

# Overcoming Barriers to Delivery of the Social Housing Development Programme

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Research

July 2020



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## Introduction

The Housing Association sector in Northern Ireland recognises that the Social Housing Delivery Programme (SHDP) can only be delivered by our sector working in partnership with Department for Communities (DfC), NIHE (NI Housing Executive), statutory agencies and the wider construction industry to provide homes designed to meet a range of applicants' needs for social housing. Both NIFHA and individual housing associations are working with these organisations and others such as Northern Ireland Water to overcome the barriers to delivery.

This research was completed just before lockdown (March 2020) and the implications of COVID-19 pandemic began to be felt. We are working with others to establish the longer-term impact of undertaking development during the pandemic, such as adhering to the guidelines around social distancing and other safety measures, which continue to evolve. We welcome the NI Executive's commitment to cover additional construction costs which arise because of COVID-19.

The issues identified in this paper predate the pandemic and are still relevant. We have put forward proposals and suggested solutions. As housebuilding is key to meeting increasing housing need and getting the economy back on track, overcoming any barriers is essential. We hope this information is useful ahead of the new housing strategy being developed.

Housing associations deliver new social housing through the SHDP and we effectively match NI Executive funding (Housing Association Grant) pound for pound with private finance. This means that we build twice as many homes as would otherwise be possible. Delivering new housing will be key to the region's economic recovery. Our research has previously shown that the SHDP has an economic multiplier effect of £1Billion for the regional economy once the impact on the wider supply chain is taken into account.

COVID-19 impacted the delivery of SHDP in the last financial year. However as a sector we have consistently delivered against the SHDP targets over the last decade (Figure 1) and we want to do more to address the growing numbers of people in housing stress.

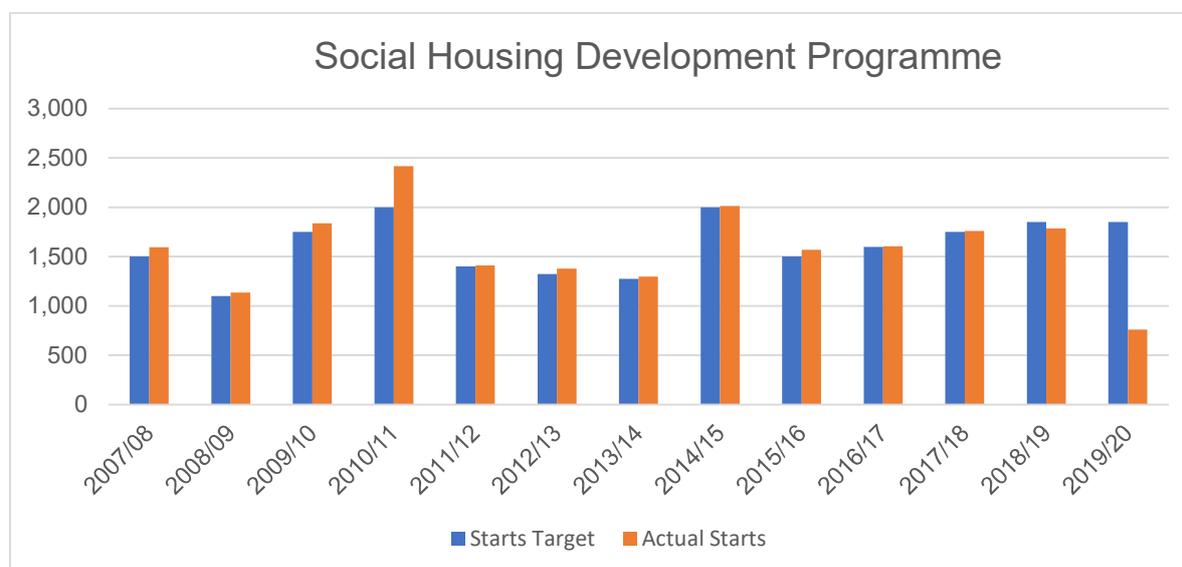


Figure 1 SHDP Targets vs Actual starts

source NIHE

Table 1: Targets vs Actual starts with variance

Year	Starts Target	Actual Starts	Starts Variance
2007/08	1,500	1,595	+95
2008/09	1,100	1,136	+36
2009/10	1,750	1,838	+88
2010/11	2,000	2,418	+418
2011/12	1,400	1,410	+10
2012/13	1,325	1,379	+54
2013/14	1,275	1,299	+24
2014/15	2,000	2,013	+13
2015/16	1,500	1,568	+68
2016/17	1,600	1,604	+4
2017/18	1,750	1,759	+9
2018/19	1,850	1,786	-64
Cumulative Totals	19,050	19,805	+755
2019/20	1,850	761	-1,089

source NIHE

## COVID-19

The long-term implications of the COVID-19 pandemic are unclear. This means that housing associations are continuing to address the ongoing challenges with adapted approaches including remote working, continuing alternative deployments of staff and increased communication with tenants. Delivering more housing can be supplemented by buying suitable completed properties off the shelf.

