

<b>NIHE – Public Consultation Document Sustainable Rural Communities: (draft) Rural Housing Policy Proposals</b>	<b>24<sup>th</sup> February 2016</b>
<b>PLANNING COMMITTEE</b>	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Themes</b>	<ul style="list-style-type: none"> <li>• Leader and Champion</li> <li>• Protecting and Enhancing our Environments and Assets</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>• Establish key relationships with Government, Agencies and potential strategic partners in Northern Ireland and external to it which helps us deliver our vision for this Council area.</li> <li>• Pro-active decision making which protects the natural features, characteristics and integrity of the Borough</li> </ul>
<b>Lead Officer</b>	Sharon Mulhern
<b>Cost:</b>	N/A

## **1.0 Background**

1.1 On 29<sup>th</sup> January 2016 the Northern Ireland Housing Executive (NIHE) wrote to Councils advising that during 2015 they carried out a review of their 'Rural Homes and People' policy in order to refresh their approach to addressing the specific housing needs of rural communities.

1.2 Following discussions with key internal and external stakeholders and pre-consultation with their Rural Residents Forum, '*Sustainable Rural Communities: A Review of Housing Executive Rural Housing Policy*' was prepared and has now been launched for public consultation.

1.3 The draft documents are available to view on the NIHE website at: <http://www.nihe.gov.uk/index/corporate/consultation.htm> .

1.4 The Draft Proposals set out the Housing Executive's vision for its rural housing policy, policy principles, how it defines 'rural', and its five revised rural housing policy proposals.

1.5 The following Policy Objectives, outlined in the document, are relevant to the Local Development Plan (LDP) process:

- **Planning Policy Objective 1:** *To plan and enable the provision of affordable homes which meet rural housing needs ;*
- **Policy Objective 5:** *To work in partnership with others to assist in rural development*

1.6 There is also potential overlap with the Housing Executive's policy objectives and the Council's Community Plan.

1.7 The report attached at Appendix 1 provides an overview of the consultation document, and discusses the potential planning implications in detail, both in the short term in relation to existing regional planning policy, and highlights the need to give this matter due consideration in the preparation of the Council's LDP.

1.8 NIHE has also organised a "Rural Policy – practice to policy" event on Monday 22<sup>nd</sup> February at 10am, at Lough Neagh Discovery Centre, Oxford Island, Craigavon, in partnership with the Rural Community Network. The event will focus on seeking views on their policy proposals. Council officers will attend the event.

## **2.0 Financial Implications**

2.1 None.

## **3.0 Other Implications**

3.1 None.

## **4.0 Recommendation**

**4.1 IT IS RECOMMENDED** that Members:

- Support the Housing Executive's publication of its Draft Proposals for Sustainable Rural Communities and the Vision, Principles and Policy Objectives 1 and 5 therein; and
- Agree to the Head of Planning responding on behalf of Council on that basis.

**Appendix 1** -Discussion Paper: Summary of NIHE Public Consultation Document: Sustainable Rural Communities.

**Appendix 1: Discussion Paper – Sustainable Rural Communities: Northern Ireland  
Housing Executive Public Consultation Document**

## Introduction

- 1.1 The Northern Ireland Housing Executive (NIHE) has published Draft Proposals for Public Consultation on its 'Sustainable Rural Communities' as a review of its Rural Housing Policy. The document was issued in January this year, and the closing date for consultation responses is Monday 21<sup>st</sup> March 2016.
- 1.2 The document includes the following sections:
- Introduction – Policy Background;
  - The Wider Context;
  - The Local Northern Ireland Context;
  - Profile of Rural Northern Ireland;
  - Policy Framework and Proposals; and
  - Summary of Policy Objectives and Proposed Actions.

### NIHE Vision

- 1.3 The NIHE's revised policy seeks to contribute to its overarching vision which is: *Housing services working in partnership to enable and support vibrant, shared and sustainable rural communities and provide economic, social and environmental benefits in rural areas.*

### Principles

- 1.4 The following principles are defined:
- *The rural policy should contribute towards rural development objectives, within a framework of sustainable development;*
  - *A rural approach is necessary not a revised urban approach;*
  - *Partnership with others is critical for success;*
  - *Tailoring to local circumstances is necessary in recognition of the diverse nature and sense of place existing in rural Northern Ireland;*
  - *Working with rural communities is essential for effective rural development;*
  - *Affordability and accessibility are at the core of potential housing solutions;*
  - *Investment and resources must be directed to where they are most needed and to those who need them most;*
  - *The rural housing policy should be mindful of Section 75 Equality legislation, with the emphasis on promotion of equality of opportunity in rural areas; and*
  - *Opportunities should be availed of to test new approaches, learning from policy and best practice elsewhere.*

