



AGENDA

SELECT COMMITTEE - AFFORDABLE HOUSING

Thursday, 19th May, 2022, at 2.00 pm

Ask for: **Gaetano Romagnuolo**

Council Chamber, Sessions House, County Hall, Maidstone Telephone **03000 416624**

Membership

Mr R J Thomas (Chairman), Mr T Bond, Mr P C Cooper, Mrs T Dean, MBE and Ms S Hamilton

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1 Affordable Housing Select Committee - Progress Report (Pages 1 - 22)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
General Counsel
03000 416814

Wednesday, 11 May 2022

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From Derek Murphy, Cabinet Member for Economic Development
Stephanie Holt-Castle, Director for Growth & Communities

To Affordable Housing Select Committee – 19th May, 2022

Subject Affordable Housing Select Committee - Progress Report

Classification: Unrestricted

Summary:

This paper provides an overview of progress on the recommendations of the Affordable Housing Select Committee.

Recommendation:

The Committee is asked to note this report.

1. Introduction

The Affordable Housing Select Committee published its report in July 2020. Following endorsement by County Council, an action plan was presented to the Scrutiny Committee on 27th November 2020 accepting all recommendations.

This paper provides an update on progress against recommendations and next steps.

2. Background

2.1 Affordable Housing in Kent

Latest analysis from [Kent Analytics](#) reports completions of Affordable Homes in the county standing at 1,691 (23.4%) during the financial year 2020/21, a similar proportion to those delivered across England (24.1%) and in line with the 10 year county average. However, affordability in Kent is reported at 11.07 times income with significant variations by District and considerably higher than the England average of 8.04^{1,2}. Housing affordability in the county therefore remains a major issue.

This data is reinforced by recent property market surveys with website Rightmove reporting [average house prices in Margate more than doubling](#) in the last decade. At the same time, [rent rises last year](#) are reported as some of the highest in the country at almost 20%, with the number of prospective tenants more than three times that of the number of properties available.

¹ [Housing affordability in England and Wales - Office for National Statistics \(ons.gov.uk\)](#)

² [Affordable housing supply in England: 2020 to 2021 - GOV.UK \(www.gov.uk\)](#)

The current challenge of housing delivery in the county of all types can be clearly seen in the Government's Housing Delivery Test with 9 of the 13 planning authorities in Kent and Medway recently below the designated delivery threshold. Some form of consequence will now to be applied in accordance with the National Planning Policy Framework and its presumption in favour of sustainable development.

In particular, viability remains a significant barrier to delivery with a direct impact on the number of affordable homes a development can support.

2.2 National Policy context

There have been significant changes in emerging Government policy since the Select Committee's report. In particular, the Levelling Up White Paper provides a potential policy framework for the rest of the Parliament. This includes housing as one of the critical missions to guide the Government's programme.

Ben Everitt MP: *"Housing is the biggest most expensive, the longest part of the levelling up puzzle. But has to be central to the whole thing".*

Secretary of State: *"Totally - yes absolutely spot on!"*

Source: Housing, Communities and Local Government Committee, 2022

The pledge to build more social housing and the potential for more local control over the major Affordable Homes Programme in the White Paper is welcome. Although, changes to the operation of Homes England at the same time - including its focus on regeneration and the "80/20 rule" which prioritised spending in places with low housing affordability - have the potential to move money away from the South East.

Prior to the White Paper, the Government offered positive support for strategic partnerships with Registered Providers (ie Housing Associations) with greater funding flexibility to support the delivery of affordable homes. However, the flagship "First Homes" initiative offering discounted market values of a minimum 30% to first time buyers has proved less of an opportunity in Kent, playing better where housing markets are less active and where lower property values make the £250k cap much less of an inhibitor. This again illustrates the challenge of house prices within parts of the county.

Further legislation is now awaited with the expectation of a "Levelling Up and Regeneration Bill" in the Queens Speech in May drawing together elements of both the Levelling Up White Paper and the earlier Planning White Paper.

We continue to work closely with county-wide partnerships including the Kent Housing Group, Kent Chief Planners, Kent Housing & Development Group and Kent Estates Partnership to identify and develop new opportunities to support delivery in the county, including our "Infrastructure First" approach to investment.

