

Published 16 May 2017

Agenda for meeting of the Cabinet to be held at 6.00 pm on Wednesday, 24 May 2017 in the Town Hall, Eastbourne

Members of the public are welcome to attend and listen to the discussion of items in the "open" part of the meeting. Please see notes at end of agenda concerning public rights to speak and ask questions.



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Members of the Cabinet:

(Details to be confirmed by the Leader at the council's annual meeting on 17 May)

Councillor David Tutt (Leader and Chairman of Cabinet): Responsibilities aligned with Chief Executive and including the community strategy, local strategic partnership, the corporate plan and economic development.

Councillor Gill Mattock (Deputy Leader and Deputy Chairman of Cabinet): Financial services including accountancy, audit, purchasing and payments.

Councillor Margaret Bannister: Tourism and leisure services.

Councillor Jonathan Dow: Place services including cleansing and recycling, parks and downland, engineering, building and development control, planning policy and strategy, environmental health and licensing.

Councillor Dean Sabri: Core support and strategic services.

Councillor Alan Shuttleworth: Direct assistance services including revenues and benefits, housing and community development and bereavement services.

Councillor John Ungar – Community safety and the crime reduction partnership.

[KD] against an item indicates that the matter involves a Key Decision and that the item has been listed in the Council's Forward Plan for at least 28 clear days.

[BPF] against an item indicates that the matter is part of the Council's Budget and Policy Framework and as such will require the approval of the Full Council.

Publication of this agenda also constitutes notice (or confirmation that such notice has previously been given) to the Chairman of the Scrutiny Committee and members of the public as appropriate:

(1) Under regulation 10(3) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in respect of any key decision not included in the Council's Forward Plan of Key Decisions within 28 days of this meeting. Such items (if any) are marked **[KDGE]** and the reasons why compliance with regulation 9 (publicity in connection with key decisions) was impracticable are given.

(2) Under regulation 5(4) of the above mentioned regulations that certain matters listed on this agenda (if any) may need to be considered in private. (This notice is given further to the earlier notice given under regulation 5(2). The reasons for private consideration are given at the relevant item, together with details of representations received (if any) about why the meeting should be open to the public.

1 Minutes of the meeting held on 22 March 2017 (Pages 1 - 14)

2 Apologies for absence.

3 Declarations of members' interests.

Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct and regulation 12(2)(d) of the 2012 Access to Information Regulations. (Please see note at end of agenda).

4 Questions by members of the public.

On matters not already included on the agenda and for which prior notice has been given (total time allowed 15 minutes).

5 Urgent items of business.

The Chairman to notify the Cabinet of any items of urgent business to be added to the agenda.

6 Right to address the meeting/order of business.

The Chairman to report any requests received to address the Cabinet from a member of the public or from a Councillor in respect of an item listed below and to invite the Cabinet to consider taking such items at the commencement of the meeting.

7 Affordable housing supplementary planning document (KD). (Pages 15 - 68)

Report of Director of Regeneration and Planning.
Lead cabinet member: Councillor Steve Wallis.

8 'Stronger Together' - Joint transformation programme - update (KD). (Pages 69 - 72)

Report of Assistant Director for Business Transformation.
Cabinet lead member: Councillor Troy Tester.

9 Exclusion of the public.

The Chief Executive considers that discussion of the following item is likely to disclose exempt information as defined in Schedule 12A of the Local Government Act 1972 and may therefore need to take place in private session. The exempt information reasons are shown beneath the item listed below. Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. (*The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.*)

(Note: Exempt papers are printed on pink paper).

10 Redundancy and redeployment policy - update. (Pages 73 - 76)

Report of Assistant Director of Human Resources and Organisational Development.
Cabinet lead member: Councillor Troy Tester.

Exempt information reasons 1 and 2. Information relating to an individual or likely to reveal the identity of an individual.

Inspection of background papers – Please see contact details listed in each report.

Public right of address – Requests by members of the public to speak on a matter which is listed in this agenda must be **received** in writing by no later than 12 Noon, 2 working days before the meeting (e.g. if the meeting is on a Wednesday, received by 12 Noon on the Monday before). The request should be made to Local Democracy at the address listed below. The request may be made by, letter, fax, or electronic mail. For further details on the rules about speaking at meetings or for asking a question on a matter not listed on the agenda please contact Local Democracy.

Public questions – Members of the public may ask a question on a matter which is not on the agenda. Questions should be made in writing and by the same deadline as for the right of address above. There are rules on the matters on which questions can be asked. Please ask Local Democracy for further information

Councillor right of address - Councillors wishing to address the meeting who are not members of the Cabinet must notify the Chairman in advance (and no later than the immediately prior to the start of the meeting).

Disclosure of interests - Members should declare their interest in a matter at the beginning of the meeting, and again, at the point at which that agenda item is introduced.

Members must declare the existence and nature of any interest.

In the case of a disclosable pecuniary interest (DPI), if the interest is not registered (nor the subject of a pending notification) details of the nature of the interest must be reported to the meeting by the member and subsequently notified in writing to the Monitoring Officer within 28 days.

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation).

Implementation of decisions - Implementation of any key decision will take place after 5 working days from the date notice is given of the Cabinet's decision (normally on the day following the meeting) unless subject to "call-in". Exceptions to this requirement are allowed when the decision is urgent.

Further information – The Forward Plan of Key Decisions, Councillor contact details, committee membership lists and other related information are available from Local Democracy. To receive regular e-mails alerting you to the publication of Cabinet agendas (or other meeting agendas) please send an e-mail to:

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You can view the Forward Plan of Key Decisions at

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Cabinet



Minutes of meeting held on Wednesday, 22 March 2017 at 6.00 pm

Present:-

Councillors **David Tutt** (chairman and leader of the council), **Gill Mattock** (deputy chairman and deputy leader of the council), **Margaret Bannister**, **Alan Shuttleworth**, **Troy Tester**, **John Ungar** and **Steve Wallis**.

Terrorist attack near Parliament: All present stood in silence in memory of those killed in today's terrorist attack on Westminster Bridge and the precincts of Parliament.

79 Minutes of the meeting held on 8 February 2017.

The minutes of the meeting held on 8 February 2017 were submitted and approved and the chairman was authorised to sign them as a correct record.

80 Councillor John Ungar.

The chairman welcomed Councillor John Ungar to membership of the cabinet. He had appointed Councillor Ungar on 10 March 2017 with responsibility for community safety. The appointment had been made in the light of the recent report on Sussex Police and concerns relating to their performance in dealing with domestic violence and anti-social behaviour and his wish that Councillor Ungar perform a 'watchdog' role on behalf of the council. He emphasised the council's continuing support for and partnership working with the police but highlighted concerns that reductions in government funding would have upon the ability of the police to effectively carry out their duties.

81 Declarations of interests by members.

Declarations of disclosable pecuniary interests (DPIs) by members as required under section 31 of the Localism Act and other interests as required by the council's code of conduct and regulation 12(2)(d) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Councillors Tutt and Ungar both declared personal (and non-prejudicial interest) in matters relating to minute 85 (establishment of a joint housing investment partnership with Lewes District Council) as they were council appointed non-executive directors of Eastbourne Housing Investment Co. Ltd. They withdrew from the meeting for this item.

82 Corporate performance - Quarter 3 2016/17 [KD].

82.1 Councillor Di Cara addressed the cabinet and asked how confident were they that performance relating to call answering (indicators CS_010

and 011) would meet the predicted forecasts for quarter 4. The director of service delivery responded saying that monitoring over the last 6 weeks showed performance within target ('green') and he expected this improved position to be maintained to quarter end.

82.2 Cabinet considered the report of the chief executive reviewing the council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme and treasury management activities for the third quarter of 2016/17.

82.3 Appendix 1 gave detailed information on non-financial performance indicators and highlighted those giving cause for concern as well as the best performing indicators in section 2 of the report. Members were advised that the devolved budget scheme should be fully spent by year-end. The chairman noted that it was a feature of this annual scheme that spending tended to be concentrated towards year-end given the time needed to develop and approve projects. Members asked that their appreciation be recorded for the for the efforts of Customer First staff for their improved call answering performance and also for the continued fast response to fly-tipping incidents.

82.4 The position of the general fund at the end of December was a variance of £257,000 on net expenditure, representing 1.7% of the net budget. Total service expenditure showed a variance of £83,000, including:-

Item	£,000s
Solarbourne - income above target	(76)
Summons - income above target	(74)
Catering - increase in net income	(73)
Street Cleansing contract savings	(55)
Car Parking income above target	(50)
Airbourne	74
IT staffing	69
Customer First - net staff costs	50
Corporate landlord - repairs and maintenance overspends	50
MMI scheme of arrangement levy	47
Business RV - finder software	40
PR contract additional work	38
Bed and breakfast accommodation	30

82.5 The contingency fund currently stood at £116,000 and this would be required to fund the re-profiling of the joint transformation programme savings target for the year. The overall projected outturn for the year showed a variance of £92,000. This was within an acceptable tolerance level, however, management continued to monitor this position, to ensure that this final outturn position was maintained or improved. Members' approval was also sought for transfers from reserves and virements as set out in appendix 3. These transfers were in line with the approved financial strategy.

82.6 Housing revenue account performance was currently above target by £180,000; mainly due to the new properties let at affordable rents not included in the budget (£48,000), a reduction required for the provision for bad debts (£76,000) and the slow take up of the under occupation scheme (£48,000).

82.7 The detailed capital programme was shown in appendix 4. Actual expenditure was low compared to the programme. This was mainly due to expected spend in quarter 4 for major purchases and the commencement of construction phase of the Devonshire Park project. The chairman announced that following the outcome of recent public consultation he had asked that no further work be undertaken in respect of the proposed sale of the downland farms. He asked cabinet to agree to this item being removed from the capital programme.

82.8 The collection fund forecast for council tax was indicating a surplus of £973,000 and a deficit for business rates of £854,000. This would be allocated to/collected from preceptors during 2017/18. The council tax surplus (1.65% of the gross debit) was due to a combination of factors including better performance against the collection allowance within the council tax base and a reduction in the council tax reduction scheme caseload. The business rates deficit was as a result of the ongoing risk from the number of backdated appeals outstanding. The total number of appeals outstanding as at 31 December 2016 was 313 with a total rateable value of £23.8m. The deficit represented 2.48% of the total debit for the year.

82.9 The annual treasury management and prudential indicators for 2017/18 had been approved by cabinet and council in February. During the quarter to 31 December 2016 the council had operated within all the treasury limits and prudential indicators set out in the council's treasury management strategy statement and in compliance with the council's treasury management practices.

82.10 The report sought cabinet approval for the write off of irrecoverable debts totalling £63,885.78 where all other methods of recovery had been unsuccessful and it was not deemed appropriate to pursue the debts further. Details of the write offs were listed in a confidential appendix, together with brief explanations of the circumstances (exempt information reason: 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information)).

82.11 Resolved (key decision): (1) That performance against national and local performance indicators and actions from the 2016/20 corporate plan be agreed.

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended December 2016, as set out in sections 3,4 and 6 of the report, be agreed.

- (3) That the transfers from reserves and virements as set out in appendix 3 of the report be agreed.
- (4) That the capital programme as set out in appendix 4 of the report be agreed.
- (5) That the treasury management performance as set out in section 7 of the report be agreed.
- (6) That the write offs as set out in the exempt appendix be approved.
- (7) That cabinet agree to formally remove the sale of freehold of the downland farms from the capital programme following the recent public consultation and poll.

83 Statement of community involvement (KD).

83.1 Cabinet considered the report of the director of regeneration and planning seeking approval for a public consultation on an updated statement of community involvement. The statement set out the council's approach to consulting the local community and other stakeholders on planning matters within the local planning authority boundary. The existing statement was now considered to be out of date as a result of changes in legislation and national policy since it was adopted in 2006.

83.2 A new statement was being prepared to guide public consultation in the preparation of a new local plan for the town. The draft statement was appended to the report. Past experience, best practice, the geo-demographic profile of the town and results from the Resident Consultation Survey (2015) and Community Survey on Participation in Planning Consultation (2016) had identified issues that had been addressed within the SCI.

83.3 It was proposed that public consultation on the draft statement should take place for an 8-week period between 24 March and 19 May 2017. Following consultation, comments would be considered and adoption was anticipated for July 2017.

83.4 Resolved (key decision): (1) That the statement of community involvement be approved for publication for an 8-week consultation period to receive representations and comments.

(2) That the director of regeneration and planning be given delegated authority, in consultation with the lead cabinet member, to make minor amendments before the commencement of the consultation period.

84 Eastbourne business improvement district (BID) (KD).

84.1 Cabinet considered the report of the director of service delivery detailing proposals submitted to the council for the establishment of a business improvement district (BID) covering Eastbourne's town centre. BIDs were business led partnerships which are created through a ballot

process to deliver additional services to local businesses. The statutory framework for establishing and operating a BID was provided for in Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.

84.2 A BID was a defined area in which a levy was charged on all business rate payers in addition to the business rates bill. This levy would be used to develop projects which would benefit businesses in the local area. There was no limit on what projects or services could be provided through a BID. The only requirement was that it should be something that was in addition to services provided by local authorities. The BID proposer was required to develop a proposal and submit this to the local authority, along with a business plan. Businesses that were subject to the levy, as set out in the proposals, vote in a ballot. This determined whether the scheme went ahead. A successful vote was one that has a simple majority both in votes cast and in rateable value of votes cast. The maximum period that a BID levy could be charged was for 5 years. Once the term was completed the BID would automatically cease. If the BID company wanted to continue its activities it must hold a new ballot. Changes could be made to the arrangements without a ballot, but only where the original arrangements contain provision to this effect and only where the change would not alter the geographical boundary of the BID, increase the levy or cause anyone to pay the levy who had not previously been liable.

84.3 A BID steering group had been established with representation from a wide range of businesses in the town centre. Since 2015 they had been developing a BID proposal with a view to a ballot being held this coming May and for the BID levy to apply for 2017/18 and future years. The proposal was for a levy of 1.5% on each business in the defined area with an annual rateable value of £6,000 or more. This was expected to raise £300,000 a year. A copy of the BID business plan was appended to the report. The plan, as well as describing the BID proposals, included a map of the BID area and spending plans.

