

Swale Borough Council

Housing, Homelessness & Rough Sleeping Strategy 2019-2023

Detailed Analysis of Housing Issues in Swale

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Introduction

This document sets out the detailed analysis of the housing market in Swale and sets out the information that informs the Strategic Issues and Priorities for Swale Borough Council's interventions and partnership work for the forthcoming five years.

1. National Housing Policies

1.1. Homelessness Reduction Act 2017 and Rough Sleeping

The Homelessness Reduction Act 2017 has introduced new duties around preventing and relieving homelessness. This includes extending the period within which an applicant is considered to be threatened with homelessness, and new requirements around provision of advice.¹

Homelessness and rough sleeping levels continue to increase both nationally and locally, and the government has been making more funding available for dealing with homelessness. The government has also committed to halve rough sleeping by 2022 and eliminate it by 2027; and consultation is due on identifying the barriers to landlords in making longer, more secure tenancies available. This document should be read in concert with the Homelessness Review 2019.

1.2. Housing Green Paper – A New Deal for Social Housing

This was published in August 2018 for consultation. It aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and support social mobility. It sets out the following themes:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Ensuring homes are safe and decent.

1.3. Fixing the Broken Housing Market – Government's White Paper

In February 2017 the government published a White Paper 'Fixing our Broken Housing Market'. This sets out the government's plans to boost new housing supply; speed up the delivery of new homes; help aspiring home owners; tackle the shortage of affordable housing; widen the definition of affordable housing; boosting delivery of infrastructure; and increasing skills and capacity in the construction industry². With a sharp focus on the delivery of new housing, Government expects local authorities to be ambitious and

¹ Homelessness Reduction Act 2017: <https://services.parliament.uk/bills/2016-17/homelessnessreduction.html>

² <https://www.gov.uk/government/collections/housing-white-paper>

innovative in seeking to meet their objectively assessed need for housing. A national target to build 300,000 new homes a year was subsequently set in the Budget 2017.

1.4. Changes to National Planning Policy Framework (NPPF)

In July 2018 Government released a revised version of the NPPF. Changes to policy and associated changes to planning practice guidance include proposals for reforming developer contributions, and proposed changes to the standard assessment methodology for housing needs. The definition of affordable housing has been revised and the 'starter home' provisions have been set out. Initiatives such as changes to starter homes requirements, promoting new methods of construction, reintroducing grant for new social rented homes in areas of greatest need, and promotion of self build and custom build housing are also welcome, offering opportunities to diversify the local market, particularly in more rural areas.

1.5. Housing and Planning Act 2016

This Act contained numerous legislative changes to housing policy including:

- **Introduction of Starter Homes** – A new product for people aged under 40 years who will be able to purchase a Starter Home at 80 percent of the market level capped at £450,000 in London and £250,000 elsewhere. The intention in the Act was for a proportion of new affordable homes to be 'starter homes' and the NPPF sets out how this should be interpreted
- **Extension of Right to Buy** – The Right to Buy is due to be extended to housing association tenants. Housing associations will be required to replace homes on a 'one for one' basis. This is particularly important in rural areas where there is less affordable housing. At the time of writing the detail on how this Policy will be implemented is yet to be released but a national pilot is underway
- **Tackling Rogue Landlords** – The Act introduced various measures to improve standards in the private rented sector by tackling rogue landlords. These include introducing civil penalties of up to £30,000; rent repayment orders; banning orders and a database of rogue landlords. Other recent changes in the sector include a draft Tenant Fees Bill (November 2017) stamps out letting agents' fees and capping deposits, and the extension of mandatory HMO licensing including minimum room sizes and a specification of the maximum number of people the HMO should house
- **End of Lifetime Tenancies** – The Act phases out lifetime tenancies by enacting that all new tenancies are flexible with a review every two to ten years. The aim of the policy is to make best use of the housing stock by offering short term tenancies to people in need with periodic reviews to ensure the household still requires the size of accommodation they are occupying. The detail is yet to be released by Government
- **Self-build and custom built housing** – Political aspirations are to increase the proportion of self-build and custom built housing. Local authorities are required to hold a register of applicants who are interested in self and custom build housing and to allocate appropriate sites through the planning system.

1.6. Government Changes to Delivery Agencies

In 2017 Government changed the main delivery agencies for housing. The Government department was renamed 'Ministry of Housing, Communities and Local Government' raising the profile of housing delivery. A new Minister for Homelessness was created. The Homes and Communities Agency (HCA) was disbanded and 'Homes England' was established to oversee housing growth and supporting infrastructure and the 'Regulator of Social Housing' was established. These changes emphasise the importance of housing growth.

1.7. Welfare Reform

The implementation of a major national programme of welfare reforms aimed mainly at working age people is well under way. Key aims are to cut the overall welfare bill and encourage people into work.³

A key driver of the welfare changes is to make it financially worthwhile for people to take on paid employment rather than claim benefits. This, combined with advice and support around seeking employment, education and/or training should lead to improved opportunities for some people who would previously have been caught in the 'benefit trap'.

However, with severe cuts to the national welfare budget happening at the same time, many claimants are finding their benefits reduced, and struggling to make ends meet; including those who are already in work. Local Housing Allowance rates are insufficient to cover even the cheapest rents in parts of Swale, making it extremely difficult for those on benefits to access or remain in private rented housing.

Nationally the risk of Universal Credit claimants falling into rent arrears has been found to be high and both councils as landlords will need to find ways of managing this risk going forwards.

1.8. Care Act 2016 and Better Care Fund

The Care Act 2016 requires local social services authorities to carry out a needs assessment in order to determine whether an adult has needs for care and support, it also supports closer working between health, housing and social care services. From 2015/16 onwards the Disabled Facilities Grant (DFG) allocation has been included within the Better Care Fund (BCF). The BCF created a pooled budget in each local authority area to encourage health, social care and other related services to work more closely together. The inclusion of the DFG allocation is intended to recognise the vital role that the home plays in helping people to remain healthy and independent. Central Government has increased the amount given to local authorities significantly over the last few years with the expectation that local areas will be more flexible in how the money is spent. Wider health and social care priority health outcomes such as delayed transfers of care and readmission to hospital can be supported using some of the DFG capital allocation.

