

Report to	<b>Cabinet</b>
Date	<b>5 July 2010</b>
Report By	<b>Chief Executive</b>
Title of Report	<b>Single Conversation – East Sussex Local Investment Plan for Housing</b>
Purpose of Report	<b>To seek Cabinet agreement to the broad content of the East Sussex Local Investment Plan for housing and the proposed process and timetable for its completion.</b>

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## **RECOMMENDATIONS:**

**The Cabinet is recommended to:**

- 1. approve the key elements of the East Sussex Local Investment Plan and the proposed process and timescale for its completion; and**
  - 2. delegate authority to the Chief Executive, in consultation with the Leader of the Council, to agree the final content of the Local Investment Plan prior to the proposed sign off with the Homes and Community Agency.**
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### **1. Financial Appraisal**

1.1 The Homes and Communities Agency (HCA), which distributes government funds for the provision of affordable housing, will have invested a total of over £85M in housing projects in East Sussex over the period 2008-2011.

1.2 In future, the East Sussex Local Investment Plan (LIP) and its associated Local Investment Agreement will provide a framework by which the HCA will direct central government capital funding for housing to East Sussex through the Single Conversation. Initially, this will encompass existing HCA programmes such as the National Affordable Housing Programme which funds housing association and other registered housing provider developments, the 'Kickstart' programme aimed at moving forward stalled housing sites and Local Authority New Build Housing Programmes. It is also possible that in future it may encompass other housing programmes such as the Private Sector Housing Improvement programme, e.g. BEST (Brighton & East Sussex Together) currently administered by the Regional Housing Board, although this is as yet unconfirmed.

1.3 The Investment Plan is not a bidding document but will be used to ensure that HCA programmes take account of local priorities; including the need to support the economy, regeneration, employment, etc. The Plan will be used alongside 'value for money' judgements and national and regional priorities to help inform their investment decisions.

1.4 A project officer has been seconded to this work and is being funded as a partnership between all East Sussex authorities. The County Council's contribution is being met from existing resources. A specific grant has been paid by CLG to cover the cost of this post for 2010-11.

### **2. Background**

2.1 The Single Conversation is the HCA business process through which the HCA, local authorities and other key partners will develop a Local investment Plan and Local Investment

Agreement for East Sussex to help determine key areas for potential housing investment. The intention is to reach a shared view regarding future investment priorities for East Sussex and to enable the HCA to plan investment more strategically across the area. Following the adoption of the LIP, a Local Investment Agreement in the form of a memorandum of understanding will be agreed, which will set out the HCA's proposed investment in the area over the next 3 years with effect from 2011/12.

### **3. Development of the East Sussex Local Investment Plan**

3.1 The HCA have identified East Sussex as an area considered to be advanced in relation to its housing partnership arrangements and well placed therefore to have a LIP concluded ahead of other areas within the South East. Their original expectation was for the LIP to be a forward looking document that takes full account of investment priorities over a 10-15 year period and they felt this could be agreed by summer 2010.

3.2 This was considered challenging for a number of reasons. The most important being a desire to ensure that the LIP was aligned with other key strategic documents currently under development across the county, most notably Local Development Frameworks, the Economic Assessment and East Sussex Economic Strategy and the Local Transport Plan 3. Following the HCA Single Conversation inception meeting and subsequent discussions, a proposed way forward has been agreed with the HCA that focuses the initial LIP on a shorter and more clearly defined planning period of 3 years, with a planned refresh to follow at later date identifying longer term investment needs.

3.3 Key strategic objectives countywide are that new housing provision, including affordable housing, supports economic growth, helps achieve regeneration, tackles deprivation and contributes to meeting strategic infrastructure needs. Significantly for ESCC, specific housing capital investment directed at vulnerable groups including the frail elderly or those with learning disabilities, can be more easily matched to identified needs and known revenue streams.

3.4 It is proposed therefore that a draft LIP is prepared for consideration and sign off at the meeting of East Sussex Joint Leaders & Chief Executives Group on July 23rd 2010. The LIP will consist of a short narrative summary of the strategic priorities taking its lead from Pride of Place and supporting strategies. It will be accompanied by a site allocation and programme plan identifying the housing investment required for delivery of those priorities over the period 2011-14. The key elements proposed for inclusion in the LIP are summarised at Appendix 1.

