

Agenda Item No: 9 **Report No:** 178/15
Report Title: Response to Petition – New Homes
Report To: Council **Date:** 9 December 2015
Cabinet Member: Cllr Ron Maskell
Ward(s) Affected: All
Report By: Gillian Marston, Director of Service Delivery
Contact Officer(s)-
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Purpose of Report:

To respond to the petition submitted to Council on 14 October 2015 regarding the proposed development of a number of Council-owned sites across the District as part of the New Homes project.

Officers Recommendation(s):

- 1 To note and debate the petition in line with the Council's petitions scheme.
- 2 To recommend that officers continue to proactively engage and consult with residents, businesses and other groups and stakeholders in the development of planning applications for the sites.
- 3 To recommend that the Council advertise through its own publications and the local media the opportunity for residents to formally comment on the planning applications once they are submitted and before they are determined.

Reasons for Recommendations

- 1 At the meeting on 14 October 2015, Council received a petition from Councillor O'Keeffe and Councillor Murray containing a combined total of over 1500 signatures. The petition stated:

"We the undersigned call upon Lewes District Council to halt the scheme which has recently come into the public domain to build on a number of community asset sites, and to look again at how to assist in the building of social and affordable housing in Lewes District in order to achieve this without depriving the community of many irreplaceable facilities (for instance car parks, a social

centre, open spaces, toilets and a household waste site) and fully including both local residents and ward councillors from across the whole district from the very start and in any and every new proposal”.

In light of the number of signatures and in accordance with the Council’s petitions scheme, it was agreed that the petition would be debated by the Council as an individual agenda item at the meeting of Council on 9 December 2015.

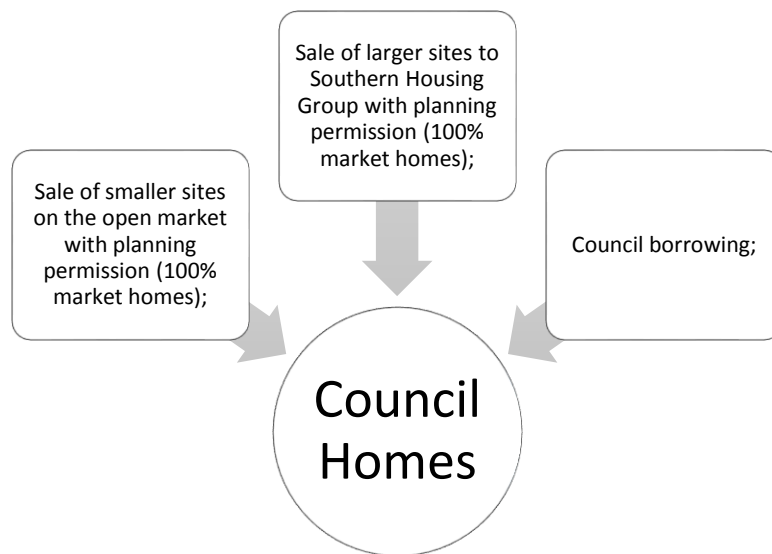
Information

2 The New Homes Project

- 2.1** The New Homes project has been developed in recognition that the Council can help address the housing crisis in the District and make the best use of its assets and build high quality Council homes funded through additional borrowing and sales of other assets. By undertaking a rigorous tender process for the development of a number of sites, the Council has committed to obtaining expertise and capacity from the private sector to deliver innovative, high quality and design-led housing.
- 2.2** Lewes District Council is a significant landowner locally. However, the Council does not have pockets of land suitable for development that have not already been developed for operational purposes, such as car parks. At the same time, the Council does not have the capacity to purchase land for development as one of the aims of the project is to maximise returns to the Council for reinvestment into affordable housing.
- 2.3** The sites to be proposed for development were identified through an asset challenge process, whereby the Council’s entire portfolio was assessed on a site-by-site basis that sought to determine the status of all property and sort into categories based on where efficiencies could be obtained. The categories (based on the action to be taken on a site) are as follows:
- (a)** Continued maintenance (maintaining the status quo as property is appropriate for current and future service needs);
 - (b)** Better utilisation (the opportunities for better property utilisation would be realised through a project);
 - (c)** Major investment (the future of the property has been determined and major works such as refurbishment and extension are required);
 - (d)** Long term development (retain property pending future sale for development); and
 - (e)** Surplus (dispose of property).
- 2.4** The sites selected for the New Homes project are those sites which are identified as surplus to the delivery of services, or those which could be

better utilised whether by the Council, or by the private sector, through major investment;

