

DÁIL ÉIREANN

AN COMHCHOISTE UM CHOMHSHAOL, CULTÚR AGUS GAELTACHT

JOINT COMMITTEE ON ENVIRONMENT, CULTURE AND THE GAELTACHT

Dé Máirt, 16 Nollaig 2014

Tuesday, 16 December 2014

The Joint Committee met at 2.15 p.m.

MEMBERS PRESENT:

Deputy James Bannon,	Senator Terry Brennan,
Deputy Ruth Coppinger,	Senator Cáit Keane,
Deputy Robert Dowds,	Senator Denis Landy.
Deputy Eamonn Maloney,	
Deputy Catherine Murphy,	
Deputy Seán Ó Fearghaíl,	
Deputy Fergus O'Dowd,	
Deputy Brian Stanley,	

In attendance: Deputy Éamon Ó Cuív.

DEPUTY NOEL COONAN IN THE CHAIR.

Proposal to Establish a European Public Prosecutor's Office: Discussion

General Scheme of the Planning and Development (No. 1) Bill 2014

Vice Chairman: We will now consider the general scheme of the planning and development (No. 1) Bill 2014 with officials of the Department of the Environment, Community and Local Government and the Housing Agency. I welcome the following witnesses to the meeting: Mr. Terry Sheridan, principal officer, planning section, and Mr. Terry Dunne, principal officer, housing policy development and management section, from the Department of the Environment, Community and Local Government; and Mr. John O'Connor, chief executive of the Housing Agency. Cuirim fáilte roimh na finnétithe go léir and thank you for your attendance today. I propose that we hear the witnesses in the order that I introduced them.

I draw your attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. The opening statements and any other documents they have submitted to the committee may be published on the committee's website after this meeting. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

Before I call the witnesses I wish to make some comments. As you are aware, the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, has asked the committee to scrutinise the heads of the general scheme of the planning and development (No. 1) Bill 2014 and to report to him prior to the Bill being published. We will have three meetings, including the meeting today, to consider the issue. The other two meetings will be in January 2015, after which we will prepare and agree a report for submission to the Minister. We have invited several organisations to address us at these meetings and we have invited written submissions from several other organisations. It will be interesting and it is appropriate to start the process today with an outline from the Department on why this legislation is being introduced and on what the Department hopes it will achieve by its enactment. I call on Mr. Sheridan from the Department of the Environment, Community and Local Government to deliver an opening statement.

Mr. Terry Sheridan: I thank the Vice Chairman and committee members for offering us the opportunity to contribute to the pre-legislative scrutiny of the general scheme of the planning and development (No. 1) Bill. As the Vice Chairman indicated, the Minister, Deputy Kelly, is keen to progress the Bill and have it enacted as soon as possible.

The primary background to the general scheme is the housing supply shortage issue, one of the most political and high-priority challenges faced by Government. The supply shortage is particularly acute in Dublin, where demand far outstrips supply, with consequential effects on

house prices and rents.

Let us put the issue in context. At the height or peak of construction activity in 2006, over 93,000 houses were built nationally. The figure plummeted to a little over 8,000 units in 2013. There is a real need to increase the number of house completions gradually over several years to return to market equilibrium where supply equals demand.

The measures in the general scheme emanate largely from the Government's Construction 2020 strategy. These measures alone will not resolve the housing supply problems, which are multifaceted and require a broad-ranging co-ordinated approach. However, the intention is that they will help to make a start in addressing these problems.

The measures proposed in the general scheme include the amendment of the Part V provisions on social and affordable housing; the introduction of a vacant site levy aimed at incentivising the development of vacant and under-utilised sites in central urban areas; revised arrangements to enable the application of reduced development contribution levies by planning authorities; and the introduction of a mechanism to enable planning authorities to reduce the duration of planning permission in specific circumstances.

I will address these issues individually, starting with the proposed amendment to the Part V provisions. The general scheme proposes that the current obligation on developers to provide up to 20% of the land in a development for social and affordable housing be reduced to 10%, and that this be now apportioned for social housing only. The existing Part V arrangements, involving a 20% requirement for social and affordable housing, are a significant burden for developers in the current economic climate and one of the factors rendering many developments financially non-viable at present. It is further proposed that the affordability aspect of the current Part V arrangements should instead be pursued through other wider policy areas and, therefore, be removed from Part V, with only the social housing provisions being retained.

In addition, it is proposed that the on-site provision of social housing will become the predominant or default option for developers and local authorities under the new Part V provisions, with the alternative off-site option, for example, dwellings on other sites, only possible in specific exceptional circumstances, for example, where there is insufficient social housing demand at the location of the proposed development or where there is greater demand at another location. Furthermore, it is proposed that the option under the current Part V arrangements of developers making cash contributions to local authorities instead of providing housing units be discontinued. It militates against the immediate delivery of social housing units and the mixed tenancy model which was one of the positive outcomes of Part V as it was originally constituted. In effect, it is proposed that the provision of housing units on-site or off-site will become the only possibilities under the new Part V arrangements.

The second main proposal in the general scheme relates to the proposed application of a vacant site levy by local authorities, if they wish to do so, to incentivise the development of vacant under-utilised sites in central urban areas, thereby ensuring such sites are brought into beneficial use. This is in line with action 23 in the Government's Construction 2020 strategy. It is proposed that the levy will be applied on the registered owners of vacant and under-utilised sites in cities and towns with populations of more than 3,000 at a rate of 3% of the market valuation of the site, increasing by 1% per year up to a maximum of 6% in any individual year. These rates are broadly in line with those already applied under the derelict site levy. There are numerous vacant under-utilised urban sites throughout the length and breadth of the country. Dublin City Council has advised that approximately 600 sites in the area between the

Grand Canal and the Royal Canal are lying dormant and undeveloped but are capable of being developed. If local authorities are to be entitled to apply the levy, in the first instance they will be required to provide for the development of vacant sites in specific locations within urban areas as a specific objective in their local development plans. This proposed measure would be supplemented by the application of reduced development contributions on such sites when planning permission is granted, having regard to the likelihood that when such sites are developed, their central locations will mean they will be able to avail of existing infrastructure rather than rely on the provision of new infrastructure at extra cost.

