

Appendix 1

# **HRA Asset Management Strategy**

November 2013

## Introduction

HRA Reform has in effect created a new housing business within Brent Council which has considerable assets comprising almost 9,000 rented properties and significant associated land- holdings. The Asset Management Strategy is central to the successful operation of this business.

The Asset Management Strategy is an important corporate document which sets out how the Council will manage, develop and make best use of its assets in order to achieve its objectives. It sets out a strategic approach for the medium to long-term that directs stock investment and development in order to provide quality housing to meet present and future housing needs, to contribute to the achievement of the council's housing and regeneration priorities, and to assure the sustainable and optimum performance of the HRA business plan. The Asset Management Strategy will determine the future size of the Council's housing stock, its mix, quality and performance.

Consultation was undertaken on the draft Asset Management Strategy from early August to early October 2013 and the responses to the consultation were taken into account in its finalization.

The Strategy's scope is comprehensive and encompasses stock investment and new housing development, and reform and improvement of the stock and its performance. The strategy is focused on a first seven-year period commencing in 2014 but within the context of a 30- year HRA business plan. It provides a strategic framework for:

- Active management of the HRA assets
- Investment to assure long-term sustainability
- Investment to develop the asset-base
- And supports the wider strategic aims of the business and the Council

The strategy and its implementation are predicated on the continuation of the current rent policy of the Council for existing tenants and this is set out within this document.

The Strategy will be implemented through an Asset Management Plan. This will set out the arrangements for the strategy's implementation including arrangements for the constituent programmes and a performance management framework to assure its delivery.

The strategy will need to be reviewed and adapted in response to significant changes in the internal and external environment including revised corporate priorities, the performance of the HRA business plan and wider housing policy changes and their impact. The strategy, its implementation and the outcomes achieved will need to be reviewed after five years.

### **Strategic Context**

The Asset Management Strategy is aligned with the Council's overall corporate and strategic objectives.

The strategy supports the Council's Corporate strategic objectives through providing for investment in existing and new housing to provide a sustainable built environment and to provide quality housing services through the provision of decent, well-maintained affordable housing. It supports the Regeneration Strategy's objective to deliver transformational change through new housing growth and estate regeneration and provides for significant public investment.

A new Housing Strategy is currently being prepared by the Council. The Asset Management Strategy will support the emerging objectives of this: These include the priority of increasing social housing supply through the development of new affordable homes and by increasing the capacity to meet housing need and alleviate overcrowding through reform of the mix of the Council's stock. The stock investment plans also include provision to reduce fuel poverty supported by external funding.

### **Strategic Objectives**

The overall objectives of the Asset Management Strategy are:

- To ensure that the housing stock and its environs are maintained and improved so as to provide quality accommodation in a sustainable environment for existing and future residents
- To provide a balance and mix of stock that is best suited to meet the Council's housing objectives and housing need priorities
- To expand the Council's housing stock to increase the capacity to meet housing need
- To improve the financial sustainability of the assets and to raise their aggregate performance

These objectives will be achieved through the combination of strategic approaches, which are summarised below:

## **STOCK INVESTMENT**

Implementation of an investment standard that provides for the maintenance and selective improvement of the housing stock

- This standard will meet all current statutory, regulatory and health and safety requirements and maintain the Decent Homes standard across the stock.
- The standard will be implemented through a seven-year programme commencing in 2014/15 which will encompass all the retained stock and will be maintained thereafter
- A rolling five-year budget for capital, cyclical and planned maintenance works will be set to maximise efficiency and value-for-money in the programming and delivery of the works

## **STOCK REFORM**

Reform of the Council's housing stock to improve its overall performance and composition through selective disposal of units and re-investment

- Stock optimisation - Appraisal and selective disposal of poorly performing and high value units
- Stock rationalisation - Disposal of freehold-only interests and selected minority interests in order to improve management efficiency.
- Stock Rebalancing – Disposal of smaller units and the re-investment of resources in larger family and other homes that are under-represented in the stock.

## **DEVELOPMENT**

The provision of new affordable housing to increase the capacity to meet housing needs and in particular to provide family housing

- A programme of HRA funded infill development on HRA land
- Maximising new affordable housing development working where appropriately with partners.
- The re-investment of proceeds released from stock reform
- Redevelopment of existing estates where there is a strong business case to do so

## Risk Management

There are a range of risks that could impact adversely on the Asset Management Strategy and its implementation and the main risks and mitigation measures are outlined below.

