

Agenda Item No: 10



Report To: Cabinet

Date of Meeting: 10th October 2019

Report Title: Housing – Current Delivery, Finance and Onward Strategy

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Portfolio Holder: Cllr. Bill Barrett

Portfolio Holder for: Housing

Summary: The Council's 30-year business plan for its Housing Revenue Account (HRA) underpins its strategic thinking and helps evaluate forthcoming plans holistically. This is critical when the national focus is on local authorities accelerating delivery and, as this report outlines, the Council is looking to expand its own new-build plans and acquisitions.

The financial model forecasts that the HRA business plan continues to be a robust and viable business and is able to deliver its key priorities, even in the context of a significantly increased programme. However, national political, economic and legislative changes could adversely affect the financial position, so risks must be considered and capacity built into the overall model.

This report includes, as an appendix (Appendix D), the Council's new Affordable Housing Delivery Plan 2019-2023 for members to endorse, which sets out how the right homes will be delivered in the right places and the strategic context in which the delivery programme sits, enabling work with Registered Providers and acquisitions (land and on-street purchases).

Key Decision: No

Significantly Affected Wards: None.

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

- I. Note the progress in delivering the affordable housing programme in the HRA**

- II. **Note the impact of the Housing Department on the corporate agenda, as detailed in paragraph 4**
- III. **Agree the priorities set out in paragraphs 5 & 6**
- IV. **Agree the updated HRA Business Plan and financial projections as set out in the report and in Appendix A**
- V. **Note that Overview and Scrutiny (O&S) will review the HRA Business Plan financial projections as part of the budget scrutiny process**
- VI. **Agree that given the positive impact of street purchases on the overall programme, the existing delegation to the Head of Housing (no.14.9) be amended as set out in paragraph 35**
- VII. **Agree to delegate authority to the Head of Housing, in consultation with the Head of Finance and IT and the Portfolio-holder for Housing, to bid for and/or purchase land suitable for housing development, up to a value of £5m., subject to the availability of sufficient funding (as explained in paragraph 65)**
- VIII. **Agree the Council's plans for future housing delivery as set out in Exempt Appendix B, which represents the full delivery programme, and delegate authority to the Head of Housing in consultation with the Head of Finance and IT and the Portfolio holders for Housing and Finance and IT to vary the programme as necessary**
- IX. **Endorse the detailed delivery plan entitled "Building on Solid Foundations" at Appendix D**

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 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.

Financial Implications:

This paper provides an update to the financial position of the HRA over the next 30 years. The financial model forecasts that the HRA business plan continues to be a robust and viable business and is able to deliver its key priorities.

The financial model is a tool for testing existing priorities, the impact of changes in Government policies and changes in key business sensitivities such as inflation to ensure that Ashford's plans remain affordable.

Delivery of new build Council housing is achieved using both grant funding and HRA cash resources. This ensured the HRA remained within the debt cap and met its debt repayment commitment.

Legal Implications

Homes England requires the Council to enter into a formal agreement in relation to grant funding it provides.

Equalities Impact Assessment

See attached at Appendix C. The assessment does not identify any adverse impacts on any client group.

Other Material Implications:

Design and construction standards will comply with Ashford spatial standards (complying with Residential Space and Layout SPD), Lifetime Homes (a standard the Council has set out for Registered Social Landlords) and Code for Sustainable Homes level 3 (which has been 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.

Exempt from Publication:

Yes, Exempt Appendix 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

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Introduction and Background

1. From 2019, the Housing Revenue Account (HRA) Business Plan, and the Affordable Housing Delivery Programme reports, both previously received by Cabinet members separately, will be fused together. Doing so provides better parallels to be drawn between the two documents, illustrates the collaborative working of Finance and Housing, and enables comparisons to be made between the viability of the financial plan and the projects Housing are undertaking.
2. The Council has delivered 311 new homes since it was permitted to build again in 2011 – this puts the council firmly in the fore in terms of delivery in the county. Members wishing to see the breakdown of these homes will find it provided in Appendix E of this report – please note these do not include street purchases as these would be pinpointed by address, though 65 have been acquired since 2014.
3. The HRA debt cap was removed in October 2018, a move welcomed by the Council. This followed a bidding process to the Ministry for Housing, Communities and Local Government (MHCLG) in September 2018 where 25 potential sites were identified, that could have seen the debt cap increased by a further £61m, building a proposed 334 homes. Whilst, the governments proposed timescale, in which the projects needed to have been delivered, was short and individually the schemes were viable to deliver, delivering them all concurrently left the HRA Business Plan at risk. Therefore, following the abolition of the HRA debt cap, the Council took the time to pause, reflect, and establish a pipeline for meaningful and measurable delivery. These sites are listed in Exempt Appendix B.
4. In terms of corporate policy and projects, Housing is an essential delivery vehicle. With 5,000 dwellings, which equates to around 10% of the borough's housing stock, the council is ideally placed to be a leader in tackling an number of key areas, such as:
 - Homelessness – The HRA will support the corporate agenda in reducing the pressure on the general fund as a result of the costs of temporary accommodation
 - Climate change – by focussing on having carbon neutral homes the council is able to reduce some of the financial burden for its tenants. Also, by leading on climate change the council will be able to make a real impact on carbon output in the borough
 - The council's Corporate Plan is emerging and in addition to working on the carbon neutral agenda, the council's housing delivery will clearly align itself to its other emerging themes and be mindful of the strong commentary around fostering communities in the Social Housing Green Paper

- Addressing Housing Need – Appropriate good quality housing has been shown to form a strong role in the foundations of health and wellbeing, forming a solid base from which to encourage and enable people into work and to improve their life-chances.
 - Place-making – the council is committed to making Ashford an attractive place to live and rejuvenating its stock is a key part of this vision.
5. The Current Housing Framework Key Principles have been reviewed and updated and therefore members are asked to agree the amended priorities for the HRA as set out below:
- i. Continue to build/acquire new homes for a range of tenures and needs, including shared ownership and homes for rent; utilising all available internal and external funding streams, as appropriate
 - ii. Plan to rebuild/remodel the council sheltered accommodation across the borough to provide high standard accommodation for older and vulnerable persons, including ex-forces applicants, from the borough
 - iii. Decent Homes Standard to be maintained over the 30 year Business Plan cycle
 - iv. Provide an adequate programme of disabled adaptations to meet the needs of disabled tenants within a reasonable timeframe
 - v. To contribute towards the Council's corporate priorities as set out at paragraph 4 above.
 - vi. To work hard to ensure the council's affordable housing meets the carbon neutral agenda (as set out at Council in July 2019). Particular attention will be given to this through the new build programme and where possible through retrofitting measures in its older stock.

Assumptions

6. The Business Plan is built using a number of assumptions.
7. The starting point for building the model is to use the current year (2019/20) estimates and forecast from that point, building in known items of income and expenditure along with a number of other assumptions, based on historic evidence, as well as advice from experts, who have more experience and knowledge in areas such as interest rates and inflation.
8. The model does not allow for slippage in spend, therefore, if there are any underspends or slippage then, as a ring-fenced account, these un-spent funds are put into reserves and re-invested, sometimes this means bringing a programme forward, but where this isn't appropriate investment may be made in a later year, for example in street purchases.
9. By law, the HRA must not have a negative balance, therefore a minimum balance of £1,000,000 has been maintained throughout the life of the model.
10. In addition to these requirements a number of other assumptions have been made, as follows:

Stock assumptions:

11. The starting position of the stock is as follows:

General needs – Affordable rent	481
General needs – Social	3,765
Sheltered – Social rents	325
Sheltered – Affordable rents	110
Shared Ownership	8
PFI	310
Total	4,999

12. Stock will then vary depending on the level of Right to Buys, as well as any new builds or purchases that are made throughout the life of the model.
13. Right to Buys in the model are set at 32 per annum, it is for this reason that investment in both purchasing and building units is a priority. A reducing stock base will make managing both the waiting list and homelessness increasingly problematic year on year. These assumptions will be reviewed as more information becomes available and trends on sales levels emerge.
14. Capital receipts received for the sale of Council properties, under the Right to Buy (RTB) scheme, have been built into the financial model. It should be noted that capital receipts from Right to Buys are also applied to General Fund capital programme items, such as Disabled Facilities Grant (DFG) and community projects.

Rental Income

15. Rent income has been calculated in line with Government formula. After four years of 1% rent reductions (ending in 2019/20) Government have advised that rents will revert back to an annual increase of CPI + 1% from 2020/21, for at least 5 years. From 2025/26 the model assumes an increase of CPI + 0.5%.
16. The Council's conversion programme (from social to affordable rents, initially reported to Cabinet in March 2015) has, between 2015 and 2019, made conversions totalling around £1,400,000, well within the £2,100,000 limit originally set. However, such conversions are no longer being undertaken because arrears, though consistently well managed by the Area Management Team, are slightly higher in affordable rent rather than social rent properties.
17. The Council's approach will now be seek to deliver 'affordable' rents (up to 80% of market rent) but as close to social rent (60% of market rent) as is viable within the Business Plan to ensure a return on each project. Homes England are happy with this approach.

Management Costs

18. Of course, as more homes are introduced into stock, it is important to ensure that practically and reputationally there is appropriate resource to manage these homes. Therefore, it is necessary to increase the resilience of the team in this regard. As such, 3 posts have been added to the management costs in the future to accommodate these pressures and manage the

councils dwellings in alignment with the principles set out in the Housing Framework and its new affordable housing delivery plan.

19. Universal Credit (UC) went 'live' in Ashford on 20 June 2018. Up until June 2018 tenants who required assistance with rental payments applied directly to the council's finance department. Those in receipt of housing benefit had this paid directly to source, reducing the risk of unpaid rent. However, Universal Credit, is paid directly to the claimant on a monthly basis, approximately six weeks after the initial application. This has resulted in a change of focus for the housing management team when recovering rental payments.
20. Up to 31st March 2019, 295 tenants had moved over to UC, to accompany the existing 25 'legacy claimants'. At the end of March 2019 the average household UC debt in the Council's housing equated to £64.87. Following the introduction of a new rule seeing families with three children or more now being eligible for UC, there are now, as of 1st September 2019, 445 tenants are on UC, with an average household UC debt of £86.19.
21. The Council maintains a close working relationship with residents and the Department for Work and Pensions. The majority of the 445 tenants are new claimants who have been on housing benefit for many years and have had to adapt to the legislative changes that have seen them having to pay rent for the first time. The council's area managers for income and arrears will continue to work closely with households on UC and maintain and reduce arrears levels.

Maintenance Programme

22. Each year the Council updates its 30-year maintenance plan to account for the work completed in the previous year, changes to the estimated costs, rescheduling of work, any exclusions and the inclusion of new requirements – for example compliance and carbon reduction measures.
23. Using its component survey data of approximately 54,000 records, the Council creates an investment programme for each property. It calculates this based on the last renewal date and the components' expected life cycle. Lifecycles are based on government standards, such as the decent homes standard, guidance from professional bodies such as the Royal Institute of Chartered Surveyors (RICS), supplier product specifications and previous experience. Individual property plans are then used to build next year's programme and undertake condition surveys for each work-stream to ensure the predicted work is required at this time. Property components identified as suitable for deferral are rescheduled and the individual property records are updated accordingly.
24. The maintenance programme is primarily a renewal programme of the 54,000 component items tracked. Although products, materials, and standards change and often improve over time, any perceived improvements are due to replacing a component at the end of its serviceable life with a new one. The fixtures and fittings the Council specifies and installs are of good quality, selected for their performance and serviceability over their respective lifecycles. For example, bathrooms and kitchens have a planned renewal of 30 or 20 years respectively. The fixtures and fittings selected must be affordable and appropriate, meaning they are robust/low maintenance and serviceable throughout the whole component lifecycle.

25. The Council has committed to be Carbon Neutral in ten years' time (Council July 2019). In order to facilitate this, initial additional annual costs have been included for the first 10 years of the model. With 20% per annum added to the Planned Maintenance budget and an additional 10% to the new build schemes. These are very early estimates and officers are doing further work in the coming months to assess these costs more accurately. It is likely that the 20% planned maintenance figure will only help to accelerate improvements in the SAP value and CO₂ footprint of the Council's portfolio with an upward revision required once a portfolio improvement plan has been fully undertaken.
26. The Council is expected to spend an average of £1,040 per property per annum (over the life of the plan). This includes the additional 20% to meet the requirements of the carbon neutral agenda. According to the consultant, engaged to provide the Business Plan model, this estimate is slightly lower than other councils; those councils do not have the additional cost of carbon neutrality built into their assumptions.
27. The reason for this low capital maintenance spend is as a result of ensuring that all dwelling meet decent homes standards, as a result all properties are in a good condition and the replacement time of some elements can be extended.

Inflation Forecast

28. Inflation is a key sensitivity in any financial modelling; the HRA financial model applies a number of assumptions to costs and income items in the budget.
29. Inflation assumptions have been updated in the model to reflect those used in the Medium Term Financial Plan, these assumptions were provided by Arlingclose the Council's treasury advisors.

Interest Rates and Amounts Set Aside to Repay Debt or Invest in Future Capital Projects

30. The vast majority of the HRA's current borrowing was taken out at fixed rates, interest rate risk is largely managed through this process. The interest rate risk of any future borrowing will need to be assessed when future borrowing is required.
31. The model assumes the authority will use HRA balances to repay additional borrowing where it can, while holding a minimum reserve balance of £1,000,000 for the life of the plan. Any surplus resources will either be invested in new projects or used to repay the housing debt.

Affordable Homes Programme Delivery

32. The proposed Affordable Housing Delivery Programme 2019-2025 can be found at Exempt Appendix B. This includes all sites, those that have approved for further investigation by Cabinet members and included in the HRA Business Plan, as well as those not included in the financial modelling at this stage or awaiting approval from cabinet to proceed.
33. If any new initiatives are developed and approved by Members they will be assessed on an individual basis to ensure they are sustainable and affordable and have an acceptable payback period, usually within 25 years.

At which point they will be incorporated into the business plan financial projections and the impact on the business plan will be costed and measured and reported back to Members when those initiatives are reviewed.

34. The model assumes that street/off plan purchases will continue until 2024/25, with 25 purchases in 2019/20, at an estimated cost of £5,000,000 and 75 additional units each year (from 2020/21 until 2024/25) at an estimated cost of £15,000,000. These purchases will be partly funded by the use of 'one for one' money. However, a consultation with Government last year did indicate that this type of purchase may be restricted in the future, but, at the time of writing, this has not been confirmed. Members are advised that each year's business plan will revise these figures and the delegated authority will be based on the yearly revisions identified in the reports considered.
35. Delegation 14.9 (approved in June 2007) provides as follows: "After consulting with the Head of Finance and IT, Portfolio Holder and Ward Member(s) the Head of Housing to determine whether to repurchase a property formerly sold under the Right to Buy subject to the availability of sufficient funding, consideration of the Housing Revenue Account Business Plan and the impact upon the Council's Right to Buy pooling liability, (Minute No. 76/6/07 refers)". However, to enable officers to act quickly processes need to be streamlined; therefore, where some members are currently consulted on acquisitions for every street purchase, delegated authority is now being sought (as long as they fall within the agreed financial annual limits set in paragraph 34 and in future reviews of the HRA Business Plan) for all purchases to be approved by the Head of Housing after consultation with the Head of Finance and IT, and subject to the availability of sufficient funding, consideration of the HRA Business Plan and the impact upon the Council's Right to Buy pooling liability. In future this can be exercised for a property which was not previously sold under Right to Buy (i.e. was originally constructed by a third party). If the financial annual limit set in paragraph 34 or any future review of the HRA Business Plan would be exceeded by a proposed purchase, then prior consultation will be required with the Portfolio Holders for Housing and Finance and IT.

