



**Draft Planning Policy Statement
22**

Affordable Housing

Public Consultation

June 2014

Public consultation: give us your views

You are invited to send your views on this draft Planning Policy Statement (PPS) 22 on 'Affordable Housing', the accompanying Section 75 Equality of Opportunity Screening Analysis Form attached as Annex 2, and the draft Partial Regulatory Impact Assessment for the Developer Contributions for the Provision of Social and Affordable Housing (Annex 3).

Comments should reflect the structure of the documents as far as possible with references to paragraph numbers where relevant.

All responses should be made in writing and emailed to:

planning.policy@doeni.gov.uk or sent by post to:

Draft PPS22 'Affordable Housing' Public Consultation
Planning Policy Division
Department of the Environment
Causeway Exchange
1-7 Bedford Street
Town Parks
Belfast BT2 7EG

The consultation period will end on 26 August 2014.

These documents are available on the PlanningNI website: www.planningni.gov.uk or can be obtained by telephoning (028) 90823518, textphone at (028) 9054 0642, e-mail from planning.policy@doeni.gov.uk or by writing to the above address.

These documents are available in alternative formats, please contact us to discuss your requirements.

These documents should be read in conjunction with the Department of Social Development's *Developer Contributions for Affordable Housing public consultation, June 2014*. This paper can be accessed via the following website: <http://www.dsdni.gov.uk/index/consultations.htm>

Information provided in response to this consultation, may be disclosed in accordance with the Freedom of Information Act 2000 and the Data Protection Act 1998. If you want the information you provide to be treated as confidential please tell us, but be aware that the Department cannot guarantee confidentiality. In keeping with our policy on openness, the Department will publish a list of respondents and a summary of the consultation responses received on its website.

The Department will consider all comments received through the public consultation. Following this, the policy provisions of this draft PPS will be amended as necessary and, following referral to the Northern Ireland Executive, will be published in final form.

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Preamble

The Department of the Environment (the Department) has a statutory duty, laid down in Article 3 of the Planning (Northern Ireland) Order 1991, to formulate and co-ordinate policy for securing the orderly and consistent development of land and the planning of that development. The Department is required to ensure such policy is in general conformity with the Regional Development Strategy (RDS).

The Department's planning policies are normally issued through Planning Policy Statements (PPS) and PPS 1 'General Principles' advises that: "*Planning Policy Statements set out the policies of the Department on particular aspects of land-use planning and apply to the whole of Northern Ireland. Their contents will be taken into account in preparing development plans and are also material to decisions on individual planning applications and appeals.*"

This Draft Planning Policy Statement, PPS 22 puts in place a mechanism for securing developer contributions for the delivery of affordable housing. However, no weight will be given to draft PPS 22 in the determination of individual planning applications until such times as the policy is published in final form and the Affordable Housing Team is established.

When published in final form, the policy provisions of this PPS will supersede policy 'HS2 Social Housing' contained in PPS12 'Housing in Settlements'. As a consequence, PPS12 paragraphs 50, 51 and 52 of the Development Plan section and the following element of Planning Control Principle 4 'Balanced Communities' will also be superseded:

"Social housing should be provided by developers as an integral element of larger housing developments where need is identified".

This PPS should be read in conjunction with the remaining text within PPS12 and also with the policy provisions for social housing designations contained in existing statutory and published draft development plans.

For the purposes of this policy, the 'Planning Authority' shall be the Department of the Environment, the Planning Appeals Commission, and also the Council, following the transfer of planning functions.

The PPS has been subjected to an equality impact screening exercise in line with statutory obligations contained in Section 75 of the Northern Ireland Act 1998. The outcome of this exercise indicates that the PPS is unlikely to have any significant adverse implications for equality of opportunity or community relations.

Nothing in this document should be read as a commitment that public resources will be provided for any specific project. All proposals for expenditure by the Department are subject to economic appraisal and will also have to be considered having regard to the overall availability of resources.

The policy contained in this document will not be applied retrospectively.

1.0 Introduction

- 1.1 It is important that everyone in Northern Ireland should have access to a decent and affordable home.
- 1.2 The local housing market continues to face difficulties and there remain significant numbers of people in housing need. As of 31 March 2013 there were over 41000 applicants registered on the Northern Ireland Housing Executive (NIHE) 'Common Waiting List'. This represents an all time peak in housing demand and there is no expectation that this level of need will reduce in the near future.
- 1.3 In relation to lower cost market housing, first-time buyers and lower income households continue to face difficulties in accessing housing at open market rates. Although house price to income ratios are now at much more sustainable levels, labour market uncertainty and the larger deposits required by lenders have made it more difficult for such households to access housing.
- 1.4 Addressing these issues means increasing access to good quality affordable housing. Development plans will continue to be the primary mechanism to facilitate any identified need for affordable housing, either through zoning land for social/affordable housing or by indicating through key site requirements where a proportion of a housing site should be provided as social housing (as set out in paragraph 104 of PPS12).
- 1.5 However, to help meet existing housing need it will be necessary to find new ways of securing additional affordable housing. Elsewhere in the UK and Ireland 'developer contributions' are an established means of delivering additional affordable homes through the planning system. Developer contributions have also helped to deliver mixed tenure developments that can contribute to improved social integration. Draft PPS22 introduces a complementary mechanism for securing additional affordable housing through the development management process.
- 1.6 While the introduction of a system of developer contributions in Northern Ireland is not expected to yield significant numbers of additional affordable homes in the short term, the Department nevertheless considers that it is appropriate to consult on proposals now so that developers will be aware of their likely obligations, and can have regard to them when formulating development proposals. It will also ensure that a mechanism for securing additional homes through the planning system is in place in time for the transfer of the majority of planning functions to new local councils in 2015.
- 1.7 For the purposes of this PPS, 'affordable housing' relates to social rented housing and intermediate housing. These are defined as follows:
 - **Social Rented Housing** is housing provided at an affordable rent by a Registered Housing Association; that is, one which is registered and regulated by the Department for Social Development as a social housing provider. Social rented accommodation should be available to households in housing

need and is offered in accordance with the Common Selection Scheme, administered by the Northern Ireland Housing Executive, which prioritises households who are living in unsuitable or insecure accommodation.

- **Intermediate Housing** consists of shared ownership housing provided through a Registered Housing Association (e.g. the Co Ownership Housing Association) and helps households who can afford a small mortgage, but that are not able to afford to buy a property outright. The property is split between part ownership by the householder and part social renting from the Registered Housing Association. The proportion of property ownership and renting can vary depending on householder circumstances and preferences.

The definition of intermediate housing used for the purpose of this policy may change over time to incorporate other forms of housing tenure below open market rates.

2.0 Policy Context

Programme for Government 2011-2015

- 2.1 The Programme Government 2011 – 2015 (PfG) recognises the importance of providing social and affordable homes to meet housing need. It includes a key commitment to provide 8000 social and affordable homes¹.
- 2.2 The PfG also acknowledges the challenges to be faced in the coming years, set against the reduction in public expenditure available to the Executive. The PFG recognises that constriction in public spending will mean tough choices will have to be made. It further acknowledges that actions to address poverty and tackle social disadvantage are prerequisites for social progress and are intrinsic to the creation of a peaceful, fair and prosperous society.
- 2.3 A key priority of the PFG is ‘Creating opportunities, tackling disadvantage and improving health and well-being’. This priority seeks to address the challenges of disadvantage and inequality that afflict society and to address the relatively poor health and long-term shorter life expectancy of our population; its purpose is to stimulate interventions that break the cycle of deprivation, educational under-achievement, and to address health inequalities and poor health and wellbeing as well as economic disengagement through a series of actions including increased provision of decent, affordable, sustainable housing.

Facing the Future: Housing Strategy for Northern Ireland

- 2.4 In October 2012 the Minister of the Department for Social Development (DSD) launched the ‘Facing the Future: Housing Strategy for Northern Ireland for public consultation. The Strategy included a proposal to introduce a developer contribution scheme in preparation for housing market improvement with the aim of increasing the supply of, and access to, affordable housing.
- 2.5 The Facing the Future: Housing Strategy Action Plan was published in July 2013. The Action Plan builds on the proposals set out in the Housing Strategy and contains and commitment to introduce a developer contribution scheme.

¹ Including 2011/12 figures

Developer Contributions for Affordable Housing – Public Consultation

- 2.6 Following from the commitment in the Housing Strategy Action Plan, DSD have published a 'Developer Contributions for Affordable Housing – public consultation. This consultation paper seeks views on proposals in relation to the general housing policy that will govern the introduction of developer contributions.
- 2.7 It is proposed that the introduction of developer contributions will promote a mix of housing particularly in terms of tenure, price and household composition including families with children, single person households and older people.
- 2.8 The draft paper seeks views on a regional target (e.g. 20%) of housing developments of 5 units or more to be provided by the developer as affordable housing (and / or a commuted monetary sum), to be determined on need as assessed by the Northern Ireland Housing Executive (NIHE).