3.5 This timescale for preparing and agreeing the LIP is still considered challenging but achievable. In order to meet this timescale it is considered desirable that Cabinet delegate authority to agree the final content of the LIP, to the Chief Executive in consultation with the Leader, so as to maximise the amount of time available for discussion with partners.

3.6 Completing the LIP by July should put East Sussex in a strong position in terms of making the case to the HCA for future housing investment in the county over the next 3-year period framed by the 2010/11 Comprehensive Spending Review (CSR). However, it should be noted that the LIP is intended to provide a framework that will seek to shape future HCA investment in East Sussex; it will not however, seek to arrange funding priorities in terms of an absolute hierarchy of sites or programmes. Specific funding proposals will be considered post the Autumn CSR and will form part of the Local Investment Agreement (LIA) to be concluded by March 2011. The LIP and LIA are about future years funding and therefore not directly affected by 2010/11 in year Government budget reductions that have affected the HCA capital programme and their running costs. Further budget reductions in this area cannot be ruled out as part of the CSR which means competition for resources can only increase. Given the recognised need to maximise inward investment for housing and associated infrastructure in East Sussex, it is in our interest that the HCA are able to identify

and take full account of our investment needs with Treasury at the earliest opportunity during this challenging period.

3.7 The LIP and appendices are currently under development and are lengthy (175 pages) Electronic copies of the latest draft are available from Alison Spring on 01424 - 451349 or [aspring@hastings.gov.uk](mailto:aspring@hastings.gov.uk).

#### **4. Conclusion and Reason for Recommendation**

4.1 Structuring the plan in the way suggested will provide not only an opportunity to consider longer-term investment needs from a position of far greater financial and strategic clarity but also will offer an opportunity to review progress against the 3-year development programme and to add or adjust, in terms of any policy changes, priorities and development proposals as these progress.

BECKY SHAW  
Chief Executive

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Local member: All

#### **BACKGROUND DOCUMENTS**

Working Draft - East Sussex Local Investment Plan 2011-14

## Summary of Key Elements

This appendix summarises the planned contents of the East Sussex Local Investment Plan (LIP) for housing using the five sections currently proposed for the final version of the LIP:

- Introduction
- Priorities
- The Evidence Base
- Delivery Programmes
- Next Steps

### 1. Introduction

The Single Conversation is the Homes and Communities Agency's (HCA) business process through which the HCA, local authorities and other key partners will determine key areas for potential housing investment.

The first stage of this is to develop a Local investment Plan (LIP) followed by a Local Investment Agreement (LIA) for East Sussex to help reach a shared view regarding investment priorities and to enable the HCA to plan investment more strategically across the area.

The development of an East Sussex LIP provides an opportunity to consider longer-term investment needs from a position of far greater financial and strategic clarity.

Following the adoption of the LIP, a LIA will be agreed which will set out the HCA's proposed investment in the area over the next 3 years (2011-14).

#### Governance and Reporting Lines

The Single Conversation process is being managed through the following partnership (East Sussex Housing Partnership) structure:

- The East Sussex Joint Leaders & Chief Executives Group (Project Sponsors) are responsible for signing off the Local Investment Plan and Local Investment Agreement on behalf of East Sussex.
- The East Sussex Chief Executive Group (The Partnership Board), comprising the Chief Executives of the local authorities and the lead officer of the East Sussex Housing Delivery Group, together with representation from the HCA, GOSE, etc. have the overall responsibility for steering of the Single Conversation process.
- The East Sussex Housing Delivery Group, (The Executive Group) comprises a broad membership, including senior representation from each of the Districts and Boroughs and East Sussex County Council, as well as the Government Office South East, SEEDA, the HCA and Registered Social Landlords (RSLs). The group will be represented by Heads of Housing and Senior Planning Staff, with co-opted staff from key stakeholders. The group will report directly to the ESCEG through the East Sussex Housing Delivery Group lead officer and Chief Executive Coordinator. This Group will have the responsibility for considering the detail of the LIA and LIP proposals and for delivering the outputs required. A number of themed group meetings have also been utilised to support the LIP development process.