The key to economic recovery from the impacts of COVID-19 is in providing more social homes; this requires an increased investment in social housing, which in turn will provide opportunities to support jobs and local growth. This will be aided by the introduction of a multi-year development programme, which allows for year-end flexibility.

## Research

Pre COVID-19, NIFHA conducted a survey and invited its members and builders who had worked on the competitive design and build scheme to comment on the current delays they had incurred while building social housing. This research follows extensive engagement with our sector and developers on the barriers to SHDP delivery which impact on DfC annual targets for new social housing starts and completions.

These barriers fall under five broad headings: infrastructure, planning, land, funding, and stigma. Further detail on our findings are set out in the appendices below.

## Solutions to overcoming these barriers

We have set out solutions to help address these barriers.

1. The intention of the NI Executive to invest urgently in wastewater infrastructure to address the major challenges including capacity is welcomed. Supporting investment will ensure water security which will allow for the growth planned for Belfast, the North West and where needed elsewhere throughout Northern Ireland.
2. We applaud the new strategic level outcomes-based programme for Government aligned to a multi-year budget with a sustained approach to public finances and prioritised investment in infrastructure and public services such as roads and footpaths, electricity, and public transport services.
3. We welcome the introduction of a specific Housing Outcome in the new Programme for Government, for the first time. This will ensure that all parts of the NI Executive and related agencies are working towards the common goal of delivering much-needed new homes. As part of this we would like to see all departments and government agencies having targets to release surplus public sector land for housing, where there is identified need. We also suggest that the NI Executive should explore legalising for presumption of consent, so if no response is received by statutory agencies within a predetermined period the assumption is that there is no objection.
4. Social housing reduces poverty, promotes independence and support, and saves money in our health system. It supports more than a billion pounds of economic output in Northern Ireland. It addresses homelessness and provides people with a place they can call home. People living in social housing should not be stigmatised. We are committed to delivering more mixed tenure and shared neighbourhoods. But also, would want to see the recommendations from the Allocations review implemented to give housing associations greater flexibility to accommodate people to suitable homes and allowing for a balanced community to be created.
5. We welcome the consultations by Local Councils on new Local Development Plans with the focus on housing. Working in partnership with NIHE we will shortly be undertaking engagement across local government, as part of our Benefits to Society campaign to promote the benefits of social housing and the associated work which both the NIHE and housing associations deliver for our tenants and communities. <https://nifha.org/who-we-are/benefits-to-society-ni/> We are also undertaking a #ruralhomesni campaign in partnership with NIHE and the Rural Community Network.
6. The New Decade New Approach document has a stated aim of moving all departments to multiyear budgets. We believe that moving the SHDP to a multiyear development programme, with yearend flexibility will be an essential step. Our sector will work with DfC and NIHE, to ensure that this is as effective as possible.

## About NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for NI's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide more than 50,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible. Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,200 people and manages housing assets worth £4 bn.

### July 2020

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## **Appendix I: Findings**

### **Pre-development enquiry**

Housing Associations are encountering infrastructure issues with NI Water (NIW). The pre-development enquiry (PDE)s, that identify whether the required capacity is available adjacent or close to the proposed development, are taking anywhere between 4-week to 4-months to be returned. The size of the scheme does not appear to affect the response time. More housing association are having issues on site- for example when NIW has taken seven months to agree a design of wastewater pipework-delays like this cause delays to completion.

When schemes are impacted - to gain understanding and try and progress matters some housing associations have met with NIW to explore options (if available). While there have been successes in overcoming these challenges, not all issues are able to be resolved. As NIW have stated publicly on numerous occasions, significant investment is urgently required in water and wastewater infrastructure.

On sites where capacity is likely to pose an issue, housing associations often expect they will be required to provide on-site treatment plants. Although an interim measure, this solution of providing on-site treatment plans impacts the cost of the project and creates uncertainty of who will maintain the treatment plant moving forward.

For Housing Associations working with Competitive Design & Build (D&B) schemes, the issues with planning or NIW capacity will fall on the developer.

### **Network Capacity Check (NCC) required by NI Water**

Housing Associations are finding that NIW are requesting more Network Capacity Check (NCC)s which are meant to assist in identifying any possible constraints associated with servicing a development site. The NCC, which involves hydraulic or network modelling, can assist developers in understanding the potential costs and timescales involved in servicing a site prior to land acquisition or the submission of a planning application. NCC are available for both water and wastewater systems. The results of the NCC are for information only and cannot be regarded as an approval or rejection of the proposals.