Other Assumptions Included in the Model

36. The costs of three additional staff members, to facilitate the assessment, acquisition, and subsequent management of the additional units subject to approval at management team, are included within the assumptions in the Business Plan. Two further posts are part-funded by the HRA where they will add real value to the ongoing, holistic work of the Council in providing and managing the additional properties.
37. Following discussions with councillors, work on play areas is due to commence in 2020/21, it is thought that this project will take around 5 years to complete, at a total cost of around £300,000.
38. The authority is part of a Government scheme to re-invest Right to Buy receipts in affordable housing, known as 'One for One Replacement', as a result the Council retains Right to Buy for this purpose. These receipts need to be used within three years for the provision of additional affordable housing units and can account for up to 30% of the build cost, per unit. If these receipts are unused within 3 years, they are returned to the Secretary of State with an interest charge of 4% above base at the time of the funds being held

(compound interest chargeable). Current projections show that this money is on track to be spent by the deadline, although officers will continue to monitor this on a regular basis.

Risks to the HRA Business Plan

Implications and Risk Assessment

39. The Business Plan financial projections continue to be viable and include the current spending commitments.
40. As the Business Plan is built over a 30-year period it is inevitable that government policy will change. The current model is based on the current regulatory framework. In the event of any material changes to this framework the Business Plan will need to be reviewed.
41. Other risks to the Business Plan include variations in costs, for example, capital repairs and maintenance may be higher or lower than anticipated, which over the life of the Business Plan, could have a substantial impact. In addition to this, inflation is also a risk, which not only affect materials and contractor costs but also rental income, for which increases are based on CPI.
42. Interest rates continue to be a risk to the model, a 1% increase in interest rates in year 2 would add another 5 years to the payback of debt. So, any significant fluctuations in the interest rate over the life of the plan could have significant consequences.
43. The on-going introduction of Universal Credit leaves the HRA business plan open to a degree of risk, in particular, to the council's dwelling income. This risk is one that is mitigated by the work being done by the Housing Team, detailed in paragraph 19.
44. The Business Plan model includes a number of sites, as detailed in Exempt Appendix B to this report. However not all sites have completed a legal conveyancing process or been given planning consent which puts completion at risk. To reduce this risk, alternative sites will be sought to ensure a steady pipeline of delivery comes forward, nonetheless some may fall away reducing the delivery commitment.

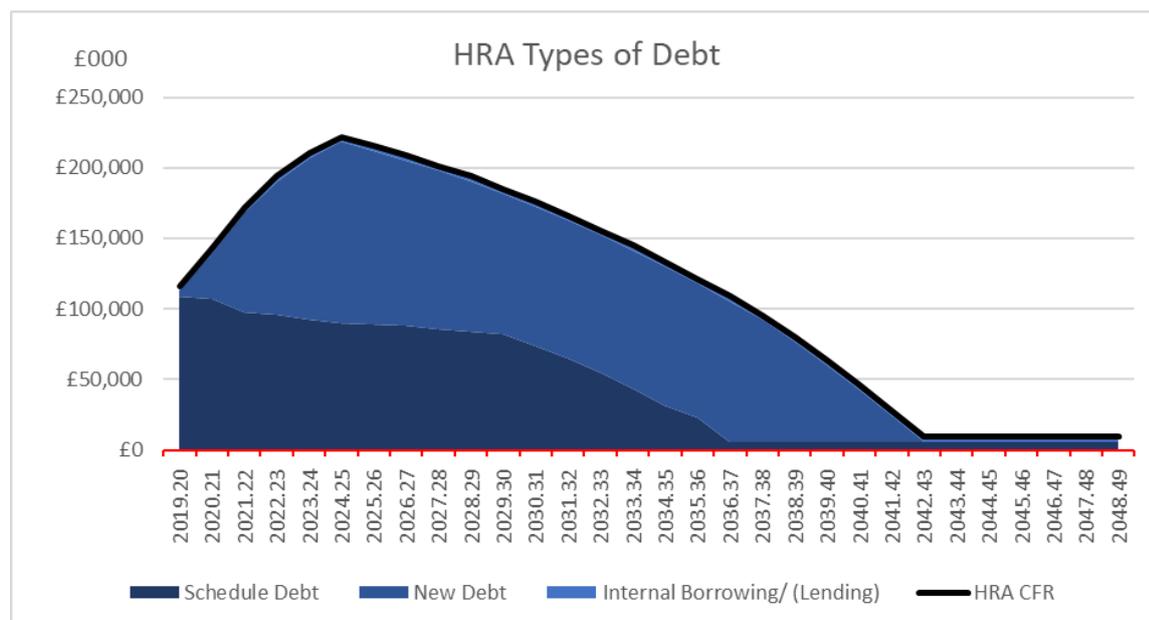
EU Exit

45. At the time of writing, the UK is set to leave the EU on 31 October 2019, and the potential impact of Brexit is unclear. However, work is being done on this corporately to determine any local impacts on how the Council operates. However, from a business planning perspective, officers will continue to heed the advice from the Council's treasury advisors and ensure the Business Plan is updated in line with any advice going forward.
46. It is thought that the major risks at this time could be in relation to the labour force (primarily for the Council's contractors), and additional costs arising through currency fluctuations. Likewise, there may be a reduction in the availability of materials, therefore costs may increase
47. Officers will continue to review these issues and will liaise with Members should mitigating action be needed, such as delaying projects to ensure the Council has the resources available.

Modelling Outcomes

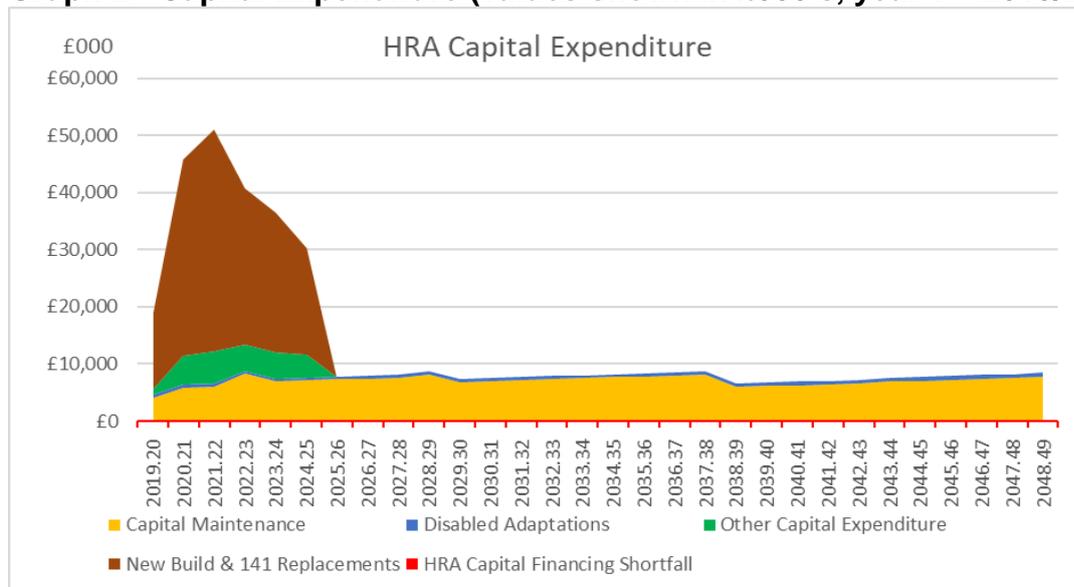
48. The model shows that the HRA is balanced and sustainable throughout the 30 years projected. The model allows the HRA to meet the cost of day-to-day management and repairs, and investment in the projects detailed above.
49. The model is based on the assumption that the Council will be re-paying debt, and in the current model this is forecast to occur around 2042/43. A table illustrating the model for the first 10 years of the business plan is attached to this report at Appendix A. This table shows the cash inflows and outflows for the HRA and provides an estimated HRA balance at the end of each year.

Graph 1 - Amount of HRA Debt Held (values shown in £000's, year 1 – 2019/20)



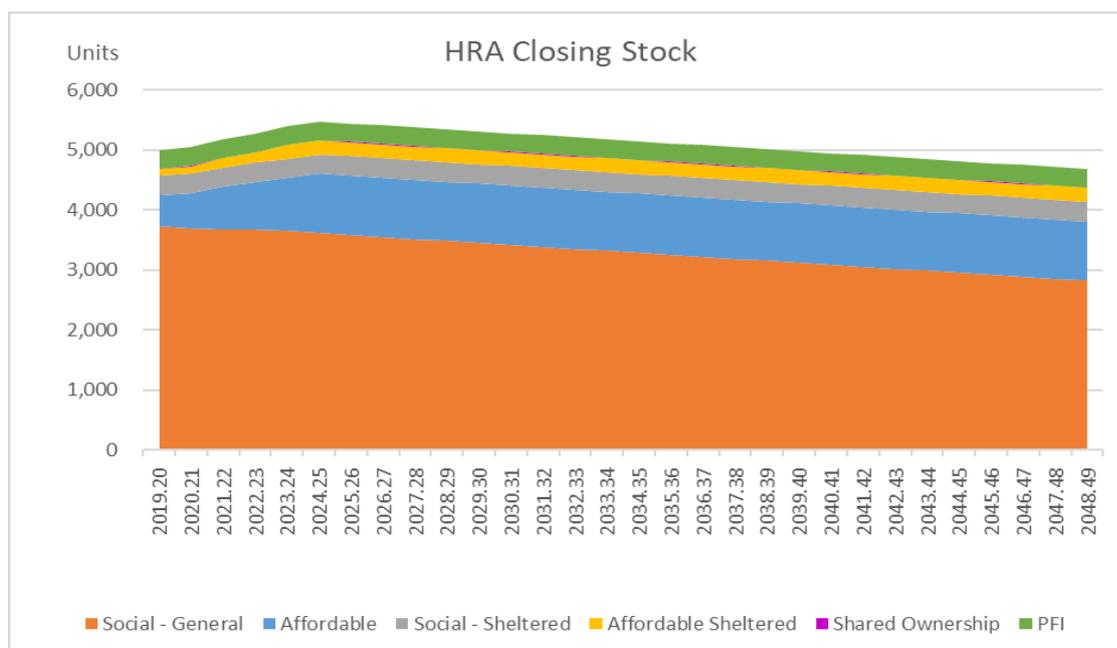
50. Graph 1, Graph 1 above, shows the HRA CFR (the Capital Financing Requirement is a measure of the level of debt needed) for the life of the HRA Business Plan and how it is made up. The current debt portfolio (shown in dark blue) reduces over time, whereas additional borrowing is taken out, not only as the existing loans mature, but also to facilitate the planned projects.
51. The HRA debt peaks in 2024/25 at around £222,000,000, to facilitate the capital programme, however, this will be largely re-paid by 2042/43. This is broadly consistent with the modelling outcomes previously reported, the schemes added to the New Build Programme tend to have a 25-year payback period and as schemes are added each year the debt profile rolls forward an extra year.
52. The profile of debt (as shown in Graph 1) is based on the current, known projects; this could change in future, depending on proposals, not included in the model, or any changes in priorities, as agreed by Members. This is a flexible approach, which will be monitored as new projects are considered and approved.

Graph 2 - Capital Expenditure (values shown in £000's, year 1 – 2019/20)



53. The Business Plan model also tracks the levels of planned capital expenditure and the availability of resources, and highlights any years where there are insufficient resources available to meet the financial demands.
54. Graph 2, above, shows the make-up of the capital programme, the majority of the programme is new build and street purchases. Funding is coming from a variety of sources, not only borrowing, but also, reserves, one-for-one money, and grants (such as those from Homes England). If there were any unfunded projects these would show in red.
55. If spend did exceed the availability of funds then mitigating action to make savings or delay projects would be considered. However, the programme, as it currently stands, is affordable and sustainable over the life of the plan.

Graph 3 - Forecast Stock numbers (values shown in £000's, year 1 – 2019/20)



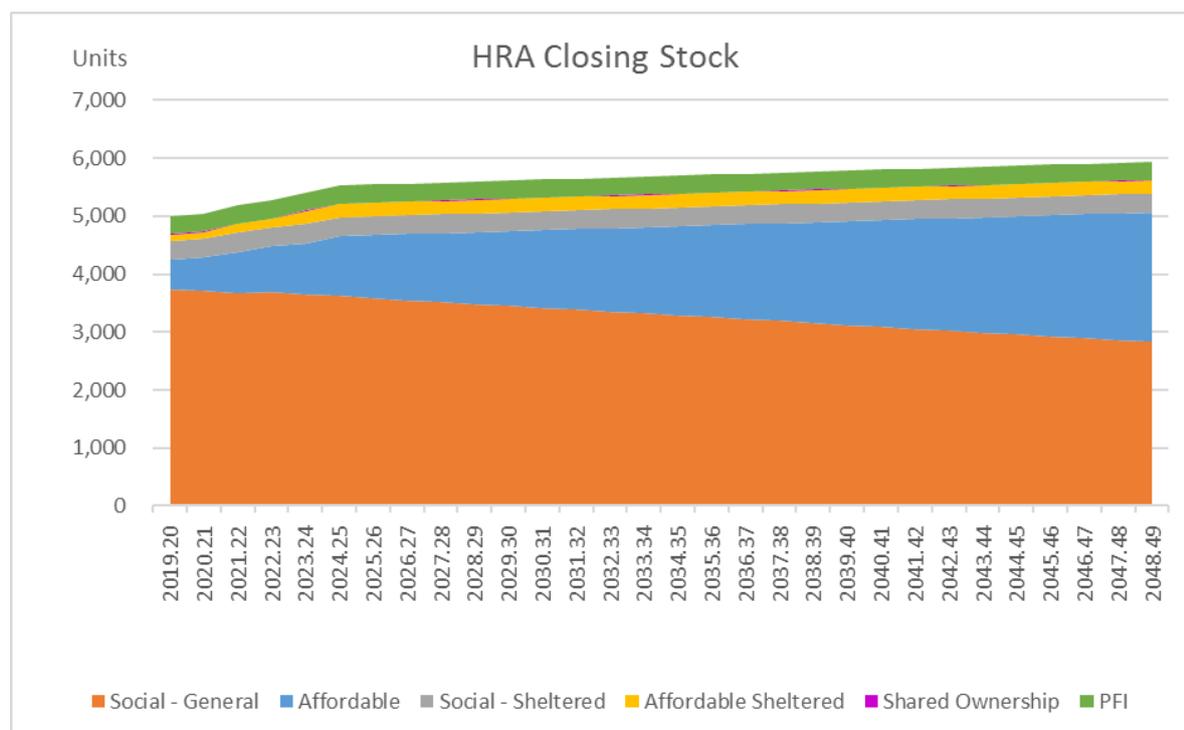
56. The stock numbers in the table above are based on the projects that are likely to go ahead, as per the assumptions in the model. Stock numbers peak in 2024-25 at around 5,480 (compared to current unit numbers of 5,000)

showing the positive impact of street purchases. Once the current build programme is completed unit numbers then decrease, year-on-year, in line with right to buy sales. Maintaining and increasing stock numbers is crucial to the management of the housing waiting list, it also assists in the reduction of homelessness, as it provides an opportunity to help move on homeless families from temporary accommodation.