84.4 The stated priorities and goals of the proposed BID were:

- 1. Bringing more customers to Eastbourne.*
- 2. Attracting more businesses and jobs to Eastbourne.*
- 3. Creating a lively and attractive alternative to on-line shopping.*
- 4. Promoting Eastbourne as a place that residents and visitors will want to come back to time and again.*
- 5. Delivering all of these ambitions, whilst at the same time reducing your business costs.*

The BID promoters had promised that in the next 5 years they would deliver various initiatives around four themes. The themes were:

- 1. Dressing our town – for example, invest in winter and Christmas lighting to brighten up the town between October and March.*
- 2. Footfall, Marketing and Promotion – for example, employ street ambassadors to meet and greet visitors to the town during peak periods.*

3. *Safe and Secure – for example, establish a business led night time economy working group to take advantage of this great opportunity*
4. *Stronger Together – for example, lobby for better parking controls and restrictions.*

84.5 The BID would be managed entirely by business people from within the BID area and they would oversee the delivery of projects detailed in the business plan. Anyone from the BID area could stand to join the BID steering group at the AGM in 2018. After the first year of operation, a not for profit company, limited by guarantee, would be set up. In the meantime, the steering group would manage the BID.

84.6 The ballot of business ratepayers would to be held in the period 4 May and ending 5pm 31 May 2017. The 'ballot holder' was the council's returning officer. Given the novelty and complexity of the BID ballot and the overlap of the ballot period with the county council elections this May, and also to ensure independent scrutiny and secrecy of the ballot process, Electoral Reform Services would be engaged to undertake all aspects of the ballot process.

84.7 The BID proposers had invited some 800 businesses from the proposed BID area to take part in an initial online survey in 2015, designed to assess support and determine priorities for town centre initiatives. Of those who responded, 68% were wholeheartedly in favour and 29% stated they were not yet sure. Since then, some 250 one-to-one consultation meetings have been held. Further individual consultations would continue in the weeks and months leading up to the ballot. Consultation had also included talks and presentations with interested local businesses and organisations such as the Chamber of Commerce, the Federation of Small Business and the local town centre crime reduction partnership.

84.8 The council was expected to satisfy itself that the BID proposal did not conflict with any existing local authority policy nor propose a disproportionate burden on particular businesses by way of an unfair levy charge on a certain 'class' of levy payers, for example by an inappropriate manipulation of the BID boundary. Review of the BID proposals had not indicated that there were any reasons to believe that the levy proposals and charges were unreasonable or would impose disproportionate charges on any ratepayers. The BID proposals were broadly in line with planning policy and there was nothing in the proposals that would clash with the council's corporate plan. The BID proposals were consistent with these aspirations and would help to ensure that the town centre continued to be a place that businesses would want to invest and develop in.

84.9 It was a requirement of the BID regulations that the BID proposals included a statement of the existing baseline services provided by the local authority or any other public authority in the proposed BID area. The baseline statement was currently being prepared drawing together information being provided by public bodies including East Sussex

County Council and Sussex Police as well as the borough council. As this work was ongoing it was recommended that final approval of the statement was delegated to the chief finance officer.

84.10 The council was required to manage the collection and enforcement of BID levy charges. In practice the BID body and the local authority establish a levy collection agreement known as an 'operating agreement'. The principle of this agreement is to define the principles and processes for collecting the levy; enforcing the payment of the levy; reporting on collection and bad debt; monitoring provisions between the BID and the local authority; and providing regular detailed and summary information on the service to the BID as the client. The terms of the operating agreement were currently being drafted in liaison with the BID promoter and it was recommended that formal approval be delegated to the director of service delivery.

84.11 The council was permitted to charge a reasonable fee for this service. The Industry Criteria and Guidance Notes (published by British BIDs annually on behalf of the British Retail Consortium, the British Council of Shopping Centres, the Federation of Small Businesses and the Inter Bank Rating Forum) recommend an industry standard of a maximum charge of £35/hereditament or 3% of annual levy income, whichever was the lower.

84.12 There were one-off software acquisition costs relating to the calculations required for billing the additional levy and the mechanisms relating to collecting the funds. These could be in the region of £20,000. Provision had been made in the council's 2017/18 revenue budget. In addition the council was obliged to meet the costs of the ballot (c.£3,500), other than in the unlikely event that the proportion of 'yes' votes was less than 20%, in which case the ballot promoter could be requested to pay. It was proposed that the council recover their reasonable costs of collecting the levy and account management costs and to limit this to the annual cost comprising the software licence (c.£1,500) plus a sum of no more than 3% of the levy income (based on an estimated annual income of £300,000 this would amount to no more than £9,000). Any costs incurred over and above these sums would be met by the council.

84.13 The council, being satisfied that the BID proposal was in conformity with borough policies and did not impose an unfair charge on any business ratepayers, was obliged to move forward with the conduct of the ballot.

84.14 Resolved (key decision): (1) That the BID proposal be approved and conformity with relevant council plans and policies confirmed.

(2) That the director of service delivery be given delegated authority, in consultation with the lead cabinet member for community, to approve formal BID proposal (including business plan and operating agreement) when received subject to it being in line with the draft submitted and to

then instruct the council's returning officer (as 'ballot holder) to proceed with the ballot and require the lead officer for revenues, benefits and service support to supply up to date rating list information in suitable format to the ballot contractor.

(3) That the chief finance officer be given delegated authority –
 (i) to determine the statement of baseline services and baseline agreement and to review the agreement annually; and
 (ii) if the ballot is successful, to operate a BID revenue account and pass over monies to the BID company.

(4) To confirm that the expected costs of the ballot (c.£3,500) will be met by the council.

(5) That the director of service delivery be given delegated authority –
 (i) to vote in favour of the BID in respect of business hereditaments held by the council within the BID area; and
 (ii) if the ballot is successful, to administer, bill, collect and enforce levies under the BID scheme .

(6) To note that the council's returning officer is permitted to delegate his responsibilities to others and that he has engaged the services of Electoral Reform Services Ltd to undertake the ballot on his behalf.

(7) To agree that the initial 'one-off' software costs required to collect the levy (c.£20,000) will be met by the council.

(8) To note that the council's reasonable costs of collecting the levy and the associated financial management costs will be recoverable from the BID levy monies as outlined in paragraph 8.4 of the report.

85 Establishment of a joint housing investment partnership with Lewes District Council (KD).

85.1 Cabinet considered the report of the director of service delivery updating members on progress with the establishment of a joint housing and regeneration investment vehicle with Lewes District Council as previously approved by cabinet at their meeting on 13 December 2016. Work to set up the new joint vehicle had been ongoing with a target incorporation date of 1 April 2017. In parallel Lewes District Council had also been taking steps to establish their own housing investment company – Lewes Housing Investment Company (LHICL). With EHICL this meant that, across the two authorities, there would be three similar wholly owned subsidiaries working in association to each other:-

- Eastbourne Housing Investment Company (EHICL)
- Lewes Housing Investment Company (LHICL)
- Joint Housing Investment Partnership (JHIP)

85.2 The relationship between the three new housing investment vehicles had been further explored and external legal advice obtained to ensure that the potential benefits of the new vehicles could be best realised. The report provided:-

- The business case to support the proposal for the two new vehicles.
- Detail on how the joint partnership and EHICL would operate.
- An explanation of their respective primary focus and inter-relationship.
- For approval an associated set of governance arrangements and financial delegations so that first phase delivery could be progressed.

The initial cost of setting up the proposed JHIP, developing the business case and investment proposals were expected to be £30,000 per authority.

85.3 The scale of potential new housing development required new vehicles, and a new structure, if the council wanted to maximise housing delivery and associated regeneration beyond the constraints of the housing revenue account (HRA). Over the last 3 years the council had brought forward and largely completed a 97 unit mainly affordable programme of new housing via the HRA which had utilised available headroom capacity. This had placed the council ahead of many other local authorities in terms of experience and associated resources. The potential for a much more ambitious programme of new housing delivery in Eastbourne had been assessed by the EHIC board and comprised:-

- An EHICL 5-year development pipeline to incorporate approved schemes such as Bedfordwell Road and potential future developments of 265 new homes with a projected gross development cost of £51m and a net borrowing requirement of £18.7m.
- Transfer to JHIP of the affordable housing elements of EHICL delivery required under planning policy, Section 106 and delivery of affordable schemes beyond the capacity of the HRA where the council wanted to take a direct enabling and place shaping role. 70 new homes with a projected gross development cost of £13m and a net borrowing requirement of £5.5m.

The scale and focus of overall investment, and decisions on larger individual schemes, would remain matters for cabinet approval.

85.4 Previous delegations gave authority to deliver different elements of the new housing as follows:-

- Feb 2013 Cabinet delegation of £20m of borrowing within the 5 year capital programme for the delivery of the new HRA housing – the new HRA housing has been delivered for around £10m because of higher than anticipated grant, sales receipts and internal funding.
- March 2016 Cabinet approval to purchase the Bedfordwell Road site for a maximum acquisition value of £2.45m – site acquired for £1.45m.
- November 2016 Cabinet delegation of £5m by way of loan to EHICL for the purchase and repair of street properties to alleviate temporary housing demand.
- December 2016 Cabinet, by way of the capital programme, a sum of £30m for the acquisition of commercial assets based on yield

targets some of which include an element of new housing and which may be held in EHICL.

85.5 Appendix 1 to the report provided a diagram to illustrate, in summary form, the relationship between the 3 housing investment vehicles and links back to cabinet via the proposed joint housing investment board (JHIB). The JHIB would have membership comprising elected members of both councils and directors who would operate at a strategic level to co-ordinate activities and have programme level oversight and make recommendations to ensure the most efficient placing of assets and utilisation of internal funding. The JHIB would also exercise delegated control on overall levels of development, individual loan tranches and larger transactions and would also decide which schemes would be brought back to respective cabinets for separate approval. The operational arrangements for delivery, programme development, financial and risk control were also set out to include a more formal role for the director led project review and sign-off group (PRSO) tasked with undertaking detailed risk appraisal and financial due diligence for all schemes.

85.6 The new structure provided a clearer and more robust framework for risk management and the exercise of various cabinet delegations. Delegations had been determined to date by the requirements of individual schemes or housing strategy priorities. They had not created programme level capacity or acted as a programme control mechanism. If the new structure of companies and governance was approved it was proposed that more general delegations were made to enable the relevant programmes of housing to be brought forward most effectively:-

- EHICL: £ 20m by way of loan for the delivery of new mixed tenure homes and associated activities.
- JHIP: £10m by way of loan for the delivery of new mixed tenure homes and associated activities.

The lending to the companies and/ or partnerships would form part of the councils treasury management strategy and create a revenue income stream for the general fund. The JHIB would exercise delegated control on overall levels of development, individual loan tranches and larger transactions and would also determine which schemes were brought back to respective cabinets for separate approval.

85.7 The report also set out details of the legal powers under which the council was entitled to undertake the activities described above.

85.8 Resolved (key decision): (1) That the governance structure for the new Eastbourne and Lewes Joint Investment Partnership (JHIP) be incorporated and agreed in line with section 2 of the report and the director of service delivery and the assistant director of legal and democratic services be authorised to take all such step as are necessary to establish the same limited liability partnership (LLP).

(2) That up to £30m be allocated in the council's capital programme as described in section 4 of the report and delegated authority arrangements, as set out in the report and described at paragraph 85(5)

above, be approved to progress the first phase of delivery for both EHICL and the new JHIP.

(Note: Councillors Tutt and Ungar declared interests in the above matter and withdrew from the meeting (see minute 80 above). Councillor Mattock took the chair for this item.)

86 Temporary accommodation and housing revenue account (HRA) asset management strategy (KD).

86.1 Cabinet considered the report of the director of service delivery providing an update on a change in demand for emergency accommodation options in Eastbourne due to an increase in homelessness. To mitigate some of the impact the report sought cabinet approval to dispose of a number of assets held within the housing revenue account (HRA) to enable the council to meet its strategic priorities; providing more housing options and the right housing for residents of the town.

86.2 The number of people needing housing advice and options was increasing in Eastbourne. This trend was common across East Sussex and nationally with a significant rise in households making homeless applications to local councils. One of the council's key priorities was to consider the availability of existing accommodation options and how they could adapt to meet changes in demand.

86.3 The cost to the council of providing emergency accommodation was rising. The numbers of households in temporary accommodation currently stood at 71 as at 7 February 2017, as compared to an average in 2015/16 of 22. The cost to the council in housing benefit expenditure unable to be reclaimed through housing benefit subsidy had been rising. In 2014/15 it was £72,000, in 2015/16 it was £132,000 and was likely to be higher 2016/17. Furthermore, the reduction in the benefit cap from November, the pending removal of the £60 housing management fee and the rollout of the universal credit digital service in 2017 would lead to more pressure on the council's finances.

86.4 The report reviewed homelessness prevention activities currently undertaken or planned. These included partnerships with other Sussex councils utilising funding from government under their homelessness prevention programme targeting rough sleepers as well as local initiatives under the council's homelessness strategy (published January 2017).

86.5 It was proposed to 'appropriate' 3 Hartfield Road (block of 8, one-bedroom flats with a recent valuation of £545,000) from the housing revenue account to the general fund to provide emergency accommodation. An initial survey had estimated that repairs would cost approximately £250,000 for the building to be brought back to a lettable standard and provide white goods for each of the flats. Taking account of current costs of providing emergency accommodation to 8 households

who require self-contained accommodation the use of Hartfield Road would mitigate an overspend of £82,000 annually to the existing budget.

86.6 Cabinet had previously authorised the disposal of certain freeholds where the council no longer had a leasehold interest to residents of the block. Four such freeholds were currently in the process of being sold. It was now recommended that leaseholders of the following blocks, where the council only held a freehold interest, be consulted about the potential sale of their freeholds on the open market:-

- 14-16 Harebell Close
- 10 Hyde Gardens
- 28-30 Larkspur Drive
- 10-16 Mulberry Close
- 1-3 Pembury Road
- 29-35 Rye Street
- 10-16 Sumach Close

The sale of the freeholds should bring a capital receipt into the housing revenue account of £50,700.