Vice Chairman: I have to advise Mr. Sheridan that a vote has been called in the Seanad. Therefore, our two colleagues from that House will have to leave.

Senator Cáit Keane: Do we not get the courtesy of a suspension?

Vice Chairman: If that is what the members of the committee want, it can be facilitated.

Deputy Brian Stanley: I propose that we suspend until they come back. I know it is awkward.

Vice Chairman: Okay. We will suspend the sitting for 20 minutes.

Senator Cáit Keane: I thank the Chair.

Sitting suspended at 3.45 p.m. and resumed at 4. p.m.

Vice Chairman: The meeting is resumed. I apologise for the interruption and invite Mr. Sheridan to continue.

Mr. Terry Sheridan: It is proposed that the levy could only be imposed by local authorities under certain conditions, where the site owners fail to bring forward proposals, without good reason, for the development and reuse of such sites in line with the objectives of the relevant local area or development plan.

The levy can be activated where there is a failure to lodge a planning application, or commence development authorised by a planning permission, for the relevant vacant or under-utilised site within specified periods and where there is no obvious reason that such development has not occurred. In essence, the levy will entail a carrot and stick approach, incentivising developers to develop vacant under-utilised sites while also applying lower development contribution levies on the development of such sites, and only penalising those who opt not to bring forward proposals to develop the sites in question.

Further to action 14 of the Construction 2020 strategy, it is also proposed that developers be allowed to avail of reduced development contribution levies in specific circumstances. Under the current legislation, developers are obliged to pay the levies which are in place at the time a planning permission is granted. Where a development contribution scheme is subsequently revised by a local authority to apply lower development levies, a developer with an existing planning permission is unable legislatively to avail of the revised lower levies.

Accordingly, it is now proposed that the current provisions be amended so that developers with planning permissions granted under previous development contribution regimes can avail of the reduced development contribution charges introduced under new development contribution schemes. This flexibility measure is intended to assist in making developments more economically viable and thereby bring them on-stream earlier than might otherwise be the case.

The final measure in the general scheme listed as action 20 in the Construction 2020 strategy proposes that applicants for planning permission in respect of housing developments of scale, ten houses or more, shall be required to indicate their proposed development schedule on their application form. Where the development is subsequently not progressed in line with the indicated schedule, without reasonable justification, planning authorities will be enabled to reduce the duration of the permission. In essence, this proposal is aimed at incentivising developers to activate permissions earlier rather than later, a form of “use it or lose it” provision, so that developments can come on stream earlier and not be unduly delayed.

I should also add that this general scheme is being progressed in association with a separate general scheme of a planning and development (No. 2) Bill, dealing with the establishment of an office of the planning regulator as recommended by the Mahon tribunal; the commencement of the preparation of a new national planning framework as a successor to the National Spatial Strategy 2002; the introduction of e-planning relating to online planning applications and appeals and certain other streamlining measures relating to the planning system; and other miscellaneous provisions.

The general scheme of the (No. 2) Bill is expected to be published this week and we are willing to avail of pre-legislative scrutiny for the second Bill should the committee so desire. In terms of timeframes, the Minister is anxious that the (No. 1) Bill is enacted as quickly as possible with the (No. 2) Bill to be enacted by the end of 2015. Splitting the provisions into two Bills is intended to facilitate the earlier enactment of those provisions which are required most urgently to help address the current housing supply shortage. We thank the Vice Chairman for affording us the opportunity to outline the provisions in the forthcoming planning and development (No. 1) Bill to him and the committee today.

Deputy Catherine Murphy: Mr. Sheridan’s statement summarised the heads of the Bill very well. There are some good ideas in it but it is important that they are workable and that there are no get out of jail clauses in it. I am concerned about the subjective aspects. What scrutiny will there be on the vacant site levy because much of it will be done at local level? Will it be exclusively the executive that makes decisions or will it be a cross between the executive and a reserved function?

Why was the 10% exclusively for social housing increased from four to nine houses? The smaller schemes will be in rural areas and there will be a higher dependence on a direct provision for social housing there because there will not be the throughput. Was that considered? A point made on page ten in the general scheme is that “In the light of current conditions and the substantial improvement in housing affordability in the last six years for persons in employment, there is no longer a justification for providing 10% affordable housing under Part V”. I do not think that statement stands up if we are to look at the increases in house prices, the issue of affordability for the increasing number who are at work but on low pay plus the requirement for a 20% deposit. Will the witnesses comment on the issue of affordability? Will affordability be exclusively determined by market forces? Have they anything in mind on equalising the provision of social and affordable housing? Have they considered a third type of delivery of the housing strategy such as the heightened involvement of housing agencies not exclusively for social housing, but for the provision of housing for renting in general? It is very hard to see how that will be overcome.

I will address the third point in head 4C of the general scheme of the planning and development (No. 1) Bill 2014 regarding “entering into a rental accommodation available agreement or a lease agreement”. What I found is that, in theory, some of the provision of Part V might

work but, in practice, the construction industry has been very capable of negotiating to its own advantage. My argument is that much of our planning legislation has been far too influenced by the construction sector. Local authorities do not have specialist negotiators and do not have an equality in terms of negotiating skills to enter into discussions with the very capable negotiators from the construction sector. Instead of getting houses, they will enter into a rental accommodation availability agreement or lease arrangements with the planning authority. I have serious reservations about that and I ask the witnesses to expand on that point.

We need to increase the number of houses built but what struck me is that we are making a decision in light of the current economic environment. I wonder if the insertion of a sunset clause has been considered so that it can be reviewed and there is a definite date for review of the reduction from 20% to 10% in Part V, as well as the additional sweeteners in the development contribution scheme. This would ensure this offer is available in the current environment, but could be reviewed when the current environment is no longer applicable.