- 57. It is likely that projects and street purchases will continue after 2024/25, so the aspiration is that these stock numbers will continue to increase, however there is not enough detail available to illustrate the financial implications at this time.

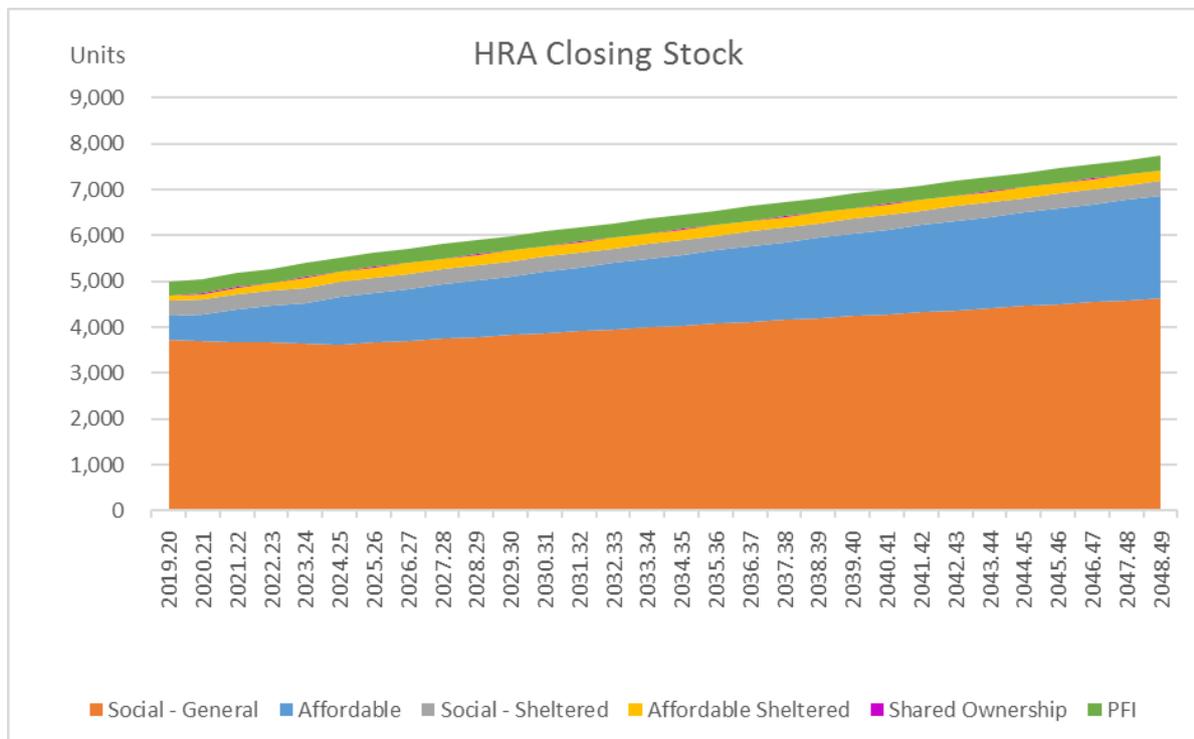
Graph 4
Forecast Stock numbers (values shown in £000's, year 1 – 2019/20) – continued building

- 58. Graph 4, below shows how HRA housing stock numbers would look if building were to continue at an average of 50 properties every year, from 2024/25, which will be possible if the Council continues to successfully identify sites and acquire them using its delegated authority from Cabinet. Please note, this graph is for illustrative purposes only, as the financial implications of increasing the stock has not been fully modelled:



Graph 5
Forecast Stock numbers (values shown in £000's, year 1 – 2019/20) – continued building and continued street purchases

- 59. Graph 5, below, shows the impact, on stock numbers, of maintaining street purchases after 2024/25, as well as continuing new build.



60. Again, the implications of this have not yet been included in the model, and are only included here for pictorial representation at this time. However, it is important to illustrate that if Members chose to continue building and buying units the impact this could have, particularly when considering the housing waiting list and the growing homelessness numbers.

Wider Policy Context

61. Attached to this report (Appendix D) is the Council's affordable housing delivery plan – called “*Building on solid foundations – delivering affordable homes in Ashford – our delivery plan for 2019-2023*”. This document clearly sets out the Council’s plans to deliver new homes, acquire more street purchases and sites, where it will intervene in the marketplace if required and how it will enable the delivery of registered providers. An analysis of the current situation sets out the context in which the Council is operating and all aspects of delivery are considered.

62. As well as the overall strategy set within the delivery plan, risks are identified for the Council’s affordable homes programme, enabling work and acquisitions. The risks affecting the HRA specifically are outlined below:

- Lack of pipeline within the affordable homes programme - the Council must develop a pipeline to ensure there is a continuous stream of properties coming forward, ensuring continual delivery of numbers
- Stigma attributed to social housing - the Council must acquire and dispose of stock as appropriate to ensure tenants are not perceived to be any different to those in other tenures
- Delivering on land the council acquires, through the HRA - the Council must establish a robust risk assessment process for site acquisition and utilise the existing processes, which can be refined, to monitor progress through acquisition and build

- Corporate awareness of financial risk – officers will update the HRA Business Plan annually to ensure visibility and the financial viability of current plans – and awareness of the Council's ability to move people on from temporary accommodation
 - Reputational risk - not delivering affordable housing in the numbers required, when there is a national focus on such delivery, will lead to negative reputational effects for the Council
63. Therefore, considering all of the above in paragraphs 61 and 62 members are asked to endorse the delivery plan and its plan actions.
64. In the December 2018 cabinet report, members were provided with an update on a range of different delivery mechanisms that were, and to some degree still are, being considered by the Council. Though the main focus remains the Council's new build programme, street purchases and other site acquisitions, the object remains to equip the authority with as many tools as possible to deliver affordable housing across the borough. These projects are predominantly General Fund projects, which do not form part of the HRA Business Plan. They will also all align in their delivery phase with the Council's wider delivery policy and Housing Framework.
65. The Council is looking at the possibility of working with another Registered Provider(s), local authority, or even developer(s) operating in the borough to deliver an increased volume of affordable housing – i.e. an amount it could not deliver on its own. 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 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. The Council is currently establishing a housing delivery framework which will attract several Registered Providers and will fuse together the skills and abilities both parties have. This report includes a recommendation (VII) to raise the delegated authority of the council's officers to agree land and site acquisitions to £5m, enabling it to acquire larger sites and potentially sites that it can then work on in partnership with Registered Providers. These acquisitions would be achieved under a modernised, streamlined version of the delegated authority agreed by the Cabinet in December 2018 (Minute 245(v)/12/18).

Equalities Impact Assessment

66. Members are referred to the attached assessment at Appendix C. There are no adverse impacts identified.

Consultation Planned or Undertaken

67. Consultation will be held with ward members where acquisitions or proposals fall in their ward boundaries.
68. All sites within any future delivery programme are subject to planning approval and the formal consultation process as part of that. Prior to 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.

69. 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 officers and any experts involved in assisting the Council. Previous consultations have proved very successful and the adopted approach to engage local people will continue.

Next Steps in the Process

70. The Council will deliver the schemes it has outlined in Exempt Appendix B, which form its delivery programme. The Council will map the process for those that have not yet been approved by Members or included in the HRA Business Plan model, and will bring each site forward for consultation with all relevant stakeholders. Detailed project plans will be developed and necessary preparatory work and site investigations will commence as required. Relevant portfolio holders will be kept informed as the Council's Housing Service maintains its role as a thought leader for the sector.
71. The HRA Business Plan is used as a basis for building the 2020/21 budget, although officers continue to work on the assumptions in the Business Plan as new information becomes available. The 2020/21 draft budget will be presented to Overview and Scrutiny on 14 January 2020, with the final budget report going to Cabinet and Council on 30 January 2020 and 21 February 2020, respectively.

Conclusion

72. The report lays out the work that has been undertaken by the Council since the removal of the debt cap. The Council has taken time to assess the current marketplace and the appetite for delivery among councillors, officers and stakeholders. Horizon scanning remains a vital element of building and the external factors that could aid or hinder future plans have been carefully considered and set out.
73. This report marks an important moment, the decision taken by members in agreeing this report starts an expanded programme of acquisition, continued, targeted building and greater partnership working. The Council's established pipeline for delivery will provide greater certainty for the Business Plan, greater numbers for members in next year's report and, for those on the waiting list, it will show that this authority continues to value delivering genuinely affordable housing in its HRA.
74. This Council prides itself on the strength of its proven track record in this sector – both for residents with general needs and the older population. Furthermore, Housing is a service that spans both the General Fund and the HRA, and is therefore aware of its responsibilities to mitigate pressures in the General Fund through homelessness solutions such as Christchurch House and 112 Beaver Road, as well as increasing supply in the HRA to alleviate some of the pressure on the housing waiting list.

Portfolio Holder's Views

Portfolio Holder for Housing

75. I am happy to endorse this report. With the HRA debt cap now removed and a shifting political landscape nationally, the Council has paused to consider what is deliverable and what is affordable against an uncertain backdrop. This measured approach is set out for all to see, both in this report and its appendices, including the detailed delivery plan for 2019-2023, which I am pleased to see published and have contributed to.
76. The fact we have delivered 311 homes since 2011 puts us at the forefront of new-build delivery in the county, and the Ministry of Housing Communities and Local Government and Homes England are well aware of our ambition to go far beyond this. Furthermore, our development forums are truly valued by the registered providers who want to invest further in our borough given all that we are achieving in terms of wider regeneration.
77. This report sets the tone for future delivery – increasing stock numbers, catering for the needs of an ageing population and maximising resources – but crucially says that it is also affordable. The fusion of the HRA Business Plan and Delivery Programme reports provide members with greater clarity on our overall direction and the viability of our plans.
78. Ashford is renowned for its strong track record in delivering affordable housing, both itself and through its colleagues in registered providers, and I am pleased to see this will continue.

Portfolio Holder for Finance

79. I am pleased to note this combined report which highlights more clearly the impact of decisions taken in the HRA on the Business Plan. It illustrates that officers in Housing and Finance are working closely and that we are thinking holistically about delivery.
80. In what I see as a great credit to all involved given the uncertain environment in which we are operating, the Business Plan is affordable and sustainable, despite significantly increased delivery, and the plan remains robust with debts showing as repaid. I am heartened by the ongoing reviews that Finance and Housing are committed to having.

Contact and Email

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Appendix A

HRA Business Plan (extract) – Top level budget summary to 2028/29

Description	1 2019.20	2 2020.21	3 2021.22	4 2022.23	5 2023.24	6 2024.25	7 2025.26	8 2026.27	9 2027.28	10 2028.29
Income										
Gross Rental Income	£24,983	£25,942	£27,438	£29,153	£30,881	£32,653	£33,689	£34,342	£35,006	£35,683
Void Losses	-£125	-£130	-£137	-£146	-£154	-£163	-£168	-£172	-£175	-£178
Other Rental Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Tenanted Service Charges	£1,142	£1,171	£1,200	£1,230	£1,261	£1,293	£1,325	£1,358	£1,392	£1,427
Leasehold Service Charges	£112	£115	£118	£121	£124	£127	£130	£133	£136	£140
Non-Dwelling Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grants	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000
Other Income	£38	£39	£40	£41	£42	£43	£44	£45	£46	£48
Total income	£29,151	£30,137	£31,658	£33,399	£35,153	£36,952	£38,019	£38,706	£39,406	£40,118
Expenditure										
General Management	-£9,511	-£9,820	-£10,046	-£10,258	-£10,474	-£10,695	-£10,920	-£11,150	-£11,385	-£11,624
Special Management	-£769	-£785	-£801	-£818	-£836	-£853	-£871	-£890	-£908	-£928
Other Management	-£954	-£973	-£992	-£1,012	-£1,033	-£1,054	-£1,075	-£1,096	-£1,119	-£1,141
RRSL Penalty	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Bad Debt Provision	-£209	-£217	-£230	-£244	-£258	-£273	-£282	-£287	-£293	-£299
Responsive & Cyclical Repairs	-£3,478	-£3,549	-£3,620	-£3,724	-£3,802	-£3,891	-£3,972	-£4,086	-£4,174	-£4,281
Other revenue expenditure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total expenditure	-£14,921	-£15,344	-£15,689	-£16,057	-£16,402	-£16,765	-£17,120	-£17,509	-£17,878	-£18,273
Capital financing costs										
Interest paid on debt	-£3,770	-£4,216	-£5,294	-£6,257	-£6,960	-£7,445	-£7,517	-£7,297	-£7,083	-£6,832
Interest paid on 141 receipts	£0	£0	£1	£1	£0	£0	£0	£0	£0	£0
Debt management expenses	-£86	-£88	-£89	-£91	-£93	-£95	-£97	-£99	-£101	-£103
Interest Received	£61	£37	£23	£23	£25	£28	£36	£55	£74	£94
Depreciation	-£5,575	-£5,687	-£5,800	-£5,916	-£6,035	-£6,155	-£6,278	-£6,404	-£6,532	-£6,663
Capital financing costs	-£9,370	-£9,953	-£11,161	-£12,240	-£13,062	-£13,667	-£13,856	-£13,744	-£13,642	-£13,504
Appropriations										
Revenue provision (HRA CFR)	-£1,611	-£2,000	-£4,863	-£2,000	-£5,582	-£6,734	-£6,733	-£7,423	-£7,860	-£8,322
RCCO	-£4,510	-£3,325	£0	-£2,995	£0	£0	£0	£0	£0	£0
Other appropriations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriations	-£6,121	-£5,325	-£4,863	-£4,995	-£5,582	-£6,734	-£6,733	-£7,423	-£7,860	-£8,322
Net income/ (expenditure)	-£1,261	-£484	-£54	£106	£107	-£214	£309	£30	£26	£20
HRA Balance										
Opening Balance	£2,634	£1,373	£889	£835	£941	£1,048	£833	£1,143	£1,173	£1,199
Generated in year	-£1,261	-£484	-£54	£106	£107	-£214	£309	£30	£26	£20
Appropriated in	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriated out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Balance	£1,373	£889	£835	£941	£1,048	£833	£1,143	£1,173	£1,199	£1,218

