

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

10 November 2014

Joint Report of the Director of Planning, Housing and Environmental Health and Cabinet Member for Housing

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 HOUSING LIAISON PANEL REPORT

Summary

This report explains the outcomes of a successful programme of meetings with the Council's Registered Provider Partners at the Housing Associations Liaison Panel Meetings and in particular discussion about the Affordable Rent model. It describes steps for pursuing possible future policy directions, making representations to (and influencing the approach of) our Registered Provider Partners.

- 1.1.1 Members will be aware that the Council regularly holds meetings of the Housing Associations Liaison Panel, with selected Registered Provider Preferred Partners. This round of the Panel was held between March and June with Circle Housing Russet, West Kent Housing Association, Moat, Hyde Housing, Town & Country Housing Group, Golding Homes, and Guinness Partnership.
- 1.1.2 The meetings were held against a wider context of current and emerging housing and welfare reforms impacting both on the housing associations, the Council and more importantly our residents. Members of the Liaison Panel took the opportunity to discuss a wide ranging agenda with each partner, in relation to their own existing presence and future aspirations in the borough. This included affordability issues, organisational structure, opportunities for future investment in Tonbridge and Malling, our emerging Local Plan and Strategic Housing Market Assessment (SHMA), a review of the Council's Housing Allocation Scheme, the Troubled Families Programme, along with traditional housing management matters such as the approach to tackling antisocial behaviour.

1.2 Future Investment Opportunities

- 1.2.1 All of the housing associations were actively seeking to continue their programme of providing new affordable housing in the borough. This would, as before, be across a range of tenures but primarily now the new affordable rent tenure, in place of social rent. None of the housing associations felt it was currently appropriate to provide new homes for market rent, but some saw delivery for

outright sale as a means to increase crossed subsidy to assist the provision of more units for rent, and form part of a broader offer to meet housing need.

- 1.2.2 The Council outlined a need for continuing supply of some social rented accommodation, which was broadly acknowledged. This is because the Affordable Rent tenure for some locations within the borough led to very high monthly rents, with the grave concern being whether this leads to sustainable to tenancies or truly affordable accommodation for those that live within it. It is likely that this is particularly true for low income households that are only partial in receipt of benefit, (or none at all).
- 1.2.3 Some housing associations were seeking to move away from the S106 model of provision and instead target schemes that they had outright control of, to be more secure from changes in the market. In terms of tenure balance shared ownership remained a priority for all alongside homes for rent. All the partners were reporting a much more buoyant and positive development environment, with very clear signs of recovery to an almost “pre credit crunch” level.
- 1.2.4 When exploring future unit type requirements all the housing associations were conscious that welfare reforms and the spare room subsidy “bedroom tax” will incentivise some households to seek smaller homes that were not always necessarily available in the existing stock profile. There was also a continuing consensus across organisations that that four bed homes or larger for rent were likely only going to be provided in exceptional cases due to caps to housing benefit levels, and that the immediate focus would be on additional units that were predominantly two beds. Despite this challenge it was made clear that the Council would work with our Partners on initiatives that would assist the feasibility of delivering four bed homes.
- 1.2.5 At the point in time the panels were held, each partner was submitting bids for funding to the Homes & Communities Agency (HCA) to access the Affordable Homes Programme Round 2. Although the success or otherwise of each bid was unknown at that time, the very positive outcomes are now reported in my HCA Update Report to the Board.

1.3 Emerging Local Plan and Strategic Market Housing Assessment

- 1.3.1 The Council described to each partner our approach regarding the emerging local plan, and in particular the evidence base provided by the new Strategic Housing Market Assessment. For affordable housing this discussion involved the Council’s desire to see an increase in the provision of smaller units (mainly two bed accommodation) over the traditional larger units historically sought through the planning system. However, it was still acknowledged that there was a continued need for larger units, albeit a reduced number.
- 1.3.2 One of the main topics that was discussed was the issue regarding affordability and rent levels of new affordable housing. Members will be aware that the new Affordable Rent tenure is causing significant concern within the borough,

particularly when implemented at the full 80 per cent of market rents. Discussions at the panel enhanced our Registered Provider partners understanding of the strategic pressures affordability of accommodation presented to the Council and the need to safeguard where possible negative impacts against the most vulnerable households (including economically active households on low income) that could lead to unsustainable tenancies.

