

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

20 July 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 2009/10 to 2011/12. The report goes on to describe the progress to date on the West Kent Housing Strategy, as well as providing an overview of the available HomeBuy products that assist with low cost home ownership.

- 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 temporary accommodation or 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 housing, 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 to 2011/12. 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 Homes and Communities Agency Funding Allocations

1.2.1 Members will be aware that the Homes & Communities Agency moved to a system of Continuous Market Engagement (CME) this year for bids under the National Affordable Housing Programme (NAHP).

Table 1 – Continuous Market Engagement Allocations

RSL	Tenure	Scheme	No. Units	Grant	Bid Date
Russet Homes	Social Rent	Leybourne Grange	23	£ 2,185,000	June 2009

1.3 Homes and Communities Agency Kickstart Funding Allocations

1.3.1 Members will recall that in the 2009 Budget the Government announced that the Homes & Communities Agency will provide £400m of funding for the Kickstart Housing Delivery Programme. This is targeted at stalled sites, to support the construction of market units only. Although the units funded are intended for owner occupiers, the wider schemes contain affordable housing units.

1.3.2 The Kickstart Funding exists to allow continued progress on sites during the economic downturn, and to ensure a mixed and balanced community by the provision of a diversity of tenure.

1.3.3 Table 2 – Kickstart Funding

Developer	Tenure	Scheme	No. Units	Grant	Bid Date
Redrow	Kickstart Funding Market Units Only	Old Cannon Wharf	65	Gap funding £3,400,000 Equity Loan £3,200,000	June 2009
Environ	Kickstart Funding Market Units Only	Kings Hill Area 51 & 57	81	£7,800,00 investment support (loan)	June 2009

1.4 West Kent Housing Strategy Update

- 1.4.1 Members will recall that in 2007 Tonbridge & Malling Borough Council, Sevenoaks District Council, and Tunbridge Wells Borough Council agreed to develop a West Kent Housing Strategy. This document was to be steered by the West Kent Housing SubGroup, and the project itself was led by Tunbridge Wells Borough Council.
- 1.4.2 The project has yet to see real progress, and the justification to commit resources to a West Kent Housing Strategy is brought into question by two recent and related key events. The first is the proposed Kent Housing Strategy that the County Council and Kent district councils are exploring under the aegis of the Kent Economic Board, and which is detailed in a separate report to this Board.
- 1.4.3 The second is the Homes & Communities Agency's (HCA) new "Single Conversation", also detailed in a separate report to this board. The important change that this new approach for the funding of social housing development brings is its definition of west Kent. The HCA has brought Maidstone into the west Kent subregion to join Tonbridge & Malling Borough Council, Tunbridge Wells Borough Council, and Sevenoaks District Council.
- 1.4.4 If Maidstone is indeed to be considered to be part of west Kent in the eyes of the HCA, then any West Kent Housing Strategy would be weaker for not including them along with the three existing authorities.
- 1.4.5 Rather than seeing a further tier of strategy being produced your officers favour the development of an action plan for west Kent. This would be in the form of a framework for joint working which would focus on common issues of concern and identify opportunities for joint action or shared commissioning to address them. This has worked well in the past when, for example, we have jointly commissioned special needs housing schemes with shared nomination rights across the three districts. This would focus our resources onto specific shared projects and would be less resource intensive to develop and implement.

1.5 Building Britain's Future

- 1.5.1 In June John Healey the Minister for Housing wrote to the Chief Executives and Leaders of all local authorities regarding the recent announcements made relating to the future of the funding of social housing. This was all under the heading of "Building Britain's Future, Housing and Local Authorities".
- 1.5.2 John Healey's letter outlined two issues, those being how social housing will be funded in the future, and the importance of considering a local connection in the processing of allocations.
- 1.5.3 The Housing Minister describes that the new funding will deliver 20,000 new affordable housing construction starts over the next two years, of which over 13,000 will be for social rent. In addition the investment package will create an

estimated 45,000 jobs over the construction period for these homes. However, the Council has yet to receive the details as to how this funding will be distributed or obtained.

- 1.5.4 The Department for Communities & Local Government (CLG) are seeking local authorities to deliver up to 3,000 of these additional homes, by reducing the barriers to authorities to provide new council homes. These initiatives are aimed at councils who have retained an element of their housing stock, and therefore still operate a Housing Revenue Account (HRA), both aspects that will not apply to Tonbridge & Malling Borough Council.
- 1.5.5 The CLG are also seeking to support the swift delivery of affordable housing through additional funding to RSLs, to enable them to build more homes for low cost home ownership and social rent. However, we are still awaiting details on the level of additional funding and how it will be administrated.
- 1.5.6 The CLG are looking to tackle the possible perception that allocations policies for social housing are unfair, inflexible, and act as a barrier to people being able to move when they need to. The Government is considering a reform of the current rules for allocating council and other social housing, enabling local authorities to give greater priority to local people and those who have spent a long time on a waiting list.
- 1.5.7 Members will be aware that the Council's allocation scheme prioritises local connection in any event but I will advise Members when more details are made available.
- 1.5.8 A more detailed summary of "Building Britain's Future" with a commentary from the LGA is set out at **[Annex 3]**.

1.6 HomeBuy Product Descriptions

- 1.6.1 Members will recall that at the last meeting officers were asked to provide some clarity regarding the current HomeBuy products that are available. HomeBuy is a government initiative to help people who cannot afford to buy a property that suits the needs of their household, and it also helps those people who wish to rent a property but who cannot afford market rents. Moat is the government-appointed HomeBuy Agent for Kent, which means only one application form has to be completed to access all of the HomeBuy options available in the borough. Moat carry out basic eligibility assessments, so that applicants can approach any housing association using just one Moat reference number.
- 1.6.2 Set out at **[Annex 2]** is a description of the range of HomeBuy products and a table showing the relevant eligibility criteria.

1.7 Legal Implications

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

1.8 Financial and Value for Money Considerations

- 1.8.1 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 the HCA.

1.9 Risk Assessment

- 1.9.1 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:

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Nil

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