

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

20 February 2012

Report of the Director of Health and Housing

Part 1- Public

Matters for Information

1 LAYING THE FOUNDATIONS: A HOUSING STRATEGY FOR ENGLAND

Summary

This paper briefly summarises the key messages and outputs from the Government's new Housing Strategy for England 2011, which aims to address concerns across the housing market and make it easier to secure mortgages on new homes, improving fairness in social housing and ensure empty homes are brought back into use.

- 1.1 In November the Government launched its new housing strategy for England, titled "Laying The Foundations". The Housing Strategy sets out a package of reforms to promote movement in the housing market and enable a more responsive, effective and stable housing market in the future. It also seeks to promote choice and quality for social tenants and improve environmental standards and design quality.
- 1.2 **Developing New Housing**
 - 1.2.1 The Government wants to increase the supply of homes and stimulate the wider economy through kick starting home building, and reconsidering stalled planning obligations agreed before April 2010.
 - 1.2.2 The £400 million 'Get Britain Building' fund has the target of allowing 16,000 new homes to be built, of which 3,200 are aimed to be affordable. The fund hopes to invest in "ready-to-go" sites that satisfy the Homes and Communities Agencies (HCAs) requirements.
 - 1.2.3 At this very early stage it appears that Tonbridge & Malling only has a very low number of schemes that match the strict criteria set out by the HCA, which focus on planning certainty, existing interest in the land, and the ability to reimburse the public purse by 2018.
 - 1.2.4 A new equity loan scheme called FirstBuy has been created to assist an estimated 10,500 first-time buyers. The FirstBuy product works by providing loans of up to 20 percent of the property's value and will involve a revolving fund for future loans.

Also, a “Growing Places Fund” offers £500m available for infrastructure in selected growth areas, (of which Tonbridge & Malling is not one).

1.2.5 House builders are also now allowed to challenge existing s106 agreements on stalled building sites on viability grounds if they do not reflect the reality of the current market.

1.2.6 **Promoting Home Ownership**

1.2.7 The Government is introducing an indemnity scheme to underwrite 95 per cent mortgages on newbuild homes. The scheme is led by the Housing Builder’s Federation (HBF) and the Council for Mortgage Lenders (CML) for newbuild properties only, at 95 per cent over 5 years. The respective house builders make a contribution of 3.5 per cent of the sale price for every home sold to a joint fund, with the Government providing extra security through a loan guarantee, with the scheme open to all house builders and lenders.

1.2.8 Members will recall the other emerging indemnity scheme called the Local Authority Mortgage Scheme (LAMS) that Kent authorities are currently exploring, and there are key differences that are worth highlighting. KCC are promoting the LAMS via Lloyds, and have committed to match fund the £1m "buy in" requirement from participating local authorities. It is also a 95 per cent mortgage for first time buyers, and can be only in postcodes nominated by the Council if desired, and also covers a 5 year fixed period. However, the LAMS is not usually available for purchasing new-build properties where other assistance schemes are on place. The decision whether to be involved with the LAMS is still in its early stages, and will be reported in detail in further papers to this Board.

1.2.9 **Social rented housing**

1.2.10 There has been reform of social housing (witnessed through the Localism Act) , which changes access, the way homelessness duty is discharged, and for new tenants the type of tenancies offered. Also, councils are no longer obligated to have open housing registers, and they are granted the freedom to allocate in the way they see fit, such as granting priority to working households

1.2.11 **Private Rented Sector**

1.2.12 The Government believes that private renting will be the sector where many people who might otherwise previously have been owners or social renters will now seek accommodation. Therefore the Government has decided to encourage further growth in this sector, to be accomplished through fiscal incentives to encourage large institutional investors, including pension funds, into being involved.

1.2.13 **Empty Homes**

1.2.14 The Strategy seeks that more empty homes are to be brought back into use, with £100m in funding to enable this. There will also be a further £50m to tackle the worst concentrations of empty homes.

1.2.15 Quality and Sustainability

1.2.16 The Strategy contains a restatement of the Government's commitment to the 2016 target for zero carbon new housing, with a review of building regulations to be launched in 2012 accordingly.

1.3 Legal Implications

1.3.1 None rising from this report

1.4 Financial and Value for Money Considerations

1.4.1 None rising from this report.

1.5 Risk Assessment

1.5.1 None rising from this report.

Background papers:

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Laying the Foundations: A Housing Strategy for England

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