

Ditchling Gardens



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left: the centre of Ditchling and St Margaret's Church viewed from Northwest, illustrating the compact and distinct character of the village.



1.0 Introduction

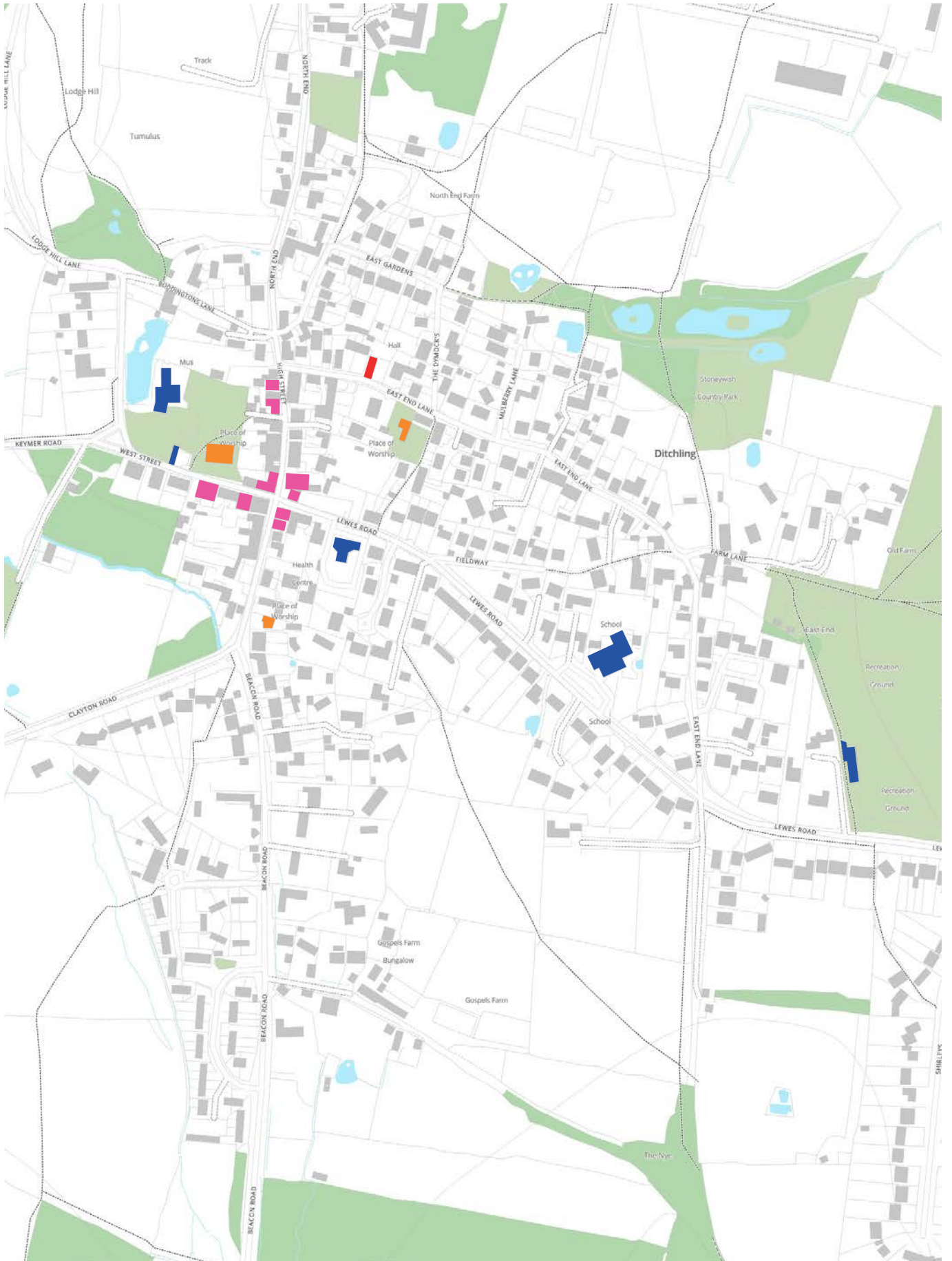
This document has been prepared by Action in rural Sussex, with input from Architects bardakhanovachampkins, on behalf of Ditchling Parish Council to explore the development opportunities that might be presented by Ditchling Gardens, a community building owned by the council. The aim of the document is not to present a definitive answer or recommendation, but rather to act as vehicle to inform further discussion about how the building might be realised into a valuable asset to the benefit of Ditchling.

A short period after being gifted 'for housing purposes' to Ditchling Parish Council in 1959 the original building, formed of three cottages, was converted to a hall and facilities used by 1st Ditchling scouts under a 50 year lease. This decision was made after investigations had shown that the cost of bringing the existing cottages up to 'modern standards' was 'prohibitively expensive'. The scout group have given notice not to renew their lease from summer 2023 as it is no longer commercially viable for them, primarily as a consequence of a sustained fall in demand in external hire.

Ditchling Gardens presents a fantastic opportunity to deliver a new parish, and community, asset in the heart of the village or, alternatively, realise funds for other uses in the Parish. Following a short summary description of the building and the constraints and opportunities that it presents, this document will look at the potential for Ditchling Gardens to be renewed as either a community asset or the site returned to a residential use to meet a local need for locally affordable and appropriately scaled homes.



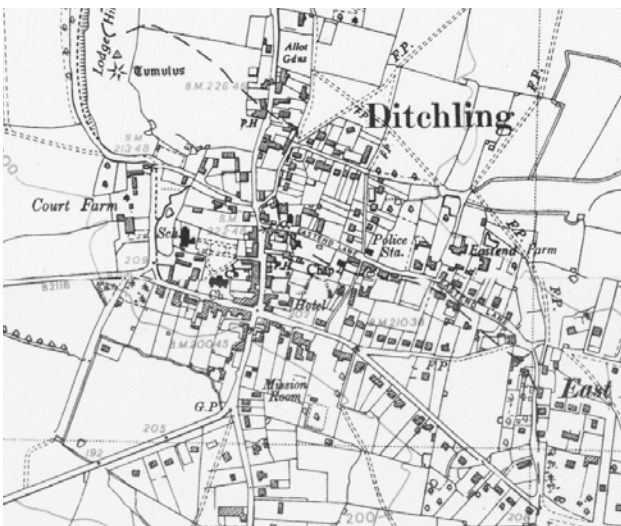
*left: an aerial view of the centre of ditchling showing the site location.
image courtesy of Google maps (2023).*



2.0 Context



In addition to very low levels of revenue from the external hire of the hall, we understand that 1st Ditchling Scout group have determined that the building was increasingly no longer fit for purpose, nor viable to lease, given that it was in need of investment and modernisation. This is in part a consequence of very limited parking on the street and also the range of alternative spaces in the village that are available for regular and occasional hire. The scout group have since temporarily relocated their activities to the Pavilion Sports Club at the recreation ground.



There is a good range of community spaces and buildings that are available within Ditchling and these can serve different types and scale of activities. It seems unlikely that there is adequate demand for additional flexible assembly space in the Parish that would justify and sustain the investment needed to bring the hall up to modern standards and meet the expectations of potential users. Moreover there is a risk of undermining the viability of other organisations and spaces: investment maybe more effective in supporting these rather than increasing competition.

- public and community buildings
- church and meeting spaces
- retail and cafe

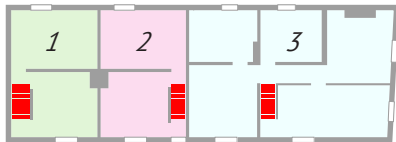
above top: Map of Ditchling from 1975 showing the village core and Ditchling Gardens in red

above lower: Map of Ditchling from 1938.

