11 November 2015	ITEM: 12 01104425
Cabinet	
Implications of Summer budget announcement on HRA Business Plan	
Wards and communities affected: All	**Key Decision:** Key
Report of: Councillor Lyn Worrall, Portfolio Holder for Housing	
Accountable Head of Service: Kathryn Adedeji, Head of Housing Investment and Development and Corporate Commercial Services	
Accountable Director: David Bull, Director of Planning and Transportation	
This report is Public	

Executive Summary

On 8th July 2015, the Chancellor of the Exchequer made budget announcements to introduce key policy changes that will have financial implications on the Council's Housing Revenue Account (HRA) Business Plan and require a fundamental review and appraisal of the Council's approved and continuing housing investment programmes to ensure that the Council is able to deliver and maintain a balanced HRA. The current estimated cumulative impact of these proposals has the potential to make the Council current business plan unviable. However at this stage, this paper focuses on the implications of the most mature of these proposals which alone has and estimated impact of taking £14.6m out of the business plan from 2016/17 to 2019/20, and £218m over the 30 year life of the business plan.

This paper recommends some overarching principles for approval, which are designed to ensure appropriate mitigations are in place to make sure the Council objectives for high quality affordable housing can continue to be met.

The overall mitigations will be part of a balanced approach that include further efficiencies savings achieved through service realignment and more efficient procurement to improve the value of third party spend. However it is important to note that the scale of the estimated impact on the HRA BP will involve the requirement to make decisions that change both the investment programme for existing homes and the Council affordable home building programme.

Recommendations

The Cabinet:

1.1 Approve an application to the Secretary of State to issue an exemption to allow much needed current affordable Housing to be delivered.

1.2 Approve the principle to let all new HRA dwellings at "affordable rents" i.e. up to 80% of market rents. However the specific rate will be subject to further analysis, discussion and scrutiny by Housing Overview and Scrutiny Committee in November 2015 ahead of final recommendation to cabinet in December 2015.

1.3 Approve the principle of a review to the Transforming Homes programme and where the asset supports it delivery of the programme will be extended beyond 17/18.

1.4 Note housing department will seek to achieve revenue cost savings and efficiencies equating to £500k per annum or £2m over the four-year period. This will be achieved through a combination of cost savings and increased funding and grant opportunities for existing development.

2. Introduction and Background

2.1 On 8th July 2015, the Chancellor of the Exchequer made budget announcements to introduce key policy changes that will have financial implications on the Council's Housing Revenue Account (HRA) Business Plan and require a fundamental review and appraisal of the Council's approved and continuing housing investment programmes to ensure that the Council is able to deliver and maintain a balanced HRA.

2.2 The key policy changes announced on the 8th July 2015 that impact on our HRA business plan were as follows:

a) 1% reduction in social rents for four years from the 1st April 2016;

b) "Pay to stay" proposals from 2017/18 to impose mandatory rents for "high income" social tenants; and

c) Payment to the Secretary of State to reflect the value of the Council's interest in any vacant "high value" properties or the disposal of such properties.

2.3 The full detail of the above announcements are not yet know and therefore the modelling of financial impacts has been undertaken with a number of underlying assumptions that are summarised within this paper.

2.4 The impact assessment by Government did not extend to local authorities and concentrated on the impact to housing associations, many of which generation and have large surpluses, and able to absorb the 1% reduction in rents.

Thurrock as part of the Association of Retained Council Housing (Arch) will continue to make representations to Government with specific implications.

2.5 It is worth noting that these changes are announced following major reforms in welfare that has had major implications on the levels of housing benefit payments and the impending introduction of Universal Credit that will place greater risk on the Council to recover rent payments directly from tenants. Although not directly affected by the Government's austerity measures to date, housing has nonetheless achieved significant savings and efficiencies over recent years and continues to do so in our aim to continually improve the value for money of all areas of service provision.

2.6 Further welfare and benefit restrictions are also anticipated that will place further financial constraints on the HRA and housing management services more generally, to manage the potential risks and to ensure tenants are able to continue to satisfy the requirements of their tenancy.

Previous Savings and Efficiencies

2.7 As identified above, the housing department has achieved cost savings and service efficiencies that equate to £12.883m from 2010/11 to 2015/16.

