

# Affordable Housing Select Committee



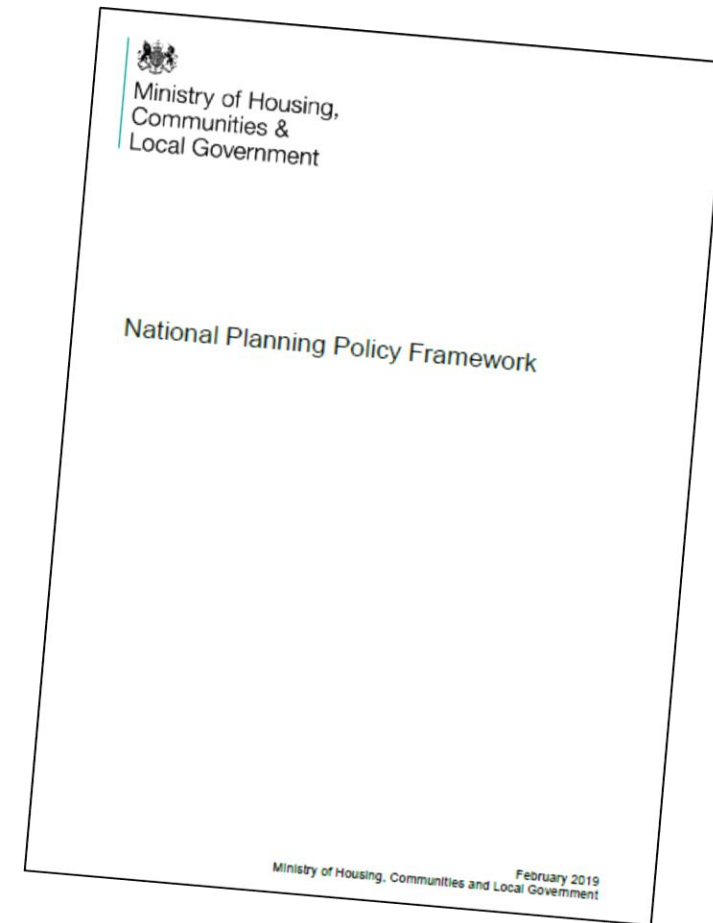
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# What is Affordable Housing?