Homes delivered since 2011

Site	Properties (tenure = affordable rent unless specified)	Building	Status	Handover
Hunter Close, Ashford	3 x 2-bed houses	2 bed House	Completed	23-Mar-11
Towers View, Ashford	5 x 1-bed bungalows	1 bed Bungalow	Completed	31-Mar-11
Towers View, Ashford	3 x 2-bed houses	2 bed House	Completed	31-Mar-11
Towers View, Ashford	2 x 2-bed bungalows	2 bed Bungalow	Completed	31-Mar-11
Breadlands Road, Quarry Close, Willesborough	7 x 2-bed houses	2 bed House	Completed	27-Apr-11
Blake Court, Willesborough	3 x 3-bed houses	3 bed House	Completed	31-May-11
Gerlach House, Ashford	2 x 1-bed flats	1 bed Flat	Completed	31-May-11
Orchard View, Bethersden	3 x 2-bed bungalows	2 bed Bungalow	Completed	11-Oct-11
The Chennells, High Halden	4 x 1-bed flats	1 bed Flat	Completed	04-Nov-11
Nine Acres, Kennington	2 x 2-bed bungalows	2 bed Bungalow	Completed	11-Nov-11
Sotherton, Willesborough	4 x 1-bed flats (for people with learning difficulties)	1 bed Flat	Completed	17-Nov-11
Sotherton, Willesborough	1 x 1-bed bungalow (for a person with learning difficulties)	1 bed Bungalow	Completed	17-Nov-11
Arlington, Ashford	3 x 3-bed houses	3 bed House	Completed	01-Dec-11
Singleton Road, Ashford	4 x 2-bed houses	2 bed House	Completed	01-Dec-11
Bybrook Road, Ashford	2 x 3-bed houses	3 bed House	Completed	07-Dec-11
Bybrook Road, Ashford	1 x 3-bed house	3 bed House	Completed	20-Jan-12
Mardol Road, Ashford	3 x 3-bed houses	3 bed House	Completed	07-Dec-11
Mardol Road, Ashford	1 x 3-bed house	3 bed House	Completed	03-Feb-12

Cheeselands, Biddenden	5 x 2-bed bungalows	2 bed Bungalow	Completed	10-Feb-12
Beaver Lane, Ashford	2 x 2-bed houses	2 bed House	Completed	12-Mar-12
Luckley House, Wye	9 x 1-bed flats	1 bed Flat	Completed	26-Mar-12
Orion Way, Ashford	2 x 4-bed houses	4 bed House	Completed	26-Mar-12
Orion Way, Ashford	7 x 3-bed houses	3 bed House	Completed	26-Mar-12
Birling Road, Ashford	1 x 3-bed house	3 bed House	Completed	27-Sep-13
Christchurch Road, Ashford	8 x 1-bed bedsits (for use as temporary accommodation) – note these properties sit in the General Fund	1 bed Bedsit	Completed	29-Aug-14
Hawthorn, Appledore	4 x 2-bed flats	2 bed Flat	Completed	21-Nov-14
Hawthorn, Appledore	4 x 2-bed bungalows	2 bed Bungalow	Completed	18-Dec-14
Wind Hill, Charing	2 x 2-bed bungalows	2 bed Bungalow	Completed	18-Dec-14
Wind Hill, Charing	1 x 3-bed bungalow	3 bed Bungalow	Completed	18-Dec-14
Manse Field, Brabourne	2 x 3-bed houses	3 bed House	Completed	19-Dec-14
Randolph Gardens, Kennington	8 x 3-bed houses	3 bed House	Completed	19-Dec-14
Riverview, Ashford	3 x 2-bed houses	2 bed House	Completed	19-Dec-14
Riverview, Ashford	1 x 3-bed house	3 bed House	Completed	19-Dec-14
Arcon Road, Ashford	3 x 3-bed houses	3 bed House	Completed	30-Jan-15
Simons Ave, Ashford	3 x 3-bed houses	3 bed House	Completed	30-Jan-15
Cryol Road, Ashford	4 x 3-bed houses	3 bed House	Completed	27-Feb-15
Cryol Road, Ashford	2 x 4-bed houses	4 bed House	Completed	27-Feb-15
Cryol Road, Ashford	1 x 6-bed house	6 bed House	Completed	27-Feb-15
Poppy Fields, Charing	7 x 2-bed houses (shared ownership)	2 bed House	Completed	16-Nov-15

Poppy Fields	1 x 3-bed house (shared ownership)	3 bed House	Completed	16-Nov-15
Poppy Fields	13 x 3-bed	3 bed House	Completed	16-Nov-15
Farrow Court	81 x 1-bed flats (14 for those with learning difficulties)	1 bed Flat	Completed	20-Nov-15
Farrow Court	23 x 2-bed flats	2 bed Flat	Completed	20-Nov-15
Boxley, Ashford	2 x 3-bed houses	3 bed House	Completed	14-Dec-17
Noakes Meadow, Ashford	2 x 2-bed bungalows	2 bed Bungalow	Completed	19-Feb-18
Beecholme Drive, Kennington	2 x 3-bed houses	3 bed House	Completed	20-Mar-18
Priory Way, Tenterden	2 x 3-bed houses	3 bed House	Completed	20-Mar-18
Belmont Place, Ashford	3 x 2-bed flats	2 bed Flat	Completed	28-Mar-18
Jubilee Fields, Wittersham	4 x 3-bed houses (local needs)	3 bed House	Completed	05-Dec-18
Brattle, Woodchurch	4 x 2-bed houses	2 bed House	Completed	13-Dec-18
Calland HRA 15-18	2 x 2-bed houses (local needs)	2 bed House	Completed	19-Dec-18
Calland HRA 15-18	2 x 3-bed houses (local needs)	3 bed House	Completed	19-Dec-18
Danemore, Tenterden	23 x 1-bed flats	1 bed Flat	Completed	15-Feb-19
Danemore, Tenterden	11 x 2-bed flats	1 bed Flat	Completed	15-Feb-19
Chequers Green, Shadoxhurst	2 x 2-bed houses (shared ownership)	2 bed House	Completed	01-Aug-19
Chequers Green, Shadoxhurst	2 x 2-bed houses	2 bed House	Completed	01-Aug-19

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](#)

Lead officers:	Mark James and Jo Stocks
Decision maker:	Cabinet
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	To provide an update on the Housing Revenue Account (HRA) Affordable Housing Programme, the HRA Business Plan and the overall delivery plan for affordable housing up to 2023, and to get an endorsement from cabinet members about the overall trajectory and any new sites proposed for development – including maximising grant-funding, receipts from council house sales and HRA resources in order to contribute towards meeting the demand for affordable housing in the borough.
Date of decision: The date when the final decision is made. The EIA must be complete before this point and inform the final decision.	10 th October 2018
Summary of the proposed decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<ul style="list-style-type: none"> • Note the progress in delivering the affordable housing programme in the HRA. • Note the Council's detailed plans for future housing delivery, agree the proposed additions to the programme, delegating authority 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. • Agree that given the positive impact of street purchases on the overall programme, delegated authority to approve additional buys is sought. • Review and agree the updated HRA Business Plan and financial projections • Agree a higher limit for land and site acquisition to enable the Council to work in partnership with registered providers (RPs) and report acquisitions to the Economic, Regeneration and Investment Board • Note that Overview and Scrutiny (O&S) are required to review the HRA Business Plan financial projections as part of the budget scrutiny process. • Endorse the detailed delivery plan which will sit under the Housing Framework
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed the decision. • Include sources and key findings. 	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.
Consultation:	Consultation has taken place with colleagues in Legal Services, Planning and Development, Finance and IT, the

<ul style="list-style-type: none"> • What specific consultation has occurred on this decision? • What were the results of the consultation? • Did the consultation analysis reveal any difference in views across the protected characteristics? • What conclusions can be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p>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>
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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.

Protected characteristic	Relevance to Decision High/Medium/Low/None	Impact of Decision Positive (Major/Minor) Negative (Major/Minor) Neutral
<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>Mitigating negative impact:</p> <p>Where any negative impact has been identified, outline the measures taken to mitigate against it.</p>	There is nothing to mitigate
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<p>Is the decision relevant to the aims of the equality duty?</p> <p>Guidance on the aims can be found in the EHRC's Essential Guide, alongside fuller PSED Technical Guidance.</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>Conclusion:</p> <ul style="list-style-type: none"> Consider how due regard has been had to the equality duty, from start to finish. There should be no unlawful discrimination arising from the decision (see guidance above). 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 	<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>
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<p>residual impacts are justified.</p> <ul style="list-style-type: none">• How will monitoring of the policy, procedure or decision and its implementation be undertaken and reported?	<p>The programme will be monitored by a Housing Project group with regular updates to our Portfolio Holder and Cabinet.</p>
<p>EIA completion date:</p>	<p>3rd September 2019</p>

Building on solid foundations: delivering affordable homes in Ashford – our delivery plan for 2019-2023



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Executive Summary

This Plan sets out the context for taking an overhead view of the work we are doing to build, enable and purchase affordable homes in the Ashford borough. It sets out the reasons for doing so now, in the context of an ever-growing need and the removal of the Housing Revenue Account (HRA) debt cap by government. Our aspirations are clearly stated and we detail how we will maximise affordable housing delivery with the resources we have at our disposal.

The spotlight is now firmly shining on local authorities and the expectation is that they will deliver affordable housing in greater volumes than previously.

Wider considerations, both within our influence and beyond our control, including the market conditions in which this plan has been produced, are evaluated in this document, as are the risks that must be identified and mitigated to increase delivery.

The affordability question

Although it is a term used routinely, we need to consider what the word affordable, in terms of affordable housing, actually means. Affordable housing can be accommodation that is either rented or part-owned by its occupier.

National Planning Policy Framework (NPPF) guidance suggests affordable rent is set at up to 80% of market rent. This is the definition we will use when we say affordable housing in this document. Social rent is approximately 60% of market rent. Market rent can vary depending on geographical area in the same way as house prices do in the open market.

There are views that affordable rent should be income-based, allowing it to be linked genuinely to affordability – something considered later in this document.

Affordable home ownership refers to various housing products including shared ownership, which is a part-rent, part-buy scheme. This offers entry onto the property ladder at a lower initial outlay with opportunities to own further shares in the property at a later date (known as 'staircasing'). There are other products that fall within the sphere of low cost home ownership which are included in the NPPF and can be utilised under the terms of our Local Plan.

Where this document sits

The overarching housing statement, published in 2018, took a new approach to setting out the council's strategic goals for housing. Providing an overview of how quality housing delivery, with a mix of tenures, is needed to help achieve corporate priorities, the statement highlighted the key issues, challenges and potential opportunities that it saw on the horizon up to 2023.

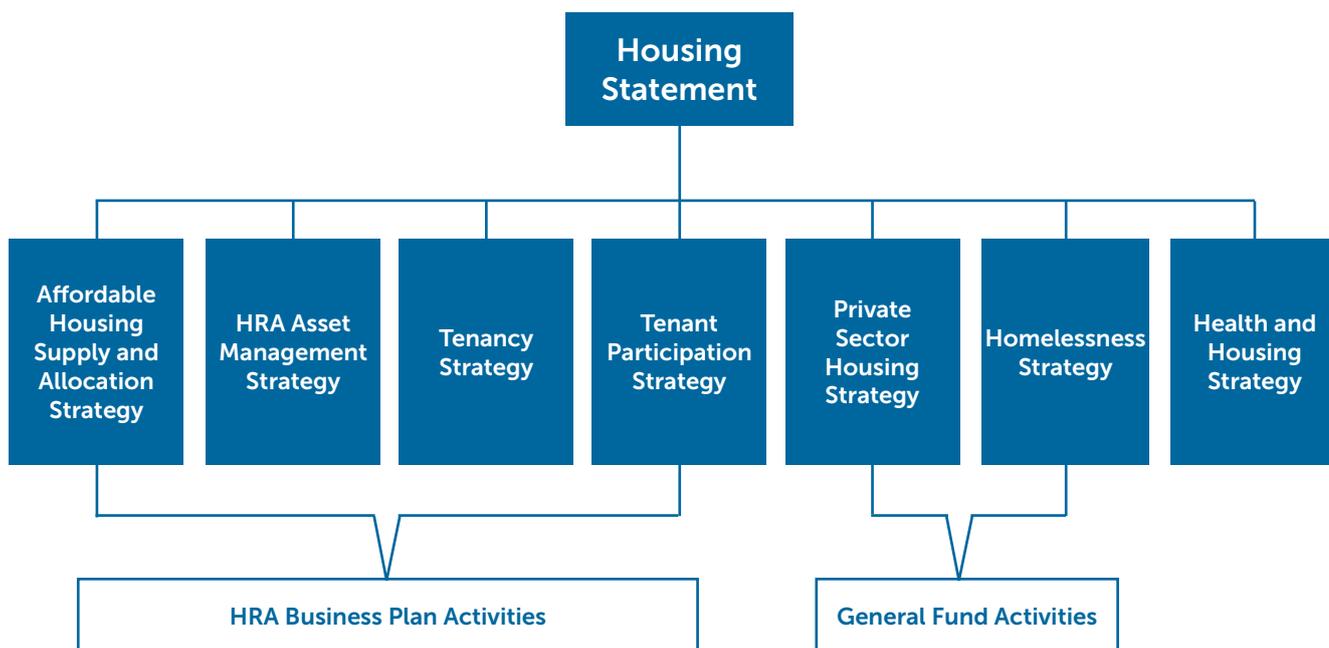
This document therefore sits under that and alongside other strategic housing documents – essential in taking a holistic approach to delivering the right homes in the right places at the right time. This document aligns itself to the overall framework by having bold but deliverable plans and is very much outcome-driven. Taking such a stance will stimulate more involvement from all stakeholders with an interest or influence in the sphere of housing and housing delivery.

Of course, housing is the most dynamic of sectors. Political views, economic conditions, social trends, technological advances, legislative changes and growing environmental awareness have dictated this and will continue to do so. These have influenced the delivery of new homes, how we manage our existing homes and assist

people, in need of support, who are living in both the social and private housing sectors.

We will work smarter and continue to be innovative and bold in our approach, seeking out new ways of working to remain efficient and effective in service delivery.

Figure 1 shows the individual delivery plans that feed into the overall statement/framework.



Comments from the portfolio holder for housing

The right time

The opportunities are ours to be taken. We will build the right homes in the right places and deliver truly innovative projects in truly innovative ways. We now have the financial power to do so following the removal of the HRA debt cap. We must now assess our internal processes to ensure these are agile enough to adapt to the opportunities that have been presented to us.



We will make our housing delivery programme sustainable and long-term, creating balanced communities (rather than delivering 'council estates') to echo the aspirations of the 2018 Social Housing Green Paper. The metrics by which we will judge our success are also outlined in this document, which extend to social and reputational outcomes, rather than just the bottom line numbers. We have to, and will, deliver.

Our goal:

"We want to lead the way in Kent by building, enabling, buying new and buying back 500 affordable homes by 2023 through innovation and professional partnerships."

