

**Agenda Item No:** 8

**Report To:** Cabinet

**Date of Meeting:** 6<sup>th</sup> December 2018

**Report Title:** Housing Revenue Account Affordable Housing Programme – annual update to Cabinet

**Report Author & Job Title:** Mark James, Development Partnership Manager

**Portfolio Holder** Cllr. Gerald White  
**Portfolio Holder for:** Housing



**Summary:** This report is presented to Cabinet at a critical time, when the national spotlight is firmly on housing delivery, and local need is high. This update primarily focuses on the Housing Revenue Account (HRA) affordable housing delivery programme, which was previously reported to Cabinet on 13<sup>th</sup> July 2017.

In September 2018, the council submitted a formal bid, as part of a national bidding process, to have its HRA debt cap increased. In response to the appetite for house building expressed by local authorities, subsequently the debt cap has been scrapped. This presents the council with a number of options to accelerate delivery.

Therefore, this report sets out a broad range of proposals for delivery mechanisms that can be implemented in the short, medium and long term, in order to contribute towards meeting the demand for housing in the borough. These will retain Ashford Borough Council's housing service's status as an exemplar for delivery, not just in the county but the south east as a whole.

While some of these options see the council building on land it owns, those parcels of land, from infill to larger-scale development are being exhausted and the council will need to look at how it can acquire land to continue delivering affordable homes in the volume required. This will necessitate the council to put in place a mechanism whereby delegated authority enables officers and the portfolio holder for housing to act quickly in the marketplace to take advantage of any land opportunities that present themselves.

**Key Decision:** No

**Significantly Affected Wards:**

**Recommendations:** The Cabinet is recommended to:-

**I. Note the progress with the affordable Housing programme 2015–2018 set out at Appendix 1 and street properties purchased set out at Appendix 2.**

**II. Both note and approve the content of the proposed new programme to 2022 – originally submitted as part of the HRA debt cap uplift bid to the Ministry of Housing Communities and Local Government (MHCLG), shown at Exempt Appendix 3.**

**III. Delegate authority to the Head of Housing and the Head of Finance and the relevant Portfolio Holders, to vary the programme as necessary to maximise use of one-for-one monies for the purchase of street properties subject to resources being available within the HRA Business Plan.**

**IV. Authorise the Head of Legal and Democratic Services in consultation with the Head of Housing to execute and complete all necessary documentation to give effect to the above recommendations including the execution of any agreement necessary for the receipt of grant.**

**V. Afford delegated power to the Head of Housing, Head of Finance, Housing Operations Manager for Development, and Development and Regeneration Manager, in conjunction with the Portfolio Holder for Housing, to bid and/or purchase land suitable for development, up to a value of £2m independently of cabinet approval.**

**Policy Overview:** Housing Strategy Framework Priority 1 – Improve the supply of affordable housing to meet local housing needs in urban and rural areas, and Housing Statement 2018-2023

Reform of HRA – Cabinet endorsed five key priorities for a further spend as a result of greater freedom within the HRA.

Corporate Plan – High Quality Homes to meet local need and Kent Forum Housing Strategy 2012–2015, affordability and choice.

National Housing Strategy 2011 – delivering new homes under the affordable rent model.

<b>Financial Implications:</b>	Delivery of new build council housing has been achieved using both grant funding and HRA cash resources. This was to ensure the HRA remained within the debt cap and met its debt repayment commitment. The HRA debt cap has now been scrapped.
<b>Legal Implications</b>	Homes England requires the Council to enter into a formal agreement in relation to grant funding it provides.
<b>Equalities Impact Assessment</b>	See attached at Appendix 4. The assessment does not identify any adverse impacts on any client group.
<b>Other Material Implications:</b>	Design and construction standards will comply with Ashford spatial standards (complying with Residential Space and Layout SPD), Lifetime Homes (a standard we set out for Registered Social Landlords) and Code for Sustainable Homes level 3 (which we are committed to for Homes England purposes), and level 4 on energy. Emphasis on the building envelope will deliver the greatest benefits for landlord and tenant.
<b>Exempt from Publication:</b>	<b>Yes, <u>Exempt Appendix 3</u></b>  <b>This is not for publication by virtue of Paragraphs 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information</b>
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## **Housing Revenue Account Affordable Housing Programme – annual update to Cabinet**

### **Introduction and Background**

1. This report provides an update for cabinet members on the delivery of the approved 2015-2018 programme, which they last received an update on in July 2017.
2. As members will recall, spending within the HRA has been regularly reviewed and reported to Cabinet, both individually and as part of budget papers. Indeed, this cabinet paper is reported at the same time as the HRA Business Plan. That paper illustrates how strong a position the council is in to continue its programme of build and acquisition and deliver against the Business Plan priorities. The council, as a result of its proactive affordable homes building programme, utilised the headroom in its HRA when the debt cap restriction was in place.
3. Following the release of a prospectus by the MHCLG in June 2018, the council submitted an ambitious bid to have the headroom in its HRA increased. The funding was prioritised for local authority areas identified as having ‘high affordability pressures’ – i.e. where the difference between social rents and private rents is £50 or more per month. Some details of the submission are detailed later in the report. With the debt cap removed, greater flexibility exists for the council to build new affordable homes. The council therefore aims to increase the delivery of affordable homes through its debt cap and other means.

