

# DERRY CITY AND STRABANE DISTRICT COUNCIL

## LOCAL DEVELOPMENT PLAN (LDP) 2032



### POLICY REVIEW 22

#### Draft Planning Policy Statement 22: Affordable Housing

(May 2017)

This Document is one in a series, which builds up to form the 'evidence base' that informs the preparation of the Local Development Plan (LDP).

The afore-mentioned evidence base will be continually updated, to additionally include the latest information, input from public engagement, statutory consultees, stakeholder groups, Sustainability Appraisal and from other Departments within the Council, including Community Planning.

The Evidence Base is published as a 'supporting document' in accordance with Article 10(a) and 15(a) of the Planning (LDP) Regulations (NI) 2015.



**Purpose:** To consider existing planning policy relating to:

**Draft PPS 22 – Affordable Housing**

and to consider alternative policies which will inform the forthcoming Preferred Options Paper (POP) as part of the preparation of the Local Development Plan (LDP).

**Content:** The paper will provide information on:

- (i) Brief overview of housing context in Derry City and Strabane District.
- (ii) The Legislative context and the relevant plans and policies that take account of affordable housing.
- (iii) Consider existing policies and issues and consider preferred/alternative policy approach within the Local Development Plan (LDP).
- (iv) Council Workshop feedback;
- (v) Conclusion which will summarise why there is a need to scope/tailor some or all of the PPS and be more flexible/stricter than the current policy approach.

**Recommendation:** The findings shall be used to inform the Preferred Options Paper (POP) and strategic policies in the Local Development Plan (LDP).

## **1.0 Introduction**

- 1.1 The purpose of this paper is to consider current planning policy in Draft PPS 22 – Affordable Housing and to determine whether or not it needs to be amended to take account of local circumstances through the new Local Development Plan (LDP).
- 1.2 This paper also considers the Regional Development Strategy (RDS), Strategic Planning Policy Statement (SPPS), Sustainability Appraisal themes and Community Plan issues regarding housing in the District.

## **2.0 Legislative Context:**

- 2.1 Article 5 of the Planning Act (Northern Ireland) 2011 states that the creation of planning policy as part of the Plan Strategy must be done with the objective of furthering sustainable development and in doing so, must take account of policies and guidance issued by OFMDFM, DOE and DRD such as the Regional Development Strategy (RDS) 2035 and Strategic Planning Policy Statement (SPPS).
- 2.2 Section 25 of the Northern Ireland (Miscellaneous Provisions) Act 2006 requires all NI Departments and District Councils in exercising their functions, to act in a way they consider to be best calculated to contribute to the achievement of sustainable development.

## **3.0 The Objectives**

- 3.1 The statutory requirement, contained in the Planning Act (Northern Ireland) 2011, to further sustainable development is reflected in the policy objectives for the formulation of the LDP.
- 3.2 There a number of strategic policy objectives that will assist in formulating the aims and objectives of sustainable development in the LDP. These are as follows:
  - Social: Accommodating People and Creating Places
  - Environment: Enhancing the Environment and improving Infrastructure
  - Economic: Creating Jobs and Promoting Prosperity

#### 4.0 **Derry City and Strabane District Council Context**

- 4.1 It is important to put in context the District wide housing situation and that the LDP policies take account of the circumstances of the District.
- 4.2 In terms of type and tenure of housing the LDP needs to ensure that there is an adequate range of sites at suitable locations to provide a mix of house types and tenures to meet our future population needs. Housing Tenure data from the 2001 and 2011 Census would appear to mirror the House Condition Survey (HCS) findings in that there has been a slight decline in the proportion of owner occupation as well as social housing stock with an increase in private rented accommodation.
- 4.3 The private house building sector has been performing at a low and gradually decreasing level since 2012, with just under half of all new build being produced by housing associations for the social housing sector. The very low total of new build units in 2013/14 and 2014/15 is mainly due to the reduction in the numbers of social housing units being built. The failure of the private sector to develop the required level of new houses in DCSDCA has a critical impact on the ability to deliver sustainable mixed tenure, mixed income communities. (Source: Housing Executive).
- 4.4 The Private Rented Sector (PRS) continues to play a significant role in the local housing market. Local estate agents report that there is continuing strong demand for private rental accommodation across the District. The main areas of high demand include the westbank of Derry/Londonderry, followed by the Waterside, Strabane Town and Eglinton where demand for rented properties outweighs supply.
- 4.5 The Housing Executive have stated that despite a small increase in house prices over the past year a number of imbalances in the housing market remain. The decline in private sector house development, low house prices, a lack of mixed tenure development, an undersupply of private rented accommodation and an increasing number of applicants in housing stress on the social housing waiting list all pose particular challenges.
- 4.6 The composition of house types has also changed slightly between 2001 and 2011. Strabane sits significantly higher than the NI average in terms of % of detached properties, while Derry sits significantly lower. This is partly due to the large proportion of housing in the countryside and partly due to the nature of post war, private sector housing development in settlements. Overall the actual % numbers for detached properties between 2001-11 remain relatively unchanged.

