



Subject:	DfC Consultation on Draft Housing Supply Strategy
Date:	9 <sup>th</sup> February 2022
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<b>Restricted Reports</b>	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>
Is the decision eligible for Call-in?
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of Main Issues</b>
1.1	The purpose of this report is to consider the Council's response to the public consultation by the Department for Communities (DfC) in relation to the Draft Housing Supply Strategy.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Members of the Committee are asked to:

	<ul style="list-style-type: none"> <li>Note that DfC has published a consultation on the Draft Housing Supply Strategy (Appendix 1), with a closing date of 9<sup>th</sup> February 2022 for responses.</li> <li>Approve the appended (Appendix 2) draft response to the consultation for submission to DfC, noting that this has drawn upon the extensive Call for Evidence Council submission from July 2021 (as per Council ratification in September 2021), as well as comments from Members at the CG&amp;R Committee Housing Led Regeneration Workshop on 26<sup>th</sup> January 2022. Given the deadline for submission the response will be submitted as draft pending Council ratification in March 2022.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
3.1	<p><u>Draft Housing Supply Strategy</u></p> <p>Members will be aware that the Communities Minister announced in her statement to the Assembly on 3<sup>rd</sup> November 2020 that officials were to commence work on the development of a fundamental Housing Supply Strategy (HSS), as a key part of the housing programme to help meet Programme for Government commitments to reduce housing stress and increase housing supply.</p>
3.2	<p>In May 2021, the Minister launched a public Call for Evidence (CfE) to inform this new Housing Supply Strategy. Council submitted an extensive response to the Call for Evidence in July 2021. This response was brought via Party Group Leaders and CG&amp;R Committee in August 2021 and the final response ratified by Council in September 2021.</p>
3.3	<p>Members will recall that the Department outlined the development of HSS would be delivered in six phases as follows:</p> <ul style="list-style-type: none"> <li>Phase 1 - Pre-development work (completed)</li> <li>Phase 2 - Call for Evidence and Research Review (completed)</li> <li>Phase 3 - Engagement (completed)</li> <li>Phase 4 - Data synthesis (completed)</li> <li>Phase 5 - Triangulation of Evidence/Policy Options (completed)</li> <li>Phase 6 - Consultation on Draft Housing Supply Strategy</li> </ul>
3.4	<p>This current and final phase, phase 6 Consultation on Draft Housing Supply Strategy, emphasises the central role of people, places, and communities in considering and delivering on housing needs and demands. The Department have advised that collaborative working across central and local government and with the private and voluntary and community sectors, as well as the lived experiences of a range of users, have been used to help shape solutions to help ensure the Strategy will make a difference</p>

	<p>to the challenges facing the housing supply system. Responses to the questions within this consultation will be analysed, along with any other sources of evidence and information to help finalise the Housing Supply Strategy</p>
3.5	<p>The department published the consultation on the Draft HSS on 8<sup>th</sup> December 2021 with a closing date of 9<sup>th</sup> February 2022. The Department has highlighted that it welcomes and encourages responses from all interested parties, and they are keen to hear from a wide range of bodies, groups, and individuals from within the housing and related sectors as well as more generally across society.</p>
3.6	<p>The publication of this draft Strategy has been supported by a series of focused engagement events held throughout the duration of the consultation period, including public workshop sessions. This included a session held virtually on Friday 14<sup>th</sup> January 2022 attended by a number of Council Officers, as well as by representatives from other local Councils and community planners. Officers highlighted various issues which have also been reflected in the current draft response as appended. It is intended that the final Strategy will be published in March 2022.</p>
3.7	<p>The draft Housing Supply Strategy, informed by the Call for Evidence exercise in 2021 and other evidence, sets out a pathway and framework for action until 2037. DfC has indicated that this is the first step in a 15-year journey that will set a direction of travel to transform supply while recognising that the range of housing supply “whole system challenges” identified require “whole system solutions”. This approach recognises that housing is an integrated system, with what impacts on one sector often having a ripple effect across the whole housing market. The key components of the Strategy are:</p> <ul style="list-style-type: none"> <li>• <b>Strategic Context</b> - where we are now in terms of housing supply, where we need to be and how we are going to get there. This covers the Whole System Approach, the Strategy vision and objectives and potential indicators that will be used to measure our progress.</li> <li>• <b>Creating Affordable Options</b> - how we will supply the right number and type of affordable homes in the right places to meet our housing needs and demands. This section addresses key issues including how we address our infrastructure constraints, optimise funding opportunities and create the right policy and legislative framework to support housing supply.</li> <li>• <b>Prevention and Intervention</b> - how we can prevent homelessness and reduce housing stress, as well as providing the right housing solutions and support for those most in need. This section focuses on providing more diverse housing types</li> </ul>