### **Current Position**

4. The current Affordable Homes Programme 2015-2018 is provided at Appendix 1. This sets out the current sites identified for delivery and the current position. Members will recall the programme provided for the provision of a total of 29 units over 11 sites. Some of these have been delivered to notable effect – such as the two semi-detached bungalows built by the authority at Noakes Meadow – the first to be built to M4(3) standards (the full Category 3 accessible standard for new-build dwellings) in the borough, highlighted by occupational therapists who have seen them as the blueprint for any such future projects in the county, and selected as a finalist in the recent 2018 Kent Design and Development Awards.
5. Moreover, in the government’s 2014 Housing Standards Review, the costs of making a two-bed terrace M4(3) standard is costed as being over £22,000. Our employer’s agent Pellings indicates that the properties delivered at Noakes Meadow involved upgrade work totalling only £6.9k per dwelling – emphasising our ability to achieve value for money.
6. Delivering properties such as Noakes Meadow is notable. A key HRA Business Plan priority is to deliver disabled adaptations within our stock. In

building homes to this standard that represent value for money, we are making the £500,000 budget go further.

7. The remaining sites to be delivered in the 2015-2018 programme are at:
  - Brattle, Woodchurch (4 x 2-bed houses)
  - Ragstone Hollow, Aldington (2 x 2-bed and 2 x 3-bed houses)
  - Calland, Smeeth (2 x 2-bed and 2 x 3-bed houses)
  - The Weavers, Biddenden (2 x 2-bed bungalows)
  - Jubilee Fields, Wittersham (4 x 3-bed houses)
8. The majority of these units are being funded by the use of one-for-one capital receipts, where 30% per unit cost can be funded via these receipts, whereas only 20% per unit can be funded via Homes England grant. Given the lack of headroom in the HRA when the debt cap was in position, it was prudent for the authority to make full use of capital receipts following the sales of council-owned properties (referred to as one-for-one funding) to progress these builds. The efficient and complete use of these right-to-buy receipts is critical as there are conditions set out that they must be used within three years or repaid to the government with a significant interest payment calculated using 4% above base rate – though the government is consulting local authorities on extending the timeframe it has to use one-for-one funding.
9. Housing and finance officers keep the level of one-for-one capital receipts under continual review and have managed the funding arrangements effectively to this point and continue to monitor. As identified in the HRA Business Plan paper, they have also responded to the one-for-one funding consultation produced by the government.

### **Street purchase programme**

10. The council also purchases 'street' properties (regular properties available on the open market), using one-for-one capital receipts. These are, by and large, ex-council properties previously sold under the right-to-buy scheme. In the last financial year the council has purchased 15 'street' properties, totalling just over £2.3m – these are detailed in Appendix 2. Some of these properties have been returned to the council's housing stock and let to households on our waiting list and others have been acquired to facilitate larger projects coming forward, such as the proposed redevelopment of The Poplars, agreed by Cabinet previously. As the HRA Business Plan report indicates, the removal of the debt cap should ensure that we can continue to acquire properties, delivering on this priority.

### **Danemore**

11. Additionally, the current delivery programme also includes the demolition and rebuild of the sheltered housing scheme at Danemore in Tenterden, This was removed from the Homes England (formerly Homes and Community Agency) programme following the council's success in securing an award of £1.6m from the Care and Support in Sheltered Housing (CASSH) funding programme. The proposals for Danemore provide a high standard of homes for older persons.
12. Following the success of the council's award-winning Farrow Court scheme, Danemore represents the second redevelopment of a sheltered housing scheme and will deliver 34 homes, with work on the site set to be completed before Christmas. The emphasis is placed firmly on independent living, and will see the sale of four cottage-style chalet bungalows that have been constructed as part of

the project. These will be sold on the open market and the profit from these will offset the overall cost (£7.5m) of the Danemore scheme.

13. Danemore will set the tone for future project procurement. Danemore was procured using a two-stage tender process, which leads to better results on both timescales and budget.