3. KCC Financial Context

The Select Committee report rightly highlighted the need to be pragmatic in the extent to which KCC could enable the delivery of more affordable homes due to financial and resource constraints. Since publication, KCC's finances have become even more constrained with the impact of rising inflation and supply and demand issues increasing costs across the authority.

While our current disposal pipeline has an estimated value of c£90 million based on current projections, the forgone opportunity costs should the Council have to borrow the equivalent sum would equate to £6.3 million of year-on-year revenue costs for the next 25 years, which would need to be found elsewhere in the budget through operational savings. To put £6.3m of revenue costs into context this equates to £11.14 on the band D council tax (excluding social care levy). The capital strategy also states that borrowing is a last resort and there is no appetite to increase our liabilities.

In response to these financial pressures, KCC has proposed that its Disposal Policy should in the first instance prioritise its own capital investment priorities³ unless a proposal can evidence a reduction in statutory service costs subject to a full and robust business case.

Any use of assets for affordable housing (above the planning requirement for consent) should therefore be considered in this respect.

4. KCC's role in enabling housing delivery

While Kent County Council is not a local planning⁴ or housing authority – and we must operate within the above financial constraints - we do play a major role in enabling new housing.

What we do by planning and attracting infrastructure investment into the county; by requesting and negotiating developer contributions to support our essential infrastructure and services; and by delivering homes for older people and bringing empty homes back into use all contribute to housing supply. In our own right we are a property developer, landholder and investor. We are a statutory planning consultee on all major applications as the highways, education, flood and social care authority.

We recognise that the demand for affordable homes is increasing and the importance of providing housing that is of high quality, in the right location and with the infrastructure to support residents to have a good quality of life.

Further, we understand the vital role that the construction and housing industry plays in our local economy and the potential stimulus to employment,

³ <https://democracy.kent.gov.uk/ieListDocuments.aspx?MId=8962&x=1&>

⁴ KCC has a statutory role as Minerals and Waste Planning Authority

skills and regeneration that investment in affordable and social housing can deliver.

Within the existing financial environment and reflecting our role as a strategic authority, the attached grid details progress and next steps against each recommendation.

Recommendation:

The Committee is asked to note this report.

5. Background Documents

The Affordable Housing Select Committee Report, July 2020 can be found at: https://www.kent.gov.uk/_data/assets/pdf_file/0017/110339/Affordable-Housing-Select-Committee-report.pdf

6. Contact details

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Director

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Appendices

1. Affordable Housing Select Committee – Implementation of Recommendations
2. Letter to Secretary of State from KCC Cabinet Member for Economic Development
3. No Use Empty Newsletter 2022/23

Affordable Housing Select Committee – Implementation of Recommendations – Progress Report

	Recommendation	Acceptance	Detail
1.	KCC should encourage the inclusion, in the Growth and Infrastructure Framework, of information about the provision of affordable housing in each Kent district. This would help to highlight infrastructure requirements to support genuinely affordable housing at a more local level.	<ul style="list-style-type: none"> Recognising the increasing focus on affordability within the county as demonstrated by the work of the Select Committee, it is agreed that future revisions of the Growth & Infrastructure Framework (GIF) will include information about the provision of affordable housing. 	<ul style="list-style-type: none"> While some basic analysis of affordable housing provision was included in the most recent GIF update – on numbers built vs. policy requirements – a picture of the spread and potential demand will not in itself highlight infrastructure requirements. More complex analysis around the proportion of developer contributions directed to Affordable Housing, and a full breakdown of numbers, will be dependent upon that information being available.
	Progress		
	<ul style="list-style-type: none"> The Kent and Medway Growth and Infrastructure Framework is currently being transformed into a digital online platform. Subject to the success of an initial pilot phase, this 'Infrastructure Mapping Platform' will provide a comprehensive and dynamic picture of planned growth and infrastructure across Kent and Medway to facilitate the coordination of sustainable future planning and delivery. This digital online platform will underpin work towards the "Infrastructure First" Infrastructure Proposition including the support of affordable housing. Engagement with local planning authorities within the geographical area of the pilot is anticipated to commence in late summer 2022. We will continue to encourage the inclusion of information about the provision of affordable housing in each Kent borough/district which would be included in district chapters. 		

