



**Discussion Paper**

# Affordable housing and the planning system in Northern Ireland



policy

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## Introduction

Northern Ireland has a housing crisis. There is currently a lack of homes to buy and rent. House prices have escalated and land for development has become limited. The provision of affordable housing is hindered by problems within the planning service, a lack of land for development, as well as a lack of resources. *Housing Northern Ireland: Planning for a better future*, the CIH Northern Ireland's Manifesto launched late last year, called for a review of the planning service, to help alleviate the affordability crisis. The *Review into affordable housing – Final Report* led by Sir John Semple; launched earlier this year, also indicated the need for a review of the planning system to enable the provision of more affordable homes; both highlighting the seriousness of the current affordability crisis.

An efficient planning system is crucial to the growth of the economy, prosperity and well-being of the people of Northern Ireland. However, the present system is acting as a barrier to this – it's complex, cumbersome and very slow, with planning applications, at times, taking two years or more to process. This is one of the main reasons why development land is not available for building new houses and is one of the key underlining factors causing house prices to rise dramatically.

This Discussion Paper has been produced to reinforce the points made in the Institute's Manifesto and in the input to the Semple Review. It identifies the problems affecting the planning system; it urges the Executive to fundamentally review and improve the planning system now and not wait until the Reform of Public Administration (RPA). It suggests mechanisms to do so, setting tasks for the Department of the Environment, Department for Regional Development, Northern Ireland Housing Executive, local District Councils and the Planning Service.

## How the planning system works

It's important to be clear about the framework in which the planning system currently works, so this section sets out the process that impacts on how the planning system operates.

- The Regional Development Strategy (RDS) sets out the planning framework of spatial development in Northern Ireland until 2025, Housing Growth Indicators(HGI) partly help determine the allocation of land within the Development Plans of the RDS; it is extremely prescriptive
- Development Plans identifies land to be zoned for development for the next 15 years. These are not all completed, but due to be released in 2008 (despite targets for 2005 originally being set). Absence of Development

Plans has meant that no new land has been released for development over large parts of Northern Ireland

- Under the RDS, guidelines are delivered in the form of Planning Policy Statements (PPS) which contain policies on land use and other planning issues (not all have been completed and some remain in draft format); in some cases these have reduced the scope for professional judgement; in relation to the circumstances of individual cases and increased the complexity of the planning system. Three of these have particular relevance to housing: PPS12 Housing in Settlements; Draft PPS14 Sustainable Development in the countryside and PPS8 Open Space, Sport and Outdoor Recreation
- A range of supplementary planning guidance (SuPG).

The planning systems' performance is currently monitored. Targets have been set for **development control** performance by the Department of the Environment's (DOE) Public Service Agreement 2004/2005 – 2006/2007, specific to housing, is to reduce by 70% the target time taken to process housing applications within 14 weeks. However, the Planning Service's Annual Report published August 2005 indicates that this target is unlikely to be met by the target date set.

## The problems identified

The CIH Northern Ireland responded to Semple's *Review into affordable housing – Final Report* and highlighted some of the problems with the current planning system and the impacts of these problems, such as<sup>1</sup>:

- The current planning system is not delivering an efficient and effective service to meet housing needs in Northern Ireland
- The current planning system, focused as it is on spatial planning, has historically been preoccupied with development control and is thus essentially reactive rather than pro active in its approach to development.
- Most of the targets set by the Planning Service have not been met
- Research has indicated that Northern Ireland's centralised plan-led system has resulted in significant land shortages for housing development
- The RDS is not flexible and is slow to respond to change
- It takes too long for land to be released to build new homes
- Area Plans are not all completed, they take too long to do and are often out of date by the time they are adopted. This affects planning decisions
- Planning legislation is not fully implemented and is not being used i.e. implementation of Article 40s

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<sup>1</sup> Visit [http://www.cih.org/your\\_location/ni/index.php?menu27nav=visible&menu4nav=visible](http://www.cih.org/your_location/ni/index.php?menu27nav=visible&menu4nav=visible) to view our response to Semple's Review into affordable housing Interim Report and Final Report

- The top down approach used to determine HGI is inflexible and takes little account of local market information, as well as social and economic changes.
- It can take up to two years for a planning application to be approved
- It is almost impossible to get planning permission in the countryside. However, Draft PPS14 has been ruled 'unlawful' and will be further developed in the coming months.
- The CIH Northern Ireland remains concerned that the system of land allocation through the RDS, the HGI system and Area Plans is inflexible. There is a lack of zoned land for housing development where demands are high
- There is a lack of integration between the housing and planning system which needs addressed
- Many first time buyers cannot afford to put a foot on the property ladder and at the same time social housing is unavailable to many
- The Planning Service is under resourced and short staffed.

