

Report on	Consultation from Department for Communities Consultation Paper on 'Definition of Affordable Housing'
Date of Meeting	3rd September 2019
Reporting Officer	Sinead McEvoy – Head of Development Plan
Contact Officer	Chris Boomer – Planning Manager

Is this report restricted for confidential business?	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	x

1.0	Purpose of Report
1.1	The purpose of this report is to provide members with details of a consultation from the Department for Communities (DfC) Consultation Paper on 'Definition of Affordable Housing,' and a response to the consultation.
1.2	The consultation commenced on 24 th June 2019 for 12 weeks, and closes on 13 th September 2019.
2.0	Background
2.1	Following notification of the consultation to the July Council meeting, it was agreed that an all member workshop be organised to prepare a response to the consultation, and that the officers who prepared response to Housing Executive Chronic Homelessness Action Plan consultation, be invited to workshop.
2.2	The workshop took place on Thursday 6 th August 2019, at 5.30pm, in the Council Chamber, Council Offices, Cookstown, and the discussion that took place is reflected in the attached suggested response at Appendix 1.
3.0	Main Report
3.1	We welcome the opportunity to re-consider the definition of the phrase ' <i>affordable housing</i> ' as set out within the Strategic Planning Policy Statement (SPPS), adopted since September 2015.
3.2	The existing accepted definition of ' <i>Affordable Housing</i> ' within Northern Ireland is set out through Regional Planning Policy. There is no legal definition and therefore no legal requirement on Local Government to apply or consider the term, except

3.3	through the Local Planning Authority requirement to <i>take into account</i> the SPPS ¹ document.				
3.4	Until the term has a legal definition stipulated in Primary Legislation and Secondary Regulations within Northern Ireland, there will continue to be ambiguity regarding the meaning of the said ' <i>umbrella term</i> '.				
3.5	<p>Whist this council welcomes the consultation; it has some serious concerns which are summarised below and reflected in our answers to the specific questions attached at Appendix 1. These are:</p> <ol style="list-style-type: none"> 1. The timing of the consultation which has been over the summer and when most councils take a summer break. It has not been possible to present this response to our full council and therefore it is requested that the opportunity is given to amend or supplement these comments by 30th September 2019 if our elected members so desire; 2. The models of provision presented appear too narrow and the council would welcome a study looking at publically provided housing in the EU, particularly the Netherlands and Germany, where the public sector provides top end housing in order to generate subsidies for those in need; 3. There is particular concern at the suggested amendment to include privately provided housing within the definition. Unless properties were subject to a legislative regime and publically overseen, we do not believe, the appropriate controls are in place to generate proper governance. It is also inappropriate to ask the planning system to take on this task; 4. While the scope of affordable housing may increase, the council is concerned that in the absence of detail, it is unclear how resources will be prioritised to ensure that those in the greatest need come first. 				
3.6	In conclusion, therefore, Mid Ulster District Council invites the Department for Communities / NIHE to explain its priorities for resources and present robust legislation to regulate and enforce the provision of good quality decent homes.				
4.0	Other Considerations				
4.1	Financial, Human Resources & Risk Implications				
	<table border="1" style="width: 100%;"> <tr> <td data-bbox="215 1657 215 1948" style="width: 10%;"></td> <td data-bbox="215 1657 1428 1948">Financial: None identified</td> </tr> <tr> <td data-bbox="215 1657 215 1948"></td> <td data-bbox="215 1657 1428 1948">Human: None identified</td> </tr> </table>		Financial: None identified		Human: None identified
	Financial: None identified				
	Human: None identified				

	Risk Management: None identified
4.2	Screening & Impact Assessments
	Equality & Good Relations Implications: None identified
	Rural Needs Implications: None identified
5.0	Recommendation(s)
5.1	Members are requested to note the contents of this report and attached detailed response, and agree that the response at Appendix 1 can be issued to DfC. The response at Appendix 1 will be subject to agreement by full council.
6.0	Documents Attached & References
	Appendix 1 – Affordable Housing Consultation Response

Affordable Housing – Consultation Response

Introduction

Mid Ulster District Council welcomes the opportunity to re-consider the agreed definition of the phrase '*affordable housing*' as set out within the Single Planning Policy Statement (SPPS), adopted since September 2015.