2.8 The savings were delivered through a combination of management and operational savings including improved procurement and outsourcing of more efficient and effective third party contracts and revisions in key housing polices such as the Repairs Policy, that reduced the scope of delivery and more in line with neighbouring authorities. A summary of the key savings and efficiencies achieved by housing and within the HRA are as follows:

- 50% reduction in contract prices for capital programme;
- £750k revenue for Water rates increased from £300k in 2012;
- £1m savings on costs of delivering housing revenue programmes such as cyclical maintenance and servicing contracts;
- 500k from Management Restructures and new charges implemented to move towards a cost neutral service; and
- Increase of rent collection over the previous 3 years.

2.9 The Council has an ambitious programme for affordable homes these are to raise the quality of Council owned homes within the borough to a high standard that supports the long-term viability of the asset and to build new affordable homes for current and future generations. As a result of these significant savings, and key strategic decisions in increasing the borrowing cap and apply for funding support on applicable schemes. The Council Housing investment and development as a key strategic priority to meet anticipated growth in population and a significant requirement for quality affordable housing within the borough, could be met within the business plan.

Housing Development and Investment Programmes

2.10 The Council has embarked on a number of programmes that has prioritised the investment in and delivery of improved and new quality housing provision across the borough. The HRA financed this activity through a combination of additional borrowing under the capital finance regulations, available grant funding from DCLG, HCA and other Government programmes and utilisation of surpluses generated through efficiencies and savings. In addition, the department also secured Housing Zone Status that enables us, together with our partners, to access low cost funding to assist in the delivery of our housing investment and development programme.

2.11 Our recently concluded Housing Needs Assessment shows an increasing affordability gap between the incomes of local people and the acquisition costs of a property within the borough. The ability of local residents to acquire a home of their own demonstrates a continued need for good quality affordable rented homes. The assessment determined that demand out-stripped supply for affordable housing across all property types and sizes (as illustrated below) and there is a growing demand for older people and specialist supported housing within the borough to address the issues associated with an aging population and those that require specialist support that are not adequately addressed currently.

Figure 1: Affordable Housing Demand Vs. Supply by Property Type

Property Type	Demand Vs. Supply
One bedroom	9:1
Two bedrooms	11:1
Three bedrooms	3:1
Four + bedrooms	24:1
Total	**8:1**

2.12 With our investment programmes well underway, the Council does not have significant surpluses in which to absorb the impact of more major changes in central Government policy, unlike many registered providers within our sector. These changes, therefore, requires changes to our existing housing investment and development programmes in order to deliver a balanced HRA.

2.13 The current Major repairs allowance, which is the minimum revenue contribution to the capital programme, is in the business plan at £7.3m. In 2013, Cabinet agreed to increase this funding allocation to £13.6m over five years to improve all Council owned homes to the new standard. The Transforming Homes programme that commenced in 2013/14 set aside £68 million of much needed investment to deliver improvements in our existing HRA council housing stock to quality standards beyond the Government's own Decent Homes Standard.

2.14 The investment has delivered internal and external improvements in homes such as new kitchens, bathrooms, window replacement and much needed damp, mould and thermal efficiency works. Wherever possible, these programmes have been supported by external sources of available funding e.g. £600k to support the works required to improve the thermal efficiency of homes and help in addressing fuel poverty within the borough.

2.15 The Transforming Homes programme is in its third year and 50% of all new Council homes have been completed. The recommendation is now to extend the Transforming Homes programme to five and a half years for internal improvements and eight years for external improvements. This will reduce annual expenditure in the immediate period when the impact of the rent reductions are felt and expenditure on other mature programmes of housing investment are at their peak. These changes result in a net decrease of £13.3m

2.16 The Council also embarked on a £37.5m Housing Development Programme supported through additional borrowing and DCLG and HCA grant funding to deliver new, high quality housing provision in the borough. The programme is also supported by contributions from revenue and right to buy receipts. It is now recommended that all these homes should be let affordable rents i.e. up to 80% of market rents. This will increase our anticipated levels of rental income from these new homes by up to £1,316,869 per annum. The table below illustrates the additional annual income generated at the different levels of rent.

