable and long term.

HC – I'd like to see more production in rural areas and the continued support of the NHDC approved housing associations regardless of who they are.

Appendix B. WITNESS EVIDENCE (PART 2)

On 5th October 2006, the group met with members of the public:

- **How did you find out about the shared ownership scheme?**
Through a work colleague who had bought his property this way. I have never seen any advertising nor have I approached the Council to ask them about it.

I also found out about it through work colleagues. I was told about the Lea Valley Homes launch in Stevenage and went along to find out more.
- **Are you registered with any housing associations? After having looked at the scheme, does it work out to be “affordable” for you?**
I am registered, but I still cannot afford to purchase a home this way.

When you compare the shared ownership properties to those on the open market, shared ownership homes tend to be overpriced. I am not classed as a key worker either, so this is not an affordable option for me.
- **Have you considered social housing?**
I did not consider this initially, but having looked at my options, I may now have to.

I did not consider this because as an employed single male, I did not believe I would have any points to be considered for social housing. I have basically relied on information from estate agents. I am in my first job after graduating from university, therefore I am not in a financial position to buy yet. I will be looking at buying my first home once I have cleared my debts.
- **So, until then you will continue to rent from the private sector?**
Yes, because if I purchased a shared ownership home of the same standard that I live in now, I would have to pay an additional £200 or more, unless I had a deposit.

Having no deposit is the main issue for me too.
- **Are there any schemes out there that can help people with raising deposits?**
Alan Davey – The Council’s contribution is through the reduction in rent on shared ownership properties.
- **Do you know of any other schemes that may suit your budgets?**
I am aware of another affordable scheme, but I think only fire fighters are qualified.

Rose Crossman – This scheme has now been extended to other key workers and some public sector workers, but they need to be earning £25,000 or more. No deposit is required, but you would need approximately £3,500 to cover legal fees. You also need to be registered on the Council and Lea Valley Homes housing list.
- **Have you approached the Council or any housing associations for housing advice?**
No. My first approach was to find out how much I could get from banks. I used a reasonably low figure of £80,000 and was still turned down.

No, because I just assumed I wouldn't have any points and I am not in the key worker category.

- **If there were a section on our website that showed vacant places, would that help you?**

Yes because most of my research was done by looking at websites.

Andy Godman – this is why Choice Based Lettings can help people, because it allows people to bid for properties that suits their needs.

- **When you left your last education establishment, did you receive any housing information?**

No, but my last education establishment was a school, so perhaps I would have been too young to receive this kind of information then. The only two options that I would have known about then were either to buy or rent. I have never known a single person to go on the Council's housing list.

- **How are shared ownership re-sales publicised?**

Rose Crossman – All resales are done through local marketing and events. This has been a slow process, but we are improving it.

- **Could these be advertised through employers?**

Rose Crossman – Yes, they can and will be in the future.

- **Are there any other ways that the Council could help?**

It would help if the percentage of equity purchase in shared ownership homes was reduced, but then this would only increase the rent, so this is a very difficult one. Banks are not very easy in terms of the interest that they charge on mortgages.

I would agree with Lorna Kercher's comment about building more social housing.

- **How did you find out about shared ownership?**

I was on the Council's housing register and was sent an information pack that included shared ownership schemes.

- **Did you seek any advice from an independent advisor?**

I spoke to a professional who happened to be a family friend. His advice to me was that any form of getting on the property ladder, was better than none.

- **When you applied for housing through the Council, what were the main factors that were important for you?**

My choice of location, property types and schemes were very wide. But by including shared ownership in my choices, made things happen a lot quicker, I think. I was on the waiting list for one year. Fortunately, I had enough savings for a deposit, to cover legal fees and to buy furniture.

- **Are you happy with the shared ownership scheme?**

Yes, because even though I have only bought 25%, it is still an investment. However, with my current salary I cannot afford to purchase a larger share because the rent would not be so much less than it is now that it would be worthwhile.

- **How much would you need to purchase in order for the rent to decrease?**

Probably more than 70%, but you would need a higher income because the

monthly repayment of the mortgage would be higher too.

- **When you were going through the purchasing process, was it straightforward and easy to understand?**
Yes, the documents I was sent were very understandable and the calculations were set out clearly. There were no surprises, plus I had a good solicitor who was able to handle everything for me.
- **Did the housing association provide you with a choice of mortgage lenders for shared ownership mortgages?**
No. Through my own discovery I found that not many banks would give me a mortgage for purchasing a 25% share. There were only two banks that would.
- **Would you recommend other first time buyers to buy through shared ownership?**
Yes, but they would need to have savings plus have a salary that could meet the repayments.
- **Do you think that the standard of your accommodation is better than what you would find in the private sector?**
It is hard to say, as this was the first development done by my housing association, so there is nothing to compare it with.
- **Did you come across any other challenges throughout this process or now that you are living in the property?**
The process itself was pretty straight forward, but since I have been living there, the rent has already increased. Also, if I were to ever purchase a higher share of the property, I would still need to pay the same service charge because the flat is within a block. However, I don't feel that I would be able to afford to do this anyway. I see my situation as a stepping stone to get on the property ladder.