

6. Resources and Funding

Resourcing the Housing Strategy

The resources available to address the needs identified in this strategy are limited and it is important to make best use of the private and public sector resources available. The council cannot meet the objectives in this Housing Strategy alone and must work closely with partners to coordinate the funding and resources available to achieve the actions that have been agreed. The resources of other agencies are outlined in their own budget plans and are not duplicated in this Strategy.

This chapter sets out the resources and funding that are directly available to Ashford Borough Council or which the council has a direct involvement in securing and that are necessary to help us towards each of our strategic priorities. The council's own resources come from two

different budgets within the council; the General Fund and the Housing Revenue Account. The General Fund is the main pot of money held by Ashford Borough Council; it contains the council's share of the council Tax levied in the borough and income from other sources. The Housing Revenue Account holds the money paid in rent by tenants and as such can only be spent on things that benefit tenants directly.

Reductions or increases in government funding, such as through spending review and Ashford Borough Council financial decisions would cause changes to the figures shown in the following tables. Any reduction in funding availability either from central government or locally would have a material effect on Ashford Borough Council's ability to deliver services as planned.

Table 8 - Housing Capital Resources 2007-2011

Ashford Borough Council General Fund Capital Funding				
	2007/08 Budget £000	2008/09 Forecast £000	2009/10 Forecast £000	2010/11 Forecast £000
Mandatory Disabled				
Facilities Grant				
- ABC	152.1	158.2	164.5	171.1
- CLG	228.2	237.3	246.8	256.7
Total DFG	380.3	395.5	411.3	427.8
Affordable Housing Enabling	62.6	69.2	71.9	74.8
Housing Market Assessment			25.0	
Extra Care PFI (Hopkins Field)		10.0		
Chilmington Refurbishment				
- ABC	144.0			
- CLG	432.0			
Total	576.0			
Total Capital Resources Available	1,018.9	474.7	508.2	502.6
Memo on Capital expenditure:				
ABC Funding	358.7	237.4	261.4	245.9
CLG Funding	660.2	237.3	246.8	256.7

The capital resources that Ashford Borough Council has available to spend on housing are shown above in table 8.

The council's capital expenditure amounts to around £3.5 million per year. Resources arrive from a variety of sources; including from the useable amount gained from council properties sold under the Right to Buy and the sale of council assets.

Any additional capital funding for housing becomes available on successful application for an allocation from the council's useable capital finance reserve. Ashford Borough Council's Capital Strategy sets out how spending of these reserves should be prioritised. The Capital Strategy is reviewed annually and considered by elected Members.

The useable capital finance reserve must be spent in a way that advances corporate objectives. Applications for funding from the

reserve are considered annually by a corporate officer and member group; the Asset and Project Management Group. Applications for funding must demonstrate how the proposals will assist in achieving corporate targets and whether the application is for a service that is a statutory requirement for the council. The Asset & Project Management Group prioritises all applications and makes recommendations to the council's executive; the final decision on funding is then taken by the Executive.

In 2004/05 funding was obtained from the useable capital finance reserve to pay for the Housing Needs Survey and Gypsy & Travellers Accommodation Assessment. The council must carry out a Housing Market Assessment to update and improve on the 2005 Housing Needs Survey. This is scheduled for 2009/10 but it may be possible to bring this forward by using Planning Delivery Grant to help with the cost and by carrying out some of the work in house.

Table 9 - Housing Revenue Expenditure 2007-2011

Ashford Borough Council General Fund Revenue Expenditure				
	2007/08 Budget £000	2008/09 Forecast £000	2009/10 Forecast £000	2010/11 Forecast £000
Renovation Grants	61.8	58.4	65.7	68.4
Private Sector Housing	137.2	140.7	175.3	182.4
Research and Development	79.6	96.1	99.9	103.9
Housing Options (including bed and breakfast budget)	235.5	290.1	301.7	313.8
Chilmington Gypsy and Traveller Site	6.1	19.6	20.4	21.2
Total Net Expenditure	520.2	604.9	663.0	689.7
Other Contributions – Revenue Homelessness Services (Including Homelessness grant funding and Private Sector Leasing Scheme surpluses)	141.5	141.4	141.1	125.0
Total Revenue Resource Available	661.7	746.3	804.1	814.7

Table 9 sets out the expenditure from Ashford Borough Council's General Fund on housing services and largely comprises of staffing costs, with the addition of the council's spend on housing homeless households temporarily in bed and breakfast accommodation. This is

shown less the amount that the council is able to claim back through Housing Benefit. This budget is managed and prioritised through the annual setting of the council's overall General Fund budget, which is considered by elected Members.

Table 10 - Ashford Borough Council Housing Revenue Account (HRA) Projections

HRA Business Plan Financial Projections				
	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000
Income				
Rents	17,925	18,338	18,862	19,573
Other Income	1,294	1,389	1,439	1,689
Interest on balances/reserves	472	491	476	475
HRA subsidy	(5,994)	(6,550)	(7,119)	(7,690)
Voids & bad debts	(197)	(195)	(195)	(196)
Total Net Income	13,500	13,473	13,463	13,851
Costs				
Housing management costs	(4,518)	(4,518)	(4,587)	(4,665)
Maintenance and repairs	(7,730)	(7,951)	(7,792)	(7,529)
Stanhope PFI funding from HRA	(322)	(192)	(895)	(1,191)
Financing/loan charges	(452)	(461)	(470)	(475)
Total costs	(13,184)	(13,122)	(13,744)	(13,860)
(Transfer to)/Use of reserves	(310)	(350)	285	-
Surplus/(deficit)	6	1	5	(9)

Table 10 sets out Ashford Borough Council's planned income and expenditure from the Housing Revenue Account for the period of this strategy. Ashford Borough Council has a detailed 30 year HRA business plan that sets out how the council will manage its landlord functions. Prudent financial planning means that Ashford Borough Council can afford to do this and there is no need to transfer the council's housing stock to a Registered Social Landlord.