Risk	Mitigation
AMS not aligned with changed Corporate priorities or national policy developments	<ul style="list-style-type: none"> <li>Regular monitoring of internal and external policy environment and refresh or full re-set if required</li> </ul>
AMS not adhered to or effectively implemented	<ul style="list-style-type: none"> <li>Establish governance arrangements</li> <li>The Asset Management Plan will set out the programmes and performance management arrangements to assure implementation</li> </ul>
Adverse HRA Business Plan performance, (e.g. arising from impact of direct payments) reduces funding available	<ul style="list-style-type: none"> <li>Anticipation and mitigation through HRA business planning review</li> <li>Re-profile investment or review standard; accelerate asset appraisal and disposal</li> </ul>
Increased investment programme costs arising from under-estimation or tender price inflation	<ul style="list-style-type: none"> <li>Review and extrapolation from out-turn costs on first phase of contracts</li> <li>Re-pricing and profiling of works</li> </ul>
Inadequate programme management resources and expertise to effectively deliver investment programme	<ul style="list-style-type: none"> <li>Procurement and delivery strategy and performance management framework</li> <li>Increase in use of external programme management resources</li> </ul>
Failure to reach or maintain properties at required standard	<ul style="list-style-type: none"> <li>Periodic condition surveys to check standard</li> <li>Tenant satisfaction surveys</li> </ul>
Responsive repairs expenditure rising due to insufficient planned maintenance	<ul style="list-style-type: none"> <li>Active monitoring of responsive repairs expenditure and impact of investment works</li> </ul>
Failure to raise performance and maximise value of assets	<ul style="list-style-type: none"> <li>Initial appraisal of all assets to identify where disposal is appropriate</li> <li>Ongoing appraisal</li> </ul>
Changed profile of housing demand requires varied approach to stock reform/rebalancing	<ul style="list-style-type: none"> <li>Inherent flexibility in rebalancing programme</li> <li>Revise parameters and selection criteria</li> </ul>
Insufficient expertise to deliver development programme	<ul style="list-style-type: none"> <li>Establish and build capacity within BHP, initially through infill programme</li> <li>Procure external consultancy call-off resources</li> </ul>

## Stock Investment

### Strategic Approach

To adopt and implement an investment standard that will provide for the maintenance and selective improvement of the housing stock.

- This standard meets all current statutory, regulatory and health and safety requirements and for the maintenance of the Decent Homes standard across the stock.
- The standard will be implemented through a seven-year programme commencing in 2014/15 which will encompass all the retained stock and will be maintained thereafter.
- To support optimum planning and delivery a rolling five-year budget for capital, cyclical and planned maintenance works will be set.
- The standard will be reviewed after a seven-year period, or as required in response to changes in statutory or regulatory requirements.

### Context

From 2002-2006 over £125m was invested in the stock in order to bring it up to the Decent Homes standard supported by additional government funding. Brent was one of the first authorities to achieve the Decent Homes standard across its stock. This investment was particularly centred on internal improvements through kitchen and bathroom renewal.

Over the last five years capital investment has been constrained by the HRA Subsidy system and has been at a markedly lower level of around £60m. This has required some works to be deferred. A significantly increased capital works programme of £15m is being progressed in the current year of which almost half the expenditure relates to fire safety improvements.

A stock condition survey was undertaken by Savills in 2010 based on a 17% internal sample and a 100% external sample of purpose-built blocks which provided industry standard cost estimates and profiles over 30 years for capital and maintenance works, based upon standard life-cycles for key components.

### Approach

There is considerable room for discretion in setting the investment standard for the Council's stock and the timing of investment after taking account of statutory, regulatory and related requirements.

A range of approaches has been considered and the financial implications of these. The standard adopted strikes a balance between funding for the development of additional housing and for investment in the existing stock.

A central feature of the standard is the delivery across the stock of a seven-year package of external decorations and repairs and roof and window renewals where required. There is a recommitment to the maintenance of the Decent Homes standard with spending in this area arising mainly after year

10 through a programme of kitchen renewals.