86.7 Eastbourne Homes Ltd (EHL), on behalf of the council, had undertaken a full review of all garage sites held in the HRA to firstly gain a valuation of the stock and secondly to explore any housing development opportunities. There were a number of garage blocks (comprising 99 garage units as listed in appendix 1 to the report) which had no to very limited housing development potential and were not considered future strategic sites for wider regeneration. However, on the basis of valuation, it was considered that sale of the listed sites on the open market should be considered. The capital receipt estimated should the proposed garage sites be sold was £735,000. Before garage sites were sold at auction, EHL would contact all existing licence holders of garages to forewarn them of the sale. Should the existing licence holders of garages wish to continue their contract with the new owner of the garage, EHL would facilitate the communication between both parties until the sale was completed.

86.8 In the case of both the sale of freeholds and garage blocks it was considered that the sales would reduce future capital costs to the HRA, and should the high value assets levy come to fruition, would mean the HRA had additional funds to contribute to lowering the impact of the levy without selling homes and otherwise meeting housing need.

86.9 The cabinet noted the legal provisions set out in the report under which the council was permitted to undertake the foregoing property transactions.

86.10 Resolved (key decision): That the director of service delivery be granted delegated authority to:-

(1) Subject to the obtaining of the necessary consent of the Secretary of State pursuant to s.19 of the Housing Act 1985, to appropriate the 8, one-bedroom flats at 3 Hartfield Road, currently held in the housing revenue account, to the general fund for the provision (pursuant to s.120

of the Local Government Act 1972) of emergency accommodation to meet the council's statutory homelessness duty under s.188 of the 1996 Housing Act.

(2) To add £250,000 to the council's capital program to bring Hartfield Road back into a lettable state for use as temporary accommodation.

(3) To further consult about sale of the freeholds with the freeholders of the properties listed and dispose of the garage blocks listed in appendix.

87 Bridgemere Centre.

87.1 Cabinet considered the report of the director of service delivery seeking approval for a variation in the terms of an allocation of a capital funding to the Bridgemere Centre. Cabinet, on 13 December 2016, had approved a contribution of £20,000 towards the purchase of the freehold by the trustees of the centre with the aim of ensuring the future financial viability of the centre and the community activities and services.

87.2 The trustees had now asked that the terms be changed to protect against the eventuality that they, or their successors as managers of the community centre, were unable to continue managing the centre or sell it and recoup the value of the council's investment. They also wished to allow for the possibility of alternative premises becoming available in the future which offered better facilities. They had therefore asked that the period within which they were required to repay the £20,000 was reduced from 40 to 20 years, and that the sum to be repaid was reduced by £1,000 each year.

87.3 The contribution would allow the Bridgemere Centre Ltd. to run the centre on a sustainable financial footing in the future and would remove the need for continued grants to support the centre, freeing up an average of £3,000 a year, thereby covering the costs of this investment within 7 years.

87.4 Resolved: That the proposed variation in the terms of the grant offered to the Bridgemere Centre, as set out in the report, be approved.

88 Exclusion of the public.

Resolved: That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraph of schedule 12A and a description of the exempt information is shown at paragraph 82.10 above (re. debt write-offs - corporate performance - quarter 3 2016/17). (*The requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.*)

The meeting closed at 6.40 pm

Councillor David Tutt
Chairman

COMMITTEE	CABINET
DATE	24 May 2017
SUBJECT	Affordable Housing Supplementary Planning Document (SPD)
REPORT OF	Director of Regeneration and Planning

Ward(s)	All
Purpose	For Members to authorise the publication of the draft Affordable Housing Supplementary Planning Document (SPD) for public consultation with the local community and other stakeholders for an 8 week period.
Contact	Matt Hitchen, Senior Planning Policy Officer 1 Grove Road, Eastbourne Tel no: (01323) 415253 E-mail: matt.hitchen@eastbourne.gov.uk
Recommendations	<ol style="list-style-type: none">1. To approve the Affordable Housing SPD for publication for an 8 week consultation period to receive representations and comments.2. To delegate authority to the Director of Strategy, Planning and Regeneration in consultation with the Lead Cabinet Member to make minor amendments before the commencement of the consultation period.

1.0 Introduction

- 1.1 There is an on-going need for the provision of affordable housing in Eastbourne. The private rented sector doubled in the period between 2001 and 2011 whilst proportion of households that live in affordable housing and mainly rent from social housing landlord fell slightly over the same period. Analysis from the Strategic Housing Market Assessment (2017) suggests that this is a result of challenges with the delivery of affordable housing and increasing unaffordability of owner occupation as house prices have continued to rise, as without dual incomes and/or access to savings/equity the owner occupied market remains unaffordable to the vast majority of households.
- 1.2 A significant proportion of affordable housing is delivered through the planning system. As part of planning permissions, Local Plan policy requires that applicants for housing developments make a contribution towards the

delivery of affordable housing, either on-site or elsewhere in the town.

- 1.3 As a result of changes in national policy and updated information on development viability, Eastbourne Borough Council is preparing a new Affordable Housing Supplementary Planning Document to update the position relating to affordable housing contributions sought from development.
- 1.4 A Supplementary Planning Document (SPD) is a planning policy document that builds upon and provides more detailed advice or guidance on the policies in a Local Plan. SPDs are material planning considerations in the determination of planning applications.
- 1.5 The Affordable Housing SPD will provide detailed explanation in support of the implementation of Policy D5: Housing of the Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013). It contains advice relating to the standards required of the range of residential sites in order to deliver the affordable housing necessary to meet local needs. Once adopted, the Affordable Housing SPD will replace the Affordable Housing Implementation Technical Note (adopted 2013).
- 1.6 Before the new SPD can be adopted, it requires to be published for consultation with the local community and other stakeholders. It is proposed that public consultation on the draft SPD should take place for an 8 week period between 26 May and 21 July 2017, in line with the principles set out in the Statement of Community Involvement. The Draft SPD is provided as Appendix 1.

2.0 Background

- 2.1 The Eastbourne Core Strategy Local Plan contains Policy D5: Housing, which required all development involving a net increase in housing units to make a contribution towards affordable housing. As market conditions vary across the town, the level of contribution required varies across the town. The level of contribution represents a starting point that can be negotiated if evidence can prove it would make development unviable.
- 2.2 In 2013, an Affordable Housing Implementation Technical Note was published, which provided an explanation of how Policy D5 will be implemented, including the type of affordable housing to be sought, how the financial viability of development will be assessed and how any commuted sum payments will be calculated.
- 2.3 However, in 2014 the Government, through a Written Ministerial Statement, introduced a policy whereby developments of 10 units or less would be exempt from affordable housing contributions. This policy has since been

transposed into National Planning Guidance¹. This means that Core Strategy Policy D5 can no longer be implemented as it was originally intended and now contributions can only be sought of developments of 11 units or more.

- 2.4 The Affordable Housing SPD updates the Affordable Housing Implementation Technical Note to take account of the changes to the contribution threshold, and also to update the considerations that will be taken into account in assessing viability of development and the indicative values used to calculate commuted sums.

3.0 Approach to Affordable Housing Contributions

- 3.1 National Planning Guidance is clear that planning obligations, including those in the form of affordable housing contributions, should not prevent development from coming forward².
- 3.2 In order to take account of development viability, the Core Strategy divides the neighbourhoods in the town into 'High Value' and 'Low Value' neighbourhoods, which reflects disparity between house prices and impacts on the viability of development. This is established through Core Strategy Policy D5 and cannot be changed through this SPD.
- 3.3 Since the introduction of the national threshold, an affordable housing contribution will be required where a development results in the creation of 11 or more residential units. The strong presumption is that the affordable housing contribution will be delivered on-site, unless off-site provision, free serviced land or a financial contribution (commuted sum) in lieu of on-site provision can be robustly justified.
- 3.4 Through Core Strategy Policy D5, the starting point for affordable housing contribution is set at 40% in 'High Value' neighbourhoods and 30% in 'Low Value' neighbourhoods. For example, for a development of 15 residential units in a 'High Value' neighbourhood, the affordable housing contribution would be 6 affordable units ($15 \times 40\% = 6$).
- 3.5 Where evidence proves that this level of contribution will not result in a viable development, the contribution can be negotiated to a level that will enable a viable development.
- 3.6 The new SPD, which will replace the 2013 Affordable Housing Implementation Technical Note, sets out:
- Policy requirement for the delivery of affordable housing on all residential

¹ <https://www.gov.uk/guidance/planning-obligations> (Paragraph: 031, Reference ID: 23b-031-20161116)

² <https://www.gov.uk/guidance/planning-obligations> (Paragraph: 004 Reference ID: 23b-004-20150326)

development sites;

- Type and standard of affordable housing that is likely to be sought;
- Assessment of financial viability of the development;
- Calculation of any commuted sum payments;
- Delivery agencies for the affordable housing.

4.0 Planning application process

4.1 The SPD provides a detailed summary of the stages involved in seeking affordable housing contributions, from pre-application stage through to submission and determination of a planning application.

4.2 Applicants are encouraged to undertake pre-application discussion to discuss financial viability to deliver the affordable housing requirements. During these discussions, regard will be made to:

- The viability of development, considering the need and cost of supporting infrastructure on and off the site and any unavoidable and necessary site remediation to resolve environmental hazards;
- The location and character of the site;
- The tenure of affordable housing and type of dwelling units required in relation to the housing needs and the viability of specific developments;
- The current availability of affordable housing in the local area when measured against demand for such accommodation; and
- Any updated national policy and/or guidance to be implemented.

4.3 If a developer considers that the mandatory requirements of the affordable housing policy cannot be met on a particular site, this must be justified in an evidenced and 'open-book' financial viability assessment and supporting statement, including all necessary information to demonstrate and justify residual values. If an independent opinion from a viability expert is required to corroborate the evidence, this will be at the expense of the applicant.

5.0 Commuted Sum

5.1 If it is not possible to deliver affordable housing on-site or off-site, or if the required contribution results in a percentage of an affordable unit to be delivered, then commuted sum payments will be considered. The SPD sets out how commuted sums will be calculated.

5.2 The SPD sets out an affordable housing payment table, which identifies the required financial contribution per square metre for different types and sizes of development. This is used to calculate what total financial contribution is required towards affordable housing.

5.3 In the 'Low Value' Market Areas, negative viability is likely to be demonstrated for some types of residential development if the affordable housing policy is delivered. Where the commuted sum payment table in the SPD (Appendix 1, Table 3, p24) shows a potential negative viability level within the 'Low Value' Market Area, a commuted sum payment will not be requested. Also, if a commuted sum requirement equates to less than £1,000 for the whole development scheme, then a financial contribution will not be sought for the development.

6.0 Delivery

6.1 The Homes and Communities Agency (HCA) is responsible for registering and regulating providers of social housing. The HCA maintain a Statutory Register of Providers of Social Housing, which lists private (both not for profit and for profit) and local authority providers. However Eastbourne Borough Council is willing to work with housing providers which are not registered with HCA as well as those housing providers which are registered with HCA, in order to maximise the opportunities to provide affordable housing in Eastbourne Borough. Support for a housing provider will be determined by the Council's Housing Officers with reference to the housing provider's approach to housing management and maintenance.

6.2 For all planning applications where an agreed affordable housing contribution is required, applicants will be required to sign a Section 106 Agreement. The purpose of the agreement is to ensure that the affordable housing complies with the Council's housing and planning policies including making sure that affordable housing is offered to those local people most in need of it and that the rents and prices remain affordable.

7.0 Consultation

7.1 It is proposed that public consultation on the draft SPD should take place for an 8 week period between 26 May and 21 July 2017.

7.2 Consultation on the SPD will follow the principles set out in the draft Statement of Community Involvement.

7.3 Following the consultation period, a summary of representations will be prepared and a revised Affordable Housing SPD will be presented to Cabinet for endorsement and then Full Council for approval and adoption in Autumn 2017.

8.0 Implications

8.1 Legal Implications

8.1.1 The Affordable Housing SPD has been prepared in order to comply with

Regulation 13 of the Town & Country Planning (Local Planning) (England) Regulations 2012, and with regard to the requirements of the National Planning Policy Framework.

8.1.2 Regulation 12 requires that before the SPD is adopted, a statement setting out details of those consulted when preparing the SPD, together with a summary of the main issues raised, must be prepared. Any relevant issues raised during the consultation will need to be addressed in the SPD. (*Date of Legal Advice 27th April 2017 - Legal Ref 006280-EBC-JCS*).

8.2 Financial Implications

8.2.1 There are no financial implications to the Council as a direct result of this report. The cost of the consultation and publication of the Affordable Housing SPD will be met from within the service budget.

8.3 Human Resource Implications

8.3.1 Officers in the Planning Policy team will manage the consultation arrangements for the Affordable Housing SPD and the collection and processing of representations received.

8.4 Equalities and Fairness Implications

8.4.1 An Equalities and Fairness Impact Assessment has been undertaken and the assessment demonstrates that the Affordable Housing SPD was unlikely to have any significant impact on equalities and fairness.

9.0 Conclusion

9.1 A new Affordable Housing SPD has been drafted to provide updated detail on the implementation of Core Strategy Policy D5: Housing, specifically in relation to affordable housing contributions. The new SPD will replace the existing Affordable Housing Implementation Technical Note and reflects changes in national policy and development viability in Eastbourne.

9.2 Before the new Affordable Housing SPD can be adopted, it requires public consultation. This is proposed to take place in accordance with the consultation principles set out in the draft Statement of Community Involvement. Following consultation, comments will be considered and adoption is anticipated for Autumn 2017.

9.3 Cabinet are requested to authorise consultation on the draft Affordable Housing SPD with the local community and other stakeholders for an 8 week period between 26 May and 21 July 2017.

Background Papers:

- Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013)
- Draft Affordable Housing Supplementary Planning Document (EBC, 2017)
- Affordable Housing SPD Sustainability Appraisal Screening Report (EBC, 2017)
- Strategic Housing Market Assessment (Arc4, 2017)
- National Planning Policy Framework (DCLG, 2012)
- Town & Country Planning (Local Planning) (England) Regulation 2012

To inspect or obtain copies of the background paper, please refer to the contact officer listed above.