**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to **home ownership** and/or is for essential local workers);

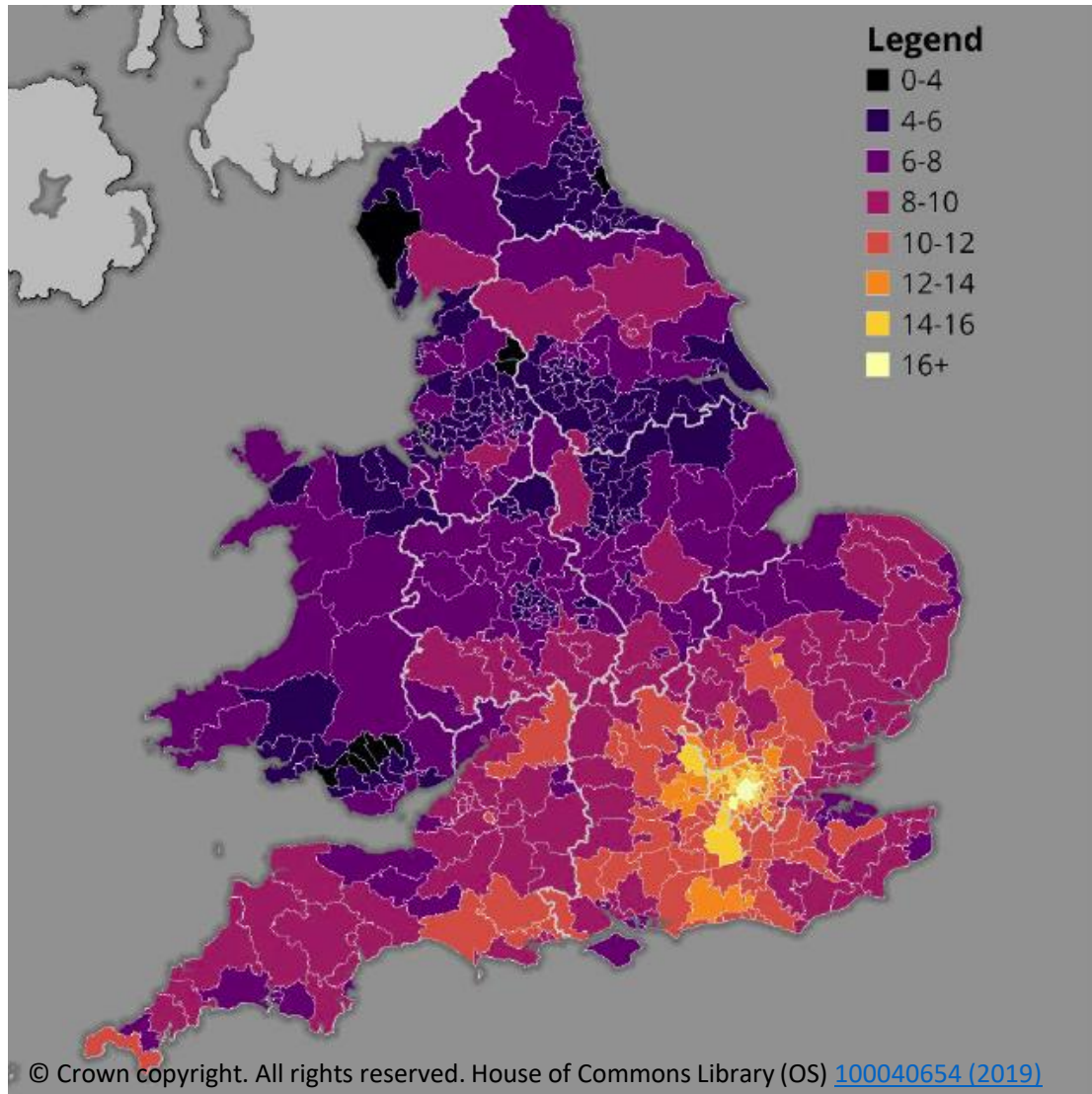


# In More Detail...



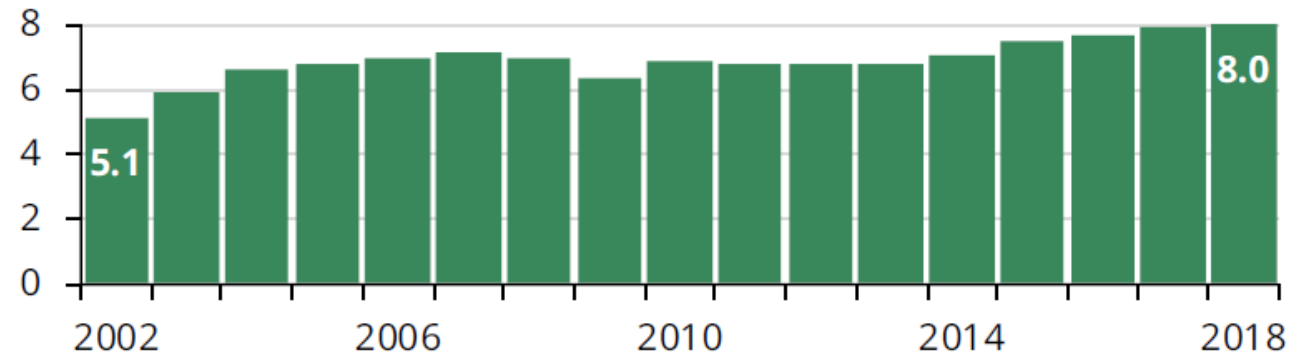
- **Social Rent** is housing owned and managed by a Council or Housing Association where rent is determined through national rent regime
- **Affordable Rent** is at least 20% below market rent and will continue to be so, usually the landlord also being a Housing Association or Council
- **Shared Ownership** allows usually first-time buyers to buy a portion of a property and then pay rent on the remainder, the percentage of equity can then be increased over time
- **Rent to Buy** offers reduced rent to help households save money to then use as a deposit or commence shared ownership
- **Starter Homes** is a Government scheme announced in 2018 to deliver 200,000 homes for sale in England at 20% below market price