³ CLG Welfare Reform web pages: <https://www.gov.uk/government/policies/welfare-reform>

1.9. National Rough Sleeping Strategy 2018

The Government is committed to halving rough sleeping by 2022 and ending it by 2027. The Rough Sleeping Strategy published in August 2018 sets out the Government's 2027 vision to support every person who sleeps rough off the streets and into a home. This is backed up by £100 million of funding in the next two years and marks the beginning of plans to meet the 2027 ambition.

A Rough Sleeping Strategy Delivery Plan was published in December 2018 which sets out more information on the 61 commitments made in the strategy. It also includes examples of projects which are underway, people who have been helped by this work, and new approaches to partnership working in local areas.

2. Corporate Context and links to other strategies

2.1. Draft Corporate Plan 2019-2022 Delivering a Better Borough for you

At the time of writing the Council's new Corporate Plan has been drafted but not yet adopted. This suggests a number of medium term objectives, and the following have clear links with housing:

Priority one: delivering regeneration

- Progress the redevelopment of Sittingbourne town centre and extend regeneration into other parts of the borough
- Develop a coherent, flexible and multi-dimensional long-term plan to help Sheppey fulfil its potential for the benefit of all its residents
- Take steps to help the most disadvantaged families and communities to embrace opportunities from regeneration, skills provision and economic growth.

Priority two: delivering great quality of life

- Maximise opportunities from sustainable development to improve infrastructure and create attractive and functional new neighbourhoods
- Develop a pragmatic and adaptable approach to helping local families to access affordable decent housing.

Priority three: delivering the Council of tomorrow

- Continue to reduce dependence on government-controlled funding sources and support innovative ways to ensure other objectives can be met in the context of diminished resources
- Experiment with a more differentiated approach to service delivery for key neighbourhoods and key groups of customers

- Develop new approaches to partnership working based on shared objectives with statutory agencies, other councils, and the private and voluntary sectors.

2.2. Annual Statements of Account / Financial Report 2017/184

In light of cuts to Government funding, the Council is pursuing a number of options that will generate income into the future, improving the resilience of the Council. The Council has historically kept Council Tax rates low and adopted a modest approach to investment. More recently the Council's ambitions have led to significant investment, most notably in Sittingbourne Town Centre Regeneration project. Going forwards, the financial strategy recognises that Revenue Support Grant will disappear from 2020/21 and adopts a strategy based on:

- Income from fees and charges, new sources of income and asset management
- Regeneration which will generate additional Business Rates, New Homes Bonus and Council Tax
- The relet of contracts to achieve business outcomes and savings
- The Transformation Team's review of council services including seeking opportunities to make more use of digital service provision; and
- Traditional approaches seeking efficiency savings.

The Financial Report recognises pressures within housing including risks associated with increased spending on temporary accommodation, and challenges in delivering housing growth to meet the requirements of the Local Plan. These need to be closely monitored.

This Strategy needs to be realistic given the financial position of Swale BC, and recognise that most of the housing objectives need to be achieved through directing partnership resources, rather than by direct investment from the Council.

2.3. Economic Development Strategy – 'Open for Business'⁵

The Vision is:

To ensure that the borough is 'Open for Business' so that Swale is one of the best places in Britain in which to live, work and invest.

The Aim is:

To create the right conditions to help stimulate economic growth and ensure that the benefits of this are experienced by residents and businesses.

The strategy sets out the local context and four priorities:

- Creating an 'open for business' environment through transport and broadband infrastructure, town centre improvements and by planning for growth

⁴ <https://www.swale.gov.uk/assets/Finance/Statements-of-Account/2017-18/Annual-Financial-Report-2017-18.pdf>

⁵ <https://archive.swale.gov.uk/assets/Strategies-Plans-and-Policies-2014/Open-for-Business-2014.pdf>

- Understanding and supporting local business
- Promoting Swale, to attract investment, visitors and to improve local confidence
- Support for local people in to new job opportunities.

2.4. Swale Community Safety Plan 2018/19⁶

This Plan has been developed by the multi-agency Swale Community Safety Partnership and sets out the priorities for action for the forthcoming year. Priorities and cross cutting themes recognise the role of housing and homelessness and include:

- Violence Against Women and Children
- Crime
- Anti-social behaviour
- Supporting Vulnerable People
- Reducing Re-Offending
- Communication and Information Sharing.

2.5. Kent Joint Health and Wellbeing Strategy - Outcomes for Kent⁷

The Strategy covers the period to 2021 and aims to achieve the vision: 'To improve health and wellbeing outcomes, deliver better coordinated quality care, improve the public's experience of integrated health and social care services, and ensure that the individual is involved and at the heart of everything we do.'

Based on the Joint Strategic Needs Assessment (JSNA), the outcomes to be achieved are:

- Every child has the best start in life
- Effective prevention of ill health by people taking greater responsibility for their health and wellbeing
- The quality of life for people with long term conditions is enhanced and they have access to good quality care and support
- People with mental health issues are supported to 'live well'
- People with dementia are assessed and treated earlier, and are supported to live well.

⁶ <https://www.swale.gov.uk/community-safety-plan/>

⁷ http://www.kent.gov.uk/__data/assets/pdf_file/0014/12407/Joint-health-and-wellbeing-strategy.pdf

2.6. Annual Public Health Report⁸

In 2016 Kent Public Health dedicated their annual report to focus on 'Better Housing for Better Health. This recognises the well established links between housing and health and focuses on three areas:

- Growth, affordability and planning
- Indoor housing environment
- Maintaining a stable home life.

The report highlights the excellent partnerships and good practice across Kent and makes recommendations for future work including:

- Deliver proposed number of new affordable homes to address future population changes
- Engage with partners to undertake Health Impact Assessments so that opportunities for improving health and wellbeing can be adequately provided
- Promote implementation of 'social prescribing' with partners across statutory and voluntary organisations. This will increase collaborative working to provide advice, guidance, appropriate grants and enforcement to support home improvements that will consequently improve health and wellbeing outcomes, particularly for vulnerable people
- "We need to 'Make Every Contact Count', having holistic conversations and signposting or referring for housing, debt, employment and health advice
- There is a wealth of empty homes in Kent that could be renovated to good standards to avoid the chaos created in lives of people with insecure housing needs.

