

Commentary

on

Public Accounts Committee

Evidence Session

18 February 2015

Dermot Nesbitt

9 March 2015

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* Final version reflects verbatim the comments from 'Listen Again' service.

1. Design & Build -v- ALP Grant

Evidence session

A simple question was asked by Adrian McQuillan MLA, *"Why did the Department ask Trinity to change from a design-and-build to an ALP?"* The immediate answer seemed equally clear. Donald Heaney stated, *"Essentially, part of the programme is the new-build programme and the ALP process. The Department is, throughout the year, constantly looking for sites coming on or approving ALPs and getting expenditure covered. That was an instance when this would be part and parcel of the normal procedure with the Department writing out. It was aware that the Crossgar scheme was on the programme and then asked Trinity to consider processing it as an ALP."* Thus, according to Donald Heaney, it was normal procedure for DSD to write to associations that had sites on the SHDP and enquire did they wish to avail of an ALP grant?

Additional aspects were also mentioned. Will Haire stated, *"Remember that you have the most ambitious social housing development programme in the United Kingdom. You are building, pro rata, 30% more than England and about 60% more than Scotland..."* and that is why *"...we have an advance land purchase system."* He added, *"We know that we have to get the housing associations assembling the land. We have DFP experts in PEDU telling us that we had to do that process to get it forward."*

Also, budgetary aspects seemed to play a part in this process. Regarding the request to Trinity, Jim Wilkinson stated, *"The Department, in this case, in March, probably driven in part by some budgetary considerations, suggested an ALP."* And when Trevor Clarke MLA stated, *"The organisation was looking for you to pull out all the stops to get it that money because it was in a hurry to spend it before the end of the year"* Will Haire stated, *"It was the other way around... The Department wanted that to happen because of a budgetary and management issue that we talked about earlier."*

And, aspects of 'risk transfer' also seemed to play a part. In the context of transferring risk from the developer to the association, Adrian McQuillan MLA asked, *"Why would the Department have wanted to do that?"* Jim Wilkinson responded, *"In this case, the suggestion was that, by seeking an ALP, there was a potential shift of risk, if you like..."* Will Haire was more specific, *"There is a risk. There is always a risk in development. The key point for us is to transfer the maximum risk to the housing associations. That is the key aim."*

Finally, Roy Beggs MLA, stated to Will Haire that, *"According to your briefing... Trinity's solicitors... showed that the Department was encouraging Trinity to purchase the land at the time."* He then asked, *"Why is that encouragement to purchase the land through the advanced land purchase scheme so important?"* Will Haire stated, *"Where is the suggestion in the process to say that, somehow or other, inherent in this argument is the issue of the developer wanting the purchase of the land by Trinity to relate to some of the Beverley Heights issues? We are saying, look at the timeline and who made the decision about the money; it does not stack up. The flow of the money does not come in that way. That is the point I am making?"*

It thus seems clear. Suggest the usage of an ALP grant, compared with D&B, because of: the NI Assembly's demand for more social housing than elsewhere in the UK; the necessity to provide land; the requirement to spend the allocated budget; the requirement to transfer risk to housing associations; this process undermines the argument of any financial relationship between the Crossgar site and aspects of Beverley Heights.

However, Arthur Canning stated, *"Between 2004 and 2007-08, housing associations, of which we were one, were inundated with offers from developers because design and build was an approved procurement method."* If this was fact, it does not fit well with the scenario presented above by the DSD.

Overall, at first, this aspect seems clear. Yet, Arthur Canning's comments clouds the issue. Thus, will further related information provide some clarity? I am not privy to the documentation between DSD and NIAO/PAC.

Related documentation

Trinity's previous rationale¹ for changing the Crossgar site from D&B was that, *"This scheme originally was to be delivered as a 'Design & Build' package deal however due to this method of procurement being removed from the Housing Association Guide this was no longer permitted therefore the scheme has had to follow the compliant route which placed the Association in a difficult position."* This rationale seemed both simple and

¹ Letter from John Cochrane, Trinity Housing: 16 February 2012

clear: the reason for purchase was because D&B was no longer permitted. This response was repeated one year later in a letter from Trinity (Pgs. 10 & 11).

And, given the correspondence with DSD/NIHE there were opportunities for either party to indicate this dimension of DSD approaching Trinity to consider an ALP grant (e.g. Pgs. 6 to 9). That none did so, in order to fully explain what apparently the position was, is strange. And adding to this strange situation, inject Arthur Canning's comment² in relation to Beverley Heights that, "*Trinity would only buy from the developer when full planning permission has been secured and there is still housing need for the area.*" The Crossgar site did not have planning permission, yet was purchased from the developer by Trinity.

Overall, Trinity acquired the site when it was not required to do so and effectively transferred the risk first from a private developer to the association and then, by way of an ALP grant, to the 'public purse'. Consequently, Trinity pressurised DoE Planning for planning approval. For example the DoE's 'file note' of 19 May 2010 indicates that Trinity's representative, "*highlighted the cost of the site and his need for the current number of units to make the scheme viable.*"

Paralleling this cost consideration and again according to the DOE's 'file notes', the applicant has: "*expressed strong views*"; "*expressed incredulity at the change of opinion*"; and, "*expressed extreme frustration with the change of opinion*". Clearly, it seems possible that this deliberative process led to 'heated' exchanges between the DoE Planning and Trinity.

Even more strange were two NIAO exchanges. After looking through NIHE files, Tomas Wilkinson indicated³ that there was "*nothing to explain the move from design and build to procurement of the land.*" Also an email to Donald Heaney indicated⁴ "*the importance of addressing the design and build issues on Crossgar that we discussed on Tuesday*" and "*a clear position needs to be provided by the NIHE on issues surrounding this change and the part, if any, played by the NIHE.*" These exchanges were against a background where the NIAO "*have been looking into this issue for some time*" (Pg. 13). Yet at no time, prior to the C&AG's Report in July 2014, was any clarification provided by DSD.

And, as part of this NIAO investigation process, Donald Heaney asked for an explanation as to why Trinity had moved away from Design and Build? (Pg. 12) He assured the NIAO⁵ that he will "*be seeking the detailed responses from Arthur Canning once he has had an opportunity to consider the documentation*" - presuming this assurance includes, inter alia, the change from Design & Build.

Finally, from DSD's perspective the important dimension of risk seemed clear (Pg. 5). Yet, considering Will Haire's comments on risk; either there was a complete and sudden volte-face by DSD as regards the logic of its approach to risk or some factor in this process, as yet, is not known.

Commentary

- This statement regarding change from D&B has only been made known publicly at the evidence session, yet according to Donald Heaney apparently it was the "*normal procedure*".
- DSD, assuming it had proper records of its procedures, did not need to rely upon Trinity's solicitors to inform the NIAO's enquiry process regarding the DSD's request to consider Design & Build.
- This procedure, seemingly presented for the first time by Trinity's solicitors to DSD on 6 February, was not disclosed to the C&AG when preparing his 2014 Report; yet, there was ample opportunity.
- DSD needs to clarify immediately why this "*normal procedure*" was not made known to the NIAO, when it was conducting its enquiry. Apparently, it was a major weakness in DSD's investigation.
- Other issues arise. For example; clarity needs to be provided by DSD, and consideration given, as to whether or not encouraging Housing Associations at the end of the financial year to avail of public money was good practice in managing public funds or whether or not it was a classic example of 'use-it-or-lose-it spending', with associated and known weaknesses to such budget spending.