### Definition of Rural

- 1.5 The NIHE has adopted the urban/rural default definition recommended by the Northern Ireland Statistical Research Agency (NISRA) in 2005 in its report, 'Report of the Inter-Departmental Urban-Rural Definition Group', and its subsequent review published in March 2015. This definition of 'Rural' includes

settlements with a population below 5000, as well as the open countryside and, based on this definition, 667,000 people, or 35% of the population of Northern Ireland, live in rural areas.

## **2.0 The Wider Context**

- 2.1. This section sets out information on the European Union (EU) Rural Policy 2014-2020 policy context, European housing trends, the rural housing perspective in Great Britain, and the Republic of Ireland, and provides information on Rural Housing Enablers (RHE) in Great Britain.
- 2.2 RHE have engaged with rural communities to chart their housing needs and to bring forward solutions. They have been key partners with parish councils, local communities and housing associations in the delivery of new affordable housing for social rent and low cost home ownership in rural and remote areas, and in contributing to the more effective use of existing rural housing stock.

## **3.0 The Local Northern Ireland Context**

- 3.1 This section refers to the Department of Agriculture and Rural Development's (DARD) responsibility for rural development and rural policy, and to the Rural White Paper Action Plan 2007-2013 which aims to provide a framework for the NI Executive to work effectively together in seeking to address the main issues and challenges facing rural areas. It cross-references the Regional Development Strategy's (RDS) Spatial Framework that requires all Government Departments to seek to support and sustain rural communities and to help improve accessibility for rural communities. Under the theme, 'Rural Communities', DSD is required to progress a number of housing related actions including the NIHE Rural Action Plan.
- 3.2 Related information on Rural Proofing, the NI Rural Development Plan 2014-2020, and Tackling Rural Poverty and Social Inclusion Framework, the Sustainable Development Strategy for NI, the Social Housing Reform Programme, Welfare Reform, Together: Building a United Community, and Our Children and Young People, is also set out in the Wider Context section.

### Local Government Reform and Planning

- 3.3 The section also refers to Local Government Reform and the increased functions of councils including planning, roads, local economic development, community development and tourism. The statutory link between the community and development plan is highlighted. In the planning context, the consultation document refers to the Strategic Planning Policy Statement (SPPS) and its aim with regard to the countryside (that is land lying outside of settlement limits as identified in Local Development Plans) to manage development in a manner which strikes a balance between protection of the environment from inappropriate development, while supporting and sustaining rural communities consistent with the RDS (SPPS, paragraph 6.65). The consultation document also refers to PPS 21: Sustainable Development in the Countryside, which is applicable under the Transitional Arrangements until a council's Plan Strategy is

adopted, and Policy CTY 5 therein which allows for the development of up to 14 units for social/affordable housing in the countryside where there is a demonstrable social housing need that cannot readily be met in existing nearby settlements.

3.4 Contextually, ten key issues are identified, including:

- Rural development is a vitally important policy area in the EU, with over 56% of the Member States' populations living in rural areas;
- There is insufficient affordable homes in most European countries to meet increasing demand, including the UK, France and Ireland;
- The role of Rural Housing Enablers has been recognised and promoted in the UK as an important element in delivering local, affordable rural housing schemes; and
- The return of planning powers to councils with a statutory link between the community and local development plans is hoped to present an opportunity to address housing shortages in rural areas.