The CIH Northern Ireland believes that housing shortages, land price escalation, current under-performance in the planning system and a continued failure to meet targets set by development control; as well as the major changes in the administration of planning, proposed in the Review of Public Administration (RPA) requires measures to improve the operation and outcomes of the present planning system. A fundamental review of the system to address the issues outlined above is urgently required. The whole system is flawed and until the problems within the planning system are rectified the affordability crisis is only going to get worse.

## Action needed to improve the planning system

The planning system has a key role to play in helping deliver more houses and in achieving sustainable communities. However, the current system must be improved to deliver the following outcomes:

- Better integration between planning and housing
- Efficiency
- Speedier outcomes
- Permanent removal of backlogs in development control
- A properly resourced planning system.

So these can be achieved a number of actions is required:

## An efficient and effective planning system that integrates with housing

Planning for housing policy needs to ensure needs and demands for affordable housing are met. This means that the right amount of housing of the right size, type, tenure and affordability must be built in the right places. A more balanced housing market across Northern Ireland is needed. This will involve action from both the housing and planning sectors.

Housing needs assessments provide evidence for housing and planning decisions. However, currently these assessments lack integration of market information; for example, as suggested in Semple's Final Report house price and income data. More detailed information is required to take account of local markets. This information then needs to be fed into the Planning Service to help determine Development Plans more effectively.

Change in our economy is inevitable; household formations are now smaller, there has been an influx of migrant workers into Northern Ireland and demands for affordable housing are substantially growing. Both the housing and planning sector need to work together to ensure these growing needs are addressed adequately. Housing professionals must identify needs effectively; whilst planners must ensure adequate land is zoned for development and planning permission granted both in Brownfield and Greenfield locations where necessary. These actions must be developed to allow better integration between both professions.

- The CIH Northern Ireland firmly believes that the relationship between the Planning Service and the housing sector in Northern Ireland needs to be improved to ensure better working collaboration and greater efficiency. A responsive less bureaucratic approach where housing functions and planning functions work together to deliver outcomes is needed. In light of the Reform of Public Administration (RPA), the CIH Northern Ireland fundamentally believes that the Northern Ireland Housing Executive (NIHE) and Planning Service should be working from a common evidence base and having input into each others strategy development. This process should be developed immediately
- Skills that plan for housing in sustainable communities are needed in both professions. Necessary training must be set up. When planning responsibility and housing functions are handed over to the proposed new seven super councils; the CIH Northern Ireland proposes collaborative working be implemented to ensure outcomes are delivered.
- The CIH Northern Ireland suggests that amendment of Planning Permissions and the conditions attached to them should be modified to ensure where planning permission has been granted; houses are being built.

## Speedier outcomes from a more flexible system

Planning should be more flexible and be both proactive and reactive when they have to be. Ensuring speedier outcomes, in specific cases where priority has been identified, requires:

- In making land allocations for housing in Development Plans, regional planning policy should allow the planning authority to balance assessments of housing need and demand, with the allocation of efficient amounts of land which is developable, to assist urban housing growth within existing urban areas
- Urban Capacity Studies should be used to assess the capacity of urban areas to accommodate more housing on unused land and by conversion of vacant buildings in Northern Ireland. Sites to be allocated for housing development should be incorporated in new Local Development Frameworks (LDF) if implemented (or development plans). Practice should then allow planning approval to be granted to housing sites identified through Urban Capacity Studies within development limits of existing adopted plans through fast track procedures
- Ensure land for development is actually available for development before it is zoned. The implementation of LHS would assist this process as highlighted above
- The NIHE should be more proactive in vesting land for affordable housing development
- Plans should incorporate mechanisms to enable the release of lands beyond the first phase, housing zoning automatically and without further plan process

## Making the system meet local needs

Greater flexibility is needed to meet demographic, household and economic changes on a more localised level, and in conjunction, assessing housing market movement.