By way of contrast the opposite is true for semi-detached properties with Derry ahead of the NI average and Strabane slightly below. Between 2011 – 11, both districts experienced slight increases in the proportion of flats and a slight decrease in terrace dwellings.

- 4.7 The availability of affordable housing is one part of the drive to help create mixed and inclusive communities. The District records the second highest concentration of social housing stock compared to other districts in Northern Ireland. The 2011 census records 21% of all households in DCSDCA reside in the social housing tenure compared with the Northern Ireland average of 15%. Approximately 75% of the social housing waiting list comprises single households, and small families. The predominance of single and smaller family households will mean a high requirement for one and two bedroom dwellings.

## **5.0 Sustainability Appraisal (SA)**

- 5.1 A Sustainability Appraisal is a systematic process which must be carried out during the preparation of a Local Development Plan in order to promote sustainable development by assessing the extent to which an emerging plan will achieve required environmental, economic and social objectives. All LDP strategic planning policies will be subject to SA incorporating Strategic Environmental Assessment (SEA).
- 5.2 DCSDC has commenced work on the preparation of the required Sustainability Appraisal and associated Strategic Environmental Assessment.

## **6.0 Community Plan**

- 6.1 The new duty of Community Planning introduced in April 2015 requires the Council to lead the process of creating a long term vision for the social, environmental and economic well-being of the area and its citizens. The Local Government Bill introduces a statutory link between the resultant Community Plan and the Council's Local Development Plan (LDP), in that the LDP must take account of the Community Plan in its preparation. Therefore it provides the key context at the local Council level for the preparation of the LDP.

- 6.2 It is intended that the LDP will be the spatial reflection of the Community Plan and that the two should work in tandem towards the same vision for the District and its communities and set the long term social, economic and environmental objectives for an area. In practice, it is expected that the Community Plan will set higher level objectives to provide adequate and appropriate housing for its people, which the LDP will then help to deliver spatially.
- 6.3 The Community Planning Team of DCSDC carried out a public consultation in Autumn 2016 in preparation of the draft Community Plan.
- 6.4 The Draft Community Plan talks about people and place matter and our sense of belonging and identity, of being rooted within our families, communities and our relationships and connections within them. It also comes from the physical places that we live in, from our places of work and from places for leisure and play. It is strongly connected with our access to quality public services, good health, our historic environment and our culture.
- 6.5 One of the Principle Actions arising from the Community Plan is to future proof our housing stock for extended life expectancy. One of the Sub Actions is to provide circa 700 lifetime homes by 2019 and develop a policy to encourage universal design principles with lifetime adaptability. Another Sub Action is to install monitoring and sensing devices for use at home – where relevant and appropriate - to facilitate and support independent living in all new housing. This is to be provided through the NIHE/Housing Association providers and private sector.
- 6.6 A Principle Action from the Environmental Wellbeing Delivery Plan is to achieve a high quality of life for all citizens through the preparation and implementation of the Local Development Plan that will support the future sustainable growth and resilience of the city and district. Another Principle Action is to provide quality housing and sustainable urban and rural neighbourhoods that are attractive places to live and are within easy access to local services and amenities.

## **7.0 The Regional Development Strategy**

- 7.1 A principle aim of the Regional Development Strategy 2035 (RDS) is ‘promoting development which improves the health and well-being of communities’. The RDS acknowledges that a healthy community is better able to take advantage of the economic, social and environmental opportunities which are open to it. Improved health and well-being is derived not only from easy access to appropriate services and facilities, although this is important, but also from the creation of a strong economy set within a safe and attractive environment. This aim also recognises

that the promotion of more social and affordable housing helps build strong and balanced communities.

