

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