

25th April 2019

Our Ref: C04126
Your Ref: DPS-B-UN-E

Keith Sutherland
Development Planning and Policy Manager
Belfast City Council
Cecil Ward Building
4-10 Linenhall Street
Belfast
BT2 8BP



Dear Mr Sutherland,

Re: Counter Representation made in respect of representations made to the Belfast City Council Draft Plan Strategy (DPS) – Lands located along the Ballygowan Road, Castlereagh

This letter is submitted on behalf of our client, Kilmona Holdings Ltd, and provides a rebuttal to representations made by others in respect of Belfast City Council's Draft Plan Strategy (DPS). It highlights how the comments made in these representations are not sound.

POLICY SP1 - GROWTH STRATEGY

DPS-A-6R-K Anonymous

This is a far too ambitious figure of 31,600 homes over the 15 year plan period from 2020-2035. Current build rates are significantly lower and if extrapolated over 15 years will fall far below this 31,600 target.

We **disagree** with the comments made in the above representation and believe that the 31,600 figure is not robust and the Council should revert back to the 37,000 additional homes target as presented within the Preferred Options Paper. The 31,600 additional homes target for the 15 years of the plan period does not provide a 5 year over supply to ensure there is no shortfall in the supply of housing over the plan period. The original housing growth figure of 37,000 is therefore a much more robust figure for housing growth across the district and would allow for unexpected growth during the plan period. Therefore, we would encourage the council to revert back to their original figure of 37, 000 additional homes for the district by 2035 as set out in the Preferred Options Paper.

Soundness Test

- The Growth Strategy (Policy SP1) is not sound as it is not reasonably flexible to enable it to deal with changing circumstances (Test C4). The reduction in the projected housing growth, from 37,000 to 31,660, limits the flexibility of this policy's ability to deal with unexpected growth.

Remedy

- Return to original projected housing figure (37,000) from the Preferred Options Paper.

POLICY HOU 5 - AFFORDABLE HOUSING

DPS-A-QN-A West Belfast Partnership Board

WBPB welcome this significant initiative which is aimed at ensuring that every housing development with over 5 housing units has a 20% requirement to provide affordable housing.

The shortage of housing in west Belfast has been a major challenge to local people for decades. House prices in west Belfast are high due to lack of supply.

Many young families have had to move out of west Belfast to other Council areas as they could not afford local west Belfast prices. This is challenging for them as family ties and supports become disconnected.

It is clear from the submission made by West Belfast Partnership Board (WBPB) that affordable housing must be delivered where there is need rather than there being a blanket requirement for affordable housing provision within every development that meets the threshold. The requirement for affordable housing must be based on need and therefore the wording of Policy HOU 5 must be more flexible to allow the level of affordable housing provision within each development to be assessed on a case by case basis.

In addition, we note the comments from WBPB regarding young families being forced to move out of West Belfast to other Council areas due to increased house prices and the challenges surrounding the disconnection from family ties and support which follows such a move. This again clearly points to a requirement for the policy to satisfy need in an area where there is demand and where family connections and support is close by.

Soundness Test

- The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more.
- It is also contrary to soundness test CE3 in that there is no suitable mechanism for implementation i.e. Section 76 Agreements are not suitable means to deliver the affordable housing provision within a scheme.
- Finally, the policy is contrary to soundness test CE4 in that it is not flexible and lacks alternatives such as the payment of a fixed commuted sum by developers.

Remedy

- The policy should be re-worded so that affordable housing provision is linked to demand/need. It should also be updated to allow for alternatives such as the payment of a fixed commuted sum by developers.

DPS-B-UK-B Markets Development Association

The MDA welcome the new policy in relation to Affordable Housing (Policy HOU5..... we also agree with the policy where it states that affordable housing should be “pepper potted” and “tenure blind”. However, concerns are raised when the policy proceeds to suggest that developers may provide affordable housing on a suitable alternative site or may provide a reduction in the number of affordable homes. This is concerning as the policy suggests this may be done on a “case by case” basis but it may be used as an excuse for developers not to incorporate affordable housing within their development as has been the case previously.

We **disagree** with the threshold set out in HOU5 and consider it to be unrealistic in the context of the NI housing market. Developers may turn their attention to other jurisdictions where the policy is more flexible which could result in fewer market and affordable housing being delivered overall and therefore would undermine the housing growth targets for the Council over the plan period.

With regards to the proposed “pepper potting” of affordable housing within developments, this will lead to legal, logistical, organisational and management difficulties for housing associations and therefore is not an efficient or practical method of delivering affordable housing within a scheme.

The provision of affordable housing on an alternative site or payment of a commuted sum is appropriate and would allow some flexibility in responding to the ever changing market conditions which impact upon the viability of projects.

Soundness Test

- The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more.
- It is also contrary to soundness test CE3 in that there is no suitable mechanism for implementation i.e. Section 76 Agreements are not suitable means to deliver the affordable housing provision within a scheme.
- Finally, the policy is contrary to soundness test CE4 in that it is not flexible and lacks alternatives such as the payment of a fixed commuted sum by developers.

Remedy

- The policy should be re-worded so that affordable housing provision is linked to demand/need. It should also be updated to allow for alternatives such as the payment of a fixed commuted sum by developers.

DPS-B-8V-S Co-ownership Housing NI

Co-Ownership welcomes HOU5 – Affordable Housing as it will add to the delivery of affordable housing in the Belfast area. The use of developer contributions has worked in other jurisdictions in the British Isles to deliver affordable housing and, if instituted correctly, will operate to add to supply here.