- 7.2 The RDS identifies that the provision of more social and affordable housing also helps to build a strong balanced economy. Strategic guideline RG8 of the RDS seeks to manage growth to achieve sustainable patterns of residential development stating that the varied housing needs of the whole community need to be met, including the availability of affordable and special housing needs.
- 7.3 A supporting action to strategic guideline RG8 seeks to ensure an adequate and available supply of quality housing to meet the needs of everyone. This action recommends that the planning authority take account of need identified in the Housing Needs Assessment / Housing Market Analysis when allocating housing land, including land for social and intermediate housing.

## **8.0 The Strategic Planning Policy Statement for Northern Ireland (SPPS)**

- 8.1 The Strategic Planning Policy Statement for Northern Ireland (SPPS) was published in September 2015. It sets out the Department of the Environment's regional planning policies for securing the orderly and consistent development of land under a reformed two-tier local planning system. The SPPS reaffirms the regional strategies contained within the RDS 2035 and sets out strategic subject planning policy for a wide range of planning matters. It sets the strategic direction for the new councils to bring forward detailed operational policies within future local development plans.
- 8.2 Housing is recognised as a key driver of physical, economic and social change in both urban and rural areas. In furthering sustainable development it is important to manage housing growth in a sustainable way, placing particular emphasis on the importance of the inter-relationship between the location of local housing, jobs, facilities and services, and infrastructure. It is similarly important to successfully integrate transport and land use generally in order to improve connectivity and promote more sustainable patterns of transport and travel. Good quality housing is a fundamental human need that plays a significant role in shaping our lives and our communities. A home is a vital part of people's lives and contributes to creating a safe, healthy and prosperous society. The planning system can play a positive and supporting role in the delivery of homes to meet the full range of housing needs of society, within the wider framework of sustainable development.
- 8.3 The SPPS states that in preparing Local Development Plans (LDPs) councils shall bring forward a strategy for housing, together with appropriate policies and

proposals that must reflect the policy approach of the SPPS, tailored to the specific circumstances of the plan area. Planning authorities must deliver:

- Increased housing density without town cramming;
- Sustainable forms of development;
- Good design;
- Balanced communities.

- 8.4 For the purposes of the SPPS, 'affordable housing' relates to social rented housing and intermediate housing. These are defined as follows:  
**Social Rented Housing** is housing provided at an affordable rent by a Registered Housing Association; that is, one which is registered and regulated by the Department for Social Development as a social housing provider. Social rented accommodation should be available to households in housing need and is offered in accordance with the Common Selection Scheme, administered by the Northern Ireland Housing Executive, which prioritises households who are living in unsuitable or insecure accommodation.  
**Intermediate Housing** consists of shared ownership housing provided through a Registered Housing Association (e.g. the Co Ownership Housing Association) and helps households who can afford a small mortgage, but that are not able to afford to buy a property outright. The property is split between part ownership by the householder and part social renting from the Registered Housing Association. The proportion of property ownership and renting can vary depending on householder circumstances and preferences.  
This definition of intermediate housing used for the purpose of this policy may change over time to incorporate other forms of housing tenure below open market rates.
- 8.5 **Housing Needs Assessment / Housing Market Analysis (HNA/HMA)** provides an evidence base that must be taken into consideration in the allocation, through the development plan, of land required to facilitate the right mix of housing tenures including open market and special housing needs such as affordable housing, social housing, supported housing and travellers accommodation. The HNA will influence how LDPs facilitate a reasonable mix and balance of housing tenures and types. The Northern Ireland Housing Executive, or the relevant housing authority, will carry out the HNA/HMA and will identify the range of specific housing needs, including social/affordable housing requirements.
- 8.6 The SPPS also states that plan policies should support the development of a small group of dwellings adjacent to or near a small settlement. The appropriate number of social/affordable dwellings permissible will depend upon the identified



need and the requirement to ensure the development is sited and designed to integrate sympathetically with its surroundings.