Figure 2: Additional Annual Income Generated Through "Affordable Rents"

Rent Level	Annual Rental Income £pa	Difference £pa
Social rent	£1,519,883	
Affordable – 60% of market	£2,127,564	£607,681
Affordable – 70% of market	£2,482,158	£962,275
Affordable – 80% of market	£2,836,752	£1,316,869

2.17 Alongside these programmes, the department is currently evaluating the feasibility of delivering housing regeneration on our key estates including Seabrooke Rise estate in Grays, Flowers estate in Ockendon, the Garrison estate in Purfleet and the Broadway estate in Tilbury. There is significant market interest in this potential opportunity and it is anticipated that the HRA would procure this opportunity to market and secure a regeneration partner or partners to leverage the necessary funding and deliver the required housing and related infrastructure development with no, or an affordable, net impact on the HRA.

2.18 All the above programmes were deliverable under the HRA's 30-year business plan and are well underway and to date have delivered some exceptional results and increased resident satisfaction. Unlike other registered providers within our sector, the Council does not have significant surpluses in which to absorb the impact of more major changes in central Government policy. These recent announcements, therefore, requires changes to our existing housing investment and development programmes in order to deliver a balanced HRA.

3. Issues, Options and Analysis of Options

3.1 Some aspects of the recent Government announcements require further detail and clarification to properly assess the likely financial implication on the HRA that will need to be addressed to deliver a balanced HRA. This report focuses mainly on the implications of the most mature of the summer proposals namely the 1% rent reduction from 1st April 2016 to 31 March 2020. In conjunction with colleagues in finance the detail of each of the principles will be impacted to clarify the position and cost reductions that can be achieved against each housing investment programme to achieve a balanced HRA as required by the Local Government and Housing Act 1989.

Reductions in social rents

3.2 Social housing rents are currently set according to the Government's rent policy guidance. The current rent guidance was published in May 2014 (with effect from April 2015) and expected annual rent increases to CPI +1% for the next 10 years. This was the assumption applied within the HRA 30-year business plan. The 8th July 2015 budget announcement effectively suspends the current social rent policy guidance and instead of on-going rent increases of CPI +1%, agreed by government as recently as Nov 14. The Council is now required to reduce rents by 1% from current levels (with a base date of 8th July 2015) i.e. the rent for a dwelling in 2016/17 should be 1% less than the rent as at 8th July 2015 and the rent in subsequent years should be 1% less than the previous year. The treatment of service charges appear to be unaffected.

3.3 The policy previous to this is that the Council used RPI plus a percentage agreed with tenants for their rent increases The year previous to the change to CPI+1%, the Council, in agreement with tenants, increased their rents by RPI + 4%. This was to bring properties in line with target rents and tenants understood that this large increase would be a one off and that the money would be used to invest in much needed improvements of the housing stock. Tenants were happy with this approach.

3.4 Although the policy changes are still emerging, the impact assessment based on best information currently available has enabled initial financial modelling to be undertaken to assess the impact of this change. We have modelled the 1% reduction from April 2016 for four years and then assumed rents increase in line with CPI +1% from April 2020 in line with previous guidance. After 2024 we have assumed rents increase in line with CPI only.

3.5 The 1% rent reduction results in a £14.6m shortfall over the 4 years from 2016/17 to 2019/20 and a £218m shortfall over the 30 year period. This is illustrated in the figure below.

Figure 3: Cumulative Shortfall by Year £m

	Pre Budget £m	Post Budget £m	Loss of income £m	Cumulative Loss of Income £m
2015/16	47.539	47.539	0	0
2016/17	47.793	46.891	0.902	0.902
2017/18	48.999	46.297	2.701	3.603
2018/19	50.234	45.714	4.52	8.123
2019/20	**52.489**	**46.009**	**6.48**	**14.603**
2020/21	52.794	46.277	6.517	21.12

3.6 There is no scope for the HRA to undertake additional borrowing under the capital finance regulations, as these have already been maximised to facilitate our existing housing development and investment programmes. In addition, previous projected balance were full accounted for to support the delivering of much needed additional affordable home and to increase the quality of existing homes. Hence, a now project difference in balances will require real change to the Council current programmes which were put in place to address local need.

3.7 As a point to note, there is an opportunity for the Secretary of State to issue a direction to exempt a local authority from the requirement to reduce rents by 1% to:

- Require that rents remain the same each years; or
- Require that rents reduce by an amount which is less that 1% each year.

