

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

18 May 2009

**Joint Report of the Director of Health and Housing and Cabinet Member for
Housing**

Part 1- Public

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken
by the Cabinet Member)**

**1 SUPPORT TO HOUSEHOLDERS AFFECTED BY THE ECONOMIC
DOWNTURN**

Summary

This report summarises the Council's response to recent correspondence from the Chartered Institute of Housing (CIH), Communities and Local Government (CLG), and the Local Government Association (LGA) Group about support to householders affected by the economic downturn.

1.1 Background

1.1.1 In April, the CIH, CLG, and the LGA Group wrote to all local authorities outlining the support they are providing for local authorities to assist those that are facing homelessness.

1.1.2 The letter, which is attached at **[Annex 1]**, suggests that local authorities develop action plans for tackling risks to householders across all tenures. The Council already has a considerable number of initiatives in place and these are summarised below. These will also be shared with CLG, CIH, and the LGA Group.

1.2 Preventative measures

Recent initiatives include:

- county court desks – providing advice and assistance to local residents facing possession proceedings in Maidstone and Tunbridge Wells county courts since November 2008;
- this Council has piloted the government mortgage rescue scheme (MRS), which offers two options. Depending on their specific circumstances, homeowners eligible for help under the MRS may be offered either:

A **shared equity option**, which enables the homeowner's monthly mortgage payments to be reduced; or

Government Mortgage to Rent which enables the homeowner to remain in the property as an RSL tenant on an assured short hold tenancy, paying an intermediate rent.

- adjustments from May 2009 have seen an increase in the property price cap for the South East from £225,000 to £235,000, and the inclusion of homeowners that are in negative equity where the Loan to Value rate is not greater than 120 per cent; This Council has lobbied for the national scheme to better reflect the needs and circumstances of the high cost housing areas of west Kent;
- home owners mortgage support scheme – support to homeowners who have suffered a drop in income and who may be eligible for the scheme, allowing them to defer part of their loan and reduce monthly payments for up to two years;
- a well-established and proven approach to a “housing options” model of service delivery with the emphasis on the prevention of homelessness. This includes liaison with local housing associations over the provision of advice and support to tenants who are at risk of eviction;
- a rent deposit/deposit bond scheme which has been the subject of a separate report on this agenda. This scheme has been revised and updated to ensure it continues to provide appropriate assistance to enable households access the private rented sector; and
- the development of a one stop shop approach to services via the developing Tonbridge Gateway, due to open in July 2009.

1.3 Supply of new Homes

- The supply of 585 new affordable homes in the three years to March 2009 with the development of intermediate rent to homebuy to enable progression to shared ownership when market conditions permit; and
- An estimated 470 further affordable homes to be delivered in the three years to March 2012.

1.4 Other forms of housing assistance

- 1.4.1 Members will be aware that the Council offers a wide range of financial assistance to help homeowners repair and improve their existing homes. The separate report on the private sector renewal partnership explains the Council's leading role in overseeing the pioneering initiative which will lever into north and west Kent £4 million of financial assistance for homeowners. In Tonbridge and Malling the range of help available includes financial assistance to first time buyers who need to undertake significant works to their property.

1.5 Legal Implications

1.5.1 None arising from this report.

1.6 Financial and Value for Money Considerations

1.6.1 None arising from this report.

1.7 Risk Assessment

1.7.1 There is a significant risk that levels of homelessness will increase as a result of the economic downturn. The various initiatives contained in this response to the economic downturn are being kept under regular review.

1.8 Recommendations

1.8.1 **CABINET** is **RECOMMENDED** to:

1.8.2 **ENDORSE** the measures summarised in this report as the Council's response to the current downturn in the local housing market; and

1.8.3 **SEEK** regular update reports from the Director of Health and Housing via this Board

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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