	Recommendation	Acceptance	Detail
2.	KCC should invite all Kent district councils to put in place more formal, joint housing planning arrangements. It is hoped that this will promote joint working and communication and enhance and accelerate the delivery of infrastructure and housing in Kent.	<ul style="list-style-type: none"> KCC will continue to work with all Kent district councils to enhance and accelerate the delivery of infrastructure and affordable housing in Kent. 	<ul style="list-style-type: none"> As far as possible, this should be achieved through existing bilateral relationships and the very successful and well-established groups and structures already in place including the Kent Planning Officers Group, Kent Housing & Development Group, Kent Housing Group, Kent Estates Partnership and Kent Finance Officers. If additional arrangements are required, these should then be established through the structure of Joint Kent Chiefs.
	Progress		
	<ul style="list-style-type: none"> Strong working relationships are being maintained with all established groups and structures. In particular, work on the Infrastructure First proposition continues to be developed with the Kent Chief Planners. As at May 2022, Kent Joint Chiefs has agreed to establish a limited number of thematic priorities, of which Growth is one. KCC is one of the agreed leads for the theme. The Infrastructure First approach is a stated ambition in KCC's Strategic Reset Programme, supporting both an infrastructure investment bid to Government and new ways of working within the Council to support infrastructure planning and delivery. 		

	Recommendation	Acceptance	Detail
3.	KCC should explore ways of releasing more of its land for building genuinely affordable housing.	<ul style="list-style-type: none"> KCC will take steps to explore this recommendation as part of its existing arrangements for releasing surplus land. 	<ul style="list-style-type: none"> KCC has a robust process in place for identifying surplus land that can come forward sale for and/or redevelopment. KCC still has a requirement to maximise the value the council derives from disposal of surplus assets and needs to minimise additional borrowing to fund new capital infrastructure projects. Local authorities require that developments of housing over their own defined threshold would be required to comprise a minimum percentage of affordable housing and will negotiate with the developer as to the form these can take. KCC already allocates land that is not required for an operational use for disposal. KCC will continue to review its asset base in line with service need and release surplus land for disposal on the market. The current asset management plan runs to 2023, however it is currently being updated and as part of this will consider the opportunity to accelerate the release of assets as part of its asset review process. It is anticipated that this review will conclude in 2021. We will keep a record of the number of affordable housing units that are created as a result of KCC releasing land this will be put in place from 1st April 2021.
	Progress		
	<ul style="list-style-type: none"> KCC has a robust process in place for identifying surplus land that can come forward sale for and/or redevelopment. Furthermore, it is currently engaged in bringing forward KCC's Future Assets Strategy linked to KCC's Strategic Reset Plan. Some of these assets may well be suitable for facilitating delivery of Affordable Housing. Where this is the case, Infrastructure ensures that relevant housing authorities are advised and can bid. Reallocating assets for uses such as affordable housing must be considered under the provisions of the KCC Constitution and at present with financial pressures in the capital and revenue budget, justification that would amount to a subsidy could not be accepted. Any such allocation would necessarily be based on the support it may provide in delivering Economic, Public Health, Education and Social Care outcomes. The current Disposals pipeline is c.£90m of property assets. Not all assets will be a redevelopment proposition. It is proposed that these assets all be sold on the open market in order that KCC's capital receipts are maximised to mitigate against KCC's reinvestment and borrowing requirement. This is critical given the additional pressures on the capital programme. 		

- Where Housing Authorities would like to offer on one of KCC's surplus assets for affordable housing, KCC may support this through utilising a "Special Purchaser" disposal process. It will not however offer sites at below market value, unless there is a compelling case from the Housing Authority that supports KCC's objectives. Where sites are to be disposed of, they will be socialised via the Kent Estates Partnership.
- KCC has augmented its current best capital receipt approach to include the evaluation of offers for specific uses like affordable housing. However, any such proposal must evidence a tangible benefit to KCC such as it being able to reduce its service costs etc.
- KCC received 1 bid in the last financial year to provide affordable housing above the local policy requirements. The bid did not evidence any tangible KCC benefit. The opportunity cost essentially equated to a subsidy of (£17.2k) per unit.
- From April 2021, KCC's Disposals Team has kept records of the number of affordable units its sales facilitate. Between 2021-22 KCC sold c.£7.8m of surplus assets. From these sales at least 42 affordable units were created.