Appendix 1

Draft Affordable Housing Supplementary Planning Document

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1.0 Introduction

- 1.1 There is an on-going need for the provision of affordable housing in Eastbourne. The private rented sector doubled in the period between 2001 and 2011 whilst proportion of households that live in affordable housing and mainly rent from social housing landlord fell slightly over the same period. Analysis from the Strategic Housing Market Assessment (2017) suggests that this is a result of challenges with the delivery of affordable housing and increasing unaffordability of owner occupation as house prices have continued to rise, as without dual incomes and/or access to savings/equity the owner occupied market remains unaffordable to the vast majority of households.
- 1.2 A significant proportion of affordable housing is delivered through the planning system. As part of planning permissions, Local Plan policy requires that applicants for housing developments make a contribution towards the delivery of affordable housing, either on-site or elsewhere in the town.
- 1.3 As a result of changes in national policy and updated information on development viability, Eastbourne Borough Council is preparing a new Affordable Housing Supplementary Planning Document to update the position relating to affordable housing contributions sought from development.
- 1.4 A Supplementary Planning Document (SPD) is a planning policy document that builds upon and provides more detailed advice or guidance on the policies in a Local Plan. SPDs are material planning considerations in the determination of planning applications.

Background

- 1.5 The Borough of Eastbourne covers a total area of 4,500 hectares, a significant proportion of which is Downland (39 per cent) and located in the South Downs National Park. There is a limited supply of developable land given the urban area's tight confinement by the National Park, the sea, and land subject to flood risk. The Borough has recently seen a growing and increasingly diverse population established, with many younger families having moved to the area.
- 1.6 The Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013) states that 'Eastbourne needs to provide new homes to meet local needs.' In 2006, the South East Plan targeted the delivery of 4,800 dwellings in Eastbourne

between 2006 and 2026. Over the plan period, this translated into an annual requirement of 240 dwellings per year. The Council saw 1,377 new homes built between 2006 and 2011, and gave permission for a further 1,035 to be completed. To ensure that Eastbourne provided a 15-year supply of housing on adoption of the Core Strategy, the remaining annual target was adjusted to 222 dwellings per year until 2027. This equates to a new overall total of 5,022 dwellings between 2006 and 2027.

1.7 According to the Eastbourne Strategic Housing Market Assessment [SHMA] (2017), the following demographic drivers will continue to influence the operation of the Eastbourne Housing Market Area:

- An increasing population, with a 19.2 per cent increase (19,600 additional people) between 2015 and 2039¹, and with a projected increase in all age cohorts and particular growth of those aged 65 and over;
- 2014-based DCLG household projections suggest that the total number of households in Eastbourne is expected to increase from 45,427 in 2015 to 59,285 in 2039, an increase of 23.4 per cent;
- For open market housing, at borough level the minimum income required is £27,648 for lower quartile or entry-level renting, and £39,471 for lower quartile or entry-level house prices.
- Analysis indicates that individual lower quartile earnings are not sufficient to afford any tenure of dwelling across every neighbourhood. For median earnings, social renting is affordable along with affordable and market rent in some neighbourhoods;
- Upper quartile earnings are not sufficient to provide individuals with a range of housing tenure choices. These earnings are sufficient for renting across much of Eastbourne, but median/average house prices and even starter homes remain unaffordable.

1.8 The SHMA shows that there is a need for a wider variety of housing across Eastbourne, with a particular need for larger family accommodation and affordable units as part of the overall supply of housing. However, the National Planning Guidance is clear that planning obligations, including those in the form of affordable housing contributions, should not prevent development from coming forward². Whilst it is clear that the planning system alone will not be able to deliver all the affordable housing needed in

¹ According to ONS 2014-based sub-national population projections.

² <https://www.gov.uk/guidance/planning-obligations> (Paragraph: 031, Reference ID: 23b-031-20161116)

Eastbourne, it should ensure that the proportion of affordable housing within a development is maximised.

- 1.9 The Eastbourne Core Strategy Local Plan, which was adopted in 2013, contains Policy D5: Housing, which required all development involving a net increase in housing units to make a contribution towards affordable housing. As market conditions vary across the town, the level of contribution required varies also. The Core Strategy divides the neighbourhoods in the town into 'High Value' and 'Low Value' neighbourhoods, which reflects disparity between house prices and impacts on the viability of development (Appendix A). Within 'High Value' neighbourhoods the affordable housing requirement is 40%, whilst in 'Low Value' neighbourhoods the affordable housing requirement is 30%. The level of contribution represents a starting point that can be negotiated if evidence can prove it would make development unviable.
- 1.10 Since the publication of the Written Ministerial Statement in November 2014, a national threshold of 11 units or more applies to affordable housing contribution. This means that affordable housing contributions can no longer be sought on developments of 10 units or less. This threshold has been transposed into Planning Practice Guidance³.
- 1.11 The supporting text to Policy D5 explains that the affordable housing requirement will be applied in a flexible way on a site by site basis taking into consideration other planning considerations that may affect delivery. Where a developer considers that the affordable housing requirements cannot be met on a particular site, and where replacement affordable units are not being provided by the developer on another site agreed with the Council, it will be necessary to secure the due affordable contribution in the form of a commuted sum.
- 1.12 However, the Council is committed to the fundamental principle of planning obligations to deliver affordable housing. Such obligations should not be used to 'buy' a planning permission nor should they be used as a method to tax a developer. Therefore, any development which is unsuitable in planning terms cannot be made acceptable by applying developer contributions to the scheme. Planning obligations cannot be sought or used to mitigate an existing problem in the area. They can only be sought against a future need that would be created by the proposed development.

³ <https://www.gov.uk/guidance/planning-obligations> (Paragraph: 031, Reference ID: 23b-031-20161116)

Purpose of this document

- 1.13 The purpose of this Supplementary Planning Document (SPD) is to provide a detailed explanation in support of the implementation of Core Strategy Policy D5: Housing. This includes advice concerning the standards required of the range of residential sites in order to deliver the affordable housing necessary to meet local needs.
- 1.14 This policy guidance relates to Eastbourne Borough. It specifically refers to the areas within the Eastbourne Borough Council Planning Authority boundary and the Eastbourne Borough Council Housing Authority area covering the whole Borough. It does not refer to the area of the Borough designated as the South Downs National Park.
- 1.15 This document should be read in conjunction with Policy D5 of the Core Strategy, and other relevant documents including the [National Planning Policy Framework](#) and the [Planning Practice Guidance](#), when considering making a planning application within the Borough. This document should be used as a guidance tool from the earliest stages of the development process of any site, including during purchase negotiations and the preparation of development schemes. Entering into discussion with the Council, including Planning and Housing Officers, at a very early stage in planning for a residential development scheme is strongly advised, to clarify and establish the policy requirements for affordable housing on a particular site.
- 1.16 The SPD is intended to guide the Council, developers, agents and other stakeholders in relation to:
- Policy requirement for the delivery of affordable housing on all residential development sites;
 - Type and standard of affordable housing that is likely to be sought;
 - Assessment of financial viability of the development;
 - Calculation of any commuted sum payments;
 - Delivery agencies for the affordable housing.
- 1.17 The document has been developed to be sufficiently flexible enough to accommodate changes to national and local policy. The document will be reviewed regularly and in reference to changes to national policy, local policy and local evidence.

Status of Supplementary Planning Document

- 1.18 This draft Affordable Housing SPD has been prepared for consultation with the local community and other stakeholders.
- 1.19 Once adopted, the Affordable Housing SPD will be a material consideration in the determination of planning applications. It will then supersede the Affordable Housing Implementation Technical Note, which was adopted 2004.

Consultation

- 1.20 The Draft Affordable Housing SPD will be subject to consultation with key stakeholders including local developers, affordable housing providers, the local community and other interested parties between Friday 26th May and Friday 21st July 2017.
- 1.21 The SPD can be viewed and commented on via the Council's on-line consultation portal, which can be accessed via the Eastbourne Borough Council website (www.eastbourne.gov.uk/spd). Representations can also be submitted by email or via post.

Email: planning.policy@eastbourne.gov.uk

Planning Policy
1 Grove Road
Eastbourne
BN21 1TW

- 1.22 Following the 8 week consultation period, the Council will consider and summarise the representations received, and these will be an important source of information that will be used to refine the SPD in preparing the final version. This will be formally adopted by the Council and used to assist in the evaluation of planning applications.

2.0 Definitions

2.2 This Affordable Housing SPD adopts the definitions outlined in the National Planning Policy Framework [NPPF] (2012) as the following:

Affordable housing

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing

Owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency (HCA).

Affordable rented housing

Let by local authorities or private registered providers of social housing to households who are eligible for social rented housing.

Affordable Rent

Subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing

Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

Starter homes

The Housing and Planning Act 2016⁴ defines a Starter Homes as a new dwelling which is available for purchase by qualifying first-time buyers at least 23 years old and under the age of 40, and is to be sold at a discount of at least 20% of the market value. Starter Homes are to be sold for less than the price cap of £250,000 outside of Greater London and £450,000 inside Greater London.

Serviced Plots

The Homes and Communities Agency⁵ defines Serviced Plots as “shovel ready” sites with planning permission, where plots or parcels are laid out and the land is ready for construction. Access is provided and each plot or parcel has utilities/services provided to the plot/parcel boundary.’

- 2.2 If any of the definitions set out above are updated within the National Planning Policy Framework, or if any of the definitions not included in the NPPF are updated by the relevant organisation, the updated definitions will supersede those set out in this Affordable Housing SPD.
- 2.3 Reference is often made to ‘low cost housing’ when the term affordable housing is used. It is important to note that such housing may not fall within the above definitions, and therefore would not qualify towards the policy target of affordable homes.
- 2.4 The expectation is that affordable rents will be restricted to no more than the Local Housing Allowance rate due to affordability, although some specialist accommodation may justifiably be higher.

⁴ Housing and Planning Act 2016 (2016) Part 1: New Homes in England; Chapter 2: Starter Homes.

⁵ HCA (June 2015) Custom Build Serviced Plots Loan fund Prospectus – Continuous Market Engagement (p3).

3.0 Policy Guidance

- 3.1 Eastbourne Borough Council expects all developments, including those contributing affordable housing, to be delivered in line with national and local policies. The relevant policies include:

The National Planning Policy Framework and Planning Practice Guidance

- 3.2 Since the revocation of the South East Plan, the scale of future housing growth needs to have due regard to the policies set out in the NPPF and the Planning Practice Guidance. Paragraph 47 of the NPPF states that Local Plans should meet the full Objectively Assessed Need (OAN) for market and affordable housing as far as is consistent with other policies of the Framework.
- 3.3 Eastbourne Borough Council's SHMA calculates an Objectively Assessed Need figure ranged between 555 dwellings and 743 dwellings per year. This takes account of the need to deliver more affordable and market housing for an increasing number of households, takes account of recent trends in net in-migration and supports substantial economic growth.

The Community Infrastructure Levy (CIL)

- 3.4 The Community Infrastructure Levy (CIL) Charging Area covers all areas within the local authority boundary excluding the South Downs National Park (the South Downs National Park adopted CIL in April 2017). However, the regulations regarding CIL give full relief from paying the levy on the portions of the chargeable development intended for affordable housing. Eastbourne has no affordable housing requirement on developments of 10 (net) or less dwelling units which have a maximum combined gross floorspace of no more than 1,000 square metres (sqm). This reflects the national policy position on this matter.

Vacant Building Credit

- 3.5 Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, and where this results in an overall increase in floorspace in the proposed development, the developer can be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be

required for any increase in floorspace. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided. Further information is available from the [Planning Practice Guidance - Planning obligations](#) webpage.

Local Policy

- 3.6 For the avoidance of doubt, in the event of any future change in Government policy that requires alternative thresholds, levels of types of affordable housing to be provided by development, the resulting national policy position will supersede the relevant part(s) of Policy D5 below, where necessary.

Policy D5: Housing

Proposals for housing will be in accordance with the approach set out in Policy B1: Spatial Development, with a focus of delivering housing within the sustainable centres and sustainable neighbourhoods and must take account of the need identified in the most up-to-date strategic housing market assessment with particular regard to size, type and tenure of dwellings.

The Council will work with partner organisations to ensure that there is an appropriate supply of high quality affordable housing distributed throughout Eastbourne. This will be achieved by having regard to the up-to-date strategic housing market assessments.

All development will be required to contribute towards affordable housing where there is a resultant net gain of 1 or more residential units (C3 Use Class).

The Council recognises that market conditions vary across Eastbourne. In order to ensure that developments remain economically viable, the proportion of affordable housing sought will vary. In developments within Neighbourhoods in High Value Areas, 40 per cent affordable housing will be sought on all sites. In developments within Neighbourhoods in Low Value Areas, 30 per cent affordable housing will be sought on all sites.

Where the percentage (either 30 or 40%) does not result in a whole residential unit being required (i.e. 0.66 or 1.33), a commuted sum will be sought for the remaining requirement. Every whole affordable unit required should be delivered on site to ensure an appropriate mix of housing types and tenures throughout Eastbourne.

Tenure mix – 70:30 Rented to 'shared ownership' adjusted where necessary to balance housing need and makes schemes viable, subject to negotiation. 30% 'shared ownership' to include other forms of intermediate tenure include intermediate rented.

The affordable housing should be a mix of housing sizes and types in proportion to the housing being developed in each scheme and informed by evidence of housing need contained in the most up-to-date Housing Market Assessment. Affordable housing will be distributed across the whole site and will be indistinguishable from other forms of development on the site.

Tenure Mix

- 3.7 The Council's Housing and Planning Officers will be directly involved in negotiating and agreeing the tenure mix on all residential development schemes in Eastbourne Borough. Policy D5: Housing of the Core Strategy provides the starting point for the consideration of the tenure mix of the development scheme, for a ratio of 70% rented to 30% shared ownership, with flexibility to amend the balance between rented and shared ownership within a development to take account of up-to-date intelligence about local housing needs. The Council may also consider adjusting the tenure mix of a scheme if it is necessary and agreed by the Council and the developer, to secure the viability of the development.
- 3.8 Further information regarding the assessment of housing needs of Eastbourne Borough, including tenure mix, is outline in the SHMA .

Development Site Standards and Characteristics

- 3.9 A particular site's characteristics and the development as a whole should be reflected in the affordable housing mix of dwelling tenure, type and size, taking into account the expected space standards for affordable housing. The Council's planning team will advise on the exact tenure, type and size split on each site through pre-application discussions.
- 3.10 It is expected that affordable housing provided on-site will be subject to the same standards and be indistinguishable from the open market housing. The provision of on-site affordable housing should be integrated into the layout of the development through 'pepper-potting' within market housing, in order to fully reflect the distribution of property types and sizes in the overall

development. The Council understands that pepper-potting may not be possible on developments sites consisting of 25 dwellings or less. For developments consisting of more than 25 dwellings, discussions will be required between the Council and the applicant/developer on a site-by site basis. It is expected that the nationally described space standards, as set out in Section 6 of this document, will also be adhered to.