## **Proposal for new homes**

14. On 18<sup>th</sup> September the council submitted its formal bid to the MHCLG to increase the headroom in its HRA (which as the HRA Business Plan reflects sat at around £9m), following the prospectus issued by government in June. The council had long argued that increasing the debt cap would enable it to rapidly expand its affordable homes new build programme up to 2022. Given the timescales involved it was not possible to liaise with all ward members ahead of the bid's submission (detailed in Exempt Appendix 3). Those members have now been invited in, or written to, to see the proposals that are due to come forward in their wards. Those sessions were very positive and the constructive input of those ward members is to be acknowledged here, with their views shaping the housing department's plans.
15. The headlines from the council's bid were that we submitted 25 sites, which would provide 334 new homes for affordable rent (including houses, bungalows and flats) with funding drawn down by March 2022. The council effectively applied for £61m of headroom in order to put these plans into practice. To put this ambitious bid into context, the council has built 280 new homes since 2011 – still a major achievement compared with figures across the south east.
16. Of course, subsequent to submitting the bid, the Prime Minister mentioned in her party conference speech on 3<sup>rd</sup> October that the HRA debt cap would be scrapped, and following communication from the secretary of state, the cap was formally removed on 29<sup>th</sup> October. At the current time it appears that local authorities are free to borrow as much debt as they can reasonably service, but we await further details from the Ministry. This could work to Ashford's advantage as the HRA Business Plan reports that our HRA debt sits at £115m, an average of £23,100 per property, well below the average social housing value (£54,600) of each property.
17. A significant amount of work was undertaken by many officers across several departments (notably, housing, finance and planning) to draw such a strong bid together. Though there was no definitive outcome from the bid submission (albeit that the debt cap was removed), the groundwork will absolutely benefit the authority going forward and ensure that there is a potential programme of work to make use of future funding streams.
18. The proposed plans will be supported by the use of one-for-one capital receipts, as certain types of grant funding from Homes England (e.g. Care And Support Specialised Housing [CASSH] funding) cannot be used in conjunction with debt cap funding. In the case of each specific site, members should be reassured that the funding streams will be utilised carefully to make absolutely the best use of the money available to maximise delivery. Where CASSH funding is a better match for a project, offering greater money per

unit, the council will then make an alternative application to this fund. There is currently £76m of CASSH funding available up to 2021.

## **Commentary on future delivery**

19. There are currently around 1,400 households on our waiting list for affordable housing. An increased emphasis must therefore be placed on, and an impetus put behind, the delivery of affordable housing specifically (affordable rent and home ownership products), as we play our part in delivering homes.
20. This is important because the emerging local plan places greater emphasis on delivering affordable home ownership than properties for affordable rent – due to the viability testing that has been carried out as part of its drafting. In the ‘Ashford Town’ area, there will be no affordable rent properties, only 20% affordable home ownership properties (though with flatted development this 20% is not a requirement). In the ‘Hinterlands’ area, there is just a requirement of 10% affordable rent and 20% affordable home ownership. And in the rural areas of the borough there is also only a requirement of 10% affordable rent and 30% affordable home ownership.
21. This looks set to increase the number of affordable homes overall but will see a reduction in the number of affordable rent properties coming forward – hence the need to fund our own affordable homes programme utilising funding streams available to complement section 106 provision. The council’s development team is working with registered providers (RPs) who will take on the smaller numbers of properties potentially coming forward through s106 agreements – and indeed can consider purchasing s106 allocations itself with the HRA debt cap now removed.
22. In-keeping with its dynamic approach and reputation as being a thought-leader in the housing sector, there are a number of viable suggestions that have been discussed internally by the housing department’s recently created development team (which ensures the delivery of the council’s own-builds, enables the delivery of homes by RPs and makes the best use of our housing stock). These suggestions are in addition to these strands of the development team’s work and are initially set out below for members to absorb. They are also alluded to in the council’s housing statement 2018-23  
*Modular homes*
23. Cabinet members are aware of the council’s need to provide temporary accommodation for those residents to whom the council has a homeless duty. Moreover, the council needs to consider delivering these homes as a priority. This is not just to save the council and the taxpayer around £75 per night in bed and breakfast (B&B) costs, but also to save those residents the indignity of living out of B&B accommodation during what is already a traumatic time in their lives.
24. The council already has a well-publicised bespoke property that it renovated at Christchurch House, which provides eight units of accommodation and prevents families having to live out of suitcases in B&Bs. However, though there are plans in place to provide a second such property – which is currently going through the conveyancing process – there is such a pressing need that

the council is considering alternative solutions, such as homes built through modular construction and converted shipping containers.

25. The containers have advantages to all parties:
- The person(s) placed in this form of accommodation would not have to vacate the premises during the day as they would in a B&B
  - There is no ongoing cost to the council and taxpayers as there is with B&B accommodation, as outlined above
  - There could be an opportunity to support the Kent-wide economy by sourcing a local provider of such accommodation

26. Council officers have been investigating, with the knowledge of the portfolio holder for housing, the possibility of acquiring some units for this purpose. Further details will be forthcoming in due course as and when a definitive plan of action is identified.