Regional Development Strategy 2035 – Building a Better Future

- 2.9 A principle aim of the Regional Development Strategy 2035 (RDS) is 'promoting development which improves the health and well-being of communities'. The RDS acknowledges that a healthy community is better able to take advantage of the economic, social and environmental opportunities which are open to it. Improved health and well-being is derived not only from easy access to appropriate services and facilities, although this is important, but also from the creation of a strong economy set within a safe and attractive environment. This aim also recognises that the promotion of more social and affordable housing helps build strong and balanced communities.
- 2.10 The RDS identifies the provision of more social and affordable housing also helps to build a strong balanced economy. Strategic guideline RG8 of the RDS seeks to manage growth to achieve sustainable patterns of residential development stating that the varied housing needs of the whole community need to be met, including the availability of affordable and special housing needs.
- 2.11 A supporting action to strategic guideline RG8 seeks to ensure an adequate and available supply of quality housing to meet the needs of everyone. This action recommends that the planning authority take account of need identified in the Housing Needs Assessment / Housing Market Analysis when allocating housing land, including land for social and intermediate housing.

PPS12: Housing in Settlements

- 2.12 PPS 12 acknowledges that the planning system has an important role to play in creating communities with a wider range of housing in terms of tenure, size, type and affordability. PPS 12 'Housing in Settlements' Planning Control Principle 4 'Balanced Communities' states that social housing should be provided by developers as an integral element of larger housing developments where a need is identified; and that a mix of house types and sizes should be provided to promote choice and assist in meeting community need.
- 2.13 The development plan process will be the primary vehicle to facilitate any identified need for social housing by zoning land or by indicating, through key site requirements, where a proportion of a site may be required for social housing

PPS 7 'Quality Residential Environments'

- 2.14 PPS 7 'Quality Residential Environments', sets out the Department's planning policies for achieving quality in new residential development and advises on the treatment of this issue in development plans. It embodies the Government's commitment to sustainable development and the Quality Initiative.

Strategic Planning Policy Statement (SPPS) – Public Consultation Draft

- 2.15 The draft SPPS is a shorter, more strategic, expression of the Department's planning policy. It consolidates the strategic elements of existing PPS's and sets out the core planning principles that underpin the delivery of the reformed two-tier planning system.
- 2.16 It recognises that the planning system, in coordination with the broader public sector, has a vital role in the delivery of good quality housing in appropriate locations. The draft SPPS supports the regional guidelines in the RDS which include managing housing growth in response to changing housing need. The SPPS highlights the use of Housing Needs Assessment (HNA) to inform the allocation of land to cater for special housing needs, such as affordable housing.

Creating Places - achieving quality in residential environments

- 2.17 This guide describes the contributions to quality and sustainability that developers will be expected to make through the design of new residential developments. This guidance demonstrates how quality places, whether created in rural surroundings or an urban setting, will respect their context and make the most of existing site characteristics.

Living Places: An Urban Stewardship and Design Guide for Northern Ireland.

- 2.18 The draft Living Places urban stewardship and design guide sets out the key principles behind good place making. It seeks to inform and inspire all those involved in the process of managing and making urban places, with a view to raising standards across Northern Ireland.

3.0 Policy Objectives

3.1 The objectives of this PPS are:

- to support the provision of affordable housing through developer contributions to ensure that new housing contributes to meeting the identified housing need of the whole community; and
- to assist in the building of a strong and shared community.

4.0 Planning Policy

In exercise of its responsibility for development management in Northern Ireland, the planning authority assesses development proposals against all planning policies and other material considerations that are relevant to it.

When published in final form the planning policy in this statement must be read together with the relevant contents of development plans and other planning policy publications, including the Regional Development Strategy. The planning authority will also have regard to the contents of published supplementary planning guidance documents.

Policy AH 1 – Affordable Housing

For all development applications containing 5 housing units or more on sites outside land zoned for social housing the planning authority will seek the provision of affordable housing and / or commuted sums according to targets set through the Department for Social Development's 'Developer Contributions for Affordable Housing' draft policy.

Where a development plan sets out a key site requirement for the provision of a social housing element less than this target, the planning authority will require further provision of affordable housing and / or commuted sums to meet the provisions of the identified target.

In determining such applications, significant weight shall be given to the targets set in the Department for Social Development's 'Developer Contributions for Affordable Housing' draft policy.

Where affordable housing and / or commuted sums are to be provided by the developer these will be secured by way of planning condition or through a planning agreement between the developer and the planning authority which shall be in place before planning permission for the development proposal is granted.

Planning permission will not be granted for development proposals containing less than 5 housing units where lands have been artificially divided for the purposes of circumventing these policy requirements.

Justification and Amplification

- 4.1 The Department for Social Development's (DSD) draft consultation paper, *Developer Contributions for Affordable Housing, June 2014*² seeks views on a regional target for floor space of housing development to be provided by the developer as affordable housing and / or commuted sums.
- 4.2 The purpose of this PPS is to provide the planning policy mechanism for securing development contributions through the development management process in line with the DSD's '*Developer Contributions for Affordable Housing*' draft policy.

² The Department for Social Development's 'Developer Contributions for Affordable Housing' draft paper can be accessed from the following website: <http://dsdni.gov.uk/index/consultations.htm>

Type and level of contribution

- 4.3 Developer contributions will be in the form of either affordable housing units, and/or commuted sums. The exact level and mix of appropriate contribution will be determined by a specialist Affordable Housing Team and will be secured by way of a planning condition or a formal planning agreement between the planning authority, which is currently the Department of the Environment and the developer under Article 40 of the Planning (Northern Ireland) Order 1991 (or as the case may be Article 76 of the Planning Act (Northern Ireland) 2011).
- 4.4 Outline planning approvals for applicable development proposals will be granted permission subject to a condition requiring the submission, at reserved matters stage, of a detailed scheme for the provision of affordable housing as part of the development. The scheme should accord with the policy requirements of this PPS and associated DSD affordable housing policy paper. Depending upon the level of detail submitted and agreed at outline stage the scheme may include, for example, detail on the numbers, type, tenure and location on the site of the affordable housing element; the timing of the construction of the affordable housing and its phasing in relation to the occupancy of the market housing; as well as the arrangements for the transfer of the affordable housing to a Registered Housing Association.
- 4.5 Developers are encouraged to enter into pre-application discussions with the planning authority and to familiarise themselves with the requirements of this affordable housing policy at an early stage in discussions on any potential development proposal. Pre application discussions could indicate to the prospective applicant whether an affordable housing requirement applies to a proposal. These discussions will take place with input from the Affordable Housing Team who will provide advice on the likely level of contribution that will be sought and the preferred type/method of delivery of contribution.
- 4.6 It should be noted that pre-application discussions in relation to developer contributions will be held without prejudice as a proposed scheme may be subject to amendment through the formal planning application process. Typical engagement between the applicant, the planning authority and the Affordable Housing Team is set out at Annex 1.
- 4.7 Proposing applications to develop a larger site in phases of less than 5 units, to avoid contributing to affordable housing need, will not be acceptable. It is however acknowledged that in some cases a developer may have a reason for adopting a phased approach to the development of a site. Where this is the case they should discuss this with the local planning authority at the outset in order to ensure that the overall affordable housing contribution can be managed in a comprehensive way.