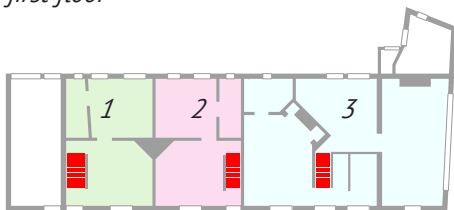
left: a contemporary map of Ditchling.



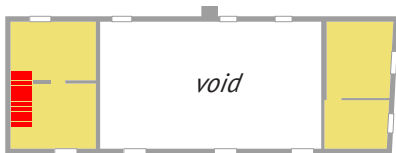
2.1 Existing Building Appraisal



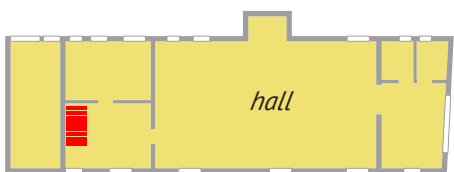
first floor



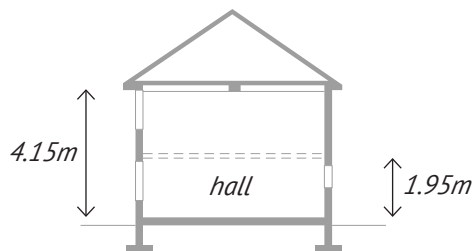
ground floor



first floor



ground floor



above top: illustrative plan diagrams of the three cottages that originally formed Ditchling Gardens.

above middle: illustrative plan diagrams of Ditchling Gardens as converted to a scout hall.

above bottom: illustrative building section showing the low ceiling heights.

left: a view (July 2023) of Ditchling Gardens showing the overall building form and relationship to the garden and street. Note the small windows and 'compressed' nature of the building.



2.1 Existing Building Appraisal



Further alterations to the building to make it suitable for domestic occupation, particularly if multiple dwellings, will inevitably involve further structural intervention and significant upgrade of both building services and the fabric to achieve an appropriate level of energy performance. Moreover, the very low ceiling heights are likely to require the roof level to be raised and/or dormer windows to achieve adequate internal space standards. The layout of any dwelling created is likely to be inflexible and inefficient for extended occupation and this is likely to be reflected in the value of the 'asset' that is created.



Much further investigation and design work is required to explore the 'creative re-use' of Ditchling Gardens, and while technically possible, it is questionable whether the scope of work necessary is appropriate. There is a risk that in trying to retain the building the inherent, if already significantly reduced, qualities are lost when a new structure could achieve so much more.

above top: a view (September 2023) of the street elevation showing the reduced size of the 'shop-front' window and narrow, shaded entrance route at the side.

above bottom: A view looking West along East End Lane. Parking, particularly if there are community activities, presents a challenge.

left: a view (July 2023) of the main hall at the centre of the scout hut showing the secondary steel structural frame and small window openings.



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The Post Office, Ditchling.

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2.2 Planning Context

The South Downs National Park Authority (SDNPA) is, quite rightly, a demanding planning authority in seeking excellent proposals (including good materials and design) and that are sustainable in the broadest sense. To help achieve this an emphasis is placed on an open dialogue and process leading up to the submission of a planning application, supported by a comprehensive and wide ranging set of surveys and reports.

Such a 'best practice' approach - with applicants needing to make investment prior to submission - often conflicts with the norms followed by some commercial developers. Such a thorough approach accords with many of the principles of community or local-led projects where information, consultation and clarity are integral to delivering excellent and well-loved schemes.

Although this is a small project we would recommend that SDNPA are consulted as early as possible and ideally a structure and scope of pre-consultation is agreed with them so that areas of concern are addressed as the preparation of the application is completed.

For larger or key projects the SDNPA will agree Planning Performance Agreement (PPA) to formalise this and it is possible that this could be an option due to the potential nature of the scheme and SDNPA desire to see exemplar affordable housing projects delivered.

Summarised below are the key planning policy considerations that will need to be addressed in the process:

1.0 Community Facility

The existing lawful use of the building as a Scouts facility means that it would be considered a 'community facility'. South Downs Local Plan Policy SD43: New and Existing Community Facilities would therefore be relevant. This says that development proposals that would result in the loss of an existing community facility, will not be permitted unless:

- a) For commercially run community facilities, evidence is provided of a robust marketing campaign of at least 24 months that clearly demonstrates there is no market demand for the existing use or an equivalent community use; or
- b) For community- or publicly-owned or managed facilities, it can be robustly demonstrated that there is a lack of need for the existing facility, or an equivalent community use; or
- c) Alternative community facilities are provided that are accessible, inclusive and available, and of an equivalent or better quality to those lost, without causing unreasonable reduction or shortfall in the local service provision.

It should be noted that Policy COM 1B of the Ditchling, Streat and Westmeston Neighbourhood Plan similarly protects existing community facilities.

left: a view (copyright Francis Frith) showing the view along East End Lane c.1955. Ditching Gardens is in the centre of the view partially obscured by the car. Note the asymmetric character of the road and that Ditchling Gardens is located at the inflection point in the road.



2.2 Planning Context

2.0 Design quality and possible retention of the existing building

If the above policy requirements can be met then the use of the site for housing would be acceptable in principle, depending on design (see particularly SD5 and [Adopted Design Guide SPD - South Downs National Park](<https://www.southdowns.gov.uk/planning-policy/supplementary-planning-documents/supplementary-planning-documents/adopted-design-guide-spd/>)). However, the starting point would be the retention and re-use of the existing building, both for its heritage significance (non-designated heritage asset within a Conservation Area) and its embodied carbon. All options for retaining and converting the existing building will need to be fully explored with SDNPA, and discounted before a redevelopment is proposed. CONS2-4 of the Neighbourhood Plan will also be relevant.

3.0 Parking

Provision of parking for residents will need to be resolved, ESCC Highways have a standard 'calculator' that determines the minimum number of spaces to be provided according to size and tenure of the homes. The SDNPA take this into consideration but the [Adopted Parking SPD - South Downs National Park](<https://www.southdowns.gov.uk/planning-policy/supplementary-planning-documents/supplementary-planning-documents/parking-spd/>) does give some flexibility where there is public transport and other modes available and there are design reasons to provide less than the standard parking numbers. SDNPA would also likely take into account the parking requirement for the extant use as a community facility.

4.0 Biodiversity

From April 2024 all applications for residential development will have a statutory need to demonstrate biodiversity net gain, in this case through SDNPA policies SD9 and CONS9. We would recommend in any case that making a positive contribution to biodiversity becomes a core part of the project brief - it would likely make a better scheme. However, should this not be achievable it is possible to make a financial contribution 'off site'. See [Biodiversity Net Gain Technical Advice Note (TAN) - South Downs National Park](<https://www.southdowns.gov.uk/planning-policy/supplementary-planning-documents/technical-advice-notes-tans/biodiversity-net-gain-technical-advice-note-tan/>)

left: a view (September 2023) showing the view along East End with Ditchling Gardens in the centre, partially obscured by the large evergreen tree.



3.0 Options for Renewal



left: A view from the garden towards the existing building showing the base of the fire place (chimney removed) that was added when the building was converted and various windows and doors blocked up.