## **2. Priorities**

The LIP is based on jointly agreed priorities. These priorities take their focus from the East Sussex Strategic Partnership (ESSP) Sustainable Community Strategy 'Pride of Place', along with a number of other regional and local strategy documents.

- **Supporting Economic Growth and Tackling Deprivation**
- **Increasing Affordable Housing Delivery**
- **Supporting Housing Delivery**
- **Private Sector Housing Renewal**
- **Promoting Sustainable Communities**
- **Increasing Rural Affordable Housing to Meet Local Needs**
- **Meeting the Needs of Vulnerable People**
- **Tackling Climate Change**
- **Supporting Infrastructure and Transport through Delivery of Housing**

The priorities have been agreed as a result of a number of challenges present in East Sussex:

- Significant areas of poverty and of deprivation, particularly in coastal areas
- Coastal towns and economies in need of regeneration
- A lack of affordable housing in urban and rural areas, combined with high levels of housing need
- Poor strategic (road and rail) and communication infrastructure
- An ageing population with an increasing demand for services
- Poor access to services in some rural areas
- Low wages, skills and aspirations
- Few high earners, most working outside the county
- Poor health, high rates of long term limiting illness in some areas
- An unmet need for supported accommodation, particularly for older people and people with learning disabilities
- A weak local economy, dominated by small businesses, with lack of space in which to grow
- Little incentive for businesses to re-locate, or new businesses to set up in East Sussex
- Flood risk in some rural and coastal areas

The above priorities form the basis for six 'Primary' place based delivery programmes and six cross cutting programmes, which underpin the LIP.

## **3. Evidence Base**

This section of the LIP seeks to provide information on East Sussex; its profile and population and the particular issues, which can provide barriers to meeting the housing needs of our residents. Understanding what those issues are, what they make up of the population is and where there are gaps in provision are key to developing delivery programmes designed to meet the needs of our residents and East Sussex as a whole.

East Sussex is a desirable place to live and work. However, despite being a county characterised by an expansive coastline, attractive villages and pastoral beauty, it is perhaps more accurate to describe the area as one with a high density urban population concentrated along a coastal ribbon, small and medium sized market towns and a relatively

sparsely populated rural hinterland. Within both the urban and rural settings there are a number of significant challenges including

- Areas with significantly high levels of poverty and deprivation concentrated in but not exclusive too, once prosperous seaside towns.
- Coastal towns and economies in desperate need of regeneration
- High levels of housing need in both urban and rural areas and a lack of affordable housing
- Significantly higher than average levels of poorer quality private sector housing in some areas, including concentrations of homes in multiple occupation.
- Poor strategic (road and rail) and communication infrastructure
- An ageing population with an associated increasing demand for services
- Inadequate access to services in some rural areas
- Low wages, skills and aspirations
- Few high earners, most working outside the county
- Poor health, high rates of long term limiting illness in some areas
- An unmet need for supported accommodation, particularly for older people and people with learning disabilities
- A weak local economy, dominated by small businesses, with lack of space in which to grow
- Little incentive for businesses to re-locate, or new businesses to set up in East Sussex
- Flood risk in some rural and coastal areas

Investment in housing will contribute to tackling some of the identified challenges and a robust partnership will ensure that longer-term investment plans for East Sussex consider housing development hand in hand with economic growth and sensible transport plans. This will enable existing residents to live and work in their areas of choice; discourage economically active households and young people from moving away; encourage new businesses to the County and existing businesses to expand; and to ensure that housing development and services meet and adapt to the needs of a changing population.