² DSD's note of a meeting: 12 October 2011.

³ Tomas Wilkinson: Email to Dermot Nesbitt, 4 November 2013.

⁴ Tomas Wilkinson: Email to Donald Heaney, 21 November 2013.

⁵ Donald Heaney: Email to Tomas Wilkinson, 12 December 2013

Design and Build dimension

"6.2 Contracts

"The aspiration is to move towards design and build where possible"

'Procurement Strategy for the Social Housing Development Programme'

DSD, October 2008, page 15

"Table 17: Approaches to avoiding or minimising risk in association development activities

[among other approaches listed]

"Use design and build contracts to transfer risk to developer."

'Stick, Twist or Bust'

Research Study for the NIHE; Final Report, May 2009, page 36

[Note: While the above Report was commissioned by the NIHE in January 2008, the final report - when published in May 2009 - was overtaken by events surrounding the demise of 'D&B'. Yet, the economics inherent in the above brief quotation regarding risk still obtain.]

ADAPTED

DPS/2/12

From: Dermot nesbitt [REDACTED]

Sent: 09 March 2012 14:34:21

To: [REDACTED]

I sought any documentation that the NIHE holds in regards to Trinity Housing Ltd's submission in September 2007 for an ALP grant and the subsequent receipt of the grant (£835k) in February 2008.

This request for any documentation includes both internal to the NIHE and also between the NIHE, Trinity Housing Ltd, any other Government department and/or any other organisation.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: dermot nesbitt [REDACTED]

Sent: 07 June 2012 10:07:20

To: david Malcolm [REDACTED]

Cc: Will Haire [REDACTED]; Judith Woodburn [REDACTED]

(C) Some general questions arising from our exchanges are as follows:-

(ix) Was any assessment made by the NIHE as to Trinity's need for an ALP or whether or not other appropriate sites may have been available where an ALP was not required?

(xvi) What criteria, if not referred above, are invoked by the NIHE in both consideration and also prior to awarding an ALP?

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Malcolm, David [REDACTED]

Sent: 08 June 2012 15:20:45

To: dermot nesbitt [REDACTED]

Cc: Haire, Will [REDACTED]; Woodburn, Judith [REDACTED];

Ryan, Pauline [REDACTED]

Hi Dermot

With respect to the issues raised below, all except E (xxi) would fall to NIHE to address as they have operational responsibility for the Social Housing Development Programme.

I have this afternoon sent this email to my counter part in NIHE and asked them to respond to you on these asap and to copy me into that reply.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Graham, Mark [REDACTED]

Sent: 14 June 2012 18:07:43

To: dermot nesbitt [REDACTED]

Cc: Hill, Stephen [REDACTED]; Taylor, Roberta

[REDACTED]; Mccauley, Siobhan [REDACTED]

(ix) Was any assessment made by the NIHE as to Trinity's need for an ALP or whether or not other appropriate sites may have been available where an ALP was not required?

Advance Land Purchase grant facilitates housing associations to acquire land for development in Years 2 or 3 of the Social Housing Development Programme (SHDP).

Trinity Housing initially approached the Housing Executive to seek "housing need" support to deliver 12 units of housing at 19 Downpatrick Road, Crossgar on 26th March 2007. Support was confirmed on 5th April 2007 and Trinity formally registered an interest in developing the site on 9th May 2007. At this time, no alternative sites for social housing in Crossgar had been identified by housing associations for development.

Trinity Housing submitted an Application for Advance Land Purchase grant in respect of 19 Downpatrick Road, Crossgar on 20th September, 2007.

(xvi) What criteria, if not referred above, are invoked by the NIHE in both consideration and also prior to awarding an ALP?

The purpose of the Advance Land Purchase (ALP) grant is to:

- *Facilitate Associations acquiring, in advance, the land element of schemes due to start on site in Years 2 or 3 of the Programme – (thus securing the land for development and reducing the possibility of the Association losing the site); and*
- *Reduce the risk on the Association of increased building costs during any protracted delay from Acquisition stage to Start on Site stage – (by allowing the Association access to the Acquisition Tranche to acquire the site, and for the TCI/Scheme costs to be recalculated prior to the start onsite stage).*

Source: Housing Association Guide

In this particular case, Trinity Housing sought an ALP grant for a site at 19 Downpatrick Road, Crossgar to deliver 8 no. 2 bedroom apartments and 4 no. 3 bedroom houses. This proposal for 12 social housing units was supported by the Housing Executive's Area Planner (South East Area) and Trinity's Application for ALP was approved on 28th January 2008. At this stage Trinity anticipated starting construction on site in January 2009 (subject to planning approval).

The Housing Association Guide sets out the criteria to be applied for the assessment of an ALP Application. The Housing Executive is content that Trinity Housing's ALP Application followed due process and was assessed in accordance with the requirements of the Housing Executive Guide.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Graham, Mark [REDACTED]
Sent: 29 June 2012 16:02:53
To: dermot nesbitt [REDACTED]
Cc: Taylor, Roberta [REDACTED]; Murray, Jim

In response to your follow-up questions please see below. Our response is in blue. Apologies for this taking slightly longer than I had expected

(b) Your answer to question (ix) indicates that no assessment of need for an ALP grant was conducted by the NIHE and your answer to question (x) indicates that the purpose of the ALP grant is to: *"facilitate Associations acquiring, in advance, the land element of schemes...thus securing the land for development and reducing the possibility of the Association losing the site."* This quotation from the Guide seems somewhat incongruous with the reality surrounding the Trinity purchase of the above site: i.e. purchased on 2 August 2007, applied for grant September 2007 and grant awarded in February 2008. Has the NIHE any comment on this matter?

I think there are two distinct issues here:

Firstly, Trinity Housing approached the Housing Executive in March 2007 to seek 'housing need' support for 12 units on the site at 19 Downpatrick Road. In assessing the need for any proposal, the Area Planner examines the supply / demand and the resulting unmet need arising from applicants who are in housing stress on the waiting list. In this case, Trinity's proposal was supported in terms of 'housing need' to help address the unmet social housing need in the area. No alternative potential development sites were identified in Crossgar at this time.

Secondly, the Housing Association Guide does not prohibit the application for ALP approval following the purchase of land. Trinity Housing approached the Housing Executive on 2nd May 2007 to indicate the association's desire to purchase this land with ALP grant funding. DPG approved this approach and the ALP scheme was included in the Social Housing Development Programme published on 1st June 2007. Trinity subsequently purchased the site (completion date 2nd August 2007) and applied for ALP grant on 20th September 2007. This approach is not unusual and not dissimilar to how other ALP purchases are funded.

Mr Dermott Nesbitt

25th April 2013

Dear Mr Nesbitt

Thank you for your letter of 3 April 2013 in which you requested a review of an environmental information request response prepared on our behalf and dated 21 March 2013.

Having reviewed your letter, I note that you appear to raise a number of further environmental information requests in addition to requesting a review.

