Introduction

There is an on-going need to provide affordable housing in Eastbourne due to increasing unaffordability of housing as prices continue to rise, meaning market housing remains unaffordable for a significant proportion of households.

The main way that new affordable housing is delivery is through contributions from developers. 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.

Eastbourne Borough Council are preparing a new Affordable Housing Supplementary Planning Document (SPD) to guide applicants and developers on how, when and in what form affordable housing contributions will be sort in new development.

The draft Affordable Housing SPD has been published for consultation for an 8 week period between 26th May and 21st July for the local community and other interested parties to make comments. The consultation can be accessed via www.eastbourne.gov.uk/spd.

This document summarises the Affordable Housing SPD and should take approximately 10 minutes to read. The full version of the SPD can be viewed via www.eastbourne.gov.uk/spd.
Planning Policy

A Supplementary Planning Document (SPD) provides additional detail on the implementation of a planning policy contained within a Local Plan. The Local Plan policy relating to affordable housing is Policy D5: Housing from the Eastbourne Core Strategy Local Plan 2006-2027, which adopted 2013.

Policy D5 requires that affordable housing contributions should be made on any development that involves a net gain of 1 or more residential units. In order to recognise varying market conditions across the town, Eastbourne’s neighbourhoods are either designated as ‘High Value’ areas or ‘Low Value’ areas, which reflects disparity between house prices across the town and impacts on the viability of development.

Within ‘High Value’ areas, a 40% affordable housing requirement will apply. Within ‘Low Value’ areas, the requirement is 30%. The level of contribution represents a starting point that can be negotiated if evidence can prove it would make development unviable. The strong presumption is that the affordable housing contribution will be delivered as residential units on-site, unless the alternatives of off-site provision, free serviced land or a financial contribution (commuted sum) in lieu of on-site provision can be robustly justified.

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 Guidance\(^1\). This means that affordable housing contributions will now only be sought of developments of 11 units or more.

The affordable housing contribution will usually be secured by Section 106 agreement. 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.

Financial Contributions

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 a financial contribution in the form of a commuted sum payment will be considered. The SPD sets out how commuted sums will be calculated.

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.

\(^1\) [https://www.gov.uk/guidance/planning-obligations](https://www.gov.uk/guidance/planning-obligations) (Paragraph: 031, Reference ID: 23b-031-20161116)
This is used to calculate what total financial contribution is required towards affordable housing.

In the ‘Low Value’ Market Areas, the affordable housing requirement may result in a development that is unviable for some types of residential development. Where the commuted sum payment table 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.

Planning Application Process

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.

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.

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.

The steps in seeking and agreeing affordable housing contributions are set out below:

**Step 1 – Pre-application discussions**

The Council encourages all applicants to undertake pre-application discussions with the Council 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.

Step 2 – Financial viability assessment of the development

The Council recommends that applicants use an independent viability expert to assist in assessing the viability of the proposed development. Should any such viability assessment assert that a development is unviable, the Council will, if necessary, commission their own viability expert to scrutinise the assessment, with the cost of any such assessment being paid by the applicant.

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, which should be provided during pre-application discussions.

Step 3 – Open Book Approach with Eastbourne Borough Council

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.

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

If it is agreed that the requirements of the Council’s affordable housing policy will render a site unviable, the Council will work with the applicant until overall delivery is considered viable. The basic options for addressing the affordable housing contribution, listed in order of preference, are as follows:

- Change the mix of affordable tenures in order to deliver the full requirement of affordable housing
- Delivery the full requirement of affordable housing on an alternative site within the Borough
- Reduce the number of affordable housing on-site
- The provision of free serviced land sufficient to deliver the full requirement of affordable housing
- The payment of a commuted sum equivalent in value to the cost of full on-site provision, to be used by the Council to deliver affordable housing elsewhere
**Expected Standards**

It is expected that any affordable housing provided will meet the nationally prescribed space standards set out in the DCLG’s Technical Housing Standards document\(^2\).

Development schemes should be designed with a view to reducing any ongoing management, maintenance and repair costs, and should also make use of good quality materials. The Council requires all affordable homes to be built to Level 2 of the Accessibility Standard\(^3\), and in all cases to comply with requirement M4(2) of Approved Document M: access to and use of buildings, volume 1: dwellings\(^4\).

**Delivery**

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.

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.

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\(^2\) DCLG (March 2015) Technical housing standards – nationally described space standard (p5)

\(^3\) DCLG (August 2013) Housing Standards Review: Illustrative Technical Standards Developed by the Working Groups.

\(^4\) DCLG (March 2016) Approved Document M: access to and use of buildings, volume 1: dwellings.