

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

08 November 2010

**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 WEST KENT LOCAL INVESTMENT PLAN

Summary

This report updates Members on the progress being made by the Council's housing and planning officers with the Local Investment Plan (LIP), formally known as the Single Conversation. It goes on to describe which schemes have been included, whilst outlining the next steps.

1.1 Background

- 1.1.1 Members will recall that the Homes & Communities Agency (HCA) have been engaging local authorities and their development partners in the Local Investment Plan (LIP), formally known as the Single Conversation. This is the new vehicle for making investment decisions nationwide for affordable housing.
- 1.1.2 The LIP occurs within various prescribed sub regions, and this borough is part of the west Kent sub region which also includes Sevenoaks District Council, Maidstone Borough Council, and Tunbridge Wells Borough Council.
- 1.1.3 The LIP is the key output of the process, and describes which projects and schemes are prioritised across the sub region, in accordance with agreed shared aims and objectives. It is important to recognise that the remit of the HCA has evolved during the creation of the LIP, and now stretches beyond just the original provision of affordable housing. The HCA now has responsibilities for newer elements such as skills creation, infrastructure, and economic development.
- 1.1.4 Members will recall that the four district authorities along with Kent County Council (KCC) created three draft Working Papers which set the context for the draft LIP document. Our housing and planning officers have continued to work closely and to extraordinarily tight deadlines to ensure we continue to promote our existing and proposed sites, both small and strategic, to ensure that the draft LIP accurately reflects our adopted policy framework. This also included information

relating to the regeneration of Tonbridge town centre, and the wider infrastructure requirements in the Borough.

- 1.1.5 In relation to the finalised working documents there was a west Kent Briefing Event on the 13 July for lead Members to discuss and agree work performed to date, and a Partners' Workshop on the 16 July to consult external parties such as housing associations and developers on the progress of the LIP.
- 1.1.6 The HCA prescribed a very challenging October 2010 deadline to construct a draft LIP to enable the document to inform the wider Comprehensive Spending Review (CSR). The west Kent partners were able to meet this deadline and have created a draft LIP, which has been approved through the HCA's own internal peer review process as being robust. Housing officers will be happy to supply Members with this (considerably lengthy) document if they so wish.
- 1.1.7 Update reports have been submitted to Planning and Transportation Advisory Board on 28 July and Cabinet on 13 October.

1.2 The draft LIP contains the shared vision statement

- 1.2.1 "We want West Kent to be a place where safe, healthy, distinctive urban and rural communities live which are supported by a thriving and prosperous local economy in a high quality built and natural environment. Residents in urban and rural areas will be well housed, within a range of suitable housing options, with access to high quality education and employment and a sustainable transport network. Above all West Kent will be a place where people can experience a high quality of life whilst living within our natural limits".
- 1.2.2 The LIP contains a list of shared objectives for the sub region to enable the delivery of the vision statement. These are:
- to increase the amount of high quality sustainable housing available including affordable housing in both urban and rural areas, through new development and by making better use of the existing housing stock;
 - to both improve the quality of the existing stock, with a focus on energy efficiency and adapt the existing stock to better meet the needs of current residents;
 - to better meet specialised accommodation needs, including the housing requirement of a growing ageing population;
 - to improve the west Kent economy and provide increased employment and training opportunities to improve the skills of the residents; and
 - the delivery of regeneration and infrastructure in line with sustainable growth including the provision of improved transport links leading to enhanced accessibility.

1.2.3 The LIP is broken down into different funding “asks” of the HCA, which are titled ‘objective pools’; that is, projects that help to meet the different objectives set out in the LIP. There are three objective pools shared by all the west Kent authorities, and three that are bespoke to each individual borough/district.

1.2.4 The “shared objective pools” are:

i) **The Private Sector Housing Renewal Programme.** The continuation of the successful partnership of West and North Kent authorities for the past three years where the grant from the Regional Housing Board is used to deliver a programme of repayable grants for housing improvements. It has been decided that under whatever new arrangements are put in place for funding private sector housing renewal and energy efficiency programmes, the existing west Kent partners would wish to continue to work together to deliver improvements to the existing homes in west Kent, with the focus on assisting low income home owners;

ii) **Rural Housing Programme.** The west Kent authorities are bidding for funding for a programme of rural housing provision in recognition of affordability issues in the sub region. This shared pot will have the flexibility to assist small rural schemes as they come forward within the 2011-14 LIP period; and

iii) **Disabled Facilities Grants (DFGs).** DFGs are focused on assisting individuals to allow them to continue living independently in their own home. There is a statutory obligation on local authorities to provide DFGs, but the budget for DFGs is often capped. In view of this, DFGs are identified in this separate expenditure pool that could be delivered through a collective allocation to the west Kent authorities.