	Recommendation	Acceptance	Detail
4.	<p>KCC, in consultation with Kent district councils, should develop a proposal for establishing a Housing Growth Unit to accelerate the delivery of housing, and genuinely affordable housing in particular, in the county. Objectives of the Unit would include:</p> <ul style="list-style-type: none"> • Supporting the housebuilding industry. • Promoting collaboration and a joined-up approach within KCC, and streamlining joint working between KCC and external organisations, in order to address housing-related issues efficiently and effectively. • Bidding for Government funds. • Supporting Kent’s local planning authorities when requested by offering timely and consistent responses. • Conducting research on the effectiveness of particular housing initiatives, interventions and government policies with the objective of 	<ul style="list-style-type: none"> • KCC will develop a proposal to establish a “virtual” Housing Growth Unit to provide a single point of access on housing related issues. 	<ul style="list-style-type: none"> • A proposal to develop a Housing Growth Unit must recognise current financial constraints and - in the first instance – it is likely that any Unit would be a network of existing officers whose work relates to housing. • KCC is unlikely to be able to invest in additional officer capacity for the foreseeable future. • In developing the Unit’s objectives, feedback would be sought on priorities and objectives from within KCC and from Kent’s District Councils in agreeing clear performance indicators. • Wider consultation would also take place with the Kent Developers Group, Kent Housing Group and Kent Planning Officers Group and Essex County Council which has developed a similar capacity.

	<p>best meeting the housing needs of Kent's communities.</p> <ul style="list-style-type: none"> • Researching and spreading best practice from around the country. 		
Progress			
<ul style="list-style-type: none"> • The Housing Growth Unit proposal is part of the restructure currently underway in the Growth, Environment & Transport Directorate. • Within the restructure, the capacity outlined by the Select Committee will be delivered and is likely to be part of a wider team with complementary responsibilities. • In consultation internally and with established groups, draft terms of reference were developed including the following objectives to inform its operation including relationships with District Councils partners. <p>Objectives of this capacity would include:</p> <ul style="list-style-type: none"> • Providing one-stop-shop access within KCC for external partners for all housing related issues in cases where individual contact has not already been made; this will include initial problem solving and bringing people together where a co-ordinated response is required. • Supporting the shared housing delivery aims of local planning authorities, joining up KCC's housing ambitions (eg Extra Care) with those of Kent Districts where appropriate. • Co-ordinating bids for Government funds where housing is the primary focus and to support those where there is a secondary housing link. 			

	Recommendation	Acceptance	Detail
5.	KCC should assess the feasibility of establishing a joint venture scheme between KCC and a partner organisation, such as a housing association or housing development company, to maximise the delivery of new housing and genuinely affordable housing in the county.	KCC will continue to explore the joint venture models, recognising the growing market in patient capital investment.	<ul style="list-style-type: none"> • KCC has previously explored joint venture models and continues to be mindful of joint venture options when marketing property, although the original report concluded that KCC did not have land of sufficient size and scale which would be attractive to the market and warrant the costs. • We will however market properties with the potential for joint ventures and assess the feasibility of holding assets on until later in the development cycle. • The ability and the extent to which the Council is able to participate is also linked to the available funding streams and the best value judgements as to the impact of any reduced capital receipts to the Council. The current financial position of the council is such that all capital receipts are required to reduce the Councils borrowing requirements and to support the priorities identified in the capital programme. • The current capital programme and drivers for the use of receipts ends financial year 2022/2023, the new capital programme will be approved by Council in February 2021 and will cover a 10-year period. • Alongside this the property team will review the initial joint venture business case with a particular focus on affordable housing which will conclude in the second quarter of 2021. • The property team will however work with the team developing the infrastructure proposition to identify areas and opportunity to consider the business case further particularly in light of any funding streams that may be available.
	Progress		
	<ul style="list-style-type: none"> • KCC Infrastructure has explored joint venture models and concluded that KCC did not have land of sufficient size and scale which would be attractive to the market and warrant the costs. Whilst KCC will always be open to JV proposals going forward, it needs to be mindful of the potential returns against the resource requirement to deliver such a scheme and its risk appetite. • The Disposals Programme is demanding and must be the primary focus for disposal and development at this time in order that capital receipts are maximised via conventional routes and delivered in time so that reinvestment funds are available without resorting to more borrowing than necessary. 		

