



**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

9 December 2014

**Re: New Social Housing Delivery Brings Continued Affordability Concerns**

We are writing to let you know of the recent success of our Registered Provider Partners in sustaining an ongoing stream of affordable housing in the Borough and to simultaneously reiterate our concerns regarding the affordability of these homes when they are delivered and ready for occupation.

The Homes & Communities Agency (HCA) recently announced the successful bidders for their Affordable Homes Programme 2015 – 2018. We were very satisfied to learn that Tonbridge and Malling is to receive by far the largest allocation within Kent, with over £7 million of capital grant funding allocated to our Registered Provider Partners. To put this figure into context, the next highest allocation within Kent is to Swale Borough Council, with an allocation of £4 million. We also take great pride in seeing the highest number of new affordable units proposed across the 2015-18 programme, with 283 homes allocated funding. Again, to put this figure into context, the next highest in Kent, with 235 homes, is Medway Council. These prospects for future years will continue our high level performance which was demonstrated by Tonbridge and Malling enabling the highest number of new affordable homes to be built within Kent during 2013/14.

In terms of the wider housing "offer" to our residents, Tonbridge & Malling saw the most successful implementation of the "Help to Buy" scheme within the County for both shared ownership homes and equity loans. It is evident that the Council has continued to achieve high levels of performance on the provision of affordable housing. This has been across a broad and varied spectrum of tenures and dwellings in relation to actual delivery, current outturn, future pipeline schemes and level of subsidy received.

Despite such successes, we are not complacent and are acutely aware of the continuing challenges that lie ahead. The affordability gap appears to be widening and funding for affordable housing generally is ever more challenging to secure. You will recall we wrote to you in February this year highlighting some of the increasing concerns we have regarding the affordability of social housing within Tonbridge & Malling and, in particular, the effect of the "Affordable Rent" tenure model.

Our previous letter to you expressed concerns that these rental levels, set at up to 80 per cent of market value are, in some cases, simply not "affordable".

Typically, in this Borough, that rent level is out of reach for working households on low income. However, there is pressure on Registered Housing Providers to maximise income from rent levels in order to sustain their business plans. There is a tension here that hinders meeting real affordability problems in the social housing sector.

The issue of attracting working families into homes at Affordable Rent also raises a dilemma for the Government's focus on reducing the national housing benefit and welfare bill overall. There are clear tensions between affordable housing policy and welfare reform policies.

Previously, social housing rents, which were set at around 50 per cent of local market rents, allowed people to work without being dependent on housing benefit. However, under the Affordable Rent model the Borough Council continues to find that our historically sought after, family-size homes, now offered for Affordable Rent, are beyond the reach of many working households altogether. For example, a typical level of Affordable Rent on a 3 bedroom house in Tonbridge, provided by one of our partners, is around £220 per week.

The consequence of this higher cost tenure is that it best serves households that are either entirely welfare dependent 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 incomes. Those working households on modest incomes continue 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.

Conversely, 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 arrears accruing. The situation is further exacerbated by the challenges of accessing alternative options in the private rented sector, where rents are very high and continue to rise.

The Council's new independent Strategic Housing Market Assessment (2014) clearly describes an environment with ongoing high property prices and affordability pressures, relatively static local salary levels, and historic low levels of provision across all tenures. Therefore, the provision of a continuing supply of truly *affordable* housing is a key priority of the Borough Council if we are to meet our strategic goals and address our identified housing need. However, operating in a residential property market which drives high (and rising) land values, rents and house prices is a major challenge.

Clearly our Borough Council faces the dilemma of a providing healthy affordable housing pipeline, contrasted with the challenge of occupying these homes in a sustainable and affordable way that meets the housing needs of our hard working low income families and most vulnerable households.

We would be grateful if you would draw our concerns to relevant Ministers at both the Department for Communities and Local Government, and at the Department for Work and Pensions.