#### **4.0 Profile of Rural Northern Ireland**

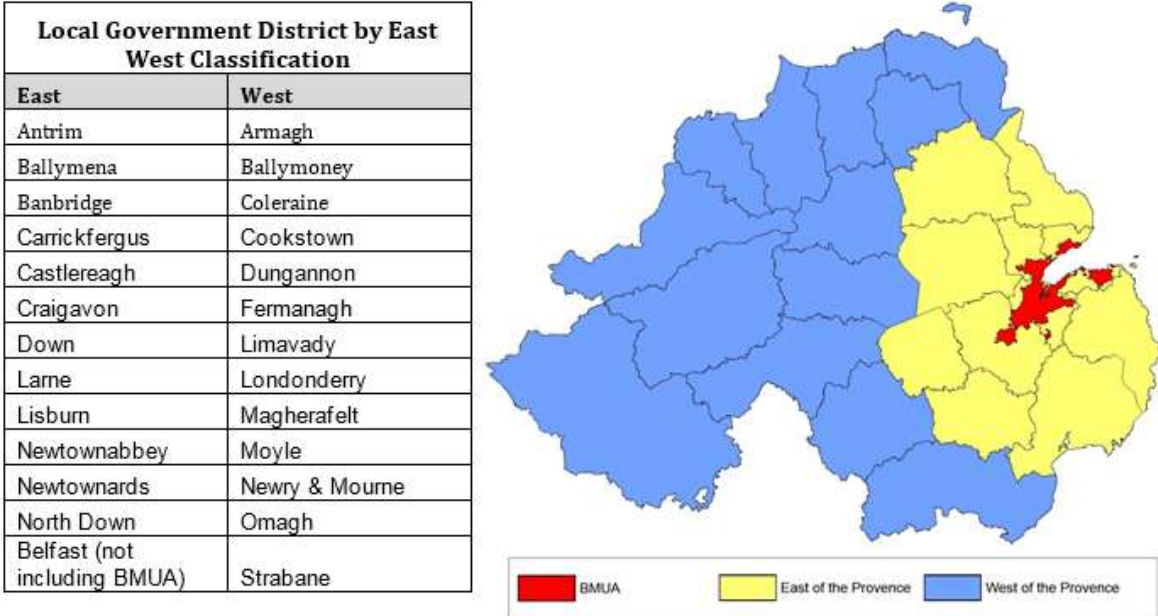
4.1 The consultation document draws information from the NISRA 2011 Census based data, the NIHE 2011 Housing Condition Survey, the 2015-2018 NI Housing Market Review and Perspective, and the Family Resources Survey Urban/Rural publication produced by DSD in 2013.

4.2 The report refers to the following categories in its analysis:

- Belfast Metropolitan Urban Area
- Urban East
- Urban West
- Rural East
- Rural West

The map below demonstrates the areas concerned:

**Map 1: Classification of Areas Described as East and West**



Source: NIHE, extracted from DSD Urban Rural Report NI 2012-2013

All of the Borough is included in the West.

- 4.3 The document also refers to ‘isolated rural’. NIHE has confirmed that this term is taken from its 2011 Housing Condition Survey and ‘isolated rural’ is defined as: *Not served by street lights.*
- 4.4 This is caveated by ‘judgement is needed on the edges of settlements as dwellings within Belfast Metropolitan Area are included as urban even if they are not served by street lights’.
- 4.5 The document highlights that, between 2001 and 2011, the NI population increased by 7%, but the increase in the rural population was 15%. It also refers to the increasingly elderly NI population and the implication this has on the future accessible needs of the housing stock in rural areas and increased housing support needs. The data also shows that, in rural areas, there is a higher proportion of large adult households and large families. In terms of housing stock, 30% of all NI housing stock is rural (that is in settlements of less than 5000 population and in the open countryside). As Members may recall from the Population and Growth Topic Paper presented in August last year, the Council’s split of urban and rural dwellings at 2009 (as defined by the NISRA report referred to in paragraph 1.5 above) was 50/50.
- 4.6 In terms of employment, the statistics show the business mix between urban and rural areas is similar and is characterised by high levels of small and micro businesses and self-employment. However, there is a higher proportion of skilled trade occupations and a lower proportion of professional and technical occupations in rural areas, particularly in the west of NI. The consultation

document also refers to household income and, whilst a large proportion (35%) of those earning £30,000 or more are more likely to live in rural areas, above average proportions of households with an income of less than £7000 live in isolated rural areas. As referred to above, an isolated rural area is one not served by street lights. The fact that rural dwellers tend to spend a greater proportion of their income (after housing costs) on travel and fuels costs is highlighted. Information is also presented on vacancy rates, with the figure of 12.4% of rural dwellings vacant (17% in isolated rural areas), as compared to 4.9% in urban areas, attributed to depopulation of remote rural areas due to the declining number of farms and the concentration of jobs in the Belfast area. In terms of the condition of housing stock, 60% of all unfit properties at 2011 were located in rural areas, which is related to the higher proportion of older pre-1919 housing stock in remote rural areas. The level of disrepair is also slightly higher in rural areas (53%) compared to urban areas (48%). Fuel poverty correlates with other factors, including dwelling age, age of household and employment status, which explains, in part, why fuel poverty is slightly higher (44%) in rural areas than urban (41%), with the figure rising to 50% in isolated rural areas.