	Recommendation	Acceptance	Detail
6.	KCC should investigate the feasibility of different ways of funding the delivery of housing and genuinely affordable housing schemes in Kent. This should include exploring investment in social housing by the Council's Treasury Management and Investment Strategies, and its Capital Programme Strategy, and invite the Superannuation Fund to consider doing so where it would not compromise their duty to achieve reasonable returns.	<ul style="list-style-type: none"> KCC will consider the potential of different forms of funding to support affordable housing. 	<ul style="list-style-type: none"> As a pure investment "affordable" housing is very unlikely to meet our investment criteria with regard to anticipated loans or liquidity. KCC will only be able to assess investment potential once outline business cases for individual projects/programmes have been developed. For the pension fund, its fiduciary duty is the primary objective, so again affordable housing may not align with the fund's investment strategy. As the county council is not a housing authority, there are likely to be additional complexities in developing an affordable housing programme.
	Progress		
	<ul style="list-style-type: none"> The Chartered Institute of Public Finance and Accountancy (CIPFA) published a revised Prudential Code for capital finance in local authorities on 20th December 2021. The revised code took immediate effect. To comply with the Code local authorities must not borrow to invest in projects primarily intended for financial return. The Code also states that it is not prudent for local authorities to make investments or spending decisions that will increase the Capital Financing Requirement (CFR) unless directly or primarily related to the local authority's function. This severely constrains borrowing by upper tier authorities to invest in social housing. Given the KCC's financial challenges, Infrastructure is not pursuing affordable housing as an investment opportunity. 		

	Recommendation	Acceptance	Detail
7.	The Committee commends KCC's No Use Empty initiative and urges the use of the recently approved Treasury Management Fund to expand the provision of genuinely affordable housing in Kent through this initiative as a policy priority.	<ul style="list-style-type: none"> The No Use Empty Programme will seek to provide affordable housing where possible and encourage this through future marketing. 	<ul style="list-style-type: none"> The primary aim of No Use Empty (NUE) Initiative is to improve the physical urban environment in Kent, by bringing long term empty properties back into use as quality housing accommodation for sale or rent. Interest free loans to refurbish derelict empty properties are now offered across all 12 Kent districts. Finance secured from the Treasury Management Fund was based on the production of a return on investment. As such, the additional £12m is not exclusively for affordable housing projects and a mix of projects will achieve several outcomes.
	Progress		
	<ul style="list-style-type: none"> NUE secured £2.5m from Growing Places Fund (SELEP) for use in 22/23 across Kent to help increase the number of empty homes being brought back into use. (This is a re-payable loan due to be returned March 2026). Since October 2021 NUE now operates in Medway. The Kent team provides back-office support to administer the pilot scheme (Medway have allocated £180k to date for recyclable loans). Finance secured from Treasury Management Fund has increased by a further £8m (due to demand and a continued production of a return of investment), making a total of £20m available. £2m funds re-allocated from Live Margate project to target more empty properties back into use in Margate. NUE has examples whereby districts, such as DDC and FHDC have acquired projects funded via NUE to take back into their housing stock. NUE continues to be an exemplar project and most recently acknowledged by Government of Jersey who have their own issues with empty homes and affordability. NUE have grown the team to cope with demand and have for the last 2 years on average approved one new project each week. Further KCC financing will be considered dependent on returns. As Corporate Landlord, KCC will utilise the No Use Empty Scheme where it has a good estate management reason for doing so such as to mitigate holding costs where it can. 		

