

TONBRIDGE & MALLING BOROUGH COUNCIL
STRATEGIC HOUSING ADVISORY BOARD

20 February 2012

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

Part 1- Public

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

1 THE FUTURE OF SOCIAL HOUSING

Summary

This report presents a paper that was submitted to Ambition Board 2 in January 2012 and briefly summarises its key messages. It provides an update on the funding regime for new social and affordable housing in Kent and identifies specific actions to respond to the key challenges ahead.

- 1.1.1 The Paper describes to Ambition Board 2 the move to the predominance of affordable rent over social rent in new supply, and how this may have implications on low income essential workers and therefore their wider communities. The Paper suggests that this transition requires robust examination in terms of the households affordable rent is likely to house, the reduction in the associated security of tenure, and the influence of coming welfare reforms.
- 1.1.2 The new affordable rent regime is to be welcomed for providing a funding regime which has safeguarded delivery of new affordable homes into the future. The excellent response of our Registered Provider Partners to this regime is also recognised because, as the papers elsewhere on this agenda demonstrate, we have an ambitious delivery programme of new affordable homes into the immediate future. However, the loss of social rent through ongoing re-lets, and the lack of new supply of this tenure, means that Kent housing authorities may wish to explore ways of continuing its provision, outside of the HCA's 2011-15 new build programme. Most, if not all, of our Registered Providers are now in contract with the HCA to deliver affordable rent homes at up to 80 per cent of local market rents, their development plans and business plans upon which they are based reflect those income streams so it is going to be very difficult indeed to secure a new supply of social rented accommodation during the next four years.
- 1.1.3 In addition the HCA requires the provider to convert a proportion of re-lets from social rent to affordable rent over that period. This level of future funding will also be factored into Providers' business plans aimed at raising prudential borrowing to finance new development.

- 1.1.4 Clearly any proposals to stimulate additional homes at a social rent between now and 2015 will need a subsidy in the short and medium term and a source or sources for this funding need to be identified. The funding could come from the Provider (housing association), but they are already under immense pressure and fully stretched in providing their existing affordable rent programmes. Local authorities could provide free land or explore new long-term capital investment models, or perhaps other subsidy from sources such as commuted sums from S106s.
- 1.1.5 The realities of the new funding arrangements for providing social housing require innovation and even greater levels of joint working if we are to respond to ever growing housing need and aspiration. Local authorities need to ensure that housing associations respond to key local priorities in letting the new affordable rent homes, so Tenancy Strategies are very important.
- 1.1.6 The Paper goes on to explain the role that Tenancy Strategies may have in promoting a future supply of some social rented housing where local housing authorities have identified such a need and translated it into a strategic priority within their Tenancy Strategy.
- 1.1.7 The possible challenges that the current housing and welfare reforms may bring are often easier to describe than they are to mitigate. We need to better understand the differences between social rent and affordable rent and hence to evaluate the need for a continuing supply of the former. There may be a need for a strong strategic commitment to support delivery of social rent within Housing and Tenancy Strategies.
- 1.1.8 Ambition Board 2 endorsed the Paper's recommendations which now go to the Kent Forum. If agreed, the Paper's findings will have a bearing on the impending refresh of the Kent Forum Housing Strategy.

1.2 Legal Implications

- 1.2.1 None associated with this report.

1.3 Financial and Value for Money Considerations

- 1.3.1 None associated with this report. However, the future supply of social rented housing will present a funding challenge to Registered Providers and local housing authorities especially within the current funding regime operated by the HCA.

1.4 Risk Assessment

- 1.4.1 The shift to a predominance of affordable rent as opposed to social rent is expected to have significant implications for low income households.

1.5 Equality Impact Assessment

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

1.6 Recommendations

CABINET is RECOMMENDED to

1.6.1 **ENDORSE** the recommendations set out at section 9 in the report attached at **[Annex 1]**; and

1.6.2 **REQUEST** a report to a future meeting of this Board setting out how this Council, and its Registered Provider Partners, can safeguard a continuing supply of new social rented homes to meet the future needs of low income households.

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

Background papers:

contact: Janet Walton

Nil

John Batty
Director of Health and Housing

Councillor Jean Atkinson
Cabinet Member for Housing

| Screening for equality impacts: | | |
|---|--------|--|
| Question | Answer | Explanation of impacts |
| a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? | No | The paper presents a report that outlines emerging Government policy. |
| b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? | Yes | The paper seeks to safeguard against any unintended negative impacts of housing reforms on those in lower income households. |
| c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above? | | |

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.