### Affordability

- 4.7 Of particular interest in relation to the Council's planning function, the report discusses the issue of affordability of housing. It highlights that average house prices in rural areas are consistently higher than in urban areas, with house prices in rural areas on average 19% more expensive in 2014. This, combined with lower rural wages, means that rural housing can be out of reach for many rural dwellers and this issue should be addressed with the delivery of affordable housing. The data indicates that, between 2009 and 2014, house prices in the Rural West have been consistently higher than in the Urban West and higher than the NI average across all sectors. However, it must be borne in mind that the West covers a substantial area, as Map 1 demonstrates. The NIHE Causeway Coast and Glens Housing Investment Plan 2015-2019 indicates that the average house price in the Borough in 2014/2015 was £136,000, compared to the NI average of £140,000.

## **5.0 Policy Framework and Proposals**

- 5.1 The NIHE considers its essential contribution to supporting sustainable rural communities focuses on two key elements:
- Planning for, enabling and improving rural homes; and
  - Supporting and investing in rural people.
- 5.2 Based on these, five policy objectives are identified:
- to plan for and enable the provision of affordable homes which meet rural housing needs;
  - to improve the condition of rural housing stock and reduce fuel poverty;
  - to provide housing support to vulnerable people in rural areas;
  - to contribute to the development of safe, cohesive and engaged rural neighbourhoods; and
  - to work in partnership with others to assist in rural development.



- 5.3 A series of supporting actions sit below each policy objective and should form the basis for the associated Rural Action Plan.
- 5.4 Objectives 1 and 5 are particularly relevant to planning.

**Objective 1: To Plan For and Enable the Provision of Affordable Homes Which Meet Rural Housing Needs**

- 5.5 As there is less existing social housing stock in rural areas (approximately 14% of the NIHE stock), the NIHE considers people living in rural areas are less likely to register on the social housing waiting list or will register in an urban area where there is a greater possibility of securing such accommodation. As a result, NIHE consider there is a level of “latent demand” in rural areas. The Rural Homes and People scheme sought to address the gap between social housing need and the delivery of new build in rural areas. The introduction of a rural enabler service co-ordinated by the HE Rural Unit introduced an enhanced method of latent demand testing and the Social Housing Development Programme enabled the delivery of 983 units in rural areas between 2007 and 2015, including, for example, in Portballintrae.
- 5.6 However, the rural target was not met in the year 2014-5. This was due, in part, to the increased difficulty for housing associations to find sites for small housing schemes. The overall housing stock in rural areas is not increasing and, therefore, the long-term housing shortage in rural areas is not being addressed. In June 2015, 13.5% of the total waiting list for social housing was from rural applicants, and 12% of the total applicants were deemed to be in housing stress, highlighting the need to continue to increase the number of new social housing units in rural areas.
- 5.7 In an attempt to address this issue, the NIHE has stated the following Policy Actions to support Policy Objective 1:

Policy Action 1: *Set out specific rural housing requirements at council level in the Housing Executive’s Commissioning Prospectus*

- 5.8 This will be based on the NIHE’s Housing Needs Assessment and strategic guidelines. Its purpose will be to guide housing associations to seek sites and to develop schemes that address identified rural housing needs at a council level. The prospectus will recommend that housing associations concentrate on identifying sites in those rural locations both where unmet need exists and where hidden demand is suspected. If and when sites are identified for a potential scheme, the NIHE will provide support by carrying out a local needs text.

Policy Action 3: *Support and encourage the provision of rural housing through the identification and investigation of potential housing sites in rural areas with unmet housing need.*

- 5.9 The consultation document highlights that the lack of availability of land in rural areas is one of the major issues affecting the delivery of social housing schemes.

The majority of the NIHE's land is classified as amenity space located around and within existing housing areas, and few are adequately sized to develop for housing purposes. The NIHE's planners assist housing associations in identifying land in private ownership by preparing site identification studies for 'hotspot' areas of housing need. Some associations have invited contractors and landowners to engage in the tendering process for a social housing contract in 'Design and Build' competitions, which may allow local businesses and landowners to benefit also.