2.7. Bearing Fruits 2031: The Swale Borough Local Plan adopted July 2017

The vision is that by 2031 Swale is known by the fruits of its endeavours. We have harnessed our assets – a strategic location, diverse communities and an outstanding natural environment – and are a sustainable, flourishing place in which to enjoy life and do business, with:

- Sittingbourne transformed into an attractive, competitive and prosperous town, with a thriving centre that residents across the Borough are proud to use;
- Sheerness and Queenborough as beacons of coastal rejuvenation leading the way to success for all communities on the Isle of Sheppey;
- Faversham, a thriving market town and heritage destination that has grown organically; and

⁸ <http://www.kpho.org.uk/annual-reports#tab1>

- Successful rural communities across the downs, farmed plains and coast as places of innovation; nurturing enterprise, local produce and greater self-reliance.

The life of the Plan is 2014 to 2031. Over this period, there is an Objectively Assessed Need for 776 dwellings per annum (dpa) in Swale (13,192 for the plan period). Economic testing showed that by providing 776 dpa the Borough provided enough new homes to meet the area's theoretical demand for labour over the plan period (noting that Swale has significant net out commuting patterns).

2.8. Kent Housing Group and Housing Strategy

The Kent Housing Group includes the 14 Councils in Kent plus 16 housing providers. The Group aims to ensure that high quality affordable homes are delivered across Kent and Medway, and that partnership working ensures the best possible outcome for the residents of Kent. The current Housing Strategy is being revised and a new document should be available in 2019. Strategically, the following themes have been agreed:

- Accelerating housing delivery
- Affordability
- Health and wellbeing
- Infrastructure and investment.

An action plan will be developed which sets a small number of key objectives to achieve for each of these themes and the document will be used to shape the discussion with Government about future investment in Kent.

Within the wider Kent Housing Group structure, a number of thematic groups exist which add value to the member organisations' work. Examples include joint protocols, training, bids and peer support.

3. Statistical profile of Swale

All of the information reproduced in this section is taken from the Kent County Council Analytics team and is based on the Census, HMRC, ASHE and other statistical sources which are referenced in the District Profile.⁹

3.1. Geography

Swale is located on the County's north coast between Medway, Maidstone and Canterbury, around 45 miles from London. It includes the towns of Sittingbourne, Faversham and Sheerness, as well as an extensive rural hinterland which takes in the whole of the Isle of Sheppey and part of the Kent Downs Area of Outstanding Natural Beauty. The Borough covers an area of 140 square miles, roughly one-tenth of Kent.

Swale has strong communication links primarily oriented east-west. It is close both to London and mainland Europe and well connected to the national motorway network. The M2 runs east-west across the Borough, providing access to destinations between the

⁹ <http://www.kent.gov.uk/about-the-council/information-and-data/Facts-and-figures-about-Kent/area-profiles>

Channel Ports and London. Via the A249 there is alternative access along the M20. London is accessible in a little over an hour by high speed rail services. As a coastal Borough, the Port of Sheerness gives access, via its deep water berths, to the largest ships in the world; its imports distributed to all corners of the UK. Swale is also within easy reach of other major Kent centres – Canterbury, Ashford, Maidstone and the Medway Towns.

3.2. Population and forecasts

The mid 2017 estimates, based on the 2011 Census suggest:

- There are 146,700 people living in Swale
- The population is due to increase by almost 20 percent to 175,400 by 2036.

Between 2017 and 2036:

- The number of young people aged 0-15 years is projected to increase by 13 percent
- The number of people aged 16-64 is projected to increase by almost 10 percent
- The number of people aged over 65 years is projected to increase by 38 percent.

Population forecasts – Swale – 2016-2036				
Year	Total	0-15	16-64	65+
2016	145,000	29,000	88,600	27,500
2021	151,600	30,700	90,200	30,600
2026	161,300	31,900	94,400	34,900
2031	168,500	32,300	96,000	40,200
2036	175,400	32,800	97,900	44,700

3.3. Ethnicity

Of the 135,835 people who were counted in the 2011 Census, just 4,680 of them confirmed they were from a BME background (3.4%).

Swale also has one of the larger Gypsies and Traveller communities in Kent, both on their own sites and in permanent housing.¹⁰

Swale has the third highest number of international migrant workers of all Kent local authorities and has seen significant growth in economic migration from within the EU

¹⁰ <http://services.swale.gov.uk/media/files/localplan/adoptedlocalplanfinalwebversion.pdf>

(particularly Lithuania, Poland, and Bulgaria) not only for agricultural work but for an increasing number of other work opportunities.¹¹

3.4. Deprivation

There is considerable variation within the Borough, with affluent and up-and-coming areas sitting alongside some of the worst-off neighbourhoods in the country. While there is wealth and prosperity, Swale still encompasses some pockets of entrenched poverty and disadvantage.

According to the Index of Multiple Deprivation 2015, Swale is ranked:

- Second most deprived district within Kent, out of 12
- 77th most deprived of the 326 districts in the Country.

3.5. Economy

Swale's economy has historically been most strongly associated with manufacturing, port activities and agriculture, but the last 25 years have seen a successful diversification towards a broad range of small and medium-sized businesses and the attraction of large distribution focused companies.

44 percent of Swale's working residents are employed in the Borough whilst 56 percent commute to areas outside.

Of those who work outside the Borough:

- 26 percent work in the main towns of Kent
- 18 percent within Medway, Canterbury and Maidstone
- 8 percent travel to London.

70 percent of the journeys to Canterbury are generated from Faversham alone. The main reason for working outside Swale is the lack of availability of certain types of jobs within the Borough and the higher salaries available elsewhere¹².

According to the SHMA¹³, the Census provides an overview of the employment situation in Swale in 2011. It shows that of all residents in work in Swale (excluding those who are also students):

- 15.9 percent are self-employed
- 61.5 percent full-time employees
- 22.6 percent part-time employees.

¹¹

¹² <http://services.swale.gov.uk/media/files/localplan/adoptedlocalplanfinalwebversion.pdf>

¹³ <https://archive.swale.gov.uk/assets/Planning-General/Planning-Policy/Evidence-Base/Local-Plan-2014/Further-evidence-2015/Part-2-SHMA-Sep-15-SBCPS25g.pdf>

The level of part-time employment is higher than both the regional (21.1 percent) and national averages (22.1 percent).