Yours sincerely

**Councillor Nicolas Heslop**  
Leader TMBC

**Councillor Mrs Jill Anderson**  
Cabinet Member for Housing

From: The Rt. Hon. Sir John Stanley, M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

18 December 2014

Councillor Nicolas Heslop  
Leader, Tonbridge & Malling Borough Council  
Councillor Mrs Jill Anderson, Cabinet Member for Housing  
Tonbridge and Malling Borough Council  
Gibson Building, Gibson Drive  
Kings Hill, West Malling  
Kent, ME19 4LZ



Many thanks for your joint letter of December 10 headed "New Social Housing Delivery Brings Continued Affordability Concerns".

I warmly congratulate the Tonbridge and Malling Borough Council on the financial recognition it has been receiving from the Government and the Homes and Communities Agency of the success of the Council's drive to create new affordable homes in the Borough Council's area as demonstrated in the second paragraph of your letter. The key points that you make so well in the remainder of your letter about "Affordable Rent" being not truly affordable are borne out in letter after letter that I have been receiving from my constituents.

I will certainly take up this key policy issue with both the Secretary of State for Communities and Local Government and the Secretary of State for Work and Pensions to whom I am sending your letter of December 10.

I shall be writing to you again when I receive the reply.

I am sending a copy of this letter to the Borough Council's Chief Executive, Ms Julie Beilby, who also highlighted the issues you raised when I had my annual meeting with the Borough Council's senior management team last Friday and to whom I shall be sending a copy of the replies I receive.

From: The Rt. Hon. Sir John Stanley, M.P.



HOUSE OF COMMONS

LONDON SW1A 0AA

26 January 2015

Councillor Nicolas Heslop  
Leader, Tonbridge & Malling Borough Council  
Councillor Mrs Jill Anderson, Cabinet Member for Housing  
Tonbridge and Malling Borough Council  
Gibson Building, Gibson Drive  
Kings Hill, West Malling  
Kent, ME19 4LZ

*Re Nicolas and Jill.*

Further to my letter of December 18, I now attach this reply of January 18 that I have received from the Secretary of State for Work and Pensions, Iain Duncan Smith.

Though the Secretary of State states that his Department "is committed to supporting affordable rent arrangements", it is disappointing that he does not provide any details as to how his Department is doing so. I hope that the reply I receive to my letter to Eric Pickles will be more illuminating.

With regard to the last paragraph of Iain Duncan Smith's reply, my own view is that it is illusory to think that in most cases social landlords will do anything other than to charge rents up to the maximum level, namely 80 per cent of the market level.

I am sending a copy of this letter to the Borough Council's Chief Executive together with a copy of the Secretary of State's reply.

I shall of course be writing to you again when I receive the reply to my letter to Eric Pickles.

*With best wishes  
Yours sincerely  
John*



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Pensions

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Rt Hon Sir John Stanley MP

18<sup>th</sup> January 2015

*Dear Sir,*

Thank you for your letter of 18 December 2014 on behalf of Councillor Nicolas Heslop, Leader of Tonbridge and Malling Borough Council and from Councillor Jill Anderson regarding the Affordable Rent Scheme.

I note that you have also written to Eric Pickles at the Department for Communities and Local Government (DCLG) on the same matter. The DCLG have primary responsibility for the Affordable Rent Scheme and Affordable Housing policy.

My Department, the Department for Work and Pensions, is working closely with colleagues in the DCLG on the Affordable Rent Scheme and is committed to supporting affordable rent arrangements as a means of increasing the supply of housing in the social rented sector. Building more homes across all tenures will assist in reducing rent levels and contribute to making Housing Benefit more affordable in the long term.

It is important to note that the Affordable Rent Scheme allows social landlords to charge rents that are up to 80 per cent of the market level, but they are not fixed at 80 per cent of the market level. Landlords will have flexibility to set their affordable rents based on a lower percentage in areas where market rents are acutely high.

*Iain Duncan Smith*

*CD*

**The Rt Hon Iain Duncan Smith MP**

SECRETARY OF STATE FOR WORK AND PENSIONS