# Context: Why Do We Need Affordable Housing?



## England's house price to earnings ratio has increased

Median house price to median earnings ratio, England, 2002-18

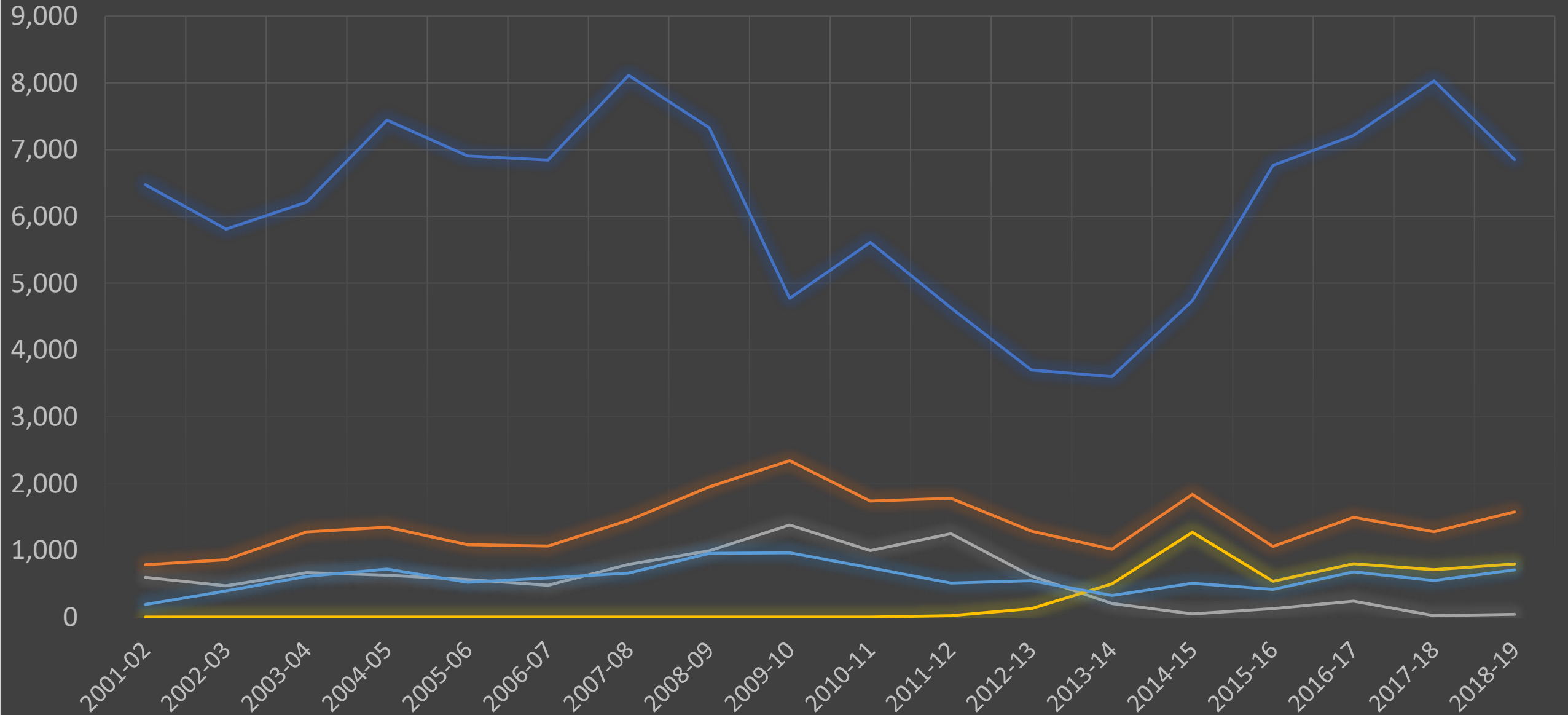


- Nationally, house price to earnings ratios have increased significantly and in South East this is magnified
- In Kent, the lowest ratio is 9.14 (Swale), the highest is 14.54 (Sevenoaks)