I am concerned about the subjective nature of the vacant site levy and some of the aspects of the non-application of the levy. It is a good idea in principle, but I found the implementation of the Derelict Sites Act 1990 very frustrating. There was a provision for an annual levy on derelict sites, but most local authorities were not enforcing that provision because of the heavy legal and administrative burden in respect of the title of some of the properties. How will that differ from the vacant site levy and have those issues been thought out? Have soundings been taken from the people who did the practical work of implementing the Derelict Sites Act? That did not and does not work in the way it had been intended.

The development contributions have not been enforced for water and wastewater in the past 12 months because of the handover to Irish Water. It appears to me that a new development scheme will need to be introduced for each planning authority to take account of the possibility of a reduced development contribution in the situations that are outlined in the heads of the Bill and also in respect of Irish Water. I think sunset clauses would be useful as a mechanism to review the operation of the legislation.

The argument for the redevelopment of vacant sites was well made. Reusing these sites reduces the need for new infrastructure. I do not think we have given sufficient consideration to the additional cost of fragmented development, which is much more costly in terms of the delivery of roads, water and wastewater services, footpaths and associated services.

I have a number of individual questions which I will submit to the Department and I would appreciate a written response to them. We need to get this new legislation on planning right. It seems to me that the input of the construction sector is very evident. I appreciate the need to increase the housing supply, which is to the benefit of everybody, but it appears that the construction industry held off building new houses until they got the changes they are looking for. We will see how that transpires next year.

Vice Chairman: Would Mr. Sheridan like to deal with some of those questions?

Mr. Terry Sheridan: I thank Deputy Murphy for her detailed comments. I will respond to her questions on planning, the vacant site levy and development contributions and my colleagues, Mr. Terry Dunne and Mr. John O'Connor, will respond on Part V related issues.

On whether the introduction of the vacant site levy will be an executive or a reserve function of the local authority members, the idea is that the levy will be an integral part of the adoption

of the development plan by a local authority. It is an optional exercise for local authorities. The local authorities can adopt this provision if they so desire or can decide not to pursue it initially and wait to see how some local authorities implement it. It will be a reserve function to be adopted as part of the adoption of a development plan for the local authority area in question.

Deputy Murphy raised her concerns about the subjective aspects of the application of the levy, in particular to the application of the derelict sites levy. I admit that the derelict sites levy has been difficult to administer and relatively easy to circumvent. All the property owner has to do is put a hoarding around the development to keep the public from gaining access to it. It is intended to be applied to sites and buildings that are dangerous in structure in order that a hoarding is erected around them. The vacant site levy will be a different animal and it will apply where there is hoarding of vacant and under-utilised sites with a view to getting them back into beneficial use.

On the development contributions, we can possibly consider the idea of a sunset clause. We wrote to local authorities in 2013 asking them to reduce the levies they apply with a view to reducing the burden on the construction sector and they virtually all responded positively and reduced the levies they applied. The four Dublin local authorities applied an average reduction of 26%.

As the Deputy will be well aware, we have had some engagement on the issue of Irish Water and water services infrastructure. We asked and advised local authorities at the end of 2013 to ensure development contributions in respect of planning permissions granted before the establishment of Irish Water covered the cost of the water services infrastructure and planning permissions granted after the establishment of Irish Water on 1 January this year should not be applied in respect of water services infrastructure. That is where we are and it is a matter then between the developer and Irish Water in terms of implementing its connections policy how the water services aspect of the development contribution type arrangement should operate.

Deputy Catherine Murphy: The development contribution comprises a huge proportion of the development levy - probably between one third and one half. Is it intended that Irish Water will access that funding or has that provision been removed?

Mr. Terry Sheridan: On the permissions granted before the end of 2013, local authorities have been asked to ring-fence the money and to transfer it to Irish Water. On the permissions granted subsequent to the establishment of Irish Water, it is a matter between the developer and Irish Water with regard to the payment of the contributions.

Deputy Catherine Murphy: How is that to happen?

Mr. Terry Sheridan: That is to happen under the terms of the forthcoming connections policy to be introduced by Irish Water.

Mr. Terry Dunne: My area relates to Part V. If the Deputy would like to send in a written submission if she feels I have not addressed issues she raised in this regard, I would be happy to take it. We have increased the minimum number of houses in a development from five to ten because when the minimum number was five, under the 20% clause there was one of the houses taken out and because we have done away with the cash and site alternative meaning the options are reduced. That touches on the other issue raised by the Deputy regarding developers having greater negotiating skills than the local authority in this regard. We have reduced the options in terms of negotiation. The focus is on increasing the supply of housing because with-

out private housing, there is no Part V benefit and we are back to where we were prior to 2000. With regard to the supply of units be they on site as a default option or another site if there is no demand where the development is taking place, the cash alternative is being taken away.

The scope in terms of having a mishmash as happened in the past where the developer would pay some cash and provide a house or land elsewhere is gone. Now it is about getting units and going back to the core of what Part V is about, which is providing social housing in mixed tenure developments and moving away from large social housing developments to social housing developments within private housing developments. It is the mixed tenure model, which is probably one of the greatest successes of it.

I note what the Deputy said about the affordability issue. I accept house prices are increasing. They have gone up again since the heads were published but there are other ways in which they can be addressed. In the social housing strategy, we are looking at approaches such as cost rental and so on. The approved housing bodies are expected to have a much greater role in housing supply under the strategy as well in terms of provision of social housing.

Deputy Catherine Murphy: Am I correct that Part V might result in RAS or leasing houses?

Mr. Terry Dunne: It will produce units. We are not explicit about the type of tenure. Current Government policy is tenure neutral and intends to produce units on site. Some will be for leasing or rental but they will all be units that will come into the system.