Design and Integration

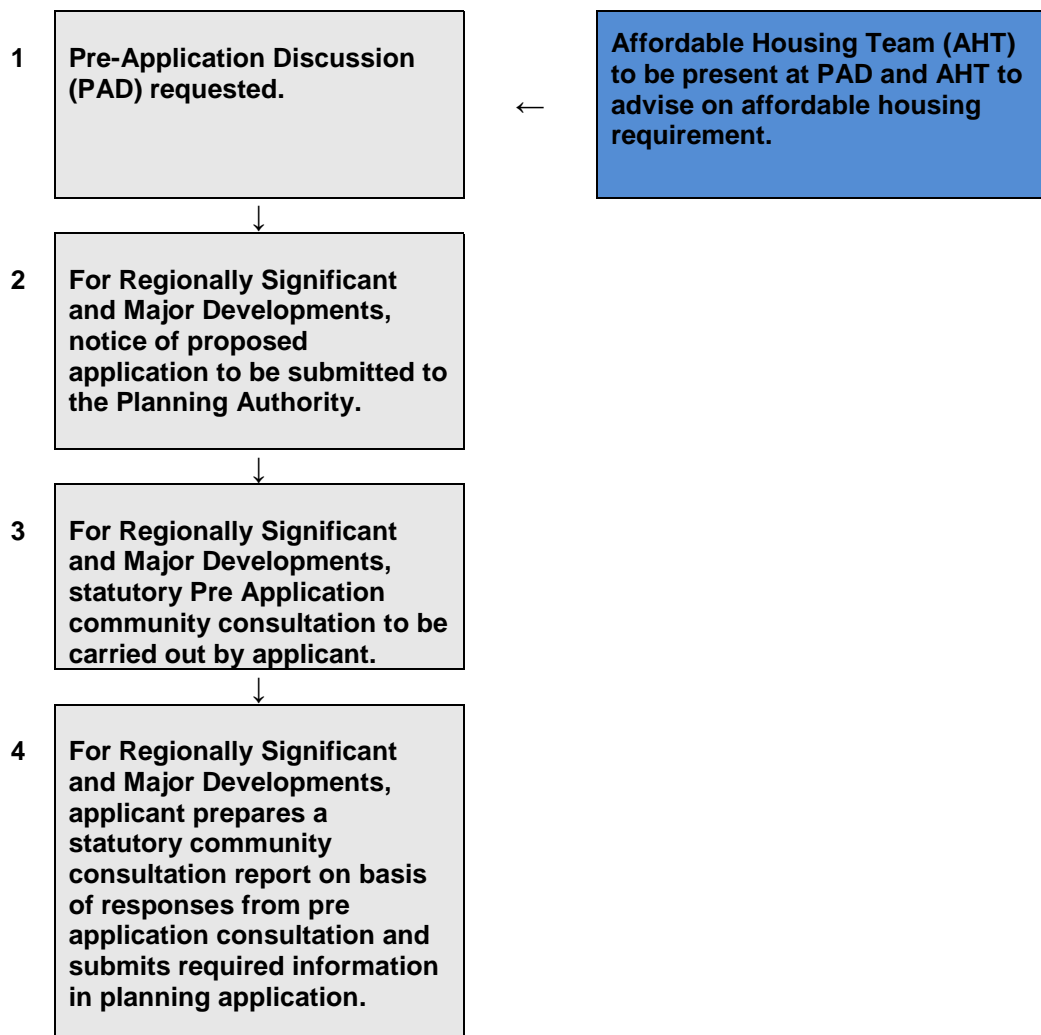
- 4.8 Developers should be aware that any social rented housing provided as a developer contribution must meet specific space standards. The specialist Affordable Housing Team will provide advice and guidance in this regard and on how the affordable element in general will integrate within the site layout.
- 4.9 The design of all new residential developments will be expected to contribute to sustainability and should accord with planning policy PPS 7 'Quality Residential Environments' (2001) and the 'Creating Places' Supplementary Planning Guidance (2000).
- 4.10 The provisions of this policy will not apply to development proposals for social housing schemes made by or on behalf of a Registered Housing Association.

Annex 1: Process map showing the Interaction with the DSD Affordable Housing Team

For all developments containing 5 housing units or more, applicants are encouraged to enter into pre-application discussions to ensure early engagement with the Department for Social Development's 'Affordable Housing Team'.

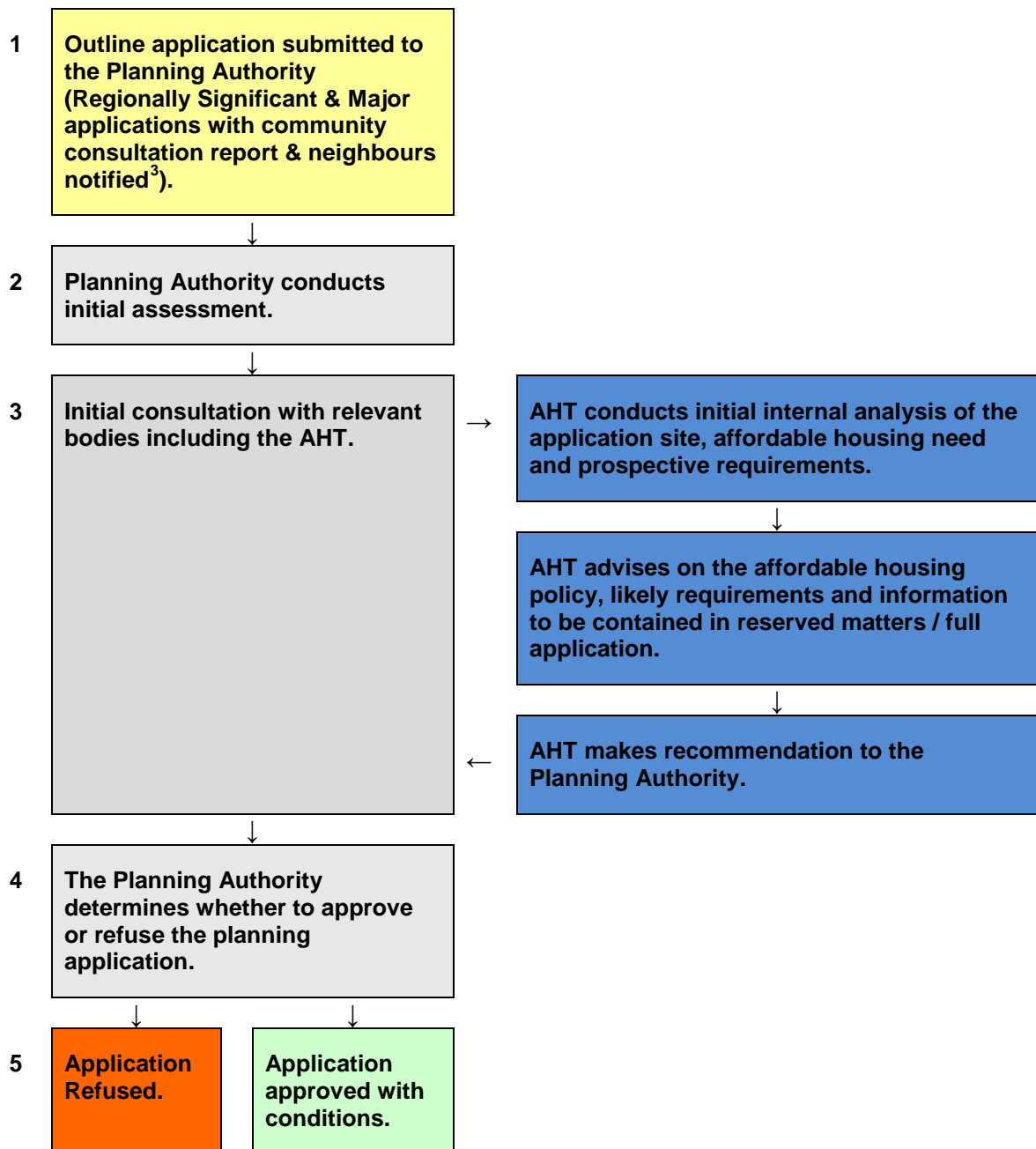
Having engaged in a pre-application discussion as set out below, the following flow charts show where the Affordable Housing Team will interact in the planning process for applications for Outline, Reserved Matters and Full planning permission.