3.8 In our current HRA business plan, we have assumed that all new HRA homes will be let at social rents. There is an opportunity to increase our rental income by up to £1,316,869 per annum if we were to let all new properties on the basis of “affordable rents” which allows social landlords to charge rents at up to 80% of market rents. We have also run the analysis of additional annual rental income generated at 60% and 70% of market rents. This is illustrated in Figure 2 above. Detailed levels and options will be presented to Housing Overview and Scrutiny for further consideration and referred back to Cabinet in December 2015. Charging “affordable rents” for all new HRA homes will enable the HRA to offset some of the impact of the 1% reduction in rents recently announce by Government and imposed from 1 April 2016.

3.9 In total, the HRA will be delivering 303 new homes through the affordable housing programme and the locations and number of new homes are detailed in figure 4 below.

Figure 4: HRA New Homes

Rent Level	No. New Homes
Seabrooke Rise, Grays	53
Bracelet Close, Corringham	12
Derry Avenue, South Ockendon	25
Calcutta Road, Tilbury	37
Claudian Way, Chadwell	54
Custom Build, South Ockendon	17
Tops Club, Grays	30
VOSA, Tank Hill, Purfleet	75
Total	**303**

3.10 The difference in average weekly rents to residents residing in existing HRA homes and new HRA homes in these areas are illustrated in Figure 5 below. We have illustrated the comparison in social rent levels and affordable rents levels (between 60, 70 & 80% of market rents) for a 2-bed property and in the areas where new homes are scheduled to be delivered. It should be noted the figures set out in these tables are average rents for a 2bed property and not the specific rents that would be applicable. These will be done based on valuation of the property once they are completed. The tables however show an estimated differential for residents of changing and the corresponding impact this would have on mitigating the impact of social rent proposals in the Welfare Reform and Work Bill 2015.

Figure 5: Average Weekly Rent Levels for 2 Bed Property

Rent Level	Social Rent £ per week	Affordable Rent (80%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£173.72	£345.52	83	£344,138
Corringham & Stanford Le Hope	£87.34	£237.60	£601.04	12	£86,550
South Ockendon	£87.34	£168.37	£324.12	42	£163,356
Tilbury	£87.34	£157.48	£280.56	37	£124,569
Chadwell St Mary	£87.34	£147.14	£239.20	54	£155,002
Purfleet	£87.34	£172.80	£341.84	75	£307,656

Figure 5.1 Affordable Rent 70% Vs Social Rent

Rent Level	Social Rent £ per week	Affordable Rent (70%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£152.01	£258.66	83	£257,625
Corringham & Stanford Le Hope	£87.34	£207.90	£482.24	12	£69,443
South Ockendon	£87.34	£147.32	£239.94	42	£120,927
Tilbury	£87.34	£137.80	£201.82	37	£89,608
Chadwell St Mary	£87.34	£128.75	£165.63	54	£107,328
Purfleet	£87.34	£151.20	£255.44	75	£229,896

Figure 5.2 Affordable Rent 60% Vs Social Rent

Rent Level	Social Rent £ per week	Affordable Rent (60%) £ per week	Difference in Monthly Rent	Number of Properties	Difference in Rental Income
Grays	£87.34	£130.29	£171.80	83	£171,113
Corringham & Stanford Le Hope	£87.34	£178.20	£363.44	12	£52,335
South Ockendon	£87.34	£126.28	£155.75	42	£78,498
Tilbury	£87.34	£118.11	£123.08	37	£54,648
Chadwell St Mary	£87.34	£110.36	£92.06	54	£59,655
Purfleet	£87.34	£129.60	£169.04	75	£152,136

3.11 In all areas within the borough, the move to “affordable rents” will significantly increase the average weekly rent payable by residents. The recommendation that is due to be subject to scrutiny at November Overview & Scrutiny will explore the specific impacts on both resident and the business plan based on our current new developments before making final recommendations to Cabinet for approval in December 2015.

Pay to stay – mandatory rents for “high income” social tenants

3.8 This policy announcement affects “high income” tenants where the Council will be required to charge market or near market rents to tenants where the household income exceeds the specified threshold. “High income” is still to be defined for the purposes of the regulations and be clear on how a person’s income is to be calculated. It is likely the regulations will define what is meant by “high income” in different ways for different areas, specify what can be treated as income and make provision about how a person’s income can be verified. The Council will need to pay the additional rental income generated through “high income” social tenants to the Government.