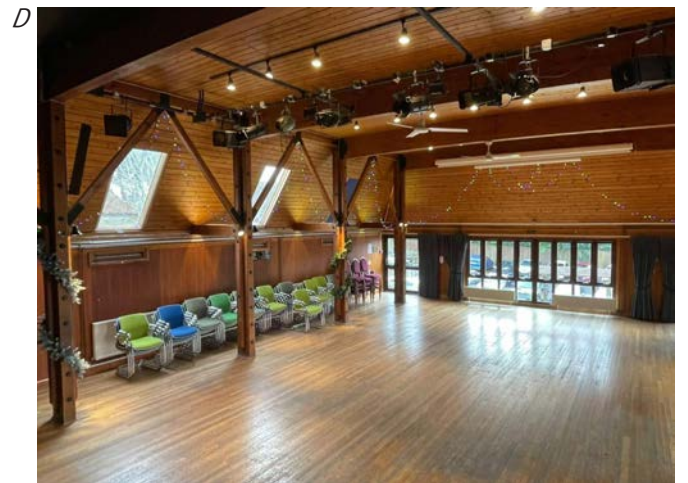
above: An internal view of the ground floor store room at the end of the building facing the East End Lane. Note the very low ceiling height that is consistent through the building. There is a slight slope from the back to the front of the site and this means that the store slightly elevated above the external ground level.

Over the following pages several different options have been explored for how Ditchling Gardens might be utilised as a community asset for the village and community. These can be broadly summarised as follows:

Outright Sale: Clearly the location of Ditchling Gardens means that the site and building have a residual value that would be attractive to third party developers. The sale of the site would release funds for other uses but may compromise the deed of gift for 'housing purposes'. A commercial developer would draw their own conclusions on how best to maximise the return on their investment. The realised value for Ditchling could be utilised to deliver housing elsewhere but this may be a challenge in terms of the acquisition of land and the planning context.

Community or Commercial use: The existing building has been altered to create a large space that could, with further adaptation and modernisation, continue to offer this opportunity. Alternatively a different, more static or commercial use such as artist's workshops or community co-working space may provide a regular income and resource for the community. It is a risk however that, for both types of use, that the investment required to make this practicable and attractive commercially will not be sustainable through use and lettings.

Community owned homes: The creative re-use of the existing building, or its replacement with most likely a more efficient and sustainable building, could provide affordable homes for the local community. Depending upon the need that is identified these dwellings could be a mix of shared ownership and rental homes with value and rental tailored to local needs. In doing so an asset could then be realised for the community in perpetuity.



3.1 Community Space

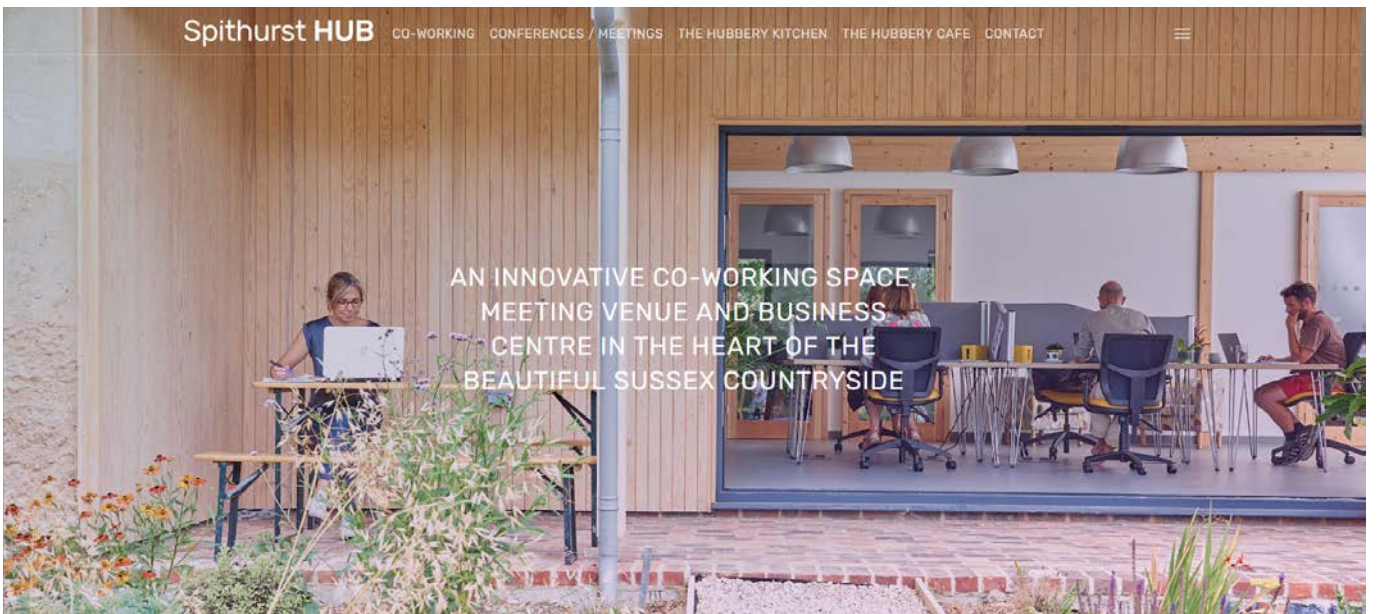
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With a population around 2,400 the parish is well served for community venues and hire-able spaces of different scales and typologies. In summary:

- **The Village Hall** contains two halls of two different sizes and has ancillary facilities and a kitchen. The main, large flexible hall has a stage and can accommodate an audience of up to 150 people and the smaller hall around 50 people. The Village hall is also licensed and benefits from a central location and plenty of parking. It currently has capacity for hire and other community activity.
- The **Ditchling Pavilion Sports Club** building at the recreation ground. Both the pavilion (function rooms, bar and kitchen plus ancillary spaces) and the surrounding external spaces/pitches are well used by a range of community based organisations and sports clubs.
- **The Emmanuel Centre.** This building is supported by the Beacon Parish and The Point Church and is also used for a range of community activities including dance and exercise classes, and mother and toddler groups. The building was refurbished in 2018.
- The **Ditchling Village Barn and Green** is run by the Friends of Ditchling and provides a venue primarily for weddings and parties (70-80 people) at the centre of the village. There is a small kitchen and associated facilities.
- The **Ditchling Unitarian Chapel** (Old Meeting House). This grade 2 listed building is available for music, exhibitions, presentations and classes. There is a small kitchen and single toilet.
- The **Ditchling Museum** is available for private hire for events or parties for up to 100 people and also has meeting spaces appropriate for smaller meetings etc. As a public building the museum has a range of ancillary facilities.
- **St James Montefiore Cricket Club** pavilion and club house (ground share) is also available for functions and events and has a bar and ancillary facilities.
- **Ditchling (St Margarets) CE Primary and Nursery school** also has a reasonable sized hall that is made available.

left: A-Ditchling Pavilion Sports Club, B-Ditchling Unitarian Chapel, C-Ditchling Village Barn and Green, D- Ditchling Village Hall (large), E- Ditchling Museum, F- Ditchling Village Hall (small).



3.2 Commercial Space

ARTinDITCHLING



left top: Ditchling Museum hosts and runs education and workshops and events building upon the village's artistic heritage

left bottom: Spithurst Hub is a small co-working and business space located in the village of Spithurst close to Barcombe

Above top: The Turner-Dumbrell workshops in Ditchling provides workspace and studios for artists, makers and also 'first-time' businesses.