It is timely to review this definition in light of recent changes to UK government legislation on the issue of housing, planning and particularly, the social rented sector and private rented sector. Mid Ulster District Council wish to draw the Department's attention to the Housing (Scotland) Act 2014¹ and Housing (Wales) Act 2014². The Council has serious concerns regarding the lack of an up-to-date and sound legislative basis for the fundamental issue of Housing within Northern Ireland, at a Regional level and at District Electoral Area level, at local level.

It is vital that the Northern Ireland Executive, the Department for Communities, the Department for Infrastructure and all other associated Government Department's realise that Northern Ireland is in a housing crisis now. The subsequent impact the housing crisis is having on the people of Northern Ireland in terms of access to physical and mental health services, schools and education services, other public services has been profusely underestimated. There is a serious issue of accessibility and availability of good quality homes for those households who have qualified for Social Rented Homes.

The existing accepted definition of '*Affordable Housing*' within Northern Ireland is set out through Regional Planning Policy. There is no legal definition and therefore no legal requirement on Local Government to apply or consider the term, except through the Local Planning Authority requirement to *take into account* the SPPS³ document.

Until the term has a legal definition stipulated in Primary Legislation and Secondary Regulations within Northern Ireland, there will continue to be ambiguity regarding the meaning of the said '*umbrella term*'.

Whist this council welcomes the consultation; it has some serious concerns which are summarised below and reflected in our answers to the specific questions. These are:

1. The timing of the consultation which has been over the summer and when most councils take a summer break. It has not been possible to present this response to our full council and therefore it is requested that the opportunity is given to amend or supplement these comments by 30th September 2019 if our elected members so desire;

¹ The Housing (Scotland) Act 2014

² The Housing (Wales) Act 2014

³ The Planning Act (NI) 2011

2. The models of provision presented appear too narrow and the council would welcome a study looking at publically provided housing in the EU, particularly the Netherlands and Germany, where the public sector provides top end housing in order to generate subsidies for those in need.
3. There is particular concern at the suggested amendment to include privately provided housing within the definition. Unless properties were subject to a legislative regime and publically overseen, we do not believe, the appropriate controls are in place to generate proper governance. It is also inappropriate to ask the planning system to take on this task.
4. While the scope of affordable housing may increase, the council is concerned that in the absence of detail, it is unclear how resources will be prioritised to ensure that those in the greatest need come first.

In conclusion, therefore, Mid Ulster District Council invites the Department for Communities / NIHE to explain its priorities for resources and present robust legislation to regulate and enforce the provision of good quality decent homes.

Q1 Do you think the current definition of affordable housing needs amended?

Yes. The Council agree that the current definition as set out in Regional Planning Policy is not adequate for modern day client (household) requirements. Further detailed consideration needs to be given to the demographic changes of household size, the person(s) age, personal mobility (physical and financial), and accessibility to health services and education services. There is an adherent need for a wide variety of housing type, with outcome based monitoring focused on the client's needs not the suppliers products.

The proposed alternative definition is not specific, measurable, achievable, realistic or time bond.

Specific Comments:

The Council agree that the definition of *Social Rented Housing* which is to be retained as per page 114 of SPPS under Glossary section. It is a concise, well-established definition and all stakeholders understand the interpretation of the term.

The Council strongly disagrees with the statement made in paragraph 5.1. Reference has been made to '*new construction methods*', this will not impact on the volume of local people who are currently in housing stress, or affect the availability and accessibility of good quality social rented homes. The Council requests clarification regarding the terms '*New Government Funding Streams*' and '*Housing Association desire to diversify and grow?*'

The Council draws particular attention to the reference to private developers opening up opportunities for new affordable housing. No evidence has been included or referenced to within the paper to substantiate this statement.