## **4. Delivery Programmes**

The East Sussex Housing Partnership have chosen to direct investment in housing growth and renewal within the six place based programmes, designed to meet the identified needs outlined within the LIP. Added to this, there are an additional six theme based programmes, which have been designed to meet the agreed priorities set out in the LIP, and are 'cross-cutting'. The six primary programmes are set out below:

### 1: Regeneration of coastal communities

East Sussex has a coastline stretching from Camber in the East, through Hastings, Bexhill, and Eastbourne and to Newhaven, Seaford and Peacehaven in the West. The East Sussex partnership recognise the impact a national decline in seaside towns has had on its housing stock, including a proliferation of poor quality, temporary, multiple-occupancy housing. On a larger scale, issues such as better access to quality housing, an improved built environment, and better transport infrastructure needs to be seen as part of a wider social agenda to make seaside towns in East Sussex more desirable places to live and work in.

### 2: Sustaining market towns/small towns

A number of smaller towns and market towns are located within East Sussex. As well as being the main service, housing and employment providers in terms of their own communities, small and especially rural market towns are also seen as important hubs for surrounding, often rural, communities. If these small towns are unsustainable, in all senses, the effects will therefore be far wider than the immediate town area; this should be borne in

mind in respect of investment decisions. Some small towns show degrees of deprivation as for example indicated by unemployment figures, these include Rye, Hailsham and Lewes. Often 'over-looked' for investment in favour of programmes aimed at delivery of larger sites or those with a significantly higher urban profile, these towns are vital to the overall economic sustainability of the County, housing a relatively large number of economically active households. They are reasonably attractive places to live and this can impact on local housing costs, particularly for local people on low incomes. A thoughtful programme of affordable housing development has been identified to meet this local need, and to ensure that economic growth can be supported.

### 3: Supporting rural communities

High house prices and a shortage of affordable rented housing mean that many people are unable to afford a home in the village in which they grew up. Consequently as young people move away, many essential village services and amenities such as shops, schools, post offices and bus services close down. This increases the isolation, and threatens the future sustainability of East Sussex villages. The Area of Outstanding Natural Beauty designation means that sites for housing are difficult to find and there are sensitivities around any sort of development within villages, which need to be consulted on. Individuals and communities suffer as a result of a lack of affordable housing and therefore a dedicated programme of rural affordable housing delivery is essential.

### 4: Supporting independent living and meeting the needs of vulnerable Groups

The East Sussex Sustainable Community Strategy identifies supporting older and vulnerable people to live safely in their own homes and local communities as a priority.

East Sussex County Council is investing in the development of supported housing with:

- Provision of capital contribution to RSL partners where County Council sites are being used.
- A capital funding programme to support any funding from the HCA to allow RSL partners to develop housing which meets specialist needs and requirements;
- A team of Housing Commissioners focusing on the assessment of supported housing needs, commissioning and delivery of new specialist housing schemes and making best use of existing housing for people with support needs;
- A strategic housing needs database to record and report on the level and type of supported housing needed in different local areas within the county.

This ongoing work places the County in a good position to understand the housing needs of those requiring support to live independently; and the sites within this delivery programme are recognition of the need within the County.

### 5: Maintaining and improving the existing built environment

The Brighton & Hove and East Sussex Together (BEST) partnership have been particularly successful in recent years in terms of securing Regional Housing Board (RHB) funding for private sector housing renewal and developing and delivering a programme using this funding to improve housing conditions within the private sector. This has included work to increase decent homes, energy efficiency, improvement to Houses in Multiple Occupation (HMOs), Empty homes and home security. Added to the existing BEST programme, which focuses on existing private sector housing stock, it is important to consider existing social housing stock. This could include improving or considering usage change of existing homes, which are no longer fit for purpose; there are examples of this particularly within existing sheltered housing stock.

### 6: Meeting Gypsy & Traveller accommodation needs

On-going work is a requirement to address the accommodation needs of Gypsies and Travellers. A Countywide Strategy is in place (East Sussex Travellers Strategy 2010-13), which sets out the accommodation needs and site provision targets for the Strategy period. This is being used to inform the priorities within this programme.

## **Cross Cutting Delivery Programmes**

### Tackling deprivation

Supporting economic and social regeneration and tackling deprivation are a priority and this development programme seeks to address these issues.

### Rebalancing communities

A programme dedicated to 'rebalancing communities' is consistent with the sustainable communities agenda – encouraging tenure diversification, a mix of economic backgrounds and ensuring a balance of property types i.e. a balance between houses and flats. This programme will consider tenure and housing type in tandem with local needs and supply to ensure that need is met in a long term sustainable way.