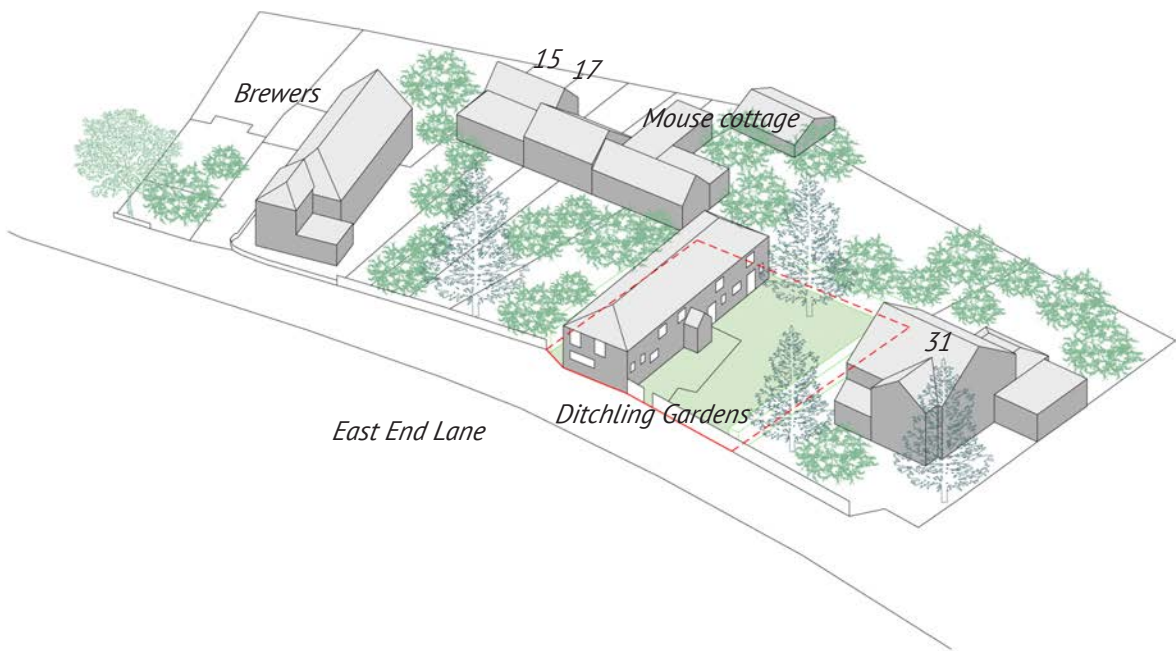
Above bottom: Paddock Art Studios in Lewes, provide education, studio and teaching spaces that are a heavily-used community resource.

In recent years flexible, small business and co-working spaces have been brought to the commercial market in response to increased demand. While often in larger towns such as Brighton and Lewes, smaller rural business spaces, such as the Spithurst Hub, have been formed to serve a dedicated local need. This local example provides co-working desk space, dedicated small office space and 'breakout' functions (such as a cafe) that subscribers can use in different ways. Often such spaces are deliberately contemporary and open in character to attract users seeing something different from home working or lower grade space available in the market.

Ditchling has a thriving arts and makers scene with a number of private studios and workspaces in addition to the Turner-Dumbrell workshops. Moreover, institutions such as the Ditchling Museum offer space for education and other creative activities. There could be potential for the existing building to be adapted with a fairly light touch to create 'creative' or studio spaces for short or long-term rental. The Paddock Art Studios in Lewes are a good precedent for a more education, commercially focussed model. The studios in the Star Brewery, also in Lewes, with flexible and robust spaces for a diverse range of commercial uses but primarily 'creative' in character is an alternative model.

In both cases more detailed research is required to identify if there is sufficient demand, in both the medium and long-term, to justify the expenditure/building work required.

	Creative re-use		New Build	
	<i>market sale</i>	<i>market rental</i>	<i>market sale</i>	<i>market rental</i>
1bed 2person home	£350,000	£1,000 pcm £230 pw	£380,000	£1,200 pcm £276 pw
2bed 4person home	£450,000	£1,200 pcm £276 pw	£480,000	£1,400 pcm £323 pw



3.3 Housing Need

Ditchling, Streat and Westmeston Neighbourhood Development Plan

1.6.3 Housing

1. The parishes will support residential development that:

I. provides a broad mix of housing, including shared equity and shared ownership housing, for rent or purchase for residents of all generations and economic circumstances and particularly for young people who have grown up or are employed in the area;

II. is small scale and sustainably designed and constructed, and blends with the local style and character of the area;

III. is contained within the settlement boundary as revised herein;

IV. has adequate provision for residents' off-street parking;

V. provides for traffic calming on the adjacent main highway in conjunction with ESCC.

Ditchling Parish Council undertook a Neighbourhood Plan in 2018 which sets out its priorities and provides some very useful context and guidance in relation to the kind of issues and needs that exist locally and how best these might be addressed. As stated:

"In the household questionnaire survey, residents gave clear guidance as to the type of development they wanted. Ditchling has a preponderance of large expensive houses, giving few opportunities for the young, the less affluent, and the elderly, to find homes within their means"

"Most residents felt this should be addressed in any developments by instead giving support to starter homes and one- or two-bedroom homes for the young and the elderly"

The focus group also advocated the use where possible of community housing, housing associations and Community Land Trusts (CLTs), with protected trust ownership to prevent houses becoming available on the open market. These principles are reflected in the housing policies set out in HSG 1

Housing proposals will be supported that provide:

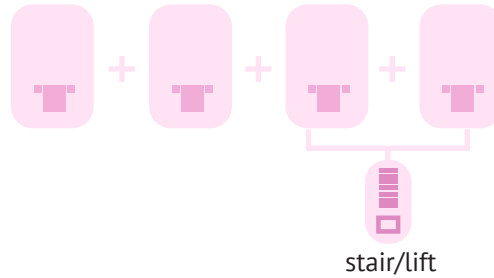
- *one-, two- or three-bedroom houses or flats;*
- *housing units for an ageing population in close proximity to village services and suitable for adapted living*

Anecdotally there is a need in Ditchling, like most rural Sussex villages, for homes that are affordable or appropriately design/scaled for local people so that they can remain part of their community. A key process in the definition of such a project is a broad and well-considered Housing Needs Survey (HNS). This will be central in supporting the provision of such homes in both grant funding and statutory

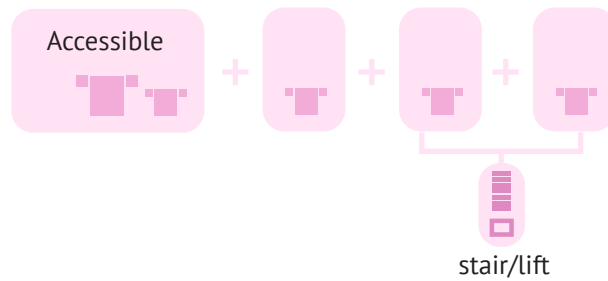
left top: A summary table of the estimated market sales and market rental values for homes as part of a 'creative re-use' and 'new build' project.

left bottom: An illustrative axonometric of the Ditchling Gardens and the immediate context.

Option 1:
4 one bedroom homes



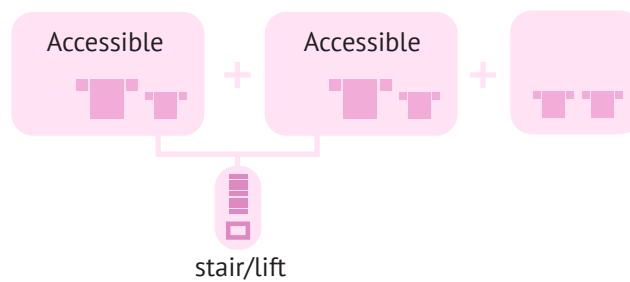
Option 2:
3 one bedroom homes
1 two bedroom home



Option 3a:
3 two bedroom homes



Option 3b:
3 two bedroom homes



Option 4:
2 two bedroom homes
2 one bedroom homes



3.4 Working brief and mix

To test the viability of both the creative re-use of the existing building or a replacement building we have used a number of different 'mixes' of dwelling types. The scale of the homes, primarily with one and two bed, tends to be under represented in the market as they offer the minimum return for developers, despite these being the type most likely to be in highest demand.