Deputy Catherine Murphy: Will all that be under Part V?

Mr. Terry Dunne: Yes.

Deputy Robert Dowds: I thank the officials for attending. I am very much in favour of the spirit of this legislation because it is important to try to attend to the housing crisis. I am very much in favour of the vacant site levy but what happens if county councils are not proactive in pursuing such sites? It is a good idea to fill in sites in towns and cities that are near the centre of activity. Could lower development contributions be applied to them on the ground that much of the infrastructure is in place?

I am concerned regarding the local development contribution that in some cases it might have a negative impact on the development of local infrastructure. Will Mr. Sheridan address that issue?

I refer to an issue that is not addressed in the legislation, which I ask the officials to consider. I represent a constituency where there was probably the greatest planning corruption in the State with the town centre Lucan-Clondalkin being moved to Liffey Valley. Part of the ridiculousness of that is while there is a four track railway line going through my constituency, the housing is generally far away from it. The areas closest to the line have no housing and, therefore, it is not of much use to people. An area has been zoned since the early 1970s for housing, the Clonburris strategic development zone. Will the Minister consider levying such greenfield sites, which have been lying vacant for a long time or reverting the zoning to agricultural or some other use?

How will the Bill deliver on the 10% social housing provision? I gather from the response to Deputy Murphy's questions about this that the houses will not necessarily be council houses. Am I correct that they will either be council houses or houses rented out by housing associa-

tions?

Mr. Terry Sheridan: Deputy Dowds asked what happens if the local authority is not proactive in pursuing the application of the vacant site levy. Essentially what happens in that instance is that the site will not be developed. It is in the hands of the local authority to identify vacant sites in the first instance and issue notices to the sites' owners to indicate that the levy will apply if they are not developed in specific timeframes.

Deputy Robert Dowds: Will Mr. Sheridan ask the Minister to consider using a stick from on high in cases where local authorities refuse to identify sites?

Mr. Terry Sheridan: It is in a local authority's own interest to do so. The vacant site levy is all about regeneration of central urban areas. Unless they are proactive in identifying sites, the regeneration is not going to happen. The purpose is to bring these areas back to life by enabling them to unlock their potential and building better and more vibrant urban areas, which are better places in which to live and do business. It is a positive measure all around and it is in the local authority's interest to implement the levy if it wants to regenerate an urban area under its responsibility.

In regard to whether lower development contributions would be applied in association with the vacant site levy, that is the intention. It is meant to be a carrot and stick approach, whereby the incentive of lower development contributions will have regard to the fact that the sites are most likely to be central urban areas with existing infrastructure. They will not require the provision of new infrastructure at extra costs. Local authorities will be able to provide for lower development contributions once they adopt this approach in their development contribution schemes.

Deputy Dowds asked whether the levy will be extended to greenfield sites.

Deputy Robert Dowds: I am specifically thinking about areas that have been zoned for housing for many years but have not been brought into use.

Mr. Terry Sheridan: We have encountered considerable problems with over zoning of land for housing in recent decades. At one stage, there was sufficient zoned land to accommodate 1.5 million homes, which was excessive to say the least. That figure has gradually been reduced to approximately 400,000 homes. This measure is targeted at central urban areas and brownfield sites rather than greenfield sites. It would go beyond the intended purpose of the levy to include other sites. Arguably there is still a problem with over zoning for housing and, therefore, it would be unfair to apply a levy on greenfield sites which are zoned.

Vice Chairman: Deputy Dowds made the point that we should take account of infrastructure, such as railway lines, when planning proposals are considered.

Deputy Robert Dowds: Clonburris SDZ lies between Lucan and Clondalkin. It is the one area of Lucan and Clondalkin in which there is no housing even though it has key infrastructure in terms of four railway tracks. The railway station is virtually unused because nobody lives near it. The fact that the trains only go as far as Heuston is another issue.

Mr. Terry Sheridan: That type of land, which is serviced by rail infrastructure, is ideal for development and should be prioritised by local authorities in accordance with the principles of sustainable development. That is a matter for the local authorities when they prioritise areas for further development.

Deputy Ruth Coppinger: I am somewhat mystified by the Bill because we are discussing it in the context of two ongoing processes. First, we have the biggest housing emergency in the history of the State and we urgently need social housing on a mass scale. Second, house prices are rising faster than they did during the boom. What is being proposed in this Bill will reduce the proportion of social housing from 20% to 10%. Why is it proposed to take affordable housing out of these planning permissions given that house prices are rising faster than they have for years? It is suggested that the requirement to build affordable housing is too much of a burden on developers. Why would that matter to the developer if he or she is getting a price for the housing? Most of the affordable housing was supplied through the local authorities, which took the hit for the claw back.

The Bill also provides for an off-site option. I saw how this was applied when I was a councillor in Fingal. I live in Mulhuddart, which has the highest concentration of social housing in one square mile. However, there is very little social housing in Castleknock or Malahide. The Bill proposes that the off-site option would only be permitted in exceptional cases or where there is insufficient social housing demand at the location of the proposed development. People in Killiney or Malahide might say there is not much demand for social housing. We will continue to see social housing being built in certain areas but not in others. That is the end of mixed tenure.

I am probably in a unique situation in that I live in a mixed estate of 700 units. The estate is a mixed private, social and affordable housing development and, in fairness to Fingal County Council, nobody knows who lives in what unit. Why is that concept being dropped? Part V was ineffective. It only delivered 15,000 units between 2002 and 2011, or 2.5% of all houses built. However, it delivered a higher number of affordable housing for people who, like me, were single and unable to buy in the market. Surely we need more housing of this nature. Why is that provision being removed?

The development levies, which we were told were urgently needed to provide community centres, etc., are being reduced. I see in this Bill a continuation of our reliance on and worship of private developers in the belief that somehow they will solve the social housing situation. Senator Hayden estimated that 45,000 houses would have been built under the old scheme if it had been properly enforced. If this policy was in place, it would have delivered 15,000 units. It is an easing of the compulsion on developers to provide social and affordable housing.