As far as I can ascertain from your letter you make the following additional requests for information:

1. Confirmation that the nine documents referred to in the Cleaver Fulton Rankin letter dated 21 March 2013 are the nine documents referred to by the Information Commissioner's Office in its decision notice of 26 February 2013. We can confirm that this is the case.
2. That the document which Cleaver Fulton Rankin referred to as 'the contract containing manuscript amendments' is the same as the 'agreement between Inishmore Properties Limited and Trinity (undated)' listed as Item 2 of Page 1 of the Cleaver Fulton Rankin letter. We can confirm that this is the case.
3. That the manuscript amendments referred to are amendments following from the advice contained in a letter dated 16 July 2007. We have dealt with this request for information in further detail below.
4. You have sought clarification as to why the 'design and build' clause contained in the undated agreement between Inishmore Properties Limited and Trinity was not implemented. We refer to our letter of 16 February 2012 in which we have already provided a response to this question. We also refer to the information provided to you in the letter from Cleaver Fulton Rankin dated 21 March 2013 and other previous correspondence which confirmed that Trinity in fact purchased the site on 2 August 2007 for a purchase price of £885,000. Trinity therefore owned the site from 2 August 2007 onwards. Planning permission was not obtained for the site between 2 August 2007 and April 2009 when 'design and build' contracts were no longer permitted by the Northern Ireland Executive.
5. Did Trinity have an option 'via an escape clause' to 'walk away without cost'?
6. Was there an 'escape clause' that Trinity, for whatever reason, decided not to exercise?
7. If Trinity did not have an 'escape clause', why did it purchase the Crossgar site in August 2007 without planning permission.

Trinity Housing Ltd
Maple House
Beechill Business Park
96 Beechill Road
Belfast BT8 7QN
T: 028 9069 0250
F: 028 9069 0251



In respect of the undated agreement between Inishmore Properties Limited and Trinity, I can confirm and restate the environmental information provided to you in the letter dated 21 March 2013. This document was the contract for sale and purchase between Trinity Housing and Inishmore Properties Limited for Folio Number 34134 County Down known as 19 Downpatrick Road, Crossgar. The contract provided that Trinity Housing would pay a purchase price of £885,000 to Inishmore Properties Limited. The contract provided for a completion date of 31 July 2007, however, the actual completion took place on 2 August 2007.

As of 2 August 2007, Trinity Housing owned the property known as 19 Downpatrick Road, Crossgar. For the avoidance of doubt, this was not an option agreement or other kind of agreement where the transfer of ownership was conditional on the grant of planning permission or some other condition. Therefore, although the nature of your request as set out at the bottom of page 4 of your letter is somewhat unclear, we trust this answers your further request for information set out at the bottom of page 4 of your letter.

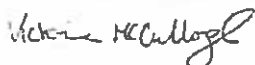
In page 3 of your letter you have sought clarification as to why Trinity did not implement the 'design and build' package. I refer to Trinity's letter of 16 February 2012 and indeed to the second paragraph of page 4 of your letter. The design and build package could not be implemented as it was no longer an approved method of delivery by the Department for Social Development.

I have considered the very limited environmental information contained within the agreement which has not been disclosed to you. I have reviewed the reasons for withholding that information set out in the Cleaver Fulton Rankin letter dated 21 March 2013.

I am satisfied having reviewed the reasons that it is correct to withhold the remainder of the environmental information requested for those reasons.

If you remain dissatisfied with this response you have the right to seek a review by the Information Commissioner. You may do this by contacting The Information Commissioner's Office – Northern Ireland, 3rd Floor, 14 Cromac Place, Belfast, BT7 2JB, telephone: 0208 9027 8757 / 0303 123 1114, Email: ni@ico.gsi.gov.uk.

Yours Sincerely



Victoria McCullough
Corporate Services Manager



Note of meeting with [redacted] on 26th November 2013

In Attendance :- [redacted]
[redacted]
[redacted]

Donald Heaney (DH) – DSD (Governance & Inspection)

Geraldine Reynolds (GR) – DSD (Inspection)

The purpose of the meeting was to discuss issues that had been raised with the NIAO by a whistleblower.

DH opened the meeting by advising [redacted] that the NIAO had received additional information which they have asked him to investigate.

[redacted] accepted that the Department had a job to do [redacted]

DH advised that whilst there were no new allegations, there were three broad areas that needed some clarity.

Issue one – Design & Build Contract

The first area was around the purchase of the site in Crossgar. This was a scheme which Trinity had entered into a Design and Build agreement with the developer to build social housing. DH asked for an explanation as to why the Association moved away from "D&B"? [redacted] responded by explaining that the Association entered into a contract with the Developer in 2007 to build social housing by way of a D&B contract. Part of this arrangement was that the Association would purchase the land by way of an Advanced Land Purchase which was approved by the Department in Dec 2007.

The Association continued to liaise with the Developer but as planning permission was still outstanding the scheme could not progress. In April 2009 the Association was advised by Donal Mac Randal, Head of Housing Advisory Unit within the Dept that D&B contracts were in breach of EU Procurement and as a result Associations had to extricate themselves from such contracts. Trinity Housing Association met with DSD officials to discuss the Crossgar scheme and was advised that there was no way of proceeding with the scheme as it was clearly D&B and was prohibited under EU Procurement rules. The Association then had to terminate the original contract, even though the



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James H Wells MLA
Room 218
Parliament Buildings
Stormont
Belfast
BT4 3XX

Your Ref: SD/01/11/C/DNI/AP

7 January 2013

2014

Dear Mr Wells


Trinity Housing Association – purchase of site at 19 Downpatrick Road, Crossgar

Thank you for your letter of 6th December. As you may be aware we have been looking into this issue for some time. In the first instance we have asked the specialist unit within the Department for Social Development (DSD) which regulates and monitors the housing association sector to investigate a number of issues. These include questions regarding:

- potential conflicts of interest;
- the change from a 'design and build' package to a purchase of the site in August 2007; and
- the recovery of £835,000 of Housing Association Grant given to Trinity Housing Association to build social housing on this site.

I will keep you apprised of how this investigation proceeds but in the meantime if you wish to discuss any of the issues in your letter I would be very pleased to meet with you.

Yours sincerely


Kieran Donnelly
Comptroller and Auditor General

2. Grant Recovery

Background

An Advance land Purchase (ALP) grant is part of an overall payment for an agreed social housing scheme. The total amount is agreed at the start when the NIHE agree to fund the scheme. In 2007/08 when the Trinity scheme was agreed, payment was approximately 70% (today the percentage is less). Of this total agreed amount, payment is made in three stages (Pg. 18). The ALP (£835k) was 94% of the total purchase cost (£885k). It was clear that this represented the acquisition element only of the total NIHE grant.

Given that progress was not made regarding the planning application, *"There would have been a process in place"* (Jim Wilkinson, DSD) to recover pro rata the ALP grant, depending on the number of housing units agreed - assuming some number was approved by the DoE. This recovery process began on 22 May 2012 with the NIHE entering discussions with Trinity regarding the matter (Pg. 16). This recovery process became public knowledge, however Trinity indicated its non-co-operation regarding grant repayment (Pg. 15).