**9.0 DSD Developer Contributions for Affordable Housing.** The Department for Social Development (DSD) launched a public consultation into Developer Contributions for Affordable Housing on 3 June 2014. This consultation ran in parallel with a Department of the Environment (DOE) consultation into Planning Policy Statement 22 – while the DSD consultation document provides the policy context for Developer Contributions, the DOE’s Planning Policy Statement 22 provided the proposed delivery mechanism. DSD are currently taking forward research which both Ministers will consider before finalising any future policy on Affordable Housing. The proposed system of Developer Contributions for Social and Affordable Housing will require planning authorities in Northern Ireland to seek contributions from developers for affordable housing, as a proportion of all newly-proposed housing developments above a threshold number of dwellings – a system already in place in Great Britain and the Republic of Ireland.

## **10.0 PPS12: Housing in Settlements**

10.1 PPS 12 acknowledges that the planning system has an important role to play in creating communities with a wider range of housing in terms of tenure, size, type and affordability. PPS 12 ‘Housing in Settlements’ Planning Control Principle 4 ‘Balanced Communities’ states that social housing should be provided by developers as an integral element of larger housing developments where a need is identified; and that a mix of house types and sizes should be provided to promote choice and assist in meeting community need.

10.2 The development plan process will be the primary vehicle to facilitate any identified need for social housing by zoning land or by indicating, through key site requirements, where a proportion of a site may be required for social housing

## **11.0 PPS 7 Quality Residential Environments**

11.1 PPS 7 ‘Quality Residential Environments’, sets out the Department’s planning policies for achieving quality in new residential development and advises on the treatment of this issue in development plans.

## **12.0 Derry Area Plan 2011**

12.1 The Derry Area Plan 2011 was adopted in May 2000. Housing policies were aimed at ensuring that an adequate and continuous supply of housing land was

identified to facilitate the provision of a range of housing opportunities to meet the needs of the community. The DAP also designated a Greenbelt to protect the open countryside from urban sprawl and ribbon development. Similarly, Countryside Policy Areas were designated to protect those areas of countryside where any future development could adversely affect the rural character of their landscape.

Section 6 of the Derry Area Plan has the following proposal and policies:

Proposal H 1 Zoned Housing Land

Policy H 1 Housing Design and Layout

Policy H 2 Open Space Provision in New Housing Areas

Policy H 3 Infill Housing

Policy H 4 Housing for People with Special Needs

Policy H 5 Designated Flats Zones

Policy H 6 Conversions Outside the Designated Flats Zones

Policy H 7 Flats Development and Redevelopment Outside the Designated Flats Zone.

### **13.0 The Strabane Area Plan 1986 - 2001**

- 13.1 The Strabane Area Plan 1986-2001 zoned 205 hectares of land for housing (of which 111 hectares currently remain) in anticipation of an estimated requirement of 2,270 additional dwellings during the plan period. Additionally, there was a considerable amount of unzoned 'white land' within the towns, villages and hamlets, much of which was also considered suitable for appropriate housing. Beyond the District and Local towns, new house building was also expected to take place not only within the villages and hamlets but also throughout the remainder of the rural area.

### **14.0 LDP Workshops and members input**

- 14.1 In considering and assessing the policy approach to be taken in the DCSDC District in relation to housing it was important to get the views of the elected members. A number of workshops were held including workshops on 'Policy Evaluation' and 'Housing in Settlement Hierarchy'. There were concerns that there is currently a lack of mixed tenure development and an ever increasing numbers of applicants in housing stress on the social housing waiting list, a large percentage of which are single person households.

## **15.0 Consideration and Assessment of Planning Policy Statement 22, Affordable Housing.**

- 15.1 **Overview** The purpose of this PPS is to provide the planning policy mechanism for securing development contributions through the development management process in line with the DSD's '*Developer Contributions for Affordable Housing*' draft policy (see paragraph 9.0).
- 15.2 **The objectives of PPS22 are:**
- to support the provision of affordable housing through developer contributions to ensure that new housing contributes to meeting the identified housing need of the whole community; and
  - to assist in the building of a strong and shared community.
  - to promote the comprehensive planning and development of residential areas and ensure that adequate information accompanies planning applications which will enable the delivery of an improved design quality.
  - to ensure that adequate provision is made for infrastructure and appropriate local neighbourhood facilities as an integral part of residential development.