What is the basis for the claim that house prices have fallen? House prices are rocketing. The Bill is premised on the notion that we no longer need affordable housing. I might have agreed with that five years ago, when I saw estates in which social housing could not be sold because it was cheaper to find housing on the private market. That is no longer the case. It is certainly not the case if we are to build mixed housing in areas where the demand is high. This confirms my opinion that old-style public housing construction, which involved councils being given the money to build social and affordable housing, is needed. These kinds of schemes will deliver very little for the people out there who are desperate. As public representatives, we deal with such people in our clinics every day. I think we need compulsory purchasing of sites that are not being used. We should forget about trying to incentivise these people. Compulsory purchase orders should be used. There is an absolutely dire social crisis out there. It is an unbelievable crisis. I will not even bother going into the types of cases we are coming across here. Surely we need to take extraordinarily radical measures, such as acquiring sites that are not being used and providing compensation at a minimal rate. We should give money to councils to build.

I was very disappointed to hear that we are going to see more rental accommodation scheme-type houses or more leasing of houses. I thought that council houses and social houses would be provided to people. We all know about the instability. We know a load of people who are being evicted from rental accommodation scheme houses right now. Their landlords want to sell those houses in a rising housing market. People are being made homeless. This is adding to the instability. Not only is the current approach disappointing, but in addition it is based on the wrong premise that house prices are falling. They are not.

Mr. John O'Connor: The main aim of the proposed changes to Part V is to make it clearer and simpler in relation to its implementation. The primary aim is to ensure there is 10% social housing in every development. The Deputy spoke about what was achieved previously. Housing was provided. There were cash payments. There was off-site land. Once that was fully operational, it resulted in an average of 5% of each development being provided for social and affordable housing. Just one in three of those houses was deemed to be social housing. The aim is to ensure we get 10% social housing in each development. It will be possible for that to be provided off-site in exceptional circumstances only, for example, if the local authority does not have a demand in a particular area. Local authorities should be seeking to reach the 10% social housing level in the locations mentioned by the Deputy.

The Deputy also asked about the negotiations. The local authority has the say. If it wishes to acquire housing for social housing purposes, or if it wants to get a voluntary housing body to acquire that housing, it is up to it to negotiate and take that option. She also asked about adding in the long-term leasing or rental of those properties. This would mean that a local authority which does not have the capital funding - if there is an issue in terms of funding the acquisitions - would have the fall-back option of leasing or renting those houses in the long term. I would expect that local authorities should take up the option of acquiring them so that they are owned by local authorities or approved housing bodies. It is a question of trying to get greater certainty with regard to the acquisition of social housing. The cash option and the off-site land option have been removed to try to achieve the main social housing objective.

I agree with the Deputy that the affordability of housing is a huge issue. If we are to try to achieve housing affordability in a broader sense, we need to stimulate housing supply. A large amount of housing supply is needed to ensure housing is generally affordable to everyone and to all households, as opposed to trying to provide a limited number of affordable houses. This will be kept under review. If there is a need to introduce incentives or measures to make housing affordable and support people in buying houses, provisions have been and can be made in that regard. The Deputy spoke about the provision of broader public housing by local authorities. A number of them are actively looking at that. Rather than relying on developers to provide housing, we need to provide public housing. The other issue, which is part of the social housing strategy and the broader 2020 construction strategy, involves looking at cost rental. I refer to the provision by local authorities and voluntary housing bodies of housing that is rented on a broader basis and made affordable for households.

Senator Cáit Keane: I welcome the initiative to try to get more houses on the ground. As one of the officials said, this is the main aim of the Bill. Developers and builders are not building. I hope this Bill will incentivise houses and developers. I do not suppose the Government can build every house. We have to ensure the people who can build houses start building again. The banks are a huge problem there as well. That will have to be looked at as well. I welcome the incentives that are there, including the 10% to actually get it on the ground. I welcome the fact that there is no buy-out for developers. They will have to provide it on the ground.

I have a question about the different interpretation of the Shackleton case. There is only payback now in one direction. The local authorities will have to put the 10% on the ground. The funding for that 10% will come from the local authorities. Will they have to take it from parks or whatever? If we are to ensure this is provided on the ground, we have to ensure they will have the cash to do that there as well.

I would like to speak about the affordability aspect. I was reading somewhere that it will be pursued through other policies. I think we should try to pursue that alongside. I know it is not planning and whatever. It is social and affordable. Some of the speakers have said that the price of housing is going up. I think it has to be looked at in conjunction with, if perhaps not part of, the planning Bill. It should be part of our deliberations to ensure affordability.

That brings me on to the vacant site levy, which is welcome in every community where there is a derelict site. I think there is a difference between a derelict site and a vacant site. The derelict site levy puts the onus on the developer. It should only stay there. The site levy tax will be passed on to the purchaser. Therefore, it will make the price of houses dearer as well. I know what we are trying to do. We have to ensure they are not left vacant there. How does one incentivise them to get it? Are they left vacant because they cannot get money from the bank? Would the developers get out in the morning if they could get the money to develop these vacant sites, as opposed to derelict sites? They will say “right, there is a levy there”. They will ask how they are going to get their money back. They will put up the house price even more on the purchaser. Could it hinder instead of help? We are trying to get more houses on the ground. We are trying to make them less expensive, rather than more expensive.

There is another thing as well. The onus has been changed from four houses to nine houses. The actual acreage of land is not increased at all in the Bill. It was set at 0.2 acres in section 96 of the Planning and Development Act 2000. Would it be an incentive for a developer to have that increased upwards, given that the housing numbers were increased upwards as well? The development contribution will be reduced in specific circumstances to enable people to avail of that. I think that is a good development.