#### *An Affordable Housing Company*

27. Though the council has a wholly-owned property company, this company is focusing on the private rented model at this time due to the need to become a profit making company before venturing into other future projects such as the affordable market. Creating an affordable rented vehicle (possibly a company) could therefore help the council develop sites and then sell them onto a special purpose vehicle (SPV) that can then rent them affordably.
28. SPVs are legal entities that are designed to prevent adverse risk being transferred to or from its owners. Its operations are limited to the acquisition and financing of specific property assets, such as affordable housing in this suggested instance.
29. This model consists of a borrowing vehicle supported by a financial institution which undertakes the actual development and a charitable arm, or operating vehicle, which takes the properties on a long lease from the borrowing vehicle as a subsidiary of the council. Such a move could enable the council to increase the amount of housing stock in our ownership, and let the properties on short-term assured shorthold tenancies, which would protect them against right-to-buy legislation. More research needs to be undertaken on this by officers and the findings will be reported back to members.
30. This product previously could not be offered through the HRA due to HRA debt cap rules. It is likely, that it would need to be a General Fund product that would need to be funded by General Fund borrowing.

#### *Joint ventures (JVs)*

31. The council could join forces with another RP, local authority, or even developer operating in the borough to deliver an increased volume of affordable housing through an SPV – ideal for this kind of delivery. The benefit of adopting this approach is that the council would retain a healthy stake in developments across the borough without putting its HRA at major risk. The council would bear only a proportion of any risk while maintaining an influence over, and possibly generate revenue from, the management and letting of the stock once built.

32. Such an approach could conceivably also leverage in external funding to developments and open up access to a wider range of privately owned sites, which would simply be unfeasible if the council went it alone. Several RPs have expressed an interest in exploring such an arrangement with the council – fusing together the skills and abilities both parties would bring. Officers are meeting those RPs with whom it enjoys a strong rapport to discuss how potential arrangements could work in practice for the betterment of the borough and intervene in the market when opportunities arise.

33. Establishing such a venture would not be a quick fix, as a lot of groundwork must be put in place to ensure you are partnering with an organisation that shares your values, culture, objectives etc. However, partnering with an organisation to access their expertise or financial capability, enabling you to undertake a project together that you may otherwise not have been able to deliver alone, is an attractive option and one the council will explore fully in the coming months.

#### *Institutional investment*

34. The council has already sought institutional investment to bring forward an independent living scheme for older people at Repton that had stalled and without innovation would not have been unlocked. Given the backing from cabinet for this initiative, which recently was highly commended at the Kent Housing Group awards, the council could look at further options for using institutional investment elsewhere in the borough where other methods have been exhausted to bring sites forward.

#### *Community Land Trusts (CLTs)*

35. CLTs are a form of community-led housing, set up and run by ordinary people to develop and manage homes, among other assets. CLTs act as long-term stewards of housing, ensuring it remains genuinely affordable, based on what people actually earn in their area, not just for now but for future occupiers.

36. The role of CLTs is being recognised at a national level now, with the National Federation of Builders in particular supporting the way in which they are disrupting the market. There are a number of ways in which the council could assist CLTs, notably through land or financial means – however, given the position in which we find ourselves, our own involvement could be through development and potentially through the letting and management of the stock.

37. The council is aware of a proposed CLT in the borough and will continue to support the group as it seeks to develop homes in perpetuity for local residents. The council has recently become an associate member of the National CLT Network and will continue to follow this rapidly growing sector, to which the government recently committed to invest £300m in.

#### *Rent Plus*

38. Rent Plus is an innovative new model of affordable home ownership delivery. Its homes all comprise new build properties. Tenants have five-year renewable tenancy agreements, at an affordable rent set at 80 per cent of market rent, including any service charge, with no maintenance responsibilities. This gives them time to save for a deposit and build creditworthiness records that will support mortgage applications. After a tenancy period of five, ten, 15 or 20 years, the occupier will be invited to

purchase their property. There is no obligation to purchase but those who choose to receive a gifted deposit of ten per cent of the property's market value. There is no chain and, as they are already in situ, there are no uncertainties or moving expenses of most house purchases.

39. All Rent Plus homes are sold after 20 years. If they are not purchased by the occupier or the housing association, houses will be sold on the open market, with a percentage of net proceeds paid to the local authority/RP for the delivery of future affordable housing.
40. This model of affordable home ownership is positive but not without risk – such as financial, social cohesion or fluctuations in the property market. Furthermore, it cannot be delivered through the HRA. The General Fund could deliver this, however. It could also be included in s106 agreements as an alternative affordable home ownership product, given the National Planning Policy Framework's inclusion and definition of Rent-to-Buy products.