- 3.11 Within flatted developments it is accepted that management and other requirements could mean floors, wings or whole blocks will generally be designated for affordable or market housing, or that on larger developments affordable housing is likely to be provided in small clusters around the development. Any such management issues will be taken into consideration in order to arrive at a consensus which is beneficial to the provision of affordable housing.
- 3.12 The housing should comply with all relevant design and quality codes and standards as set out by the Homes and Communities Agency or other associated national bodies, as well as any corresponding local guidance and specifications.

Delivery of Affordable Housing Provision

- 3.13 Housing proposals will be expected to make efficient use of land in accordance with Policy D1: Sustainable Development of the Core Strategy. Policy D1 states: '*All new development should be sustainable and be well designed and constructed and demonstrate that it has taken account of the principles of sustainable development by: Conserving scarce resources, making efficient use of land and infrastructure*'. Any proposal that appears to have an artificially low density as a possible measure to avoid the required thresholds for affordable housing will be scrutinised and may be refused planning permission, where they fail to make efficient use of land and provide appropriate levels of affordable housing.
- 3.14 Affordable housing should be delivered by one of the housing providers which has a strong stake within the area. The choice of housing provider should be agreed upon by the developer with the Council. The developer should dispose of any affordable housing to the housing provider either on a freehold basis or on a long lease, at a peppercorn rent, of at least 125 years.
- 3.15 It is expected that the majority of new affordable housing delivered in line with this SPD will be delivered without the aid of a grant. The price to be paid by the housing provider or other private sector body to the developer will

therefore need to be an amount that delivers the housing as affordable housing without the input of social housing grant.

- 3.16 The provision of affordable housing will be subject to a Nominations Agreement between the Council and the housing provider. A copy of the template of a Nominations Agreement will be attached as part of the Section 106 Agreement template. This will be made available at the moment the planning application is made.

Timeline

- 3.17 The Council expects delivery of affordable housing to be considered by the developer as a priority contribution, after the provision of essential development pre-requisites, such as highways requirements and flood storage provision, for example.
- 3.18 The Council expects that affordable rented housing units will, unless there are exceptional circumstances, be handed over to the agreed housing provider by the time no more than 40 per cent of the open market units on the site have been sold or occupied.
- 3.19 The Council expects that shared ownership housing units will, unless there are exceptional circumstances, be handed over to the agreed housing provider by the time no more than 50% of the open market units on the site have been sold or occupied.
- 3.20 The Council is willing to negotiate the timeline for the affordable rented housing units and the shared ownership housing units, to agree upon a phasing plan. This will be reflected in the Section 106 Agreement. The Council expects that all of the affordable housing units will be constructed in accordance with the planning permission.

4.0 Policy Obligations

Application of Policy

- 4.1 The requirement for affordable housing applies to all developments that would result in net additional residential units being provided within Class C3 Use.
- 4.2 The criteria for determining whether the use of particular premises should be classified within Class C3 Use include both the manner of the use and the physical condition of the premises. Premises can properly be regarded as being used as a single dwelling house where they are:
- A single, self-contained unit of occupation which can be regarded as being a separate 'planning unit' distinct from any other part of the building containing them;
 - Designed or adapted for residential purposes - containing the normal facilities for cooking, eating and sleeping associated with use as a dwelling house⁶.
- 4.3 The affordable housing policy applies to sheltered, extra care and assisted living residential development in the same way as it does to general dwelling houses, where each residential unit is designated within Class C3 Use. It also applies to conversions and subdivisions where there is a net residential gain of 11 or more dwelling units, in reference to the national planning policy position, and in accordance with the thresholds set out in Policy D5 of the Core Strategy. The affordable housing requirements do not apply to developments designated within Class C2 Use.

⁶ DCLG (November 2012) Changes to Planning Regulations for Dwellinghouses and Houses in Multiple Occupation (pp 2-6)

Prioritisation of Affordable Housing

- 4.4 The strong presumption is that the policy of affordable housing will be delivered on all developments of 11 or more dwelling units, unless off-site provision, free serviced land⁷ or a financial contribution (commuted sum) in lieu of on-site provision can be robustly justified. In the event that delivery of the required number of affordable housing units is justified as undeliverable, the Council will work through a series of options outlined in paragraph 4.6 of this SPD, to ensure that the development remains viable.
- 4.5 The policy is not intended to operate in a way that renders development non-viable and thereby reduces development coming forward. Section 7 of this SPD explains in more detail how viability issues will be considered, so that where it is demonstrated that development would not be viable with the contribution required under the policy, the level of contribution can be reduced or waived to ensure that development remains viable.
- 4.6 The priority for Eastbourne Borough Council is to increase the number of affordable homes within the Borough, and ideally developers will build the correct number and mix of affordable dwellings as directed by Policy D5 of the Core Strategy, in line with the Planning Practice Guidance. However, where this is not possible the Council will work to a five tier system of general principles, weighted towards the independently assessed financial viability of each of the following options. The Council recognises there will be variation in circumstances, and will assess each development on a site-by-site basis. The order of preference is:
- i. The Council's on-site preferred mix;
 - ii. An on-site alternative mix to be agreed upon by the Council and the relevant developer(s);
 - iii. A level of affordable housing on-site which is less than the specified threshold;
 - iv. Serviced plots;
 - v. A commuted sum.

⁷ Free serviced land is land with planning consent for unrestricted residential development (i.e. not restricted to purely affordable housing use, with no restrictive covenants, easements etc. in place), free of land purchase cost excluding any incidental costs that may be incurred in procuring the land (i.e. legal and surveyor fees) with fully serviced road and pedestrian access, utility services provided on site and with no abnormal costs free from contamination.

Payment and Allocation of Commuted Sums

- 4.7 If, following negotiations between Eastbourne Borough Council and the applicant, the outcome is that a commuted sum is to be paid to the Council, the commuted sum will be based on the size of the dwellings as agreed between the Council and the applicant during the planning application stage. The sum to be paid will be calculated based on the size of the internal floor area of the proposed dwellings, on a per square metre (sqm) basis. The methodology used to calculate the contribution per square metre is set out in Appendix B.
- 4.8 The Council is aware that during pre-application discussions, applicants/developers may assert that affordable housing would be undeliverable on a development site, before submitting a formal planning application. In some circumstances it will be agreed between the Council and the applicant/developer that a commuted sum will be paid to the Council, in lieu of the affordable housing which would have been built. The commuted sum to be paid will be based on the dwelling type and size of the affordable housing which the Council deems would be most suited to the current housing needs on that particular development site, following discussions with the applicant/developer.
- 4.9 The commuted sum to be paid and the payment schedule will be reflected in the Section 106 Agreement or Unilateral Undertaking. The expectation is that the commuted sum will be paid prior to the commencement of the development and this will be reflected in the Section 106 Agreement or Unilateral Undertaking. However, Eastbourne Borough Council recognises the potential for economic conditions to change. With reference to this, the Council may agree to an alternative payment schedule.
- 4.10 The Planning Practice Guidance⁸ states that contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres (sqm). If the number of dwellings to be built on a development site is below the threshold regarding the number of units required to contribute affordable housing, but has a combined gross floorspace of more than 1,000 sqm, the Council expects that either affordable housing units will be built on the development site, or a commuted sum will be paid to the Council. The number of affordable units to be built on the development site or the commuted sum to be paid, will apply to the total development site in line with

⁸ <https://www.gov.uk/guidance/planning-obligations> (Paragraph: 031, Reference ID: 23b-031-20161116)

the thresholds as stated in Core Strategy Policy D5, i.e. 40 per cent affordable housing or the equivalent commuted sum will be sought from the applicant/developer in High Value Market Areas, and 30 per cent or the equivalent commuted sum in Low Value Market Areas.

- 4.11 In circumstances where a development consists of 10 units or less, but it is determined that a commuted sum is to be paid to the Council due to the development exceeding a combined gross floorspace of 1,000 sqm, the commuted sum to be paid will be calculated based on the size of the gross internal floor area of the proposed dwellings on a per sqm basis, as specified by the Royal Institution of Chartered Surveyors at September 2015⁹. The calculation includes integral garages, and excludes ancillary uses such as sheds, greenhouses and adjacent garages.
- 4.12 The Council will have a maximum of 10 years from the date of payment to spend the commuted sum. Where a financial contribution is secured via a Section 106 Agreement or Unilateral Undertaking, the contribution will be 'ring-fenced' and used to meet the Council's affordable housing objectives.
- 4.13 In order to maximise the benefits derived from deployment of any commuted sums in addressing the affordable housing needs of the Borough, the Council will prioritise expenditure on a one-for-one basis. Where this is not possible, the Council will look to maximise the number of units to be built.
- 4.14 The intention will be to spend any commuted sums within the close geographical proximity to where the commuted sum was generated, but may be spent anywhere in the Borough. In some circumstances, commuted sums may be pooled and used to enable the provision of affordable housing, as determined by the Council.
- 4.15 Monitoring will be on a site-by-site basis and the Council will report where funds have been allocated and spent. This information will be reported on an annual basis. Through the Section 106 Agreement the Council will expect to index the agreed financial contribution from the date of the agreement to the date of payment. A relevant method of indexation will be applied and will be specified in the Section 106 Agreement.

⁹ Royal Institution of Chartered Surveyors (September 2015) Gross Internal Floor Area (GIFA) and International Property Measurement Standard (IPMS) for Offices.

Planning Obligations - Section 106 Agreements and Unilateral Undertakings

- 4.16 Planning Obligations can be secured through either a Section 106 Agreement or a Unilateral Undertaking depending on the nature of the development.

Section 106 Agreements

- 4.17 A Section 106 Agreement is a legal agreement or undertaking between the Council and an applicant/developer, executed as a deed, to restrict the use of the land or to do any of the things listed in Section 106(1) of the Town and Country Planning Act 1990. The Council will require the Section 106 Agreement to be executed by all those with an interest in the land and the obligations will generally be binding against all those party to the agreement and their successors in title. An obligation requires the applicant/developer to provide either a financial contribution, physical infrastructure or a management plan in relation to their development proposal, and otherwise restricts what can be done with land following the granting of planning permission. Planning obligations are now mainly used to deliver site-specific mitigations that may be required to make the development acceptable in planning terms.
- 4.18 A Section 106 Agreement will be drawn up by the Council, which forms the legal framework in order that the applicant/developer delivers affordable housing on-site, off-site, or contributes financially through a commuted sum payment or serviced plots. The purpose of a Section 106 Agreement is to ensure that the affordable housing complies with the Council's housing and planning policies, and secures affordable housing in perpetuity for local people most in need, and at prices and rents which remain affordable.
- 4.19 For all planning applications that require affordable housing, the affordable housing will be secured through the signing of a Section 106 Agreement. This relates to all sites above the stated thresholds. Further information regarding Section 106 Agreements is available from the Eastbourne Borough Council website.

Unilateral Undertakings

- 4.20 A Unilateral Undertaking is a legal document made pursuant to Section 106 of the Town and Country Planning Act 1990. Unlike Section 106 agreements, Unilateral Undertakings do not have to be entered into by the Local Authority. A unilateral undertaking comes into effect when planning permission, to which the unilateral undertaking is linked, is granted. Unilateral Undertakings



are sometimes used for small scale applications, and should be used where financial contributions are known at an early stage and the package of planning obligations is relatively straight forward.

5.0 Commuted Sums

- 5.1 In line with the Planning Practice Guidance, an affordable housing contribution is sought from residential developments which involve a net gain of eleven or more units (Class C3 Use) on-site. The Council understands that occasionally it may be difficult to provide affordable homes within the smallest developments, and therefore on such sites a commuted sum based on the associated thresholds of affordable housing set out in Policy D5 (40 per cent in High Value Market Areas; 30 per cent in Low Value Market Areas) may be accepted towards improving the provision of affordable housing off-site.
- 5.2 The size of any affordable housing will be agreed between the Council and the applicant/developer during the application stage. If, following the submission of a planning application, the applicant/developer subsequently asserts that the affordable housing component of the development is unviable, a commuted sum may be sought. The commuted sum will be based on the size of the affordable housing which it was originally agreed would be built. However, if no agreement in terms of size can be reached, the commuted sum to be paid will be based upon the average (mean) internal dwelling size of all dwellings across the development site.
- 5.3 The Core Strategy divides Eastbourne into 14 neighbourhoods. For the purposes of affordable housing requirements, Eastbourne Borough Council has chosen to divide these neighbourhoods into two market value areas, which reflect the disparity between dwelling prices across the Borough. This has a significant impact on residual site values and the financial viability of delivering affordable housing on-site. Developments located in neighbourhoods within High Value Market Areas are required to deliver 40 per cent affordable housing; and developments within Low Value Market Areas are required to deliver 30 per cent affordable housing. The Market Value Areas are summarised in Table 1 below. Appendix A contains a map displaying the High Value and Low Value Market Areas.

Table 1 - High Value and Low Vale Market Areas

High Value Market Neighbourhoods <i>(40% affordable housing requirement)</i>	Low Value Market Neighbourhoods <i>(30% affordable housing requirement)</i>
Neighbourhood 2: Upperton	Neighbourhood 1: Town Centre
Neighbourhood 4: Old Town	Neighbourhood 3: Seaside
Neighbourhood 5: Ocklynge & Rodmill	Neighbourhood 6: Roselands & Bridgmere
Neighbourhood 10: Summerdown & Saffrons	Neighbourhood 7: Hampden Park
Neighbourhood 11: Meads	Neighbourhood 8: Langney
Neighbourhood 12: Ratton and Willingdon	Neighbourhood 9: Shinewater & North Langney
Neighbourhood 14: Sovereign Harbour	Neighbourhood 13: St Anthony's & Langney Point

- 5.4 The policy thresholds (40 per cent or 30 per cent) may result in a percentage of an affordable housing unit being required (i.e. less than 1 whole unit). In these instances a commuted sum will be applicable for that percentage. Table 2 displays the level of affordable housing requirements for developments of 11 net units and over, up to 20 residential units, within both the High Value and the Low Value Market Areas.