- 2.5** A May 2012 report to Cabinet (which in an exempt appendix included the list of sites to be considered part of the project) authorised the Council to proceed with a European tender process for the procurement of a development partner for the project. The Council wished to benefit from the expertise of the private sector, and in order to incentivise innovation and the disposal of sites which might otherwise be unattractive to developers, the Council needed to maintain the confidentiality of the list of sites during the negotiation of the contract. Once the contract had been awarded, the Council made the list of sites available to the public at the earliest opportunity;
- 2.6** The Council has undertaken the project in order to be able to build affordable homes for local people, to deliver market and affordable housing with a high standard of design, and to prioritise wider community and economic benefits to the towns and the District as a whole;
- 2.7** The structure of the project is as follows:



- 2.8** The Council has undertaken a programme of proactive community consultation prior to the submission of any planning application. Before the Council proposes to submit a planning application, it will have conducted three consultation events in each town where a major site is located. The Council has received over 1000 residents across all of these events;
- 2.9** 32000 leaflets have been distributed across the District, and specifically to communities in Peacehaven, Seaford, Newhaven, Lewes and East Chiltington, to advertise the consultation events in November and also

notify people of the website and email address where residents can find out more about the proposals and provide their feedback;

- 2.10** In addition to this officers have met with a variety of business, resident and community organisations such as the Seaford Seniors Forum, Lewes, Seaford and Newhaven Chambers of Commerce,
- 2.11** All sites will be subject to the statutory and usual planning process which will include opportunities for residents and businesses to comment on the proposals;
- 2.12** As part of the consultation process, the Council has become aware of a number of resident concerns and is committed to addressing these in conjunction with local stakeholders. Proposals include:
- (a)** At the Buckle site, the Council is addressing any potential impact from the loss of car parking and toilet facilities. We have identified possible alternative sites where new and improved toilet facilities could be located. We have also discussed with residents at the most recent consultation event proposals for the location of alternative car parking facilities, the extent of which will be determined by the outcome of a parking study conducted by specialist consultants;
 - (b)** At the Christie Road site (the location of the St. Mary's Social Centre) the Council has met with the Trustees and has agreed that proposals for the site will be developed in conjunction with users of the Social Centre in order to ensure that the development can be undertaken with a minimum of disruption to the functioning of the centre. The Council agreed in July 2013 (prior to the finalisation of the development agreement relating to the sites) that the Council would make it a requirement of any contract relating to the site that the Social Centre should be retained and that any development would seek to minimise disruption to the functioning of the Social Centre. In recognition of this, the Council has committed to only proceeding with development at the site where disruption can be minimised to an acceptable level, with the Trustees determining what is an acceptable level of disruption;
 - (c)** At Meeching Down, the Council is proposing to build on 25% of the overall site, and has committed to covenanting and devolving the land to the Town Council should the development of affordable housing receive planning permission and should Newhaven Town Council wish to take the remaining land. The Council has also agreed to invest in the remaining open space to reduce impact on the ecology at the site, and to ensure that the site is accessible for the community for the future;
 - (d)** The Council has yet to undertake site, ground and other investigations at the Ham Lane site (where a household waste site is currently maintained by East Sussex County Council). The Council has made East Sussex aware of the proposals to develop

the site, and will work proactively with the Council to ensure the availability of recycling services to local residents is maintained if and when the site is developed. The Council is also amending its own waste and recycling service in order to make it easier for residents to recycle more at the kerbside;

- (e) In recognition that there is currently no affordable housing proposed for sites within Peacehaven and Seaford, the Council has committed to prioritising households on the housing register from Seaford, Peacehaven and Newhaven (as part of a local lettings policy) when allocating homes constructed as a result of the New Homes project;
- (f) The Council expects there will be a degree of churn in existing Council-owned housing in Seaford and Peacehaven as a result of this project, as people currently in unsuitable housing (such as under-occupying) will be able to move, therefore the Council expects residents of these towns to benefit indirectly also.

The Local Context

- 2.13** Residents within Lewes District have vastly different experiences of finding decent, affordable and secure homes. The Council is committed to increasing affordable housing alongside looking at its current asset base to deliver value for money for residents.
- 2.14** There are approximately 1,700 people on the Housing Register and this number is forecast to grow by 549 per year at the same time as only 244 homes become available. The Council's current mix of housing stock does not meet the demand for one and two bedroom homes and the lack of availability means that the Council cannot offer housing within the short term to anyone but those in the most difficult circumstances. The Council currently also has 53 families placed in temporary accommodation waiting to be permanently housed.