#### *Opt-to-Buy*

41. One alternative to Rent Plus is the opportunity the council has to create a bespoke version of it. Senior housing officers have been in discussion with the portfolio holder for housing regarding a scheme based on a similar idea. It would have at its core the central ambition of helping people into home ownership, and could be an alternative to shared ownership where obtaining a mortgage and having a deposit up front do not make it accessible for all.
42. Further discussions will be held with members to see how such a product could be developed and taken forward, but it is clear that a scheme along these lines would offer greater security to those renting as market rent properties often have shorter tenancies (which can also contribute to a lack of civic pride in an area and the deterioration of its reputation), as well as higher rents that render saving for a mortgage deposit virtually impossible. Furthermore, with news reports stating that people in this generation may rent all of their lives, this offer will be a welcome introduction into the market.

#### *Land acquisition*

43. As stated, the council put forward 25 sites for the bid it submitted under the HRA debt cap uplift process. Of those sites, 24 were in the council's ownership with one additional site identified but needing to be purchased.
44. Although the council can now begin to scope out the delivery of the 24 sites in its ownership, it does mean that the land within the council's ownership (HRA and General Fund) which could be used to provide affordable housing on, is diminishing, and soon the council will have exhausted its own available land. This necessitates the council potentially engaging land agents, and working closer with developers to identify plots of land before they are brought to the market. The council has a duty to not push the market value of land up by entering bids in an already crowded marketplace, which is why the other options listed out above may prove more palatable to all stakeholders.
45. One of the sites included in the bid recently became available but the council was not in a position to act, due to internal sign-off procedures. This is something that the council must consider going forward, in order to maintain its position as a lead authority in the housing sphere. Therefore, it is

suggested here that Cabinet members exercise the foresight to grant the portfolio holder for housing, and senior housing and finance officers, the autonomy to make land acquisitions (up to a value of £2m) where a residual value is worked out and the opportunity represents clear value for money within the HRA, or for the purpose of any venture outlined above.

## **Additional options considered but discarded**

### *Viability assessments*

46. The conclusions of viability reviews are reported to planning committees. They explain the conclusions reached by developers as to why certain sites can only provide a particular level of affordable housing, or why providing infrastructure in addition to affordable homes could prevent them from achieving competitive returns. There is an argument that these assessments are squeezing the amount of affordable homes coming forward on developments across the country.
47. Some authorities have taken the step to publish the viability assessments submitted by developers in full. While increased transparency does not on its own bring forward greater contributions, it is a symbolic step and some believe that forcing the disclosure of viability assessments could help create some useful peer pressure. However, following discussions with members of the Kent Developers Group, it is felt by housing officers that it is far better to work on building trust and an honest, open rapport with developers, rather than go down this route.
48. The council's emerging Local Plan has been extensively tested for viability and sees the affordable element of developments being weighted in favour of affordable home ownership products rather than affordable rent. This ought to mean that in the short-to-medium term the need to contest viability on both sides is reduced.

### *ABC Lettings*

49. The council will continue to look at growing its social lettings agency, ABC Lettings. This currently works successfully, managing some of the acquisitions made by the property company and those acquired through the dedicated team's rapport with local landlords. It provides homes for some households to whom the council accepts a homeless duty. These households would generally be considered high-risk by private landlords.
50. It is, however, felt that it may be a more of a sound commercial decision for ABC Lettings to remain a non-commercial enterprise, focusing on its core social responsibility and presenting an attractive offer to landlords that in turn helps homeless households, rather than trying to expand and being subject to taxation. That way it can continue to deliver on its social responsibility, whereas a strict 'for-profit' remit may make it unviable.

## **Implications and Risk Assessment**

51. In such a dynamic environment, the barriers to delivering affordable housing are both stark and evolving. In delivering affordable housing in the borough, the challenges we face are broadly similar to any other RP. These are:

- High land values
- The notion of what affordable genuinely means – is it 80% of market rent or should it be income based
- There is a high need for rented accommodation that falls within Local Housing Allowance rates
- Right-to-Buy – we have sold 165 of our homes under this scheme in the last five years, during which period we have built 164 (though this figure includes Farrow Court). The trend of a reduction in numbers in the last two financial years means that the one-for-one monies are reducing, potentially increasing our resilience on various bidding rounds for Homes England funding in the future
- The need for affordable and temporary accommodation is growing and the impact of non-delivery – especially in light of the Homelessness Reduction Act – is:
  - i. more cost to the council through temporary placements
  - ii. the social toll on those who are unable to be housed
  - iii. reputational
  - iv. financial concerns – the funding streams that our commercial assets are creating may, if not continually addressed, see a demoralising effect on the bottom line figures, with the pressures of battling homelessness draining those resources

52. Doing nothing is an alternative but is a big risk to the council's reputation, being often cited as a thought-leader in terms of its affordable housing delivery and recently picking up a number of high profile awards in the county, and shortlisted for national accolades with its projects. Furthermore, the council has a duty to find alternative mechanisms for the delivery of affordable housing with the 1,400 households currently waiting to be housed.