	Recommendation	Acceptance	Detail
8.	<p>KCC's Cabinet Member for Economic Development should write to the Secretary of State for Housing, Communities and Local Government to make him aware of the following interventions recommended by the Committee for action at the national level:</p> <ul style="list-style-type: none"> • Adopt a definition of affordable housing which links affordability to income rather than to an arbitrary percentage of local market prices (genuinely affordable housing). • Do more to ensure that Local Housing Allowance rates cover the cost of renting and mitigate any unintended consequences from the abolition of Section 21 of the Housing Act 1998. • Enable Homes England to provide more support in facilitating the delivery of affordable and social housing. • Amend elements of the current Right to Buy system to promote the replacement and 	<ul style="list-style-type: none"> • Agreed 	<ul style="list-style-type: none"> • Letter sent and response received.

	<p>provision of genuinely affordable housing.</p> <ul style="list-style-type: none">• Ensure that Starter Homes are delivered in addition to, and not instead of, other forms of affordable housing.• Remove the 'hope value' clause from the 1961 Land Compensation Act, and reform methods of land value capture so that the community benefits from a higher proportion of land value increases.• Require planning permissions for changes of use from commercial-to-residential.• Review the financial and housing support offenders receive upon release to prevent homelessness.• Actively support an 'infrastructure first' approach to development with Government investment to support ongoing work in Kent to release new homes.		
	Progress		
	<ul style="list-style-type: none">• Letter attached.		

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The Rt Hon Robert Jenrick MP
Secretary of State for Housing,
Communities & Local Government
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London
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Maidstone
Kent ME14 1XZ

Tel: 03000 415884
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By email:

Date: 27th November 2020

Dear Secretary of State,

Affordable Housing Select Committee

Earlier this year, Kent County Council's Select Committee on Affordable Housing made a series of recommendations to the County Council on how greater affordable housing could be delivered within Kent.

I believe the Committee has produced a timely and highly constructive report, a full copy of which can be found at:

https://www.kent.gov.uk/_data/assets/pdf_file/0017/110339/Affordable-Housing-Select-Committee-report.pdf.

As Cabinet Member for Economic Development, I was requested within the report, to write to make you aware of the following recommendations by the Committee for action at the national level.

In support of new affordable housing, the Select Committee ask that the Government:

- Adopts a definition of affordable housing which links affordability to income rather than to an arbitrary percentage of local market prices (genuinely affordable housing).
- Does more to ensure that Local Housing Allowance rates cover the cost of renting and mitigate any unintended consequences from the abolition of Section 21 of the Housing Act 1998.
- Enables Homes England to provide more support in facilitating the delivery of affordable and social housing.
- Amends elements of the current Right to Buy system to promote the replacement and provision of genuinely affordable housing.
- Ensures that First Homes are delivered in addition to, and not instead of, other forms of affordable housing.

- Removes the 'hope value' clause from the 1961 Land Compensation Act, and reform methods of land value capture so that the community benefits from a higher proportion of land value increases.
- Requires planning permissions for changes of use from commercial-to-residential.
- Reviews the financial and housing support offenders receive upon release to prevent homelessness.
- Actively supports an 'infrastructure first' approach to development with Government investment to support ongoing work in Kent to release new homes.

I am very happy to support consideration of all these recommendations which are based on specialist evidence including from witnesses appearing before the Committee and would be extremely grateful for your views on them.

I look forward to your response which I will be very pleased to share in full with the Affordable Housing Select Committee members at Kent County Council.

With best wishes.

Yours faithfully,

A handwritten signature in cursive script that reads "Mike Whiting".

Mike Whiting
Cabinet Member for Economic Development
Kent County Council

NO USE EMPTY



THE KENT EMPTY PROPERTY INITIATIVE – 22/23

NUE - Brief History

Firmly established as the longest running empty property initiative in the country (2005), NUE remains committed to reducing long term empty dwellings that have been unoccupied and substantially unfurnished for over six months.

Delivered by KCC in partnership with all 12 district councils, NUE provides an exemplar model which can be replicated offering financial assistance alongside advice and guidance.

NUE are pleased to announce that Medway Council is now on board, giving blanket coverage across Kent and Medway.

NUE Empty Homes - Our short term secured loans have exceeded £48m which has levered an additional £39m from the public/private sectors.