Political	Economic	Social
<ul style="list-style-type: none"> • New political ideas and influences potentially brought by new administration and portfolio holder at a local level and new Prime Minister and government nationally • Achieving buy-in from ward councillors to development • Parish councils • New targets and challenges set by nationally or locally elected representatives – such as that for carbon neutrality • Brexit outcome unclear • The re-think in the Social Housing Green Paper (issued in August 2018) • Homes England's shift towards social rent delivery • Neighbourhood Plans • Objectors to social housing 	<ul style="list-style-type: none"> • Potential downturn if market reacts badly to Brexit deal/no deal? • The growth of Ashford • Inward investment in the borough by business • The market – what does affordability mean? 80% of market rent or affordability based on income levels? • The reliance on small and medium-sized businesses (SMEs) to deliver housing • The roll-out of Universal Credit and potential arrears • The level at which local housing allowance is set • The 1% rent reduction, which ends on 31-03-20 • Grant funding levels from Homes England • Right to Buy receipts – known as 1-4-1 monies • Land and acquisition costs 	<ul style="list-style-type: none"> • Population growth • Older population requiring different homes for different needs • Flatted development in town centre – simply a base for commuters? • Addressing the needs of the existing population • Local needs – growth in wanting to provide homes for people with local connection versus lack of available exception sites • The differences between rural and urban areas must be taken into account • Lack of move on accommodation for people in temporary accommodation
Technological	Legal	Environmental
<ul style="list-style-type: none"> • Smart homes • Quality of new-builds and existing stock • Employing modern methods of construction (MMC) to speed up construction on certain sites with adequate access • Building Information Modelling (BIM) when designing new homes • Sustainability • Developing generic 1, 2, 3 and 4-bed affordable homes to 'place' on sites dependent on size 	<ul style="list-style-type: none"> • Local Plan adopted February 2019, affordability requirements and section 106 delivery • Affordable Housing Supplementary Planning Document (SPD) in draft • Neighbourhood Plans • Procurement when trying to work in partnership with other housing providers • Land acquisition • Possible ban on using bed and breakfast (B&B) accommodation for homeless applicants 	<ul style="list-style-type: none"> • Carbon neutrality by 2030 (80% by 2025) • Skills gap in the construction industry and capacity issues • Adapting to considerable environmental change – flooding, hot homes • Finding alternative heating sources • Sustainability – tackling climate change through building design and active travel links • Remediation of contaminated sites

Table 1. PESTLE analysis for developing and enabling homes in the Ashford borough (compiled in June 2019)

Micro environmental factors are related to the stakeholders in the environment in which an organisation operates. Consumers and interested organisations may have an interest in what the council is delivering, or they may have an interest. They may of course have neither or both. In the matrix below we map out the micro environment of Ashford Borough Council when delivering affordable housing.

Key:

High power – High interest: These stakeholders are your key players who you should actively engage with. They have the power to change your strategy

High power – Low interest: These stakeholders have the capacity to become key players and should be kept satisfied

High interest – Low power: These stakeholders have little power to exert on your project but must be fully communicated with and kept informed about your projects

Low interest – Low power: These stakeholders are unlikely to be interested in your project and would not have the influence to change your work in any case

Power and influence (over our work and projects)

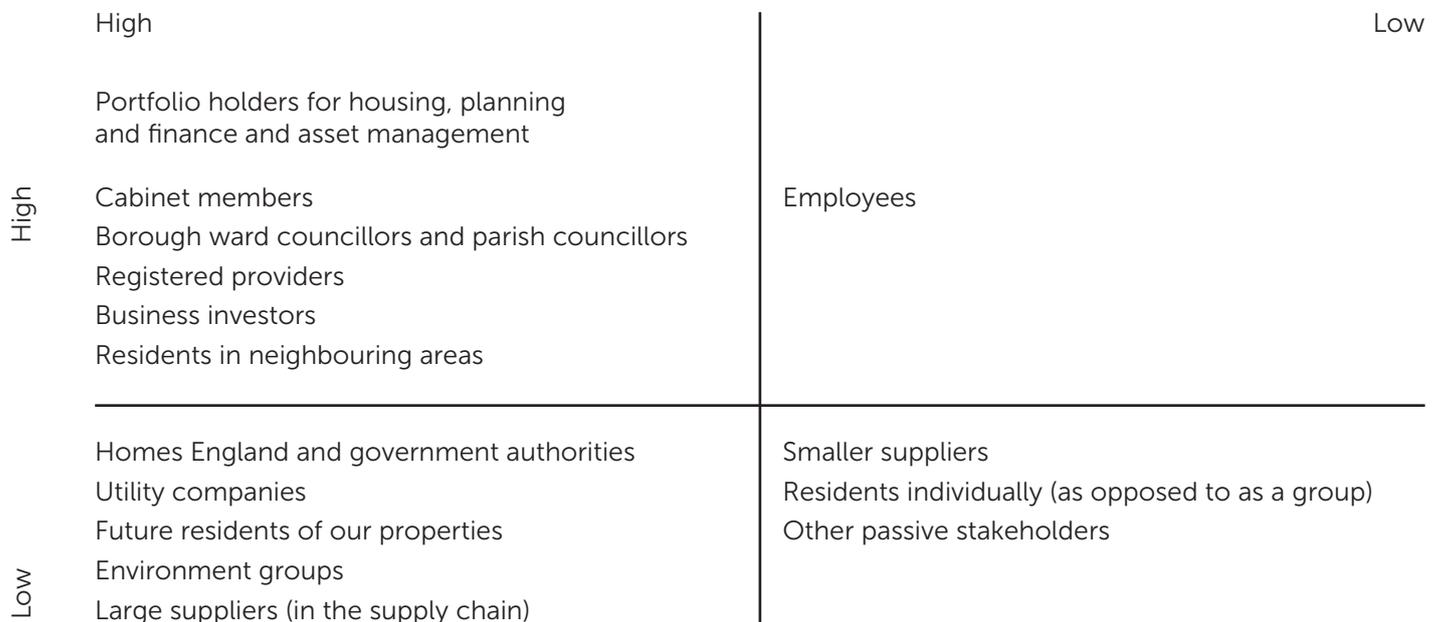


Figure 2. Stakeholder mapping for developing and enabling homes in the Ashford borough

Chapter 2. Context: the challenges

We have delivered 311 homes since 2011 but the following tables in this chapter detail how demand far exceeds supply and in reality we are not delivering enough. It must be said we are not alone in this.

Our Local Plan to 2030

Our Local Plan will not deliver sufficient numbers of affordable housing on its own.

The council's 2014 Strategic Housing Market Assessment (SHMA) states that a total of 14,934 dwellings are needed between 2011-2030 to cater for the 2014 subnational population projections, and that around 45-50% of these homes should

be affordable housing. However, to fully meet those requirements through site allocations would necessitate an increase in the housing target of over 6,000 dwellings. This is not realistic or deliverable.

Policy HOU1 of the Local Plan outlines the requirements for affordable housing across the borough (see the Table 2 below) but while different levels have been determined for different areas to ensure development is viable, the minimum amounts identified are not significant enough on their own to have a positive impact on the number of people on our housing waiting list.

Area	Affordable/social rented requirements (% of total dwellings)	Affordable home ownership products (% of total dwellings)	Total affordable housing requirements (% of total dwellings)
Ashford Town	0%	20% (including a minimum of 10% shared ownership)	20% (nb no requirement within flatted development)
Ashford hinterlands	10%	20% (including a minimum of 10% shared ownership)	30%
Rest of borough (rural)	10%	30% (including a minimum of 20% shared ownership)	40%

Figure 2. Stakeholder mapping for developing and enabling homes in the Ashford borough

Therefore, a scheme of 100 units in a rural area would deliver 40 affordable homes but only 10 of them would be for affordable rent. The other 30 units, while delivering affordable home ownership, would not help the number of people on our waiting list, who are on there because they cannot afford to purchase a home under any method.

And in the town centre, flatted development delivers no affordable housing at all and only 20% of houses in this area would be available for affordable home ownership.

Therefore, the delivery of affordable housing through s106 agreements can only be part of the solution. Greater flexibility must be adopted when setting out the terms of the agreements.

Plan action: Housing will speak with planning services, legal services and the RPs who work with us in the borough to ensure the maximum number of homes are delivered and that flexibility, wherever possible, is built in to agreements to deliver greater numbers. Creativity will be key and the council will have to intervene if necessary to acquire units that come forward in too small a number to be palatable to RPs in this or future climates. This is not something the council can do alone and therefore it will be seeking a greater buy-in on innovative projects corporately and from partner organisations.

Ashford is the largest borough in the county – at 224.5 square miles it is one third of the size of Greater London. It is also by far the most rural borough in the county. Therefore, the council's housing service must work hard with parish councils and organisations such as Action for Communities in Rural Kent to ensure that we are sensitive to:

- Housing need (where people may wish to stay in the communities they grew up in, or downsize to smaller homes so they can stay where their support networks are)
- The requirements of the Local Plan, which places a greater emphasis on rural areas having more affordable housing
- The debate that exists in those communities about development
- Local housing needs surveys when exception sites come forward

Further discussion

Affordability is a problem. Is 80% of market rent actually a genuinely affordable rent level? As a guide, weekly workplace earnings in Ashford (averaging at £543 for both male and female workers) are lower than the south east average (£589) and lower than the Great Britain average (£570) [Strategic Commissioning – Analytics, Kent County Council].

Additionally, to give more context to the difficulties in accessing housing on mid-to-low incomes in our borough, the average house values in Ashford for the last 12 months are: Detached, £503,029; Semi-detached, £288,759; Terraced, £240,910; Flats, £162,966 [Zoopla].

Average private rents for Ashford are: 1-bed, £650 per calendar month (pcm); 2-bed, £785 pcm; 3-bed, £1,036 pcm; 4-bed, £1,469 pcm; 5-bed, £1,499 [Home.co.uk].

Clearly, we need to deliver the right types of homes in the right places.

In order to do so, we need to acquire land, as we have delivered, or are delivering, affordable homes on all of the viable land already in our ownership. As a guide, land costs in Ashford are £2.6m per hectare [Strategic Commissioning – Analytics, Kent County Council]. This is the fourth cheapest in Kent. Suggestions for how we look at the acquisition of land more strategically as an authority are addressed later.

Plan action: Having identified and utilised all of its own available land for housing building since 2011, the council will now acquire land in the HRA to deliver future schemes using its delegated authority from Cabinet in December 2018.

By 2023, it is expected that 23% of Ashford residents will be aged 65 or over. This necessitates that we prepare for the needs of that ageing population by ensuring they are in the right sized homes for their needs.

Plan action: Housing will liaise with Kent County Council (KCC) to routinely assess and understand the context in which it is delivering housing for older people, given the number of extra care units KCC has indicated are required within the Ashford borough (428 by 2031) – there are currently 179 units of extra care in the borough with a further 70 with planning permission (on the Chilmington site).

The Social Housing Green Paper issued by government in August 2018 sets out an ambition to remove the stigma of social housing. While older persons' housing is seen by some stakeholders as the more palatable end of affordable housing, we must work hard through area management and initiatives to ensure this perception does not prevent us from delivering the right types of homes in the right places.

"We need to deliver the right types of homes in the right places."

Additionally, the green paper sets out an aspiration to tackle the stigma associated with living in social housing and, moreover, to positively celebrate thriving communities where people with differing backgrounds co-exist happily.

No longer will it be acceptable for a tenant to feel less of a person than someone who has bought their house. These inequalities will be broken down by the new approach and ensure that social housing tenants feel as much at home in their community as owner-occupiers. They will live rather than exist in a community.

The design and quality of homes is central to this, with homes being 'tenure blind' – i.e. not singled out through their look or placement in any community. Engagement, particularly led by landlords, to create strong neighbourhoods and quality place-making must be actively encouraged and applauded.

Therefore, engagement with residents across our own council housing stock is vital in this endeavour. Tenant workshops have already been held and a new tenant engagement strategy is one of the building blocks. A residents' Facebook page is now up and running, designed to give a stronger voice to our residents and to draw out their often inspiring stories and achievements.

Plan action: The council will make the best use of the homes in its ownership. It will encourage 'rightsizing' to create movement in its stock and not just rely on building, enabling or buy backs. Incentivising and encouraging people to live in homes appropriate to their needs frees up often much-needed family accommodation for other people on the waiting list.

Plan action: In tandem with the above aim, the council will 'rebrand' older persons' services as 'independent living' accommodation, to remove the assumed connotation that the term 'sheltered housing' conjures. It will remodel its existing sheltered schemes but also provide new independent living schemes that do not have wardens but are designed to a similarly high specification, and into which care can be bought by tenants, if needed, later on.

Plan action: The council will address its existing housing stock – linking with the forthcoming HRA Asset Management Strategy – and will think 'beyond new build' to maintain it so that the homes and play areas it owns so that they do not look tired, thus singling them out as 'council housing' and contributing towards the stigma apportioned to tenants – something tenant engagement work will help mitigate. This is critical and was highlighted in the Social Housing Green Paper.

Not delivering affordable homes carries several risks – financial, social and reputational.

- The financial and social impacts of living in unsuitable housing include the costs of being in temporary accommodation and forcing people to live without certainty – we are redressing this in part through our 'street purchases' which make use of the 1-4-1 monies received through right-to-buy sales
- Reputationally, with the spotlight on local government to deliver, following the removal of the HRA debt cap, non-delivery will not be tolerated under such an intense spotlight

Plan action: The council will search for every possible solution to deliver affordable housing, to ensure it plays its part in tackling the national housing crisis, to create balanced communities because there is a compelling argument to do so.

The housing waiting list

To provide some context and an evidence base for this plan, it is necessary to interrogate the housing waiting list. This is a list of applicants who are assessed in terms of their circumstances, priority need and the length of time that they have been waiting. Those without a local connection to Ashford or who already have adequate accommodation will be deemed ineligible for registration.

The following data was harvested on 10th June 2019. This is a typical set of figures based on the last three financial years and provides a solid set of data from which to work in this document.

Registered applicants

In the following table, applicants in Band A have the highest priority need for housing and applicants in Band E the least

Band	Number of applicants currently on the register
A	104
B	135
C	980
D	50
E	10
Total	1,279

Table 3. Registered 'live' applicants, by banding

Bedroom need

Of the 1,279 applicants on the list the following need is identified:

No. of bedrooms	No. of people and notes
1-bed	604 applicants (of whom 280 are aged over 50)
2-bed	356 (of whom 53 are aged over 50)
3-bed	231
4-bed	78
5 and 6-bed	10

Table 4. Bedrooms needed by applicants on our waiting list

Family makeup

The following table lists the make-up of the households on our waiting list.

Household make-up	Number of such households
Single applicant	491
Non-co-habiting couple	7
Couple	118
Family with 1 child	260
Family with 2 children	172
Family with 3 children	136
Family with 4 children	31
Family with 5 children	64

Table 5. Make-up of households on our waiting list

There are 77 applicants registered as under-occupying, who are living in social housing within the borough – the majority of whom are aged over 50. Due to recent policy changes, all applicants registered as under-occupying are given a higher priority and are placed in Band B of our housing register. Each will receive £1,000 if they give up their home and right-size as part of our assisted move process.