3.6. Employment rates

In 2017, the unemployment rate was 2.3 percent, higher than the Kent average of 1.7 percent and the national average of 1.9 percent.

In February 2018, 9.4 percent of people aged 16-64 years claimed an out of work benefit compared to 7.4 percent in Kent and 8.3 percent nationally.

3.7. Earnings

One of the legacies of Swale's industrial past is the 'skills gap', with a higher than average proportion of residents having insufficient skills to be competitive in the modern workplace and fewer than average highly qualified professionals. This relative lack of professional jobs and marketable skills means that unemployment remains higher than the regional average and salaries are lower.

The median weekly full time earnings of employees in Swale were £492 in 2017. The median weekly full time earnings of employees living in Swale were slightly higher at £566 (£29,500 pa).

3.8. Child poverty

Child poverty is a problem in Swale with 23.6 percent of children under 16 classed by HMRC as living in poverty, compared with 18.4 percent in Kent, and 20.1 percent nationally.

3.9. Health

The statistics suggest that the health outcomes and life expectancy of people in Swale is below the national average.

- Men in Swale can be expected to live for 78.8 years, compared to 79.5 years nationally. Women can be expected to live for 82.6 years compared to the national average of 83.1 years
- 80.6 percent of people in Swale reported that they have very good or good health compared to 81.7 percent nationally
- 18.1 percent of people in Swale claim that their day to day activities are limited by their health or disability, compared to 17.2 percent nationally
- 9.3 percent of the population in Swale claim disability benefits and a higher proportion of people claim carers allowance in Swale than the national average (one percent compared with 0.7 percent nationally).

3.10 Older people

The Census indicates that 21.1 percent of households in Swale were older person only households (households where all members are 65 or over), compared to 21.7 percent regionally and 20.5 percent nationally.

Of these older person only households in Swale in 2011, 57.8 percent contained only one person, a similar percentage to that recorded in the South East (58.5 percent) and England (60.0 percent). The SHMA (2015) showed that whilst single older person households in Swale were more likely than average to reside in social rented accommodation; both of the older person groups show a high level of owner-occupation. Older person households were also more likely than average to have multiple spare bedrooms in their home.

The population aged 65 or over is likely to increase dramatically to 38,132 in 2031, a rise of 46.2 percent. Some 18.6 percent of the resident population in Swale have a long-term health problem or disability, with 46.5 percent of all those aged 65 or over and 84.5 percent of those aged 85 or over. The current rate of provision for specialist accommodation is much lower than the base recommended and, in light of an ageing population, the Council will seek to increase the provision of housing that is suitable for people as they age. This includes well designed single level accommodation as well as extra care, subject to Kent County Council's commissioning priorities.

4. Swale's housing market

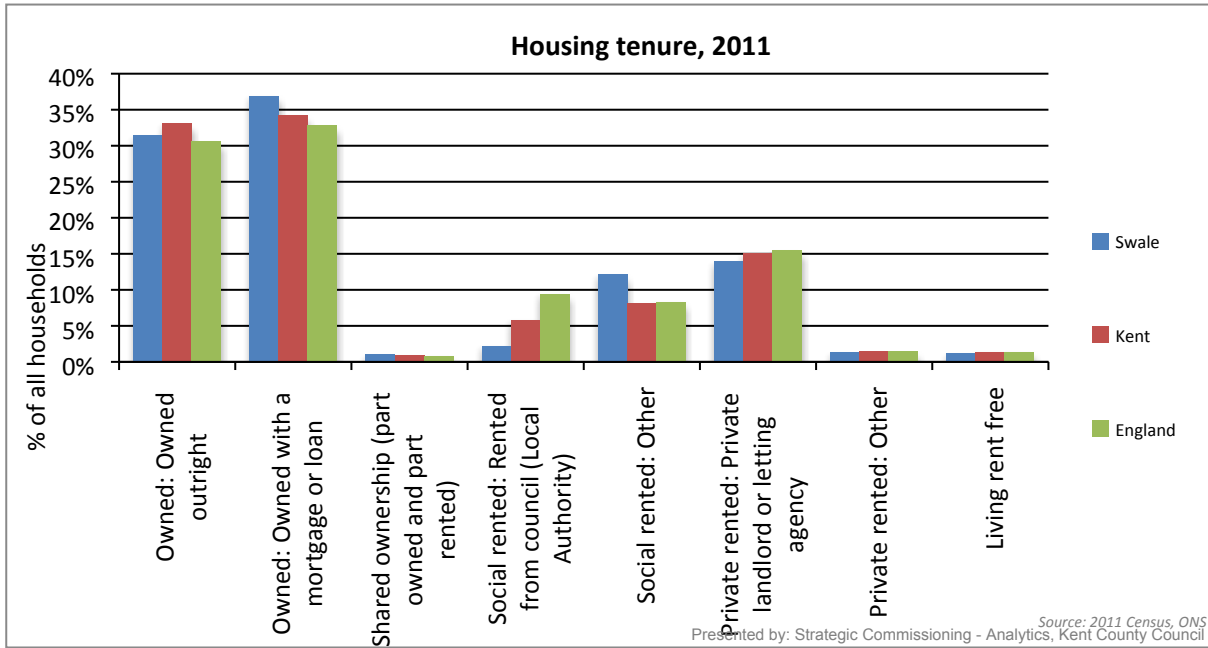
4.1 Number of households and dwellings

At the time of the Census:

- There were 55,585 households living in Swale
- There were 57,989 dwellings in Swale.

4.2 Housing tenure

- 31.4 percent of households in Swale are owner-occupiers without a mortgage, compared to 32.5 percent in the region and 30.6 percent nationally
- The proportion of owner-occupiers with a mortgage in the Swale (37.9 percent) is however higher than the regional (36.2 percent) and national average (33.6 percent)
- 14.3 percent of households in Swale are resident in the affordable housing for rent sector (being social rented housing or affordable rented housing), higher than the figure for the South East region (13.7 percent), but lower than England as a whole (17.7 percent)
- 15.2 percent of households in Swale live in private rented accommodation, compared to 16.3 percent in the South East and 16.8% across England.