Pre Application Stage



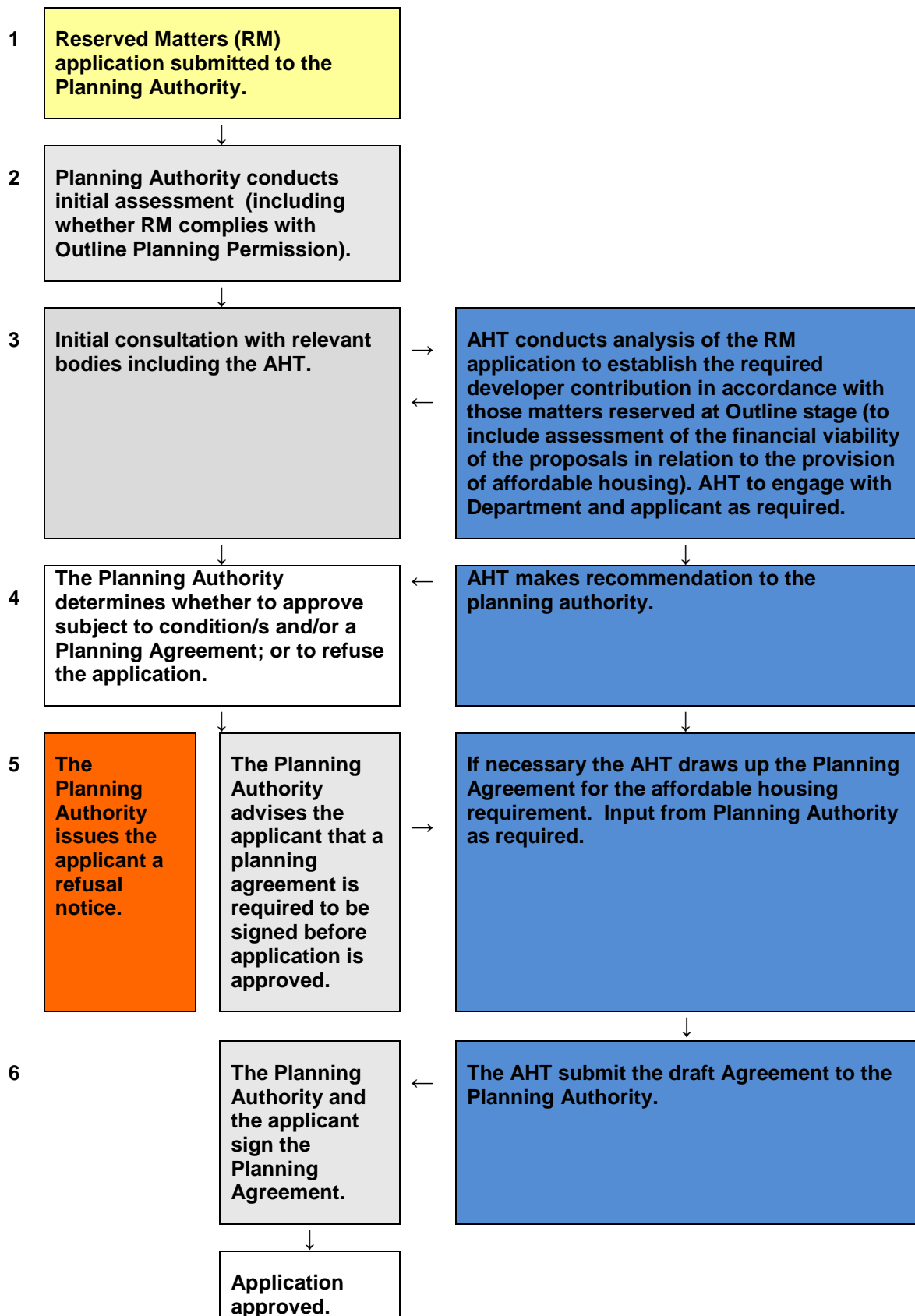
Application Stage

Outline Applications

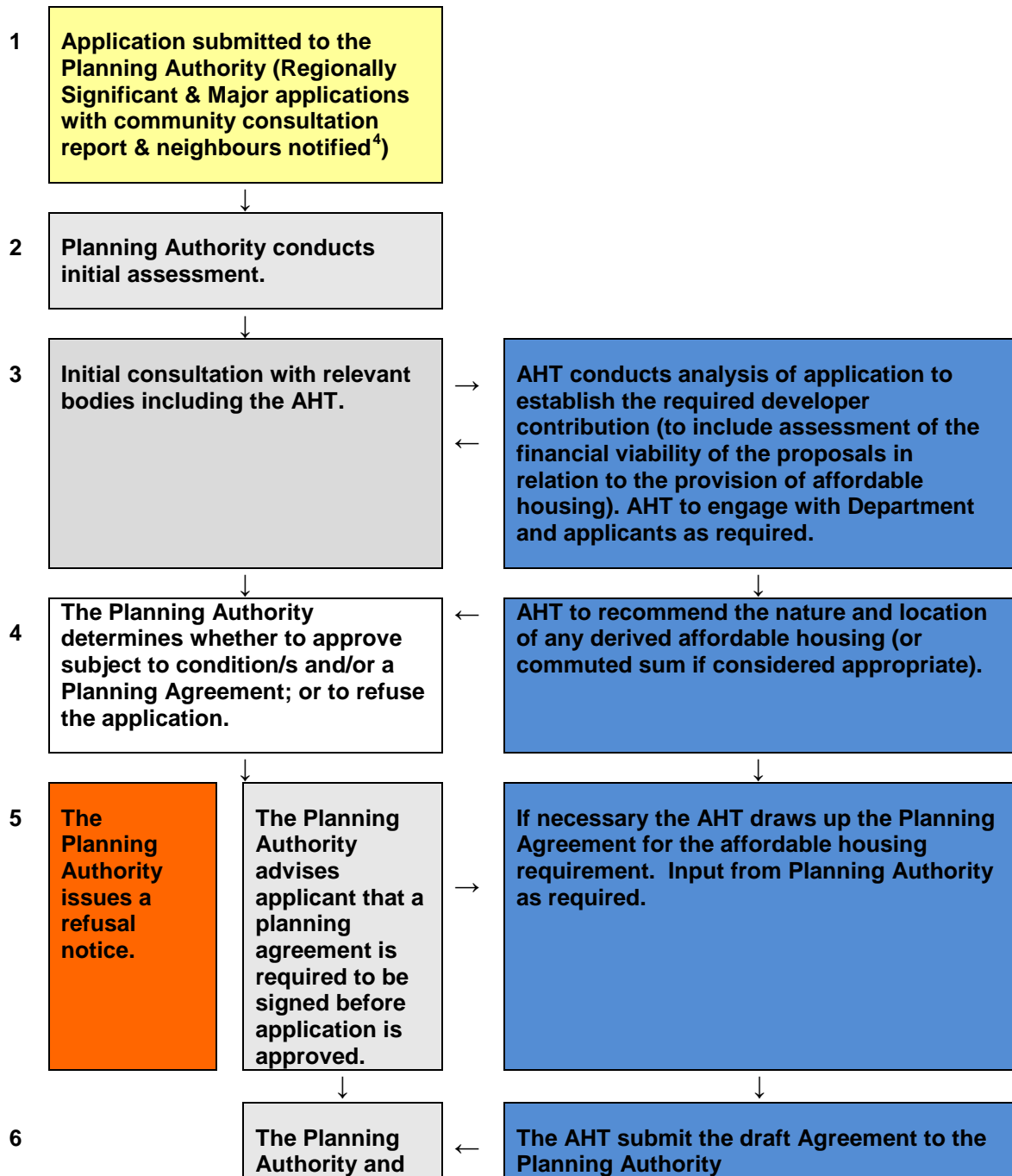


³ Regionally Significant & Major applications require 12 weeks' notice to be given to the planning authority as to what community consultation the applicant intends to undertake, when such consultation is to take place and with whom and what form it will take. A pre-application community consultation report shall be submitted with the application. This requirement will come into effect upon commencement of the relevant sections of the Planning Act (Northern Ireland) 2011

Reserved Matters Applications



Full Applications



⁴ Regionally Significant & Major applications require 12 weeks' notice to be given to the planning authority as to what community consultation the applicant intends to undertake, when such consultation is to take place and with whom and what form it will take. This requirement will come into effect upon commencement of the relevant sections of the Planning Act (Northern Ireland) 2011

**the applicant
sign the
Planning
Agreement**



**Application
approved**



Annex 2: DOE Section 75 Equality of Opportunity Screening Analysis Form

Part 1. Policy scoping

The first stage of the screening process involves scoping the policy under consideration. The purpose of policy scoping is to help prepare the background and context and set out the aims and objectives for the policy, being screened. At this stage, scoping the policy will help identify potential constraints as well as opportunities and will help the policy maker work through the screening process on a step by step basis.

Policy makers should remember that the Section 75 statutory duties apply to internal policies (relating to the Department's staff), as well as external policies (relating to those who are, or could be, served by the Department).

Information about the policy

Name of the policy
Draft Planning Policy Statement 22 'Affordable Housing ' (PPS22)
Is this an existing, revised or a new policy?
When published in final form, the policy provisions of draft PPS22 will supersede policy 'HS2 Social Housing' contained in PPS12 'Housing in Settlements'. As a consequence, paragraphs 50, 51 and 52 of the Development Plan section and the following element of Planning Control Principle 4 'Balanced Communities' of PPS12 will also be superseded: "Social housing should be provided by developers as an integral element of larger housing developments where need is identified".
What is it trying to achieve? (intended aims/outcomes) (Please give clear explanation of policy aims/outcomes)
The aims of draft PPS22 are to assist in the building of a strong and shared community; and support the provision of affordable housing through developer contributions to ensure that new housing contributes to meeting the identified housing need of the whole community.
Are there any Section 75 categories which might be expected to benefit from the intended policy? If so, explain how.
In line with the draft Programme for Government 2011-2015, in providing

affordable housing by way of developer contribution, draft PPS22 will assist as one of a series of actions to address the challenges of disadvantage and inequality that afflict society and to address the relatively poor health and long-term shorter life expectancy of our population; its purpose is to stimulate interventions that break the cycle of deprivation, educational under-achievement, and to address health inequalities and poor health and wellbeing as well as economic disengagement.

Draft PPS22 will therefore equally benefit all Section 75 Categories.

Who initiated or wrote the policy?

