

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

11 November 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 various housing strategy initiatives.

- 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 facilitating progress and 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 delivery rate at Kings Hill and Leybourne Grange by Russet Homes 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 Affordable Housing Scheme Updates

- 1.2.1 Members will recall our Registered Provider Partner Moat's continued efforts regarding a possible rural affordable housing scheme in Plaxtol, adjacent to their existing dwellings at Shubshall Meadow. Following extensive engagement with the local community and the completion of a housing needs survey for Plaxtol, Moat have now submitted a planning application for seven new affordable homes. Moat hope to complete the scheme of four shared ownership houses and three affordable rent homes by Spring 2015.
- 1.2.2 In Tonbridge, Russet has recently been able to secure with Wealdon Homes the entire scheme being built at The Pinnacles site, beyond the original affordable housing element within the S106. This fantastic news means that 18 additional high quality shared ownership homes (originally intended to be for open market sale) will be available in early 2014.
- 1.2.3 Two other key Tonbridge schemes are about to be complete. Officers were pleased to have an extensive inspection of both Ashbys Yard (delivered by Town & Country Housing Group), and Tonbridge Girls Grammar School (being delivered by West Kent Housing Association) prior to allocations being finalised. These developments present a significant opportunity to address a wide range of housing need within the south of the Borough through a broad range of modern high quality homes.

1.2.4 Photographs showing a selection of these schemes are set out at **[Annex 2]**.

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.

1.3.2 As detailed in previous papers to this Board 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. This concluded with an agreed approach to local lettings with County Council officers, and the resulting allocations process is now nearly finalised.

1.3.3 The existing Coldharbour residents have now been decanted onto brand new pitches at the other end of the new scheme, to allow completion of the remainder of the site. Full completion is now estimated to be by the end of November, following considerable delays in the project which is a matter between KCC as project manager and their contractor.

1.4 “Help To Buy” Update

1.4.1 As detailed in previous reports to this Board 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 the products in the South East.

1.4.2 The shared ownership tenure is identical to the previous HomeBuy product and is provided through housing associations such as the Council’s Registered Provider Partners. Applicants buy a share of the home through a mortgage (between 25 per cent and 75 per cent of the home’s value) and pay rent on the remaining share directly to the housing association. Households are eligible if they earn £60,000 a year or less and are first-time buyers, with the properties always being leasehold.

1.4.3 Earlier in the year the Chancellor of the Exchequer announced two new “Help to Buy” products, one an equity loan and the other a mortgage guarantee scheme.

1.4.4 The equity loan product allows people taking their first step onto the property ladder to borrow up to 20 per cent of the value of an eligible newbuild home from the Government, interest-free for the first five years. Borrowers need a five per cent deposit and must take out a mortgage to cover the remaining 75 per cent of the cost of the property. After the five year interest-free period ends, borrowers will be charged a fee of 1.75 per cent of the loan’s value, increasing every year at one

per cent above inflation. Borrowers must pay back this equity loan when they sell the home or at the end of the mortgage period, whichever comes first.

- 1.4.5 The mortgage guarantee scheme is available to both first-time buyers and existing home owners buying newbuild and this time older properties too. Again, borrowers will need a five per cent deposit, while the lender will be able to buy a guarantee from the Government covering up to 15 per cent of the value of the property. The Government's intention is to decrease the risk for lenders to offer a mortgage to a borrower with only a five per cent deposit, which should enable them to offer cheaper rates. Originally to go live in January 2014, this aspect has been brought forward and launched in October instead. The lenders involved at this time are National Westminster, RBS, Halifax, Bank of Scotland.
- 1.4.6 Both schemes are valid to buy property worth up to £600,000, and the Government has set aside £12bn of guarantees for up to £130bn of mortgage lending and the scheme will remain open for three years to January 2017.
- 1.4.7 Crucially 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 register through the Help to Buy agent.
- 1.4.8 It is important to note that the equity loans are not primarily designed to be a strategic tool for local authorities to address housing need and as such it is not a device linked to the Council's approach in addressing our own identified housing need. Members will recall that the Council are not involved in the administration or operation of this scheme in any way, but officers will be mindful to retain a watching brief on possible overlap or competition with similar intermediate tenures such as shared ownership and shared equity being delivered through our housing association partners.
- 1.4.9 The performance and impact of the Help To Buy initiative will be reported to further meetings of this Board. However, local authorities have yet to receive clarity on the reporting structure for the second phase of the mortgage guarantees and their associated time frames.

1.5 Low Cost Home Ownership Initiatives

- 1.5.1 The Help To Buy Agent (previously Homebuy Agent), Moat, provides a report for Tonbridge & Malling on low cost home ownership initiatives (not the equity loan described above), as shown in Table 1 below. The Report indicates a continuing high demand for low cost home ownership products which far outweighs current supply.

Table 1– TMBC Help To Buy Agent Statistics Quarter 1& 2 (1 April to 30 September) 2013

Low Cost Home Ownership Factor	Number of Households
	2013 Q1-Q2
Number of Enquiries	124
Number of Applications	115
First Time Buyers Initiative Sales	2 (Tonbridge 2 bed flat & West Malling 2 bed flat)
Shared Ownership	4 (3 x 3 bed houses at The Red House, Tonbridge, 1 x 3 b Darland Avenue)
Resales	7 dwellings, consisting of: Tonbridge – 3 bed house, 2 bed house, 1bed flat Aylesford - 2 bed house Snodland – 2 bed house Leybourne – 2 x 2 bed houses

1.6 Gypsy and Traveller Accommodation Assessment

- 1.6.1 The Housing Act in 2004 placed a duty on Local Authorities to produce accommodation needs assessment for Gypsies and Travellers, and in 2005 DCA completed the first GTAA for Tonbridge and Malling jointly with Tunbridge Wells, Ashford and Maidstone. As reported at the previous Board, this assessment is now out of date. It is important in both a planning and housing context for the Borough Council to be as well informed as possible on these matters.
- 1.6.2 In order to maintain robust housing needs data for the Gypsy and Traveller community the Council commissioning a new GTAA though Salford University, the same team that had just completed the GTAA's for both Sevenoaks and Maidstone. The Council worked jointly with Ashford Borough Council and Gravesham Borough Council, but with each district ending up with their own bespoke GTAA. Since commissioning last autumn, most of the Kent Districts have since decided to use Salford for this task ensuring a consistent approach across the County.
- 1.6.3 Surveys with the Gypsy and Traveller community located in Tonbridge and Malling were carried out in October 2012 and a first draft report received late 2012. Following discussions with the consultants it was decided to separate out the Gypsy and Traveller needs into a Part One report and the Travelling Show People needs into a Part Two report as the former was becoming an urgent piece of evidence in a number of ongoing planning appeals. Part one of the GTAA was

completed over the summer and it is anticipated that the Part Two report (concerning Travelling Show People) will also be finalised shortly.

- 1.6.4 This work will inform our emerging Local Plan and provide the evidence for any further site identification that may be required. Reports on this aspect will be made to the Planning & Transport Advisory Board. For housing purposes the finalised evidence will inform the advice and guidance provided on individual cases.

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 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.

1.9 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 resulting in unacceptable financial and reputational risk.

Background papers:

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Nil

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