

Sinead McEvoy

From: Liam Ward [REDACTED]
Sent: 19 April 2019 12:42
To: DevelopmentPlan@midulstercouncil.org
Subject: Representation - WD8 Social Housing
Attachments: WD 8 - Social Housing.pdf

Sirs,

See attached representation to DPS process

Regards,

Liam Ward



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Submission of a Representation to Mid Ulster District Council Local Development Plan 2030 - Draft Plan Strategy



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

Local Development Plan
Representation Form
Draft Plan Strategy

Ref:
Date Received:
(For official use only)

Name of the Development Plan Document (DPD) to which this representation relates

Draft Plan Strategy & background papers

Representations must be submitted by 4pm on 19th April 2019 to:

Mid Ulster District Council Planning Department
50 Ballyronan Road
Magherafelt
BT45 6EN

Or by email to developmentplan@midulstercouncil.org

Please complete separate form for each representation.

SECTION A

1. Personal Details

Title

First Name

Last Name

Job Title
(where relevant)

Organisation
(where relevant)

2. Agent Details (if applicable)

Address Line 1	10 Main Street	
Line 2	Castledawson	
Line 3		
Line 4		
Post Code	BT45 8AB	
Telephone Number	028 7946 9000	
E-mail Address	[REDACTED]	

SECTION B

Your comments should be set out in full. This will help the independent examiner understand the issues you raise. You will only be able to submit further additional information to the Independent Examination if the Independent Examiner invites you to do so.

3. To which part of the DPD does your representation relate?

- (i) Paragraph _____
- (ii) Objective Social Housing Provision
- (iii) Growth Strategy/
Spatial Planning Framework _____
- (iv) Policy _____
- (v) Proposals Map _____
- (vi) Site Location _____

4(a). Do you consider the development plan document (DPD) is:

Sound Unsound

4(b). If you consider the DPD to be unsound, please identify which test(s) of soundness your representation relates, having regard to Development Plan Practice Note 6 (available on the Planning Portal Website at https://www.planningni.gov.uk/index/advice/practice-notes/development_plan_practice_note_06_soundness_version_2_may_2017_-2a.pdf).

Soundness Test No.

CE1 CE2 CE3 CE4

5. Please give details of why you consider the DPD to be unsound having regard to the test(s) you have identified above. Please be as precise as possible.

If you consider the DPD to be sound and wish to support the DPD, please set out your comments below:

(If not submitting online and additional space is required, please continue on a separate sheet)

6. If you consider the DPD to be unsound, please provide details of what change(s) you consider necessary to make the DPD sound.

Please note your representation should be submitted in full and cover succinctly all the information, evidence, and any supporting information necessary to support/justify your submission. There will not be a subsequent opportunity to make a further submission based on your original representation. After this stage, further submissions will only be at the request of the independent examiner, based on the matters and issues he/she identifies at independent examination.

See attached sheets

(If not submitting online and additional space is required, please continue on a separate sheet)

7. If you are seeking a change to the DPD, please indicate if you would like your representation to be dealt with by:

Written Representation

Oral Hearing

Please note that the Department will expect the independent examiner to give the same careful consideration to written representations as to those representations dealt with by oral hearing.

Signature:

Date:

19th April 2019

Social Housing

The district will continue during the Plan period to need to make provision for housing for those who cannot afford to buy their own home. The Draft Strategy makes certain assumptions, and outlines an approach to social housing, which I believe to be flawed, and insufficiently flexible, and therefore unsound.

The passage from the DPS which sets out the Plan's is copied below.

Meeting the Needs of All – Provision of a Mixture of House Types and Tenures

7.26 In residential developments of 50 units or more or on sites of 2 hectares and over, social housing should be provided at a rate not less than 25% of the total number of units. This policy will apply where a need for social housing has been identified by the relevant strategic housing authority until such times that the Local Policies Plan brings forward sites with key site requirements addressing social housing needs. It is not possible to be definitive as to social housing need over a 15 year period as it changes as a consequence of economic factors and inward migration.

7.27 On sites of 25 units or more or on sites of 1 hectare and over, there should be a mix of house types to cater for the needs of all families and small households, providing access for all.

Coherence

One purpose of a development plan is to give clarity and certainty to all parties about the potential outputs from parcels of land, particularly in a plan-led system.

The narrative in the DPS correctly records that the social housing need will change over the Plan period, and will differ from place to place.

Fixing a series of key site requirements at the outset will not offer the flexibility necessary. Nor will a fixed percentage.

Percentage provision

The DPS narrative does not make clear, nor can it, what the commercial implications of a certain percentage of units being designated as social housing might have on a scheme. There are many factors involved, as well as a number of participants in the evaluation.