The Council recognises that the needs of local people within Mid Ulster, consisting of a wide variety of households, is not, adequate. The commercial private rented,

to let and buy housing market is difficult to access in terms of financial affordability. It is therefore the financial situation of the individual householder(s) that is key to the philosophy behind '*affordable housing*' not the physical built form.

It is essential that Government Department's such as the Department for Communities, accept that local affordable housing needs are determined on the financial affordability of local households, i.e. the ability of a person or a household to access financial support whether it is through co-ownership, shared ownership or right to buy, or other alternative financial supporting mechanism. Affordable Housing cannot be measured in '*residential units*', it must be measured on the individual householder(s) need to access a decent home.

Within Mid Ulster, by the Council has acknowledged that there is a major issue regarding the affordability of rent whether it is social rented homes or private rented homes, which is causing a distinct rise in homelessness, including hidden homelessness. The proposed changes to the term '*Affordable Housing*' will not change this fact.

Intermediate Housing: as defined within SPPS, lacks clarity, is easily misinterpreted. This has led to confusion. The definition of Intermediate Housing within the SPPS is restricted to 'shared ownership' and 'co-ownership' financial support options for a household who rents and owns a home. This paper suggests that this definition should include other forms of financial support options, which are only available to households, who are eligible to access them.

Unfortunately, the paper focuses on the physical product i.e. residential unit but not the actual circumstances of the resident, or rather the person(s) and households under housing stress. The key issue is the ability of the person(s) to access financial support to rent or buy a home in which to live. Affordable housing needs to relate to the person not the physical building.

There is a serious possibility that by broadening the definition of to include a wide range of affordable construction products i.e. affordable for the private sector to construct, that those most in need of a home (including the homeless) maybe overlooked. None of the suggested products as set out on pages 21-22 and 24 will reduce the chronic lack of financially affordable homes within Mid Ulster and Northern Ireland. Such products are often beyond the means of many of those on lower incomes or the social housing need register. The proposed inclusion of these products will only serve to exacerbate further the real issue, which is lack of access and availability of social rented homes for local people, who either do not wish to purchase, or cannot purchase due to personal circumstances.

This model envisages that the private sector will bring forward an adequate supply of good quality homes at a reduced commercial market rent or purchase value to meet local housing needs, this is an unrealistic prospect given the private sector build housing (residential units) to make profit, it is a business. demand, however, as previous attempts to introduce similar affordable housing policies in other jurisdictions in the UK have shown, private developers have cited concerns around

financial viability (through the use of Viability Assessments) as a reason not to include affordable housing within their schemes.

Q2 Do you agree with the overarching principles and objectives that have been identified?

No. The proposed principles and objectives are acceptable in that they provide a basis for discussion. However, there is a serious lack of detail within this consultation paper.

There is no detailed mechanisms for managing, monitoring or reviewing the methodologies for measuring the identified indicators for dPfG Outcome 8 and 11. There is no clear definition of '*housing stress*' and no methodologies for accurately measuring this ambiguous term.

All of the suggested affordable housing models within this paper focus on person(s) wishing to purchase their home. There is no suggested option for those who wish to remain in social or private rented homes. The suggested housing products do not provide an adequate range of choice required by the client, households or individuals.

In light of the statements regarding the DfC's and NIHE ever-reducing financial resources and ability to fund the construction of new social rented homes, it is apparent that NIHE and the DfC, will advocate for the private developer to fill the existing housing gap. This is not an acceptable resolution to the existing housing crisis within Mid Ulster and the Council would contend that any existing financial resources must be allocated in full to social rented homes, either by purchasing existing vacant buildings for retrofitting and reuse as homes for rent or by constructing new homes specifically for social rented sector.