- 1.3.3 The Council was clear to each partner that the forward supply of affordable housing must recognise and be mindful of how Affordable Rent is implemented, with affordability being the key consideration in how this tenure is provided strategically in the borough moving forward. This would mean that in many instances the Council would not be looking to our partners to set a rental income for new units by at a charge of lower than 80 per cent of the local market rent.
- 1.3.4 Each partner was entirely supportive and sympathetic to the concerns Affordable Rent presents, and a commitment was given in each instance to continue to work in partnership to ensure affordable housing addresses the borough's identified housing need in the most sustainable and balanced way. However a cautious mind set is required as the HCA's conditions to access grant funding and the expectations from Government about future provision are very much focused on the provision of Affordable Rent homes where the housing association maximise the rental income to 80 per cent.

1.4 Housing Allocation Scheme

- 1.4.1 The Council asked each housing association how they felt the new Housing Allocation Scheme was being implemented, and the degree to which it was operating smoothly. Members will recall that the new scheme sought to simplify the allocations process and give increased weight to applicants with a local connection.
- 1.4.2 Members will be pleased to note that all the Council's partners acknowledged the changing policy context that the revised Allocation Scheme had been adopted within, and all felt that it was operating very well.

1.5 Welfare Reform Discussion

- 1.5.1 All the housing associations continued to see a real challenge with Universal Credit in terms of communicating to some tenants that rent and housing costs must be prioritised over other lesser living costs, in terms of the transition to Direct Payments and the need for household budgeting skills. A general trend was that they had not experienced the high levels of rent arrears originally feared, but that this had been achieved through the creation of several new bespoke officer roles to enhance financial inclusion and work with more vulnerable households. The panel were pleased to learn that the high degree of preventative work performed by our partners seemed to be reflected in the outcomes discussed.

- 1.5.2 The Council expressed a desire to continue to work closely with each of our partners through the ongoing impacts of welfare reform, with a particular focus on more vulnerable households.

1.6 Approach to ASB

- 1.6.1 The Council wished to hear from each partner their approach to tackling sustainability and antisocial behaviour issues, and we described our high expectations for this area of their operations.
- 1.6.2 The housing associations described their policies in this regard and the resource levels available, as well as (where relevant) the recent experience of challenges and successes in this area. The Council also took the opportunity provided by the panel to remind our partners to engage in the Troubled Families Programme, which they all noted.

1.7 Conclusions

- 1.7.1 The continued practice of meeting our Registered Provider Partners has proved invaluable at cementing the relationships we have with them. It is clear they also view this approach as an excellent opportunity to engage with Members and officers across a broad range of matters, and to strengthen their strategic partnership with the Council. This was particularly true of the inaugural meeting with Golding Homes, who Members will recall became a Registered Provider Partner to the Council earlier this year.

1.8 Legal Implications

- 1.8.1 None arising from this report.

1.9 Financial and Value for Money Considerations

- 1.9.1 Successful joint planning for the increased supply of affordable housing will assist avoid future revenue growth pressures on other less satisfactory forms of accommodation, including temporary accommodation.

1.10 Risk Assessment

- 1.10.1 The maintaining of excellent relationships with our Registered Provider Partners is critical to being able to robustly perform the Council's functions as the strategic housing authority, and deliver our strategic housing priorities.

1.11 Recommendations

- 1.11.1 It is **RECOMMENDED** that a review of the Borough Council's planning practice to consider the changing environment regarding the funding and provision of affordable housing be undertaken, within the context of the evidence that will support the new local plan and a report to be taken to a future PTAB accordingly.

1.11.2 It is **RECOMMENDED** a review of the Borough Council's approach to negotiating with and influencing our Registered Provider Partners to address concerns regarding the affordability and sustainability of tenancies for some household types in relation to the Affordable Rent model.

1.11.3 It is **RECOMMENDED** the Borough Council continue to engage with our Registered Provider Partners through the Housing Association Liaison Panel to ensure the existing social and affordable housing stock and future pipeline of affordable homes meets the Council's strategic requirements and addresses our identified housing need.

The Director of Planning, Housing and Environmental Health confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Chris Knowles

Nil

Steve Humphrey
Director of Planning, Housing and
Environmental Health

Councillor Jill Anderson
Cabinet Member for Housing

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	[Yes / No]	[Please explain your answer]
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	[Yes / No]	[Please explain your answer]
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.