## **Equalities Impact Assessment**

53. Members are referred to the attached Assessment at Appendix 4. There are no adverse impacts identified.

## **Consultation Planned or Undertaken**

54. All sites within the future delivery programme are subject to planning approval. As part of the planning application process further formal consultation will take place with local residents and ward members – importantly before proposed plans are submitted - giving them an additional opportunity to respond to the proposals outside of the formal planning consultation process.

55. This additional stage of consultation gives local residents and other stakeholders a genuine opportunity to understand and influence the proposals, talking through the likely impact in more detail with housing staff. Previous consultations have proved very successful and we vow to continue the approach we have adopted thus far to engage local people.

## **Other Options Considered**

56. Officers have carried out extensive modelling exercises in order to maximise the resources available to the HRA to address further needs and meet our strategic aspirations. The proposals as set out also sensitively consider planned and appropriate decanting programmes, where applicable.

## **Reasons for Supporting Option Recommended**

57. The options set out represent the best use of the resources available, taking into account a range of factors including availability of our anticipated increased HRA headroom, the effective use of one-for-one monies, and also other sources of funding, such as CASSH. The housing portfolio holder will be kept informed at all times regarding the most appropriate use of funding for each proposed scheme.

## **Next Steps in Process**

58. Consultation will begin with ward members and local communities once we receive formal notification from the Ministry as to which schemes can come forward for delivery. Detailed project plans will be developed for the 2018/23 Affordable Housing Programme and necessary preparatory work and site investigations will commence as required.

## **Conclusion**

59. The report sets out further evidence of the council's proactive approach to the delivery of affordable housing. The council prides itself on the strength of its proven track record in delivery in the sector – both for residents with general needs and our older population. We await the outcome of our bid for more headroom in our HRA – a bid that echoes the ambition we have to deliver as many homes as possible and play our part in responding to the housing crisis.
60. The programme set out maximises the current resources available to the HRA and manages the potential risk of returning under-spent capital receipts to the Treasury with high interest.

## **Portfolio Holder's Views**

61. I am pleased to endorse this report. The proven track record of delivery is something that we have rightly been applauded for as a council but this report signifies a new dawn in our delivery.
62. Our debt cap uplift bid was, we suspect, unparalleled in its ambition to the Ministry of Housing Communities and Local Government. We are sending out a strong message to everyone about our intention to play a full role in delivering the much-needed homes the national government wants to provide. We now await to see how best we can take advantage of the removal of the HRA debt cap following the Prime Minister's announcement.
63. The report not only sets out our bold ambition in terms of numbers (notionally up until 2022 as indicated in the HRA debt cap uplift bid), but it sets the

platform for future delivery and how we will foster our already strong relationships with others to deliver via new mechanisms. All stakeholders should be heartened that we use all potential funding streams to their maximum effect. Let no one be in any doubt that we intend to continue to lead the way.

## **Contact and Email**

64. Mark James (mark.james@ashford.gov.uk)

## Appendix 1 to November 2018 cabinet report

Phase 5 of Ashford Borough Council's affordable homes new build programme

<b>Address</b>	<b>Homes</b>	<b>Anticipated handover date</b>
Brattle, Woodchurch	4 x 2-bed houses	November 2018
Calland, Smeeth	2 x 2-bed houses and 2 x 3-bed houses	November 2018
Danemore, Tenterden	34 apartments for independent living	November 2018
Jubilee Fields, Wittersham	4 x 3-bed houses	November 2018
Ragstone Hollow, Aldington	2 x 2-bed houses and 2 x 3-bed houses	March 2019
The Weavers, Biddenden	2 x 2-bed bungalows	Late 2019

## Appendix 2 to November 2018 cabinet report

Street properties purchased in the 2017-18 financial year

<b>Address</b>	<b>Price</b>	<b>Date</b>
7b Grampion Close	£99,000.00	11 <sup>th</sup> July 2017
18 Langholme Road	£220,000.00	24 <sup>th</sup> August 2017
5 Beaver Lane	£188,000.00	25 <sup>th</sup> August 2017
16 Rothbrook Drive	£250,000.00	30 <sup>th</sup> October 2017
7 Beaver Lane	£213,000.00	3 <sup>rd</sup> November 2017
118 Towers View	£135,000.00	22 <sup>nd</sup> November 2017
50 Boxley	£127,500.00	8 <sup>th</sup> December 2017
6 Oaktree Road	£132,000.00	11 <sup>th</sup> December 2017
7 The Poplars	£95,000.00	20 <sup>th</sup> December 2017
18a Tennyson Road	£110,000.00	22 <sup>nd</sup> January 2018
8 The Poplars	£95,000.00	31 <sup>st</sup> January 2018
77 Beecholme Drive	£192,500.00	1 <sup>st</sup> February 2018
6 Western Gardens	£250,000.00	14 <sup>th</sup> February 2018
96 Clockhouse	£132,000.00	23 <sup>rd</sup> February 2018
1 Hillbrow Lane (freehold reversion)	£82,500.00	29 <sup>th</sup> March 2018