A programme of energy efficiency improvements will be developed and implemented in order to reduce fuel poverty and carbon emissions. This will draw on external ECO-funding as well as HRA funding and be targeted on the worst performing units. There is limited provision for environmental improvements to estate grounds.

The main elements of the standard are summarised in the table below.

### Investment Standard

- Decent Homes – To maintain the Decent Homes standard across the stock including the programmed renewal of kitchens after twenty years.
- Health and Safety – To prioritise the maintenance of health and safety standards including the completion of a major programme of fire safety improvements over the first three years of the strategy
- Programmed Renewals – To replace all key building elements including windows and roofs at the end of their economic life to an appropriate specification
- External Decorations – To carry out a 7-year cycle of external decorations and repairs, in accordance with contractual requirements
- Environmental Improvements – To make environmental improvements in order to raise the standard of the worst estates to that of the remainder
- Energy Efficiency – To raise the energy performance of the stock and reduce fuel poverty through retrofitting works with the support of external ECO funding
- Mechanical and electrical – Timely renewal of communal and dwelling heating systems and a ten year cycle of electrical testing and remedial works across the stock
- South Kilburn – For those properties that are to be redeveloped provision is not made for capital works or external decorations but only for responsive repairs, other cyclical and health and safety works

### Funding

The stock investment standard will be funded through the Housing Revenue Account from a combination of capital and revenue expenditure. The projected costs have been developed from the stock condition information and have been moderated by BHP's analysis of contract pricing for relevant works and through their efficient packaging for delivery.

The profile of investment and the expenditure on the main categories of expenditure is shown in the first table below.

Stock Investment Profile	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	
	2013- Year	14	14-15	15-16	17-18	18-19	19-20	20-21	21-22	22-23	23-24				
Health & Safety Works	7.0	15.6	4.6	4.0	1.5	1.3	1.4	1.8	1.2	0.5	2.8	2.4	2.6	1.9	
Major Repairs including external decorations	7.1	7.9	10.4	10.2	10.2	10.2	9.5	9.5	4.5	6.3	35.6	31.4	33.5	24.2	
Environmental Improvements	0.0	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	3.2	2.8	3.0	2.2	
Disabled Adaptations	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	3.0	3.0	3.0	3.0	
Contingencies	0.7	1.2	0.8	0.7	0.6	0.6	0.6	0.6	0.3	0.4	2.1	1.8	2.0	1.4	
Responsive & Cyclical	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	57.0	57.0	57.0	57.0	
<b>Total</b>	<b>26.9</b>	<b>37.3</b>	<b>28.5</b>	<b>27.6</b>	<b>25.0</b>	<b>24.8</b>	<b>24.1</b>	<b>24.5</b>	<b>18.5</b>	<b>19.7</b>	<b>103.6</b>	<b>98.6</b>	<b>101.1</b>	<b>89.7</b>	
Capital Expenditure	15.5	25.9	17.1	16.2	13.6	13.4	12.7	13.1	7.1	8.3	46.6	41.5	44.1	32.7	
Revenue Expenditure	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	57.0	57.0	57.0	57.0	

Expenditure in 2014-15 is particularly high because of the costs of undertaking remaining fire safety improvement works of £11.5m in that year.

Expenditure over the first seven years to 2022 is higher than in subsequent years. This is due in particular to the estimated cost of external decorations and repairs, roof and window renewals in the first cycle, following a period of limited investment in these areas in recent years.

## Stock Reform

### Strategic Approach

The objective is to progressively reform the Council's housing stock to improve its overall performance and composition through selective disposal of units and re-investment.

- Following appraisal, poorly performing and high-value units will, where appropriate, be disposed of when void.
- Appraisal will be undertaken of freehold-only interests and selected minority interests in blocks and houses and where appropriate these units will be disposed of in order to improve management efficiency.
- A programme of selective disposal of void bedsit and 1-bed units will be undertaken with the proceeds being re-invested to improve the alignment between housing demand and available supply through provision of larger family homes and housing for people with disabilities and to meet other housing needs.
- The proceeds from all disposals will be ring-fenced and re-invested, through acquisition and new development in an appropriate mix and type of accommodation.

### Context

The Council's current tenanted stock has resulted from an extended period of stock loss through Right-to-Buy purchases and the regeneration and redevelopment of particular estates. The resulting stock raises a number of issues in relation to quality and performance, distribution and mix of units.