1.2.5 The remaining three projects identified by the West Kent authorities, account for the majority of planned expenditure, and are individual to each borough/district:

i) **Wider Economic/Regeneration and Infrastructure Projects.** Projects that fall under this heading are those concerned with improving town centres, improving hard and soft infrastructure in the region and estates based regeneration. Tonbridge & Malling have included the West Kent Partnerships’ economic and regeneration aspirations, Russet Homes’ estate renewal programme, the Medway Valley Transport Strategy, the Tonbridge Town Centre Area Action Plan, and various railway service improvements and highway improvements

ii) **Supporting People Projects.** Projects that fall under this heading are housing projects that provide support to more the vulnerable members of the community. Such projects include young people at risk schemes, teenage parent schemes and substance abuse schemes. The funding requirement for these schemes varies between capital and revenue funding. Tonbridge & Malling have included possible schemes for

households fleeing domestic violence, and a scheme for single homeless people.

iii) Projects Requiring Social Housing Grant. This is the main component of the LIP for 2011-14, and is comprised of each local authorities list of developments that contain affordable housing that requires grant from the HCA. The HCA aims to prioritise this list of projects and identify those that can deliver not just housing, but other HCA outputs such as employment and skills creation.

1.2.6 The table below provides a list in alphabetical order of the affordable housing schemes within Tonbridge & Malling listed in the LIP for grant funding by the HCA for the period 2011-14:

Table 1 Tonbridge & Malling Affordable Housing Schemes 2011-14

Scheme	No. of units	No. of affordable units	Tenure Mix
Cannon Lane	195	78	70% rent 30% shared ownership 55 social rent 23 shared ownership
Coldharbour Gypsy and Traveller site	18	18	Rent
Holborough Valley	250	63	Possibly 16 units for shared ownership and 47 for social rent
Isles Quarry	200	80	56 social rent, 24 shared ownership
Kings Hill - F1	50	8	Possibly 5 for rent and 3 for s/o
Peters Village Phase 1	150	37	70% rent 30% shared ownership
Pinnacles	23	23	May have some supported mental health accommodation
Platt Memorial Hall	14	14	10 for social rent, 4 for shared ownership
Platt School and Platt Playing Field	8	8	4 rent, 4 shared ownership
Rochester Road Supported Scheme	3	3	3 units for social rent
Ryarsh Park Brickworks	91	27	75% social rented, 25% shared equity
Sovereign House	202	81	70% rent 30% shared ownership

Tonbridge Grammar School	95	29	22 social rent, 7 shared ownership
Total	129 9	469	

- 1.2.7 The west Kent local authorities agreed to obtain endorsement of the LIP by their own Members by the end of December 2010, and for Tonbridge & Malling that is the purpose of this report.
- 1.2.8 When the LIP is finalised and endorsed the west Kent authorities will seek to immediately embark on the next step of the process with the HCA, namely the creation of the accompanying Local Investment Agreement (LIA).
- 1.2.9 The purpose of the LIA is to set out the mechanisms by which the priorities in the LIP will be delivered. It should contain a summary of each authority's contributions (if any), the outcomes we wish to achieve, and how we will work together to achieve this. This will take the form of a Memorandum of Understanding between the HCA and the west Kent local authorities. It is important to note that this is a live document that will be reviewed on regular basis and updated to reflect any changing policy or practice, as well as the changing development nature of the schemes listed. The HCA require that the LIA is completed and endorse by the end of this financial year (March 2011).
- 1.2.10 The governance structure and decision making processes for resource allocation between both competing projects and different parts of the sub region are issues on which the partnership will undertake further detailed work as part of the process of moving towards an agreed LIA. It is important to note that there was a Chief Executive "sign off" meeting on the 31 August, and the four local authorities have agreed that the likely most realistic approach is for each local authority to continue to negotiate directly with the HCA on a scheme by scheme basis, which has historically always been the mechanism in place. Hence there would not be collective decisions by the four Las on individual scheme funding priorities.
- 1.2.11 This meeting also saw the West Kent authorities discuss the principle that every authority in the partnership should expect to receive a minimum level of funding through the LIP process. It was agreed that each authority should expect to secure a minimum proportion, set at 10 per cent, of the available funding for the sub-region, over the period of the LIP, 2011 - 2014. This expectation is subject to each authority having an appropriate number of schemes which are deliverable within the timeframe of the LIP, represent value for money and help to achieve both the objectives of the west Kent authorities and the HCA's core objectives. It is envisaged that this would be managed through the LIA between the local authorities and the HCA.
- 1.2.12 Clearly the contents and aspirations of the LIP have been impacted by the Government's recent announcements in the Comprehensive Spending Review.