	<p>and alternative models of housing to meet different housing needs and recognising the importance of a holistic approach to housing.</p> <ul style="list-style-type: none"> <li>• <b>Quality and Safety</b> - how we will improve the quality, efficiency, and design of homes, to ensure a high standard for everyone regardless of the type of home. Consideration is given to diverse range of areas, including building regulation, work to improve the private rented sector and protect our social housing.</li> <li>• <b>Better Places</b> - how we will build and maintain thriving and inclusive communities and places with community wealth building at the heart, which prioritises a people-centred approach to rebuilding our local areas into places that support the wellbeing of those who live there. The section considers options around mixed tenure, place-shaping, and the role of Local Development Plans in achieving this.</li> <li>• <b>Decarbonisation</b> – sets out how the construction of new housing and the retrofitting of existing homes will play a key role in meeting our carbon reduction targets. Also set out is how we will support people in delivering these ambitions and ensure a just transition for everyone.</li> <li>• <b>Delivering the Strategy</b> – how we will deliver the Strategy over its lifetime, including a focus on doing things differently and the role of action plans in achieving our objectives.</li> </ul> <p>The Consultation consists of 14 questions under the following themes:</p> <ul style="list-style-type: none"> <li>• Strategic Framework</li> <li>• Measurement</li> <li>• Delivery and Oversight</li> <li>• Action Planning</li> <li>• Citizen Engagement</li> <li>• Equality</li> <li>• Rural</li> <li>• General</li> </ul>
3.8	
3.9	<p>Council's draft response highlights a number of key considerations relevant in developing and delivering the Housing Supply Strategy to ensure the ambitions of the Belfast Agenda are realised in relation to Housing Supply, to meet the demands of attracting 66,000 additional residents to the city. The draft response is attached at Appendix 2 and it worth highlighting a number of key points made in the response:</p>

- There are currently a **number of policy, financial and structural challenges to delivery of placemaking housing regeneration schemes via public /private partnerships** and this is significantly impacting on the ability to delivery of regenerative housing at scale. Council would propose that a Task Group be set up to undertake a sharp, short, and focused review of these challenges and the mechanisms to overcome. This is critical to understand and deliver on optimal ways of working and delivery vehicles that involve the public sector working with the private sector and funders to bring forward appropriate housing development opportunities in a more agile way thus ensuring the required processes, delivery vehicles, funding and supporting infrastructure are aligned to deliver agreed outcomes to provide for appropriate housing development at scale whilst ensuring proper integrated placemaking.
- **Homeless Demographic** – According to NIHE figures at the end March 2021 at least 11,781 Belfast households were on the waiting list for a social home. At least 8,689 of them were living in housing stress, and of this group, at least 6,851, equivalent to 4.8% of Belfast households, were recognised as Full Duty Applicant homeless. It is therefore important to highlight that Housing supply is not just about mixed tenure (social, affordable, private) but the homeless demographic has an increasing level of unmet need also. There is a pressing need to articulate how this will be reflected within the Housing Supply Strategy.
- **Infrastructure** - There is a need to ensure that the resourcing deficit with required wastewater infrastructure including exploration of the potential for alternative funding models, is urgently addressed to ensure this does not prohibit housing development. The HSS should demonstrate that there is a clear route map to show how the housing growth ambitions can be facilitated in terms of all the requisite infrastructure requirements and particularly in relation to the wastewater infrastructure.
- **Innovation and Inclusive Growth Commission: ‘Reset for Growth’ Report** – highlighted a number of key points which are relevant to the development and delivery of the Housing Supply Strategy and of particular note are the strong recommendations around the need for structural models to support public-private collaboration and Housing Investment Funds, with relevant extracts as below:
  - *Renewed Future City – Housing:* There are a number of levers required to action the commitments of the Belfast Agenda at the pace and scale necessary to make an impact, which are not currently in place. A number of

key gaps have been identified, principally in terms of the structural models required to support public-private collaboration and access to finance to bring forward developments. The Commission propose the establishment of a number of new institutions, namely Strategic Land Partnerships and Housing Investment Funds. The Commission feel that the scale of the task will require further intervention, particularly in stimulating private sector development, including affordable housing provision. For this reason, they suggest that the regional government and the Treasury should consider developing a Housing Investment Fund. This model has been successful in stimulating new housing construction at scale across a range of classes in many UK cities.

- Key Proposition: Create sustainable, vibrant communities in the city centre, delivering 11,500 new homes by 2035. The Commission's proposals to accelerate delivery include Council, Northern Ireland Housing Executive (NIHE) and Department for Communities (DfC) establishing a delivery vehicle to utilise public sector land and undertake land assembly to facilitate new low carbon housing at scale across the city centre. (Note – as Members are aware a Housing Regeneration Group has now been set up under the Community Planning Partnership: City Development Board with BCC, NIHE, LPS and DfC, with a key focus of the group in identifying and utilising public sector lands). Vehicle should also develop housing mix, amenities, and neighbourhood development plan for city core. Target: 11,500 new homes in 10 years. Create new financial instruments including Housing Investment Funds to address market challenges related to risk and yield.