Draft PPS22 was initiated by the Minister of the Environment and was written by the Planning Policy Division of DOE in conjunction with the Department for Social Development's Housing Branch and the Northern Ireland Housing Executive.

Who owns and who implements the policy?

Draft PPS22 is owned by the DOE and implemented by the Department, the Planning Appeals Commission, and post RPA, the relevant Council as the planning authority.

Implementation factors

Are there any factors which could contribute to/detract from the intended aim/outcome of the policy/decision?

Yes No

If yes, are they

- financial
- legislative
- other, please specify: NA

Main stakeholders affected

Who are the internal and external stakeholders (actual or potential) that the policy will impact upon?

- staff
- service users
- other public sector organisations

- voluntary/community/trade unions
- other, please specify: Building Industry; Housing Associations

Other policies with a bearing on this policy

- what are they?
[DSD] Draft Affordable Housing Policy

- who owns them?
Department for Social Development

Available evidence

Evidence to help inform the screening process may take many forms. Policy makers should ensure that their screening decision is informed by relevant data.

What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Please specify details for each of the Section 75 categories.

Section 75 category	Details of evidence/information
Religious belief	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards any religious belief
Political opinion	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards any political opinion
Racial group	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards any racial group
Age	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards any age
Marital status	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards marital status

Sexual orientation	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards sexual orientation
Men and women generally	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards men and women generally
Disability	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards disability
Dependants	Draft PPS22 is intended to benefit those on low incomes and does not positively or negatively discriminate towards those with or without dependants

Needs, experiences and priorities

Taking into account the information referred to above, what are the different needs, experiences and priorities of each of the following categories, in relation to the particular policy/decision? Specify details for each of the Section 75 categories.

Section 75 category	Details of needs/experiences/priorities
Religious belief	None identified
Political opinion	None identified
Racial group	None identified
Age	None identified
Marital status	None identified
Sexual orientation	None identified

Men and women generally	None identified
Disability	None identified
Dependants	None identified

Part 2. Screening questions

Introduction

In making a decision as to whether or not there is a need to carry out an equality impact assessment, policy makers should consider the answers to the four screening questions.

If your conclusion is **none** in respect of all of the Section 75 equality of opportunity and/or good relations categories, then you may decide to screen the policy out. If a policy is 'screened out' as having no relevance to equality of opportunity or good relations, you should give details of the reasons for the decision taken.

If your conclusion is **major** in respect of one or more of the Section 75 equality of opportunity and/or good relations categories, then consideration should be given to subjecting the policy to the equality impact assessment procedure.

If your conclusion is **minor** in respect of one or more of the Section 75 equality categories and/or good relations categories, then consideration should still be given to proceeding with an equality impact assessment, or to:-

- measures to mitigate the adverse impact; or
- the introduction of an alternative policy to better promote equality of opportunity and/or good relations.

In favour of a 'major' impact

- a) The policy is significant in terms of its strategic importance;
- b) Potential equality impacts are unknown, because, for example, there is insufficient data upon which to make an assessment or because they are complex, and it would be appropriate to conduct an equality impact assessment in order to better assess them;
- c) Potential equality and/or good relations impacts are likely to be adverse or are likely to be experienced disproportionately by groups of people including those who are marginalised or disadvantaged;

- d) Further assessment offers a valuable way to examine the evidence and develop recommendations in respect of a policy about which there are concerns amongst affected individuals and representative groups, for example in respect of multiple identities;
- e) The policy is likely to be challenged by way of judicial review;
- f) The policy is significant in terms of expenditure.

In favour of 'minor' impact

- a) The policy is not unlawfully discriminatory and any residual potential impacts on people are judged to be negligible;
- b) The policy, or certain proposals within it, are potentially unlawfully discriminatory, but this possibility can readily and easily be eliminated by making appropriate changes to the policy or by adopting appropriate mitigating measures;
- c) Any asymmetrical equality impacts caused by the policy are intentional because they are specifically designed to promote equality of opportunity for particular groups of disadvantaged people;
- d) By amending the policy there are better opportunities to better promote equality of opportunity and/or good relations.

In favour of none

The policy has no relevance to equality of opportunity or good relations.

- a) The policy is purely technical in nature and will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

Taking into account the evidence presented above, consider and comment on the likely impact on equality of opportunity and good relations for those affected by this policy, in any way, for each of the equality and good relations categories, by applying the screening questions given overleaf and indicate the level of impact on the group i.e. minor, major or none.

Screening questions

1 What is the likely impact on equality of opportunity for those affected by this policy, for each of the Section 75 equality categories? minor/major/none		
Section 75 category	Details of policy impact	Level of impact? Minor / major none
Religious belief	None identified ahead of public consultation exercise, however any S75 issues raised will be considered by the Department.	None
Political opinion	As above.	None
Racial group	As above.	None
Age	As above.	None
Marital status	As above.	None
Sexual orientation	As above.	None
Men and women generally	As above.	None
Disability	As above.	None
Dependants	As above.	None

2 Are there opportunities to better promote equality of opportunity for people within the Section 75 equalities categories?		
Section 75 category	If Yes , provide details	If No , provide reasons
Religious belief		No evidence available of any opportunity to better promote equality of opportunity for any Section 75 group at this stage. To be further reviewed following analysis of responses to the public consultation
Political opinion		As above.
Racial group		As above.
Age		As above.
Marital status		As above.
Sexual orientation		As above.
Men and women generally		As above.
Disability		As above.
Dependants		As above.

3 To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion or racial group? minor/major/none		
Good relations category	Details of policy impact	Level of impact minor/major/ none
Religious belief	The policy will apply equally to all sections of the community regardless of their religious beliefs. Evidence of possible impact to be considered following analysis of responses to public consultation	It is envisaged that there will be no impact. The policy will have no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.
Political opinion	As above.	As above.
Racial group	As above.	As above.

4 Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?		
Good relations	If Yes , provide details	If No , provide reasons

category		
Religious belief		No - evidence of possible impact to be considered following analysis of responses to public consultation
Political opinion		As above.
Racial group		As above.

Multiple identity

Generally speaking, people can fall into more than one Section 75 category. Taking this into consideration, are there any potential impacts of the policy/decision on people with multiple identities?

(For example; disabled minority ethnic people; disabled women; young Protestant men; and young lesbians, gay and bisexual people).

Yes No

Provide details of data on the impact of the policy on people with multiple identities. Specify relevant Section 75 categories concerned.

There is no evidence at this stage that draft PPS22 will have any impact on people with multiple identities but the Department will await responses to the public consultation to gain further information

Part 3. Screening decision

If the decision is not to conduct an equality impact assessment, please provide details of the reasons.

There is no evidence at this stage that Draft PPS22 will have any impact on groups relevant to the Section 75 categories but the Department will await responses to the public consultation to gain further information.

If the decision is not to conduct an equality impact assessment the policy maker should consider if the policy should be mitigated or an alternative policy be introduced.

There is no evidence at this stage that Draft PPS22 will have any impact on groups relevant to the Section 75 categories but the Department will await responses to the public consultation to gain further information.

If the decision is to subject the policy to an equality impact assessment, please provide details of the reasons.

All public authorities' equality schemes must state the authority's arrangements for assessing and consulting on the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. The Commission recommends screening and equality impact assessment as the tools to be utilised for such assessments. Further advice on equality impact assessment may be found in a separate Commission publication: Practical Guidance on Equality Impact Assessment.

Mitigation

When you conclude that the likely impact is 'minor' and an equality impact assessment is not to be conducted, you may consider mitigation to lessen the severity of any equality impact, or the introduction of an alternative policy to better promote equality of opportunity or good relations.

Can the policy/decision be amended or changed or an alternative policy introduced to better promote equality of opportunity and/or good relations?

If so, give the **reasons** to support your decision, together with the proposed changes/amendments or alternative policy.

It is considered that mitigation measures are not required at this time but will be reviewed in light of the analysis of consultation responses received in bringing forward a final PPS22

Timetabling and prioritising

Factors to be considered in timetabling and prioritising policies for equality impact assessment.

If the policy has been '**screened in**' for equality impact assessment, then please answer the following questions to determine its priority for timetabling the equality impact assessment:-

On a scale of 1-3, with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Priority criterion	Rating (1-3)
Effect on equality of opportunity and good relations	NA
Social need	NA
Effect on people's daily lives	NA
Relevance to a public authority's functions	NA

Note: The Total Rating Score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment.

Is the policy affected by timetables established by other relevant public authorities?

Yes No

If yes, please provide details.

NA

Part 4. Monitoring

Public authorities should consider the guidance contained in the Commission's Monitoring Guidance for Use by Public Authorities (July 2007).

The Commission recommends that where the policy has been amended or an alternative policy introduced, the public authority should monitor more broadly than for adverse impact.