### Supporting economic growth

Despite being in the prosperous South East, Gross Value Added (GVA) per head in East Sussex is 75% of the UK average and 71% of the regional average. In addition it has pockets of severe deprivation, particularly evident in coastal towns. Across the County, 31 wards have unemployment levels equalling or exceeding the national average with these being mostly located in the coastal towns of Hastings, Bexhill, Newhaven and Eastbourne. The County Council is currently working with partners to develop a Local Economic Assessment with plans for an Economic Strategy to be in place for 2011. A significant amount of partnership working is happening across East Sussex to encourage economic growth. Suitable housing in terms of tenure, type and location can have a positive impact in supporting such growth. This programme is in place to ensure that employment and infrastructure keeps pace with housing development; but also that housing is used as a stimulus for economic growth.

### Raising environmental standards

With housing accounting for approximately 30% of the UK energy use any increase in development must be considered alongside environmental factors. There are opportunities for the East Sussex Housing Partnership to consider innovative ways of raising environmental standards in house-building and within the existing built environment, with a particular focus on providing homes which are carbon neutral, whether this be 'retro-fitting' existing private sector stock and social stock or raising standards within new-build developments. This in turn could provide benefits for residents including a reduction of those households experiencing fuel poverty.

### Tackling homelessness

Tremendous progress has been made across the County in reducing homelessness over recent years, however, it remains a significant concern. A delivery programme focused on tackling homelessness would primarily consider ensuring adequate supply to meet rising housing needs to ensure our efforts to prevent homelessness are maintained. Added to this, specialist provision will consider the needs of high priority groups such as young people and ex-offenders.

### Promoting innovation and design

Key to a sustainable community, and highlighted within Pride of Place, is the need to ensure housing is well designed and built. This delivery programme will consider opportunities to take forward innovation alongside design to promote sustainable communities. The programme itself may need to be opportunistic, dependant on timely funding for innovative projects, however, some schemes lend themselves to such innovation, for example, retrofitting of empty homes, or rural exception site development, where design is particularly important.

## **Site Selection**

For inclusion within one of the six place based delivery programmes, sites are being assessed as able to meet the following:

- 1) Deliverability
- 2) Strategic Fit with LIP priorities
- 3) Demonstrable Outcome
- 4) Value for Money

Additionally, each site has been considered in terms of what wider benefits it might deliver, e.g. a catalyst for regeneration; provision of social infrastructure; economic growth; and the contribution made to the cross cutting delivery programmes. Each site therefore must fit with one of the six place based programmes, but must also demonstrate a strategic fit within at least one of the cross cutting programmes.

Each Local Authority has identified schemes, which are planned to be on-site within the Plan period (2011-14). This includes the programme of 22 supported housing and extra care housing schemes identified by ESCC Adult Social Care. At the current time there is a lack of clarity about the amount of funding available to the HCA over this period, as this is largely dependent on the outcome of the Comprehensive Spending Review (CSR). However, the programmes included within this Plan provide a basis for prioritisation of sites to be included within the Local Investment Agreement expected by March 2011, by which time the HCA should have clarity about its budget.

Details of around 125 schemes are currently being worked up for inclusion in the appendices to the LIP.

## **5. Next Steps**

The next stage in the Single Conversation process will be to draft a Local Investment Agreement. This will be based upon a prioritisation of the programmes or part-programmes outlined within this Local Investment Plan as part of an on-going discussion between the East Sussex Housing Partnership including the HCA. The final Local Investment Agreement will set out the HCA's proposed investment for East Sussex and the partnership's proposals for delivery.

The partnership agreed early in the process that this document and the resulting Local Investment Agreement should be for a shorter than originally agreed period; this is to take account of current work taking place of strategic importance to future housing delivery plans, including District and Borough Local Development Frameworks; East Sussex Economic Assessment and Strategy; and East Sussex 3<sup>rd</sup> Local Transport Plan. With the exception of some Local Development Frameworks, these strategic plans are timed to be completed in 2011 and will feed into a 'refresh' of the Local Investment Plan.