# Equality Impact Assessment

## Appendix 3 to November Cabinet report

1. An Equality Impact Assessment (EIA) is a document that summarises how the council has had due regard to the public sector equality duty (Equality Act 2010) in its decision-making. Although there is no legal duty to produce an EIA, the Council must have **due regard** to the equality duty and an EIA is recognised as the best method of fulfilling that duty. It can assist the Council in making a judgment as to whether a policy or other decision will have unintended negative consequences for certain people and help maximise the positive impacts of policy change. An EIA can lead to one of four consequences:

- (a) No major change – the policy or other decision is robust with no potential for discrimination or adverse impact. Opportunities to promote equality have been taken;
- (b) Adjust the policy or decision to remove barriers or better promote equality as identified in the EIA;
- (c) Continue the policy – if the EIA identifies potential for adverse impact, set out compelling justification for continuing;
- (d) Stop and remove the policy where actual or potential unlawful discrimination is identified.

### Public sector equality duty

2. The Equality Act 2010 places a duty on the council, when exercising public functions, to have due regard to the need to:
- (a) Eliminate discrimination, harassment and victimisation;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it (ie tackling prejudice and promoting understanding between people from different groups).

3. These are known as the three aims of the general equality duty.

### Protected characteristics

4. The Equality Act 2010 sets out nine protected characteristics for the purpose of the equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership\*
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

\*For marriage and civil partnership, only the first aim of the duty applies in relation to employment.

### Due regard

5. Having 'due regard' is about using good equality information and analysis at the right time as part of decision-making procedures.
6. To 'have due regard' means that in making decisions and in its other day-to-day activities the council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations. This can involve:
- removing or minimising disadvantages suffered by people due to their protected characteristics.
  - taking steps to meet the needs of people with certain protected characteristics when these are different from the needs of other people.
  - encouraging people with certain protected characteristics to participate

in public life or in other activities where it is disproportionately low.

7. How much regard is 'due' will depend on the circumstances. The greater the potential impact, the higher the regard required by the duty. Examples of functions and decisions likely to engage the duty include: policy decisions, budget decisions, public appointments, service provision, statutory discretion, decisions on individuals, employing staff and procurement of goods and services.
8. In terms of timing:
  - Having 'due regard' should be considered at the inception of any decision or proposed policy or service development or change.
  - Due regard should be considered throughout development of a decision. Notes shall be taken and kept on file as to how due regard has been had to the equality duty in research, meetings, project teams, consultations etc.
  - The completion of the EIA is a way of effectively summarising this and it should inform final decision-making.

### Case law principles

9. A number of principles have been established by the courts in relation to the equality duty and due regard:
  - Decision-makers in public authorities must be aware of their duty to have 'due regard' to the equality duty and so EIA's must be attached to any relevant committee reports.
  - Due regard is fulfilled before and at the time a particular policy is under consideration as well as at the time a decision is taken. Due regard involves a conscious approach and state of mind.
- A public authority cannot satisfy the duty by justifying a decision after it has been taken.
- The duty must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.

- The duty is a non-delegable one. The duty will always remain the responsibility of the public authority.
- The duty is a continuing one so that it needs to be considered not only when a policy, for example, is being developed and agreed but also when it is implemented.
- It is good practice for those exercising public functions to keep an accurate record showing that they have actually considered the general duty and pondered relevant questions. Proper record keeping encourages transparency and will discipline those carrying out the relevant function to undertake the duty conscientiously.
- A public authority will need to consider whether it has sufficient information to assess the effects of the policy, or the way a function is being carried out, on the aims set out in the general equality duty.
- A public authority cannot avoid complying with the duty by claiming that it does not have enough resources to do so.