Policy Action 7: *investigate the opportunities for rural housing development which are presented through new and existing planning policies.*

- 5.10 The NIHE recognises that community planning will allow it to engage and work in partnership with other public agencies to improve health and well-being in communities. It considers the statutory link between Community Plans and Local Development Plans (LDP) will ensure that development proposals are measured against and shaped to reflect the needs of the local population. It considers the provision of new housing will be a priority for new councils and the NIHE Housing Investment Plans will set out the projected social housing requirement for each council area for the next four years. As a statutory partner in Community Planning, the NIHE considers this is an opportunity to discuss with others where and how these needs may be met, possibly as one element within wider neighbourhood regeneration. This will ensure that social housing is fully considered in the development of the Community Plan and will be reflected in the land zonings in the associated LPD for the council area.
- 5.11 The consultation acknowledges that, until a new LDP is adopted, planning authorities have to consider existing planning policy statements as material considerations, in particular in the rural context, PPS 21, and its Policy CTY 5: Social and Affordable Housing, which allows for social and affordable housing provision of up to 14 units outside of development limits where an identified need cannot readily be met in a settlement in the locality.
- 5.12 The other policy actions under Policy Objective 1 relate to matters such as:
- changes to the present process of rural latent demand testing and the need to consider intermediate/mixed tenure housing in rural areas;
  - increasing the capacity of its staff to examine all available housing options with rural customers;
  - developing a model for the delivery of rural intermediate/mixed-tenure housing schemes, such as that provided at Coastguard Road, Portballintrae; and
  - examining other models of housing delivery in rural areas, such as community refurbishment projects for empty units in a state of disrepair, and community self-build.

## **Policy Objective 5: To Work in Partnership with Others to Assist in Rural Development**

- 5.13 The NIHE already works with a wide variety of development partners, local authorities and community groups to regenerate neighbourhoods in decline. The Reform of Local Government has increased the powers of councils to deliver to rural communities through the Community Planning process.

*Policy Action 20: work in partnership with DARD, councils and other funding agencies to support and contribute to rural development.*

*Policy Action 21: promote the use of surplus Housing Executive land and property in rural areas for community based projects which will promote health and well-being and/or facilitate social enterprise.*

- 5.14 The delivery of these policy actions may have a planning implication, dependant on the nature of the proposal, for example where new physical infrastructure or changes of use are proposed.

### **6.0 Implications for Planning**

- 6.1 As the consultation document refers, social housing provision in rural areas may be delivered presently via the planning mechanism contained in PPS 21, and this policy regime will remain in place until the Council adopts its Plan Strategy.
- 6.2 As Members may be aware, the Adopted Northern Area Plan allocates land for social housing purposes in a range of settlements across the Plan area based on the NIHE Housing Needs Assessment. This involved working closely with the NIHE to establish social housing need in relevant settlements, potential avenues of delivery, and to determine suitable sites for such provision in each settlement.
- 6.3 Moving forward, as the NIHE has highlighted, the Community and Development Planning functions of the Council will allow this collaborate work to continue, with the aim of delivering appropriate housing provision to meet the needs of the Borough's population. The consultation document assists in this process by setting out clearly the NIHE's priorities and how it intends to work in partnership with other stakeholders to achieve its Vision.

### **7.0 Conclusions**

- 7.1 The NIHE Public Consultation on its Proposed Policy Framework for Sustainable Rural Communities is an opportunity for the Council to comment on the NIHE's proposed direction towards the delivery of rural housing. It is considered the NIHE Vision and Principles for its Rural Housing Policy are appropriate. Whilst the document has five policy objectives, the focus of this paper has been on Objectives 1 and 5 as these are most directly relevant to the Council's planning function, and the others relate to matters such as stock management and support services. As this is a strategic document, its broad principles and objectives are the matters to be considered and, as is often the case, issues may not arise until

detailed proposals emerge much further in the process in the delivery of social and affordable housing in rural areas.

- 7.2 Council staff have experience in working in partnership with the NIHE in the allocation of social housing sites in the Adopted Northern Area Plan and in the processing of planning applications for social housing in various settlements, including those classified as rural, across the Borough. In essence, this work has been the implementation of Policy Objective 1 and its related Policy Actions. With regard to Policy Objective 5, the principle of using surplus NIHE land or premises for alternative community uses to support the rural area is acceptable in principle.