

Housing, Health and Communities Meeting	
Meeting Date	28 th October 2025
Report Title	Affordable Housing Delivery
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Charlotte Hudson Head of Service for Housing and Communities
Lead Officer	Rebecca Walker Accommodation Supply and Resettlement Manager
Classification	Open
Recommendations	1. To note the content of this report that provides an update on affordable housing delivery in Swale.

1 Purpose of Report and Executive Summary

- 1.1 To provide an update on affordable housing (AH) delivery in Swale including approved planning application pipeline delivery for s106 and additional grant funded affordable homes in borough.
- 1.2 To provide an overview of how affordable housing delivery is funded including the main mechanisms used in Swale to enable delivery.
- 1.3 The total number of AHs delivered over the last 5-years has improved and remained consistently good with a total of 1,215 new affordable homes of all tenures provided by a variety of Registered Providers (RPs). However, the number of households in housing need continues to rise and is disproportionate to the 400 (average) housing association homes made available through the housing register each year. This is consistently well below what is required and fails to meet affordable housing need year on year.

2 Background

- 2.1 Swale is a non-stock holding local authority and does not have a Housing Revenue Account (HRA) to financially enable the provision of new council or affordable housing stock. Therefore, all new and existing affordable homes are delivered, owned and managed by Registered Providers (RPs) in Swale. RPs are also commonly known as Housing Associations.
- 2.2 The most common types of affordable homes provided in Swale are Affordable and Social Rent Tenure (SR and ART) and Shared Ownership (SO) properties. ART and SR homes are allocated to households in housing need on the council's housing register, and SO homes are offered by the housing associations as a part-buy-part-rent scheme.

- 2.3 All new build affordable homes in Swale are provided in two main ways:
- As a percentage contribution through a S106 legal agreement on development sites and where 11 or more homes are being built. This is linked to the council's Local Plan Affordable Housing Policy DM8, which sets down the percentage of affordable homes required by area. For example, 35% should be provided in Faversham, 10% in Sittingbourne and 40% in rural locations. There is no s106 affordable housing requirement for the Isle of Sheppey.
 - As 'Additional' homes provided by RPs using grant funding from Homes England or with Recycled Capital Grant Funding (RCGF). Additional affordable homes can be provided in combination with S106 homes or on 100% RP land-led schemes. Land-led schemes are either provided as all affordable tenure developments or mixed with open market sales homes provided by the RP.
- 2.4 Whilst the number of affordable homes provided in Swale has increased over the last 5-years, those in housing need and requiring a social or affordable rent tenure home in Swale is rising and applications to join the council's housing register remains persistently high and disproportionate to the number of social homes available to let. For example, as of the 31 March 2025 the council's housing register team dealt with 2881 submitted applications of which 726 were accepted. In total there were 1816 households included on the register and able to bid for available social homes but with only 388 social housing lets made available, this includes new and re-let homes.
- 2.5 RPs not purchasing s106 affordable homes remains a concern, and just as Swale declared an Affordable Housing Emergency for the Borough, there is also a nationally recognised market failure in affordable housing delivery.
- 2.6 Initially smaller s106 schemes of 20 or less homes were not accepted by RPs, and there are currently only five RPs delivering new affordable homes in Swale. Three will consider s106 but schemes but nearly always with a deviation of tenure, size and mix of types of affordable homes. The two other RPs are both solely focused on large land-led schemes applying grant to deliver the affordable homes.
- 2.7 The main factors stalling RPs with delivering new affordable homes has been government-imposed rent caps impacting long term business planning, the financial and management burden of building safety, net zero and retrofit obligations, an affordable homes programme (AHP) that has been restricted to a five-year period and an inability to use grant on s106 affordable housing delivery.
- 2.8 In July the Government announced a new 10-year plan called the 'Five steps to a decade of renewal' which aims to increase the supply of affordable homes and transform safety and quality of housing by:

- Providing an updated 10-year affordable housing grant programme totalling £39 billion known as the Social Affordable Homes Programme (2026-36 SAHP). This will boost affordable housebuilding at scale with a target to deliver at least 60% of the homes as Social Rent Tenure housing.
- Increasing social housing rents by CPI+1% each year from April 2026. This will increase RP income and enable maintenance of homes to a decent standard against which they can borrow and invest in more new affordable homes.
- Strengthening the Regulator of Social Housing with requirements for landlords to hold accurate records of property conditions based on physical stock checks and to provide an effective repairs service.
- Reinvigorating Council House Building making it easier for councils to use their resources and land. To build more homes through the provision of a £12 million Council Housebuilding Skills and Capacity Programme (CHSCP 2025-26) and the establishment of a new Association of Directors of Housing to help councils collaborate and share best practice.
- Renewing partnerships with all involved in the enablement of affordable housing to deliver building at scale and at pace.

2.9 This report is an update paper only, however there are accompanying appendices that detail past, current and future pipeline affordable housing delivery in Swale.

2.10 Appendix I shows affordable housing delivery by tenure type, delivery pathway and area of the borough and that:

- 58% of new affordable homes were delivered through grant programmes, either using Homes England Strategic Partnership (HESP) grant, Recycled Capital Grant Funding (RCGF) or the Affordable Homes Programme (2021-2026) grant. The remaining homes were all enabled through s106 legal agreements.
- Most of the new affordable homes delivered were affordable and social rent tenure homes made available through the council's housing register to eligible and qualifying households.
- Just over 45% of the newly built affordable homes were made available as low-cost home-ownership homes for first time buyers (Shared Ownership and First Homes).
- Almost 60% of the new affordable homes were provided in the Sittingbourne town area. Faversham had the next highest number of new homes with the Isle of Sheppey only adding twelve new shared ownership homes to the local affordable housing stock in the last five-years.

2.11 Appendix II lists approved planning applications with a s106 affordable housing obligation and shows:

- Three current active sites that together when complete will provide 244 new affordable homes.
- One site with five First Homes available to first time buyers. These homes are due to be sold by the end of 2025.
- Eight sites with 363 affordable homes earmarked with an of RP. These schemes may be subject to charge particularly where it is noted additional grant funded affordable homes are being provided.
- 15 approved sites with 236 s106 affordable homes with no associated RP.

3 Proposals

3.1 To note the content of this report that provides an update on affordable housing delivery in Swale.

4 Alternative Options Considered and Rejected

4.1 Not applicable

5 Consultation Undertaken or Proposed

5.1 Not applicable

6 Implications

Issue	Implications
Corporate Plan	Health & Housing: Work in partnership to maximise the number and range of affordable homes in the borough
Financial, Resource and Property	Continued increase in spend on homelessness and temporary accommodation service due to reducing and limited move-on options into the social housing sector.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.

Health and Wellbeing	Safe, secure, affordable and sustainable housing is imperative to wellbeing. Social housing provides this for those in housing need and who require additional support, including those on low incomes.
Safeguarding of Children, Young People and Vulnerable Adults	Safe and secure homes that meet the needs of all, including young and vulnerable people is vital to ensure these households have affordable and sustainable homes.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	The provision of affordable homes for all those in housing need builds good relationships with partners, customers and communities to achieve better long term and sustainable outcomes.
Privacy and Data Protection	None identified at this stage.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Affordable Housing Delivery 2020-25
 - Appendix II: Affordable Housing Pipeline (approved s106 planning applications)

8 Background Papers

None