I would like to see the phrase “exceptional circumstances” defined. They can opt out in exceptional circumstances. One person’s exceptional circumstances might be very different from my exceptional circumstances. I do not know if it is defined anywhere. Maybe it will be in the Bill. What would constitute exceptional circumstances if there is to be an opt-out? We saw what happened before. That is why Part V did not work in practice the way it was supposed to work in theory. There were too many cases made of exceptional circumstances and too many buy outs.

On the vacant site levy in areas of population of 3,000, obviously that would apply to every part of Dublin. In the urban area where I live there is a population of 3,000 in most areas. That would include most urban populations. I wish to question the exemption for developments of nine houses. If a developer had a site that could hold 36 houses, he or she could submit the applications in tranches so that the site could be developed in sections. Would he or she be exempt for each tranche of nine houses?

Vice Chairman: Would Mr. Sheridan like to define “exceptional circumstances”?

Mr. Terry Sheridan: I will leave that question related to Part V to my colleagues.

I will address the vacant site levy and the question of the charge being passed on to purchas-

ers, increasing the price of housing. The levy will not be applied if the site is developed. The incentive is to develop the site rather than to leave it undeveloped. That should not impact on house prices.

Mr. Terry Dunne: The Government recognises that the financing of housing is a major issue. The Construction 2020 action plan sets out a number of actions in terms of developing sustainable financial models for the construction sector. We need to ensure we have a sustainable sector that is not driving the economy but plays its role within it.

There are various mechanisms being considered, such as special purpose vehicles in terms of providing money for social housing. It is recognised that finance is an issue.

The Deputy asked how we define exceptional circumstances. We are in the process of drafting the Bill and engaging with the Parliamentary Counsel. Guidelines will be issued when the Bill is enacted and the scenarios that are envisaged will be set out. I accept Deputy Keane's point that we had issues with the interpretation and enforcement of Part V of the previous Act which meant that the level of social housing we wanted was not provided. We have learned from that.

Senator Keane also raised the issue of a developer breaking up a site into sections so as not to have more than nine houses in each tranche of development. That point was well made but it is covered by the existing planning legislation, whereby if a developer owns adjoining lands, that the developments can be combined. The local authority could tell the developer when he applies for permission to develop the adjoining lands that as there will now be a second tranche of nine houses, he will build 18 houses and therefore will have a social housing liability.

Mr. John O'Connor: What is being introduced into the Bill as a consequence of the Shackleton judgment is a number of definitions to bring clarity. The local authority has to pay the construction costs of the houses and the cost of the land is a nominal figure based on the existing use value. The definitions have been amended to clarify the exact payments and reduce the number of disputes. The local authorities either get capital funding to buy the houses and there is funding in place whereby voluntary housing bodies can be funded on a long-term basis to acquire housing. There is no difficulty at present in the funding of the acquisition of housing either by the local authority or by a voluntary housing body. The funding is in place.

Senator Cáit Keane: I understand that the acreage of land that was exempt was reduced in 2002 from what applied in 2000. However, this is no change in the Bill. There is no incentive for the developers to start building.

Mr. John O'Connor: The minimum site is very small. This ties back to the issue of developments of under five houses or ten houses. One would rarely have a situation where somebody could build ten houses or ten apartments on a site that size.

Vice Chairman: Senator Landy will be delighted to learn that he has been styled as a Deputy and that I read his name as Deputy Denis Landy. I congratulate him.

Senator Denis Landy: No more than the Chairman, titles do not mean a great deal to me.

I welcome the proposed legislation and the opportunity to dialogue on it today. This is my first experience of pre-legislative scrutiny.

I wish to query Mr. O'Connor about his contribution on the purchase of the Part V units. He

said that acquisition will not be a problem for the voluntary housing groups, approved housing bodies or local authorities. Will he clarify who will have the first option of buying the units when they have been completed? How is it decided which body will have priority? Does the local authority have priority over an approved housing body? Who allocates the units? Is the allocation based on the local authority housing waiting list or on the approved housing body list?

I wish to raise the issue of “exceptional circumstances”, as mentioned in the preamble and in the explanatory note. Only one example is given. The proposed Bill states:

The alternative off-site option should only be possible in specific exceptional circumstances, for example where there is insufficient social housing demand at the location of the proposed development and where there is greater demand at another location.

Unlike Senator Keane, I am from a rural area and I do not know one local authority in the country that does not have a waiting list for housing. In that case, is the provision of “exceptional circumstances” ruled out? If I am wrong, please correct me. I do not think there is a local authority in the country that does not have a waiting list. It is very serious that we are inserting an out for exceptional circumstances, but we cannot identify any exceptional circumstances, because one can rule out the example given. Is it possible that the provision for exceptional circumstances will be removed from the Bill altogether?

Is the proposed vacant site levy just another name for the derelict sites levy, in particular on brownfield sites in built up areas in towns and cities? It states that the local authorities can implement this measure should they wish to do so. Will the witnesses clarify what they mean by that? Does that mean a local authority must bring forward a by-law or an agreement voted through by all the local authority members, which in my view will end up as a political issue? I see no reason a local authority should be given the option of wishing to do so or otherwise, because it will vary from one local authority to another. I do not think that is in the best interests of seeing more units on the ground.

Will the local authorities who do not collect this levy be subject to a penalty? At present the levy on derelict sites is 3% and in many local authorities this money is not being collected and the matter is being pushed to one side. In fairness to the local authorities it is very difficult to collect it. People are running away from it and the local authorities are chasing their tails. We need to strengthen in legislation the ability of the local authorities to collect the levy. I would like to know if there will be a penalty on the local authorities who do not collect this levy? Does the levy fall when the site is sold or the property is with a company that changes hands? Companies are set up and closed down the next day and another one is set up. The law is being circumvented. I ask for clarity on this point.

Will the reduction of the levies apply to all planning permissions without exception? Mr. Sheridan referred in his submission to the development contribution levies in specific circumstances. I ask him to outline the specific circumstances. Is this not open to political interference whereby a local authority will decide that specific circumstances do not exist and it may decide not to levy it on certain properties depending on who owns them?