A Housing Needs Survey (HNS) would be able to identify the particular Parish requirements but experience suggests that those most in need of affordable and community-led homes are often young, single people or couples, and those whose changing needs in later age are no longer met by their existing homes.

Moreover, a mix of tenure i.e. between rental and shared ownership, means that the need be tailored to the local 'market' but also the project can take benefit of both equity sale and rental income as part of the financial viability model. This means that the 'asset' that is created can be successfully retained in perpetuity by the community.

We have employed three broad options to test the project viability and each have been applied to both a creative re-use model, and a replacement building proposal. The existing building does not readily lend itself to all options and is unlikely to provide the most efficient, flexible or generous homes. For this reason we have suggested that both the market sale and rental values are slightly less than for a wholly new building (see proceeding page) .

The different dwelling types can be described as follows.

- Small one bed homes, either as two storey houses or flats accessed from a common stairwell. A maisonette approach may also be possible but might not be the most efficient in space or cost terms.
- Two bedroom homes again either as two storey homes or flats but with the option for one of the bedrooms (and bathroom) to suitably scaled that it could be used by the less able or for use in a wheelchair. Such flexible, single storey units also lend themselves to home/working and are attractive particularly for those who might be downsizing.

We have assumed that in all options the homes should be sufficiently low-energy, generous, flexible that they will be appropriate for different and changing needs and therefore retain their value as an asset to the community.

left top: A series of illustrative diagrams describing in broad terms the potential mix of dwellings that might be possible at Ditchling Gardens either through the creative re-use of the existing building or a new building on the site.

4.0 Project Structure

The development and delivery of a construction project, be it refurbishment or new build, is a complex activity that requires careful management and a clear structure. There are a number of best practice models that can be employed with the process led by an architect (or project manager). The most familiar is the Royal Institute of British Architects (RIBA) Plan of Work which gives an excellent framework and methodology, organised around eight stages, to achieve a successful project.

These stages can be broadly mapped onto different strategic funding periods for a project which could be identified as follows: inception, consent, technical, and construction. These flow sequentially with some professional input present throughout with others more focussed and stage specific - for example a survey. It should be noted that the point at which a planning application is made depends on each individual project (typically in RIBA stage 2 or 3) and depends on the brief and the level of detail necessary to respond to the planning context.

These four stages are described below with reference to the Ditchling Gardens Project with a planning application made during RIBA Stage 3 and therefore we have split this into two sub-stages, 3a and 3b. Not all the activities in RIBA Stage 3 are applicable or necessary for a planning application but need to be completed and agreed prior to proceeding to Stage 4.

Inception (RIBA Stage 0)

- identify business case and strategic brief and other core project requirements such as funding strategy.
- Initial considerations for project team
- Establish project programme
- Potential Pre-Application discussion with LA to test strategic brief

Consent (RIBA Stages 1-3a)

- identify project brief and test through viability studies
- Appoint professional team and undertake surveys and reports to inform and support planning application
- Engage with key stakeholders and formal pre-application process. Public Consultation
- Develop concept design (Stage 2) and sufficiently developed and coordinated design to support a planning application and other consents
- Submit Planning Application

Technical (RIBA Stages 3b-4)

- Complete the technical design and coordination in sufficient detail that it can be procured effectively.
- Satisfy all technical and Statutory conditions

Construction (RIBA 5)

- Off-site and on-site management and design resolution/coordination of the construction project.

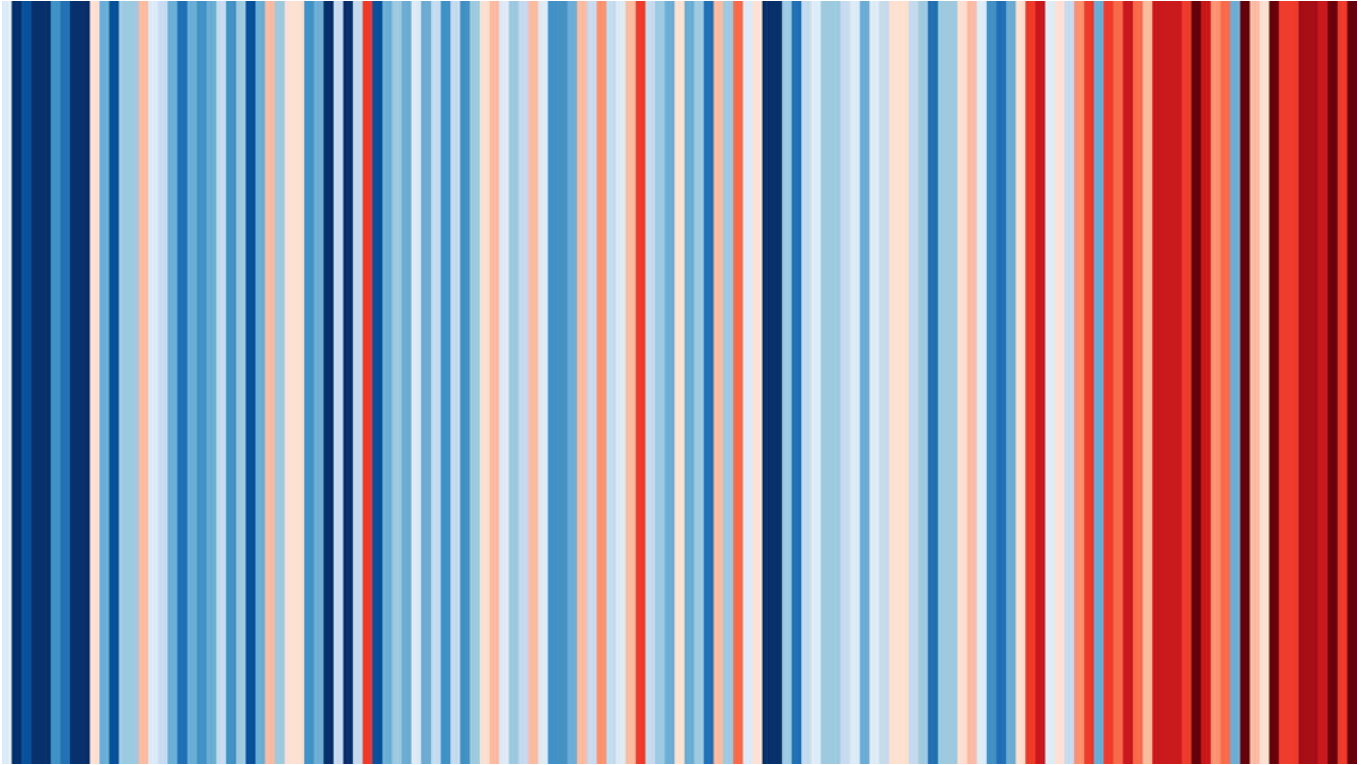
4.1 Construction and contingency costs

The cost of a project can be articulated in several different ways and this often causes confusion and misunderstanding. For the purposes of these initial viability studies we have used a current 'live' project to establish a base line cost of £3,000sqm (per square meter of floor area). The area used is the 'Gross Internal Area' often called the 'GIA' which is measured from the inside face of the external wall and includes internal walls and 'voids' over staircases. This figure includes all construction and landscape work (above and below ground) excluding fixtures and fittings. A further £25k for the provision of incoming utilities to the site is on top of this. The construction cost does not include professional fees, surveys, arrangement fees and the like.