However, the NCC's are proving timely to process:

- One scheme has been quoted a minimum of 18-months from now
- While another scheme the housing association has been waiting for NCC for more than 2 years and have been lobbying to get a date for completion. This has not been resolved

At the time of this survey all NCC outcomes were outstanding with Housing Associations reporting they had submitted the applications between 6 months and 9 months ago without replies.

The impact of insecure capacity is an issue in many areas and requires an urgent solution. The housing development can be delayed especially if no solutions can be found.

Capacity for foul and storm for schemes is not always available (see Table 2)

Table 2- Capacity issues for 16 schemes surveyed

<b>Foul available % (No.)</b>		<b>Storm available % (No.)</b>	
Yes	31% (5)	Yes	31% (5)
No	56% (9)	No	31% (5)
Unclear	13% (12)	Unclear	38% (6)

If the storm is the issue, then NIW can accept attenuation systems for adoption (NIW has recently aligned with rest of UK re this item). Additional cost in designing and constructing attenuation systems is a risk factor and needs to be considered at the feasibility stage to ensure the schemes are viable. In the case of transfer schemes, these costs can be highlighted as abnormal, but it is more problematic on private sites given restrictive TCI (Total Cost Indicators) thresholds.

Housing associations are facing:

- Uncertainty in terms of ongoing planning application as a WWTW (WasteWater Treatment Works) will require significant design input and may require a reduction in unit numbers as well as additional consultations which will delay approval and could raise objections.
- Challenges with NIW who are not keen on the provision of WWTW as a solution. NIW do not appear to want to adopt and maintain the WWTW long term.

WWTW only provides a local solution for the specific site rather than the upgrade of the infrastructure in the area which would serve numerous developments (existing and future).

- Uncertainty on cost implications and impact on financial viability and proposed development may not be possible
- Conflicting information

For example, a storm sewer traversing the site was not identified by NIW previously as part of their response as a statutory consultee to the planning process. The housing association progressed with their detailed works information in preparation for tender issue as part of that engagement with NIW. The housing association were then advised that this storm sewer is classed as a critical asset that potentially cannot be diverted. Therefore, the planning approved development may not be possible on the site – The housing association has been significantly impacted both with time and money already invested in bringing forward the opportunity. If a cost-efficient solution cannot be found, then this is a potential loss to the programme in an area of critical need.

## **Housing Associations and planning**

Housing Associations experience problems with getting Planning Applications for a variety of reasons including:

- Design issues – these can usually resolve if clear communication from planners to architects or client.
- Network Capacity Foul / Storm –a planning consent can be gotten with a negative condition which can effectively mothball a scheme depending on NIW’s upgrading plans.
- Drainage Assessment issues
  - Dfl Rivers impacted by response times

- DfI Roads impacted by response times
- Land Design and Build contractors trying to overdevelop sites which is causing planning delays.
- Consultations with statutory bodies not been done correctly
- Bat Potential survey – becoming a big issue as most sites have bat potential and this can (and has) knocked out a scheme for 6 months missing an end of year financial deadline.

These issues are not occurring in only one council area- All areas raise some issues.

## Appendix II: Current challenges in bringing forward new schemes

In summary the current challenges impacting housing associations ability to bring forward new schemes are:

### a) Infrastructure

- The time NIW takes to agree a design causes delays to completion
- Rivers in certain areas have also been slow, getting consents to discharge etc.
- Issue of Green Forms/Consultation response (times) from LA Planning departments.

### b) Planning

- DFI Roads can be slow, particularly in getting final stages PSD signed off. Again, this appears to be a resource issue. Belfast was noted to be the worst.
- Timely issue of planning approvals – whilst minor applications (less than 50 units) are on average across all councils being approved within the target of 15 weeks (but only if no objections) the time currently being taken for major applications is on average 59 weeks across all Councils –the impact of this not only on families having to wait longer on a home, but there is significant cost exposure that this time delay causes.

### c) Land

- There seems to be delays in Land & Property Service (LPS) valuations, there is no appointment of legal until valuations are agreed, so if LPS are delayed they hold up conveyance/reports on title etc. This has been flagged with DPG on numerous occasions. Early engagement of NIHE Solicitors for land transfers and extinguishment process is needed.
- Housing associations beginning to develop are expecting acquiring suitable sites to be the biggest barrier to delivery
  - Availability of land – there just isn't enough land coming to the market – when the public sector register of surplus sites becomes available this might yield some suitable opportunities for both social and affordable housing
  - It is very important that the sector has a wide-ranging number of development delivery mechanisms for example Competitive D&B really helps here, it is vital this is retained as a delivery option and new partnerships or joint ventures are explored

### d) Funding

- Annual funding programme –the development programme needs to move to a multiyear programme.

