

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

5 January 2009

Report of the Director of Health and Housing

Part 1- Public

Matters for Information

1 DEVELOPMENT REPORT

Summary

This report updates Members on the progress being made by the Council's Registered Social Landlord (RSL) partners in providing new affordable housing in the Borough, and summarises the programmes for 2008/09 and 2009/10.

- 1.1.1 The effective negotiation, planning and delivery of affordable housing forms one of the key priorities of the Council's housing service. Allied to this is the need to track and monitor the progress of RSLs in delivering new schemes. Failure to secure a steady supply of new homes has a direct knock-on effect on the levels of homeless households placed in bed and breakfast. Members will be aware that the Council is under a duty not to house homeless families with children in bed and breakfast except in an emergency, and then for a period not exceeding six weeks.
- 1.1.2 While we are dependent on our partners to ensure timely delivery of new provision, the Council also has a role to play in tracking performance. This is important to ensure that any difficulties arising on new schemes are highlighted early on and corrective action taken.
- 1.1.3 Set out at **[Annex 1]** is a monitoring spreadsheet showing the completed schemes in the year to date and the development programme over the next eighteen months. The table identifies:
- the scheme address;
 - RSL provider;
 - start on site (SoS);
 - total number of units to be provided (rent and/or shared ownership);
 - detailed split of rent and shared ownership units;

- the level of grant required for each scheme;
- expected date of completion; and
- information on progress.

1.1.4 Members should be aware that details on some schemes may alter where planning permission has yet to be secured. The number of units to be provided is therefore an indicative figure for strategic purposes, pending confirmation of final scheme details. As new schemes come forward these will be also be added to the schedule.

1.2 Economic downturn and the housing market

1.2.1 The delivery of affordable housing is reliant to a large extent on a planning led policy in a buoyant housing market where developers are keen to bring sites forward. The slow down in the housing market and the mortgage famine has resulted in the volume house builders 'mothballing' sites. The details of the economic downturn are detailed in the accompanying report on this agenda.

1.2.2 Moat have informed the Council that the "Kilns" New Road Ditton scheme, Phases 1 & 2 are being severely affected by the market down turn. Consequently the completion dates have been pushed back to early 2010.

1.3 Housing Corporation Organisational Changes

1.3.1 Members will be aware that the Housing & Regeneration Act 2008 has led to the formation of two new agencies; the Homes and Communities Agency (HCA) and the Tenants Services Authority (TSA), from 1 December 2008.

1.3.2 The Housing and Regeneration Bill was laid in parliament on 15 November 2007 and received Royal Assent on 22 July 2008. Its aim was to help deliver the commitments set out in the Housing Green Paper of July 2007 to provide more and greener homes, in mixed and sustainable communities.

1.3.3 The HCA is the new housing and regeneration agency for England, and will join up the delivery of housing and regeneration, bringing together the functions of English Partnerships, the investment functions of the Housing Corporation, the Academy for Sustainable Communities and key housing and regeneration programmes delivered by Communities and Local Government.

1.3.4 This integrated approach will enable the HCA to have a single conversation with local authorities and other partners on the housing and regeneration needs of individual areas, providing practical support as well as professional expertise. With an investment budget of over £5 billion per year, it is hoped that the HCA's scale and resources mean it will be able to bring about a step change in affordable housing supply.

- 1.3.5 The Tenants Services Authority (TSA) is a new watchdog for social tenants which will take over the regulation function of the Housing Corporation for social housing landlords. The TSA is tasked with setting high standards of management across housing associations and, at a later date local authority social housing stock.

1.4 HCA funding allocations RME

- 1.4.1 Members will be aware that the Housing Corporation moved to a system of Regular Market Engagement (RME) this year for bids under the National Affordable Housing Programme (NAHP).

Table 1 – RME Timetable

RME Round	Initiate/launch RME	Close RME	Announcements
Third	6 October 2008	24 October 2008	10 December 2008
Fourth	5 January 2009	23 January 2009	10 March 2009
Continuous	Ongoing engagement		

- 1.4.2 Three rounds of RME have taken place so far. The allocations secured in the last round are shown in Table 2.

Table 2 – Regular Market Engagement Round 3 Allocations

RSL	Tenure	Scheme	No. Units	Grant	RME Round
T&CHG	Social Rent	Cattle Market 3A	7	£525,000	RME 3

1.5 HCA funding allocations Homebuy Direct

- 1.5.1 Members will recall that the Government announced a product called “Homebuy Direct”. This is where households earning less than £60,000 can be offered up to 30 per cent equity loans for mortgage deposits, free of charge for five years on new properties, co-funded by the state and developers, with the aim to make prospective purchasers more attractive to lenders. The loan will be secured as a second charge on the property, and purchasers will be able to buy a freehold interest or leasehold for flats and will not be tied into a Shared Ownership lease.
- 1.5.2 There was one bid related to a scheme within Tonbridge & Malling, Wellington Place. This is a Crest Nicholson South East scheme in Tonbridge, as detailed below in Table 3.

Table 3 – Homebuy Direct Bids

Developer	Local Authority	Town	Site Name	Units	Practical Completion
Crest Nicholson	Tonbridge & Malling	Tonbridge	Wellington Place	18 Flats	Nov 2008 - July 2010

1.6 Legal Implications

- 1.6.1 The Council needs to secure a sufficient supply of affordable housing to meet its statutory duties.

1.7 Financial and Value for Money Considerations

- 1.7.1 The National Affordable Housing Programme is the means by which public subsidy is secured for the delivery of affordable housing. RSLs must adhere to strict value for money and design considerations imposed by their regulator the Housing Corporation

1.8 Risk Assessment

- 1.8.1 Failure to secure sufficient investment in affordable housing could mean that the Council is unable to deliver its local strategic housing priorities and meet its statutory obligations to the homeless and others in housing need.

Background papers:

contact: Chris Knowles

Nil

John Batty
Director of Health and Housing