3.9 The government has recently launched a consultation on this proposal; however this notes that additional income generated from this policy by local authorities is expected to be returned to the Government. By contrast housing associations will be able to retain the income for reinvesting in new housing. The consultation does provide for feedback on a graduated scheme of increasing amounts payable at different income levels and does also provide for off feedback on possible off setting of additional costs that will be incurred as a result of this.

3.10 Implementation of this policy will increase the administrative burden on the housing management service and more detailed information and records will need to be kept on all our tenants. However perhaps the biggest impact not accounted for in the consultation, it is the anticipated that Right to Buy (RtB) as this is very likely to be more attractive for households required to pay market rents, particularly with the increase in the discounts available. This will in turn further erode the social rented stock and annual rental to the HRA; without the current ability as a local authority to use additional income to support the delivery more affordable housing.

3.11 For the purposes of our modelling we have used an average 3 bed dwelling as the reference property for assessing the impact of the "pay to stay" proposals on the basis that most high income households are likely to be families with more than one earner. The estimated proportion of tenants in "high income" households is 10% of the opening business plan stock number. Market rents for a 3-bed dwelling are estimated at £1,300 per calendar month and we have assumed that "pay to stay" tenants are identified from 1 April 2017 onwards and that 75% of them continue to rent whilst 25% exercise their right to buy.

3.12 The difference between the net market rent and the projected net social rent for "pay to stay" properties has been treated as a separate payment to the Government in the business plan cashflows, meaning there is no net benefit to the Council from the additional income. An allowance has been made for bad debts (5%) and voids (2%) within these assumptions. The effect of the void and bad debt assumptions creates an annual loss to the HRA business plan that accumulates over the 30-year period. In addition, the additional RtB receipts are retained for new build purposes and is not utilised by the Council's existing programmes. The long-term effect of the additional sales would further worsen the HRA business plan as future rental income is lost and has the potential as part of a cumulative impact of this and other changes to make the HRA business plan unviable.

High value void payment or disposal

3.14 The Government proposes to extend RtB to housing association tenants and to compensate housing associations by requiring local authorities to make a payment to the Secretary of State to reflect their interest in high value local authority housing that becomes vacant. Further details are awaited on the scheme, including details on the formula that will be applied to calculate such payments. The Housing and Planning Bill has indicated that the payment must represent an estimate of:

a) The market value of the authority's interest in any high value housing that is likely to become vacant during the year; less

b) Any costs or other deductions of a kind described in the determination.

3.15 Further details on what constitutes "high value" are awaited, although it is anticipated that "high value" will be defined differently in different areas. This policy will only affect housing within the Housing Revenue Account (HRA) and will also affect housing that has been transferred to a private registered provider. The bill confirms that the determination of such a payment will need to be made before the financial year to which it relates and may relate to more than one financial year. The determination will also make provision about how and when a payment is made including provision for payments by instalment. There is also allowance within the bill for this policy to come into force part way through the year.

3.16 The bill retains a duty on local authorities that keep a Housing Revenue Account (HRA) to consider selling its interest in any high value housing that has become vacant.

3.17 Interestingly, the bill also allows for the Secretary of State and a local authority to enter into an agreement to reduce the amount the authority is required to pay if the payment is reduced for the provision of housing, or for things that facilitate the provision for housing. Given our high levels of housing investment and development, the Council would be confident of presenting a strong case to reduce any payment that is determined. Nonetheless, implementation of this policy will have implications on the HRA business plan.

3.18 We have modelled the likely financial implications of disposing of our "high value" voids. Our initial financial modelling assumes that 5% of properties become vacant per annum (current re-let rates of 5% are experienced) and that the amount of compensation received by the authority is consistent with the current levels achieved through RtB sales i.e. that the compensation is based on the debt attributable to the additional sales. We have assumed average weekly rents of £87.34, average weekly service charges of £4.46 per week, an average market value of £111,517 per property and average attributable debt of £25,752 per property based on RtB sales in 2014/15. The financial implications of the "high value" disposals over the next four years, in terms of lost HRA income, are summarised in the table below.