Importantly included within the construction cost is an allowance for a 'construction contingency' which is designed to meet uncertainties in the project when tendered or unforeseen expense/eventualities during the build phase of the project. As discussed below the most successful way of ensuring low-energy performance is for this requirement to be considered from the outset and the design to be well-resolved.

Similarly the greater the level of resolution in the design information at tender, the lower level of contingency that is likely to be required as the number and scale of uncertainties is reduced. Where there are works, often significant, to an existing building or structure a larger, more significant contingency should be allowed as often it is not until works commence that additional costs often become apparent and these unknowns can add significant 'risk'.

For the purposes of the initial viability studies we have assumed that the sqm construction cost for both a retained, creative re-use and a wholly new build project will be equal. The existing building is likely to require significant work to deliver statutory and occupational requirements and there remains some significant unknowns in the quality of the existing fabric and building services and their ability to meet contemporary standards and expectations.



4.2 Sustainability

Addressing climate change is urgent. The scale of the issue, and the measures required to address it, are almost incomprehensibly large and abstract. Making a significant difference to the rate of global warming requires a fundamental change in the way that buildings are designed, and importantly procured, occupied and maintained. There are three ways of thinking about sustainability and each is an important consideration in any project: construction, occupation, and value/investment.

Construction

The way that it is put together, and the materials and products that are employed, in the creation of a project means that it contains 'embodied energy' and has a carbon footprint. Minimising this footprint needs to be central to the project brief from the start and against which all decisions are measured throughout. The specification of materials including their maintenance cycles and longevity and the potential for reuse are equally important considerations. Pre-fabrication and the reuse of reclaimed materials (for example the steel structural elements, bricks and tiles at Ditchling Gardens) provide an important way of minimising waste.

left top: A graphic illustration or 'warming stripe' graphics are visual representations of the change in temperature as measured in the England between 1884 and 2022. Each stripe or bar represents the temperature in that country, region or city averaged over a year.

source: <https://showyourstripes.info/s/europe/unitedkingdom/england>

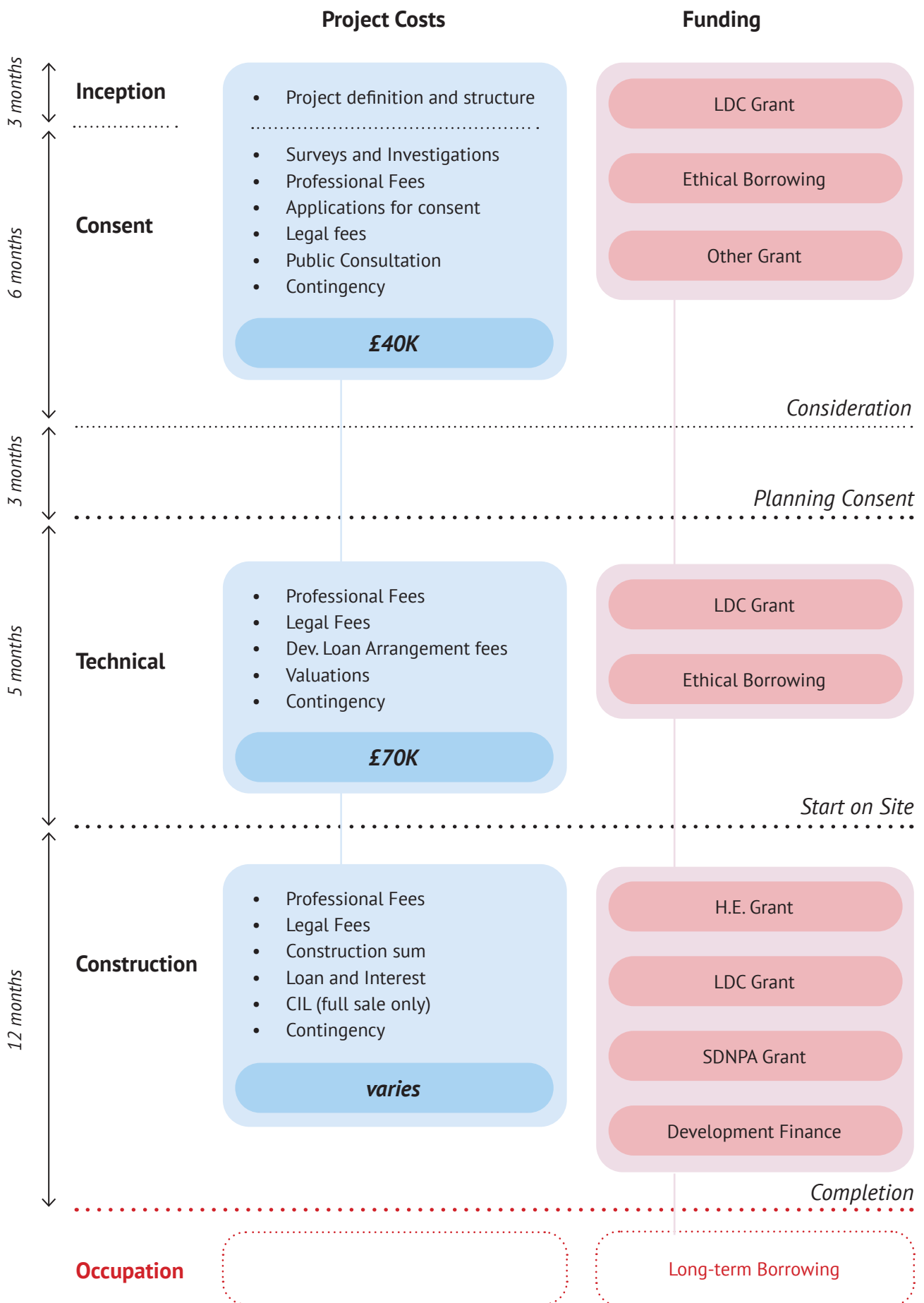
Ultimately the most energy and material efficient projects are also those which are thoroughly well-considered, well-put together and well-constructed. This quality is not something that can be 'bolted-on' at the end and there is considerable benefit to be taken from engaging an experienced professional design team very early in the project. They should have a comprehensive responsibility to deliver on the strategic project aims and brief.

Occupation

The inclusion of renewable energy sources (photovoltaics, air source heat pumps etc. and the associated systems) provide an important way of making homes both more affordable but also sustainable to inhabit and enjoy. The performance of such systems goes 'hand-in-hand' with the construction and material quality and therefore need to be considered from the outset to ensure that maximum passive benefit is taken in the most efficient way - this includes daylight. Moreover, a well designed and integrated system is easy and cost effective to maintain.

Value and investment

In addition to being well specified and constructed the level of sustainability (and success) achieved also rests on the buildings, spaces and environment being valued, flexible and long-lasting. Buildings and spaces that are successful and well-loved are looked after and retain the investment, gaining value over time. It is important to note that this is not to say they must be expensive, but they should be valuable in the broadest sense.



4.3 Funding

The nature and brief for the project will, to a certain extent, be determined by the approach to project funding and ultimately the ownership and management of the homes. More precisely, will the ownership of the site and buildings be retained by the Parish (as a freehold) or would the leasehold be sold to a Housing Association (either during, or at the end of the development process) with a small ground rent paid to the freeholder? This is a key decision, and the detail is beyond the scope of this document and would be a key part of the 'Inception' project stage discussed earlier. Set out below is how this decision informs the approach to funding as this useful frames some of the considerations.