Average waiting times for affordable housing in 2018-19

The average wait for a household in Band C is listed in the table below. Table 3 above illustrates how most people on our waiting list are in Band C. It is worth clarifying that Band C comprises the following examples:

- Homeless applicants to whom we have accepted a duty
- Families sharing basic facilities such as a kitchen or bathroom in the accommodation they are currently living in
- Families lacking one bedroom and so have minor overcrowding
- People living in a private sector property with a minor hazard or a heating or utility issue

Property	Average wait
1-bed	3 years
2-bed	4 years
3-bed	4 years – potentially we would not be able to assist for some time
4+bed	Wait unknown, potentially we would not be able to assist for some time

Table 6. Average wait times for applicants in Band C on our waiting list

Type / Size	No of 'lets' to Band C in 2018-19	Shortest wait	Longest wait	Average wait
Sheltered accommodation	34	18 days	4 years	13 months
Studio general needs	0			
1-bed general needs	71	5 days	8 years	23 months
2-bed flat or maisonette	56	3 months	11 years	22 months
2-bed house	35	11 weeks	9 years	26 months
3-bed flat or maisonette	3	10 months	28 months	16 months
3-bed house	26	12 weeks	5 years	30 months
4-bed	0			
5-bed	0			

Table 7. Wait times per property type

There were 447 properties, including properties owned and managed by RPs, let between 1st April 2018 and 31st March 2019.

The discrepancies in Table 7, notably in the gap between the shortest (days) and longest (years) wait for types of home, could range from one applicant being prioritised as homeless and being housed quickly, to another applicant not actively bidding or being particular about the area in which they will consider an offered property. During this time they not be bidding for homes or may refuse accommodation offered as it does not fall within an area of their preference.

Chapter 3. Corporate thinking: delivering healthy homes

Having a home is the foundation of health and wellbeing. Homes have always held the key to our wellbeing – they are a haven, a sanctuary, around which our quality of life is fundamentally built.

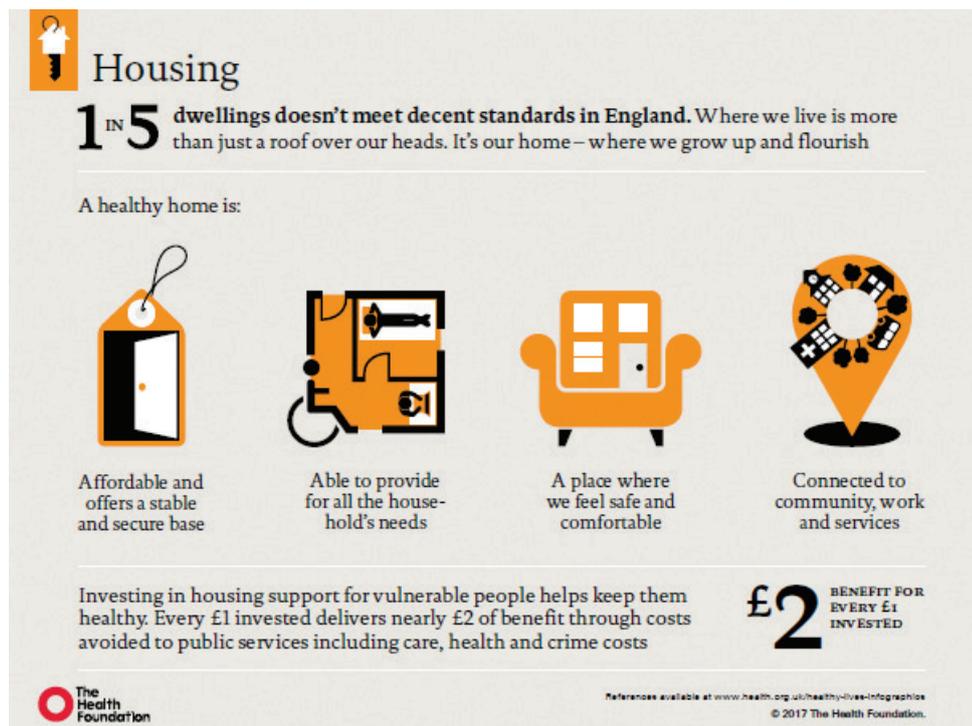


Figure 3. The worth of housing

But now, society has presented us with a range of complex needs that mean that it is no longer the role of local authorities to just provide shelter but to also consider how independent living can be supported, how the needs of an ageing population are addressed, and particularly those with other sensitive needs. All this, at the same time as creating cohesive communities too.

Decent affordable housing is at the core of it all, providing the right type of homes in the right places and reducing stigma, as the Social Housing Green Paper states.

Plan action: The council will tether its approach for delivering affordable housing to themes identified in its emerging Corporate Plan, ensuring there are links to aims around development and regeneration, or quality place-making.

Delivery should go hand in hand with everything else we are doing as an authority. The delivery of affordable housing must not be seen in isolation.

"Delivering affordable housing is just the start of the process. It is about encouraging social mobility and getting people to engage with the environment around them."

The most basic example of this is the link between place-making and homelessness. By helping homeless people off the street you are providing them with shelter and the opportunity to rebuild their lives. In turn this contributes to having a nicer town centre environment. It is paramount that the council invests in one to achieve the other with departments working together.

Indeed, we are aiming to deliver more solutions similar to our short-stay accommodation facility at Christchurch House (renovated from a former empty commercial building) given the impact of homelessness and not being able to move people on.

Plan action: The council will ensure such facilities are acquired and renovated within the service and then handed over to the housing options team.

We are as a result identifying sites that if built could help to ease the corporate financial pressures in the council's General Fund, showing the links this plan has to wider organisational goals. However, delivering more social housing to act as move-on accommodation will mean we do not need to deliver as many Christchurch House-type properties – meaning a more sustainable solution for all.

2.4% of residents in Ashford are unemployed, equivalent to the countywide average. Therefore, we need to provide residents with good homes, the foundation to a stable life with better outcomes. [Strategic Commissioning – Analytics, Kent County Council]

Delivering affordable housing is just the start of the process. It is about encouraging social mobility and getting people to engage with the environment around them. The council is building that for Ashford, with learning opportunities (Ashford College), job opportunities (Commercial Quarter), leisure (Elwick Place) and lifestyle opportunities. Continued economic growth, offering opportunities for local people, is a key principle of how the council goes about its business.

Another corporate 'Big 8' project is Chilmington Green – a new community of up to 5,750 quality homes, with a district centre and community infrastructure. This will create over 1,000 jobs and be delivered over the next 20 years, coming forward in four main phases with several hundred homes delivered per year.

From its inception, the ambition has been to create a place of special character with a strong community feel – a place where families and people of all ages and backgrounds will want to live, enjoy and call home. Affordable housing forms almost a third of the overall development and so working with developers, registered providers of social housing and the community will be essential in the delivery of both a major project for the council and the lifestyle choice of those who seek to further their lives there.



Over £500m of investment is taking place in Ashford town centre alone

Health and housing

The health and housing agendas are now intrinsically linked and with an ageing population, it is also about providing 'care ready' homes equipped to be future-proofed. Such an approach will help maintain an individual's independence and possibly give them a healthier life, with longer life expectancy.

Indeed, between 1998 and 2008, the number of people in our borough aged over 75 grew by 20%, significantly higher than across the South East (11.8%). Kent Housing Group recognises this agenda and is employing a Project Officer to specifically work with county and district councils on Health and Social Care delivery.



We are already delivering homes that cater for the needs of an ageing population, such as our multi-award-winning, fully dementia-friendly independent living scheme at Farrow Court

It is also about building de-institutionalised accommodation that encourages rather than discourages people to move from family-sized homes where their memories may be, to accommodation more suited to their immediate needs. This is important and even though most older people do not see themselves as old, and want to be at the heart of their communities rather than live behind a security gate, we must listen and act, building accommodation that reflects these views and wider social trends. This will be in the best interests of making our properties more resilient.

Plan action: The council will build high quality homes. Mindful of conversations about fuel poverty and sustainability of physical resources, it will create environmental and sustainable homes, which will deliver better, more energy efficient homes in the round and align with the current government's policy emphasis on the UK reaching net zero carbon emissions by 2050.



We are already building green innovations into our affordable housing provision with living roofs, such as the one pictured here at Danemore in Tenterden

We need to lead by example, potentially going beyond the minimum building regulations requirements and taking the lead in delivering homes with carbon reducing measures.

It is also about working in partnership across the county to look at the way in which health and social care are being delivered, working with public health and NHS colleagues (such as has been done with Homebridge at Farrow Court) to consider all health priorities and inequalities to ensure that our homes are fit for purpose.

This plan 'Building on solid foundations: delivering affordable homes in Ashford' puts affordable housing to the fore with the council providing responsible leadership and encouraging RPs and communities to take the lead where appropriate.

"42% of residents believe that more affordable homes are needed and 53% of residents say that affordable homes contribute positively to a sense of place"

The 2018 residents' survey revealed that 42% of residents believe that more affordable homes are needed. Furthermore, 53% of residents say that affordable homes contribute positively to a sense of place. This provides a mandate for us to deliver in our communities.

With Homes England placing a strong emphasis on homes being provided at social rent levels, we need to look at delivering truly 'affordable' rents. Council homes are obviously part of the solution. Ashford is currently ninth in Kent in terms of weekly resident earnings so looking at social rents is critical.

Chapter 4. Aims and ambitions

This delivery plan for affordable housing aims to align itself to the council's Corporate Plan.

In December 2018, the housing service took its annual update paper to Cabinet members. This contained a list of sites – the vast majority of which were in the council's ownership – that had been initially vetted by planning and were included in the council's debt cap uplift bid to the Ministry of Housing Communities and Local Government in September 2018. The council sought to deliver 334 homes across 25 sites raising its debt cap by £61m. However, soon after establishing the appetite for local authorities to build social housing again, central government removed the debt cap altogether.

This has given us time to pause and reflect, to ensure that we set out a sustainable programme for delivery, while concurrently working on this strategy for delivery over the longer term, establishing a pipeline so there are no longer peaks and troughs in our numbers.

Initially, we will deliver the homes set out in Appendix 1 to this delivery plan. However, once we have delivered those sites we would like to deliver 'more, faster, better' – the current housing minister's mantra. Below we set out how we intend to achieve the ambition clearly set out in our mission statement.

Plan action: Housing will consider the following aspects (outlined in Table 9) when looking at delivering and enabling new build homes.

Considerations for future new-build

Enabling through s106 agreements	We will maintain and evolve our quarterly development forums, working closely with RPs to ensure that all provision brought forward through s106 agreements is taken up. We will ensure they think of Ashford first when looking to invest in housing. Furthermore, we will ensure where M4(3) homes are required – either under policy HOU14 of our Local Plan or negotiation – we work with the developer, architect, Occupational Therapist and RP to see these delivered. Where RPs do not take on s106 homes, should the numbers not be palatable to them, we will intervene to acquire them, if the price is right.
Enabling beyond s106 agreements	We have identified that the Local Plan is not delivering sufficient numbers of affordable rent homes to meet demand. Therefore, we will work with the RPs working with us in our borough to join forces with them and deliver work through proactive partnerships. This will see us set up a Housing Delivery Framework to enable us and our partners to deliver projects that alone would be too expensive for our resources, but which together can be achieved. Such Joint Ventures (JVs) are truly innovative. We will, if it is appropriate to do so, also consider setting up a Special Purpose Vehicle and enabling through community-led housing.
Legal considerations	In addition to setting up a delivery framework we will seek to grow our construction framework to ensure there is wider choice and capacity for us when tendering for contracts for our affordable homes build programme projects – with a range of SME contractors to support the local economy and MMC contractors to accelerate delivery on the council's own-led projects. We will consider procurement on the use of institutional investment to unlock sites.

<p>Designated Protection Areas (DPAs)</p>	<p>“The whole borough apart from the urban areas of Ashford, Tenterden and Wye is designated as a Designated Protected Area.</p> <p>Here, it is possible to use a section 106 deed to control staircasing on shared ownership homes to prevent their loss to the local community in future years were they to be subsequently bought outright by the tenant and then sold on the open market.</p> <p>This is achieved through use of a planning obligation to restrict any ability to staircase a shared ownership lease beyond 80% of the equity value of a dwelling in a designated protected area.</p> <p>In the absence of a planning obligation restriction, a registered provider delivering shared ownership housing with grant monies would simply need to comply with any conditions imposed by Homes England regarding the delivery of affordable housing in a designated protected area. In the absence of a waiver from Homes England (in consultation with the Head of Housing), an RP in that situation would be obliged to dispose of its shared ownership units either subject to a cap on stair-casing at 80% of the equity value or with no cap but an obligation to buy back in the event its tenant acquired 100% equity value in a unit.</p> <p>There are no controls in place in the event that the shared ownership housing is delivered grant free.</p> <p>The Head of Housing’s proposed policy position in a designated protected area is to mirror the position outside of a designated protected area and allow unrestricted staircasing to one hundred percent (100%) equity value of a dwelling, save for affordable housing proposals in a rural exception site (coming forward under HOU2 of the Ashford Local Plan to 2030. On a rural exception site, restrictions would be imposed by planning obligation to control staircasing as follows:</p> <p>Grant Funded</p> <ul style="list-style-type: none"> • a cap on staircasing at eighty percent (80%) of equity value; or • an unrestricted right to staircase to one hundred percent (100%) of equity value preconditioned on an obligation on the RP to buy back the unit in the event that a tenant acquires 100% equity value in that unit; or • an unrestricted right to staircase to one hundred percent (100%) of equity value preconditioned on an obligation on the RP to obtain a waiver of grant condition from Homes England (in consultation with the Head of Housing and the Head of Development Management and Strategic Sites) <p>NON-grant funded</p> <ul style="list-style-type: none"> • a cap on staircasing at eighty percent (80%) of equity value; or • an unrestricted right to staircase to one hundred percent (100%) of equity value preconditioned on an obligation on the RP to buy back the unit in the event that a tenant acquires 100% equity value in that unit; or • an unrestricted right to staircase to one hundred percent (100%) of equity value preconditioned on an obligation on the RP to obtain the written approval of the Head of Housing and the Head of Development Management and Strategic Sites <p>Currently, many rural villages are seeing development of local plan allocated sites and other sites granted by the council or on appeal, which collectively are providing a significant number of shared ownership units in rural areas. Officers understand from their RP partners that this provision is meeting most identified local need in these local areas and is also providing housing for those who would not meet local criteria. There is currently therefore no clear need to preserve local housing stock for local housing people in rural areas, especially as there is a significant pipeline of further developments which will come forward in villages under the new local plan.</p> <p>Therefore, it is envisaged that the Head of Housing will approve an unrestricted right to staircase to one hundred percent equity value other than in a rural exception site development or where specific local circumstances need to be managed. An Unrestricted staircasing ability supports and encourages the use of shared ownership housing as a route into home ownership and manages RP’s concerns regarding mortgage-ability of units if unrestricted staircasing is impeded.</p> <p>The nominations agreement arrangements with local RPs will continue to ensure that these homes be prioritised for purchase by local residents”.</p>
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Embracing innovation	We will deliver energy efficient homes and use modern methods of construction on sites of the right topography that provide relevant access – including for temporary accommodation to assist with homelessness provision. We will also investigate setting up an Ashford Living Rent to tackle genuine affordability issues within the borough
Allocation	We will look at building some homes specifically for pre-allocation, to assist households on our waiting list – such as has been done already at Noakes Meadow in South Ashford. Also, we will work with RPs, developers and architects to enable us to pre-allocate homes coming forward through s106 sites. Our flexibility must be what makes us different
Mitigating risk	We will work harder to establish a robust risk assessment process for site acquisition and utilise existing processes, which can be refined, to monitor progress through acquisition and build
Town centre	We will support the wider corporate goal of achieving a vibrant town centre – being mindful of permitted development rights (save the area in the commercial quarter, which is exempt from the initiative introduced by government in 2013)
Beyond the boundary	While focusing on our own borough, if s106 sites have stalled in neighbouring boroughs we will consider acquiring the homes, managing them ourselves and entering into a lettings agreement with the other authority
Stakeholders	<p>We will work in partnership with local people and communities to support the delivery of affordable housing in the following ways:</p> <ul style="list-style-type: none"> • Dovetailing with Kent County Council to ensure that we are not over or under providing care-ready accommodation when anticipating the needs of the borough’s ageing population • Continuing our on-street purchase programme to deliver homes that we can adapt for people with specific, more complex needs, or that boost our stock more quickly than building would • Working with parish councils to achieve their buy-in and understanding of homes being delivered in their communities through s106 or our own affordable homes build programme – mindful of the differences between rural and urban areas • Attending Kent Developer Group meetings to nurture relationships to make developers aware of Ashford’s desire to deliver affordable homes • Supporting any groups interested in providing community led housing, where it is endorsed in the communities in which they seek to deliver • Fostering relationships with local landowners to make them aware of our seriousness in acquiring sites suitable for delivering schemes • Communicating and consulting with residents and tenants to inform them of the need for affordable housing in their locality and what our plans are • Internally we will continue to hold our housing project group meetings to ensure that the planned maintenance, repairs, project delivery, legal and development teams are all aware of the latest progress on projects and have had input onto design and other related decisions
Beyond new build	We will refurbish and bring back to life our existing housing stock. Failing to do so can contribute to an area’s failing reputation and invoke negative perceptions of affordable housing and lead to a lack of civic pride. It is therefore paramount that we keep our stock smart and improve everyone’s quality of life

Table 9. Considerations when delivering new affordable housing

Measurement and metrics

Metrics are the building blocks for assessing the success of plans, projects and strategies. They also help to look past the bare numbers and understand the real challenges facing a particular sector. The following metrics are suggested to evaluate the success of this plan against previous performance and our ambition to deliver on the mission statement through the mechanisms listed above.