The National Context

- 2.15** On the 13 October, the Government published the Housing and Planning Bill. It is expected to receive Royal Assent in April 2016. Proposals in the Bill include:
 - (a) Introducing starter homes (homes sold at a discount of at least 20% of market value with a cap of £250,000, with a requirement for the homes to remain affordable for 5 years) as part of the definition of affordable housing, and creating a legal duty on local planning authorities to promote the supply of starter homes;
 - (b) Creating Permissions in Principle (PiPs) for brownfield sites deemed suitable for housing development where they are identified within a Strategic Housing Land Availability Assessment (SHLAA);

- (c) Introducing a requirement for all local authorities to identify their high-value vacant housing and make a payment to the Department for Communities and Local Government based on the market value of the property, incentivising the local authority to sell these properties. These funds will be distributed by the Government to housing associations to fund the construction of new affordable housing;

2.16 The potential implications for Lewes District Council and the housing supply in the wider District have been initially identified as follows:

- (a) The introduction of starter homes within the definition of affordable housing will likely mean that less affordable rent and shared ownership properties will become available;
- (b) The cap on the cost of starter homes may mean that they can only be delivered in certain parts of the District, where the housing market is more suppressed. For example, to qualify as a starter home in Lewes town it is likely that the homes will need to be restricted to 1-bed flats in order to avoid exceeding the £250,000 cap;
- (c) The requirement to transfer the receipts of the sale of high-value housing stock to the government will likely mean that there will be a reduction in the amount of money available for the Council to spend on its own housing delivery projects;
- (d) Shelter¹ estimate that the requirement to sell high-value properties will have particular impact on the availability of specialist housing stock including rural affordable homes and those adapted for people with access needs. These homes, due to their location or the investment into their adaptation, are likely to have higher market value and are therefore more likely to be identified as stock to be sold;
- (e) The Council has obligations to support homeless households. Levels of homelessness have been increasing since 2011 and in particular homelessness resulting from the ending of a private tenancy. As the availability of private rented sector property diminishes and the number of Council-owned homes diminishes, the number of households applying for support under the Councils statutory homelessness obligations will increase, and will increase the associated costs of housing these families in temporary or emergency accommodation.

2.17 The national context means that there will likely be significantly less affordable housing for rent coming forward, and the Council will have less funds available to deliver similar housing for its own stock. The Council through the New Homes project has anticipated these changes

¹ Shelter

(http://england.shelter.org.uk/_data/assets/pdf_file/0010/1187047/7862_Council_House_Sales_Briefing_v3_FINAL.pdf?_ga=1.153760636.57179064.1444116499), September 2015

by using high value assets to fund the building of affordable homes. In the future this may not be an option as it is intended that the Council transfers the funds representing the Council's high-value assets to the Government to fund the construction of affordable homes by Housing Associations. These proposals are currently being debated in Parliament as part of the Housing and Planning Bill (which is expected to receive Royal Assent in April 2016);

2.18 The Council has received funds from the Homes and Communities Agency (HCA) to deliver 50 units of affordable, Council-owned housing as part of this project.

2.19 Shelter estimate that over the next five years there will be 180,000 fewer low rent homes available² (as they have either been sold or not built). The New Homes project is a unique opportunity to deliver affordable homes for rent in the District, particularly in light of the future landscape of incentives and funding for affordable housing.

Financial Appraisal

3 There are no financial implications arising as a result of this report. Any potential financial implications will be considered if and when the matter is considered by Cabinet.

Legal Implications

4 The Legal Services Department has made the following comments:

4.1 The Council has signed an agreement to proceed with development of planning applications, and sell sites if and when an acceptable planning permission is achieved on a site-by-site basis.

4.2 The Council has undertaken significant consultation with residents and local stakeholder groups in order to reduce the impact from the development of sites, and to ensure they can be developed with the highest level of sensitivity to residents. This consultation is within the context of the agreement that these sites have the potential to be developed, and the Council wishes to proceed with the development of planning applications in order to achieve the construction of more Council-owned, affordable housing for the District;

4.3 Were the Council to halt the development of planning applications for all sites in order to consult on the inclusion of sites within the project, this would constitute a breach of the contract. If the Council then proceeded to endeavour to remove sites from the project, outside of the scope of the provisions set out in the contract, the Council could expect a legal

² <http://blog.shlter.org.uk/2015/10/the-loss-of-our-low-rent-homes/>

claim for breach of contract from both Karis and Southern Housing Group Limited.