The table below attempts to illustrate some of the factors involved:

Notional Development Site in Magherafelt (2019)				
Land Cost			Sale Values	
Land cost per dwelling	40,000		Typical semi-detached	155,000
Number of Plots	60		Discounted price to HA	80% 124,000
		2,400,000		
Build Cost			Mix	
Infrastructure per unit	6,000			units
construction per unit	70,000		Open Market	
service connections	1,500			75% 45 6,975,000
Preliminaries	10% 7,750		Social Housing	
Sub-total per unit	85,250			25% 15 1,860,000
		5,115,000		
Cost of Funding			TOTAL REVENUE	
Land over say 4 years	576,000			8,835,000
Construction	204,600		DEVELOPMENT PROFIT	539,400
		780,600	as a % of Gross Value	6.11%
			as a % of total cost (less funding)	7.18%
TOTAL DEVELOPMENT COST		8,295,600		
AVERAGE COST PER DWELLING		138,260		

The calculations in the spreadsheet contain many assumptions, which are involved in determining the viability of any given housing development. Based on the set of assumptions listed below, this notional site would not be viable. At profit margins below around 20-25% a developer will not take the enormous financial risks involved, and a bank will not finance a development.

The DPS narrative suggests that 25% of the delivered stock should be social housing, without defining what “social housing” means. The specification of finishes could potentially add £15-20,000 to the cost of each house, above the costs illustrated here.

If 25% is to be a flat rate, what happens in circumstances where a registered social landlord declines to buy the completed stock?

Has the council consulted with any of the NI Housing Associations to ascertain whether they want 25% of all scheme, in all locations?

Has the council consulted with any of the NI Housing Associations to ascertain whether they will buy the relevant stock when completed? Perhaps they will want to lease instead, in which case the spreadsheet above would have to be revisited.

If developers bring forward a series of schemes below the threshold of 50 dwellings, will not social housing be delivered?

How many schemes have been approved in the district during the first 4 years of the Plan period, which are above the threshold 50 units, and how many social housing units would this have represented had the suggested policy have been active?

No consideration of the relevant alternatives

A series of alternative approaches might have been considered, but were not.

The current supply methodology, whereby Housing Associations make deals directly with developers and landowners, is working in its own terms. Each HA has a budget, given to it from

NIHE, with which to deliver additional housing. That budget is not altered by anything which Mid Ulster District Council might do in land use policies.

The council itself should perhaps consider becoming a delivery agent for social housing. The “taxing” of landowners and developers proposed in the DPS narrative is similar to the English Section 106, Scottish Section 75 and Irish Part 5 planning agreements. In each of those countries it is the local council which has the responsibility to house its citizens. I suggest that an alternative which ought to be considered is one whereby the council takes on that responsibility. The policy decisions in a local plan, which rely upon other semi-state bodies to deliver them is weaker than an alternative where the council is both plan maker, and delivery agent.

What problem is being solved?

We notice in Table 6 of the Position Paper on Housing that around two thirds of the rented housing in the district is provided by the private sector. The trends across the UK, RoI and NI are for reduced levels of home ownership, and increased rental tenures. In tandem with that trend, higher percentages of rental housing are being provided by the private sector.

There is an intention to restructure social housing delivery in NI, with the possible closure of NIHE, or at the least a significant reduction in its role. Currently the NIHE defines the housing need per settlement, and provides grant funding to Housing Associations who then buy land and develop housing.

One aspect of the identification of housing need is that it is typically quite tightly defined. For example, the Position Paper on Housing shows that the waiting list in Dungannon in 2014 was 1117. What that analysis does not tell us is that the need is focused in certain parts of that town. In other parts of the town there is no need whatever. A generalised percentage based policy could not assist with its declared objectives.

HA's are well funded, and are currently able to buy land. They currently build across NI at an annual rate defined by the budgets being made available to them by NIHE, which budget in turn is controlled by the relevant departments in the NI government.

If there is a shortfall in the supply of social housing, and I believe that there is, it is not because of any deficit in planning policy. Rather it is a government funding issue. Even if the suggested policies are adopted, they will not lead to a closing of the gap between housing need and supply. The solution to that problem lies in the identification of ample lands, which will come forward for development.

No robust evidence base

The Housing Position Paper considers the NIHE statistics, but does not interrogate the effectiveness of the policy solutions being proposed. That is not a robust evidence base.

The strategy, policies and allocations are unrealistic and inappropriate

Given the discussion above, I argue that the strategy and emerging policies for social housing are inappropriate, unrealistic and will not assist in the delivery of the stated objectives.

Changes Sought

The Draft Plan Strategy should omit reference to zoning for social housing, and to key site requirements in its land use policies which prescribe a percentage supply of same.

Consider the sustainability of local communities rather than setting Local Housing Indicators as a top-down methodology.

Revisit the assessment of alternatives

Collate a more reasonable and realistic evidence base

This representation relates to every community in the district.