The financial performance of individual units varies widely across the stock, largely reflecting the extent of stock investment expenditure required, relative to the rental income generated by the units. Over the 30 year HRA business plan period the majority of the stock makes a significant positive contribution to the business plan but a minority of units have a negative financial impact or make a minimal contribution. There are in addition units which are not able to provide accommodation of sufficient quality, or not without an uneconomic level of investment. The housing stock also includes some units with a high open market value which, if realized, could support the provision of additional homes.

Right-to-buy has fragmented the council's stock ownership. Positively, perhaps, this has diversified tenure on estates but it has also added the complexities of large-scale leasehold management and undermined management efficiencies. Across the stock as a whole the degree of Council stock ownership varies widely. Council tenants account for 50% or less of the dwellings in over half the owned blocks/houses. There are 200 blocks and converted houses where all the individual flats have been sold with the Council retaining only the freehold interest. Council ownership is 30% or less in more than 80 other blocks and houses.

A primary function of the Council's housing business is to provide affordable housing to those in housing need in accordance with its housing priorities and allocations scheme. Its ability to do so depends on the relationship between the mix of the council's stock and the profile of housing demand. The Council's is the largest single provider of social rented accommodation with its stock representing around 40% of the total social housing stock in Brent and a similar proportion of social lettings.

There is a marked disparity between the balance of lettings available within the Council's stock and the profile of demand by bed-size. Bedsit and 1-bed units constitute over a third of the Council's housing stock currently and represent over half of all lettings but under a third of demand. In contrast available lettings to meet 3 and 4-bed need are half of the relative demand for these units. The impact of welfare reforms – in particular the 'spare-room subsidy' and the overall benefit cap – is likely to have a significant but uncertain impact on the profile of housing demand.

## **Approach**

An active approach will be taken to the reform of the stock in order to:

- Increase management efficiencies through stock rationalisation
- Improve the balance between housing demand and available supply through stock rebalancing
- Improve financial performance and quality through appraisal and selective disposal, and release value for re-investment

## **Stock Rationalisation**

In the 200 blocks and houses where the Council has no leasehold interests the freehold will be disposed of, subject to an appraisal to identify where there are development opportunities or other relevant considerations. In the first instance the freehold will be offered to the existing private leaseholders. Such an approach will apply where further freehold-only interests arise.

Where the Council has a minority leasehold interest of 30% or less these units will, subject to individual appraisal, be earmarked for disposal and be sold when they become void through normal turnover or where the existing tenant accepts an offer to move to suitable alternative accommodation.

## **Enfranchisement**

The housing stock includes almost 200 properties where the Council is not the freeholder but holds a long-term leasehold interest. Where appropriate the Council will undertake enfranchisement – through purchase of the freehold or a lease extension - for continued use as affordable housing or as a precursor to disposal where this is financially advantageous. A pro-active approach will be taken to enfranchise in advance of lease expiry where this is financially beneficial.

## **Stock Rebalancing**

A stock-rebalancing programme will be undertaken to provide for a significantly improved alignment between available lettings and housing demand.

This will entail the disposal of a proportion of bedsit and 1-bed units while maintaining a supply of these units for re-let that is in balance with the proportionate demand for them. The proceeds from the disposal of these units, and other stock reform disposals will be ring-fenced and invested in the development or acquisition of larger units and other types of accommodation that are under-provided for including housing for people with disabilities.

The parameters for this programme, and the arrangements for its implementation, will be developed as part of the Asset Management Plan. These will need to be kept under review over the course of the strategy in response to any changed priorities in relation to the Council's allocations scheme, changes in the profile of demand, and changes in new supply arising from new development by the Council and other providers in the borough.

### **Stock Performance and Optimisation**

In the context of the agreed investment standard the financial performance of units across the stock will be appraised. Where units are not economic to retain because of the extent of investment required under the standard, or where units are of inherently poor quality, an appraisal will be undertaken to identify whether disposal rather than retention is the most advantageous option. If disposal is the appropriate course this may be at the time that the property naturally becomes void or, where practical, the property may be decanted through the provision of suitable alternative accommodation.