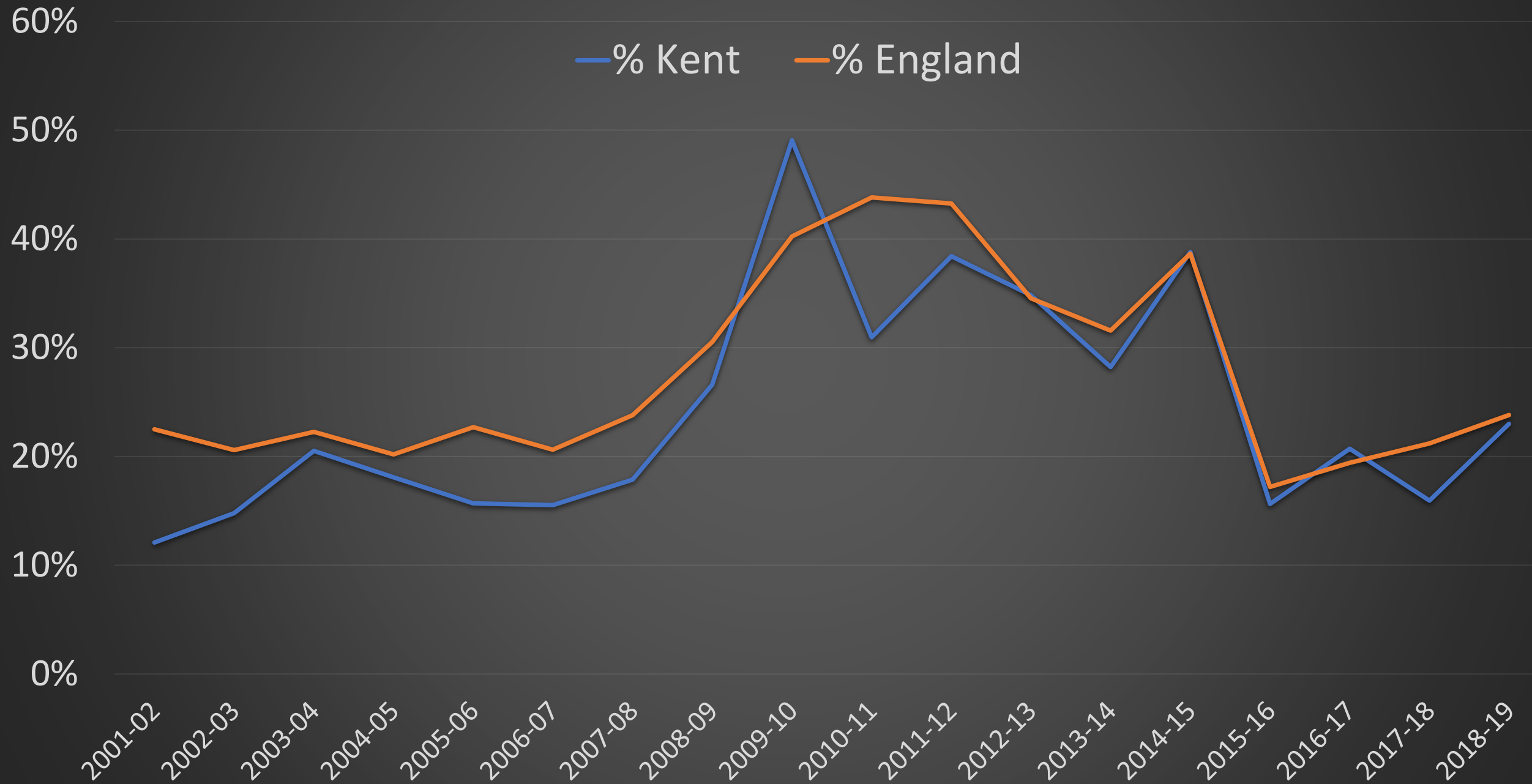
Source: ONS, Housing affordability in England and Wales: 2018, House price to residence-based earnings ratio dataset.

# Net Additional Dwellings in Kent 2001-19

— net additional dwellings — additional affordable — social rent — affordable rent — intermediate