Mr. Terry Sheridan: I will deal with the levy aspect with regard to vacant sites. The first question is whether the vacant site levy is another name for the derelict sites provisions. It is slightly different. As the member implied, the derelict sites levy has been difficult for local authorities to enforce and to implement. The intention is that this vacant site levy will be easier to enforce. The derelict sites levy can be circumvented as I have outlined, by simply putting

a hoarding around the site which makes it no longer dangerous. The vacant site levy will be applied irrespective of whether there is a hoarding in place. It will be applied if the site is not developed. There is no obligation to develop the site under the derelict site levy provisions.

The Senator asked for clarification as to the meaning of local authorities being enabled, should they wish to do so, to apply the levy. That is meant to indicate that the levy will be optional for local authorities to apply; it will be up to them to decide whether they wish to apply it in their local areas, depending on their local circumstances.

As I have outlined, it will be a matter for the elected members to decide when adopting the development plan whether they wish to go down the route of applying the levy in designated areas in the function area of their local authority.

On the collection issue and whether there should be a penalty for non-collection of the levy by local authorities, there are fairly stringent provisions in the general scheme, in the heads of the Bill, which outline that non-payment of the levy will expose the property owner to interest payments from day one, in the event of late payments. In addition, the levy will remain a charge on the property until such time as the levy is discharged to the local authority. Therefore, there is an incentive for the property owner to pay on time. That will help to ensure speedier collection by local authorities.

The Senator also referred to whether the levy would stay with the site if sold. That is the intention. If a site is not developed and if planning permission is not obtained within a specified period or development does not commence within a specified period, the levy would apply. It will pass from one site owner to another if the site is sold.

The Senator asked about reduced development contributions and how they would be applied in specific circumstances. What is intended is that the specific circumstances relate to where a developer has a permission granted under a previous development contribution scheme operated by a local authority. Where the scheme changes in the meantime the developer will be able to avail of the reduced development contribution that has been introduced under the new development contribution scheme agreed by the local authority. These are the specific circumstances. There is no legislative provision or mechanism for developers to avail of the reduced development contributions at present. This is intended to address that gap in the legislation.

Mr. John O'Connor: On Part V, local authorities are the planning authorities and housing authorities and they have the power. The local authority decides whether it wishes to purchase Part V acquisitions or whether it will opt for a voluntary housing body to acquire a property. The local authority has the power and makes the decision.

The local authority has complete nomination rights into housing acquired under Part V. By way of background information, in 99% of cases, in the case of any housing owned by voluntary housing bodies, the local authority has 100% nomination rights. In the case of some sheltered housing funded under the capital assistance scheme, the local authority has 75% nomination rights to those properties. Local authorities hold the principal nomination powers for housing. If members have any issues with regard to allocation nominations I ask them to come back to me because the local authorities have strong powers and should be making all the allocations or the majority of allocations to any properties that become vacant and are owned by voluntary housing bodies.

The executives of some local authorities were looking for flexibility with regard to excep-

tional circumstances. For example, Cork County Council was very active on acquiring units for social and affordable housing under Part V. The council wanted some flexibility so that if there was not a demand in a town for social housing but there was a demand in a neighbouring town, it would be enabled to use flexibility in order to provide housing in the location in which it was required.

If, for example, very large houses were being built on a site and it was not appropriate to build smaller houses on that site and the local authority would not acquire large houses, the local authority could require that smaller houses be built on the site. The local authority has a wide discretion.

Senator Denis Landy: I thank the officials for their replies but the thin edge of the wedge was when developers could offer cash instead of houses which were deemed unsuitable. We need to ensure that the developments include mixed housing. The example of Cork County Council not having a requirement for housing in certain towns is now outdated because matters are now dealt with on a county basis and housing is dealt with at county level not according to individual town's needs since the abolition of town councils. I ask that those factors be taken into account when considering doing away with exceptional circumstances.

Vice Chairman: I believe they were talking about specific circumstances.

Deputy James Bannon: As a member of the Government party I can only give a cautious welcome to this legislation because we are talking about two Irelands - we are talking about Dublin and we are talking about the rest of Ireland. We see where Dublin is over-built. Areas that should have been left as green areas and recreational areas have been built upon. During the boom years good quality parkland was destroyed in this city. There is a need for more green areas in order to provide healthy environments for families and children. I do not see that happening. There is no provision for proper parking in apartment developments and this is an issue that was not addressed in the past ten years. I would like to see this properly addressed this time around. People are the victims of bad planning. When one talks to people here in the capital, they-----

Vice Chairman: I do not like to interrupt but I remind the Deputy that there is a vote in the Dáil.

Deputy James Bannon: I know. I was canvassing in a by-election in the Duleek area and people there were frustrated that they went out of the city to where houses and apartments had been built but no community services, such as schools, community centres, leisure centres or shops, were provided. People were totally frustrated. It was seriously bad planning.

There has been an over-centralisation by this and previous Governments of services within Dublin city. If we looked at the national spatial strategy overall, it would eliminate many of the bad planning decisions that have taken place over the years. In recent times, the headquarters of Irish Water was located on Foley Street in the city centre. The headquarters of Inland Fisheries Ireland is located here in Dublin as is the administration of SUSI grants and medical cards. Everything is pulled into the city rather than decentralising those services back down to the country to provide for an even spread of people. Within 100 km of this city, three and four bedroom houses can still be bought for less than €30,000. Only two months ago in my own village, six fine houses were sold at a knock-down bargain price of €160,000 for all six. Those properties were built during the boom years. In many counties across the midlands they are pulling down unfinished estates.

Mr. Sheridan referred to overzoning of towns and villages. While that was a serious problem, will the withdrawal of the zoning in those areas now lead to people suing local authorities up and down the country for compensation because what was valued at X euro is now worth less?