4.4 The principal legal remedy for breach of contract is an award of damages (i.e. financial compensation). Damages in contract can seek to put the party in the position of either (not both):

- (a)** The successful performance of the contract, for example compensation based on loss of profit; or
- (b)** The non-existence of the contract, for example compensation based on expenses incurred and losses suffered in reliance on the contract.

4.5 Costs recoverable by the other parties to the consortium could include any expenditure by them on solicitors and other legal costs, architect and consultant fees and any other fees incurred in developing planning applications, and potentially the costs of other wasted staff and management time;

4.6 The Council has not made any assessment as to the amount of compensation which would be claimed if the Council were to breach the contract in relation to individual or multiple sites. It would be a significant sum, and this would be in addition to the sums the Council itself has expended in the development of planning applications in reliance on the contract.

Risk Management Implications

5 The key risks are set out in paragraphs 4.4 to 4.6 of this report.

Equality Screening

6 Please see Appendix A.

Background Papers

7

7.1 http://england.shelter.org.uk/_data/assets/pdf_file/0010/1187047/7862_Council_House_Sales_Briefing_v3_FINAL.pdf?_ga=1.153760636.57179064.1444116499), September 2015

7.2 <http://blog.shlter.org.uk/2015/10/the-loss-of-our-low-rent-homes/>

Appendices

8 Appendix A Equality Impact Assessment

Appendix A: Equality Analysis Report Template

Title:	Response to Petition: New Homes
EA Lead :	Bee Lewis, Head of Property and Facilities
EA Team:	
Date Commenced:	16 November 2015
Target Completion Date:	18 November 2015
Reason for assessment:	Report to Council

Context and Scope

1. What are the main purposes and aims of the service/project/decision?

To assess the equalities impact of the recommendations within the report to Council concerning the New Homes project.

2. What effect does it have on how other organisations operate and what commitments of resources are involved?

The recommendations, if approved, will enable the delivery of affordable housing for households on the Council's housing waiting list.

3. How does it relate to the demographics and needs of the local community?

Purchasing or renting a home has become unaffordable for a significantly larger number of residents over the previous decade. The average sale price for a home in the District is 65% higher than the national average. The ratio of average wage to average purchase price has more than doubled since 1997 in the District. The average rent is now £1080 per month, whereas the Local Housing Allowance (LHA) for a 2-bedroom property is set at £769.92. Those who privately rent homes rather than own or rent from social landlords (including the Council) pay a significantly higher proportion of their income on rent – 41% as opposed to 19% for social tenants and 19% for owner-occupiers.

This has a particular impact on younger and lower income households, as increasing rent levels and stagnating wages means that it takes longer and longer to save sufficient amounts for a deposit on a home. Shelter estimate that it would take an average household 17.3 years to save enough to buy a first home in Lewes District. This is 5 years more than the national average.

A lack of homes for sale or for rent in the District is exacerbating this problem. There are approximately 1700 households on the Council's housing register and this number is expected to increase by 549 per year at the same time as only 244 homes become available. The Council's current mix of housing stock does not meet the demand for 1 and 2 bedroom homes and the lack of availability means that the Council cannot offer housing within the short term to anyone but those in the most difficult circumstances. This also means that there are households who are occupying unsuitable homes – overcrowded, under-occupied, unsuitable for their access needs – for extended periods and this may have financial implications for low-income households if they are under-occupying.

This project aims to construct new affordable housing, in the majority 1 and 2 bedroom homes, with at least 10% being wheelchair specialised homes. In addition to the new households that will benefit from the high-quality homes built as a result of this project, the Council expects a number of homes in our existing stock to be released that will create more movement and flexibility within the Council's housing system.

4. How does it relate to the local and national political context?

In response to the local and national pressures, the Council recognises that the New Homes is an opportunity to close the gap between the current level of housing provision and the anticipated need, through more efficient stewardship of its assets. In addition to this, as the focus and incentives to build housing from national government changes, the Council regards this as a singular opportunity to deliver high-quality, affordable homes for rent in the District in a fiscally neutral manner for the authority.

In addition to this, Government is encouraging all public sector authorities to assess their land holdings, and release or develop these sites where appropriate. In particular the Government is prioritising development of brownfield land.

5. Is there any obvious impact on particular equality groups?

	Race (includes ethnic or national origins, colour, & nationality)			Disability (includes mental & physical)			Gender (includes gender reassignment)			Pregnancy (includes maternity & paternity)			Sexual Orientation (includes heterosexual, homosexual & bisexual)			Religion & Belief (includes all faiths, beliefs & agnostic)			Age (includes all age groups)		
Impact	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None
Tick if relevant				x						x									x		

6. How does it help to us meet our general duties under the Equality Act 2010?

The New Homes project aims to deliver affordable housing across Lewes District in line with current Housing Needs and Allocations policies. The policies do not discriminate against any people with protected characteristics.