Loss from first four years identified under current assumptions

Current relet of stock = 5%

Assumed rent loss : 2016/17 (year 1)		**58,681**
	Year 2	**113,940**
	Year 3	**165,980**
	Year 4	**215,932**

3.19 Further details on the payment formula and the definition of "high value" properties are required to accurately assess the financial impact of this change in policy on the HRA business plan. Given that this particular policy and its intended incorporation is still fairly unclear, we have not proposed any recommendations at this stage to address any potential shortfall in HRA balances at this stage. This will be addressed at a future date when the policy and its implementation are clearer.

4. Reasons for Recommendations

4.1 Quality housing provision and choice in areas that people live are central to us achieving our vision for Thurrock. It is important that we maintain, wherever possible, the existing Housing Investment and Development programmes that are specifically driving the quality of the HRA housing asset base and delivering new, high quality affordable homes across the borough.

4.2 The Transforming Homes and Housing Development programmes are mature, well into their delivery and delivered significant improvements in quality, the number of new affordable homes and improved resident satisfaction.

4.3 The Local Government Act 1989 places a duty on the Council to prevent a debit balance on its HRA and, therefore, a revised HRA business plan that delivers a balanced account is of critical importance and the core strategic objective of the Council. Therefore some revisions to existing programmes of investment and expenditure are unavoidable as the Council and the HRA does not generate the level of surpluses required to absorb the impact of the Government's proposed changes.

4.4 The impact assessment undertaken by government has not be done with sufficient nuance for the differing implications of the changes to be fully understood. The assessment is limited to housing associations with large surpluses. However our business plan has maximised and extended currently borrowing capacity and has a mature affordable house building programme designed to address local need. In Thurrock there is a significant affordable housing need that will not be met by the private sector despite 5,000 approvals for new homes. The assessed existing local need in the borough is noted stands at over 500 a year. It is recommended that Cabinet approve an application to the Secretary of State for an exemption, based on the impact as currently assessed, to the Council affordable housing programme, supported by clear need for such housing which at this stage is not projected to be met by the private development alone.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 Specific impact assessment and implications on different tenants is scheduled to be including in a report to Housing Overview and Scrutiny in November 15. This will allow scrutiny of the implications of the principles being agreed prior to a further paper to cabinet in December.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The Government's proposals and our ability to deliver the current housing investment and development plans will impact on our ability to deliver improvements to our HRA homes and deliver new homes within the original timescales outlined. This will undoubtedly impact on residents' perceptions and satisfaction with our delivery. It may also slow the delivery of related and broader regeneration activities planned by the Council.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**

Management Accountant

7.1.1 The medium to long term financial implications of the announcements have been considered insofar as possible at the current time with further details and clarification of the implementation of the proposals still required. The affordability and deliverability of the current programmes have been considered and reviewed to ensure that the recommendations deliver a balanced HRA.

7.1.2 Work is ongoing to ensure HRA business plan is affordable and deliverable with the additional financial constraints imposed by the most recent Government announcements and further recommendations with be forthcoming at the appropriate time to ensure a balanced HRA is deliverable as a result of the “Pay to Stay” and “Disposal of High Value Voids”.

7.1.3 We are content at this current time that progress has been made in addressing the financial gap posed by the 1% rent reduction and that this work is ongoing and subject to further recommendations to ensure a balanced HRA is delivered.

7.1.4 The HRA business plan has been significantly financially disadvantaged following the proposed legislative changes. In order ensure the long term sustainability; consideration needs to be made regarding the level of income that the HRA generated. This is shown within the report in figure 5 which illustrates the difference between affordable and social rents. A move towards setting the rent within the new build properties at affordable rent level ie 80% of market value, would generate an additional £1.181m per annum.

7.2 Legal

Implications verified by: **Martin Hall**

Housing Solicitor/Team Leader

7.2.1 There are no specific legal implications of the recommendations contained within this update report.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**

Community Development Officer

7.2.1 The Council's reduced ability to deliver previously agreed and widely publicised Transforming Homes programme, planned housing development and other housing investment spend will have a negative impact on the availability of high quality affordable housing in Thurrock, including for vulnerable groups. With reduced spend, contractors' commitments to social value and holistic objectives around health and wellbeing, improving education and job creation and improving economic prosperity may also deteriorate.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

8. Background papers used in preparing the report

None.

9. Appendices to the report

- None

Kathryn Adedeji

Head of Housing Investment and Development

Housing