1.0 Pre-Development stage (Inception, Consent and Technical)

We understand that there is potentially two forms of funding available from Lewes District Council to support the development and submission of a planning application. This could be in the form of grant and/or a soon to be launched low-interest borrowing facility targeted for community-led projects and affordable housing projects. The terms and quantum of funding will be judged on a case-by-case basis however this is likely to be at rates below commercial lending.

There is also the potential for other grant to be sought locally or from ethical lenders in the community-led homes sector. To a certain extent the project brief, for example long-term energy performance, and the local housing need identified, affects the success and value of such awards.

An alternative or supplemental funding strategy is for an agreement to be made with a Housing Association (HA) to deliver the project and as a consequence assist in some of the project funding. An important consideration will be how closely the aspirations of the Parish and HA can be aligned (there is often a mismatch) and if the scale of project is viable for a larger organisations.

2.0 Development Phase (Construction)

2.1 Grant

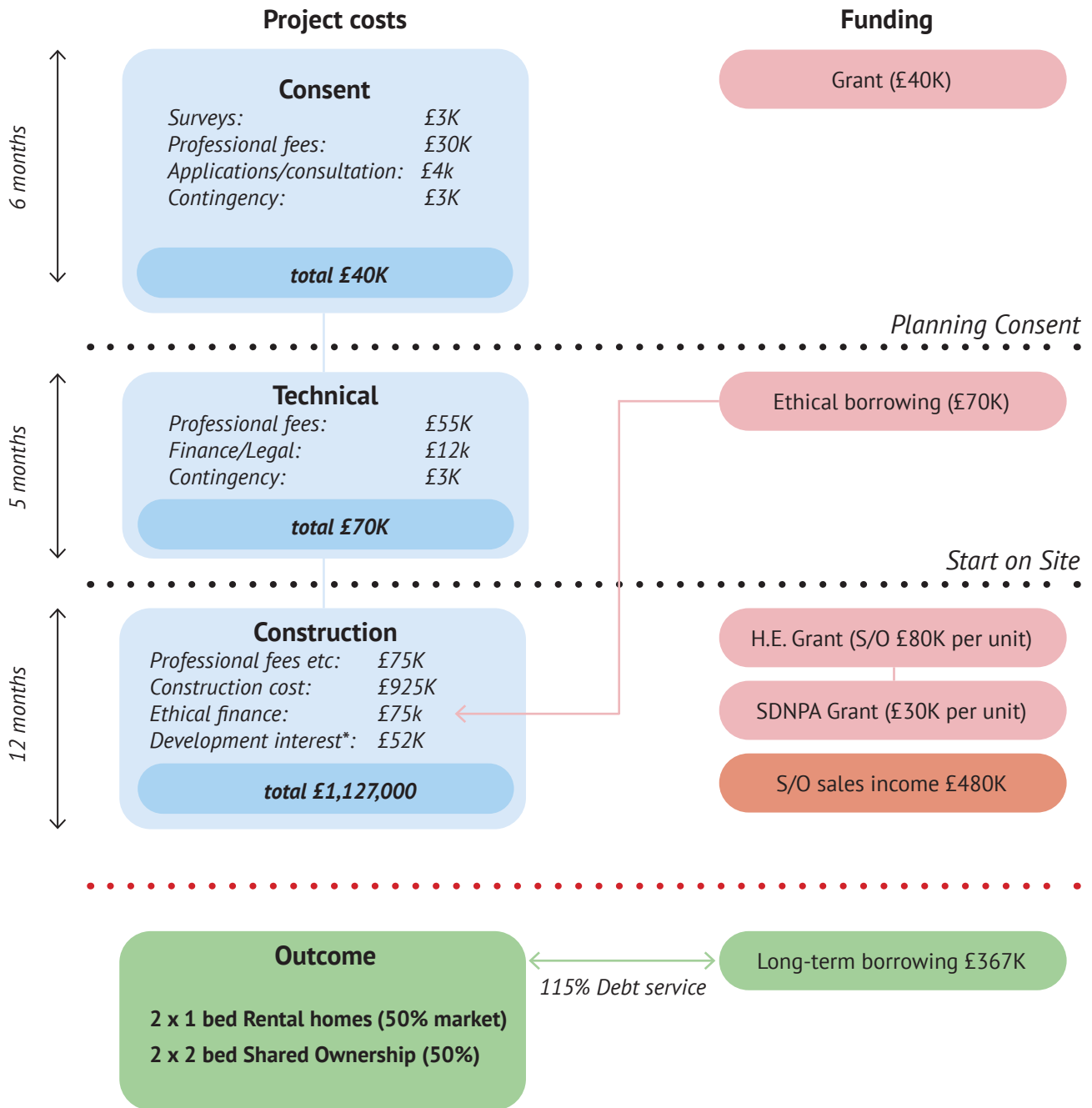
There are two primary sources of grants available towards the delivery of affordable homes, depending upon tenure, and these are typically received towards the end of the construction phase or at completion. Homes England (HE) provide different levels of grant for Shared Ownership and Rental (affordable and social rent) homes and, at present, award them in different ways.

For Shared Ownership homes the grant is awarded to an 'Investment Partner' which can be sought by the organisation who will own and manage the homes. HE grant for rental homes however, is only available to what is known as a 'Registered Provider' almost without exception a Housing Association and they must own and manage the homes. This is an important distinction and has a direct relationship with how the long-term debt (essentially a mortgage) is considered below.

Importantly the SDNPa also awards grant towards each home delivered and this - particularly on a small scheme such as this - can make a significant difference.

left bottom: A diagram setting out the key stages, activities, costs and funding for a project similar to Ditchling Gardens

OPTION X (2 x 1bed rental and 2 x 2 bed S/O)



Key Data

Total GDV*:	£1,720,000
Development Finance:	£770,000 @ 10% (45% GDV)
Sales Value:	£480,000
Total Grant:	£320,000
Soft borrowing:	£70,000 @ 10%
On-costs:	£187,700
Construction cost:	£925,000

* If full market sale and no planning obligation (ie. s.106) on the development.

4.3 Funding

2.2 Development Finance

There are several ethical, and large number of commercial, lenders of development finance that would provide the finance for the construction phase of the project. Typically the amount of borrowing cannot exceed 65% of the Gross Development Value (GDV) of the completed project - in other words the total sales income generated. The total loan includes the interest accrued and there is typically an arrangement fee (c.1%) and associated valuation and legal costs. Both the term of borrowing (construction period) and the prevailing BoE base rate are key factors and should a HA or other developer be involved it is likely that they would be able to secure borrowing at slightly lower rates.

2.3 Shared Ownership and Sales income

The identified housing need in a village or parish is usually for a mix of tenures and the different forms of income they generate can form an important part of the long-term project viability: rental income, shared ownership or outright market sale. Typically affordable housing projects are a mixture of rental and shared ownership with outright sale only justifiable, or acceptable to grant funders and local authorities/planners, where the viability is demonstrably challenging. In those cases typically no more than around 20% of the total number of homes for market sale is acceptable.

Shared ownership can provide an important stepping stone in making housing affordable, particularly in areas where market values are very high. A percentage

of the homes value is sold with a charge (up to 2.75% pa) on the unsold equity often in addition to a small monthly service charge. An important consideration will be to strike a balance between the percentage or value of equity sold, the level of grant that HE will provide based on that percentage and also the long-term revenue generated by the charge on unsold equity. For the purposes of the viability model we have assumed 50% sold as this gives access to a good level of HE grant and a long-term income.

2.4 Long-term debt

Once completed and occupied the new homes generate an income in the form of affordable rents and a monthly charge on the unsold equity in the shared ownership homes. Once deductions have been made for management, regular maintenance and a long-term repairs fund via a service charge this income is typically used to serve an element of long-term debt over a period of up to 38 years. Several ethical lenders offer this facility and often require a 'debt service percentage' of at least 115% - in other words the income available to service the loan repayment exceeds the repayment by a factor of 1.15.

