

## AFFORDABLE AND KEY WORKER DWELLINGS

Everyone will share the Council's aims to alleviate Oxford's homelessness crisis and key-worker accommodation problems. I put forward these questions hesitantly, but under the challenge of the last of the Main Conclusions to the Audit 2000/01 report, EB Agenda June 17, p.27, "All aspects of the Council's approach to homelessness need to be reviewed and challenged fearlessly to have a chance of making a significant impact on the problem."

The Council identifies as the root problem the view that in Oxford there are too many people chasing too few housing opportunities. A second contributing problem, not identified in the report, is that until comparatively recently 'social' housing and open-market housing were largely separate markets, both financially and physically. Broadly speaking, people entered the 'social' housing market for financial reasons, and left it for non-financial reasons, ie because of a preference not just for ownership but also for physical separation from the 'social' housing estates. A third problem is that the police authority, for example, sold their dedicated housing not just for financial reasons but also because officers preferred to choose their own accommodation. Home ownership is increasingly 'pepper-potted' following the sale of 'council' houses. The Council's policy for 'pepper-potting' new 'affordable' accommodation will increase this factor. However desirable in social terms this mixing of different income groups is, the problems associated with achieving this aim are considerable.

Fundamentally the question is this: is it possible for the Council to introduce alleviations for those on low incomes or identified as key-workers by reserving accommodation for these groups while avoiding knock-on effects that undermine the Council's policy aims?

1 Has the Council assessed the extent to which increasing the proportion of non-market accommodation will increase the proportion of homeseekers in Oxford unable to afford housing at market prices, together with any knock-on increase in demands on the Council? Is it agreed that dedicating a higher proportion of the housing stock to non-market occupiers will increase the market price of the remaining stock. For example, if the average property price is currently £70,000/£400 pcm, say, with a proportion of people currently unable to afford market prices of 30%, say, will raising the non-market proportion to 55% raise the market price to £75,000/£425 pcm, say, with the knock-on effect that 33%, say, will be unable to afford market prices? (The figures are put in for illustration purposes only. No claim is made for their validity.)

2 Has the Council assessed the direct and indirect financial and non-financial costs of making financial contributions to support key-worker subsidies? For example, the Council is currently considering the possibility of increasing the differential between rents for properties of different sizes, because tenants hold on to properties of a larger size than they would be

entitled to were they making an application based on their current needs, with a re-adjustment programme stretching forward to 2010. Are there likely to be parallel distortions arising from Council financed key-worker subsidies, eg employers holding on to key-worker allocations once the need was no longer so urgent? Will the Council realistically have the ability to judge between legitimate and illegitimate claims by employers for key-worker status contributions? Will Council subsidies interfere with the orderly negotiations between employers and employees in establishing appropriate remuneration packages to recruit and retain staff. For example, the County Council often has (or had a few years ago) more difficulty in attracting appropriate applications for headteacher posts than for entry-level teachers. A short-fall for new nurses now may be replaced by a greater need for nurses at the Sister level. Could such employees on higher earnings be supported under the key-worker scheme? Even GP practices report recruiting difficulties even with average earnings of £70,000.

3 Has the Council assessed the impact of location on its policy to 'pepper-pot' subsidised housing across the city? Has it assessed the ratio between the market value of an identical subsidised property in the most desirable location and the least in the City? Will it be able to reflect this comparative desirability in differential rents levied on occupiers? If not, how will the Council avoid the introduction of a new source of anomalies and other non-financial cost problems? How will it allocate the most desirable properties? For example, would the most desirable properties (ie the most heavily subsidised) in any size category need to be balanced for ethnic or other characteristics, to avoid discrimination problems?

4 Has the Council considered the possibility of renting on the open market with subsidies for appropriate categories of occupier? Could this be a more effective way ahead for at least part of the Council's needs? Would this have less impact on increasing housing costs than reserved accommodation? Would it allow greater flexibility to respond to changes in need?

Mervyn Curran

Dear Mr Curran

**Re; Affordable and Key Worker Dwellings.**

Thank you very much for your enquiry dated 17 June 2002 regarding Affordable and Key Worker Dwellings.

With regards to your first point, I am unsure as to what you mean by the phrase "non-market accommodation". It is, therefore, difficult to respond to your questions, but I will try to answer as many points as I can.

I am not certain that increasing the proportion of the Council's own housing stock to particular groups in need has any effect on property prices in Oxford generally. The owner-occupied market is a complex one based on a range of factors including proximity to large centres of employment [e.g. we are within commuter distance of London so attract people who work in London but do not want to live there], local employment levels and average incomes, the retail price index and inflation levels and the "confidence" in the market generally.

Regarding your second question, the Rent Re-structuring exercise that the Council is engaging in is a statutory requirement, and must be completed within ten years [by 2010]. As yet, we do not know the full impact of this on the local market. Similarly, the Key Worker Initiative is still in its infancy and we do not yet know what long term effect this will have on the local market. However, as the number of Key Worker Grants are likely to be small, it is not anticipated that this will have any significant effect on local house prices or the social rented sector.

The pepper potting of social housing is not so much a policy as a reflection of the realities of life. Because of the Council's financial constraints, we are not in a position to select sites to purchase for social housing developments. We have to develop those sites which become available to us, irrespective of location. When a large tranche of land was available to be developed, the social housing was

concentrated into one area [Greater Leys] not because it was a policy decision to do so, but because that is where we had some land which was available to be built on.

The “desirability” of some areas over others is not so clear cut in the social housing sector as the owner occupied market. Owner occupiers are free to live anywhere, providing they can afford to purchase a property in the area of their choice. People who rent social housing are constrained by the fact that they can only live in areas where social housing exists. In addition, the demand for the “better” areas is not so marked in the socially rented sector as many people express a preference to live near friends, family or services rather than being concerned to move to other areas in the city for aspirational reasons.