### **Appraisal**

Whether the purpose is to rationalise ownership, improve financial performance, release value or to rebalance the stock an appraisal will need to be undertaken prior to disposal. This will take account of a number of factors including the:

- Financial performance of the unit
- Quality of the accommodation
- Impact on the balance and mix of the stock
- Impact on management efficiencies
- Impact on options if estate redevelopment is under consideration

An appraisal methodology that provides for the above will be set out within the Asset Management Plan.

### **Disposal and Re-investment**

Capital receipts arising from disposals will be ring-fenced for affordable housing and will be invested directly or through a third party in the acquisition or development of larger family units and other types of accommodation that are under-supplied.

Selective disposal of individual units will either be through their open market disposal or through transfer to another party and it is expected that a combination of these approaches will be most advantageous:

- Market Disposal - Selected void units may be disposed of through open market sale and the proceeds ring-fenced and re-invested. This approach does not require government consent and will generate the maximum receipt.
- Transfer Disposal - Units may be disposed of by transfer to another party with the units being let at affordable or market rents. The transfer could be to BHP or to a Housing Association partner. The transferred units would generate a receipt, based on the higher rents. After allowing for HRA debt on the disposal unit the remaining receipt could be used to acquire or develop larger units, either within the HRA or through the recycling of the receipt to the other party. The option of transfer disposal depends on obtaining specific government consent.

## Development

### Strategic Approach

To maximise affordable housing development to increase the capacity to meet housing needs. To set a target to develop a thousand affordable homes over the first seven-years of the strategy through a variety of approaches.

- A programme of HRA funded infill development on HRA land will be implemented by BHP over the first three years of the strategy.
- The intent will be to maximise new affordable housing development within the context of other strategic priorities and the resources available within the HRA.
- This may be achieved through direct HRA development or through working in partnership with others or a combination of approaches. The most advantageous means to provide additional affordable housing will be evaluated and implemented.
- There is limited capacity to build within the HRA estate and the potential for affordable housing development on suitable General Fund sites will be appraised, taking full account of the overall financial implications for the Council.
- Stock reform will generate additional resources from disposal that will be ring-fenced and applied to new development, alongside acquisition where this is more advantageous.
- RTB replacement receipts will be contributed to support the Council's HRA development programme and s106 commuted sums will also be used where appropriate.
- Development will expressly be weighted towards the provision of larger units and other accommodation to meet identified housing needs that are least well provided for.
- Where appropriate estate regeneration and redevelopment in order to provide better quality and additional homes will be undertaken.

### Context

In recent history new affordable housing has been brought forward by Housing Associations developing in Brent. GLA funding to 2018 programme will be very largely committed to the provision of Affordable Rent units. The GLA intends that 35% of these units are for 3 bed or larger units but there is concern that development will be skewed towards smaller units whereas the most acute shortage of supply in Brent is for larger family units.

There is very limited capacity for development within the existing HRA estate. An assessment has identified scope for approximately 75-100 units to be built on former garage and other infill sites.

The Council has a successful track record in enabling estate regeneration to replace failing and poor quality estates with higher quality housing developments, with redevelopment programmes currently underway at Barham Park and South Kilburn. A small number of existing estates have been provisionally identified where there may be a case and opportunity for such an approach to provide better quality and, potentially, additional affordable housing.

## **Approach**

The development of new affordable housing is a central business objective and a core element of the Asset Management Strategy. Development will increase the Council's capacity to meet housing need, to re-balance its stock and to maintain and increase management efficiencies.

The Council's ambition is to have a significant impact on its capacity to directly meet housing need through the development of new affordable housing. The target will be to provide 1,000 new homes over the first seven-year cycle of the Asset Management Strategy from 2014/15 to 2021/2.

New development will primarily provide additional new homes but will include the re-investment of receipts from disposals in replacement homes. The target will guide the design and development of different approaches to finance and provide new housing and may include working through BHP to increase provision and with external partners.

The type and mix of new homes will be weighted towards the provision of family homes including larger family homes which are in particularly short supply. Housing for people with disabilities and specialist housing will also be a priority in order to increase the Council's capacity to meet these housing needs and to provide alternatives to residential care.

## **Funding**

The capacity of the HRA to fund development is currently limited by the fixed debt cap imposed by Government as part of the HRA self-financing settlement. Relaxation or removal of the cap would significantly increase the scope for HRA-funded development but it is current government policy to maintain the cap.