- **Funding** – Council advocate for consideration of how FTC and the Northern Ireland Investment Fund, Levelling Up Funds or other funding can be best utilised or refocused to support housing led regeneration priorities and unlock development. Of critical importance, particularly where there are viability issues and to underpin proper placemaking, there is a need for funding to facilitate enabling infrastructure for housing development. Specific funding for this should be prioritised in order to bring forward housing led regeneration schemes at scale.
- **Collaboration** – There is a need to ensure commitment to a collaborative public - private sector approach to unlocking key challenges with identified major city housing led regeneration schemes, recognising that these will not only contribute to housing supply but can act as a catalyst for inclusive economic growth. Council

would advocate for optimal stakeholder/delivery vehicles for progression. This includes the need for the Department to continue collaboratively working with the Council, the Northern Ireland Housing Executive, Housing Associations, and the private sector to bring forward mixed tenure residential development across the city, and particular exemplar schemes within the city centre, including the strategic use of public sector lands and addressing current policies which inhibit Housing Associations to maximise housing led regeneration delivery.

- **Planning Policy** –the submission does question the credibility of the HGIs and the proposed regional housing target. Although the Strategy refers to the Review of the Planning Act and reform in planning, which are undoubtedly important to housing delivery, the evidence doesn't seem to support this overly simplistic assertion given the degree of extant permissions that exist as illustrated in the housing monitor annually.
- **Current Policy and Legislation** – in relation to ensuring the appropriate policy frameworks are in place to accelerate housing supply, it is understood that there are issues with the current Housing Association Guidelines, which strongly need addressed. Our current understanding would suggest that the following issues need to be addressed:
  - **Land:** These require a housing association to have acquired land ownership prior to award/payment of grant assistance (land purchase, construction). However, where the land is currently in public ownership then there is scope, utilising the Development Brief process, for reflecting this public ownership of land as distinct from privately owned thereby potentially negating the need for the housing association to initially acquire a site. This ties directly into when a housing association would be expected to then pay to acquire publicly owned land and to explore potential for deferred terminal payment or equity ground rent payment approaches which will also assist with de-risking development.
  - Delivery of private sector tenure as part of a mixed tenure development is also currently impeded by **Article 15** of the Housing Order with limitation on delivery of private housing by housing associations to the existing co-ownership model only (i.e., no private sales or rentals). With the desire for city centre development to be delivered across all three housing tenures there is an urgent need to address this policy issue if this objective is to be advanced.
  - **Barriers:** BCC have commented through the Call for Evidence response that the 3 main barriers to delivery of the Housing Supply are Funding, Delivery Vehicles & Land. Delivery of joined up policies and having supported and properly joined

up infrastructure, with all 3 having to be overcome to support the development and growth ambitions of the Belfast Agenda, will be required.

- Current lack of a **policy on affordable housing**, aligned to the revised definition of affordable housing, represents a risk to housing associations developing a business case in absence of affordable housing products.
- Whilst not policy per se – lack of a **city centre waiting list** impacts on clarity for housing associations on latent demand.
- **Rent Levels** – welcome clarity on whether the housing supply strategy will cover rent levels and controls, however mindful that this may be picked up in other legislation.
- **A Bolder Vision** – which has '*Promote City Centre Living*' as one of its 4 key moves aimed at encouraging city centre living by ensuring the enabling infrastructure is in place to facilitate city centre living with place making at its heart. It highlights the importance of providing greater quality, choice and affordability of accommodation and of critical importance is establishing a city-wide network of people friendly routes and city parks to create and underpin a liveable city centre. Council believes that the delivery of A Bolder Vision priorities via the joint BCC/DfI/DfC approach will be critical to the successful delivery of city centre living. From a Belfast perspective therefore, Council would highlight that the future delivery of A Bolder Vision is intrinsically linked to the HSS and should be embedded within Central Government /Executive priorities.
- **High Street Task Force** – city centre living is critical to the reimagining and future sustainability of the high street / city centre and should be central to the High Street Task Force recommendations and embedded within Executive funding priorities. Increased City Centre Living is also a key area within the Council's Future City Centre Programme which is charting the way forward for the diversification and sustainability of city centre uses. The Future City Programme is a multi-faceted programme that seeks to bring together a number of strategic initiatives and projects within one overall programme approach to address the issues impacting upon the city centre. It includes projects and interventions across various pillars of work centred on regeneration and connectivity, increased city centre living, investment, inclusive economic and cultural growth.

Responses have been coordinated from across Council and draw on the Call for Evidence submission from July 2021, which was ratified by Council in September 2021, as well as



	comments from Members following the Housing Led Regeneration Workshop on 26 January 2022.
3.11	<b><u>Financial and Resource Implications</u></b> There are no finance or resource implications associated with this report.
3.12	<b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b> There are no Equality, Good Relations or Rural Needs implications associated with this report.
<b>4.0</b>	<b>Appendices – Documents attached</b>
	<b>Appendix One:</b> Housing Supply Strategy 2022 – 2037 <b>Appendix Two:</b> Draft Response to Housing Supply Strategy 2022 - 2037