

## Committee for Social Development & The Chartered Institute of Housing

### Building Future Homes Event – 21 January 2016

#### Summary of Round Table Discussions

##### 1.0 Finance and social housing structures

##### 1.1 Main issues & challenges

There is appetite amongst lenders to lend to housing associations. Social housing is seen as a 'safe bet'; even in England where grant levels are low and the cap on social rents is being introduced, viability is still there. Although, these changes do make things more difficult, as does working in an 'information void' with a narrative of 'potentials' and 'possibilities'. This was summarised as "**uncertainty within a sector that is still strong**". Housing associations' setting their own rent levels works for lenders, who also encourage innovation and diversification. **The relationship between rents and public subsidy is key and higher rents can create poverty traps** – how far is government prepared to go to invest with this in mind?

The **structure of the Housing Executive is causing difficulty for long-term funding requirements**. A structure that allows for borrowing is needed but tenants can't be forgotten about. Voting is one way to ensure tenant consent around structural change and stock transfers, although tenant votes aren't required in other parts of the UK. It can be difficult to determine on what basis tenants make their recommendations; what services do tenants value and compare e.g. customer services? To what extent does the way a ballot question is worded affect outcomes? For example, a question implying "stay with the Housing Executive for slow decline and rising disrepair of homes or move to a housing association for investment" is likely to weigh tenants' views in favour of stock transfer.

In respect of customer services and outcomes for tenants, **bigger isn't necessarily better and personal contact/service can be valued, although scale does have implications for accessing affordable finance**. There are opportunities for smaller housing associations in particular to come together to pool knowledge, practice and resources with a view to achieving better customer service and other outcomes.

##### 1.2 Possible solutions & interventions

**Funding needs to be a found to ensure all tenants can live in decent homes with a good service**. This can be partially achieved through the value for money and efficiency agenda. It's important for social housing providers to continue to pursue this, as complacency may mean changes in England that are adverse for social housing sector funding may inescapably arrive in Northern Ireland to an unprepared sector.

Success may be viewed as:

- using social housing effectively as an ‘agency’ or ‘vehicle’ to provide a better service to the community, incorporating better use of purchasing power
- spending more time with customers and taking decisions within the framework of a customer benefit agenda
- improving the health of tenants
- breaking down barriers to get homes build more quickly
- removing duplication of services between housing associations and the Housing Executive

While tenant- and community-focused outcomes and ‘housing plus’ activities are aspired to as ‘success’ in the current Northern Ireland funding environment, if funding is squeezed it may become that the more core services like building homes are deemed to be ‘success’ as the social side of the housing service is cut back.

In order to keep building homes to meet need, and to allow housing providers to continue to deliver on tenants’ well-being, government needs to **continue to support the delivery of social and affordable housing** while housing associations continue pursuing **efficiency and value for money**. Housing associations should consider **diversification** e.g. cross-subsidising their budgets with commercial products such as market-rent, or build-for-sale in the right market conditions, which can also deliver tenure mix.

Blockages and impediments to housing supply – both new supply and turnover of existing stock – must be removed. An **independent regulator** would help with this. Lenders would be able to provide more information to an independent regulator, thereby removing steps that are presently taken unnecessarily in order to comply with the regulatory regime e.g. examining legal charges on each occasion even though these may not have changed in a long time. **Total cost indicators (TCIs) or the method of grant more broadly should be reviewed.**

There needs to be a change in culture or practice around how **housing need** is measured and catered for. For example, a scheme might be given the green light in one area but not half a mile down the road where there is deemed to be no need. Geographical units currently used are restrictive and in some cases preference is treated as need, whereas more people should be encouraged to broaden their areas of choice, keeping in mind community networks and infrastructure. Housing needs will evolve due to demographic changes, and the shape of housing services must change with them in the future.

## 2.0 Housing need and resident choice

### 2.1 Main issues & challenges

#### *Housing options*

In order to **provide a prospective tenants with choice it is necessary that they are assessed appropriately and informed of available options**, at an early stage, including e.g. rent, ongoing costs, responsibilities, locations & availability, number of rooms required, etc.

Keeping with the necessity to provide information to prospective tenants it should be acknowledged that they don't often have a firm grasp of what sector in the market they are renting from. It is **important therefore to explain to prospective tenants the difference between social rented and private tenancies** and the responsibilities of the respective parties.

Only then can the prospective tenant, taking into consideration their personal circumstances, make an *informed* choice as to what best suits them.

**Included in this information should be the option, if it applies, for tenants to buy** the property as well as the developing approach to live in a mixed neighbourhood/tenure development.

With regard to the types of homes required, there is a perception in NI that flats are a bad accommodation option. However this can be overcome if flats are low density, high quality, where there is good management of the buildings and where they incorporate areas (e.g. play areas) that address the needs of the residents. **With land restrictions we need to consider all options, including building flats.**

**There is an increasingly greater focus on city centre living.** This approach presents opportunities to convert empty retail units, or the spaces above fully let retail units, to living accommodation. It appeals to both the NIHE and housing associations but there are issues with rates and refurbishment costs which need to be addressed.