As transfers and general register applicants can express a preference on their application forms for certain areas [only the homeless cannot express a preference for property type or area], and we allocate all social housing on the basis of the Housing Needs Points System, we are still going to be in the position of offering accommodation to those in the greatest need rather than trying to meet peoples’ housing aspirations. If people register on the Council’s Housing Waiting List they will not get any offers of accommodation unless they have sufficient points, which means that there has to be a significant element of housing need. This will remain the same under Restructured Rents.

Finally, the Council already rents on the open market and subsidises this accommodation. The majority of the 1200 homeless households that are living in temporary accommodation whilst they await a permanent offer of Council accommodation are living in this sector. The rents are high, and even those in receipt of full Housing Benefit receive subsidies from the Council to top up the difference between the “market” rent and the maximum that Housing Benefit is allowed to pay out. It is these subsidy costs which are placing an unsustainable burden on local Council Tax payers, and Oxford City Council is not in a financial position to increase these subsidies to include Key Workers or “appropriate categories of occupier”. The impact of this, and whether it is a more “effective way ahead” is to some degree, irrelevant, as the Council is not in a position to afford the current commitment to top up rents for the statutorily homeless, to whom it has a legal duty, let alone increase the number of households that it pays a subsidy to.

The contents of your enquiry have provoked discussion and debate, and it has raised a number of issues that need to be considered, so I thank you for bringing these points to our attention.

Yours sincerely,

### Hostels with on-site staffing by ward

<b>WARD</b>	<b>BEDSPACES</b>	<b>% bedspaces by ward</b>
Carfax	200	51.7%
St Clement's	41	10.6%
St Mary's	32	8.3%
Hinksey Park	31	8%
Littlemore	28	7.2%
Headington	18	4.6%
St Margaret's	14	3.6%
Iffley Fields	11	2.8%
North	6	1.6%
Cowley Marsh	6	1.6%
<b>TOTAL</b>	<b>387 (excluding 29 bedspaces Women's Aid - none in Carfax)</b>	<b>100%</b>

For the purpose of this exercise, hostels are defined as shared accommodation with on-site staffing. Projects with visiting support are not regarded as hostels, but may be group or shared homes, houses in multiple occupation, dispersed flats or blocks of flats.

Staffed hostels on the Littlemore Mental Health Centre site have not been included, but have been regarded as hospital provision, even where managed by Oxford Group Home Organisation.

**Voluntary sector homeless hostels with on-site staffing**

		<b><u>Ward</u></b>
Oxford Night Shelter	50 bedspaces (homeless men & women >25)	Carfax
Simon House	55 bedspaces (homeless men & women > 25)	Carfax
Lucy Faithfull House	66 bedspaces (homeless men & women > 18)	Carfax
The Bridge	25 bedspaces (homeless people 16-25)	St Mary's
Micklewood House	6 bedspaces (primarily for homeless mentally ill women)	Cowley Marsh
Frideswide Project	6 hostel bedspaces (primarily for homeless mentally ill men)	St Clem's
Rectory Road Project	23 bedspaces in 3 buildings (14 bedspaces for homeless mentally ill)	St Clem's
Drugs Recovery Project	6 bedspaces (drugs detox)	Carfax

**Other voluntary sector hostels with on-site staffing**

Windmill House	18 hostel bedspaces (vulnerable people 16-25)	Head'ton
Magellan House	7 bedspaces (drugs post-rehab.)	St Mary's
Atlantic House	6 bedspaces (drugs stabilisation)	St Clem's
Grove House	14 bedspaces (mental health)	St Marg't
Roken House	13 bedspaces (mixed client group use)	Hinksey P
Women's Aid	29 bedspaces (3 hostels) (domestic violence)	Confidential (3 wards)
LIFE	6 bedspaces (mothers & babies)	Iffley F'ds
Iris Hayter House	13 bedspaces (mental health)	L'more
St Gabriel's	14 bedspaces (mental health)	L'more
Lochgriel House	7 bedspaces (mental health)	St Clem's
St Michael's St	5 bedspaces (mental/health elderly)	Carfax

Cyrox	6 bedspaces (vulnerable men)	North
Iffley Rd (OCHA)	5 bedspaces (vulnerable people 16-21)	Iffley F'ds

**Statutory sector hostels with on-site staffing**

Abingdon Road	18 bedspaces (probation hostel)	Hinksey P
Clark's Row	18 bedspaces (bail hostel)	Carfax

Please note: information regarding Probation-funded bedspaces in the city must be requested from National Probation Service, Thames Valley.



Date: 2 July 2002  
Your ref:  
My ref: **AJVM/**  
Ask for: Tony Mindham  
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Email: tmindham@oxford.gov.uk

Dear Mr Curran

**Your questions about affordable housing**

I refer to the matters you raised at the meeting of the Council's Executive Board on 17 June. I understand that you have been sent a detailed commentary in response to your questions.

I have pleasure in enclosing a copy of the draft Supplementary Planning Guidance on Affordable and Key Worker Dwellings. This deals with the mechanisms for securing affordable housing through the planning system. The Council is inviting comments on the draft SPG. All representations must be made in writing to Patricia Stevenson, Planning Policy Manager, at the above address during the six week period running from 28 June to 9 August 2002. Representations made after this date will not be considered.

The responses to the SPG are to be reported to the Executive Board in due course. I have added your name to the list of people to receive any further draft or final version of the document.

I hope the SPG will be of interest to you. Please contact me on 01865 252168 if you need any further information about the document or the Council's planning policies in respect of housing matters.

Yours sincerely

Tony Mindham  
Principal Planning Officer