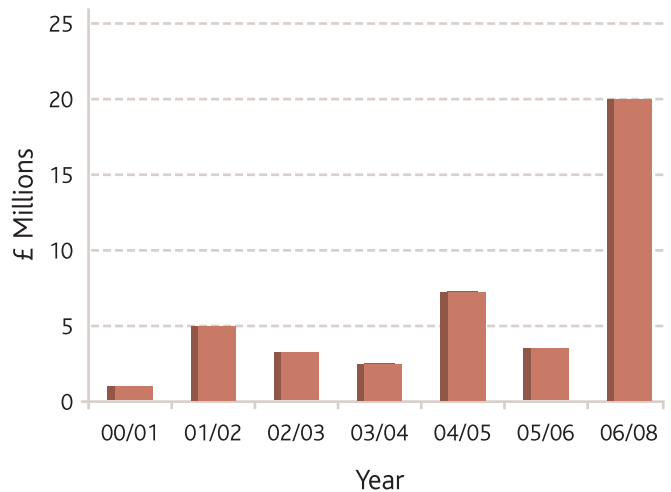
In April 2007 Ashford Borough Council became the first district council to secure a Housing Revenue Account PFI. Under the terms of the contract Ashford Borough Council has handed the management of Stanhope over to the Chrysalis consortium, who will undertake a massive regeneration project over the next five years - replacing seven remaining blocks of flats with more than 400 new homes for rent, shared ownership or sale on the open market.

The council has made a significant financial commitment to the initiative, in excess of £80m over the length of the contract. Some of this total has been realised from the proceeds of the sale of development sites on the Stanhope Estate that were used to cross subsidise some of the capital works within the project. A significant Housing Revenue Account commitment has been made to the project to lever in both private and public sector investment.

New Affordable Housing Development

Ashford Borough Council relies on a significant amount of external funding to deliver the affordable housing development programme. The primary sources being Registered Social Landlords and the Housing Corporation's National Affordable Housing Programme (NAHP), previously known as the Approved Development Programme (ADP). In 2006/08 total allocations of grant funding from the Housing Corporation of almost £20 million were secured into the borough to fund 444 affordable homes between 2006 and 2011.

Figure 18 - Housing Corporation Grant Funding



As a growth area, grant funding for affordable housing in Ashford is ring-fenced. The Regional Housing Strategy sets out how the available grant for the South East should be prioritised and sets out those major developments that are considered to be strategic sites, three of which are in the Ashford growth area; Ashford Barracks, Park Farm and Cheeseman's Green. The government's Comprehensive Spending Review during 2007 identified £1.3 billion of funding for new affordable housing development. The Housing Corporation NAHP Prospectus 2008/11 sets a ring-fenced target of funding for the Ashford growth area of 3.18% of the total available grant for the region and forecasts that £359 million will be available for the South East region in 2007/08. The prospectus states that while this figure should not be seen as indicative of the final amount available it is however the minimum amount that will be available for the following years 2008 to 2011. Thus we are able to forecast the following NAHP grant availability for the Ashford growth area, assuming a 2.5% increase annually.

Table 11 - Housing Corporation Grant Assumptions 2008-11

	2007-2008	2008-2009	2009-2010	2010-2011
Housing Corporation NAHP grant funding £ millions (minimum available)	11.42	11.70	11.99	12.29

Schemes not inside the boundary of the Ashford growth area will be funded from the remaining amounts available for the region. However, such schemes are very likely to be rural affordable local-needs development on exception sites and the Regional Housing Board has set a target for the South East of delivering 500 affordable rural homes per year between 2008-2011 and a further 500 in settlements of 3000 to 10,000.

The Housing Corporation's approach to grant allocation has changed significantly over the last two bidding rounds. 2006/08 saw the introduction of an opportunity for private developers to bid for grant funding and two such bids were successful in this borough for 12 rented and 8 intermediate tenure (shared ownership) homes at the old HMP prison site in Aldington and for 62 rented and 41 intermediate tenure (shared ownership) homes to be delivered by TaylorWimpey at Ashford Barracks (Repton Park).

The National Affordable Housing Programme for 2008-11 has introduced the concept of regular market engagement; bids can now be made at regular intervals during the funding period rather than all at once at the start. This allows for greater certainty about the delivery of the homes as well as giving better alignment with housing providers' business plans and for providers to be more responsive to opportunities of land acquisition and development. As well as introducing a three-year programme the Housing Corporation has also extended the opportunity to bid for grant on strategic sites that will have a start on site in the five years to March 2013. Again,

this allows for greater certainty of funding availability in the Ashford growth area.

Ashford Borough Council maintains close links with the Housing Corporation; the South East Investment Manager regularly attends the Ashford RSL Development Forum and the Housing Corporation is also represented on the Board of Ashford's Future.

Supporting People

Housing related support services in the borough are revenue funded by the government's Supporting People programme. Ashford Borough Council receives around £326,000 of Supporting People funding to pay for services to older people living in the council's sheltered-housing schemes. We have 'steady state' contracts with Kent Supporting People to cover these services but the contracts must be reviewed annually because there is a degree of uncertainty on a year-by-year basis as to the amount of funding that will be made available to Kent Supporting People from central government. Many other housing related support services in the borough receive funding from Supporting People, these services are detailed in table 6. In 2006/07 Kent Supporting People provided £1,257,139.14 funding for those services available only in the Ashford Borough and £3,302,254.95 for those services that cover the whole of Kent but are also available to people living in Ashford (see table 6 for details of services).