

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

22 July 2013

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Information

1 STRATEGY AND ENABLING UPDATE

Summary

This report updates Members on the progress being made by the Council's Registered Provider (RP) Partners in providing new affordable housing in the Borough, and summarises the programmes for 2011/12 to 2014/15. The report goes on to describe the progress on housing strategy matters.

- 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 RPs 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 2014/15. The table identifies:
- the scheme address;
 - RP Partner;
 - start on site (SoS);
 - total number of units to be provided (rent and/or shared ownership);
 - detailed split of rent and shared ownership units;

- 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 and some may not proceed. The number of units to be provided is therefore an indicative figure for strategic planning purposes, pending confirmation of final scheme details. As new schemes come forward these will be also be added to the schedule.
- 1.1.5 Members will note that the development programme for 2011/12 shows the Kings Hill and Leybourne Grange affordable housing from Russet Homes, and hence the delivery for this period is lower than previous years, which had a very healthy level of performance. I hope Members will be encouraged to see that subsequent periods show a high yield of affordable housing connected to schemes that have both planning permission and a commitment to delivery from the developer and housing provider partner.
- 1.1.6 The dip in outturn for the 2011/12 period is connected to the preceding downturn in the housing market and wider uncertainties connected to grant funding for affordable homes and the Government's emerging housing and planning policy frameworks, and is therefore not limited just to Tonbridge & Malling. However viewed over the wider Comprehensive Spending Review period of 2011 to 2015 the programme remains very healthy.

1.2 Comprehensive Spending Review

- 1.2.1 The Government's Comprehensive Spending Review Announcements contained several elements relating to affordable and social housing, which were detailed in the "Investing in Britain's Future" paper.
- 1.2.2 From 2015, there will be a £3.3 billion programme to deliver 165,000 affordable homes over three years through extension of the existing affordable housing programme. This equates to £957m funding each year from 2015/16 to 2017/18, and a separate £400m "Affordable Rent to Buy" scheme. It is worth noting that over three years this is actually less funding per year than the current affordable housing programme, which committed £4.5bn over four years and was in itself a reduction in funding for the provision of new units.
- 1.2.3 The Affordable Rent to Buy scheme is aimed at funding new build homes that will be let at affordable rent for a limited time before being sold, with the tenant getting the first chance to buy. Members will recall that the Council has already seen such developments historically, such as the Town & Country Housing Group development at Church Fields in Snodland.
- 1.2.4 The Homes & Communities Agency (HCA) are to be transformed into the single disposer of public land for delivering affordable homes, such as the Council has

previously experienced at the Leybourne Grange scheme with Taylor Wimpey and Russet Homes.

- 1.2.5 The future control formula for social rent levels has been confirmed, and set to the Consumer Price Index (CPI) plus one per cent per year for the next ten years. Previously this was set to the retail price index (RPI) plus half a per cent. Although giving the benefit of certainty to our Registered Provider Partners for future income levels, this new model will lead to a significant reduction in revenue that will likely impact on future development ambitions and the ability to build new houses.
- 1.2.6 An additional £150m funding for Enterprise Zones and an additional £102m to speed up delivery on large scale sites has been announced, along with an additional £160m aimed at reducing the backlog of non-decent homes.
- 1.2.7 The operational detail is yet to be released for these announcements which obstruct a more focussed understanding of how they might benefit or pose a risk to Tonbridge & Malling. However, the extension of the Affordable Homes Programme in particular is a welcome move, supported by most of the local authorities in Kent in the build up to the Comprehensive Spending Review.

1.3 Coldharbour Project

- 1.3.1 Members will be aware of the ongoing project between Kent County Council and the Borough Council in refurbishing and enlarging the existing eight pitch Coldharbour Gypsy and Traveller site in Aylesford. The scheme has been promoted to provide accommodation prioritised for local needs which was the fundamental basis underlying the planning process in order to gain local support for the project. Subsequently, there have been lengthy discussions with the County Council to secure a local lettings policy to provide the basis for managing the initial allocation of units and subsequent vacancies, giving priority to local needs and in particular Gypsy and Traveller families on unauthorised sites in the Borough. We are pleased to report that an approach to local lettings has been agreed with County Council officers and was considered and agreed by the Environment, Highways and Waste Cabinet Committee on the 19 June.
- 1.3.2 Of course, recent planning appeal decisions which have been considered by the Planning and Transport Advisory Board and the local Members concerned have demonstrated that the provision of Coldharbour is not the whole picture in addressing future Gypsy and Traveller accommodation needs. Clearly the Borough Council will have to respond to the challenge of new National Policy on this subject as part of the new Local Plan, informed by our new Accommodation Assessment. Nevertheless, the Coldharbour project accompanied by a policy prioritising local lettings is an important part of the supply picture and the County and Borough Councils should take credit for the progress being made in this respect.

1.4 Low Cost Home Ownership Initiatives

- 1.4.1 Members will be aware that for many years the housing association Moat have acted as the HomeBuy Agent for Tonbridge & Malling, administering a range of low cost home ownership initiatives on behalf of our housing association partners. In this year's Budget, the Chancellor of the Exchequer announced two new "Help to Buy" products to replace HomeBuy, one an equity loan and the other a shared ownership tenure. Consequently HomeBuy has been rebranded in its entirety to be known as Help to Buy, with Moat becoming the Government's Help to Buy Agent for delivering Help to Buy in Essex, Kent and Sussex. Moat will work directly with any private developers that are offering Help to Buy equity loans on their new homes across these three counties.
- 1.4.2 The shared ownership tenure is identical to the previous HomeBuy product, but the equity loan initiative is new and the details are described below. Government investment in the Help to Buy equity loan scheme is £3.5bn which aims to help people to buy 74,000 new homes over a three year period, starting from this April.
- 1.4.3 Help to Buy equity loans are only available on new build properties up to the value of £600,000 from developers who have registered with the scheme. With a Help to Buy equity loan, purchasers can borrow up to 20 per cent of the property purchase price, with no interest to pay on the loan for the first five years. After that, interest is payable at 1.75 per cent with annual increases. The loan can be repaid at any time, however, it must be paid off when the property is sold, or after 25 years (whichever is earlier). The mortgage must be for at least 25 per cent of the full purchase price and in most cases a deposit of 5 per cent of the full purchase price is required.
- 1.4.4 Existing home owners wanting to benefit from the scheme will need to have sold their current home at the point of completing a purchase through Help to Buy, and unlike the shared ownership product anyone looking to buy through the equity loan product will not need to apply to the Help to Buy agent.

1.5 Legal Implications

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

1.6 Financial and Value for Money Considerations

- 1.6.1 The Affordable Housing Programme (AHP) is the means by which public subsidy is secured for the delivery of affordable housing. RPs must adhere to strict value for money and design considerations imposed by the HCA.

1.7 Risk Assessment

- 1.7.1 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 resulting in unacceptable financial and reputational risk.

Background papers:

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Nil

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