Effective monitoring will help the public authority identify any future adverse impact arising from the policy which may lead to completion of an equality impact assessment, as well as help with future planning and policy development.

Part 5 - Approval and authorisation

Screened by:	Position/Job Title	Date
Stuart Freeman	Senior Planning Officer	01 May 2014
Approved by:		
Joy Hargie	Principal Planning Officer	21 May 2014

Note: A copy of the Screening Template, for each policy screened should be 'signed off' and approved by a senior manager responsible for the policy, made easily accessible on the public authority's website as soon as possible following completion and made available in alternative formats on request.

Main Groups Relevant to the Section 75 Categories	
Category	Main Groups
Religious belief	Protestants; Catholics; people of non-Christian faiths; people of no religious belief
Political opinion	Unionists generally; Nationalists generally; members/supporters of any political party
Racial Group	White people; Chinese; Irish Travellers; Indians; Pakistanis; Bangladeshis; Black Africans; Black Caribbean people; people with mixed ethnic group
“Men and women generally”	Men (including boys); women (including girls); trans-gendered people
Marital status	Married people; unmarried people; divorced or separated people; widowed people
Age	For most purposes, the main categories are: children under 18, people aged between 18-65, and people over 65. However, the definition of age groups will need to be sensitive to the policy under consideration
“Persons with a disability”	Disability is defined as: A physical or mental impairment, which has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities as defined in Sections 1 and 2 and Schedules 1 and 2 of the Disability Discrimination Act 1995
“Persons with dependants”	Persons with personal responsibility for the care of a child; persons with personal responsibility for the care of a person with an incapacitating disability; persons with personal responsibility for the care of a dependant elderly person
Sexual orientation	Heterosexuals; bi-sexuals; gays; lesbians

Annex 3: Partial Regulatory Impact Assessment

1 Title of the Proposal

- 1.1 The Provision of Affordable Housing and/or Commuted Sums through Developer Contributions.

2 Purpose and intended effect of measure

Objective

- 2.1 The primary objective behind the proposal is to assist in the development of balanced local communities and support the provision of affordable housing through developer contributions. This will ensure that new housing developments contribute to meeting the identified housing need of the whole community, and match unmet housing need.

Background

- 2.2 Following on from the Semple Review into Affordable Housing, published in Spring 2007, which contained recommendations to increase affordable housing supply through the planning system, the then Executive expressed a commitment to improving the affordability and supply of housing in all communities, including rural areas.
- 2.3 In response, this RIA explores options in seeking the provision of affordable housing or commuted sums through developer contributions. The Department of the Environment will provide the delivery mechanism for this policy through the planning system and draft PPS22.

Risk Assessment

- 2.4 It is recognised that the introduction of a Developer Contributions Scheme for affordable housing may result in additional operational costs being placed upon Government in Northern Ireland. A number of 'one-off' costs have been incurred by Departments in developing the relevant policy. In addition, however, ongoing costs are likely to be introduced. These include the cost of the team undertaking evaluation of eligible planning applications to establish the contribution to be made at each development.
- 2.5 In bringing forward proposals for the provision of affordable housing or commuted sums, the Department has taken into consideration recommendations put forward to Government by Sir John Semple. As a result, with the exception of maintaining the status quo, proposals for the revision of Policy HS2 are based on developments containing 5 housing

units or more. While any policy introduced will not apply retrospectively, for comparative purposes the table below sets out an indication of the number of applications per annum as a guide to the numbers likely to be affected by any such measures.

Applications for Residential Developments >1 Dwelling 2007 - 2013⁵

Year	Applications Received	Applications Determined
2007/2008	3480	2036
2008/2009	1652	2268
2009/2010	1026	1848
2010/2011	879	1234
2011/2012	540	815
2012/2013	454	655
Total	8031	8856
Average	1339	1476

Sample of Applications⁶

⁵ These figures were obtained from DOE's Annual Development Management Reports, published through the Northern Ireland Planning Portal and available via the following link:

<http://www.planningni.gov.uk/index/tools/about-statistics/common-eplanning-stats-publications.htm>

⁶ This data is not regularly reported on, so estimates were obtained from a spreadsheet supplied by DOE of raw data on all planning applications received in-year.

Number of Units Applied For	2012/13
Residential applications 5+ dwellings	51%
Residential applications 10+ dwellings	28%
Residential applications 20+ dwellings	17%

- 2.6 The tables above at 2.5 indicate that (over the last 6 years) there was an average of 1476 planning applications determined each year (excluding single dwelling applications). The most recent figures indicate that 51% of those applications are for 5 or more units – therefore an average of 753 applications would be above the contributions threshold. This would therefore suggest that, **assuming the minimum of 5 units**, 3765 units could be expected to be built each year. If this policy required 20% developer contributions, we could therefore expect 753 additional affordable homes each year.
- 2.7 In considering the volume of applications that may be impacted upon, it is imperative that no time delays are added to processing the applications through the introduction of any policy measure. As a consequence, skilled multi-disciplinary teams, comprising housing, planning and legal professionals, will negotiate the terms of any planning agreement for the provision of affordable housing or commuted sums.

3 Options

- 3.1 The Departments have identified four potential options to be considered for the provision of affordable housing through a system of developer contributions. The options are:

Option 1

Retain the status quo

- 3.2 Under this option there would be no change to regional policy for the provision of affordable housing. Policies introduced in HS2 of PPS 12 and subsequently incorporated in the Single Planning Policy Statement would be retained and, in addition to any affordable housing secured through the zoning of land in Area Development Plans and other Departmental policy initiatives, would remain the primary means for obtaining such housing through the planning system.

Option 2

Introduce a system of developer contributions for affordable housing units, and/or commuted sums secured through conditions and/or planning agreements in respect of housing development planning applications.

- 3.3 This option would involve the introduction of new planning policy provisions for securing a proportion of housing on new developments over a certain threshold size (for example developments of 5 units or more) as affordable housing. It would also permit, in certain circumstances, the provision of a commuted monetary sum by the developer in lieu of provision of affordable housing units on site. Depending upon the type of contribution it will be secured by way of planning conditions and/or planning agreement between the applicant and the planning authority.
- 3.4 Article 40 of the Planning (Northern Ireland) Order 1991 (or Article 76 of the Planning (Northern Ireland) Act 2011) may be used to secure the developer contributions. This is a legal agreement between the relevant planning authority (including Local Councils, once planning responsibilities are transferred) and the applicant.
- 3.5 The contribution requested would be a percentage of the floor space on each housing development site to be provided as housing units of a mix and tenure required to meet affordable housing need. An economic viability model could be used, where appropriate, to determine the percentage rate of contribution – such a model would take into account a range of financial factors affecting the economics of development, including the need to deliver a profit margin over the whole site.

Option 3

Introduce a system of developer contributions for the provision of affordable housing by means of commuted monetary sums secured through planning agreements in respect of housing development planning applications.

- 3.6 This option would involve the introduction of new planning policy provisions for securing a developer contribution to the cost of providing affordable housing provision by way of a commuted monetary sum calculated as the value of delivering a proportion of the housing units on site as affordable housing units. The provision would apply to development sites above a certain threshold (for example 5 units or more).
- 3.7 Article 40 of the Planning (Northern Ireland) Order 1991 will be used to secure the developer contribution. This is a legal agreement between the relevant planning authority (including Local Councils, once planning responsibilities are transferred) and the applicant. .
- 3.8 An economic viability model could be used, where appropriate, to determine the percentage rate of contribution – such a model would take into account a range of financial factors affecting the economics of development, including the need to deliver a profit margin over the whole site.

Option 4

Introduce a system of developer contributions for the provision of affordable housing through the introduction of a Social Housing Levy

- 3.9 There are a range of ways in which the Social Housing Levy could be implemented, from a one-off payment on every housing unit granted planning permission (including single dwellings) to a payment based on a flexible scale calculated on site size and planning gain value.
- 3.10 Social Housing Levy could be constructed in a manner that provides the maximum economic benefit to government and ensures that all who benefit from the ability to develop through planning permission contribute to meeting the housing need of the whole community.

4 Benefits

- 4.1 It is difficult to quantify the costs and benefits delivered by the planning system. It is generally recognised that a restrictive planning system will impose costs. In particular, any restrictions on the level and type of house building will tend to increase the price of house building.
- 4.2 As noted in the Draft Partial Regulatory Impact Assessment on the Planning Reform (Northern Ireland) Order 2005, it is evident that the

impacts of the planning system ripple through the property, labour, transport and other markets in a variety of ways.

- 4.3 However, the planning system does generate benefits. In addition to the economic benefits that arise by providing co-ordination and certainty, the planning system can deliver environmental and social benefits, but these wider benefits tend to be more difficult to quantify. Moreover, it is difficult to assess the likely impact of new policy on affordable and market housing numbers. The impact on housing supply will differ according to local housing needs, the local housing market and the condition of the housing stock.