In the context of regeneration councils have a significant role to play on this matter though this will become more relevant if/when regeneration powers are devolved to councils.

#### *Social housing*

Social housing is still considered a viable option locally. However, the perception amongst prospective tenants that there is limited available social housing may impact on official assessment of the level of demand for it i.e. the **demand could be potentially higher.**

Providing a real choice of tenancies across the region is important. However, it is also **necessary to distinguish between 'need' and 'demand'** in order to achieve this. For example, social housing in a particular area may be in demand but the demand may not reflect the level of actual 'need' based on the particular circumstances of the prospective tenant(s).

The sense of security that a secure social tenancy brings and the transformative impact this can have on tenants should not be overlooked or eroded. **Security of tenure is not available in the private rented sector so we need to consider ways of increasing this for those requiring it.**

It is important to acknowledge that people's needs change over time but there is currently little consideration of this. **There should be a mechanism to measure a tenant's housing priorities over time and link this with an appropriate approach to allocation.** In that regard, any deficiencies in the allocations policy should be addressed.

It is possible to build more social housing to address need as there is access to capital, but the **barrier is not only access to affordable land but to affordable land that is in the right place i.e. areas of need.**

### *Changing demography*

It is clear that there is a trend towards an ageing population and smaller families. **Evidence to establish the housing need based on these demographic changes is required in order to factor into social housing development plans.**

With an ageing population with associated health needs come additional challenges e.g. **how do we support people to live in their own homes for longer?**

Indeed, more fundamentally, **how do we establish the need for supported housing accurately and what are the options to address this need?**

**We need better links between housing and health. Housing is central to Transforming your Care agenda.**

## **2.2 Possible solutions & interventions**

Given that the two key barriers to realising the full potential of the housing sector are access to affordable land and a reasonable timeframe to obtain planning consent these need to be addressed immediately. **A policy response to consider might be to tax land banking in areas of housing need** (as in the Republic of Ireland).

It must be recognised that housing is a cross-cutting issue that can have huge positive economic and social impact here. **We should consider setting up a think tank tasked with informing government on practical ways housing can tackle poverty, promote shared communities, contribute to economic growth and promote health & wellbeing.**

**There needs to be a longer term strategic plan for housing across all tenures and it must be considered as a matter of priority in the next Programme for Government.**

### **3.0 Land Use and the planning system**

#### **3.1 Main issues & considerations**

There is a view among developers here **that the planning system is not fit for purpose**. There is a lack of confidence among developers in the system based to some extent on their belief that experienced planners have left the service. This, developers believe, has required less experienced and possibly less confident planners to make planning decisions. The result is a time-consuming and drawn out planning process. Furthermore, rotation of planning officers appears to **suggest a lack of consistency in the analysis of planning applications** with one officer perhaps having no issues with an application while another, to whom the same application is passed, may have significant issues with it.

There are **significant cost implications for the developer in submitting an** application yet there is no in-built mechanism in the planning system to deal with delays that are as a result of the system and, which, potentially adds to these costs. In addition, developers have experienced difficulty in being able to communicate directly with the planner dealing with their specific planning application. It is felt that this contributes to the delay in the system.

This situation is exacerbated by the fact that **a number of large scale developers have left the industry, preferring to build outside the jurisdiction, and there is therefore a reliance on smaller scale developers**. These small developers are themselves often put off by the current complex and time-consuming system thereby reducing development potential even further.

Outside of the planning process **there is a presumption in favour of developing brownfield sites but these are too expensive to develop** (e.g. costly to comply with pollution and waste management requirements).

#### **3.2 Possible solutions & interventions**

The planning system in GB was described as being more streamlined and with better points of contact with planning officials. However, it is acknowledged that this is a result of local councils having responsibility for housing, including social housing allocations, and therefore there is much more synergy between housing and planning within local authorities.

Developers believe that the **system needs to be streamlined beginning with a “root and branch review” of the planning process**, using case studies that follow a number of planning proposals from start to finish in order to identify problem areas.

Within this review **consideration should be given to the introduction of Key Performance Indicators (KPIs) into the planning process and associated financial sanctions**, or some other form of recourse, should a government agency be slow to respond to planning applications.

Importantly, there is **a need for a dedicated communication point** with clear lines of responsibility within councils to reflect the fact that planners are decision-makers not ‘post boxes’, and to facilitate discussions between developers and planners on the progress of their application.

The **publication of a public land register is essential for developers to identify the location of public land and which public body owns it**. In particular, the NIHE should publish the extent and location of the land it holds.

The **planning process would be enabled if councils published a concept plan before publishing their area plan**. This would allow developers to see what they could do with the land before they buy it. In particular, it would help developers in their discussions with lenders as they are unwilling to provide finance for purchasing land that does not have planning permission. In addition to this **applicants should have sight of planning conditions before they make an application**, this would enable them to identify and address issues before an application is submitted.

A general view is that **planning should be higher up the agenda of councils and that they should place greater emphasis on larger planning applications**.