



**DfC**

Department  
for Communities

[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

---

# The Definition of Affordable Housing Further Stakeholder Engagement Briefing Paper

---

June 2020

---

# Contents

Basic Information.....	3
Duration.....	3
Enquiries.....	3
How to respond.....	3
Accessibility.....	4
Freedom of Information.....	4
The Definition of Affordable Housing - Further Stakeholder Engagement Briefing Paper.....	5
Background.....	5
Rationale for revising the definition.....	6
Consultation exercise.....	7
Social Housing.....	7
Low cost Housing without subsidy.....	8

## Basic Information

### To:

Last year the Department for Communities carried out a public consultation on plans to introduce a new definition of affordable housing for NI. The Department has considered consultee responses and, as a result of this analysis, made minor amendments to some of the proposals set out in the initial consultation.

This briefing paper sets out these amendments and the Department's reasoning for the proposed changes. The Department welcomes any comments you may have in relation to the content of this briefing paper; there is no need to include responses previously submitted.

### Duration:

This period of further engagement will run from 26 June to 10 July 2020.

### Enquiries:

For any enquiries about this briefing paper please email the Department at:  
**HSconsultation@communities-ni.gov.uk**

or write to:

**Definition of Affordable Housing  
- Further Stakeholder Engagement  
Department for Communities  
Housing Division  
Level 3, Causeway Exchange  
1-7 Bedford Street  
Belfast  
BT2 7EG**

## How to respond:

You can email your response to the questions in this briefing paper to:  
**HSconsultation@communities-ni.gov.uk**

Written responses should be sent to:

**Definition of Affordable Housing  
- Further Stakeholder Engagement  
Department for Communities  
Housing Division  
Level 3, Causeway Exchange  
1-7 Bedford Street  
Belfast  
BT2 7EG**

**However given the ongoing COVID crisis we would ask that, where possible, responses are made electronically.**

When you reply it would be very useful if you could confirm whether you are replying as an individual or submitting a response on behalf of an organisation and include:

- Your name
- Your position (if applicable)
- The name of your organisation (if applicable)
- An address (including postcode)
- An email address
- A contact telephone number

Whether you are responding on behalf of an organisation or as an individual, please indicate if you consent for your identity to be made public.

### **Accessibility:**

A range of alternative formats are available upon request from this Department.

Please email the Department at:

**HSconsultation@communities-ni.gov.uk**

or write to:

**Definition of Affordable Housing  
– Further Stakeholder Engagement  
Department for Communities  
Housing Division,  
Level 3, Causeway Exchange  
1–7 Bedford Street  
Belfast  
BT2 7EG**

### **Freedom of Information:**

The Department intends to publish a summary of responses on its website on completion of the consultation process. This will include responses received from both the consultation itself and this period of further engagement. Any contact details that will identify a respondent as a private individual will be removed prior to publication.

All information will be handled in accordance with the General Data Protection Regulations (GDPR). Respondents should be aware that the Department's obligations under the Freedom of Information Act 2000 may require that any responses, not subject to specific exemptions under the Act, be disclosed to other parties on request.

For further information about Freedom of Information and GDPR please contact the Information Commissioner's Office at <https://ico.org.uk/>

After the consultation and period of further engagement a summary of the responses will be published and placed on the Government websites at <https://www.communities-ni.gov.uk/consultations>

The summary will include a list of names and organisations that responded but not personal names, addresses or other contact details.

However, information provided in response to both the consultation document and this further engagement briefing paper, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes e.g. Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018.

When you are responding, if you want information to be treated as confidential, including personal data that you provide, please say so clearly in writing and explain why you need these details to be kept confidential.

If we receive a request for disclosure under the FOIA, we will take full account of your explanation, but due to the law we cannot provide an assurance that confidentiality can be maintained in all circumstances.

An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as a confidentiality request.

DfC is the data controller in respect of any personal data that you provide, and DfC's privacy notice, which gives details of your rights in respect of the handling of your personal data, can be found at <https://www.communities-ni.gov.uk/dfc-privacy-notice>

## **The Definition of Affordable Housing - Further Stakeholder Engagement Briefing Paper**

In June 2019, the Department for Communities (the Department) published the consultation document "Definition of Affordable Housing". This paper was to inform the Department's engagement on proposals for a revised definition of 'affordable housing' for NI. The overall aim being to agree a clear definition of affordable housing that can be applied consistently in legislation, policy, local plans and in practice.

### **Background**

The current definition states:-

**"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.**

**This 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."**

The revised definition put forward by the Department was:-

**"Affordable housing is housing provided for sale or rent outside of the general market, for those whose needs are not met by the market. Affordable housing which is funded by Government must remain affordable or, alternatively, there must be provision for the public subsidy to be repaid or recycled in the provision of new affordable housing."**

## **Rationale for revising the definition**

The overall policy and funding environment has moved on somewhat since the Strategic Planning Policy Statement (SPPS) was developed. New Government funding streams, the housing association sector's desire to diversify and grow, and innovative new construction methods and products from private developers are all opening up opportunities for new affordable housing products.