Option 1 Maintain the status quo

Economic benefits

- 4.4 It is assumed that this option would have no additional administrative cost to industry or government and generate no additional economic benefits.

Social Benefits

- 4.5 It is assumed this option would not create any additional social benefits, such as mixed tenure balanced communities.

Environmental Benefits

- 4.6 It is assumed this option would not create any environmental benefits.

Option 2 *Introduce a system of developer contributions for affordable housing units, and/or commuted sums secured through conditions and/or planning agreements in respect of housing development planning applications.*

Economic Benefits

- 4.7 In order to improve affordability, meet housing need and support economic growth, a significant increase in housing supply, over a sustained period of time, is necessary. By seeking a contribution for affordable housing units, the planning system can ensure that housing is built in the right places with the necessary infrastructure, in support of future economic growth and market affordability for home buyers.
- 4.8 Providing (and/or funding) more affordable housing in response to need and demand, in both urban and rural areas, should help to improve the sustainability of communities and the rural economy by allowing people to live closer to where they work.
- 4.9 Housing Needs Assessments currently indicate that approximately 2500 social homes are required each year in order to meet the significant demand for housing evidenced by the Social Housing Waiting List. Furthermore, the current economic climate has led to increasing applications to the Northern Ireland Co-Ownership Housing Association, the mechanism through which many first-time buyers access the housing ladder and an affordable home.
- 4.10 On the basis of the information set out at paragraph 2.4 – 2.6 above, 51 per cent of projected residential applications comprise five or more units and accordingly fall within the scope of the proposed scheme where the developer would be obliged to provide and/or fund affordable housing units. Whilst acknowledging the fluctuating market conditions over the last 6 years, it can be projected that such applications might yield an annual total of around 3765 units. The proposal of delivering 20 per cent of total floor space as affordable housing is subject to economic viability assessment on each application, but the figures indicate there is potential for around 753 affordable homes to be contributed annually.
- 4.11 Providing homes in this manner would allow government to deliver housing to contribute to the unmet need without the need to provide additional public funding to do so. To illustrate the costs to government of providing affordable homes it is worth noting that the Programme for Government has a target of providing 8,000 social and affordable homes over the period 2011/12-2014/15. The likely public investment in social and affordable housing over the PFG period is around £540 million.

- 4.12 Early economic modelling/cost benefit analysis has indicated there would be a net monetary benefit to Government over a 10 year life-cycle of the policy should this option for the provision of affordable housing through developer contributions be introduced.

Social Benefits

- 4.13 It is assumed that this proposed policy would help deliver mixed tenure, balanced communities, which are associated with advantages in terms of educational achievement, crime rate reduction, anti-social behaviour reduction and tackling deprivation.
- 4.14 This approach should widen the choice of, and accessibility to, housing for communities. By facilitating delivery of a variety of housing options, particularly in terms of tenure and price (including meeting the needs of specific groups, such as families with children and older people) this option should help to encourage community cohesion and address social exclusion.

Environmental Benefits

- 4.15 The proposed system for the provision of affordable homes through developer contributions will require the use of Design Codes and compliance with a range of standards emphasising good design and environmentally friendly building practice. This should therefore help to improve the quality and design of housing in “tenure-blind” developments.

Option 3 *Introduce a system of developer contributions for the provision of affordable housing by means of commuted monetary sums secured through planning agreements in respect of housing development planning applications.*

Economic Benefits

- 4.16 Housing Needs Assessments currently indicate that approximately 2500 social homes are required each year in order to meet the significant demand for housing evidenced by the Social Housing Waiting List. Furthermore, the current economic climate has led to increasing applications to the Northern Ireland Co-Ownership Housing Association, the mechanism through which many first-time buyers access the housing ladder and an affordable home.
- 4.17 On the basis of the information set out at paragraph 2.4 – 2.6 above, 51 per cent of projected residential applications comprise five or more units and accordingly fall within the scope of the proposed scheme where the

developer would be obliged to provide and/or fund affordable housing units. Whilst acknowledging the fluctuating market conditions over the last 6 years, it can be projected that such applications might yield an annual total of around 3,765 homes. The proposal of delivering 20 per cent of total floor space as affordable housing is subject to economic viability assessment on each application, but if a commuted monetary sum per unit to be delivered is established as the build cost for such a unit, there is potential for an overall commuted monetary sum of around £90 million (based on a build cost of £120,000 per unit) to be contributed annually.

- 4.18 Providing homes in this manner would allow Government to deliver additional housing towards unmet need without the need to provide further public funding to do so. Some level of additional public funding, in the form of staff resources, may be required to manage any new affordable building programmes necessary to spend the commuted monetary sums.

Social Benefits

- 4.19 It is assumed that pursuit of this option would not automatically create the social benefits that accrue with Option 2, such as mixed tenure balanced communities, community cohesion or addressing social exclusion.
- 4.20 This approach should widen the choice of, and accessibility to, housing for communities.

Environmental Benefits

- 4.21 It is assumed that pursuit of this option would not automatically create any environmental benefits

Option 4 Introduce a system of developer contributions for the provision of affordable housing through the introduction of a Social Housing Levy

Economic Benefits

- 4.22 Housing Needs Assessments currently indicate that approximately 2500 social homes are required each year until 2020 in order to meet the significant demand for housing evidenced by the Social Housing Waiting List. Furthermore, the current economic climate has led to increasing applications to the Northern Ireland Co-Ownership Housing Association, the mechanism through which many first-time buyers access the housing ladder and an affordable home.

- 4.23 As outlined in paragraph 3.9 above, there are a range of ways in which the Social Housing Levy could be implemented, from a one-off payment on every housing unit granted planning permission (including single dwellings) to a payment based on a flexible scale calculated on site size and planning gain value. Social Housing Levy could be constructed in a manner that provides the maximum economic benefit to government that would always allow it to match unmet housing need.
- 4.24 It is possible that some level of additional public funding, in the form of staff resources, may be required to administer any new affordable building programmes necessary to spend the monies raised from Social Housing Levy.

Social Benefits

- 4.25 It is assumed that pursuit of this option would not automatically create the social benefits that accrue with Option 2, such as mixed tenure balanced communities, community cohesion or addressing social exclusion.
- 4.26 This approach should widen the choice of, and accessibility to, housing for communities.

Environmental Benefits

- 4.27 It is assumed that pursuit of this option would not automatically create any environmental benefits.

5 Costs

- 5.1 It is difficult to quantify the costs and benefits delivered by the planning system. It is generally recognized that a restrictive planning system will impose costs. In particular, restriction on the level and type of house building will add to the cost of site development and consequently reduce land value.

Option 1 Retain the status quo

Economic Costs

- 5.2 It is assumed the 'retain the status' option would have no administrative cost to industry. However, retaining the status quo would result in the provision of affordable housing continuing to rely solely on the public purse, supplemented by private borrowing, without recognition of the benefit conferred on the landowner through the granting of planning permission.

Social Costs

- 5.3 This option would not deliver the policy aim of mixed tenure, balanced communities, nor the associated advantages in terms of educational achievement, crime rate reduction, anti-social behaviour reduction and tackling deprivation.
- 5.4 This option would not widen the choice of, and accessibility to, housing for Communities. It would also be less likely to encourage community cohesion and address social exclusion.

Environmental Costs

- 5.5 It is assumed that pursuit of this option would have no environmental costs.

Option 2 *Introduce a system of developer contributions for affordable housing units, and/or commuted sums secured through conditions and/or planning agreements in respect of housing development planning applications.*

Economic Costs

- 5.6 To conduct the negotiations that will be required to secure the implementation of the provision of affordable housing through a system of developer contributions will require staff resources. Early economic modelling has suggested the annual cost of the team (to government) to undertake the relevant negotiations may range from £250,000 to £1.5 million per annum.
- 5.7 There will be a direct cost to the house building and development industry from both the requirement to provide the affordable housing/commuted sums and from any additional staff resources required to negotiate the planning agreement. The proposal of delivering 20 per cent of total floor space as affordable housing is subject to economic viability assessment on each application, but if a commuted monetary sum per unit to be delivered is established as the build cost for such a unit, there is potential for an overall commuted monetary sum of around £90 million (based on a build cost of £120,000 per unit) to be contributed annually. The provision of affordable housing on-site, rather than commuted sums, could prove more cost-effective to developers, taking into account economies of scale. It is hoped that the consultation process will provide further detail on this.
- 5.8 Using an economic viability model, such as that outlined in paragraph 3.5 above, restricts further economic impact on the house building and development industry by factoring in a percentage profit which may be based, for example, on the gross development value of a site.

Social Costs

- 5.9 No social costs have been identified for this option.

Environmental Costs

- 5.10 It is assumed that pursuit of this option would have no direct environmental costs.