4.3 Housing type

According to the SHMA 2015:

- Swale contains more terraced houses and fewer flats than the regional and national averages
- Caravans/mobile homes make up a higher proportion of the housing stock in Swale than in the South East region or England
- Semi-detached houses/bungalows and terraced properties make up the largest property type, and this is reflected across all tenures.

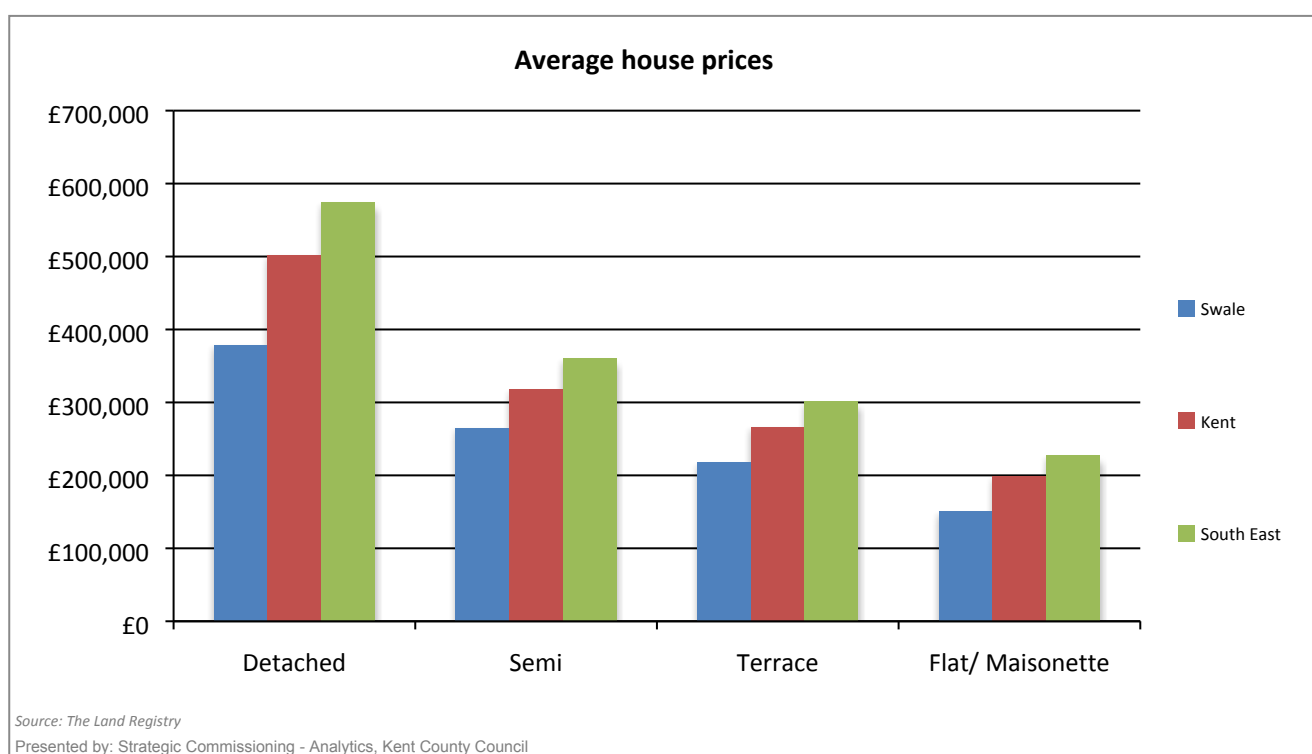
4.4 House prices and affordability

The housing market in Swale reflects an east/west split. In the east (Faversham) house prices are similar to Canterbury. In the west (Sittingbourne) they are similar to Medway.

Housing on the Isle of Sheppey can be significantly cheaper with a market distinct from either Sittingbourne or nearby Medway. The Isle of Sheppey has the lowest house prices in the borough. On average, prices are among the lowest in Kent and this creates challenges for viability to market developers, which in turn has impacted on the ability to achieve affordable housing in the Borough, especially for social and affordable rent, which is the greatest need, and in the absence of grant funding for section 106 sites.

2017 ¹⁴	Swale	Kent	South East
Detached	£378,706	£502,414	£574,026
Semi	£265,081	£317,412	£360,371
Terrace	£217,539	£266,390	£301,592
Flat/Maisonette	£150,359	£198,575	£227,188
All	£262,073	£323,591	£371,404

Median house prices in 2017 were 9.18 times median incomes. People on the lowest incomes face a bigger struggle with accessing housing that is suitable for their needs as lower quartile house prices were 9.3 times lower quartile incomes in 2017.¹⁵



4.5 Private sector rent levels and affordability

Rent levels vary across Swale with the average weekly rent for a one bedroom costing £135 in Sheerness, £138 in Faversham and £155 in Sittingbourne (2017). Two bedroom houses cost an average weekly rent of £177 in Sheerness, £190 in Sittingbourne and £217 in Faversham.

¹⁴ Land Registry 2017 Data

¹⁵

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

There is a gap between the cost of rents and the Local Housing Allowance. This gap ranges from £14.60 for a one-bedroom flat in Faversham (Rent £138.46, LHA rate £123.86) to £124 per week for a four-bedroom house in Sittingbourne (Rent £319.34, LHA rate £198.11) making accessing privately rented housing extremely difficult for people on low incomes or reliant on benefits.

When comparing average rent levels and Local Housing Allowance rates it can be seen that in all areas, and across all property sizes and types, average weekly private sector rent levels exceed Local Housing Allowance rates. This gap ranges from £14.60 for a one-bedroom flat in Faversham (Rent £138.46, LHA rate £123.86) to £124 per week for a four-bedroom house in Sittingbourne (Rent £319.34, LHA rate £198.11) . This means that the private rented sector is very difficult for those on low/moderate incomes to be able to afford to rent privately. Use of the private rented sector as an option for homeless people is therefore severely restricted.

5. New Housing Supply

5.1 Strategic Housing Market Assessment (SHMA)

The SHMA was completed by Peter Brett Associates in September 2015 as part of the evidence base for the Bearing Fruits Local Plan, which was subsequently adopted in July 2017. It sets out two parts:

- Part one: Objectively assessed housing need
- Part two: Affordable housing need.