Moving forward two years and after much delay, Minister Storey indicated in the NI Assembly that Trinity was drawing up its proposal for the refund of the grant and would submit this proposal to the NIHE in February 2015. (Pg. 20). Some indications were given as to the amount to be recovered when Mark Graham (NIHE) initially stated, *"the bulk of the money would be recovered"* and then adding later in the evidence session that, *"The Housing Association has lost a considerable amount of money on this scheme."* The amount to be recovered became clearer when Will Haire stated, *"The on costs of looking after the site for the association was £200k. That is a loss to the system... That was the cost of looking after the site and all the other issues."* An illustration (Pg. 18) of the condition of the site, of which not much money could have been spent in its care. The last part of this quotation was in response to a comment by Adrian McQuillan MLA that, *"It is public money we are talking about, and £200,000-plus is a lot of money in anybody's terms."*

Helm -v- Trinity

Mark Graham (NIHE) indicated, *"When we indicated to Helm that we were going to recover the money, it was very willing to sit down and talk to us about the best way of doing that."* Though DSD indicated that discussions also were initiated with Trinity (see above) the response from Trinity was, unlike Helm, apparently both absolute and very negative. And regarding Helm, Will Haire indicated, *"...we also had to make sure we landed Helm safely and did not lose that organisation...it was very much on our risk register from that time."* Against this background, the total amount of the ALP grant owed by Helm (£8.1m) will be settled over a period compared with Trinity where circa 25% of its ALP grant of £835k will not be apparently recovered. Though the absolute amounts of the two grants are significantly different, the ALP grant cost of funding each social housing unit would have been higher for Trinity than for Helm¹.

Comptroller and Auditor General's comments

In 2013 the C&AG indicated (Pg. 17) that the Department was minded to recover both grants, noting an important principle that any losses should not be met from public funds and also expressing disappointment at Trinity's legal challenge. In 2014 the C&AG indicated (Pg. 19) that there was an agreement with Helm for settlement of the full amount. He stated again the important principle that any losses should not be met by public funds and added that this view was also shared by the DSD.

Commentary²

- The ALP grant is related to acquisition costs only.
- DSD by allowing for 2nd-tranche funding to be set against ALP has reduced repayment by c25%.
- DSD compromised on an agreed important principle that losses are not to be met from public funds.
- Trinity, by being negatively trenchant, has apparently and unfairly received inequitable treatment.
- If, as above, grant repayment is agreed with Trinity then DSD warrants robust criticism from the PAC.

¹ Trinity: £835k for 12 housing units = **£69,538** per unit -v- Helm: £8.1m for 130 housing units = **£62,308** per unit.

² These comments were initially conveyed orally to Brian O'Neill (NIAO) on 24 February 2015, since from the evidence session it was possible that final agreement may not have been reached between the DSD/NIHE and Trinity.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: **dermot nesbitt** [REDACTED]

Sent: 01 June 2012 16:38:22

To: Will Haire (will.haire@dndni.gov.uk)

Cc: david Malcolm [REDACTED] Judith Woodburn

Further, I note from the BBC website (23 May 2012) that a spokesperson for the NIHE stated: *"The Housing Executive has initiated the process required to recoup the grant monies paid to Trinity Housing in respect of an ALP grant for 19 Downpatrick Road, Crossgar."* The BBC stated also that Trinity: *"cannot see why the department would seek to re-claim the advance land purchase grant."* Yet, we both know that David Malcolm informed us on 4 January that: Trinity's application had been withdrawn from the Social Housing Development Programme; the relevant personnel in both Trinity and the NIHE had been informed of this decision; and that the ALP to Trinity will be refunded to DSD.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Graham, Mark [REDACTED]

Sent: 14 June 2012 18:07:43

To: dermot nesbitt [REDACTED]

Cc: Hill, Stephen [REDACTED]; Taylor, Roberta

[REDACTED]; Mccauley, Siobhan [REDACTED]

Attached is

1. The answers to your questions

(i) When did the process commence to retrieve the ALP grant from Trinity?

Initial discussions to consider recovery of the ALP grant began early in 2012. The Housing Executive's Development Programme Group sought Approval through its internal business approval structures to recover ALP grant in respect of the site at 19 Downpatrick Road, Crossgar on 21st May 2012. Approval was granted.

(ii) When and who was informed in Trinity and the NIHE to action your statement?

The Housing Executive became aware of DSD's view that consideration should be given to recovery of the ALP grant in December 2011.

A Housing Executive officer telephoned John Cochrane, Development Manager, Trinity housing on 22nd May 2012 to advise of decision to recover ALP grant. This was followed up with a letter to Arthur Canning, Chief Executive, Trinity Housing dated 22nd May 2012.

(v) When will all recoverable funds be returned to DSD?

The Housing Executive has requested immediate recovery of the grant and has entered into discussions with Trinity Housing regarding this matter.

Report by the Comptroller and Auditor General for Northern Ireland
Department for Social Development
Resource Accounts 2012-13
2 July 2013

Paragraph 40

One of the schemes on which the grant may now be recoverable relates to the purchase of a site by Helm in Great George's Street supported by £8.1 million of Housing Association Grant under the Department's ALP arrangements... Consequently, the Department has indicated that it is minded to begin recovery procedures for the ALP grant of £8.1 million.

Paragraph 41

The other scheme relates to one planned by Trinity Housing Association (for a development in Crossgar). In this scheme the Department awarded an ALP grant of £835,000 to the Association in February 2008 to purchase the site on the basis that 12 social housing units would be developed.... The Department have now indicated that they are minded to begin recovery procedures for the ALP grant of £835,125, although the Association has indicated that it is likely to take legal action to prevent recovery.

Paragraph 43

It should be an important principle when making these grants that the development risk remains with the Association so that any losses from changes in land values or planning permission not being forthcoming do not have to be met from public funds. Therefore I am disappointed that there has been legal challenge to the possible requests for repayment.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Graham, Mark [REDACTED]

Sent: 02 August 2012 21:36:22

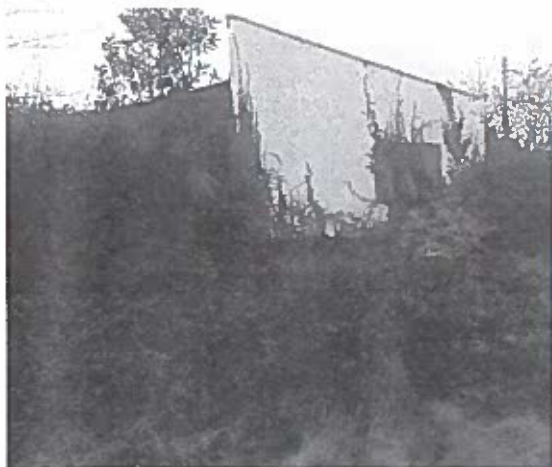
To: dermot nesbitt [REDACTED];
Taylor, Roberta [REDACTED]; [REDACTED]

Cc: [REDACTED]; Mccauley, Siobhan
[REDACTED]

ALP grant is assessed based on the estimated Total Qualifying Scheme costs for the development proposal, ie land, construction costs and on-costs. HAG is typically paid in three stages, Acquisition, Onsite and Completion. Consequently Trinity Housing was paid the Acquisition element of the total grant payable to finance the purchase of the site. Associations can generally avail of private borrowing to supplement HAG to finance the acquisition and development of sites.

Crossgar Site

Pictures taken in February 2015. The site and dwelling have been in a derelict state for many years. For example, note the ivy that has over the years grown over the boarded window.



Report by the Comptroller and Auditor General for Northern Ireland
Department for Social Development
Resource Accounts 2013-14
2 July 2014

Paragraph 50

Helm have been unable to obtain planning permission for a social housing development on this site since 2007. The Department now have an agreement in place with regard to the settlement of the full amount of the grant. This will be done over a period of around three years.