Additional capital resources for development will be generated from disposals under stock reform and from the 'new provision' receipts arising under the Right-to-Buy. GLA grant support will also be sought and, where appropriate s.106 funding for new affordable housing will also be committed. New homes will be let at Affordable Rents and, subject to agreement with the GLA, a number of existing smaller homes will be re-let at Affordable Rents. These measures will improve the financial performance of the HRA and provide greater funding capacity in the longer-term for further development.

The use of corporate, General Fund land assets will be explored, including through appropriation of such sites into the HRA, while taking account of the overall financial implications for the Council. The use of General Fund borrowing for new development, in order to supplement HRA resources, will also be explored provided such approaches are self-funding and do not impose a financial burden on the Council. Access to third-party finance through partnership arrangements with external Registered Providers, developers and investors will also be examined.

## **Development Programme**

In order to maximise new affordable housing development a range of approaches and arrangements will be considered and applied and opportunities to draw in external funding will be exploited. The approaches to be taken are not pre-determined. In deciding which approaches to take account will be taken of the quantity and timing of additional housing that will be realised and the financial implications for the HRA and the Council more generally, and these will be subject to future consideration by the Council's Executive.

## **Initial Programme**

A first phase of development, funded by the HRA, will be undertaken through infill development on HRA land from 2014-16, subject to design, consultation and planning. The implementation of these schemes will be led by BHP. It is estimated that this will provide upwards of 75 units, including a high proportion of larger family homes. These properties will be for let at affordable rents and supported by the re-letting of a number of existing homes at affordable rents, subject to GLA agreement.

## **Further HRA-funded Development**

There is financial capacity to undertake additional HRA-funded development, after taking account of the initial infill programme, within the constraint of the HRA Debt Cap. It is estimated that approximately 175-200 further units could be directly funded after allowing for land costs over the first seven years of the strategy. Suitable sites will need to be identified and secured to bring forward this development and options to increase its scale through partnership arrangements will be explored.

## **Estate Regeneration**

A limited number of estates have been identified where it may be appropriate to replace existing housing with better quality homes and where there is potential to provide additional housing to provide cross-subsidy and potentially additional affordable housing. Such schemes could be undertaken through the HRA or by working with partners as the Council is currently doing at South Kilburn and Barham Park. Initial development capacity and viability studies are being progressed to examine further the case for adopting a regeneration approach. Where potential is confirmed more detailed feasibility studies will be progressed in consultation with local residents.

## Rent Policy

### Strategic Approach

For rents to continue to increase in line with the rent convergence regime- a maximum annual increase in 2014 of RPI +0.5% plus £2 per week and from 2015 CPI+ 1% plus £2 per week for existing tenants - subject to any direction by Government

Following rent convergence for the annual increase to be set at CPI+1%

For properties to be re-let at target rents

For consideration to be given annually to restraint in rent increases for 4-bedroom and larger properties in order to assure affordability under the overall benefits cap

For new-build and newly-acquired properties (except where required for decant) to be let at affordable rents in line with the thresholds set out within the Council's Tenancy Strategy.

### Context

Rents are the primary income to the HRA business plan and provide the funding to support stock investment and for new development.

In recent years the Council has increased rents in line with the government's rent convergence regime. The government has recently issued guidance that rent convergence should end from 2015/16 at which point the majority of the HRA stock will not have achieved convergence. Currently the Council retains the discretion to not follow the recent guidance. Further clarification of the position by Government is expected by early 2014 and account will need to be taken of this.

The government has also issued recent guidance that from 2015 rent increases will be linked to a different inflation index – and be based on CPI plus 1% rather than RPI plus 0.5% as previously.

### Approach

In order to provide a secure basis for the funding of the Asset Management Strategy, a rent policy for the next five-year period will operate. The policy will be for rents for existing tenants to continue to rise in line with the principles of the government's previous Rent Convergence regime unless government directs otherwise. For 4-bed and larger units rent increases may be constrained in order to assure affordability under the Overall Benefits Cap.

In order to support viability, new homes will be let at Affordable Rents. These will be limited to varying percentages of the market-rent depending on the size of the unit in order to assure affordability for those affected by the Overall Benefits Cap.

### Debt Profile Graph