### **16.0 Policy AH1 – Affordable Housing:**

- 16.1 For all development applications containing 5 housing units or more on sites outside land zoned for social housing the planning authority will seek the provision of affordable housing and or/commuted sums according to targets set through the Department for Social Development's '*Developer Contributions for Affordable Housing*' draft policy.
- 16.2 Where a development plan sets out a key site requirement for the provision of a social housing element less than this target, the planning authority will require further provision of affordable housing and/ or commuted sums to meet the provision of the identified target.
- 16.3 In determining such applications, significant weight shall be given to the targets set in the Department for Social Development's '*Developer Contributions for Affordable Housing*' draft policy.
- 16.4 Where affordable housing and /or commuted sums are to be provided by the developer these will be secured by way of planning condition or through a

planning agreement between the developer and the planning authority which shall be in place before planning permission for the development proposal is granted.

Planning Permission will not be granted for development proposals containing less than 5 housing units where lands have been artificially divided for the purpose of circumventing these policy requirements

#### 17.0 **Issues raised following Meeting with Development Management**

17.1 This is a draft policy. Concerns were raised that the policy needs to provide more clarity as there are no legislative controls to ensure that the policy is effective. There are concerns about the impact the limit would have on house builders in the District.

18.0 **Draft 22 Affordable Housing Public Consultation Emerging Findings Paper** published 27 November 2014, was a document produced following a Consultation and a stakeholder engagement event. Some of the main issues raised regarding the policy included:

Opposition in principle to any proposal requiring private developers to contribute to the cost of providing affordable housing.

1. The policy proposals are potentially damaging to a recovery as they impact adversely on land values and upon the appetite of landowners to sell to developers.
2. There is a potential to further reduce new housing supply by acting as a disincentive to developers to build homes.
3. Concerns were raised about the model of developer contributions proposed.
4. The threshold of 5 or more units identified in the policy is too low and fails to reflect practice elsewhere.
5. Others agree that the threshold of 5 units is appropriate in rural areas.
6. The proposed level of contribution (20%) is set out in the DSD Housing policy paper however this aspect is raised repeatedly in responses to draft PPS22.
7. There should be a regional level of contribution required and perhaps the contribution broken down further as 75% affordable housing and 25% intermediate housing. Another suggestion was that the contribution should be equivalent to the Housing Association grant per unit. Other respondents observed that the level of contribution should reflect local circumstances and should be flexible enough to adapt to changes in the housing market.
8. Clarification is sought on the circumstances when a commuted sum will be acceptable as an alternative to the provision of affordable housing. It was felt that commuted monetary sums will only be permitted in exceptional circumstances.
9. Concern was raised that there would be an impact on the processing timescales and developer costs.
10. Comments included those from Local Government that affordable housing requirement for a particular area should be set out within the LDP's.
11. Mixed tenure developments are difficult to deliver and less attractive to purchasers.
12. The provisions of PPS12 Planning Control Principle 4 should be incorporated within PPS22 to emphasise the importance of mixed and balanced communities.

## 19.0 Approach

<b>PPS 22 Affordable Housing – Policy AH1 Affordable Housing</b>
<b>Approach 1 – Retain existing draft policy</b>
<b>Approach 2 – Await policy in final form to be published and consider any amendments to the policy.</b>

**19.0 Preferred Approach 2** Await policy in final form to be published and consider any amendments to the policy.

## 20. Conclusion

20.1 This policy is in draft form. It is proposed to wait on the policy to be published in its final form before progressing the review further. However, this paper has highlighted the current policy in the SPPS and the Districts needs for affordable housing along with the current issues published by NIHE. Issues arising from this PPS 22 review identifies that the draft policy requires more research and evidence gathering. There needs to be a consensus approach for the delivery of affordable housing units via developer contributions. Matters to be considered include the threshold above which a contribution will be sought; the level of that contribution; and the design and integration of social housing that should be set out in the LDP.

20.2 The LDP will be the primary vehicle to facilitate any identified need for social housing by zoning land or by indicating through key site requirements, where a proportion of a site may be require for social housing. Further research needs to be carried out on the economic impact, both positive and negative, of the various options for developer contributions schemes that could be implemented.