

County Council Meeting – 7th November 2024

Motion for Time Limited Debate – Pension Fund Investment in Affordable

Proposer: Mel Dawkins

Seconder: Paul Stepto

Background Information provided by the Labour Group:

There is no statutory definition for the term ‘affordable housing’ in England, however this motion will be using the definition used by the National Planning Policy Framework (NPPF) and therefore the definition also used within Kent County Councils Affordable Housing Select Committee report in 2020.¹ This definition includes social rented housing and housing let at affordable rents.

Within the last decade Councils across the UK have increasingly moved towards using pension funds as a sustainable investment to build affordable homes. In 2012 Manchester City Council built family homes for rent and sale using the Greater Manchester Pension Fund, and since then multiple council pension funds including Lancashire, Islington and West Midlands have followed suit.² This decision is an investment into the local economy which is mutually beneficial for both the residents and the Council, as this creates affordable housing which can also ensure a return on investment for local authorities through rent returns. Within KCC, this investment would be done prudently and would meet fiduciary and statutory duties, to ensure that the pension fund is protected and that the money received by those claiming their pension is not negatively impacted.

By the end of October 2022, 17,398 people were on a waiting list in Kent, with the average time spent waiting on that list being up to 21 months, reaching 35 months in some districts.³ Following research, the charity Crisis recorded that this lack of stability negatively impacts the mental health of nearly two thirds of those on a housing waiting list (according to a survey of over 1,000 adults), with many people feeling drained and having been diagnosed with depression and anxiety as a result. The survey also highlighted that 55% of those on a waiting list felt as though they were putting their lives on hold, with further statistics demonstrating that individuals were pausing starting families, new jobs and even going into further education.⁴

¹ [Affordable-Housing-Select-Committee-report.pdf \(kent.gov.uk\)](#), pg. 13.

² Tom Wall, ‘How councils are using their pension funds to build homes’, [Inside Housing - Insight - How councils are using their pension funds to build homes](#)

³ Gov.uk, ‘Table 615: vacant dwellings by local authority district: England, from 2004’, [Live tables on dwelling stock \(including vacants\) - GOV.UK \(www.gov.uk\)](#)

⁴ Crisis, ‘Chronic shortage of social housing leaves families stuck in accommodation that is harmful to their health, new research reveals’, [Chronic shortage of social housing leaves families stuck in accommodation that is harmful to their health, new research reveals | Crisis | Together we will end homelessness.](#)

Across Kent in October 2023, there were 7,032 long-term vacant dwellings, with Kent County Council owning 434 of those empty properties.⁵

Although the housing crisis is a national issue, the shortage of affordable housing within Kent is severe and can have significant impacts for the residents of Kent by limiting educational, employment and social opportunities, along with having both negative health and wellbeing consequences.⁶ It is understood that constraints and guidelines are in place for the usage of the pension fund pot, however Councils across the UK have proven that investment in affordable housing is a viable solution to local housing crises whilst offering the authority a sustainable return.

Motion:

The County Council resolves to:

- Support the principle of Local Government Pension Scheme (LGPS) investment in affordable housing; and
- Recommend that the Pension Fund Committee investigates the viability of committing to a project to invest LGPS funds in affordable housing.

⁵ Gov.uk, 'Table 615: vacant dwellings by local authority district: England, from 2004', [Live tables on dwelling stock \(including vacants\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/live-tables-on-dwelling-stock-including-vacants)

⁶ [Affordable-Housing-Select-Committee-report.pdf \(kent.gov.uk\)](#), pg. 2.