- The Department of Environment to implement LDF including the development of policy on planning obligations; particularly the nature of developer contributions and capacity to levy fees, (as opposed to the current RDS) prior to the RPA.<sup>2</sup> This would improve the situation by ensuring flexibility, to enable effective and appropriate responses to changing circumstances more quickly than Development Plans under the existing

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<sup>2</sup> A Local Development Framework is the spatial planning strategy introduced in England and Wales by the Planning and Compulsory Purchase Act 2004 and given detail in the form of Planning Policy Statements. In most parts of the two countries, maintaining the framework is the responsibility of English District Councils and Welsh Principal Area Councils

system. LDF would strengthen community and stakeholder involvement, by involving them from the outset in plan preparation. Area Plans would be replaced with a new portfolio of documents (Local Development Documents) that can be tailored to suit different needs of a particular area and can be easily updated, making the system less bureaucratic and more reactive. It would also speed up the production of the plan process as well as provide transparency, both in plan content and the process by which plans are produced

- HGI should be reviewed by the Department for Regional Development (DRD) and should be more reflective of market changes and local needs. Housing needs must be analysed more effectively in localised areas. They should be monitored and evaluated on a six month basis, as opposed to yearly, to ensure the information feeds into Development Plans and that any changes in unforeseen demand can be catered for. The NIHE to develop a tracking methodology to monitor the impact of policy interventions and help guide future policy
- Implementation of Local Housing Strategies (LHS) would help assess local housing markets (market information collated could be based on house prices, speed of sales, local incomes etc, the main aim should be to identify where need and supply are mismatched or where demand is high but affordability low) and could also link up with a revised local planning process to assess deliverable sites (similar to PPS3 in England legislation) and the operation of planning obligations. Housing markets differ from area to area and this needs to be determined in data collation and assessment. The CIH Northern Ireland strongly supports Semple's recommendation in his Final Report that the NIHE, in partnership with District Councils and Divisional Planning Offices, should prepare Local Housing Strategies initially for each District Council area. These should cascade from the regional spatial and transport strategies and be consistent with the Sustainable Development Strategy.

## Amending specific Planning Policy Statements (PPS)

The CIH Northern Ireland accepts the core principle of sustainability which underpins planning policy movement in Northern Ireland, and the need to protect the environment and natural built heritage assets in town and country areas. Planning policy must be prepared for the effects of changing market forces such as; increasing numbers of incoming migrants into certain areas of Northern Ireland; and towns such as Newry where, within a short period of time, has become a commuting centre for people working in Dublin; there are similar cross border influences occurring in the north west. All of these impact on housing needs within specific areas and add to increasing house prices. With specific reference to housing; policy should provide for a more appropriate balance between, on the one hand, promoting urban regeneration through Brownfield development, and, on the other, meeting the full range of housing needs through the allocation of Greenfield lands. The content of PPS should be kept up to date, mechanisms should be put in place in order to ensure input from Departments, councils, other interested groups

7



and the general public, with respect to emerging policy issues which may need to be incorporated into operational policy.

The following paragraphs, highlights areas the CIH Northern Ireland want action on:

### **PPS8 – Open Space, Sport and Outdoor Recreation**

PPS8 indicates that the Planning Service will not permit developments that would result in the loss of open space. The CIH Northern Ireland supports Semple's recommendation to review usage of open space under the exceptions policy of Planning Policy and the current movement to address this in the Social Housing Development Programme by the Northern Ireland Housing Executive (NIHE). With limited land available for housing provision, any land viable for housing development should be used. As stated in Semple's Final Report an exception should now be permitted for the use of open space within current housing estates for development purposes. However, redevelopment should bring substantial community benefits that clearly outweigh the loss of open space. Care should be taken to ensure that there is no specific loss to resident amenity such as recreational space; which in the long run could lead to other problems such as high levels of anti-social behaviour.

### **PPS12 – Housing in Settlements**

The CIH Northern Ireland believes there is scope to increase densities significantly. Amendment of PPS12 is needed to make way for higher density buildings. Emphasis must be placed on good design, management of estates, diversification in types and not just one bedroom apartment blocks as well as consideration given to long term management of higher density apartment blocks.

Mixed tenure estates must be created through full implementation of Article 40<sup>3</sup> agreements of the Planning Northern Ireland Order 1991 to secure developer contributions. The CIH Northern Ireland fully support Semple's recommendations to ensure 20% contribution of the houses provided in any housing development granted permission should be affordable homes (social and intermediate). However the process for securing developer's contributions must be simplified. The CIH Northern Ireland supports the proposal by the Construction Employers Federation (CEF) 'that contribution should be on the basis of a single unitary charge', rather than the present system of negotiation on a case by case basis. The unitary charge, by removing the need for negotiation, offers greater clarity, certainty and speed in resolution. Investment in planners' negotiation skills will be necessary to ensure appropriate amounts of affordable housing and mitigation features highly.

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<sup>3</sup> Article 40 – Agreements made under the provision of the Planning (NI) Order 1991 empowers the Department to enter into an agreement with any person who has land for the purpose of facilitating, regulating or restricting the development or use of the land

## A PPS which ensures sustainable development in the countryside is urgently required

In September the High Court in Belfast, ruled that Draft PPS14, the ban on building dwellings in the countryside, was 'unlawful'. Draft PPS14 was introduced in March 2006 to address a surge in planning applications in the countryside by Minister, Lord Rooker. The CIH Northern Ireland welcomes the decision to overrule this planning policy which affected the sustainability of rural communities in Northern Ireland and added to the affordability crisis.