Outputs	Initial outcomes	Ultimate outcomes
Number of homes constructed by the council Number of homes delivered by RPs / enabled by the council Number of on-street purchases made using available right-to-buy funds Number of homes in our pipeline for delivery (including temporary accommodation for homelessness) Value of grant secured from Homes England Number of RPs / contractors on our meaningful JV / construction frameworks Number of RP site meetings council actively attending Number of community consultation events held Number of parishes actively engaged in s106 sites with RPs serving the borough Number of refurbishment programmes undertaken to exterior of existing stock	Housing affordability increasing through delivering homes by maximising grant opportunity, reflecting the aims and ambitions of Homes England Housing quality increasing Speed of delivery increasing through attendance of development team at RP site meetings with developers, offering access to relevant services in the council 1-4-1 monies carefully monitored and spent within appropriate timescales Reduction in spend on bed-and-breakfast and other nightly paid for accommodation for those applicants to whom we accept a homeless duty – increased site identification to ease corporate pressures	Sustainable and constant supply of housing delivery achieved A sound and viable Business Plan with projects providing funds to continue the development programme and fund any future liabilities Increased grant received as a result of steady pipeline Civic pride increases and quality places are created Percentage reduction in number of households on the council’s waiting list Greater flexibility on affordable provision in and outside of s106 agreements ensuring good mix of tenures and the right homes in the right places Reputational success for the council, being seen as a sector leader by key influencers RPs think of investing in Ashford first when looking to grow their portfolios We are tackling real need – everything we are building or seeking delivery of through s106 is evidence led Contributing to making the Ashford borough economically viable by adequately housing local people

Table 10. Measuring the success of delivering affordable homes in the Ashford borough

In order to get to this point, measurement must be an ongoing process to ensure that the service is on course to deliver its key attainment targets. These will be assessed both monthly and quarterly through a range of strategic, and key, performance indicators (SPIs and KPIs). These will seek to measure:

- KPI: The number of homes delivered by Ashford Borough Council in total (quarterly)
- KPI: The number of homes delivered by RPs working with us in the borough (quarterly)
- KPI: The number of street purchase properties acquired by the council (quarterly)
- SPI: The number of construction starts on site across the borough – both council and RPs (monthly)
- SPI: The number of pipeline sites identified by the council for its own delivery programme (monthly)
- SPI: The number of successful grant applications applied for and the value of these (quarterly)
- SPI: The amount of grant funding secured (quarterly)
- SPI: Number of new independent living properties delivered by RPs (quarterly)
- SPI: Number of new build social rent properties delivered by the council (quarterly)
- SPI: The value of 1-4-1 monies needing to be allocated, and by when (monthly)
- SPI: The number of 'complex cases' in the midst of resolution (quarterly)
- SPI: The number of households in council stock who have downsized to take new council or RP properties (quarterly)
- SPI: The number of registered providers engaged on site in delivery (quarterly)

Other KPIs and SPIs exist for tenancy management and lettings.

Chapter 5. Resources and Finance

As part of the national reform of the HRA subsidy system, in March 2012, the council completed the buyout of the HRA from the housing subsidy system for £113.7m, transferring a proportion of the national housing debt. Total HRA debt is currently £115m, an average of approximately £23,000 per property. The existing use value of social housing (EUV-SH) is held at 33% of market value. This EUV-SH is, for Ashford, approximately £54,600 (with the market value approximately £165,000). Both valuations are well below the average debt per unit.

As part of the HRA reform, government imposed a debt cap for each local authority. Ashford's debt cap was £126m, this limited the level of debt each authority could have for its housing stock.

During 2018 this council had been developing a bid to increase the debt cap by £61m. However, it was announced, as part of the 2018 autumn budget, that the HRA debt cap would be abolished from 29th October 2018, to enable councils to increase house building; a move endorsed by Ashford Borough Council.

We are in a position where, as a result of Right To Buy, if we don't continue to build and purchase stock then our unit numbers will continue to fall, resulting in a reduction of available social housing.

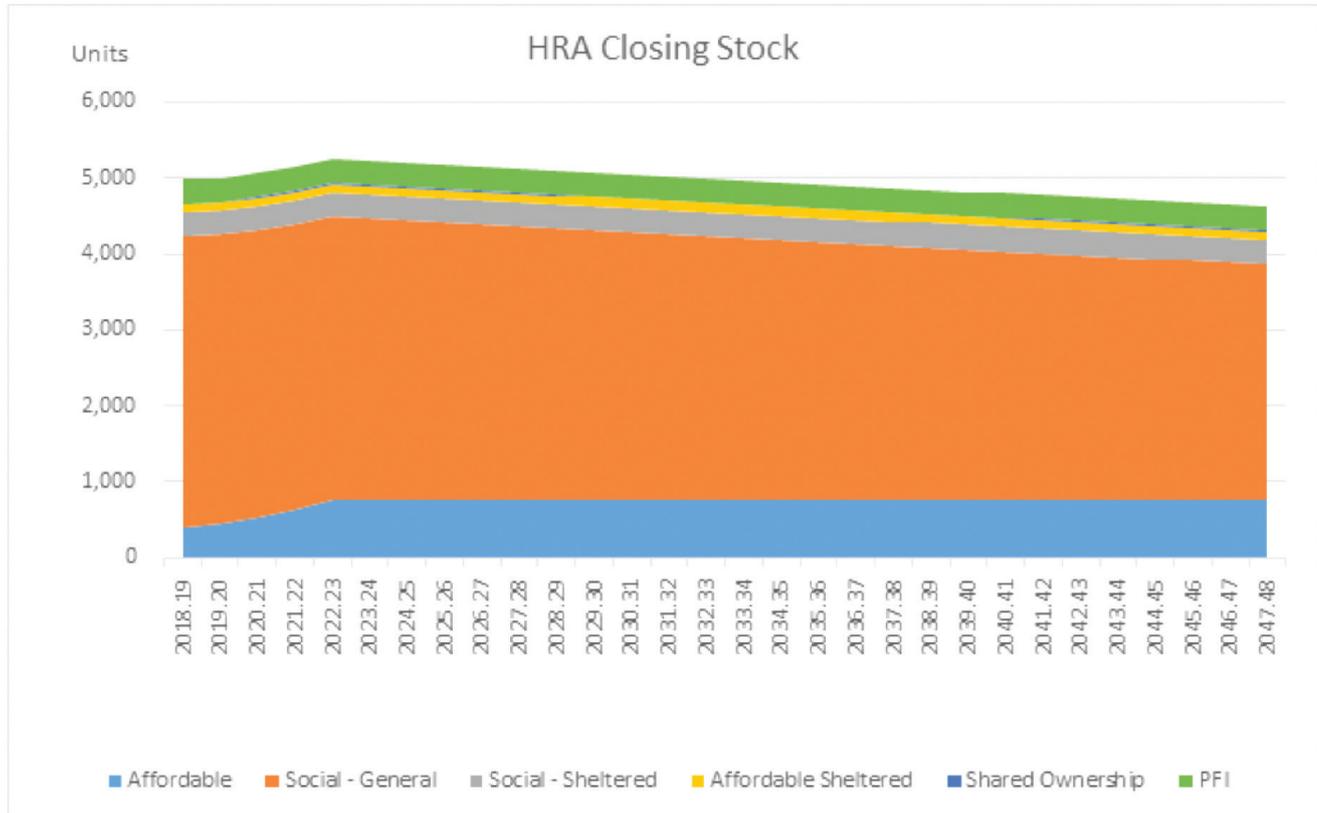


Figure 4. Projected numbers of social housing in the Ashford borough (with projections as reported to Cabinet in December 2018)

As can be clearly seen, the projected numbers of social housing will continue to fall, despite our efforts in house building. In fact the numbers fall from 4,891 to 4,623.

We are currently looking at re-profiling our projects to ensure affordability and payback for each project over the longer term. This includes looking at our resources as a whole to ensure financing and officers are able to support each development or purchase.

Any increase in stock numbers requires investment, but before we embark on any new projects or initiatives each project is tested for financial viability, not only as a self-contained project but also as part of the 30-year HRA business plan.

As a result of the buy-out the HRA currently has debt of £115m, which is around £23,000 per property. This value is significantly below the EUV-SH stated above. In simple terms, in a hypothetical scenario, if we were required to repay all our debt we could facilitate this repayment by selling off stock.

The council's Capital Strategy will, going forward, incorporate the borrowing requirements of the HRA. As such the borrowing limits of the council will include the capital financing requirement of the HRA with the Treasury Management Strategy built to support the council's objectives.

This plan is approved, by Cabinet, as part of the budget process and incorporates the council's capital plan.

Plan action: Housing will work closely with finance to understand:

- In line with Prudential Borrowing, what level of debt the organisation is happy for us to service
- What level of control is needed on the level of debt ultimately proposed
- What degree of tolerances housing has on projects
- Whether members will require to know what our level of debt is compared to overall debt across the General Fund
- What the sign-off process is in securing permission for each scheme proposed for delivery, given the variances at play in delivering rural schemes and dealing with contamination and utility costs on the remaining infill sites and the effects this has on payback periods
- How the HRA will work in the future
- How social rent can be delivered even outside of Homes England grant to make this approach more resilient should that funding stream cease
- The language and terminology used by each department
- The availability of right-to-buy receipts once outcomes are known on the government consultation held in 2018

Physical delivery

We have set out that we want to deliver more than we have previously delivered and, indeed, accelerate our delivery. This may require us to recruit internally to support this ambition. Any internal recruitment adding to the revenue costs of the Housing Revenue Account would need to be considered alongside the affordability of the 30-year business plan.

Table 9 in Chapter 4 sets out some of the alternative delivery mechanisms we will seek to employ, again given the Cabinet approval in December 2018 for housing services to explore these possibilities.

"We have been keen to retain skills internally and this helped us deliver in the HRA"

Capacity to deliver

We have been keen to retain skills internally and this has helped us deliver in the HRA and General Fund. Yet we need:

- To consider a skills and a capacity gap, to cover core work and putting frameworks/ access arrangements in place to procure all skills which are needed infrequently or at high demand.
- Core skills are currently: architectural, design, engineering, surveying from quantity surveying and building surveying
- Skills procured due to frequency of use are currently: geotechnical, ecological, architectural, topographical
- Skills procured due to capacity are: architectural, employer's agent, flood risk assessment
- Suggested skills gap given our current situation: land acquisition, sales agent (for shared ownership and cross-subsidy homes), and skills associated with land deals and JVs
- Suggested capacity issue with the HRA delivery: project manager (to accelerate delivery to anticipated level by anticipated time)
- To ensure we have enough resource and a structure in place that means existing staff are not asked to deviate from their core work when other opportunities or projects appear during horizon scanning
- To have an open approach to outsourcing work given the overall objective is delivery and factoring in staff availability and potential external costs when delivering projects thus providing true costs, not just build costs and materials, but staffing, fit out, decanting and home loss payments (where applicable)
- To think holistically and identify the tipping point where additional resource is required in the area management team. This is important because:
 - Additional homes require additional management
 - More active tenant involvement is required to reduce the stigma of living in social housing, as set out in the green paper.
 - To have an awareness of the impact of our plans on other services – such as: planning officers, finance, rubbish collection, the environmental team

A Better Choice for Property Ltd (“the Property Company”)

In 2014, Ashford Borough Council took the decision to set up an innovative property company. Its remit is to provide high-quality housing for market rent to meet the needs of the people of the borough – such as through acquiring private rental homes – and be the landlord for tenants in these properties. In its quest to acquire homes, and sites or land, there may be some crossover with the investigations the housing service is undertaking for its HRA.

While negotiations are confidential and the Property Company is a separate entity to the council (although being wholly owned by the authority), stakeholders do connect the Property Company to ‘the council’. Therefore, if both the housing service and the Property Company approach landowners, developers or RPs about sites independently it appears unprofessional and others will perceive a lack of communication internally.

Plan action: Housing will therefore maintain open communication channels with the Property Company and establish an agreement on sharing information to avoid artificially driving up prices and to ensure the best deals are reached for each organisation. Establishing an acquisitions group would ensure better communication and remove these risks when negotiating over potential assets.

Such a collaborative view on asset acquisition can only benefit both organisations.

Chapter 6. Risk

We manage risk within our own affordable homes build programme carefully with fortnightly, cross-directorate risk meetings. Issues are identified with the current build programme and future pipeline, taking a holistic approach across services as outlined in the previous chapter and sharing concerns with them. We take a granular approach to risk, looking at each site and the impacts of any slippages in turn.

Our quarterly development forums and quarterly attendance at site meetings with RPs assist them to deliver and mitigate the risk of them delivering out their sites, in addition to continued dialogue outside of these meetings.

Plan action: Housing will continue to hold fortnightly internal cross-departmental meetings to assess risk in its own delivery programme and will continue to host quarterly development forums for RPs serving the borough.

Many of the risks are set out in the PESTLE analysis in Chapter 1. The main financial risk is set out in the previous chapter.