The beauty of the Loan Fund is that it operates on a recyclable basis; as soon as loans are repaid the fund is replenished and can effectively be 'loaned' again.



Creating New Homes

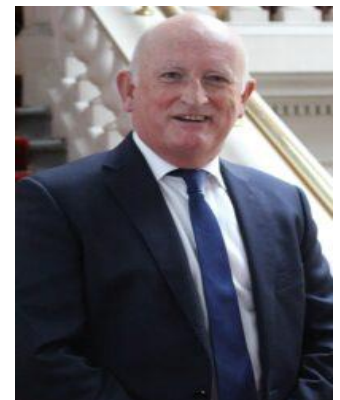


Extra £4m to bring derelict sites back to life

Kent County Council's award-winning empty homes initiative receives further funding to provide a £20 million fund to bring derelict sites back to life.

With the UK experiencing challenging times and the impact facing the construction industry, initiatives such as No Use Empty are becoming increasingly important.

KCC Cabinet Member for Economic Development Derek Murphy said: "The extra funding will further support the Kent economy as well as allowing us to regenerate local communities. I have visited several projects with the NUE team and am astonished by the diversity of projects being tackled.



Derek Murphy

This is a tremendous boost for NUE which continues to go from strength to strength. £19m has been awarded to date which will deliver 137 new homes in our coastal towns.

NUE is ready to administer new loan applications and help Kent's economy recover as well as delivering the homes required, whether it's a refurbished empty property or a new build.

There is real enthusiasm from those local developers who are accessing the scheme to borrow short-term finance to bring those derelict sites into use for brand new homes".

The construction industry sustains thousands of people in various roles and associated sectors, boosting the Kent economy.

Since 2005, NUE has returned 7,352 long term empty properties back into use through a range of interventions.

FACT: NUE approved at least one new loan every week in the last financial year.



Folkestone – New Build 14 Apartments

NUE: Flat out

Thanks to a £40k loan including a Top Up from Folkestone & Hythe District Council, the property overlooking Guildhall Street with separate access from the rear which had been empty for 15 years has been transformed to provide a good size family home.



Following local planning approval the property was completely gutted and has undergone a complete redesign to maximize the available space. The property provides three bedrooms and benefits from brand new kitchen, bathroom and electrics. Total cost of the project was £125k.

Top Up Loans are administered through NUE on behalf of those districts who have invested more funds into the initiative to provide additional financial support where required: Top Ups once repaid are re-cycled back into the funding pot.



Channel views, Dover

Coming Soon!

NUE have provided a loan to bring back into use this end of terrace Victorian Grade 2 listed property built 1830-40 set within a conservation area on Dover seafront.

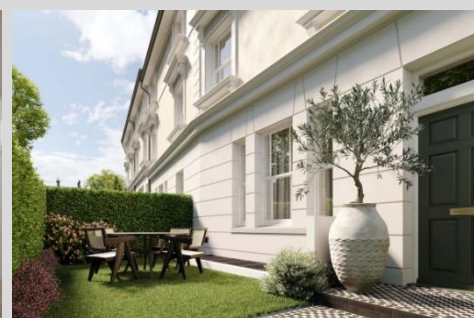
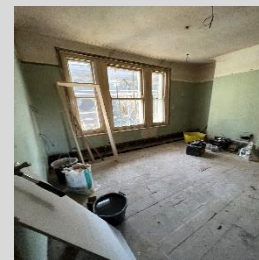
Dover District Council approved planning for change of use from one large dwelling to create 6 apartments.

Works are due to complete late summer. Total cost of project £250k.

NUE by royal appointment?

Nevill Row is a collection of eight modern, finely-crafted Victorian-style homes sitting in the heart of Royal Tunbridge Wells. The owners have sought to restore original features back to their true glory while incorporating contemporary additions, like brass hardware, light oak flooring in the kitchen and living spaces, and delicate wall paneling.

An interest bearing loan was provided to the owner who had previously delivered a project for NUE. The property had been in a poor state of repair and had been empty for over a year and had continued to deteriorate. The homes are now being marketed for sale.



Following the success of NUE Commercial, KCC secured an extra £2m from the Growing Places Fund (GPF), administered through the South East Local Enterprise Partnership (SELEP), for NUE to provide short term secured loans to return 18 long term empty commercial properties back into use and create 36 residential units by March 2026.