Table 2 - Affordable Housing Requirements

Net residential units	High Value Market Area (40% affordable housing requirement)		Low Value Market Area (30% affordable housing requirement)	
	Whole affordable unit required	Part of unit (commuted sum required)	Whole affordable unit required	Part of unit (commuted sum required)
11	4	0.4	3	0.3
12	4	0.8	3	0.6
13	5	0.2	3	0.9
14	5	0.6	4	0.2
15	6	n/a	4	0.5
16	6	0.4	4	0.8
17	6	0.8	5	0.1
18	7	0.2	5	0.4
19	7	0.6	5	0.7
20	8	n/a	6	n/a

Commuted Sum Calculation


- 5.5 The Council’s approach to calculating the off-site financial contribution (the commuted sum) is to base the calculation on the cost of providing affordable housing on another site. This is taken as the cost of making serviced land available within an equivalent development to construct affordable housing.
- 5.6 The basis for calculating the cost to the developer of on-site provision is outlined in the Affordable Housing Commuted Sum Payment Table (Table 3), which is arranged by value market area, housing type and size of dwelling. Where the policy results in a percentage of a unit to be provided, this percentage can be calculated in monetary terms using this Payment Table.
- 5.7 A commuted sum will only be applicable to developments where delivery on-site is assessed as unviable, or where a financial contribution in lieu of a percentage of a unit is required. The Council will use the Affordable Housing Commuted Sum Payment Table to calculate the commuted sum payments. This method calculates the contributions required by assessing the average market sales values of housing and calculating the development costs to

show the service plot values, which are then expressed as a commuted sum. The commuted sums for dwellings of various sizes and located in both of these market areas are summarised in the table below. Appendix B of this SPD explains the methodology used to construct the Affordable Housing Commuted Sum Payment Table.

- 5.8 In using the Payment Table, the commuted sum for each unit will be calculated based on the internal floor area (sqm) of the development. This will be multiplied by the 'contribution per sqm' cell in the Payment Table. If the calculation required relates to a percentage of a unit, then a percentage of this sum will be calculated.
- 5.9 The Council will regularly review the Affordable Housing Commuted Sum Payment Table, to reflect any changes in economic viability over the lifetime of the Core Strategy. This will ensure that commuted sums remain financially viable for all relevant development types, and that affordable housing contributions will not compromise residential development in the foreseeable future. Monitoring arrangements are explained in Section 9.

Application of Commuted Sums

- 5.10 In the following instances it may not be considered appropriate to deliver affordable housing units on-site. In these instances the Council may alternatively seek either a commuted sum, free serviced land or off-site provision:
- Where the policy requirement results in a percentage of less than one whole unit being provided. A commuted sum will be required for this percentage of a unit. Commuted sum payments will be calculated using the Payment Table which is explained in this Technical Note. All commuted sums collected by the Council will be used to help deliver new and additional affordable housing;
 - Where the development is in the form of a flatted development, including new build and conversion or refurbishment of existing buildings, where it would not be possible on technical or architectural grounds to provide a separate entrance and access areas for the affordable housing separate from that fitted for housing provided at full market rates. This will be independently assessed and verified;
 - Where the development consists of a high value flat or similar development with high service charges, which would affect the overall



affordability of housing. The relevant housing provider will assess whether the housing is affordable.

Instances of Negative Viability

- 5.11 In some instances negative viability will be demonstrated for residential units if the affordable housing policy is delivered in full on the development scheme. The Affordable Housing Commuted Sum Payment Table calculations display a potential negative viability level within the Low Value Market Area for flatted schemes, and within the High Value Market Area for studio flats. In these instances if the on-site delivery of affordable housing is justified as unviable, and commuted sums would be the only available option, then a financial contribution will not be sought for that development scheme.

Table 3 – Affordable Housing Commuted Sum Payment Table

Eastbourne Borough - High Value Market Area*

Commutated Sum Values	Studio Flat	1 Bed Flat	2 Bed Flat	3+ Bed Flat
Unit Size - m ²	39	50	61	74
MV completed unit	£95,000.00	£165,000.00	£200,000.00	£275,000
Serviced plot value per unit	-£3,546.40	£26,894.21	£32,708.19	£63,246.41
Contribution per sq m	£0.00	£537.88	£536.20	£854.68

Commutated Sum Values	2 Bed House	3 Bed House	4 Bed House	5+ Bed House
Unit Size - m ²	79	93	106	119
MV completed unit	£250,000.00	£350,000.00	£450,000.00	£575,000.00
Serviced plot value per unit	£56,457.04	£106,304.99	£157,618.22	£224,165.57
Contribution per sq m	£714.65	£1,143.06	£1,486.96	£1,883.74

Commutated Sum Values	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	50	70	86
MV completed unit	£200,000.00	£275,000.00	£310,000.00
Serviced plot value per unit	£50,273.17	£68,340.63	£56,499.26
Contribution per sq m	£1,005.46	£976.29	£656.97

Eastbourne Borough - Low Value Market Area*

Commutated Sum Values	Studio Flat	1 Bed Flat	2 Bed Flat	3+ Bed Flat
Unit Size - m ²	39	50	61	74
MV completed unit	£75,000.00	£125,000.00	£150,000.00	£175,000
Serviced plot value per unit	-£17,618.76	-£1,250.51	-£2,472.71	-£7,115.39
Contribution per sq m	£0.00	£0.00	£0.00	£0.00

Commutated Sum Values	2 Bed House	3 Bed House	4 Bed House	5+ Bed House
Unit Size - m ²	79	93	106	119
MV completed unit	£180,000.00	£220,000.00	£260,000.00	£320,000.00
Serviced plot value per unit	£7,204.00	£14,834.65	£23,930.79	£44,742.97
Contribution per sq m	£91.19	£159.51	£225.76	£375.99

Commutated Sum Values	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	50	70	86
MV completed unit	£165,000.00	£220,000.00	£250,000.00
Serviced plot value per unit	£25,646.54	£29,641.64	£14,282.18
Contribution per sq m	£512.93	£423.45	£166.07

* Unit sizes taken from Table 1 - Minimum gross internal floor areas and storage (m²) - Technical housing standards – nationally described space standard (DCLG, March 2015; P.5)

- 5.12 The following worked examples demonstrate how to calculate the commuted sum for a proposed development, if on-site delivery of the affordable housing is assessed as being unviable, or where a commuted sum for a percentage of a unit is required.

Worked example for commuted sum payment in lieu of delivery of affordable housing units

Development: Net delivery of 15 two bedroom flats within the High Value Market Area, each with an internal floor area of 65 square metres.

Policy requirement of 40 per cent affordable housing: $0.40 \times 15 = 6$ affordable units

Delivery:

- (1) On-site delivery of 6 affordable units, appropriately arranged on the site; or
- (2) If justified as unviable to deliver 6 two bedroom flats on-site, and if tiers I to IV as set out in paragraph 4.6 are assessed as undeliverable and it is agreed by the Council, use the Affordable Housing Commuted Sum Payment Table to calculate the sum payment for the full quota of 6 two bedroom flats at £536.20 per sqm.

The financial contribution would be calculated as:

$$6 \text{ units} \times 65 \text{ sqm} \times \text{£}536.20 = \text{£}209,118.00$$

Worked Example for commuted sum payment for a percentage of an affordable unit

Development: Net delivery of 12 two bedroom houses within the Low Value Market Area, each with an internal floor area of 80 square metres.

Policy requirement of 30 per cent affordable housing: $0.30 \times 12 = 3.6$ affordable units.

Delivery:

- (1) On site delivery of 4 affordable units, appropriately arranged on the site;
or
- (2) On-site delivery of 3 affordable units and a commuted sum for 0.6 (60 per cent) of a two bedroom house, calculated from the Affordable Housing Commuted Sum Payment Table at £91.19 per sqm.

The financial contribution would be calculated as:

$$0.6 \text{ units} \times 80 \text{ sqm} \times \text{£}91.19 = \text{£}4,377.12$$

- (3) If justified as unviable to deliver the affordable units on site, use the Affordable Housing Commuted Sum Payment Table to calculate the sum payment for the full quota of 3.6 two bedroom houses at £91.19 per sqm.

The financial contribution would be calculated as:

$$3.6 \text{ units} \times 80 \text{ sqm} \times \text{£}91.19 = \text{£}26,262.72$$

Indicative values of commuted sums to be paid are displayed in Appendix C.

Commuted Sums of less than £1,000

- 5.13 If a commuted sum requirement, calculated from the Payment Table, is calculated as less than £1,000 for the whole development scheme, then a financial contribution will not be sought for this development.

6.0 Expected Standards

6.1 The Council's expected space standards for affordable housing, taken from the DCLG document Technical housing standards – nationally described space standard¹⁰ are set out in Table 4.

Table 3 - Expected gross internal floor areas and storage (m2)

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) ²			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

6.2 The Gross Internal Area of a dwelling is defined as the total floor space measured between the internal faces of perimeter walls that enclose the dwelling. This includes partitions, structural elements, cupboards, ducts, flights of stairs and voids above stairs. The Gross Internal Area should be measured and denoted in square metres (m²). The Gross Internal Areas in Table 4 will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required

¹⁰ DCLG (March 2015) Technical housing standards – nationally described space standard (p5)

to accommodate increased circulation and functionality to meet the needs of wheelchair households.

Quality of Design, Materials and Construction

- 6.3 Development schemes should be designed with a view to reducing any ongoing management, maintenance and repair costs. Developments should also make use of good quality materials. This will reduce the risk of properties no longer being kept in good condition, falling into disrepair or blighting the area in the future. Designs which do not accommodate the long-term maintenance requirements, or use of low quality materials will not be acceptable to the Council.
- 6.4 The Council requires all affordable homes to be built to Level 2 of the Accessibility Standard¹¹, and in all cases to comply with requirement M4(2) of Approved Document M: access to and use of buildings, volume 1: dwellings¹². There may also be a requirement for M4(3) category homes to be supplied on the site, which will be advised at the point of the planning application being submitted. Further information regarding building regulations is set out in the Department for Communities and Local Government's [Approved Documents](#).

Secured by Design

- 6.5 The Council expects that affordable housing will comply with the relevant and appropriate recommendations laid down in the most current Secured by Design guidance, issued by the Association of Chief Police Officers (ACPO).

¹¹ DCLG (August 2013) Housing Standards Review: Illustrative Technical Standards Developed by the Working Groups.

¹² DCLG (March 2016) Approved Document M: access to and use of buildings, volume 1: dwellings.

7.0 Planning Application Process for Residential Developments

- 7.1 The key stages involved in processing the affordable housing requirements for residential development schemes are set out below. A process map outlining the key stages of the affordable housing viability contribution process in line with the affordable housing requirements of Core Strategy Policy D5 is provided in Appendix D. This covers the expectations of applicants before a planning application is formally submitted to the Council (pre-application) and includes all the relevant stages involved in processing the application through to determination by the Council. Further information regarding the planning application process is available from the Council's [Eastbourne Planning Guide](#) webpage.

Step 1 – Pre-application Discussions

- 7.2 The Council encourages all applicants (whether developers, land agents or individuals) to undertake pre-application discussions with the Council's Planning and Housing Officers to discuss any proposed residential developments. In order to deliver the requirements of the housing policy, it will be essential to discuss the financial viability of the scheme at an early stage, and particularly if the prospective applicant believes that viability may be compromised as a result of the Council's affordable housing policy. Appendix E provides advice regarding the information applicants should consider in their financial viability appraisals of development schemes for affordable housing.
- 7.3 The affordable housing policy will be applied in line with Core Strategy Policy D5. This will involve taking into account other planning considerations which may affect the affordable housing to be provided. Regard will be made to:
- The viability of development, considering the need and cost of supporting infrastructure on and off the site and any unavoidable and necessary site remediation to resolve environmental hazards;
 - The location and character of the site;
 - The tenure of affordable housing and type of dwelling units required in relation to the housing needs and the viability of specific developments;
 - The current availability of affordable housing in the local area when measured against demand for such accommodation; and

- Any updated national policy and/or guidance to be implemented.

Step 2 – Financial Viability Assessment of the Development

- 7.4 When assessing the financial viability of a residential development the applicant should refer to the considerations listed in Appendix E of this SPD, unless there are any justified overriding factors. The Council recommends using an independent viability expert to assist in assessing the viability of the proposed development. Applicants may use their own viability assessment toolkit to assess financial viability, for which their figures should be independently verified by a qualified valuation officer or an organisation that is a full member of the Royal Institute of Chartered Surveyors (RICS), prior to the submission of the application. Should any such viability assessment assert that a development is unviable, the Council will, if necessary, commission an independent viability expert to scrutinise the assessment. The cost of any such assessment will be paid by the applicant.
- 7.5 If an applicant/developer considers that the mandatory requirements of the Council's policy in respect of affordable housing cannot be met on a particular site, then any such representation must be justified in an evidenced and 'open-book' Viability Assessment and supporting statement, including all necessary information to demonstrate and justify residual values. These should be provided by the applicant/developer to the Council during the pre-application discussions. The Council will therefore need to receive all the required figures for the Viability Assessment, including a Residual Valuation prior to the application being validated for consideration. This will prevent unnecessary delays to applications being decided. If the application is submitted without a satisfactory Viability Assessment, then it is likely that the application will be recommended for refusal.

Step 3 – Open Book Approach with Eastbourne Borough Council

- 7.6 The 'open book' approach detailed above will allow any reduced or amended affordable housing contribution to be assessed and agreed prior to the submission of a formal planning application. In this way data which the applicant may regard as commercially sensitive will remain outside the public domain. This approach will also assist in the efficient consideration of the planning application.

- 7.7 If the Council is required to seek an opinion from an independent viability expert, then this cost will be borne by the applicant. A liability notice to pay the viability expert fees will be issued by the Council, from which there will be a four week period for the Council to receive payment from the applicant. If this payment is not received then the application cannot be progressed. The independent viability expert will consider the financial impact of the cost of the affordable housing on the overall viability of the development. In making this assessment, the viability expert will build in an assumed acceptable developer profit level. If the provision of affordable housing in line with the Council's policy is proven to affect the overall viability of the development, the viability expert will calculate the total viability shortfall cost: the additional sum required to make the development viable for the developer with on-site affordable housing provided.