Should an HA be involved in the scheme they would, in addition to the grant from HE, take on the long-term debt and it would constitute part the 'purchase price' that they bring to the project. This would need to factor in long-term the ground rent charged to the Parish. For the purposes of the viability modelling undertaken we have assumed that a HA is not involved as this usefully identifies the level of long-term debt taken on - irrespective of whether that is by the Parish or a HA.

left bottom: A diagram summarising the project stages and outcomes (Key Data) for one of the options explored in the viability studies (Option 4).

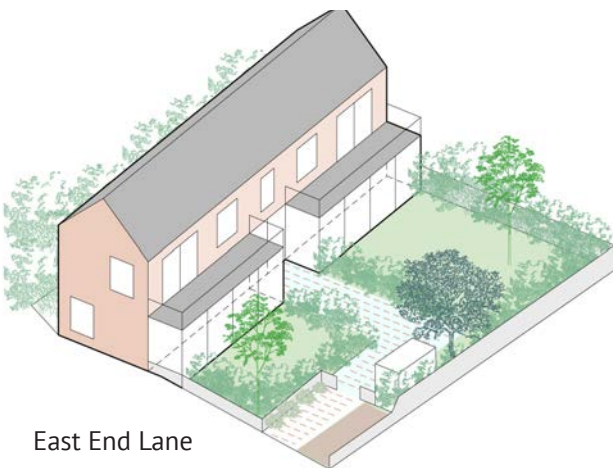
	Option 1	Option 3
Creative Re-use	4 x 1B	3 x 2B
Total GDV	£1,400,000	£1,350,000
Sales Income	£350,000	£810,000
Pre Development Grants and Borrowing	£110,000	£110,000
Development Grants	£280,000	£330,000
Total Development Costs (excl. grants)	£933,000	£1,123,000
Development Finance required (inc. interest)	£560,000	£957,000
Percentage of GDV	40%	66%
Long-term Borrowing	£284,000	£308,000
Outcomes		
Rental	2 no 50% of market	0
Shared Ownership	2 no 55% of market	3 no 50% market sale

	Option 1	Option 2	Option 3	Option 4
New Build	4 x 1B	3 x 1B, 1 x 2B	3 x 2B	2 x 1B, 2 x 2B
Total GDV	£1,520,000	£1,620,000	£1,440,000	£1,720,000
Sales Income	£266,000	£440,000	£748,800	£480,000
Pre Development Grants and Borrowing	£110,000	£110,000	£110,000	£110,000
Development Grants	£280,000	£280,000	£330,000	£280,000
Total Development Costs (excl. grants)	£933,000	£1,060,000	£1,123,000	£1,127,000
Development Finance required (inc. interest)	£560,000	£665,000	£957,000	£770,000
Percentage of GDV	37%	41%	66%	45%
Long-term Borrowing	£369,000	£308,000	£308,000	£367,000
Outcomes				
Rental	2 no 50% of market	2 no 50% of market	0	2 no 50% of market
Shared Ownership	2 no 35% of market	2 no 50% of market	3 no 50% market sale	2 no 50% of market

5.0 Summary Viability



East End Lane



East End Lane

left top: Two summary tables of the key data and viability options for both a creative-reuse and a new build project. above: Two illustrations exploring the potential massing and arrangement of a new build project at Ditchling Gardens. This is based on Option 4 with two 2bed accessible homes on the ground floor with two 1bed homes above

Note. These are not design proposals but rather a test to judge what the capacity of the site might realistically be.

Illustrated on the opposite page is a summary of a different viability studies looking at range of housing mixes and tenures and following that parameters and principles described above. In each case we have aimed for a balanced scheme between rental and shared ownership and for each tenure also circa. 50% of the estimated market value. The project viability rests upon the value of the homes and equilibrium between the equity sold and the quantum of longterm borrowing serviced by rental income.

There is a slight difference in both the market sale and market rents between the creative re-use and new building options and this expressed most explicitly in the difference in the GDV and outcomes in Option 1. In this option (four 1bed dwellings) a greater percentage of the shared ownership homes needs to be sold at day one so that the longterm debt is set at a level that is met by rental income (nominally 50% of market).

Another consideration to note is the percentage of Gross Development Value (GDV) that each mix holds. As noted above commercial development finance will usually be available up to circa. 65% of the GDV once grant finding (shared ownership only if a Registered Provider is not involved) and this also gives a good overall sense check of the scheme. Unsurprisingly where there are more homes contributing to the GDV the better the viability. In option 3 it should be noted that the viability modelling suggest that the three homes should all follow a shared ownership model with the longterm borrowing serviced by a charge on the unsold equity alone.

It is too early in the process to identify the most appropriate mix and this will ultimately be determined by the need that is identified in Ditchling. Nonetheless the viability modelling shows that there is a successful project at Ditchling Gardens that can deliver good quality, smaller and more appropriate homes for the community.



above: examples of some of the strategic organisational diagrams for different mixes of dwelling types, in both creative re-use and new build options, that have informed the headline viability modelling.

6.0 Recommendation and Next Steps

Community led Housing and Community Land Trusts

Community-led housing (CLH) involves local people playing a leading and lasting role in solving housing problems, creating genuinely affordable homes and strong communities. Community Land Trusts (CLTs) are charities or not for profit social enterprises which develop and permanently protect locally affordable homes for their communities (as defined in the 2008 Housing Act). There are now over 350 Community Land Trusts in England and Wales (see www.communitylandtrusts.org.uk).

Community Land Trusts are powerful examples of communities taking control and transforming the future of their local community. Aside from housing, CLTs can be used to develop and manage workspace, community facilities and other assets that meet the needs of the community, are owned and controlled by the community and are made available at permanently affordable levels.

Other models of community led housing are Co-operatives and Cohousing. Co-ops are set up for the direct benefit of their members and enable effective governance and management of Co-operative housing. Cohousing is whereby a group of people come together to live as an intentional community. Each household has their own home but there is also provision for shared space and facility (e.g a common room or kitchen) to enable shared living and mutual support to be provided.

Community-led housing provides added economic, social and environmental benefits. Through community led activity, local skills and talent are harnessed and strong local partnerships are created. They help to attract investment into areas, and can help bring forward land, buildings and a host of local procurement opportunities. Sussex communities are now gathering momentum and recognising CLTs as the means to achieve their aims of providing locally affordable homes and ensuring the

long term stewardship of these and other community assets. The Sussex Community Housing Hub provides technical advice and support to 25 CLTs and two Cohousing groups across East and West Sussex.

Next Steps

Should DPC be minded to explore community led housing further then a further meeting can be arranged to consider this in more detail. It should be noted that a CLT is its own independent entity and would become an incorporated body in due course. It is often the case that members of a local Parish Council help to form a local CLT, but they are doing so in their capacity as local residents not as Councillors. If there is support for the concept of a CLT then the following is recommended to take this forward:

- Continue to market Ditchling Gardens for use as a community building for the requisite period of time to ascertain if there is demand for this facility locally
- Seek further support from Sussex Community Housing Hub (the Hub) to explore the options for community led housing delivery and CLT formation
- Set up a Steering Group and agreeing some basic terms of reference, which will allow the group to get organised and to attract further feasibility and pre-development funding i.e. from LDC
- Engage with the community to garner support for the CLT and its first housing project and to develop a broad based community membership;
- Seek further support from the Hub to help prepare a scheme appraisal, identify project finance and procure a professional team to make the scheme happen.