Specific Comments:

Mid Ulster has the second lowest number of NIHE and Social Housing properties across all districts in Northern Ireland. The latest statistics (March 2018) show that of those who applied to NIHE for Social Housing within Mid Ulster only 18.5% received a housing allocation. Mid Ulster has the 5,463 NIHE and Social Housing properties. This is the second lowest across all districts. To make matter worse up to March 2018, NIHE and Housing Associations have sold 7,552 units under the house sales scheme, further reducing the availability of social rented housing stock in the district.

Mid Ulster's population growth has outpaced the NI average between 2001 and 2013 as the population has grown by 19% (compared to NI growth of 8%), the supply of social rented homes has not kept pace with the demand for social rented housing, this coupled with the governments' continued use of 'Right to Buy' policy, all points to a deteriorating situation wherein the numbers of those identified within housing stress is likely to grow.

Paragraph 7.10 suggests that local planning authorities will have adequate resources to manage, monitor and enforce appropriate planning conditions to ensure new construction products under the guise of 'affordable housing' remain

financially affordable and available to those most in need or under housing stress. This is not a realistic, achievable or viable option.

Mid Ulster District Council holds the view that planning conditions should not be viewed as a panacea to secure Social Rented Homes or Intermediate Housing Products under the umbrella of *affordable housing*. Planning can only provide an opportunity at the point at which permission is granted to ensure social housing is provided by a housing authority. After this point it is the housing authority's responsibility to ensure the housing remains affordable.

Q3 Do you agree with the proposed revised definition?

No.

Specific Comments:

Page 21, Paragraph 7.1, of the consultation paper sets out the alternative proposed definition, our comments relate to this statement:

The first sentence refers to the term '*outside the general market*'. The proposed phrasing lacks clarity. It will be difficult to measure a client-focused outcome without an agreed interpretation of the suggested phrasing.

The Council suggests the wording utilised by the Chartered Institute of Housing⁴, who recognise the term as:

'A home provided by a statutory body, Registered Housing Association or other organisation on a not-for-profit basis at a below commercial market rent.'

Mid Ulster District Council welcome the inclusion of the second sentence regarding the need for the public subsidy, whether it is provided by the Northern Ireland Housing Executive, a Registered Housing Association, the Local Council or other statutory body, be repaid and recycled. It is vital to the sustainability of social rented accommodation financial support, that all monies lent shall be repaid, and recycled. This will facilitate the continued access to and, availability of, social rented homes, for those households and person(s) who need a home.

The Council has considered the proposed inclusion and are content in principle that it will ensure:

- value for money for government subsidies (financial support); and
- the retention of social rented homes and, to an extent, co-ownership and shared ownership for those seeking to get on the property ladder.

If the ultimate aim of an amended definition of affordable housing is to provide clarity to all stakeholders then there must be adequate detail provided, particularly in terms practical mechanisms to ensure a sustainable approach to management, monitoring, delivery and enforcement. The Council contends paragraphs 7.5, 7.8,

⁴ Rethinking Social Housing Final Report, Chartered Institute of Housing, June 2018

and 7.10, as viable options for the delivery of adequate quality homes for local households and individuals.

Paragraph 9.4 of the consultation document highlights the ongoing engagement with local councils in respect of LDPs and stresses the importance of complementarity between the work of DfC and the Councils in relation to the definition of affordable housing. It must be noted that DfC in their response to Mid Ulster's Draft Plan Strategy failed to provide any comment relating to Mid Ulster's proposed affordable housing policy.

Q4 Are there products that we should consider for inclusion as examples of affordable housing.

No specific products.

At this time the Council considers that, the existing range of options available and accessible to clients (local people) in terms of social rented homes is seriously inadequate. The utilisation of the umbrella term hides the fact that there are insufficient numbers of socially rentable homes built by the NIHE and Registered Housing Associations. It is clear that the social rented housing is in a crisis, both in terms of access and availability. It is suggested that until

The Council draws the Department's attention to the need to provide adequate legislative control mechanisms and regulations for the following:

- A new Housing (NI) Act in line with Scotland and Wales;
- Fixed Rents for Privately Rented Homes;
- A Private Rented Landlord Register;
- Review of the Local Housing Allowance Levy;