5.2 Objectively assessed need for new housing

The SHMA recommended that the OAN for Swale be set using a 10-year projection (2004-14). This shows a need for 776 dwelling per annum (dpa) in Swale from 2014 (13,192 for the plan period).

Economic testing showed that by providing 776 dpa the Borough provided enough new homes to meet the area's demand for labour over the plan period.

A review of the local plan has already commenced, with adoption expected early in 2023. This is to comply with new national planning policy and regulation for five yearly reviews of local plans. It is also in response to the Local Plan Inspector's recommendation to address serious constraints on delivery of development after 2022, in respect of the capacity of local road network especially the A2 and A249. Government has also introduced a standard methodology for assessing overall housing need. Although this is not yet completely finalised, it is likely to significantly increase the housing target for Swale by almost 40% on the current target, requiring delivery of 1000 dwellings per annum. The Local Plan review is currently at evidence gathering stage and as part of the Local Plan process, the Council will need to decide if continuing its currently adopted Local Plan Strategy can deliver the uplift in housing numbers and necessary supporting infrastructure. One avenue of research is the potential for new garden communities to assist with this.

5.3 Location of housing growth to 2031

Of the 13,192 new homes over the adopted Local Plan period, 4,026 are already committed on exiting completions, existing allocated sites with permission, and windfall sites. The Local Plan therefore had to set out sites for the remaining 9,166 homes.

As well as meeting its local plan housing target, the Council needs to provide for a five year supply of housing land in accordance with national planning policy and practice. The Council sought to achieve this by ensuring that sufficient of the sites it has allocated will deliver completions within the first five years of the plan period and has, as a contingency, reinforced its position with an allocated surplus of dwellings allocated over and above the housing target.

The Local Plan sets out that:

- 85 percent of Local Plan housing growth should be in Swale Thames Gateway (comprising Sittingbourne and the Isle of Sheppey); and
- 15 percent in Faversham and the rest of Swale (also comprising the Kent Downs Area of Outstanding Natural Beauty).

5.4 Housing completions

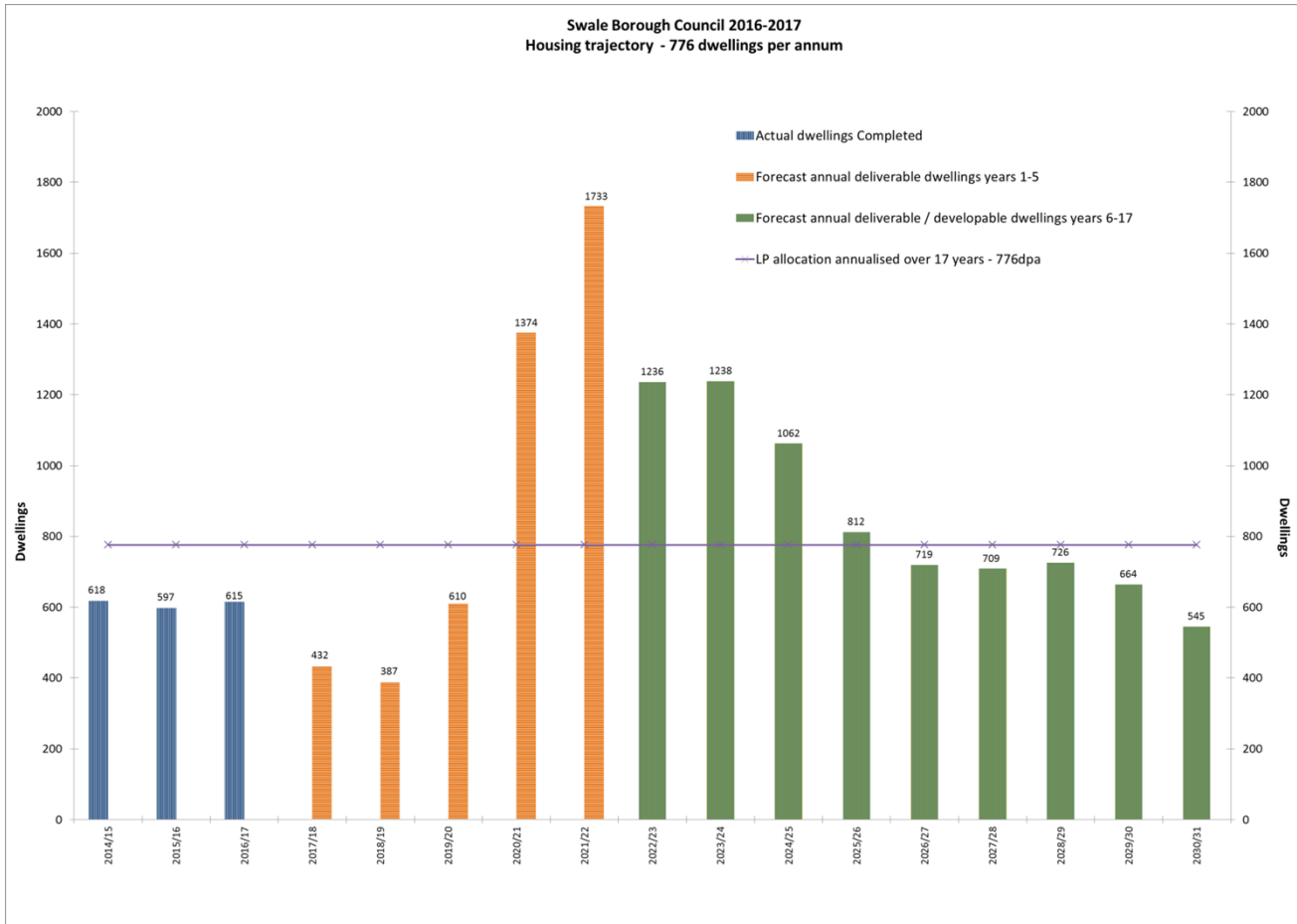
Swale has historically delivered an average of over 600 dwellings per annum and this has been the case between 2014/15 and 2016/17. However, this is still somewhat below the adopted Local Plan target of 776 dwellings per annum. The outcome of the new Government Housing Delivery Test for progress over the last three years to 2017/18 is expected imminently.