Step 4 - Next Steps if the site is assessed as unviable

- 7.8 If it is agreed that the requirements of the Council's affordable housing policy will render a site unviable, the Council's Housing and Planning Officers will work with the applicant/developer until overall delivery is considered viable. The Council's general preferences, in line with the overall provisions of Policy D5, are set out in order of priority in paragraph 4.6. Listed below, in sequential order, are options the Council will work through with the applicant/developer on a site-by-site basis to ensure viability. This provides further elaboration of the options discussed in the Core Strategy:
- An amended mix of affordable tenures to deliver in full the required quota of affordable homes on the application site;
 - Delivery in full of the required quota of affordable homes on an alternative suitable and serviced site elsewhere within the Borough, completion of such homes to be achieved within a similar time line to that established for the affordable housing originally proposed for the application site;
 - A reduction in the number of affordable homes to be delivered on the application site;
 - Free serviced land, to provide sufficient land to provide in full the required quota of affordable homes, with full and unfettered ownership of the land transferred to the Council. In this instance, the Council would require the applicant/developer to either obtain planning permission on the land prior to transfer, or to demonstrate that the site is clearly developable and with no undue planning risk or abnormal development costs associated with it;
 - A commuted sum equivalent in value to the cost to the developer of on-site provision. All commuted sums collected by the Council will be used to

help deliver new and additional affordable housing. As stated above, commuted sums will need to be spent by the Council within 10 years from the date of payment;

- Support for an application to the HCA for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that HCA policy is not to award grant funding to schemes subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application;
 - An application to the Council for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that the Council does not award grant funding to developments subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application;
 - To abandon the requirement for affordable housing to be provided or funded as a consequence of the development. This option will not normally be considered unless there is clear, justifiable and independently verified evidence that none of the options detailed above are viable.
- 7.9 Applicants/developers should be aware that alternatives to on-site provision can only proceed with the agreement of the Council. Offers of alternative arrangements or provision will not automatically be accepted by the Council without working through the options in paragraph 7.8 above.

8.0 Delivery Organisations

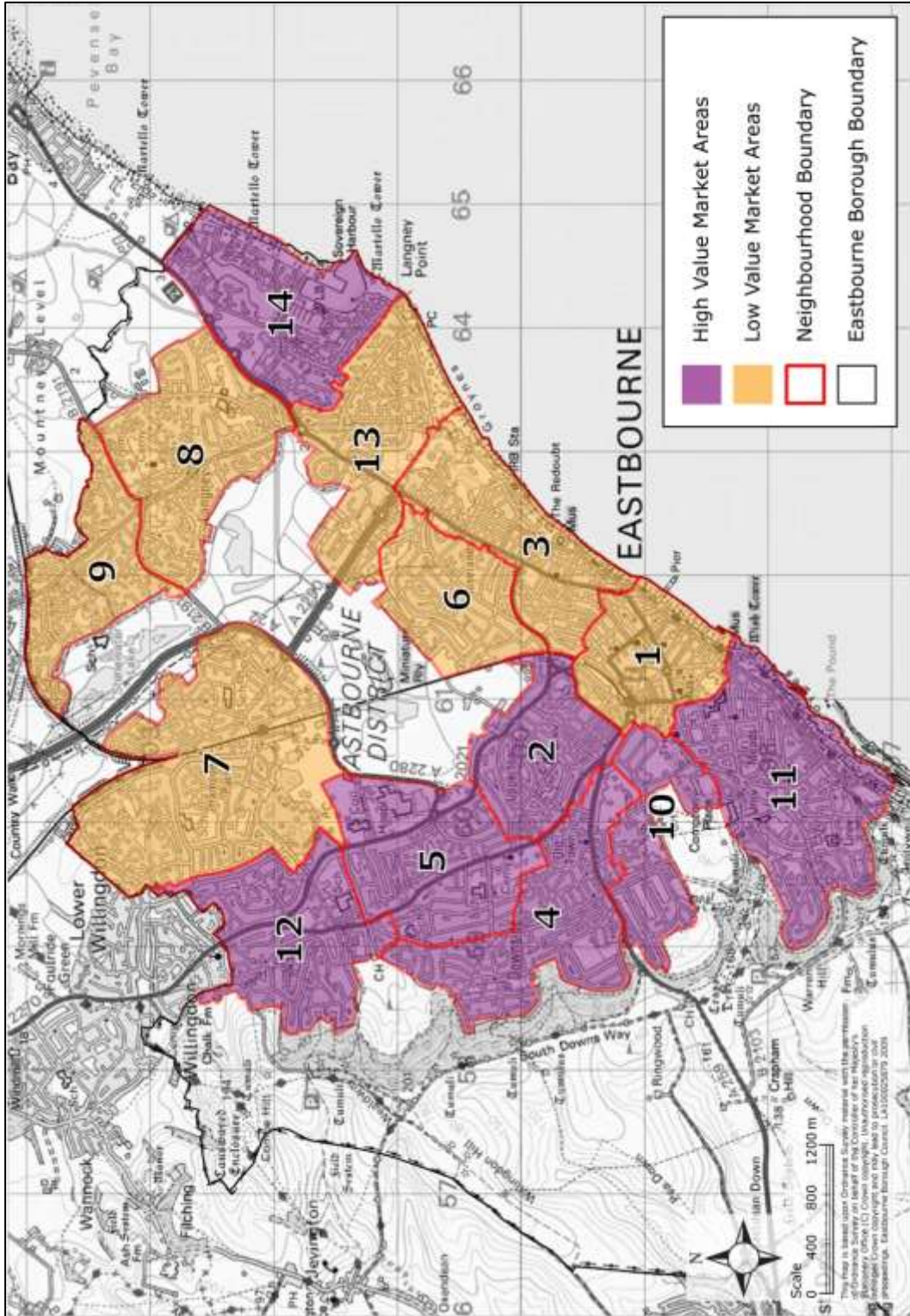
- 8.1 The Homes and Communities Agency (HCA) is responsible for registering and regulating providers of social housing. HCA maintain a Statutory Register of Providers of Social Housing (the register), which lists private (both not for profit and for profit) and local authority providers. HCA upload a monthly spreadsheet of current registered providers which lists the names, registration numbers, registered office addresses, type of provider, registration date and legal entity. HCA also publish a list of registrations and de-registrations to the register each month. The Registered Provider information is available from the [Homes and Communities Agency](#) website.
- 8.2 Eastbourne Borough Council is willing to work with housing providers which are not registered with HCA as well as those housing providers which are registered with HCA, in order to maximise the opportunities to provide affordable housing in Eastbourne Borough.
- 8.3 Support for a housing provider will be determined by the Council's Housing Officers with reference to the housing provider's approach to housing management and maintenance. Particular regard will be given to the relationship between the housing provider and the Council in terms of support for the Council's corporate and housing priorities. This includes such activities as estate and neighbourhood management, housing opportunities for homeless and other vulnerable clients, quality of property maintenance and participation in economic development initiatives.
- 8.4 Whilst Eastbourne Borough Council works with some affordable housing providers more frequently than others, the Council does not maintain a formal list of affordable housing preferred partners. However, the Council can provide a list containing a number of partners it has previously worked with which provide and manage homes, if requested. Developers would normally contact providers themselves in order to make the necessary arrangements.
- 8.5 In all instances, the Council will expect to be granted nomination rights to all tenures of affordable housing, to enable the Council to support those people registered on the Housing Register. The Council will make use of such nomination rights in line with its prevailing Allocations Policy. Further information relating to nominations is available from the Council's [Housing Allocation Policy](#) document.

9.0 Monitoring

- 9.1 Each year the Council prepares an Authority Monitoring Report (AMR), which is published on the Council's website on or before 31st December each year. One of the principal functions of the AMR is to monitor policies and report on their respective performances over the previous financial year. It reports progress on the policies and related targets in the Core Strategy and includes progress against any relevant targets and highlights any unintended significant effects of the implementation of the policies on social, environmental and economic objectives.
- 9.2 The Council will continue to carefully monitor housing delivery on a quarterly basis and will take appropriate action should the annual target not be realised. Annual Housing rates are published in the AMR each year.
- 9.3 In the event of a fall of 10 per cent or more in East Sussex average house prices (Land Registry House Price Index June 2011 baseline) the local planning authority will review the targets and thresholds of this policy guidance.

Appendices

Appendix A: Map showing High and Low Value Market Areas



Appendix B: Commuted Sum Methodology

Based on information provided by the District Valuation Service (DVS) January 2017

There are a number of methods to calculate the contributions required for part or whole units to be provided off site.

The three often used are:

- 1) Land Value provision – Assessment of the developer’s contribution expressed as land value after undertaking residual appraisals taking account of value less costs.
- 2) Revenue Gap – The Market value less the affordable housing revenue from the registered provider.
- 3) Build costs – Physical cost of provision.

Whilst other methods are used these are the three most common, and after discussions with the Council, the DVS are of the opinion that the Land Value method is the most applicable in the circumstances.

This assessment calculates the contributions required by assessing the average sales values of market housing and then deducting the development costs to show the residual land value required, which is then expressed as a commuted sum. The contribution is expressed per unit at a particular dwelling size and per sqm for each dwelling type.

Unit Types:

This Assessment has assumed the following unit types and areas:

Unit Type	Size (sqm)
Studio Flat	39
1 Bedroom Flat	50
2 Bedroom Flat	61
3 + Bedroom Flat	74
2 Bedroom House	79
3 Bedroom House	93
4 Bedroom House	106
5 + Bedroom House	119
1 Bedroom Bungalow	50
2 Bedroom Bungalow	70
3 Bedroom Bungalow	86

Market Sales Values:

DVS have undertaken detailed market sales research into the sales values achieved across all regions in the Borough and property types, and then averaged for the high and low value areas as defined. In addition DVS have averaged across the house types of terraced, semi-detached, town houses and detached.

The key sources for the research are DVS's own internal data base of property sales and other data available on the internet and from local knowledge.

From the research the following average market values have been adopted:

Property Type	Size (sqm)	High Value Area (£)	Low Value Area (£)
Studio flat	39	95,000	75,000
1 bedroom flat	50	165,000	125,000
2 bedroom flat	61	200,000	150,000
3+ bedroom flat	74	275,000	175,000
2 bedroom house	79	250,000	180,000
3 bedroom house	93	350,000	220,000
4 bedroom house	106	450,000	260,000
5+ bedroom house	119	575,000	320,000
1 bedroom bungalow	50	200,000	165,000
2 bedroom bungalow	70	275,000	220,000
3 bedroom bungalow	86	310,000	250,000

Development Costs:

DVS have assessed the average development costs per unit type taking account of their own experience and similar studies carried out in the region as follows:

- 1) Build Costs – BCIS median rates adjusted for location
 - a. Flats - £1,481 per sqm
 - b. Houses - £1,216 per sqm
 - c. Bungalows - £1,440 per sqm
 - d. Site and Infrastructure Costs – Flats 10%, Houses and Bungalows 15%
 - e. External Works – 5%
 - f. Contingencies and Insurances – 4.5%
 - g. Planning Fees - £500 per unit
 - h. Survey Costs - £500 per unit
- 2) Professional Fees – 8.00 %
- 3) Marketing and Sales Costs – 2% of sales value plus £600 per unit for legals
- 4) Finance Costs – 7% including arrangement fees

- 5) Land Costs – 1.75% fees etc plus holding cost of land for the development programme at 7%
- 6) Developers Profit – 17.5% on private

Contribution per sqm calculation:

This is calculated by dividing the Serviced plot value per unit for each type of dwelling in the Affordable Housing Commuted Sum Payment Table by the Unit size m² of the dwelling displayed in the Payment Table. This provides the contribution per sqm the Council expects to receive for each dwelling type, irrespective of the size of the dwelling. Applicants/developers should multiply the size of the dwelling which was scheduled to be built by the contribution per sqm for that particular dwelling type.

Summary:

DVS have determined to use the Land Value provision in determining the contributions required in lieu of a part of a unit on site or a contribution for a total off site provision if agreed.

The two value areas for the Borough have been predetermined as High Value Market Areas and Low Value Market Areas, which DVS have adopted and the property types have been agreed.

DVS have assessed the average market sales value for each property type for the two value areas.

DVS have also assessed all applicable development costs.

The result is a residual land value for each property type and then expressed as both a lump sum for a particular dwelling size and rate per sqm for each dwelling type.