We **disagree** with the above and believe the proposed wording of Policy HOU5 will not actually add to the delivery affordable housing. The policy threshold is unrealistic and will lead inflated house prices and the delivery of fewer housing overall.

The reference made to developer contributions working in other jurisdictions is misleading. The thresholds are often much lower and the market conditions are not directly comparable with Northern Ireland.

Soundness Test

- The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more.
- It is also contrary to soundness test CE3 in that there is no suitable mechanism for implementation i.e. Section 76 Agreements are not suitable means to deliver the affordable housing provision within a scheme.
- Finally, the policy is contrary to soundness test CE4 in that it is not flexible and lacks alternatives such as the payment of a fixed commuted sum by developers.

Remedy

- The policy should be re-worded so that affordable housing provision is linked to demand/need. It should also be updated to allow for alternatives such as the payment of a fixed commuted sum by developers.

We agree that affordable housing provision will be secured by section 76 planning agreements.

We **disagree** that section 76 planning agreements are the appropriate means to secure affordable housing provision. Section 76 agreements are unduly onerous and time consuming to put in place and therefore increases the timelines involved in the delivery of affordable housing. A planning condition is a more appropriate and efficient means of securing the delivery of affordable housing on sites.

We support the statement in paragraph 7.1.26 that in some instances there may be the potential for a higher proportion of affordable housing and the proportion of affordable housing can be adjusted through a key site requirement within the local policies plan, especially in area where there is an acute housing need.

We **disagree** with the inference by the council in para 7.1.26 that where it can be demonstrated that it is necessary and viable to provide a higher proportion of affordable housing, the council will expect developments to do so. This approach would undermine the thresholds set out in Policy HOU 5. If this policy is to be retained, the opposite should also apply, i.e. where no need exists then the council should not expect any affordable housing provision within a scheme.

If viability is demonstrated to be an issue, our preference would be for the proportions of affordable housing to be lowered to below 20%.

It is clear by this statement NIHE understand that this blanket threshold approach will not be appropriate to all sites. Therefore, a better approach would be to word the policy so that it delivers an appropriate amount of affordable housing on each site where there is an identified need. This would recognise the variation in the economics of each housing development and increase the delivery of affordable housing overall.

Soundness Test

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DPS-A-QE-1 Chartered Institute of Housing

While we support the draft plan strategy in relation to the above points, the affordable housing policy needs to be implemented well. The minimum affordable housing requirement, while being as much as possible a robust and standardised approach, must also take stock of the circumstances and contexts of local housing markets.

The best way the policy can take stock of the circumstances and contexts of local housing markets is to reword the policy so that it is more flexible. The policy should require an **appropriate** amount of affordable housing on a site where there is an identified need.

Second, viability evidence is important to avoid delays in agreements and housing supply through unviable requirements. In one case study from England a council had more forms of obligations than bordering councils. Despite this, the adjacent councils' development rates were dropping faster reportedly due to their unrealistic affordable housing requirements – some were still asking for a 40 per cent provision of affordable homes after the market downturn and this meant too much negotiation.

This is an important lesson and points to the fact that if a policy is unrealistic and inflexible it could lead to a lower delivery of housing and affordable housing. Therefore, amending the wording of Policy HOU 5 to require an appropriate amount of affordable housing would take into account the impacts of downturns in the economy and the financial viability of projects.

Soundness Test

- The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more.
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Remedy

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DPS-A-Q9-N Total Architecture

The proposal for 20% affordable housing to be provided by the developer will increase the cost of the 80% private housing for purchasers and will make property less affordable for all. The proposal may discourage development being carried out and exacerbate the shortfall in housing required.

Total Architecture argues that this policy could be made sound by increasing the threshold to only sites above 0.5 ha having to provide 20% affordable housing.

We fully agree with Total Architecture's comments in relation to Policy HOU 5 which state that the policy will make property less affordable for all. However, we **disagree** with their suggested amendments to the threshold in order to make the policy sound. A requirement for 20% affordable housing on sites 0.5ha or greater is still too high. We believe that policy HOU 5 should be reworded to require an appropriate amount of affordable housing is provided on sites where there is an identified need and that this is the means by which the policy could be made sound.

Soundness Test

- The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more.
- It is also contrary to soundness test CE3 in that there is no suitable mechanism for implementation i.e. Section 76 Agreements are not suitable means to deliver the affordable housing provision within a scheme.
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Remedy

- The policy should be re-worded so that affordable housing provision is linked to demand/need. It should also be updated to allow for alternatives such as the payment of a fixed commuted sum by developers.

CONCLUSION

In summary, it is clear that Policy HOU5 is not sound in its current form and, if retained, will not deliver the affordable housing that it sets out to achieve. The policy is contrary to soundness test CE2 as it is not realistic or appropriate to require 20% for Affordable Housing on sites of 0.1ha or 5 no. units or more. It is also contrary to soundness test CE3 in that there is no suitable mechanism for implementation i.e. Section 76 Agreements are not suitable means to deliver the affordable housing provision within a scheme. Finally, the policy is contrary to soundness test CE4 in that it is not flexible and lacks alternatives such as the payment of a fixed commuted sum by developers.

The policy should be re-worded so that affordable housing provision is linked to demand/need. It should also be updated to allow for alternatives such as the payment of a fixed commuted sum by developers.

Yours sincerely,



Stuart Clarke

Gravis Planning