The needs of people living in rural areas of Northern Ireland differ on a geographical basis. This must be taken into consideration in any new planning policy. Many people living in these rural areas have a strong sense of belonging and attachment to that area; living near family and friends for the past however many years with local jobs and commitments. These communities must be maintained and catered for.

The CIH Northern Ireland now calls on the Assembly to take advantage of this decision and re-consult on planning for rural areas. It is very important that our rural areas remain places of thriving and growing communities, which means that houses have to be built, especially with an affordability crisis on our hands. But, at the same time, it is very important that the rural areas are safeguarded against exploitative and inappropriate development. That is a balance that the Minister, the Executive and Assembly will have to address in partnership with the community.

## Implement Community Planning

The introduction of council led Community Planning on a legislative basis has been identified as a major element in the reorganisation of local government. Community Planning will involve a fundamental review of all public services at both local and regional levels. The CIH fully supports the implementation of Community Planning in Northern Ireland.

It has been recommended that Community Planning in Northern Ireland adapt the Scottish Executive model which has defined Community Planning "*as a process which helps public agencies to work together with the community to plan and deliver better services which make a real difference to people's lives*". On the face of it, Community Planning would appear to herald in a new era of people focused public services.

The CIH recognise that current planning legislation already provides for community consultation at various stages. However there is a current level of public and professional dissatisfaction within the system which indicates that the current process is not fit for purpose. There is therefore a real danger that Community Planning, however well legislated for, will fail to achieve its stated objectives

unless the practices and mindsets that give rise to such dissatisfaction and mistrust are addressed now.

Furthermore, lack agreement within the Assembly of the precise working out of the RPA recommendation, particularly in relation to the number of councils, may result in implementation delays.

Against such a background and in the context of the current housing crisis, the CIH fundamentally recommends review and improvement of the planning system cannot be postponed until after the RPA proposals have been fully implemented. We must begin the process of change immediately.

## Improving development control performance

Despite efforts made in the Planning Service through the Modernising Planning Processes Initiative<sup>4</sup> (MPP) to improve matters; there remains problems, including delays; failure to meet set performance targets; growing backlogs in planning applications (especially those under PPS14); slow responses to special consultees and delays in dealing with major planning applications. The following measures to improve development control performance should be considered:

- Provide pre-application advice
- Use call centres to answer frequently asked questions to ensure officers times are utilised
- Speed up consultation with Government
- Impose statutory response times
- Implement new IT system to allow applications to be made electronically
- Prioritise workloads such as major housing developments.

## Helping the Planning Service

The Planning Service is working under severe pressure and is under resourced. These problems must be alleviated.

- Resources for the Planning Appeals Commission (PAC) should be increased as a matter of urgency. This includes increasing the amount of staff in the Planning Service
- Training and development programmes must be set up to develop planners and housing professional's skills for the future
- The Planning Service should set up a multi-skilled unit to deal with significant housing applications. This is particularly necessary if Article 40s are implemented. Most housing applications will require negotiations with

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<sup>4</sup> In this initiative measures designed to improve development control performance. Many of these have now been implemented – however there have been no visible improvement in performance.

developers on housing need, on housing management, on the economics of the development and often also on legal issues<sup>5</sup>

- Housing development applications should be fast tracked
- Deadlines must be set for statutory consultees to respond to planning applications within 30 days once received. If they fail to respond the Planning Service should be allowed to assume they have accepted the content of the application.

The Chartered Institute of Housing is the only professional body for individuals working in housing and related fields. Its aim is to maximise the contribution that housing professionals make to the well being of communities. The Institute has almost 20,000 members in the UK and internationally, with over 400 in Northern Ireland working in the Northern Ireland Housing Executive (NIHE), housing associations, voluntary organisations, the private sector and educational institutions.

For more information on this document, please contact the Chartered Institute of Housing in Northern Ireland, Carnmoney House, Edgewater Office Park, Belfast, BT3 9JQ or look up our web site at [www.cih.org](http://www.cih.org)

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<sup>5</sup> Review into affordable housing, Final Report, Chapter 3, Planning p21. Semple recommended that this unit could include secondees from the Northern Ireland Housing Executive; Valuations and Land Agency; the Departmental Solicitors Office and possibly from developers able to negotiate effectively with developers on the financial and economic aspects of the development.