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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*

Commuted 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

Commuted 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

Commuted 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*

Commuted 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

Commuted 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

Commuted 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

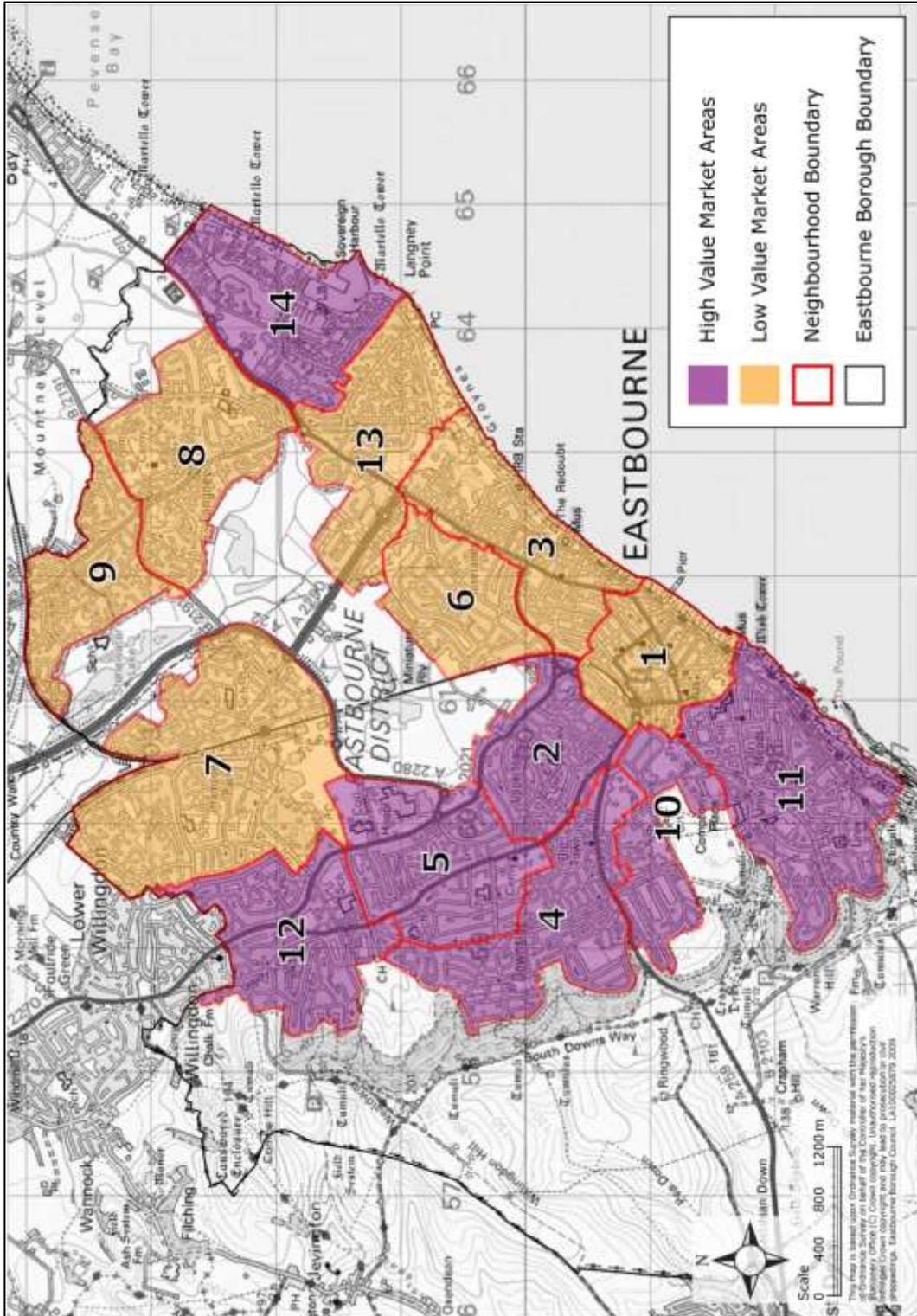
- 8.1 The Homes and Communities Agency (HCA) is responsible for registering and regulating providers of social housing. HCA maintain a Statutory Register of Providers of Social Housing (the register), which lists private (both not for profit and for profit) and local authority providers. HCA upload a 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