Paragraph 53

In my view, which is also shared by the Department, it is an important principle when making these grants that the development risk remains with the Association so that any losses from changes in land values or planning permission not being forthcoming do not have to be met from public funds.

Paragraph 55

In my opinion the Department and the Housing Executive should work to ensure that recovery procedures for this grant begin immediately.

Oral Answers to Questions
Social Development
Hansard
2 February 2015

Mr Hazzard asked the Minister for Social Development for an update on his Department's attempts to recover £800,000 from Trinity Housing in relation to social housing units in Crossgar, County Down. (AQO 7464/11-15)

Mr Storey: I thank the Member for his question. Indeed, this question is quite topical, as Members may be aware that the issue will be the subject of a Public Accounts Committee meeting on 11 February. Trinity Housing Association received an advance land purchase grant totalling £835,215 on 27 February 2008 for the purchase of a site at 19 Downpatrick Road, Crossgar, on the basis of a 12-unit social housing proposal. Due to a prolonged process with Planning Service over site character issues, objections and amenity space, the site has not been developed. OakleeTrinity is drawing up its proposal for refunding the grant, which will be submitted to the Housing Executive this month for its consideration and approval.

3. Housing Association Guide

Reasonable time

Mark Graham stated, *"The 'Housing Association Guide', which is the rule book for housing associations, said that the schemes should go on-site within a reasonable time."* Will Haire reinforced this perspective by stating, *"We move from the language of "reasonable period" at that time, and that is, I think, absolutely right...I think that the reasonable time now is two to three years."*

However, the relevant HA Guide (Pg. 22) stated a time-period of three years at which point recovery of the grant may be initiated. Indeed, considering the law (Pg. 22) upon which the HA Guide is based, one could state that after both a period of three years and also when the association has made contact with the NIHE, the NIHE could direct the association to repay the whole or a proportion of the ALP grant. Also, the DSD was clear (Pg. 23) as to the process, in the event of ALP grant recoupment.

Indeed, while the latest HA Guide (Pg. 22) specifies a specific timeline, it also has in-built flexibility by stating, *"will normally be repaid in full plus interest."* Questions could arise as to what is 'normal'?

'Independent' planning consultant ¹

The issue was raised regarding the independence of the planning consultant. Mark Graham stated, *"The guide at the time indicated that we needed support from an independent planning consultant."* Jim Wilkinson referred to, *"independent planning advice."*

However, Mark Graham had been informed previously (Pg. 24) that the HA Guide refers to the need for *"an appropriate opinion from a planning consultant"* and not as he described, *"an independent planning consultant."* It is important that any planning consultant's opinion was appropriate for the scheme and whether or not he/she was described as 'independent' is of lesser consequence. In this context the word 'independent' has little or no substance. Indeed, the issue was raised at the evidence session as to the weight that could be attached to the word 'independent'.

Yet, previously Mark Graham responded twice (Pg. 25) making clear, from his perspective, that all aspects were assessed regarding Trinity's ALP grant in accordance with the criteria set out in the HA Guide. A response was forwarded (Pg. 26) expressing disagreement with the NIHE's position.

Trinity's options, post repayment of the ALP grant

Mark Graham stated, *"Once we recover the money, it is for Trinity to decide what it will do with the site. It can either continue to apply for planning for the site, it can sell it, or it can develop it for private purposes."* However, according to the relevant HA Guide (Pg. 22) the position is more specific in that Trinity is, *"...expected to sell the site..."*

Commentary

- DSD/NIHE officials have misdirected the PAC as to the content of the HA Guide.
- For example, both usage and also emphasis of the word 'independent' to describe the Planning Consultant is not describing correctly the relevant section of the HA Guide.
- The PAC's Report should make clear the above failings by public officials.

¹ The PAC requested a copy of the Planning Consultant's Report. It is clear from this Report that no direct reference was made to the all-important PPS 7, yet the Planning Consultant chose to indicate that one of the relevant dwellings was a Presbyterian Manse. This comment would not be considered relevant planning policy.

The Housing (Northern Ireland) Order 1992/2006

Recovery, etc. of grants

35. (1) Where a grant to which this Article applies, that is to say—

(a) a grant under Article 33, 33A or 34, or

(b) a grant under Article 137 of the Order of 1981 or any provision replaced by that Article,

has been made to a registered housing association, the powers conferred by paragraph (2) are exercisable by the grantor in such events (including the association not complying with any conditions) as the Department may determine (in this Article referred to as “relevant events”).

(2) The grantor, acting in accordance with such principles as the Department may determine, may—

(a) reduce the amount of, or of any payment in respect of, the grant;

(b) suspend or cancel any instalment of the grant; or

2. (c) direct the association to pay to it an amount equal to the whole, or such proportion as it may specify, of the amount of any payment made to the association in respect of the grant,

and a direction under sub-paragraph (c) requiring the payment of any amount may also require the payment of interest on that amount in accordance with paragraphs (6) to (8).

(3) Where, after a grant to which this Article applies has been made to an association, a relevant event occurs, the association shall notify the grantor and, if so required by written notice of the grantor, shall furnish it with such particulars of and information relating to the event as are specified in the notice.

Housing Association Guide (Relevant to Trinity's ALP)

As a minimum, this will require liaison with Planning Service or an appropriate opinion from a Planning Consultant to ensure that the site is suitable for housing use and the proposals would be broadly acceptable.

1. Where an approved Advance Land Purchase does not proceed to start on site stage by the end of Year 3, the association must contact NIHE to discuss the position. If the grant payment has been made, procedures for the recovery of grant may be instituted by NIHE if appropriate.

4. Associations should note that in the unlikely event where grant has been paid for the advanced acquisition of land, but where the scheme cannot proceed, the Association will be expected to sell the site in accordance with the requirements as previously set out in Housing Association Circular HAC 02/94... In such cases the NIHE (DPG) will recover funding from the association in the normal manner.

Housing Association Guide (Revised Guidance, October 2012)

3. If an ALP scheme does not progress to full scheme submitted to DPG for approval within 2 years from the date of site purchase, or 3 years with the prior approval of DPG, then the ALP grant paid will normally be repaid in full plus interest. The timescale and terms of any repayment may in exceptional circumstances take into account the financial implications for the Association.

ADAPTED

Request for Information

From: Malcolm, David [REDACTED]
Sent: 28 February 2012 18:05:36
To: dermot nesbitt [REDACTED]
Cc: Ryan, Pauline [REDACTED]; Woodburn, Judith
[REDACTED]

... and recoupmnt of any OS grant will take place in the normal manner. Trinity are of course allowed to bring forward new plans to NIHE for assessment of their site in due course and may do so and these will be assessed at that time in the usual way alongside any others in the system...

ADAPTED¹

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: Malcolm, David [REDACTED]
Sent: 02 May 2012 17:27:00
To: dermot nesbitt [REDACTED]
Cc: Haire, Will (will.haire@dndni.gov.uk); Woodburn, Judith
[REDACTED]

I wasn't aware that Trinity had lodged a new application. I suppose that is not really surprising as they own the site and from a business point of view will want to do all they can to maximise their return. They will need to submit this to NIHE as a new scheme and it will be assessed like all others, on the basis of need and current land and cost valuations.