Beyond new build

The Social Housing Green Paper identifies the stigma still attached to housing tenants in council-owned accommodation. It is therefore paramount that we maintain our stock to ensure it remains as tenure neutral from the façade as it began life to ensure that there is no visible sign that there is any perceived superiority or inferiority in the tenure of these and surrounding homes.

The restructure of the Development Team in 2018 included the post of Development Partnership Officer, who identifies ways to make the best use of the council's existing stock, mitigates the potential risk of under-utilising our current homes. They incentivise those tenants who are under-occupying to relinquish their homes and move to accommodation that is more suited to their needs and circumstances.

Additionally, they mitigate the risk of more complex individuals not being considered when new developments are submitted to planning, or when street purchase opportunities arise.

Plan action: Housing will acknowledge and mitigate risk in accordance with the details outlined in Table 11 below.

Risk	How we will mitigate risk
Lack of pipeline within our own affordable homes build programme	Developing a pipeline to ensure there is no stop-start effect in our own delivery programme and to ensure sustained, continual delivery of numbers – developing a solid programme
Stigma attributed to social housing	Adhering to our Asset Management Strategy – acquiring and disposing of stock as appropriate
Risk of non-delivery with RP sites under way	Continuation of quarterly development forums with RPs to ensure Ashford remains the focus for their delivery programmes, and attendance at site meetings to ensure smooth progress on sites around the borough
Risk of RPs not taking up delivery of s106 sites coming forward through the Local Plan	Building in greater flexibility when looking at s106 agreements and sites coming forward through that process – given the smaller numbers that those sites are delivering. We may have to step in ourselves as an authority to take on s106 homes if no RP comes forward, though this does not deliver additionality
Delivering on land we acquire ourselves through the HRA	We will work harder to establish a robust risk assessment process for site acquisition and utilise existing processes, which can be refined, to monitor progress through acquisition and build
Corporate awareness of our risk	We will update the HRA Business Plan annually to ensure visibility of our current plans – and awareness of our ability to move people on from temporary accommodation. However, as assumptions are run through the Business Plan to analyse potential outcomes from new innovations, we can update it more regularly given the level of communication between the Development Partnership Manager and the Senior Accountant
Reputational risk	Not delivering affordable housing in the numbers required, when the focus nationally is firmly on such delivery, will lead to negative reputational effects for the council
Affordability	Given the affordability pressure mentioned in previous chapters, we will investigate implementing a bespoke, income-based Ashford living rent in the borough – initially this would be trialled in the council's own housing stock and, if successful, could be rolled out in RP's stock subject to negotiation and dialogue
Land acquisition	Where the borough council's HRA, the property company or the General Fund are all looking at the same site, to avoid an additional reputational risk regarding land acquisitions, we will reach a hierarchical agreement on sharing information (governed by the Director for Finance and IT) between the three parties internally

Table 11. Identifying and mitigating risk in delivering affordable housing

Chapter 7. Refocusing and setting our trajectory

Our core priorities are:

- Building our own homes
- Enabling RPs serving the Ashford borough to deliver their schemes
- Ensuring s106 homes coming forward through our Local Plan are delivered
- Delivering our on-street purchase programme

Our other priorities are:

- Levering in more grant to assist with the viability and to aid the delivery of our affordable homes build programme
- Delivering social rent to increase genuine affordability for those on our housing waiting list
- Looking for opportunities to acquire homes and buildings that can be used or converted for temporary accommodation to ease any pressures as they arise in the General Fund in terms of homelessness
- Creating a sustainable pipeline for future delivery
- Innovating to accelerate delivery
- Working together across the council to ensure we have the capacity, resource and commercial acumen to call upon that match our aspirations
- Investigating new opportunities that arise but not being diverted unnecessarily from the core priorities we have identified above

Appendix 1. Housing's delivery pipeline in August 2019

Site	Delivering (affordable rent [AFR] unless stated)	How funded	Year start anticipated on site
Existing sites from phase 5 of our affordable homes programme			
The Weavers, Biddenden	2 x 2-bed bungalows	Right-to-buy (RTB) receipts are being used for Ragstone Hollow and The Weavers	Handover, due Dec' 2019
Ragstone Hollow, Aldington	2 x 2-bed and 2 x 3-bed bungalows		Handover, due Nov' 2019

The Big 3 sites			
These sites have Cabinet approval for housing services to explore further, and at the time of writing East Stour Court and The Poplars have planning permission while the remaining site at Halstow Way is under consideration in the planning system. Consultation events have been held in the community			
East Stour Court, Willesborough	30 units remodelled sheltered housing scheme	We are currently submitting a bid to Homes England for CASSH funding for East Stour Court and The Poplars	Start late summer 2019
The Poplars, Ashford	30 units of 'independent living' accommodation		Start January 2020
Halstow Way, Ashford	17 units of 'general needs' accommodation	We are planning to use RTB receipts	Start late summer 2019

Ten sites
Ten sites included in an exempt appendix in the Cabinet report of December 2018 are to be progressed following approval from cabinet to explore the sites' possibilities further. Indicatively, it is anticipated that these will deliver 51 units of accommodation. Architects will be instructed following a current tendering process to assist with design, community consultation and submission of the plans into the council's planning team.

Ten sites
These are sites included within the HRA debt cap uplift bid in September 2018 (before the government removed debts caps in the housing revenue accounts of local authorities). Some of these sites are smaller, infill sites. However, some of them have local opposition and a view will need to be taken as to whether they progress. These remaining sites total 80 units.
Of course, there are land acquisitions that will come forward as and when legal processes are completed – these will then be added to the above programme.

Appendix 2. Action Plan

These ongoing actions will be owned by housing and delivered during the delivery plan's life.

Key to job titles in 'Assigned to/resourced by' column: Director of Finance and Economy (DOF&E); Head of Housing (HOH); Head of Corporate Property and Projects (HOCP&P); Housing Operations Manager for Development and Neighbourhoods (HOMD&N); Housing Operations Manager for Property and Technology (HOMP&T); Housing Operations Manager for Options and Private Sector (HOMO&PS); Development and Regeneration Manager (D&RM); Housing Asset Manager (HAM); Neighbourhood Services Manager (NSM); Development Partnership Manager (DPM); Supported Housing Manager (SPM); Senior Accountant (SA); Senior Estates and Valuations Officer (SE&VO); Development Partnership Officer (DPO)

Action	Desired outcome	Assigned to
Housing will work with planning, legal and RPs to ensure the maximum number of affordable homes	Housing perceived as a thought-leader in Kent, delivering strong numbers on its own and in partnership	DPM, DPO
Housing will intervene if necessary to acquire units that RPs are not interested in taking	Developers know housing is serious about s106 delivery, with delivery dovetailing with that of RPs	DPM, DPO, HOMD&N, D&RM
Housing will acquire land to deliver future schemes using its delegated authority from Cabinet	Greater opportunities presented to grow housing's portfolio	D&RM, SE&VO, HOMD&N, DPM
Housing will work with KCC to ensure the number of extra care units required in the borough are delivered	Delivering homes relevant to Ashford and the county	HOMD&N, DPM, HOH
Housing will encourage 'rightsizing' to create movement in its stock	Best use of council homes enabling all households to be in accommodation appropriate to their needs	DPO, DPM
Housing will 'rebrand' older persons' services as 'independent living' accommodation	Removing the perceived stigma that the term 'sheltered housing' evokes	HOMD&N, DPM, NSM; SPM,
Housing will think 'beyond new build' to maintain existing stock – as a small part of our tenant engagement work, while linking in with the Tenant Participation Strategy	Visually creating the impression that all council stock is well looked after and tenure blind on streets within the borough, removing any stigma about our homes for our tenants	HAM, HOMP&T, HOMD&N, NSM, DPM
Housing will search for every possible solution to deliver affordable housing and create balanced communities	Maximising delivery channels	DPM, HOMD&N, D&RM,
Housing will deliver affordable housing alongside the themes identified in the council's Corporate Plan	Demonstrating housing's willingness to work and thinking at a strategic level	DPM, HOMD&N, D&RM
Housing will ensure short-stay, temporary accommodation facilities are built and handed to the General Fund	Housing playing its part to reduce homelessness in our borough	HOMD&N, HOMO&PS, DPM, D&RN

Housing will build quality homes that are sustainable and more energy efficient	Reduced energy bills for residents, better environmental outcomes	D&RN, HOMD&N, DPM, DPO
Housing will have a range of considerations when considering new-build homes – working in partnership with both internal departments and external partners	The right homes are delivered in the right places	DPM, DPO, HAM, D&RN
Housing will work closely with finance at all times	Better understanding of borrowing capacity, 1-4-1 monies, control required and sign-off procedures	DPM, SA
Housing will work closely with the Property Company	Maintaining the professional appearance of the council as a whole	HOMD&N; HOCP&P, HOH
Setting up an acquisitions group to identify the best outcome for land and sites	Presenting a more professional approach to	HOMD&N, HOCP&P, DOF&E

Appendix 3. Glossary of terms

While every effort has been made to explain all terms used within this document, it is still useful to have a final section listing the terms in alphabetical order. Similarly, where terms are spelt out in full the first time they are used, they may be subsequently abbreviated. Again it is felt useful to detail these here.

Term	Explanation
1-4-1 monies	Under current Right to Buy legislation, council tenants – and housing association tenants who transferred with their homes from council landlords – have the right to buy their home at a discount. Local authorities are able to retain one third of these additional sales receipts to fund the provision of the replacement stock. The money must be spent within a three-year period or be paid back to the government with interest. (A consultation was held in 2018 regarding extending the three-year period and also the percentage of receipts the council can retain – we await the outcome of this at the time of writing)
1% rent reduction	In the November 2015 budget the then Chancellor of the Exchequer imposed a 1% rent reduction in social housing to run for four years beginning from April 2015. This saved reduced costs for the government but hindered the council's ability to implement programmes of planned maintenance work and new build construction within its HRAs
Affordable	Affordable housing can be accommodation that is either rented or part-owned by its occupier. NPPF guidance suggests affordable rent is set at up to 80% of market rent. This definition is what we mean when we say affordable housing in this delivery plan – with social rent being up to 60% of market rent. Affordable home ownership relates to products including shared ownership, a part-rent, part-buy scheme. This offers entry onto the property ladder at a lower initial outlay with opportunities to own further shares in the property at a later date (known as 'staircasing')
Affordable Housing SPD (Supplementary Planning Document)	Supplementary Planning Documents add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design, or in this case affordable housing. SPDs are capable of being a material consideration in planning decisions but are not enforceable
Ashford Living Rent	An idea being scoped out by the council's housing services team to deliver truly affordable rents in the Ashford borough
Big 8 projects	A raft of major economic regeneration projects delivered, or in the delivery phase, by the council during the period of the 2015-2019 political administration
CASSH (Care and Specialised Supported Housing Fund)	The Care and Support Specialised Housing Fund (CASSH) aims to support and accelerate the development of specialist affordable housing which meets the needs of older people and adults with disabilities or mental health problems. Since 2013 Homes England has allocated £150m capital funding to specialist housing providers, on behalf of the Department of Health and Social Care, to bring forward proposals
Complex cases	A complex case may be a household with a requirement for a housing, or a specific home in a specific area – perhaps because of a disabled family member – where such a need exists the council will work with RPs, developers and architects to see if homes can be delivered on new developments where such accommodation cannot be brought forward through our existing stock or our street purchase programme

Development team	A team of three officers within the council's housing service department whose role is to deliver and enable affordable housing delivery both internally and through the RPs working in partnership with the council in the borough. Additionally, the team looks at making the best use of our council stock – through encouraging 'right-sizing'
General fund	The General Fund is a budget that includes all income and expenditure incurred in the day-to-day running of the Council comprised of all services other than housing. Capital budgets include income and expenditure, which acquire, enhance or improve long-term assets
HRA (Housing Revenue Account)	The HRA is a ring-fenced part of the General Fund. It deals with all transactions relating to the Council's function as a housing landlord. The HRA takes its income from rents and services charges collected from tenants, and spends this money exclusively on maintaining its existing housing stock as well as investing in new housing.
HRA debt cap	Until autumn 2018, there was a debt cap imposed on local authorities HRAs. Councils could borrow money within their HRAs to build more homes to provide more income, or refurbish or regenerate existing stock. However, each council had a limit as to how much they were allowed to borrow – a limit tighter than the value of the stock they owned. With this restriction now gone, it is hoped that local authorities will accelerate their delivery of new-build council housing
Housing waiting list	This is a list of applicants who are assessed in terms of their circumstances (over-occupying, threatened with eviction etc), priority need and the length of time that they have been waiting. Those without a local connection to Ashford or who already have adequate accommodation will be deemed ineligible for registration
JVs (Joint ventures)	Where two RPs join forces, combining their expertise and resources, to deliver a housing development that alone they would not have been able to deliver
KPIs (Key performance indicators)	These are a mechanism for evaluating the factors that are important to the success of a project or organisation. The purpose of using KPIs is to focus attention on delivery outcomes
Local Plan	Local plans must be consistent with national policy but can also take on board local planning issues. The Ashford Local Plan 2030 sets out the land that needs to be provided in the borough to accommodate new homes and jobs up to 2030. It contains a number of sites across the borough proposed for development as well as establishing planning policies and guidance to ensure local development is built in accordance with the principles of sustainable development.
MMC (Modern methods of construction)	Modern construction methods (MMC) are methods that are developed so that construction time is reduced, as is cost (in sufficient volumes) without compromising sustainability
NPPF (National Planning Policy Framework)	The National Planning Policy Framework sets out the Government's planning policies for England and how these should be applied ¹ . It provides a framework within which locally-prepared plans for housing and other development can be produced.
Right-sizing	Where someone moves from a property they may be under-occupying to a home more appropriate to their housing needs
RPs (Registered Providers)	Housing associations registered to provide social housing in the Ashford borough
Section 106 agreements/sites (s106)	These are legal agreements between councils and developers that are linked to planning permissions. They are drafted when it is considered that a development will have significant impacts on the local area, such as on its road infrastructure. Areas that benefit from the money sought to redress the balance of this impact, include public open spaces, education and affordable housing

Social Housing Green Paper	Called 'A new deal for social housing' the Green Paper aims to rebalance the relationship between landlords and residents, tackle stigma and ensure social housing can act as a stable base and support social mobility
SHMA (Strategic Housing Marketing Assessment)	The SHMA forms part of the evidence base to support housing and planning policies. It informs the size, type and tenure of homes that the borough should be looking to provide
Strategic Performance Indicators	These are an additional mechanism for evaluating the factors that are important to the success of a project or organisation. These provide an additional check to ensure progress is being made towards declared ambitions and targets
Street purchase programme	The council uses 1-4-1 monies to acquire homes on the open market that represent good value for money – often this is for smaller homes that require minimal work to get them to a lettable standard and that we could not build for less, or may be old council stock in areas where we have existing homes that are managed by the council's area management team
Tenures	Such as social rent, affordable rent, shared ownership, private rent and private sale homes
Tenure neutral	In direct response to the Green Paper, there is a need to ensure that affordable housing is indistinguishable from any other tenure of housing – not grouped together on new build developments, not different in its appearance and not running into disrepair if it is older housing stock so as to differentiate it from open market housing