7. What is the scope of this analysis?

Adopting the recommendations would lead to positive impacts for people with protected characteristics, in particular disability, pregnancy and age. It will also deliver economic support and stability for people on low incomes.

In addition to this, the Council has engaged proactively as part of the consultation on this project with groups representing protected groups such as Seaford Seniors Forum in order to ascertain their views and endeavour to respond to their concerns. As part of these discussions the Council has made a number of amendments to the proposals for both market and affordable housing including amending proposals for accessible toilet facilities near the Buckle car park.

The Council will continue to work with these groups to ensure the proposals for housing in this project reach the highest standards of accessibility and deliver tangible financial and quality-of-life benefits for a range of residents in the District.

Information gathering and research

8. What existing information and data was obtained and considered in the assessment?

Housing Strategy 2012-16
Choice-Based Lettings Allocation Policy
Homelessness Strategy 2008-2013
Older Persons Strategy 2011-15
Tenancy Strategy
Housing Needs Assessment

9. What gaps in information were identified and what action was undertaken/is planned to address them?

None identified – consultation with groups is ongoing;

10. What communities and groups have been involved and what consultation has taken place as part of this assessment?

A number of community consultation events have taken place (Peacehaven, East Chiltington, Lewes, Newhaven and Seaford). More are planned prior to any planning application submissions. Additionally, officers are meeting with local stakeholder groups such as Sussex Wildlife Trust, Seaford Seniors Forum and others. There is extensive information on the Council's website relating to the scheme and people are encouraged to write in to share their thoughts and concerns. Homes in the area have been leafleted and there has also been considerable press coverage.

Analysis and assessment

11. What were the main findings, trends and themes from the research and consultation undertaken?

There are concerns from the community that development of sites within the New Homes project will result in the loss of facilities that some stakeholders regard as important to the functioning of local communities. This includes (but is not limited to):

- Loss of amenity open space at Meeching Down;
- Loss of parking and toilet facilities at the Buckle;
- Loss of car parking at the Steyning Avenue site;
- Loss of recycling facilities at the Ham Lane site;
- Loss of toilet facilities at Western Rd.

The Council recognises these concerns, but in the light of the real and significant housing need in the District, believes it can achieve a mitigation of the impact of the loss of these facilities (with a minimisation of disruption to local residents being the desired outcome) and deliver much-needed new housing. Proposals for the mitigation of these issues on a site-by-site basis is being developed, but general information is available on our website.

12. What positive outcomes were identified?

In general residents acknowledge the need for more housing and the aim of the New Homes project to deliver affordable housing. The Council believes that in some cases on sites in the District, superior provision of facilities can be achieved, for example the proposed replacement toilets close to the Buckle will be higher quality, more accessible and will attract visitors to that end of the beach and local businesses. In addition to this the Council is achieving this project without significant changes to its own service provision, and alongside a rationalisation of its property assets that will enable it to more efficiently deliver services in the future (for example releasing the site at Robinson Road through moving the depot will enable the Council to prepare to potentially deliver commercial services from this site in accordance with the new waste and refuse strategy).

13. What negative outcomes were identified?

It may not be possible for the Council in all cases to deliver a like-for-like replacement of facilities due to financial or logistical restrictions. As identified above, in these cases the Council will aim to minimise the disruption to residents, and to this end we have undertaken a number of studies using expert consultants to understand usage (parking at the Buckle and Peacehaven sites) and impact on ecology (Meeching Down). The Council has utilised these studies to better understand the minimum provision that would be required to ensure that existing residents quality of life is maintained, although the Council will endeavor to exceed this minimum level where possible.

Action planning

14. The following specific actions have been identified: *(see paragraph 25 of the guidance)*

Issue Identified	Action Required	Lead Officer	Required Resources	Target Date	Measure of Success
Please see the body of the report for recommendations					

Summary Statement


Between *(insert start date)* and *(insert end date)* Equality Analysis was undertaken by *(insert Lead Officer)* on the *(insert strategy, policy, service, decision, action, project or procedure)*.

Due regard was given to the general equalities duties and to the likely impact of the policy/service/decision/project* on people with protected characteristics, as set out in the Equality Act 2010.

The assessment identified:

*No major changes are required. The EA demonstrates the service/policy/decision/project is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

Approval

Director/Head of Service	Gillian Marston
Signed	
Dated	24 th November 2015