¹ David Malcolm had been just informed that Trinity had lodged a seventh amendment on 30 April 2012 for three apartments.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: dermot nesbitt [REDACTED]

Sent: 02 July 2012 09:06:34

To: Mark Graham [REDACTED]

Cc: [REDACTED]

The Guide refers to: "As a minimum this will require liaison with Planning Service or an appropriate opinion from a Planning Consultant..." This leads me to a further conclusion that the Planning Consultant's advice was not in accordance with the Guide. I referred to this aspect in a questioning letter to Trinity on 7 March 2012. Two relevant paragraphs in this letter were as follows:

"The quality of an opinion received was the fundamental dimension to my questions. The Guide is specific: it requires an "appropriate opinion." Specifically, the opinion therefore must be suitable or proper in the circumstances."

"Given all of the above it is most surprising that the Consultant's opinion, considering 'development potential', concluded - for example - that a proposal of 60dph "will be acceptable" when the accepted context is 4.7dph or even in a wider context, c20dph. This fact alone, if considered, should have led the Consultant (and Trinity) to question the viability of the proposal, as it clearly represented over-development. Since neither the Consultant nor Trinity did not make any such specific reference at all in any form about any of these aspects means there can be only one conclusion. The opinion was not appropriate and thus failed in its adherence to the Guide."

Trinity responded to the above comments by way of its Planning Consultant's views. In response to the above specific aspect about dwellings per hectare (dph) the consultant stated: "A glance at a map would show that the housing surrounding the four road frontage houses is of a higher density. My report did not use dwellings per hectare figures which are meaningless in this context. If I had considered the proposal to be overdevelopment I would have said so."

Given this response, I considered it was not worthwhile pursuing further with Trinity this line of questioning. It seems clear that the planning consultant's report was inappropriate and thus failed in its adherence to the Guide. My conclusion is based on the view that the consultant's comments were not grounded in some important aspects of relevant planning policy, such as the contents of paragraph 4.8 in Planning Policy Statement 7 (PPS7) about "over-development", including spacing between buildings as well as relevant sections of PPS12 (Planning Control Principle 1, second paragraph).

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: **Graham, Mark** (Mark.Graham@NIHE.GOV.UK)

Sent: 02 August 2012 21:36:22

To:

Taylor, Roberta

Cc:

Mccauley, Siobhan

As you are already aware the Housing Association Guide currently stipulates that an association seeking ALP grant must obtain an independent Planning Consultant's opinion or liaise with the Planning Service to ensure that the site is suitable for housing and that the proposals would be broadly acceptable. Trinity Housing complied with this requirement and the Application for ALP grant was assessed and approved by DPG in accordance with this criteria.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: **Graham, Mark**

Sent: 10 August 2012 13:54:33

To: dermot nesbitt

Taylor, Roberta

; Mccauley,

Cc: Siobhan

; Murphy, David

Woodburn, Judith

The Housing Executive is satisfied that Trinity Housing's Application for Advance Land Purchase was assessed and approved in accordance with the criteria as set out within the Housing Association Guide. I believe we have given a very clear and transparent description of the process undertaken to approve the ALP and our subsequent discussions with the planning service. I have no further comment to add to the responses made in my previous correspondence.

ADAPTED

Proposed Social Housing - 19 Downpatrick Road, Crossgar

From: dermot nesbitt [REDACTED]

Sent: 14 August 2012 11:01:38

To: Mark Graham [REDACTED]

Beverly Bigger [REDACTED]

Cc: [REDACTED]

(i) Non-recovery of ALP

I am acutely disappointed that you have not pursued the recovery of the ALP. As you correctly made clear in your email of 14 June a Housing Association must comply with the Guide in order to meet the conditions for receipt of Capital Grant. Part of the Guide's requirements is to make sure that the development proposals would be broadly acceptable to the Planning Service. You further stated in your email on 2 August 2012 that by obtaining: "*an independent Planning Consultant's opinion... Trinity Housing complied with this requirement.*" By this statement you support Trinity's perspective of its actions.

I disagree both with your view that Trinity complied with this section of the Guide and also the NIHE's legal advice. For example, it is not merely the act of obtaining "an opinion" that is required by the Guide rather "an appropriate opinion" is required. Words are not unimportant.

It would seem that Trinity HA has acted, at the very least, in a very cavalier manner both regarding planning policy/guidance and also in dealing with facts. Yet it has the support of the NIHE. I conclude in this case that 'big brother' in the public sector refuses to act in line with its own rules at the expense of the valid concerns and resulting anxiety of an affected individual. Is it any wonder I am disappointed!

(ii) Consultation with DOE Planning

I welcome Beverley Bigger's commitment that the Guide should be clarified in order: "*to ensure that Housing Associations consult with DOE Planning in advance of purchasing sites.*" This simply points out that self-certification by a planning consultant (independent or otherwise) is not appropriate as has been demonstrated by Trinity's approach to the purchase of the above site.

4. Oaklee Trinity Housing Association (Arthur Canning)

Evidence session

The following, using the 'listen again' service, provides a verbatim representation of Arthur Canning's comments regarding two aspects; namely, dealing with potential developments and, secondly, when presented with documentation regarding his brother's sale of 16 Beverley Avenue.

(i) Potential developments: From a general perspective he stated, *"The honest answer is lots of offers came in. They are dealt with by my development colleagues. I am not notified of them. Many of them fall by the wayside, and many of them simply don't stack up and are never brought for consideration or an approval process. I am hands-off preliminary enquiries, because I employ staff to undertake that work. When a development is worked up to the point at which it would be a proposal that may go to my board for consideration; at that point I would be looking at it."*

From the perspective of the Beverley site he stated, *"There is very little on our file with regards to the Newtownards development...because it didn't progress. They [NIHE] confirmed that there was housing need. All of this was being led by the developer, who was proposing to purchase the site from Newtownards Council. That has never happened. It was being led by the developer who was making the proposal. That developer was in contract to purchase the site from Newtownards Council. That contract fell by the wayside. That never actually happened. My development colleagues would have been in early communication because the first question that a developer would ask, "I have a site in Newtownards; are you interested in that?" My colleagues would have to assess whether or not there was housing need. We would be advised by the corporate section within the Housing Executive if there was housing need and what that need was. That would be communicated by my development colleagues to the developer. Under a design-and-build they would then go away to determine whether they could obtain planning permission for the specification that the Housing Executive would be prepared to approve and when they had worked that up, they would bring that proposal back. That never happened."*

And, he added later in the evidence session, *"I discussed it [Newtownards Chronicle's paper clipping] with my development colleagues. At that stage, Trinity's interest in the development had not progressed beyond the initiative (or "initial", since unclear) stage of 2007. The site would have been sought to be purchased by the developer, who would have been seeking planning permission at a future point in time to make a proposal for the procurement and delivery of social housing to meet the housing need. That stage was never achieved."*

(ii) Comments related to brother's house sale: Arthur Canning stated that he first became aware of this matter in 2009 and discussed it with his Chairman. He then was asked whether or not this awareness was due to either letters that were raised by the Beverley Residents Action Group or paper clippings? He stated, *"Those would probably have been happening at the same time. I don't have those cuttings and I don't have the letters. So, they would have been happening at the same time during 2009...and those would have been dealt with by my development colleagues."*

Interpretation of evidence session

Arthur Canning's position seems clear. Trinity had little to do with the Beverley site. Rather, it was the developer who had a contract to purchase the site and would have been seeking planning permission. When/if that process was nearing completion, he would have looked at it in order to determine if it should be considered by the Trinity Board. That situation never arose as it had not progressed beyond the 2007 stage and also the developer's contract to purchase the Beverley site collapsed. His position regarding his brother's house sale was very simple. The matter was dealt with by his development colleagues and he didn't have either the letters or the cuttings.