Furthermore, the Council requests that DfC:

- Publish the review on consultation paper Social Housing Allocations and other recent relevant consultation papers;
- Require NIHE, DfC and Registered Housing Associations to publish vacancy rates in terms of Social Rented Homes, by District Electoral Area;
- Review and provide an agreed explanation of the methodology utilised to ascertain the term 'Housing Stress':

What is critical is that planning professionals have a fixed set of criteria which enables them to consider, whether or not, a development proposal constitutes '*affordable housing*' on a case by case basis. Furthermore, in order to provide clarity, it is essential that the Northern Ireland Housing Executive has the oversight role of determining the Affordable Housing need, both social and intermediate housing, within each Council area.

Q5 Do you agree with our proposed definition for Low Cost Housing without subsidy?

No. The Department cannot rely on the private sector to ‘fill the gap’ which is the need for social rented homes.

Specific Comments:

Paragraph 7.6 defines Low Cost Housing without subsidy ‘as housing that priced at or below the average house price for the council area, as reported by LPS Northern House Price Index Report and which is provided without any Government funding and offered for outright sale.’

The key to delivering such housing is the viability of any scheme for the private developer. If the circumstances of a particular site are such that it remains financially unattractive to a potential developer then it is unlikely that any Low Cost Housing will be forthcoming during the Local Development Plan period.

Furthermore, in order to circumvent a planning policy requirement for a certain percentage of affordable housing within a scheme, a developer may demonstrate that a development proposal is unviable. In such circumstances the local authority can either accept a reduced contribution of affordable housing from the developer or refuse the scheme altogether. In either scenario a proportion of the much needed Social Rented homes will not come to fruition.

Q6 Do you consider that low cost housing without subsidy should be included in a new definition of affordable housing?

No. It is not a viable option for sustainable Social Rented Homes. It does not make financial sense for the private commercial sector to invest in below commercial market value house building, as such developers are commercial businesses and will be focused on the economic viability of a development i.e. profit margin.

However, it may be an option for Intermediate Housing, which can be purchased by the client through co-ownership or shared ownership with the developer. It would be subject to the Private Commercial rental and purchase markets.

Without central government intervention or financial subsidy however, the amount of new housing brought forward under such schemes is likely to be negligible.

Q7 What are your views on retaining affordable homes?

Mid Ulster District Council agrees with the requirement to retain social rented homes, through sustainable and accountable management of this limited resource. It is paramount that financial subsidises and receipts from the sale of affordable/social housing are recycled back into the social rented homes to maintain existing housing stock availability.

Mid Ulster District Council are not opposed to the notion of selling housing executive or housing association properties to their occupiers. What is important is ensuring that the finance from sales are directed to replacing or providing social housing where there is need.

Specific Comments:

Paragraphs 7.7 – 7.10 however, imply that this could be achieved by way of planning conditions. This is an issue that needs a separate regulatory regime and is not something for the planning authority to regulate.

Q8 Are these the right target groups or are there other groups we should consider?

This paper ignores those in society who live in Social Rented Housing, either through necessity or by choice. There needs to be a government focus on not only those people on lower incomes who cannot afford market housing but also those people in the most acute need of housing, with restrictions such as income limits.

Mid Ulster District Council also considers that there needs to be a government focus on the housing needs of older people. In the context of an ageing population it is important that provision is made for affordable, specialist accommodation which caters for the elderly in our society who are in need of care due to a reduced ability to perform some tasks. A government focus on housing provision for this section of society would help reduce pressure on the demand for general social rented housing. Such specialist housing would also be likely to provide health and well-being benefits and reduce feelings of isolation for its residents.

It is important that the definition and target groups encompass provision for supported purpose built housing (supported living) to provide for a range of vulnerable people including people with disabilities and older people. Supported living can be by way of homes in a cluster environment with supported care, or more residential shared living with onsite care.

Whilst Mid Ulster District Council welcomes in principle the broadening of options available to those who wish to enter the housing market, the target groups mentioned above should not be ignored.