Option 3 ***Introduce a system of developer contributions for the provision of affordable housing by means of commuted monetary sums secured through planning agreements in respect of housing development planning applications.***

Economic Costs

- 5.11 To conduct the negotiations that will be required to secure the implementation of the provision of affordable housing through a system of developer contributions will require staff resources. Early economic modelling has suggested the annual cost of the team (to government) to undertake the relevant negotiations may range from £250,000 to £1.5 million per annum. However, it is likely that the requirements of negotiating commuted monetary sums would require fewer resources than the negotiating of housing units and it is, therefore, possible that costs for this option would be less than those for Options 2.
- 5.12 It is possible that some level of additional public funding, in the form of additional staff resources, may be required to administer any additional affordable building programmes necessary to spend the commuted monetary sums.
- 5.13 There will be a direct cost to the house building and development industry from the additional staff resources required to negotiate the planning agreements, as well as the cost of the payments themselves. The proposal of delivering 20 per cent of total floor space as affordable housing is subject to economic viability assessment on each application, but if a commuted monetary sum per unit to be delivered is established as the build cost for such a unit, there is potential for an overall commuted monetary sum of around £90 million (based on a build cost of £120,000 per unit) to be contributed annually. It is hoped that the consultation process will provide further detail on this. Also, it is likely that the negotiation of commuted monetary sums would require less resources than negotiating housing units.
- 5.14 Using an economic viability model, such as that outlined in paragraph 3.2 above, restricts further economic impact on the house building and development industry by factoring in a percentage profit which may be based, for example, on the gross development value of a site. However, it is likely that land values will be affected.

Social Costs

- 5.15 It is less likely that this option would deliver the policy aim of mixed tenure, balanced communities, nor the associated advantages in terms of educational achievement, crime rate reduction, anti-social behaviour reduction and preventing deprivation.

- 5.16 This option is also less likely to achieve widening the choice of, and accessibility to, housing for communities. It would also be less likely to encourage community cohesion and address social exclusion.

Environmental Costs

- 5.17 It is assumed that pursuit of this option would have no direct environmental costs.

Option 4 Introduce a system of developer contributions for the provision of affordable housing through the introduction of a Social Housing Levy

Economic Costs

- 5.18 To administer the relevant Social Housing Levy collection system will require staff resources. While no early economic modelling has been conducted for this option to date it is likely that the straightforward nature of any levy system will require fewer resources than any of the remaining options outlined above.
- 5.19 It is possible that some level of additional public funding, in the form of additional staff resources, may be required to administer any additional affordable building programmes necessary to spend the monies raised from Social Housing Levy.
- 5.20 There will be a direct cost to the house building and development industry from the additional staff resources required to process payments to government, as well as the cost of the payments themselves. However, as above, the additional costs are likely to be less than those incurred under the remaining options outlined above.

Social Costs

- 5.21 It is less likely that this option would deliver the policy aim of mixed tenure, balanced communities, nor the associated advantages in terms of educational achievement, crime rate reduction, anti-social behaviour reduction and tackling deprivation.
- 5.22 This option is also less likely to achieve widening the choice of, and accessibility to, housing for communities. It would also be less likely to encourage community cohesion and address social exclusion.

Environmental Costs

- 5.23 It is assumed that pursuit of this option would have no direct environmental costs.

6 Costs for a Typical Business

- 6.1 In conducting economic modelling/cost benefit analysis, it has been difficult to gather sufficiently detailed information on the scale of the house building and development industry and therefore the consequences of the policy on a typical business, particularly as it is suggested that the majority of businesses affected will be small to medium enterprises (SMEs). Before any preferred policy option can be implemented a Small Business Impact Test will be conducted, following consideration of responses received during the consultation. Further information on this matter is outlined at Section 8 below.

7 Sectors Affected

- 7.1 The introduction of housing and planning policy for the provision of affordable housing through a system of developer contributions is likely to affect three broad groups, these are:

- **Public Sector** – particularly planning authorities (including local councils, once planning responsibilities are transferred), the Northern Ireland Housing Executive and registered housing associations;
- **Private Sector** – particularly landowners and the house building industry;
- **Wider Community** – particularly local communities, businesses and other organisations that would be affected by these changes.

8. Other Impact Assessments

- 8.1 In conducting economic modelling/cost benefit analysis, it has been difficult to gather sufficiently detailed information on the scale of the house building and development industry and therefore the consequences of the policy on Small Business.
- 8.2 The limited information that has been gathered to date indicates there is a relatively low volume of large house builders and development companies in Northern Ireland and even the largest are choosing to commit to build only small schemes at this time. Further research is required to inform the

Small Business Impact Test and the Department would welcome the engagement of developers, the wider construction industry, social housing providers, other interested parties and members of the public in the consultation process to inform this assessment.

9 Enforcements and Sanctions

- 9.1 Planning conditions or an Article 40 planning agreement (or as the case may be Article 76 of the Planning (Northern Ireland) Act 2011) will be used to secure the developer contribution. A planning agreement is a legal agreement between the relevant planning authority (including Local Councils, once planning responsibilities are transferred) and a person with an estate in land (landowner/developer). Enforcement of conditions and/or planning agreements will be the responsibility of the relevant planning authority.

10 Monitoring and Review

- 10.1 The Department will put in place an appropriate range of mechanisms to monitor the implementation of the Developer Contributions Scheme, which will include an analysis of the rate of return in affordable housing units achieved and the quantified costs being incurred within the affected sectors. A range of key performance indicators will be established for the team that will negotiate the contributions on behalf of the Planning Authorities.
- 10.2 Furthermore, the requisite Planning and Housing policies and how they have been implemented, as well as the operational management of the Scheme, will be subject to the appropriate Value for Money, management and financial audits as required by the Northern Ireland Audit Office and Chief Local Government Auditor.
- 10.3 A formal policy evaluation of the Developer Contributions Scheme, and its outputs, will be conducted by the Department 24 months after the first planning permission providing developer contributions has been issued.

11 Consultation

- 11.1 Public Bodies – This consultation into Developer Contributions is issued in parallel with the consultation on the Draft housing Policy paper (DSD) and PPS22 ‘Affordable Housing’ (DOE). The Northern Ireland Executive has been made aware of its publication.
- 11.2 Public Consultation – Views on the contents of this Partial Regulatory Impact Assessment are being sought from developers, the wider

construction industry, social housing providers, other interested parties and members of the public, as part of the consultation process. These views will be considered and will inform the Full Regulatory Impact Assessment, finalised Department for Social Development Housing Policy and the finalised planning policy on developer contributions.

12 Summary and Recommendation

12.1 The following table sets out the options available:

	Option	Costs	Benefits
1	Retain the status quo.	No change so no additional costs.	No change so no additional benefits.
2	Introduce a system of developer contributions for affordable housing units, and/or commuted sums secured through conditions and/or planning agreements in respect of housing development planning applications.	<p>Cost of homes and/or commuted sums to be met by developers, further to economic viability test.</p> <p>Cost to government of administering the scheme between £230k and £1.5m – however may be nearer the upper end of the scale, due to the complexities of negotiating housing units.</p>	<p>There is potential for around 753 affordable homes and/or an overall commuted monetary sum of around £90 million (based on a build cost of £120,000 per unit) to be contributed annually.</p> <p>In addition, this approach would achieve the objective of mixed-tenure, balanced communities by providing on-site affordable units.</p>
3	Introduce a system of developer contributions for the provision of affordable housing by means of commuted monetary sums secured through planning	<p>Cost of commuted sums to be met by developers, further to economic viability test.</p> <p>Cost to government of</p>	<p>There is potential for an overall commuted monetary sum of around £90 million (based on a build cost of £120,000 per unit) to be contributed</p>

	agreements in respect of housing development planning applications.	administering the scheme between £230k and £1.5m – however likely to be at the lower end of the scale, as commuted sums would be simpler to negotiate than housing units.	annually. However this approach would not achieve the objective of mixed-tenure, balanced communities.
4	Introduce a system of developer contributions for the provision of affordable housing through the introduction of a Social Housing Levy	Cost to developers of paying the Levy. The straightforward nature of any levy system would require fewer resources to administer than any of the options outlined above – assume the lowest end of the cost to government range.	There are a range of ways in which the Social Housing Levy could be implemented, from a one-off payment on every housing unit granted planning permission to a payment based on a flexible scale calculated on site size and planning gain value. While the Levy would provide funding for affordable homes, it would not achieve the objective of mixed-tenure, balanced communities.

12.2 Based on the summary table above, the only option which satisfies both objectives of providing additional affordable housing, and achieving mixed-tenure, balanced communities is Option 2.

12.3 The costs and benefits of this option, in relation to the other options, will be further examined and more detail provided, once the consultation process is complete and responses have been considered.