Related documentation

Will Haire in a letter to the NIAO provided some chronological clarity regarding an appropriate time period for consideration, stating¹ that a letter was received by Arthur Canning in April 2009.

(i) Potential development: Documentation related to the potential Beverley development up to April 2009 conveys a different perspective than that articulated by Arthur Canning. DoE Planning's Divisional Planning Manager (DPM) stated² that, "...this outline application was originally submitted on 14 January 2008 by Carnet Developments...It has subsequently been amended ...and the applicant is now Trinity Housing." And at a meeting on 23 May 2008, the DPM stated³ that he listened "to how the applicant intended to proceed through the amendment of the application to a social housing scheme." This Trinity position was clarified in a letter from Trinity to the DPM on 25 June 2008 (Pg. 29) and further supported (Pg. 30) by DoE Planning seeking the views of the Roads Service on 29 July 2008, requesting a response no later than 19 August 2008. It was noted in this latter document that the application site (indicated by the red line) had been amended to include the property of 18 Beverley Avenue, this being additional to 16 Beverley Avenue. This additional property was purchased by the developer on 1 December 2008.

After a site meeting on 15 September 2008 'Alan Patterson Design', on behalf of Trinity, forwarded on 6 November 2008 amended documentation (Pgs. 31 & 32). Following consideration of the DoE Planning Case Officer's Report, the Development Control Group (DCG) on 28 April 2009 concluded, "DCG considered and agreed the approval opinion recommended by the Case Officer. Objections fully considered."

(ii) Documentation related to brother's house sale: A letter was sent on behalf of the Beverley Residents Action Group (BRAG) to Arthur Canning on 15 April 2009 (Pg. 33). He responded on 22 April 2009 (Pg. 34 & 35). Further letters (Pgs. 36 & 37) were sent by Arthur Canning to BRAG and related to contact that BRAG had made with Joan Smyth, a member of Trinity's Board.

Commentary

- Several critical comments were expressed, such as by the Deputy Chairperson, John Dallat MLA who commented that Arthur Canning was "...defending the Indefensible."
- The stage in the process of the Beverley application, regardless of the applicant, had in 2008/early 2009 gone beyond the initial or preliminary stage of consideration.
- Given Arthur Canning's own criteria for being involved in the application, it is difficult to accept that he was not - prior to April 2009 - aware of the Beverley social housing application.
- In addition to all of the above, Arthur Canning's seemingly clear explanation of his position regarding the proposed development is without foundation, when compared with the facts.
- Also, Arthur Canning's explanation of his response regarding the paper cuttings and BRAG's letter - again - is without foundation, when compared with the facts.
- Given all of the above, would a fair-minded person likely conclude that: (i) Arthur Canning's evidence was both superficial and inaccurate; and (ii) he likely did know prior to April 2009 about his brother's site in relation to the Beverley application; and (iii) it could call into question other aspects related to Trinity's activities in the housing association sector?
- Also, would a fair-minded person likely conclude that Arthur Canning was not a credible witness and acted disrespectfully towards the PAC, because of his apparent lack of knowledge resulting from his seemingly poor preparation for the PAC evidence session?

¹ Will Haire (then Permanent Secretary for DSD): Letter to Tomas Wilkinson, 1 August 2013.

² Clifford McIlwaine (DPM): letter to Gail Taylor, 15 September 2008

³ Clifford McIlwaine (DPM): Letter to Kerry Greig, 13 January 2010

FOR THE ATTENTION OF MR CLIFFORD MC ILWAINE

Divisional Planning Office
Rathkeltair House
Market Street
Downpatrick
BT30 6EA
Co Down



Our Ref: SJC / Beverly Ave

25 June 2008

Dear Mr Mc Ilwaine

RE: LANDS AT BEVERLY AVENUE NEWTOWNARDS

I would confirm that Trinity Housing registered the above site on the 6 July 2007 with the Northern Ireland Housing Executive Development Programme Group Reference No 6522.

This Social Housing Scheme for approximately 36 units of General Needs housing is contained in the N.I.H.E. development programme and is due on site in 2009.

This scheme has the full support of the N.I.H.E to fulfil a much needed social housing need in the Newtownards area.

Trinity Housing will be proceeding with this scheme on the confirmation of the granting of Planning Permission.

Should you require any further information do not hesitate to contact me.

Yours sincerely

S John Cochrane
DEVELOPMENT MANAGER

AMENDED DRAWING



Raymond -



Date: 29th July 2008
Planning Application Number: X/2008/0086/O
(Please quote at all times)

Divisional Planning Office

Roads Service - Downpatrick Office
Rathkeltair House
DOWNPATRICK
BT30 6EA

Rathkeltair House
Market Street
Downpatrick
Co Down
BT30 6EA



Please contact: Mr J Coates
Direct Line: 028 4461 8253

Dear Sir/Madam

Location: Lands to the rear of 1-11
Beverley Heights, 2-20
Beverley Road, 2-14
Beverley Park and 10-18
Beverley Avenue,
Newtownards

Date of Application: 14th January 2008
OS Sheet No.: 13112SW2
Grid Reference: 4990175685
Application Type: Outline
Grid Square: J

Proposal: Residential Development to
provide general Needs
Housing.(amended proposal)

The red line for this application
has been amended to include the
property at House No 18, Beverley Avenue

Applicant: Trinity Housing Ltd

Agent: Alan Patterson Design

If Planning Service accept this
amendment then although the detailed

Consultation Reason:

access drawing No 08-738-901 A is
inaccurate, Roads Service is content that
a satisfactory access to the site can be
achieved

SITE HISTORY: X/1979/0475
X/1980/0589
X/1987/0502
X/2001/0051/F
X/2001/0496/F
X/2006/0281
X/2006/1124/LDP

(See overpage)

The Divisional Planning Office has received the above planning application. Please enter your comments below and return this form as soon as possible but not later than 19th August 2008. All drawings should be returned with your reply. If the application goes to appeal then a copy of your reply will be made available, if requested by the appellant or his agent.

Yours faithfully

30

Raymond Jm

12/9/08

153



An Agency within the Department of the
Environment

Tel. (028) 4461 8000 Fax. (028) 4461 8196
Email. divisional.planning.office.downpatrick@nics.gov.uk
Web. www.planningni.gov.uk



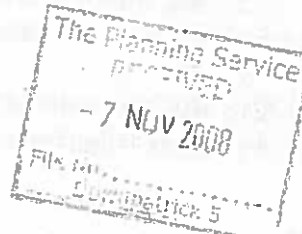
DCS010MW

INVESTOR IN PEOPLE



2685
X/2008/0086/O
6th November 2008

Divisional Planning Office,
Rathkeltair House,
Market Street,
Downpatrick
BT30 6AJ



Blue
✓ Re N.N.
↓
✓ Re Ma
Re Casual
✓ Roads
Sense
J

For the attention of Mr. Jim Coates

Dear Jim,

Re: Provision of general needs housing on lands at Beverley Road, Newtownards
For: Trinity Housing 2d

We have pleasure in enclosing 7 no. copies of amended site analysis, concept layout plan, access detail and drainage assessment for your consideration.

