

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

10 November 2014

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Information

1 HCA UPDATE

Summary

This report describes the Homes & Communities Agencies (HCA) recent announcement of capital grant allocations through their Affordable Homes Programme 2015-18 to schemes being delivered within Tonbridge & Malling.

- 1.1.1 At the last meeting of this Board I reported on the Homes & Communities Agency's bid round for the forthcoming Affordable Homes Programme 2015-18. This process is how our Registered Provider Partners engage with the funding body to potentially access grant money for affordable housing on new developments. The assessment process included the Council giving the HCA detailed feedback on each of the twelve bids for this borough in relation to how they meet local needs and priorities, along with an overview of deliverability through the planning system.
- 1.1.2 Members will be delighted to learn that Tonbridge & Malling have seen considerable levels of success in relation to the Affordable Homes Programme 2015-18. The HCA has allocated over £7 million of capital grant funding to our Registered Provider Partners to construct new affordable homes in the borough. To put this figure in context the next highest allocation within Kent is to Swale Borough Council, who have been allocated £4 million.
- 1.1.3 Tonbridge & Malling also see the highest number of affordable units proposed across the 2015-18 programme, with two hundred and eighty three homes allocated funding. To put this figure in context, the next highest in Kent with two hundred and thirty five homes is Medway Council. For a more local comparison, neither Sevenoaks District Council nor Dartford Borough Council received any capital funding from the HCA. Tunbridge Wells Borough Council has been allocated £1.39 million for fifty three homes.
- 1.1.4 An overview summarising the HCA's funding decisions for the local authorities within Kent (ranked by highest allocation) and featuring Tonbridge & Malling at the top is contained in Table 1 below.

1.1.5 Table 1 Allocations Within Kent Ranked In Order

| Local Authority | Grant Funding | S106 Nil Grant units | Affordable Rent Units | Shared Ownership Units | Total Grant Funded Units |
|-----------------------|---------------|----------------------|-----------------------|------------------------|--------------------------|
| Tonbridge and Malling | £7,126,969 | 21 | 162 | 121 | 283 |
| Swale | £4,074,000 | 4 | 84 | 52 | 136 |
| Ashford | £2,990,500 | 33 | 156 | 16 | 172 |
| Thanet | £2,024,379 | 0 | 92 | 0 | 92 |
| Medway Towns | £1,863,000 | 161 | 119 | 116 | 235 |
| Maidstone | £1,457,173 | 118 | 113 | 63 | 176 |
| Tunbridge Wells | £1,390,000 | 0 | 28 | 25 | 53 |
| Gravesham | £1,134,000 | 69 | 67 | 34 | 101 |
| Shepway | £1,090,000 | 18 | 31 | 18 | 49 |
| Dover | £910,000 | 0 | 26 | 0 | 26 |
| Canterbury | £778,000 | 0 | 26 | 16 | 42 |
| Dartford | £0 | 95 | 64 | 86 | 150 |
| Sevenoaks | £0 | 19 | 30 | 17 | 47 |

- 1.1.6 It is important for Members to recognise that even with our county leading position the figures could be seen as to some degree suppressed for this borough. This is because several large schemes with planning consent that feature affordable housing units are not included, as the developer is still in the process of selecting a Registered Provider delivery partner (or were at the point the allocation decisions were made). For example Redrow's sites at Preston Hall in Aylesford and Priory Works in Tonbridge are absent from the bid round, and contain over one hundred and twenty affordable dwellings between them.
- 1.1.7 As detailed in other Reports to this Board, Tonbridge & Malling also saw the highest level of affordable housing delivered in Kent for the last financial period (2013-14), and also the most successful implementation of the Help To Buy product within the County. Therefore the Council has cemented its performance for the provision of affordable dwellings borough wide across a broad and varied spectrum of tenures and units in relation to actual recent delivery, current outturn, future pipeline schemes, and subsidy received.
- 1.1.8 However, it is important to not be complacent moving forward in light of our recent successes. The Council's new independent Strategic Housing Market Assessment (SHMA) clearly describes that ongoing high property prices and affordability pressures, relatively static local salary levels, and historic low levels of provision across all tenures mean that the continued provision of affordable homes must remain a key output of the borough if we are to meet our strategic goals and address our identified housing need.

- 1.1.9 Members will recall that the broad message from the HCA to bidders was one of incentivising smaller units over larger ones in line with the impacts of welfare reform, such as the spare room subsidy. The two tenures sought were Affordable Rent and Shared Ownership only.
- 1.1.10 Members will recall from earlier papers to this Board the challenges Affordable Rent can pose to households in this borough, due to the high rent values it generates. Earlier this year the Council expressed these concerns in a letter from both the Leader and Cabinet Member for Housing to Sir John Stanley MP on the basis that these rental levels set at up to 80 per cent of market value are, in some cases, simply not “affordable”. The Council will continue to monitor this situation and act accordingly, working closely with our partners.
- 1.1.11 As detailed in other reports to this Board, the Council will look to review planning practice in order to ensure the right type, tenure, size, and affordability of units are delivered that meet local needs, alongside continuing to negotiate with our Registered Provider Partners in terms of securing rents that are affordable for economically active households.

1.2 Legal Implications

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

1.3 Financial and Value for Money Considerations

- 1.3.1 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.

1.4 Risk Assessment

- 1.4.1 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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