

# TONBRIDGE & MALLING BOROUGH COUNCIL

## STRATEGIC HOUSING ADVISORY BOARD

24 February 2014

### Report of the Director of Planning, Housing and Environmental Health

#### Part 1- Public

#### Matters for Information

### 1 STRATEGY & 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 and an area of significant activity for the housing and planning services. 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 work with our partners to plan and 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 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 Shrubshall Meadow. Following extensive engagement with the local community and the completion of a Housing Needs survey for Plaxtol, Moat have now obtained planning permission 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 Members will be pleased to be informed that that recent severe flooding events in Tonbridge proved the resilience of the new affordable housing schemes in the town centre. Old Cannon Wharf, Ashbys Yard (Point), and the supported scheme for young people on New Wharf Road all remained fully operational and occupiable by residents, aside from some temporary, but important, issues with repairs to the lifts and other operational issues from which learning points can be taken.

1.2.3 Photographs showing a selection of schemes approaching completion are set out at **[Annex 2]**.

#### 1.2.4 HCA Prospectus

- 1.2.5 The Homes & Communities Agency has finally released its Prospectus for the new Affordable Homes Programme bidding round 2015-18. There is a total of £2.9 billion available as capital grant funding. This document is the formal guidance to Registered Providers as to how to bid for grant money for new developments, and the rules and restrictions in place in relation to what government is seeking to subsidise.
- 1.2.6 The broad message is one of incentivising smaller units over larger ones within the forthcoming bids in line with the impacts of welfare reform, such as the spare room subsidy. As with the previous bid round, there is a very strong expectation that organisations placing funding requests will have ensured they have substantially “sweated” their own assets to maximise efficiency prior to seeking any grant. This could include either Council’s offering land for free or housing associations selling stock in high value areas to fund the provision of additional homes in cheaper areas.
- 1.2.7 The two tenures being sought are Affordable Rent and Shared Ownership only, with the clear instruction from the HCA that “the income generated and contribution to the costs of supply is expected to be maximised, including charging rent at up to 80% of market rents”. The Council is concerned about pursuing only the Affordable Rent tenure, and a letter from both the Leader and Cabinet Member for Housing to Sir John Stanley MP is attached **[Annex 3]** describing these concerns in detail.
- 1.2.8 The Council’s emerging Strategic Market Housing Assessment (SHMA) and direct experience of the Affordable Rent tenure (as opposed to Social Rent) demonstrates the need for flexibility so that Affordable Rent is not always maximised to the full 80 per cent allowed in order to address real affordability issues.
- 1.2.9 However, the Prospectus states “for the purposes of this programme, it is not expected that local authority priorities will include a preference for social rent over Affordable Rent – the intention of the programme is to provide new Affordable Rent homes...In general, Government policy does not support the argument that only rents at or close to social rent levels are capable of meeting local needs – particularly when support for housing costs through Housing Benefit and Universal Credit is taken into account”.
- 1.2.10 This lack of flexibility or ability for local intervention is clear, as the Prospectus states that “Local authorities that work closely with providers to deliver affordable homes in line with the requirements of this Prospectus should expect to secure higher levels of local affordable housing. Local authorities that put barriers in the way of delivery... that would add to the costs of delivery, should expect to see fewer schemes funded in their area... a view that Affordable Rent prevents an

authority from meeting local need would not be considered a robust reason not to support a bid (*in the internal HCA bid approval process*)".

- 1.2.11 In terms of design standards, the Prospectus is not definitive, stating "The Government's consultation on its Housing Technical Standards Review closed on 22 October but the outcome is not yet known. An addendum to this prospectus will be published when there is further information about the Review. In the meantime, in working up schemes and indicative proposals, bidders should take their own view of their approach to standards".
- 1.2.12 The bid deadline is the end of April, which will mean that our Registered Provider Partners will be busy engaging with officers to ensure their bids are as robust and accurate as possible.

### 1.3 Low Cost Home Ownership Initiatives

- 1.3.1 The Help To Buy Agent (previously Homebuy Agent), Moat, provides a report for Tonbridge & Malling on low cost home ownership initiatives as shown in Table 1 below.

Table 1– TMBC Help To Buy Agent Statistics 2013 Quarter 3 (October to December)

Low Cost Home Ownership Factor	Number of Households
	2013 Q3
Number of Enquiries	64
Number of Applications	62
Shared Ownership	4 (3 x 3 bed houses at The Red House, Tonbridge, 1 x 3 b Gorse Crescent Aylesford)
Resales	1 dwelling, Wordsworth Way Aylesford

### 1.4 Legal Implications

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

### 1.5 Financial and Value for Money Considerations

- 1.5.1 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.

### 1.6 Risk Assessment

- 1.6.1 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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