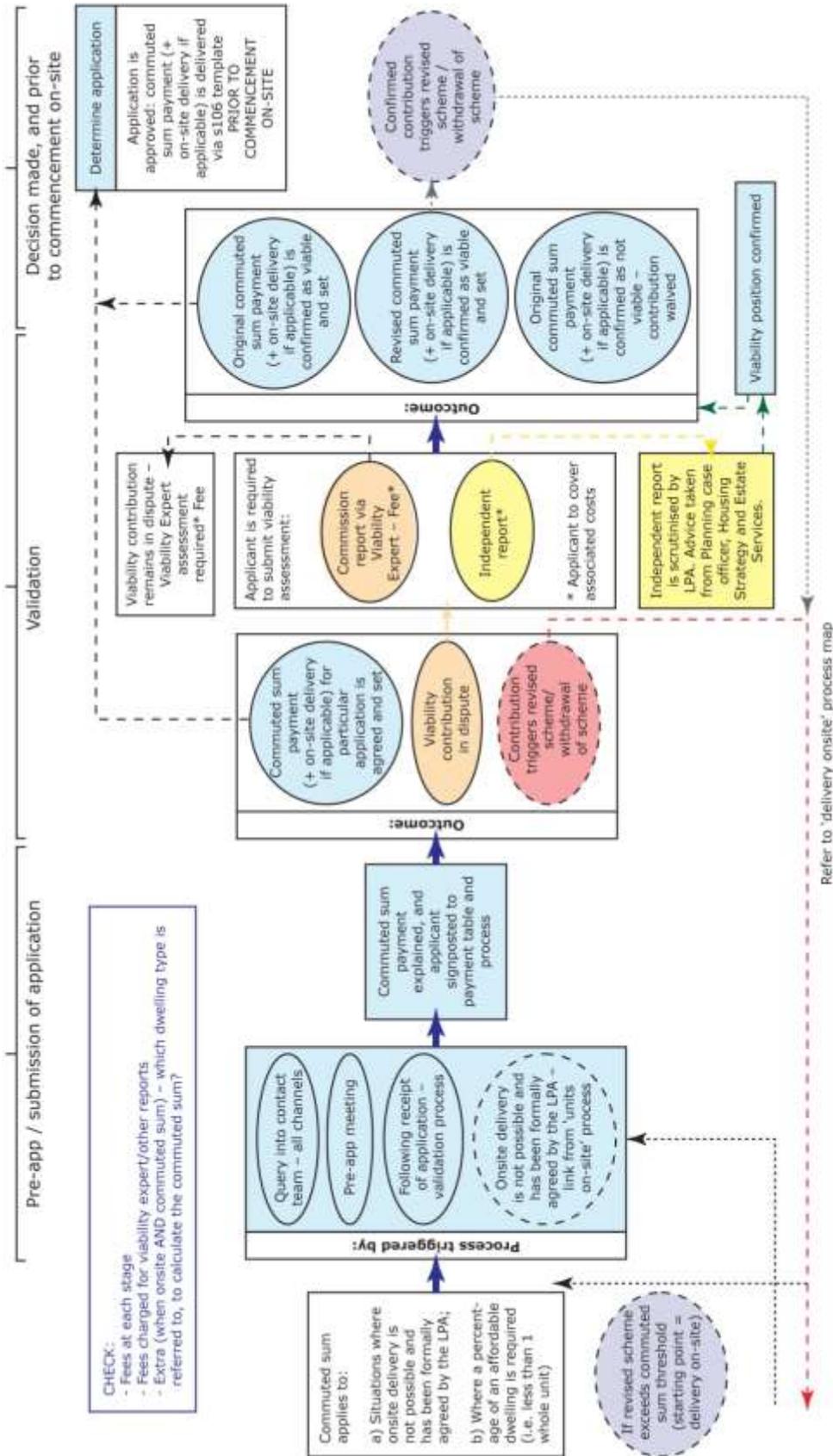
Eastbourne – Low Value Area - 30% Affordable*

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/58222/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>)