### e) Stigma

- Increasing opposition to social housing – assistance is needed with dealing with the stigma around social housing and ensuring communities value social housing in the way other public services are accepted and considered vital.

### Appendix III: Developers responses

Competitive Design and Build contractors have found that after submitting PDEs all developments have required NCCs (see Table 3Table 3).

Table 3- PDE resulted in all scheme requiring NCC

NCC needed for watermain,	No capacity in Foul Sewer, No Storm Sewer
NCC needed for watermain and foul,	Storm sewer OK
NCC needed for watermain and foul,	No Storm Sewer available
NCC required for watermain, foul and storm	
NCC required watermain and foul	A completely inadequate response

The response to the NCC varied in time from 6 months to 18 months for the schemes that had received a reply. Although at the time of this survey some Developers still had not received a reply.

The impact on these developments include the following:

- WWTW to be installed at approximate cost of 400k to the developer and project delay of over 1 year
- Delayed start due to NCC requirements - Sewer Bond unable to be released which in turn held up road bond and start date
- Added complexity and delay of Bond issue due to requisition
- Construction start on hold awaiting NCC sewer response
- The proposed solution of temporary WWTW's on sites is not a viable solution due to issues with odour, operational concerns and the prohibitive cost of same.

Developers commented that 'It is unthinkable that in a modern economy we are unable to rely upon the availability of proper wastewater infrastructure 'and felt 'This is a complete disaster for house builders and effectively means "no development".'

Problems with getting Planning Applications after receiving outline permission had been experienced. NIW raised the "capacity" issues that was not mentioned during the outline planning process. This will cause delays - 9-12 months minimum.

Developers involved in Design and Build scheme identified the following as barriers

- NIW capacity
- Lack of available land
  - Concerns that land availability will worsen if Councils decide to restrict land supply in their upcoming revised area plans
  - Expensive land costs
- Rising build costs
  - The housing associations / NIHE are too prescriptive in the areas of "need"

In summary the current challenges impacting Developer ability to bring forward new schemes are:

1. Infrastructure
2. Land
3. Cost

# Pre-Development Enquiry

All applications **MUST** include a Site Location Plan 1:2500 map (LPS ACE map will suffice) with the site boundary clearly indicated in red and relative to an existing feature. Any other land owned by the applicant should be shown with a blue line around its boundaries, and if a public right of way exists within or adjoining the site, it should be outlined in green. The 12 figure OS Grid Reference of the approximate mid point of the site is also required to allow the location to be accessed quickly and to avoid confusion when viewing on our map server.

### Stage 1 – Pre-Development Enquiry

This is a simple check that will identify whether the required capacity is available adjacent or close to the proposed development. Should capacity not be available, you will be provided with either:

- a) an indication of the nearest point at which capacity is available, or
- b) confirmation of whether there is a simple solution available which will provide the necessary capacity. The

Pre-Development Enquiry is a desktop study and may not necessarily provide an identified solution for servicing the proposed development site, but generally provides guidance as to how the proposed site could be serviced by applying information readily to hand. Where we are unable to identify a simple solution you will be notified of the option of undertaking a Network Capacity Check.

### Network Capacity Check (There may be a charge for this service).

Northern Ireland Water provides an optional Network Capacity Check service to assist developers in identifying any possible constraints that may be associated with servicing a development site. The Network Capacity Check, which involves hydraulic or network modelling, can assist developers in understanding the potential costs and timescales involved in servicing a site prior to land acquisition or the submission of a planning application. Capacity Checks are available for both water and wastewater systems. The results of the Capacity Checks are for information only and should not be regarded as an approval or rejection of your proposals.

This is a more comprehensive service. In addition to identifying the nearest point of available capacity (as per the Pre-Development Enquiry), this service will identify the preferred solution for servicing the site. For example, detailed investigations will be undertaken to determine whether any upgrading works will allow a local connection rather than the provision of off-site infrastructure.

If we are unable to do this you will be contacted and given the reason why. Where it is necessary to carry out a full foul water pumping station survey, an assessment of the wastewater treatment capacity or an odour assessment to determine the allowable development boundaries, additional fees may be applied.

Should you wish to take advantage of this service, please complete the Pre-Development Enquiry (PDE) application form and forward with the appropriate fee to the address below. You will be notified if NI Water determines that a Network Capacity Check is required.

### On completion please return the full application form to:

**Developer Services Coordination Team**  
**Northern Ireland Water**  
**Ballykeel Office**  
**188 Larne Road**  
**Ballykeel**  
**Ballymena**  
**Co Antrim BT42 3HA**

**Tel:** 03458 770002.

**Email:** [developerservices@niwater.com](mailto:developerservices@niwater.com)