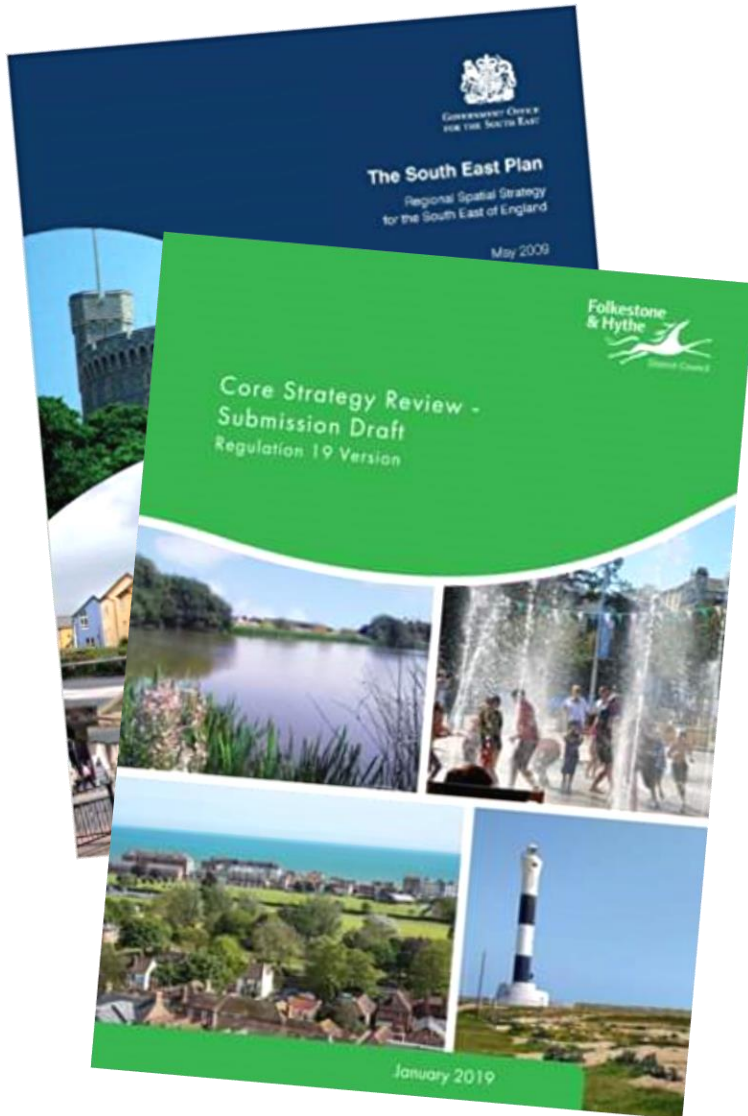


# Affordable Dwellings as a % of Net Additional Dwellings





# Who is responsible for what?



- Kent's 12 District/Boroughs/City councils are the statutory Housing and Planning authorities and must:
  - Determine the number of homes needed
  - Assess the size, type and tenure of housing needed for different groups, including affordable housing
  - Specify the type of affordable housing required *source: NPPF*
- Funding for affordable housing will come from developer contributions or Homes England/MHCLG
- Social housing is owned and managed by Registered Providers (or social landlords), including some councils

# Challenges in delivering affordable housing



- **Significantly** boosting the supply of homes
- **Viability and deliverability** – not a new concept!

*“An informal assessment of viability... is a central feature of PPS3 policy of affordable housing. It is not peripheral, optional or cosmetic. It is patently a crucial requirement of policy” (Lord Justice Keene, 2008)*

- **Permitted development** rights

LGA analysis estimates 13,540 affordable homes lost since 2015 (January 2020)





# Affordable Housing: the wider partnership



- **Kent Housing Group** and its professional sub-groups
- Kent & Medway Housing Strategy
- 12 District, Borough and City Councils, and Medway Council
- Housing Associations & Registered Providers
- Government including MHCLG & Homes England
- South East England Local Enterprise Partnership (SELEP)
- Ebbsfleet Development Corporation & Thames Gateway
- Kent Developers Group
- Kent Planning Officers Group

# Opportunities and challenges : considerations



- Is all 'affordable housing' actually affordable?
- Kent is not a single housing market – there is significant variance in figures, and different opportunities/challenges
- **Kent County Council is not a Housing Authority** but it does have specific planning responsibilities
- Complex landscape of stakeholders and a strong record of collaboration locally and nationally – KCC plays an active role through its partnership working

# In what ways is KCC promoting affordability?



- Infrastructure planning:
  - The Growth & Infrastructure Framework (GIF)
  - Strategic infrastructure provision
- Participation in (& support of) key housing/planning groups
  - Kent Housing Group
  - Kent Planning Offers Group
  - Kent Developers Group
- Negotiations on developer contributions eg S106
- Specific programmes
  - E.g. No Use Empty, Homes for Older people

# Could KCC work with Government to support?

- Strong relationships with Homes England and MHCLG
- Growth & Infrastructure Framework one of first in country
- Kent & Medway Housing Strategy one of first county-based strategies
- New Government focus on Thames Estuary
- Housing demand in Kent and Medway remains high



*Opportunity for new approach?*

# What more could KCC do?



- Work is underway with District and Borough partners to consider the opportunity for a “place-based” proposition to Government
- The Kent & Medway Infrastructure Proposition aims to establish a new way of working with Government to:
  - Attract new infrastructure investment
  - Give greater flexibility to manage growth
  - Support Kent residents



# Infrastructure Proposition: the approach



- Infrastructure first
- Focus on stalled sites
- Bringing empty homes back into use
- Providing new, high quality homes for older people
- Support for wider community infrastructure across the county
- Balancing housing with high-quality commercial growth for new jobs...

# ...and a renewed emphasis on affordability



- “Infrastructure first” to address issues of viability
- An overriding focus on releasing stalled sites
- More empty homes being brought back into use
- More homes for older people

## ***And the potential for...***

- New council building with the HRA debt cap removed?
- Local Planning Protocols between councils and developers to deliver greater land value capture?
- Greater opportunities to deploy institutional capital?
- A new strategic partnership for our Registered Providers to boost supply?

# Other issues of relevance



## *These may include:*

- Government policy on infrastructure, planning and housing, including homelessness
- New London Plan
- New priorities for design and zero carbon
- Local Industrial Strategy

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