Following a site meeting 15th September, the Department requested that the significant landscape features of the site should be respected, in the interests of achieving a layout which safeguards the inherent character of the site, and protected the privacy of adjoining residents.

We would contend that the site analysis identifies the importance of safeguarding those existing mature trees and hedgerows on site boundaries which are worthy of protection and integration into the proposed scheme. In addition, existing planting is augmented with advanced planting comprising heavy standard trees along the majority of the site boundaries. In accordance with the policy context of PPS 7 QD1, this will enhance the landscape character of the scheme, and ensure that the privacy and amenity of adjoining residents is relatively unaffected.

Secondly, the Department underlined the importance of retaining an open aspect to the scheme. This is achieved by grouping the built form in a more compact fashion, moving away from the formal blocks of townhouses as previously proposed which previously dominated the street scene. An informal layout is now proposed with soft landscaping throughout. New heavy standard street trees soften the scheme and break up car parking elements. In an effort to produce a high quality public realm, car parking is largely confined to discrete courtyards, softened by landscaping and hidden from public view. The focal point of the scheme is a large open green at the heart of the site, promoting a sense of place and achieving a sense of openness for residents.

Darragh House
112 Craigdarragh Road
Helen's Bay
County Down BT19 111R

Tel: 028 9185 2582
Fax: 028 9185 3448
email: info@alanpattersondesign.com
website: www.alanpattersondesign.com

Partners:
Alan Patterson
Stephen Villiers

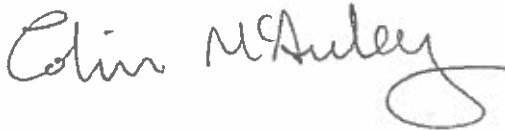
■ ARCHITECTURE
■ PLANNING
■ DESIGN

The discrete, land-locked character of the subject site, combined with the relatively limited public views available, pave the way for an innovative scheme which respects the character of the surrounding area, and achieves a quality residential environment in compliance with PPS 7 Policy QD1. In the context of the current down-turn in the housing market, the subject lands represent a valuable resource which Trinity Housing intend to utilise to meet the ever increasing demand for general needs housing in Newtownards, in accordance with PPS 12.

We trust you find the enclosures to your satisfaction. Should you have any further queries, please do not hesitate to contact our office.

Kind regards.

Yours sincerely,



Colin McAuley
Alan Patterson Design

Encl:	2685-050-03	Analysis, rev B
	2685-050-03	Concept, rev B
	08-738-901B	Proposed access Option 1
	08-738-DOC001	Drainage Assessment

BEVERLEY RESIDENTS ACTION GROUP
8, Beverley Road,
Newtownards
BT23 7TW

Arthur Canning,
Chief Executive.
Trinity Housing Association,
96A Finaghy road South
Belfast 10.

15th, April 2009.

Dear Mr. Canning,

Ref. Proposed Dev. Beverley N'ards.

One of our members contacted Ms. Julie McAvoy regarding the above. We were informed that your association had not as yet purchased the site as planning permission had not been granted. She further stated that she was unaware how far the developer had proceeded with planning. These statements give us cause for concern as we were informed by the council that the site had been sold without planning permission. With regard to the planning application your association are of course the applicants and have been since July 08. You also state on the application that you are the owners of the site. We questioned this previously and were informed that it would be corrected. This does not appear to have happened.

Ms. McAvoy went on to explain the current situation with the DSD in relation to social housing, highlighting the delay in the programme till the end of April, lack of funding and that re-prioritising may delay the above construction for possibly as long as five years. We also understand that your brother's property, which he sold to the developer for access, has been let, due, we are informed, to the fact that the developer will not complete the contract to purchase without planning permission.

The residents have been placed in an untenable position. Quite a few are elderly and may wish to sell or realise capital against their property. None can now put a true valuation on their property and disposal will be difficult with the spectre of blocks of flats 45ft high and 90ft long possibly going to be constructed on this site.

Surely the uncertainties arising from these issues should lead to the withdrawal of the planning application to allow the residents to enjoy their lives without this terrible burden on their shoulders.

Yours faithfully,


Kerry Greig

Our Ref: ADC/pb/Genlet/220409-02
Your Ref:

22nd April 2009

FAO: Mr K Greig
Beverley Residents Action Group



Dear Mr Greig

RE: Proposed Development – Beverley, Newtownards

Thank you for your letter of 15th inst.

I trust you will understand my reason for not answering some of your queries as fully as you would have preferred, but the Association does not presently own the land. It is true, however, that we are in negotiation with the developer as it is our firm intention to secure this excellent site, subject to normal requirements and viabilities.

I believe that the Beverley Area is exclusively residential and that the planning application made by the developer has a very good likelihood of success for residential development. Whilst I understand there were a number of objections to this application, I doubt that they will carry significant weight in planning policy terms.

Having said this, can I assure your group that should the Association be successful in progressing this proposal, it is our intention not to develop flats in the manner suggested in your letter.

The Association has a well deserved reputation for the development of high quality housing. Indeed, we have recently received numerous favourable comments for an apartment development completed at the junction of William St/West St in Newtownards. I invite your group to view this excellent development.

I can understand concern over property values, but there is absolutely no data to support the view that property values reduce as a result of a quality development with planning permission being constructed on adjacent land.

I suggest that the difficulty over values rests with the current financial climate and severe reduction in housing activity.



I do not believe any correction to the planning application is necessary. It is not a requirement to own land to lodge a planning application. I would commend the developer however for the open and honest way he has submitted the application, clearly stating his intention as to whom the final recipient may well be.

As the process develops, Trinity will openly make available any plans (which currently do not exist) so that any uncertainty can be removed. However, Trinity has considerable work to do and this proposal is at a very early stage.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A D Canning', written over a horizontal line.

Arthur D Canning
Chief Executive

30th September 2009

FAO: Mr Kerry Greig
c/o Beverley Residents Action Group



Dear Mr Greig

Dr Smyth has passed your letter to me for reply.

Further to your letter of 21st August.

I restate that whilst Trinity has an ongoing interest, the planning application is not being processed by us. We are however aware of its contents.

There is nothing irregular in connection with the planning application or the manner in which it is being progressed. You do not need to own or to have interest in property before making a planning application. For example, your neighbour could make a planning application to redevelop your house. Your consent would not be required. Receiving planning approval would however be pointless unless you had expressed an interest at some stage to sell.

I am not sure what further information I can add at this time, as you appear in receipt of all the facts. I would be willing nevertheless to meet with you should you wish to address any further issues and thus save unnecessary correspondence.

Yours sincerely

Arthur D Canning
Chief Executive



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30th November 2009

Mrs Kerry Greig



Dear Mrs Greig

I refer to your letter of 24th November to Dr Joan Smyth.

Dr Smyth discussed your letter with me on Friday 27th November and has asked me to reply on her behalf.

She has asked the matter concerning Trinity's involvement with the proposed Beverley development be raised at the next meeting of the Board scheduled to take place early 2010. A further response will then be sent to you following that meeting.

Yours sincerely

Arthur D Canning
Chief Executive

cc. Dr Joan Smyth



Language Line



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