



**TONBRIDGE & MALLING
BOROUGH COUNCIL**

Nicolas Heslop

**Borough Councillor for Cage
Green, Tonbridge**

Leader of The Council

The Rt Hon Sir John Stanley MP
House of Commons
London
SW1 0AA

13 February 2014

Dear Sir John

Concerns Regarding the Affordability of Social Housing

We are writing in order to highlight to you some of the increasing concerns we have regarding the provision of affordable social housing within Tonbridge & Malling.

The provision of a continuing supply of affordable housing is a key priority of the Borough Council and as you know over a period of many years we have had a very strong track record of delivering new homes for rent and shared ownership (the fourth highest within Kent within this Comprehensive Spending Review period). Equally, we have high expectations of our Preferred Partner Housing Associations in how they expand and manage their stock within the Borough.

We are increasingly troubled by a growing concern and real obstacle to how we are able to address the housing needs of many of the households on our housing register. That concern is focussed on the affect of the "Affordable Rent" tenure regime and the practical limitations it has on financial accessibility to adequate housing for some of our key household need groups.

The Borough Council is finding that, unlike the previous tenure of Social Rent, our historically sought after, family-size homes now offered for Affordable Rent, are beyond the reach of many households. Either households are not placing bids because the rents are too high, or they are being rejected by Registered Providers on their inability to sustain the tenancy and stay out of arrears.

Evidence is clear on this point. Housing officers have reported home visits, to properties in various states of serious disrepair in the private sector, where existing households say that they don't see the point in bidding on our housing register for the new-build affordable rent properties as they are now simply unaffordable.

To illustrate this situation, a small three-bed home in Tonbridge provided by a housing association using the new Affordable Rent tenure, can cost well over £900 per calendar month rental. Previously, through the social rent tenure, a similar home, through the exact same landlord, would have been around £600 a month, sometimes less.

The impact of this new, higher cost, tenure is that it best serves households that are either entirely welfare dependent, where the actual rent level is of less significance, or those that may otherwise be able to access market rented homes, or intermediate tenures such as shared ownership, due to being on relatively higher income. Those working households on low incomes are, in our view, likely to be the ones to find Affordable Rent the most challenging. It would not be the wish of the Borough Council to lock out hard working families from accessing affordable housing in this Borough.

If families are entirely benefit-dependent, it can also prove very difficult for them to make the transition to work and become economically active if the Affordable Rent is to be maintained without falling into arrears. In other words, the current Affordable Rent regime can be a disincentive to seeking employment for many households. Many of our Preferred Partner Housing Associations also now seek a week's rent in advance at the beginning of a new tenancy, which many low income families also find very hard to find.

We are acutely aware that, in the past, many socially renting households have been able to save in order to step onto the property ladder or possibly buy their own home directly from the housing association. This offered good prospects for social mobility. However, with the much higher rent expectation of the Affordable Rent tenure, this outcome seems now to be much more unlikely and, in many cases, impossible to achieve.

The concerns described above are amplified into future housing supply by the new guidance from the Homes & Communities Agency (HCA). The "Prospectus for Affordable Homes Programme 2015-2018" clearly sets out that all new affordable housing provision for rent can only be the Affordable Rent tenure and that this must be set at 80 per cent of the local market rent. This denies any scope for local discretion or response to strategic requirements which is needed in areas such as west Kent where this type of affordable housing supply is, quite simply, not actually affordable to many households in need.

The situation is further exacerbated by the challenges of accessing alternative options in the private rented sector. Rents are very high and many landlords are now real estate investors and looking to maximise their rate of return. The demand for such accommodation is also increasing. With many first time buyers struggling to raise large enough deposits to secure a mortgage, they are turning to the private rented sector as the solution to their accommodation issues. This has resulted in many of the households that approach us for assistance competing with households in a far healthier financial situation and are subsequently being priced out of this sector.

We trust this demonstrates the challenges that the Council face in meeting the housing needs of our residents and our frustrations in being unable to effectively address them. We would be grateful for any assistance you may be able to give in promoting more flexibility and practical appreciation of how local housing needs need to be addressed.

Yours sincerely

Councillor Nicolas Heslop
Leader TMBC

Councillor Mrs Jill Anderson
Cabinet Member for Housing