As recognised in the draft Programme for Government (PfG) 2016–2021, housing challenges are broader than the need for social rented housing and shared ownership housing and Government must reflect wider housing needs and demands. An updated definition of affordable housing will take into account the needs of a wider range of groups, some of whom are not currently finding their needs adequately met by the market.

The SPPS acknowledges that the intermediate housing model might change over time, in other words as housing policy is developed/changes, 'to incorporate other forms of housing tenure below open market rates'. The current definition was drafted to reflect the affordable housing products available at the time of its development, namely social rented housing and shared ownership housing.

In the current funding environment with pressures on both revenue and capital funding, it is imperative that Government carefully considers how resources can be targeted to greatest effect. Changes to the definition of affordable housing which capture a wider range of products offered may assist in improving the delivery of appropriate housing and increase suitable housing supply to meet need and demand.

Our housing challenges cannot be addressed by Government alone and partners, such as, the NIHE, housing associations, councils and private developers need to contribute to the provision of affordable housing options. However, in order to play their part effectively they need to have clarity on what is required and how it can be delivered.

Considering a change to the current definition is also timely given the work of Councils on their Community Plans and also their new Local Development Plans (LDPs) in bringing forward appropriate policies, land allocations and key site requirements which provide for a range of housing needs for everyone.

Furthermore, the Department's proposed revised definition should help to provide clarity in terms of the provision of housing development with homes in a range of sizes and tenures – supporting the creation of more balanced sustainable communities.

## **Consultation exercise**

The Department received 23 responses from a wide range of stakeholders. While in agreement that the definition should be changed, many consultees did not agree with the Department's proposed definition. There was also a degree of scepticism around the inclusion of "Low Cost Housing without subsidy" which would be provided without any Government funding and offered for outright sale.

After careful consideration of responses the Department is now proposing some minor amendments and would appreciate your feedback.

## **Social Housing**

Consultees expressed concern that the failure to specifically reference social housing in the revised definition could effectively lead to it being deprioritised.

Affordable Housing has always been an umbrella term for social rented housing and intermediate housing. The consultation paper advised that the proposed definition will not materially impact on access to social housing or the established and agreed meaning of social housing.

The work on affordable housing will not interfere with the Department's Social Housing Development Programme. The great majority of capital funding available to the Department is used to construct social housing and this will not change. Any innovation in the area of intermediate housing will focus on using other sources of funding which cannot be used for social housing.

An amended definition of affordable housing is essential to provide the policy framework needed to develop other types of intermediate housing which will help more households, in particular those struggling in the Private Rented Sector with high rents. More generally this will contribute to increasing housing supply, and further, may assist in reducing housing stress in line with the current draft Programme for Government commitment.

However the Department appreciates the concerns raised by consultees regarding this issue. In a bid to address this the Department proposes to include an express reference to social housing in the definition. Not only this, but the Housing Association Guide will define social rented housing and the intermediate products that are currently available i.e. shared ownership, and will be updated with new intermediate housing products as they come online.

**The Department proposes the following:-**

**“Affordable housing is either:**

- a) Social rented housing**
- b) Intermediate housing**  
**for sale or rent that is provided**  
**outside of the general market, for**  
**those whose needs are not met by**  
**the market. Affordable housing**  
**which is funded by Government**  
**must remain affordable or**  
**alternatively there must be**  
**provision for the public subsidy**  
**to be repaid or recycled in the**  
**provision of new affordable housing”**



**Do you agree with the proposed changes to the definition?**    **Yes**                      **No**

Do you have you any alternative suggestions?

## **Low cost Housing without subsidy**

The consultation stated:

**‘Low Cost Housing without subsidy is defined as housing that is priced at or below the average house price for the council area, as reported by LPS Northern House Price Index Report and which is provided without any Government funding and offered for outright sale.’**

It was clear from the consultation responses that there is a great deal of uncertainty about

low cost housing without subsidy, with a degree of scepticism expressed as to whether it is workable in practice.

After consideration, we propose that low cost housing for outright sale without subsidy is not considered affordable housing within the context of the definition.

However, we wish to examine this concept further in relation to low cost housing for rent without subsidy, particularly in the context of delivering affordable housing in Build to Rent schemes.

Do you think there is anything further we should consider regarding Low Cost Housing without subsidy?

**To submit your views, please click the button below:**

This will automatically create a new email to our address with your response attached and you will then need to click 'send' to email this to us.

**Please send us your response by Friday 10 July 2020**

Available in alternative formats.



**DfC**

Department  
for Communities  
[www.communities-ni.gov.uk](http://www.communities-ni.gov.uk)

© Crown Copyright 2020