Grant Shapps the Minister for Housing and Local Government has announced there will be £4.5 billion to fund new affordable homes over the next spending review period, which equates to £1.125 billion per year. The HCA budget for 2008-11 was £9 billion, which equates to £3 billion a year. This comparison shows an immediate 62.5 per cent reduction in capital funding by the HCA.

- 1.2.13 The HCA delivered just over 150,000 affordable homes in the 2008-11 period, equating to approximately £60k per unit grant cost. Looking forward the Government has now announced a programme to deliver up to 150,000 new affordable within this spending review. The £4.5 billion budget described above means £30k grant per unit.
- 1.2.14 In the event of there being no funding secured for private sector housing renewal, the Capital Plan provision for Housing Assistance will reduce from £781,000 in 2010-11 to £137,000 in 2011-12.
- 1.2.15 Clearly this will mean that very challenging times will lie ahead, and the type and nature of affordable housing provision may need to change dramatically, as will models describing how housing associations seek to fund new developments. This will form part of the forthcoming round of discussions with preferred partner RSLs.
- 1.2.16 Members will be kept up to date on LIP and LIA matters through future papers to this Board.

1.3 Legal Implications

- 1.3.1 None arising from this report.

1.4 Financial and Value for Money Considerations

- 1.4.1 See paragraph 1.2.14.

1.5 Risk Assessment

- 1.5.1 Failure to have all agreed LIP in phase with the HCA could jeopardise future funding of affordable housing developments in Tonbridge & Malling

1.6 Equality Impact Assessment

- 1.6.1 At this stage it is not possible to carry out a full Equality Impact Assessment (EIA) as the results of the CSR need to be fully assessed. However this plan has clear benefits to some members of the community including the vulnerable people assisted through the Supporting People schemes and the Coldharbour site for Gypsies and Travellers.
- 1.6.2 The Council's Housing Strategy is being reviewed in 2011/12 and a full EIA will be carried out as part of this review.

1.6.3 Our local authority neighbours in both Sevenoaks and Tunbridge Wells carried out their own EIA on their Housing Strategies and this plan is in line with those. (

1.6.4 See 'Screening for equality impacts' table at end of report

1.7 Recommendations

1.7.1 **CABINET** is **RECOMMENDED** requested to **ENDORSE** the Draft West Kent Local Investment Plan.

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: Draft West Kent Local Investment Plan
Nil

contact: Chris Knowles

John Batty
Director of Health and Housing

Councillor Jill Anderson
Cabinet Member for Housing

Screening for equality impacts:		
Question	Answer	Explanation
a. Has an equality impact assessment on the policy (to which the activity relates) already been carried out?	No	EIA of the Housing Strategy is due in 2011/12 with new strategy developed by April 2012.
b. Is the decision in line with the policy?	N/A	
Note: If the answer is 'no' to either of the above questions, then the activity must be 'screened' for equality impacts using the questions below.		
c. Does the activity have potential to cause adverse impact or discriminate against different groups in the community?	No	
d. Does the activity make a positive contribution to promoting equality?	Yes	The LIP actively encourages support for disabled householders and elderly and young people who require housing support. A full EIA is not being carried out at this time while the details of the Comprehensive spending review are assessed.
Note: If the answer is 'yes' to any of the above questions, then a full equality impact assessment is required.		