5.5 Housing trajectory

The Council's Housing Land Supply Statement¹⁶ suggests that the housing target of 776 dwellings per annum is unlikely to be met in 2017/18 (432 expected completions), 2018/19 (387 expected completions), and 2019/20 (610 completions). Thereafter the number of completions exceeds the housing target of 776 dwellings per annum and is expected to deliver almost 1400 new homes in 2020/21 and over 1,700 new dwellings in 2021/22.

Given the current reliance on Section 106 to deliver new affordable housing we can expect the trajectory of new affordable homes to follow this trend line.

¹⁶ <https://archive.swale.gov.uk/assets/Planning-General/Planning-Policy/Annual-Monitoring-Report/Statement-of-2016-17-housing-land-supply-mid-year-review-1-December-2017.pdf>



5.6 Assessment of affordable housing need

The Council's Strategic Housing Market Assessment September 2015 indicated that 190 affordable dwellings per annum were needed as a sub set of the overall housing target. The Government's new standard methodology for assessing overall housing need includes an affordability allowance on top of the demographic need. This will then need to be refined into a specific affordable housing target as a subset of the new overall housing target.

5.7 Delivery of affordable housing

The Council seeks affordable housing on eligible sites through section 106 agreements. The policy for affordable housing differs throughout the Borough reflecting viability and the need to deliver other essential supporting social and physical infrastructure. The policy is:

- Sittingbourne – 10 percent
- Faversham – 35 percent
- Isle of Sheppey – 0 percent
- Rural – 40 percent.

	14/15	15/16	16/17	17/18	18/19*	19/20*	20/21*	21/22
Delivery of new affordable/social rented	109	24	90	72				
Delivery of shared ownership	47	36	54	60				

*projected completions

There is a 'policy gap' since it is not viable to deliver new affordable housing on the Isle of Sheppey. Only 10 percent is viable in Sittingbourne and yet these are the areas of highest need (according to the Housing Register). It is therefore important that the Council pursue other ways to deliver new affordable housing, especially in these areas.

To date, there has been a reliance on s106 to deliver the majority of new affordable homes and going forwards there is a need to consider other innovative ways to deliver. The opportunities for development on Council-owned sites have been taken with 11 new homes due to be built on land sold to Optivo for affordable housing. Options on other public sector land, use of borrowing abilities through PSBR, and the potential for a Council-led Housing Development Company could be considered.

5.8 Location of new housing

The largest allocations (over 200 homes), arising from the adopted Local Plan and the likely delivery of affordable housing is:

Allocation	Number of dwellings	Likely % of Affordable Housing
Total Allocations Sittingbourne	4,417	10% = 442 affordable homes
Total Allocations Sheerness	0	
Total Allocations Faversham	1,739	35% = 608 affordable homes
Total Queensborough and Rushenden	1,245	25% = 311 affordable homes
Total Boughton	37	40% = 15 affordable homes
Total Eastchurch	15	0%
Total Iwade	603	10% = 60 affordable homes
Total Leysdown	10	0%

Allocation	Number of dwellings	Likely % of Affordable Housing
Total Newington	129	40% = 52 affordable homes
Total Teynham	410	40% = 164 affordable homes
Total Allocations exc windfalls/losses	10,099	1,652* (16% AH)

Note: Table above does not include windfalls and losses.

*This is subject to viability and delivery mechanism for each site.

Positively, sites in Faversham and rural areas will deliver more affordable housing due to the viability.

Other positive interventions to boost affordable housing delivery include:

- The opportunity to deliver new affordable housing on the regeneration of Sittingbourne Town Centre. These sites are in public ownership and grant may therefore be available since these are not traditional s106 sites
- Two RP partners who are active within Swale are now Strategic Partners with Homes England and may pursue land-led development, attracting increased grant for additional affordable housing
- Hyde have the whole of Stones Farm and are planning on delivering a scheme of 50% affordable housing of mixed tenure. They are also looking at a 40+ plus site in Minster for 100% affordable with social rent tenure
- Sanctuary HA at Milton Pipes is due to deliver a scheme with 50% affordable housing of mixed tenure
- Moat are delivering a windfall site of 40+ affordable homes in Sittingbourne
- The large site at NW Sittingbourne may produce 12 percent affordable housing.

5.9 Type and mix of housing

The Strategic Housing Market Assessment (SHMA) indicates that the largest growth will come from single person and lone parent households. In terms of the accommodation required to provide a balanced housing market over the plan period, the SHMA suggests two and three bedroom homes and that new private rented housing should ideally be three and four bedroom homes.

According to the housing register, the greatest need is for one and two bedroom homes, including ground floor and adapted housing. There is also a need for larger homes,

subject to rent levels falling within LHA rates since 80% of market value can push rents above this level.

On new development sites we strive to meet a range of needs. Whilst the Council is keen to diversify the housing offer and meet a range of needs, affordable rented housing remains the priority need and therefore we expect delivery to reflect this.

5.10 Council-owned land

A recent Asset Review has highlighted a number of opportunities for residential development on land that is surplus. A small number of sites were sold at auction and a number of sites were recommended for targeted sale to the housing association, Optivo. These are earmarked for the development of affordable housing where they are located within their ex-Council estate and the access is via Optivo owned land. Following a viability assessment for these sites Optivo agreed to acquire two sites subject to planning consent.

These are:

- Colegates Close, Oare – Proposed for seven no. 2 bed houses
- Evergreen Close, Iwade – Proposed for four no. 3 bed houses.

Optivo have the option to buy a further two sites in Milton Regis and Murston but these face viability problems and are being appraised.

5.11 Regeneration

Phase one of the regeneration plans for Sittingbourne are near completion. These include retail, restaurants and a new hotel and related road works.

Phase two has been planned but faces delivery hurdles associated with viability and delivery of this will need to be kept under review. There is potential within Phase 2 to deliver new housing, along with civic buildings and changes to the Town Centre. The delivery challenges associated with the investment requirements mean that the housing gain from Phase two, and the numbers and tenure, will need to be kept under review.

5.12 Rural exceptions sites

The Local Plan includes a Policy to support the development of rural exceptions sites. A small number of private sector homes may be permitted on rural schemes where necessary to cross subsidise the affordable housing under national planning policy.

There are currently seven exceptions schemes in Swale. A site for six homes to help meet the needs in Sheldwich, Badlesmere and Leaveland (Joint scheme with Throwley) is on site. A further scheme in Hernhill is proposed, subject to planning.