Marine Gardens, Margate



New roof structure, Marine Gardens

NUE have raced into action and have 10 new projects underway which will return 11 empty shops back into use and create 42 residential units.

The latest project supported is at Marine Gardens on a prominent location on Margate seafront. The listed property has been in family ownership but had remained empty for 6 years. Now thanks to engagement and the support of NUE the project will return 2 commercial units and see the refurbishment and re-configuration of 6 residential apartments. Planning was approved February 2020 by the local authority.

Total project costs are £670K.

Other projects currently supported are in the following locations: Dover, Folkestone, Herne Bay, Hythe, Ramsgate, Sheerness and Sittingbourne.

NUE Commercial Phase I

Total value of NUE Commercial was £4.5m including GPF (£1m), private sector leverage and NUE loans.

15 empty commercial units were brought back into use and 28 residential units created to help regenerate our coastal towns.

Projects included: Browns Hair and Beauty Salon with an in-store coffee shop pictured below.



High Street, Folkestone



Q: NUE what next? A: More, More, More



Extra £2.5m secured from SELEP Growing Places Fund for NUE empty property loans



Extra £2m secured for NUE projects in Margate



Extra £4m secured for NUE new build projects

NUE South Essex – NUE Team providing administration support to Southend-on-Sea City Council to help deliver their NUE Commercial project



NUE...

Helping to create Affordable Homes

The building, which has been called Ottaway House, is named after Dover-born sportsman, Cuthbert Ottaway who captained the England Football team against Scotland in 1872 in what is now recognised as the first international match to be played.

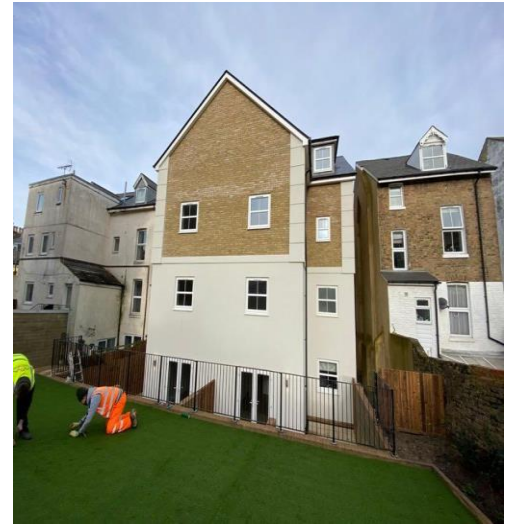


Ottaway House, Dover

As part of their commitment to provide more affordable housing across the district, Dover District Council (DDC) employed Martello Building Consultancy as Employers Agent and Karlee Construction Limited whom provided a turn-key, off the shelf development to construct eight self-contained flats on Folkestone Road in Dover.

The design of the scheme provides spacious, functional, self-contained units with a shared outside space.

The properties will be let on a short term basis at affordable rents and will provide interim housing for local people facing homelessness, while a more permanent solution to their housing needs can be found.



Whilst Martello have worked with lots of public sector organisations across London and the south east over the years but this was the first housing scheme that they had undertaken for Dover District Council.

The scheme is part of an ambitious programme by DDC to build up to 500 new affordable homes across the district.

NUE provided a loan of £480k towards the project which has been repaid following handover.



Beacon Church, Dover

NUE teamed up with local developers Sunil & Gita Popat back in 2019 to take on this ambitious project which involved converting a former Methodist church into 9 self contained apartments.

The Church was built in 1901 by the Primitive Methodists for just £5,500. The church could accommodate 600 people and was in use until Easter 2012. It has featured in BBC's Homes under Hammer and is due for a final visit as works are now nearing completion.

NUE provided a secured loan of £250k including £75k top-up from Dover District Council. The site is now valued around £1.5m and will provide spacious accommodation which will be available to rent soon.

Picture Left to right: Steve Grimshaw (KCC Strategic Programme Manager), Sunil Popat (owner), Tracy Pritchard (Private Sector Housing Dover District Council) and Derek Murphy (KCC Cabinet Member Economic Development).