Appendix C: Commuted Sums – Indicative Values

Eastbourne – High Value Area - 40% Affordable*

Commuted Sums	Studio Flat	1 Bed Flat	2 Bed Flat	3+ Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	74	79	93
For 0.5 units	£0	£13,447	£16,354	£31,623	£28,229	£53,152
1 unit	£0	£26,894	£32,708	£63,246	£56,457	£106,305
2 units	£0	£53,788	£65,416	£126,493	£112,914	£212,610
5 units	£0	£134,471	£163,541	£316,232	£282,285	£531,525
10 units	£0	£268,942	£327,082	£632,464	£564,570	£1,063,050

Commuted Sums	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
For 0.5 units	£78,809	£112,083	£25,137	£34,170	£28,250
1 unit	£157,618	£224,166	£50,273	£68,341	£56,499
2 units	£315,236	£448,331	£100,546	£136,681	£112,999
5 units	£788,091	£1,120,828	£251,366	£341,703	£282,496
10 units	£1,576,182	£2,241,656	£502,732	£683,406	£564,993

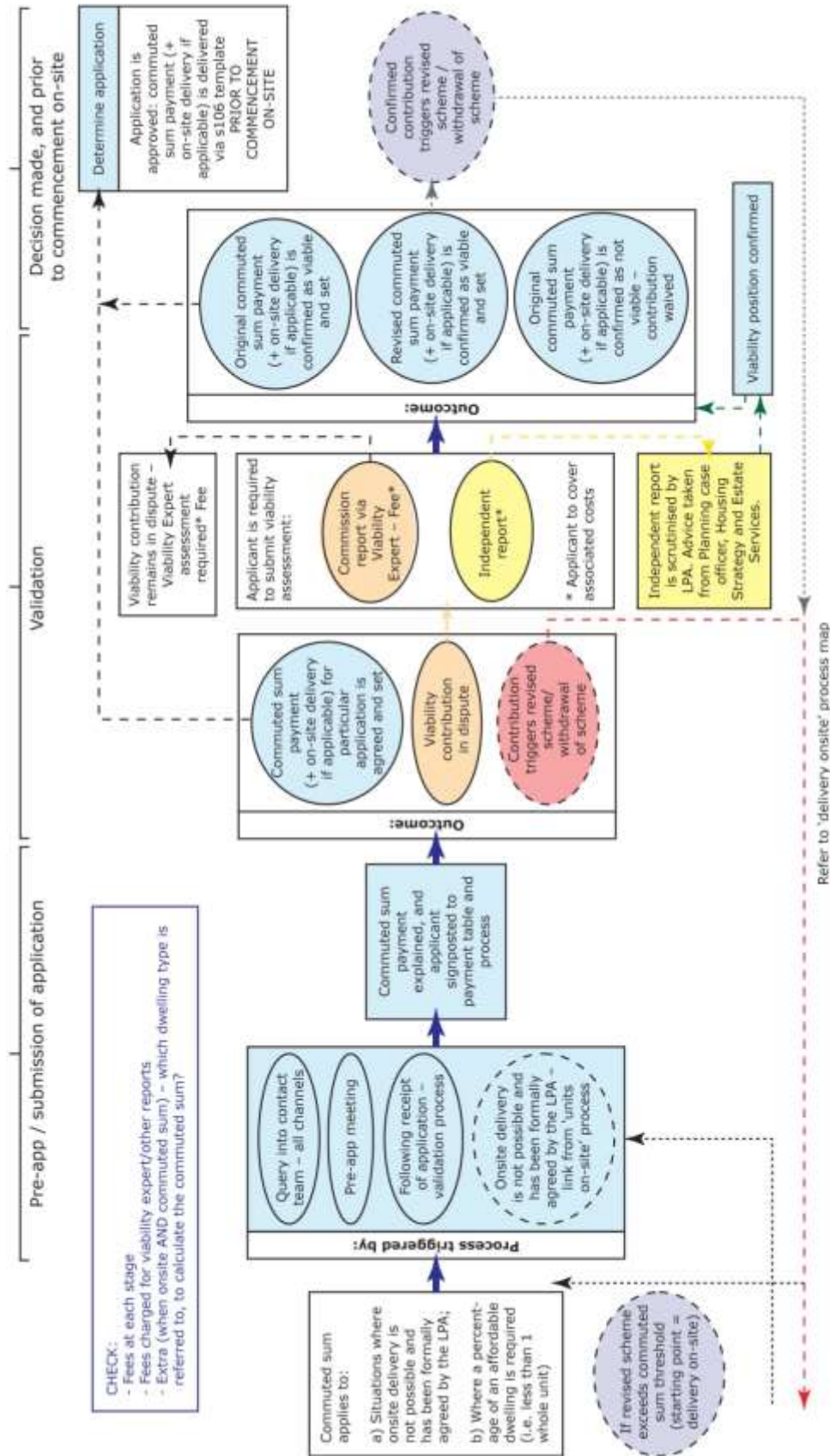
Eastbourne – Low Value Area - 30% Affordable*

Commuted Sums	Studio Flat	1 Bed Flat	2 Bed Flat	3+ Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	74	79	93
For 0.5 units	£0	£0	£0	£0	£3,602	£7,417
1 unit	£0	£0	£0	£0	£7,204	£14,835
2 units	£0	£0	£0	£0	£14,408	£29,669
5 units	£0	£0	£0	£0	£36,020	£74,173
10 units	£0	£0	£0	£0	£72,040	£148,347

Commuted Sums	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
For 0.5 units	£11,965	£22,371	£12,823	£14,821	£7,141
1 unit	£23,931	£44,743	£25,647	£29,642	£14,282
2 units	£47,862	£89,486	£51,293	£59,283	£28,564
5 units	£119,654	£223,715	£128,233	£148,208	£71,411
10 units	£239,308	£447,430	£256,465	£296,416	£142,822

*Commuted Sums based on *Unit Size - m²* provided in this table

Appendix D: Map of Affordable Housing Viability Contribution Process



Appendix E: Considerations for Residential Development Financial Viability Appraisals

VIABILITY ASSESSMENT TEMPLATE	
This template lists the variables that will be required by the applicant/developer to access in order to undertake a viability assessment of a residential scheme.	
Revenue	
Schedule of units and areas (GIAs)	Schedule of accommodation with the gross internal areas (GIA) of all units to be built expressed in sqmetres.
Private Values with evidence	Market Value of all units with supporting evidence.
Affordable Values with evidence	Affordable Values of all units with supporting evidence.
Ground Rent Value if any	Most flats are sold on a long lease with a ground rent payable, the value of which should be included.
Commercial Value with evidence if relevant	Market value of all commercial units with supporting evidence.
Gross Development Value (GDV)	The total Value of all units to be built as part of the scheme.
Development Costs	
Residual Land Value of the scheme; or	The value that the relevant scheme can afford to pay for the site; or
Market Value of the site	The Market Value of the site with supporting evidence.
Stamp Duty Land Tax and fees	All fees etc. paid on site acquisition including Stamp Duty Land Tax, agent and legal fees.
Construction costs including:	
Base Construction Costs	Build costs of all units assessed using BCIS rates, by a Quantity Surveyor or quotes received from a builder.

Externals	All external costs including access roads, landscaping services to the property etc.
Abnormals	Any additional cost including demolition, remediation, additional costs due to poor ground conditions etc.
Other Costs	Any other relevant costs incurred.
Contingency	A percentage uplift to cover any unforeseen build costs.
Professional and planning Fees	All planning fees paid to the local authority, planning consultants and fees paid to architects engineers etc in respect of design etc.
Section 106 Contributions/Community Infrastructure Levy (CIL)	Any section 106 or CIL financial contributions that are required for the scheme by the local authority.
Marketing Fees	Fees paid for marketing the units including brochures, advertising, show homes etc.
Sale Fees	Fees paid to agents and solicitors for the sale of the units.
Finance Costs including arrangement fees	Finance costs charged by a bank etc for borrowing the money in order to undertake the development. The finance should be calculated by means of a cash flow but a scheme programme is to be included to show build and sales periods.
Profit on Private and Affordable Housing	The required profit expressed as a % of the Gross Development Value (GDV) of the scheme to reflect the risk.

Reference should also be made to the Department for Communities and Local Government Viability webpage (March 2014): [Viability - GOV.UK](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/59282/viability-130314.pdf)

Appendix F: Other Key Policies, Documents and Sources of Information

Approved Documents (Building Regulations)

Department for Communities and Local Government (2016)

<https://www.gov.uk/government/collections/approved-documents>

National Planning Policy Framework

Department for Communities and Local Government (March 2012)

<https://www.gov.uk/guidance/national-planning-policy-framework>

Planning Portal

Further information regarding planning and building regulations, and planning applications is available from the Planning Portal

(<https://www.planningportal.co.uk/>)

Planning Practice Guidance

The Department for Communities and Local Government have published this web-based resource to bring together planning practice guidance for England.

<https://www.gov.uk/government/collections/planning-practice-guidance>

Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013)

Eastbourne Borough Council (2013) <http://www.eastbourne.gov.uk/corestrategy>

South Downs National Park Authority Local Plan

Information relating to the South Downs National Park Authority Local Plan can be found on the South Downs National Park Authority website

(<https://www.southdowns.gov.uk/planning/planning-policy/national-park-local-plan/>)

The Building Regulations 2010

<http://www.legislation.gov.uk/ukxi/2010/2214/contents/made>

The Homes and Communities Agency

The Homes and Communities Agency is responsible for increasing the number of new homes that are built in England including affordable homes and homes for market sale or rent, and for regulating social housing providers.

(<https://www.gov.uk/government/organisations/homes-and-communities-agency>)

Body:	Cabinet
Date:	24 May 2017
Subject:	"Stronger Together" Joint Transformation Programme Update
Report of:	Assistant Director for Business Transformation
Ward(s)	All
Purpose	To update Cabinet on the progress of the Joint Transformation Programme and key decisions taken by the Programme Board
Decision Type:	Key Decision
Recommendation:	It is recommended that Cabinet notes the delivery of Phase One of the programme and endorses the decisions made by the Programme Board.
Contact:	Henry Branson, Assistant Director for Business Transformation Tel: 01323 415155 or email henry.branson@eastbourne.gov.uk

1.0 Executive Summary

- 1.1 In May 2016 the Cabinets of Eastbourne and Lewes councils approved the Joint Transformation Programme ('the Programme') to deliver the majority of council services via shared teams adopting new ways of working.
- This is a major change programme for both councils and a significant contributor to our medium term financial strategy savings targets.
- 1.2 In October Cabinet approved the three phase delivery of the programme, with Phase One lasting from September 2016 to March 2017. This update outlines the progress made in delivering Phase One, looks ahead to the work happening in the next 4-6 months and outlines key decisions made by the Programme Board.
- 1.3 The Programme has a clear governance structure led by the Programme Board. The Programme Board meets bi-monthly and consists of the leaders and deputy leaders, the leaders of the main opposition groups, the Chief Executive and three other Corporate Management Team (CMT) members.

2.0 Programme Activity October 2016 – May 2017

2.1 Phase One

Phase One involved the design of and recruitment to new roles and teams in Strategy, Planning and Regeneration and Democratic Services, and new leadership and management roles in Service Delivery.

Formal consultation on the proposals with staff and Unison took place in January and February 2017. Consultation resulted in more than 500 pieces of feedback which were addressed through a series of face to face briefings

with staff and more than 70 published questions and answers. Staff and Unison views were listened to and changes were made to reflect these views in the second and third (and final) versions of the proposals.

The final Phase One structure consisted of 63 posts. The internal recruitment process ran from March to early May and 50 appointments were made. One post, the Head of Planning, was subject to an open recruitment process and an external candidate was selected. At the time of writing, 12 posts remain vacant and will be filled through external recruitment.

The savings target for Phase One was £1.05m across the two councils. Although the exact savings figure will not be established until the final vacant roles are recruited, we expect to slightly exceed the savings target for Phase One.

Support is also being provided to the new managers to transition from old teams to new teams. This transition process will last until June and involves a number of meetings and workshops, supported by tools to help plan and track the changes.

2.2 New Technology

To enable new joint teams to work effectively, it is essential that we provide the right technology to support them. At the start of the Programme, there were significant differences between the two councils' respective computer systems. The Programme consists of a number of projects to move the councils to a common set of technologies.

Good progress has been made on these key technology projects:

- **One Network**

A new joint network is an essential building block for the whole programme. It enables teams to communicate and joint software applications to be used. The new network is built and staff are now being moved over.

- **One Telephone System**

Lewes and Eastbourne are now on a single telephone system with staff able to login to phones on any desk in either of the councils' main offices. This involved a major system upgrade for Eastbourne and a whole system migration for Lewes. The project was delivered successfully working with local company Cavendish Communications and will deliver additional savings for the councils, as well as underpinning the joint customer contact team in Phase Two.

- **One Mobile**

Both councils have aging mobile phones and outdated management systems that do not meet modern security or functional standards. We have selected and installed a new joint system that will enable us to provide manage a wide range of devices for both staff and

councillors. New devices will be rolled out during May and June.

2.3 Since October the Programme Board has made a number of key decisions:

- **Branding**

The councils will maintain separate corporate brands based around their current logos for all separate and distinct services and communications. Shared public services will be delivered under a joint brand based on a revised version of the Customer First brand already known in Eastbourne, adapted to incorporate elements of Lewes visual identity.

- **Lewes-eastbourne.gov.uk**

Both councils will move over to a new joint domain, lewes-eastbourne.gov.uk, which is an essential foundation for the shared network. All staff will get a new lewes-eastbourne.gov.uk email address. Councillors will continue to use the email address that matches the specific council they represent (lewes.gov.uk or eastbourne.gov.uk).

- **New joint website**

A condition of the Cabinet Office granting permission for the use of the lewes-eastbourne.gov.uk domain was that the councils replace their two separate websites by a new, joint website at www.lewes-eastbourne.gov.uk. The Cabinet Office also imposed a tight deadline of Summer 2017 for delivery of this site, meaning that design decisions will need to be taken quickly, and it was agreed that the Board will sign off the new website design.

- **Joint committees**

Following a review of shared services governance at other councils by Improvement and Efficiency Social Enterprise (iESE), the Board authorised the development of terms of reference for two new joint committees:

- A joint committee for employment matters delegated from full Council
- A joint advisory committee concentrating on external facing regional development and growth.

The creation of these new committees will be subject of a report to meetings of both Full Councils.

3.0 Looking Ahead

3.1 The next update to Cabinet will be in Autumn 2017 after the completion of the Phase Two design but before recruitment has been done. Between now and then we will:

- Complete the transition process for the Phase One teams.
- Complete the initial design of the Service Delivery teams that form the focus of Phase Two, namely:

- Customer Contact and Neighbourhood Services
- Case, Account and Specialist Services
- Homes First
- Carry out a full consultation exercise with staff and Unison and publish a final set of proposals.
- Launch the new website – members should be aware that due to the Cabinet Office deadlines mentioned at paragraph 2.3, it will not be possible to complete all the work we would like to before the new site is launched. The behind-the-scenes work to join up systems and enable customers to do more online will not be complete until early 2018, so many of the planned new online facilities will not be live when the site launches. We will not have had the time to engage customers in detailed feedback sessions on new site designs, so customer engagement will take place through the Autumn and ideas for improvements will be taken forward after that.
- Complete the migration of all staff to the new network.
- Roll out new technology to councillors to support them to carry out their council work efficiently using their council email addresses.
- Deliver the revised joint Customer First brand.

4.0 Consultation

4.1 Staff and Union Consultation

As summarised at paragraph 2.1, we communicated with staff and staff representative groups throughout Phase One. This has been done both face to face and via email and Intranets.

The Joint Transformation Programme Consultative Forum will continue to meet on a bimonthly basis, involving a range of staff representatives including UNISON representatives.

Similar consultation processes will be used for Phase Two.

5.0 Equality and Diversity

5.1 The JTP Equality and Fairness Forum has been set up and equalities and fairness assessments have been started for the Programme.

6.0 Conclusion

The Programme is on budget and Phase One was delivered on time. The Phase One savings will be delivered. There are significant time pressures on the delivery of key technologies to support both Phase One teams and enable the development of joint business processes for the Phase Two teams. There will be a need to strictly prioritise delivery of the most important technologies and business processes that enable the new teams to go live in early 2018. We will then work to further improve and develop them through 2018 and 2019 to fully deliver the planned improvements and efficiencies.

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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