The Equality and Human Rights Commission has produced helpful guidance on "Meeting the Equality Duty in Policy and Decision-Making" (October 2014). It is available on the following link and report authors should read and follow this when developing or reporting on proposals for policy or service development or change and other decisions likely to engage the equality duty. [Equality Duty in decision-making](#)

<b>Lead officer:</b>	Mark James
<b>Decision maker:</b>	Cabinet
<b>Decision:</b> <ul style="list-style-type: none"> <li>• Policy, project, service, contract</li> <li>• Review, change, new, stop</li> </ul>	To provide an update on the Housing Revenue Account (HRA) Affordable Housing Programme and to get an endorsement from cabinet members about the new sites proposed as part of the council's HRA debt cap uplift bid – maximising grant-funding, receipts from council house sales and HRA resources in order to contribute towards meeting the demand for housing in the borough.
<b>Date of decision:</b> The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	8 <sup>th</sup> November 2018
<b>Summary of the proposed decision:</b> <ul style="list-style-type: none"> <li>• Aims and objectives</li> <li>• Key actions</li> <li>• Expected outcomes</li> <li>• Who will be affected and how?</li> <li>• How many people will be affected?</li> </ul>	<p>To note the progress with the council's existing affordable homes new build programme.</p> <p>To endorse the suggested sites that are proposed as part of the HRA debt cap uplift bid.</p> <p>To delegate authority to the Head of Housing and the Head of Finance and ICT to purchase street properties to maximise the use of capital receipts from Right to Buy sales, subject to resources within the HRA business plan.</p> <p>Enter in to the Shared Ownership Affordable Homes Programme grant agreement.</p>
<b>Information and research:</b> <ul style="list-style-type: none"> <li>• Outline the information and research that has informed the decision.</li> <li>• Include sources and key findings.</li> </ul>	The following policies have identified the need to address housing supply in the Borough. The Housing Strategy Framework Priority 1 - Improve the supply of affordable housing to meet local housing needs in urban and rural, the HRA reform which lead to Cabinet endorsing five key priorities for further spending and allowing for greater freedom, the Corporate Plan, the Kent Forum Housing Strategy (2012-2015) highlighted the need for affordable homes and a choice for residents and the National Housing Strategy which highlights the delivery of new homes under the affordable rent model.
<b>Consultation:</b> <ul style="list-style-type: none"> <li>• What specific consultation has occurred on this decision?</li> <li>• What were the results of the consultation?</li> <li>• Did the consultation analysis reveal any difference in views across the protected characteristics?</li> <li>• What conclusions can be drawn from the analysis on how the decision will affect</li> </ul>	<p>Consultation has taken place with colleagues in Legal Services, Planning and Development, Finance and ICT, the Housing Development Team, Housing Options and Corporate Property Services.</p> <p>The consultation has been to identify suitable areas to develop out affordable homes and the level of finance (inclusive of grant and capital contributions) required to achieve the programme.</p> <p>Further consultation will be carried out with ward members and the communities in which any new affordable homes are proposed to be taken forward before any proposed scheme is submitted to the planning department.</p>

people with different protected characteristics?	
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**Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.**

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

<b>Protected characteristic</b>	<b>Relevance to Decision</b> High/Medium/Low/None	<b>Impact of Decision</b> <b>Positive</b> (Major/Minor) <b>Negative</b> (Major/Minor) <b>Neutral</b>
<u>AGE</u> Elderly	High	Positive (major)
Middle age	High	Positive (major)
Young adult	High	Positive (major)
Children	High	Positive (major)
<u>DISABILITY</u> Physical	High	Positive (major)
Mental	High	Positive (major)
Sensory	None	Neutral
<u>GENDER RE-ASSIGNMENT</u>	None	Neutral
<u>MARRIAGE/CIVIL PARTNERSHIP</u>	None	Neutral
<u>PREGNANCY/MATERNITY</u>	None	Neutral
<u>RACE</u>	None	Neutral
<u>RELIGION OR BELIEF</u>	None	Neutral
<u>SEX</u> Men	None	Neutral
Women	None	Neutral
<u>SEXUAL ORIENTATION</u>	None	Neutral

<p><b>Mitigating negative impact:</b></p> <p>Where any negative impact has been identified, outline the measures taken to mitigate against it.</p>	<p>There is nothing to mitigate</p>
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<p><b>Is the decision relevant to the aims of the equality duty?</b></p> <p>Guidance on the aims can be found in the EHRC's <a href="#">Essential Guide</a>, alongside fuller <a href="#">PSED Technical Guidance</a>.</p>	
Aim	Yes / No / N/A
1) Eliminate discrimination, harassment and victimisation	N/A
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	Yes
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	N/A

<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>• Consider how due regard has been had to the equality duty, from start to finish.</li> <li>• There should be no unlawful discrimination arising from the decision (see guidance above ).</li> <li>• Advise on whether the proposal meets the aims of the equality duty or whether adjustments have been made or need to be made or whether any residual impacts are justified.</li> <li>• How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported?</li> </ul>	<p>Due regard has been considered throughout this proposal to each protected group.</p> <p>No unlawful discrimination has arisen from the decision.</p> <p>The effect on the community will be positive due to the aims of the programme delivery. No adjustments required.</p> <p>The programme will be monitored by a Housing Project group with regular updates to our Portfolio Holder and Cabinet.</p>
<p><b>EIA completion date:</b></p>	<p>27<sup>th</sup> September 2018</p>