Swale have recently been allocated funding from the governments Community Led Housing Fund and we will use this to kick start a pro active programme of work, encouraging and supporting rural parishes to appraise their needs and identify appropriate sites. This is a partnership with Action for Communities in Rural Kent (ACRK).

5.13 Gypsies and travellers (including Travelling Show People)

The accommodation needs of Gypsies and Travellers has been considered. A study was completed which concluded that 61 pitches would be needed to 2031, with no additional pitches for travelling Show people (using revised Government definition).

6. Supported housing for vulnerable people

According to Kent County Council's Accommodation Strategy there is a need for:

- An additional 29 units of supported housing for adults with learning disability
- An additional 17 supported housing units for adults with mental health problems
- Needs are greatest on the Isle of Sheppey

7. Improving conditions in existing homes

7.1 Housing Stock Condition

The latest stock condition survey was completed in 2008/09. 1,016 properties were surveyed, which is equivalent to 2.1 percent of private sector housing, the surveys being deliberately weighted towards areas of particular interest. The survey was conducted on private dwellings only. Key findings include:

Category one hazards		
Homes with Category one Hazard HHSRS	9,739	20.5% of PSH stock
With Category one Hazard and vulnerable person	2,113	4.4% of PSH stock
Top four hazards found		
Excess cold	9,025	
Falls on stairs	935	
Falls on levels	234	
Damp and mould	106	

- In the owner occupied sector 17.4 percent (6,882) have a Category One hazard of which 16.8 percent (1,158) are occupied by vulnerable households. This compares with private rented sector where 35.2 percent (2,789) of homes have a Category One hazard, of which 34.2 percent (955) are occupied by vulnerable households
- 23.7 percent (2,312) of homes that have a Category One hazard are occupied by a retired resident

- The highest percentage of homes with Category One Hazards was found on the on the Isle of Sheppey 25.7 percent (3,527), followed by Faversham Town and surrounding villages 21.6 percent (2,277) with Sittingbourne Town and surrounding villages 16.8 percent (3,935).

7.2 Decent homes

- In the owner occupied sector 25.9 percent (10,279) of homes were non decent, with 24.9 percent (2,557) occupied by vulnerable households. This compares with private rented sector where 41.9 percent of (3,324) homes are non decent, of which 53.4 percent (1,774) are occupied by vulnerable households
- 26.8 percent (3,662) of non Decent Homes are occupied by a retired resident
- The highest percentage of non Decent Homes was found on the on the Isle of Sheppey 34.4 percent (4,701), followed by Faversham Town and surrounding villages 32.5% (3,419) with Sittingbourne Town and surrounding villages 23.7 percent (5,552)
- 59.3 percent (2,673) of homes in Sheerness failed the decent home standard
- Across the private sector, the cost of remedying Decent Homes failures (excluding HHSRS) is £24,479,923, an average of £2,170 per failing property.

7.3 Energy efficiency

- The average annual heating cost is assessed at £694.50 per property
- Of the 1,660 properties with a SAP rating below 35, 58.3 percent (979) are in the owner occupied sector and 41.7 percent (701) are in the private rented sector. 36.9 percent (620) are occupied by a retired resident
- Of the 7,695 properties identified in fuel poverty, 77.8 percent (5,985) are in the owner occupied sector and 22.2 percent (1,710) in the private rented sector. 47.9 percent (3,688) are occupied by a retired resident and 40.7% (3,310) contain a disabled resident
- The highest percentage of vulnerable persons in fuel poverty was found on the on the Isle of Sheppey 21.9 percent (1,682), followed by Sittingbourne Town and surrounding villages 19.9 percent (1,531) with Faversham Town and surrounding villages 16.2 percent (1,248).

Household amenities			
Source: 2011 Census - Tables KS403EW & KS404EW			
2011	Swale	Kent	England
All Households	55,585	605,638	22,063,368

Does not have central heating	1,598	14,759	594,561
Does have central heating	53,987	590,879	21,468,807
No cars or vans in household	11,184	121,094	5,691,251

7.4 Improving housing conditions in Swale

The Council's private sector housing interventions aim to improve property standards and drive up management standards and practices.

- HMOs – there are 9 existing licensable HMOs in Swale with a further 15 likely to be licensed as a result of the changing legislation. Anecdotal evidence suggests an increase in HMOs resulting from the influx of Eastern European workers. This is being kept under review with appropriate enforcement action taken when these HMOs are identified
- Housing Enforcement/complaints – the Council responds to about 300 housing complaints a year and investigates, taking enforcement action where necessary. In 2017/18 almost 130 formal and informal Notices were issued requiring remedial work to improve housing conditions. 45 homes were improved to the Decent Homes standard last year through grants and loans
- Empty Homes – Excluding non permanent dwellings and housing association properties, there were 407 long term empty homes in Swale in October 2018. The Council is part of the countywide 'No use empty' initiative which offers advice and financial incentives to landlords to return properties to use. Through this, and other interventions, the Council returned 92 empty homes to use in 2017/18
- Energy Efficiency – the Council provides loans and grants to improve heating in vulnerable and older people's homes. Last year, eight properties were improved in this way
- Partnerships with Landlords – the Council is part of the London Landlord Accreditation Scheme which offers discounts on licences, advice and forums to support landlords and promote good practice in management.

7.5 Home Improvement Agency – staying put

Staying Put provides a range of person-centred services including housing advice, income maximisation, health & safety assessments, falls prevention, hospital discharge, DFGs, home repairs and de-cluttering services. These services are funded in a range of ways including through the Better Care Fund DFG Allocation, a revolving fund for home repairs loans, and self funders for chargeable works.

Staying Put has a positive impact on people's health and has a strong track record in delivering the following outcomes:

	2017/18	2016/17	2015/16
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	2017/18	2016/17	2015/16
Enquiries – general advice	2,048	1,880	1,517
DFGs completed	160	195	109
Home Repair Loans Completed	13	15	11
Self funding cases completed	8	15	8
Charitable Funding Cases Completed	14	1	1
Home Repair Assistance Cases Completed	12	15	15
Handyperson Jobs (inc by contractor)	1,032	1,079	854
H&S Assessments	273	263	210
Works to facilitate Hospital Discharge	139	105	103
Preventative Cases (falls)	554	527	368