A great deal needs to be done if town centres are to survive. There is a significant problem with town centres because bad planning was allowed to take place. Some of the larger stores were allowed to locate on the outskirts of towns and provide free car parking with the result that town centres with expensive car parking were killed off. We need a strategy to bring forward measures to support business growth and job creation in town centres. Many town centres are dying a slow death and we need incentives such as reduced rates in weak town centres. What will further destroy town centres is the abolition of town councils which were there to support the nucleus of towns. They are no longer in place but we will need some sort of town teams going forward to market and develop town centres. We need guidelines for the development of town centres too.

Another issue during the Celtic tiger years was that many heritage sites and buildings were destroyed. We need guidelines built into the legislation to protect sites. On the northside of Dublin as one walks to Croke Park, there was a fine structure of a Methodist church which was hit with a crack of a bulldozer one night. The local authority stopped it, but the next thing a fire developed in it. Now, it is going to be developed.

Vice Chairman: The Deputy will miss his vote.

Deputy James Bannon: This matter is very important to me too.

Vice Chairman: It is only my duty to remind the Deputy of the vote.

Deputy James Bannon: We need an inventory of heritage sites and buildings throughout the country.

There is talk of putting in a planning regulator and where he fits into the whole jigsaw. There is a proposal for a new national spatial strategy and we have county development plans, local area plans and regional plans, but these did not tie together during the Celtic tiger years. We need a strategy on the whole issue of planning going forward.

I refer to rural towns and the vacant site levy. Will there be a house value threshold before a local authority can impose a vacant site levy? It would be a handy way for a local authority to get a few euro unless a house value threshold was put in place. Local authorities are starved for funding from central Government and it would be viewed as a source of funding unless some protective measure is put in place.

There is a great deal more to say but the Vice Chairman has reminded me that there is a vote in the Dáil. I am sure we have a few minutes left to get replies to the queries.

Mr. Terry Sheridan: The Deputy has raised a number of issues. He referred to the lack of green areas in urban city centres. It is possible that the vacant site levy could be a mechanism to deliver more green areas in central urban areas. We are possibly envisaging in the legislation a provision that no levy would be applied on a vacant site where its use was converted into a playground or green area as long as it was not vacant. These are the kinds of details we are teasing out currently with the Office of the Parliamentary Counsel. It is something we are looking at and it may well be incorporated when the Bill is published. We are only at the initial stage of

proposing the heads of the general scheme, but it is something we are contemplating.

A replacement national spatial strategy will be addressed in the second planning Bill and aimed at providing an overarching framework for balanced regional development. The Deputy referred to an over-concentration in Dublin. Currently, yes, but we hope the next national framework will be national in focus and address all areas of the country to provide for strategic investment in the provision of infrastructure throughout the country.

Deputy Bannon referred to the need for greater development of town centres. I agree completely with him. One of the purposes of the vacant site levy is to incentivise development of not just inner city areas, but country towns with populations of more than 3,000. We have seen since the economic collapse closures of significant numbers of retail outlets and commercial units on the main streets of towns throughout the country. The levy will be a mechanism to incentivise the development of these types of-----

Deputy James Bannon: On a point of information, have studies been carried out? A town centre was developed by a major contractor in the centre of Longford town. That building is lying idle and while we have tried our damndest to get a tenant, that has proved impossible. The company is already broke. Where there is no market for the building, what does one do?

Mr. Terry Sheridan: That is one of the legacy issues from the Celtic tiger when there was excessive development and over-speculation leaving us with many similar examples throughout the country. It will take time to come up with solutions but, hopefully, as the economy recovers, they can be put to beneficial use. The Deputy also mentioned the planning regulator and how that will fit in with all of this. That will also be addressed in the second planning Bill. A primary function of the regulator will be to evaluate and assess the local development plans, local area plans and the regional and spatial economic strategies that are put in place. That was something that was missing during the boom years. A primary function of the planning regulator will be to ensure that the plans that are adopted by local and regional authorities are fit for purpose and appropriate in terms of sustainable development.

The final point referred to by the Deputy was that of a value threshold being applied to the vacant site levy. That is not something-----

Deputy James Bannon: A house value threshold.

Mr. Terry Sheridan: It is not meant to be applied to individual houses as such. It is meant to be applied to vacant, under-utilised sites which can be developed for residential purposes. Again, we can look at this in terms of the detail as we develop the legislation but as of now, it is meant to be applied to vacant and under-utilised sites. Unused housing is a separate issue. We can consider it.

Vice Chairman: I thank Senator Brennan for his patience.

Senator Terry Brennan: Most of what I intended asking has been asked already. My first question concerns the role of the regulator. I have a question about the implementation of An Bord Pleanála decisions. Is the regulator responsible for ensuring that local authorities enforce decisions by An Bord Pleanála? Will there be a levy on vacant sites held by NAMA? I am not sure whether that question has been asked already.

In respect of the question about negotiating the 10% and local authorities having demand for social housing in more affluent developments, sites and locations were mentioned in Dublin

but most of us have more affluent developments in our areas. I am not so sure local authorities would have many demands for social housing in these more affluent locations. I have my doubts about how we will ensure that the 10% applies to developments in such locations.

In respect of social housing, the relationship with local authorities and planning regulations, will an adviser to local authorities have the responsibility to ensure that local authorities implement decisions? I am talking about unauthorised developments. Perhaps under the next section of the Bill, we will discuss how unauthorised developments are dealt with. Is there, will there be or should there be a levy on unauthorised development? Is there a timescale - such as two or five years - for how long an unauthorised development can last? We are talking about reducing from five to two years the period for planning permission for a certain number of houses.

Is there any mention of reducing from five to two years the period for planning permission for one-off houses? Should we reduce it from five to two years in exceptional circumstances where something has happened or money cannot be acquired to carry out the development?

Mr. Terry Sheridan: As I have outlined, the regulator will be addressed in the second planning Bill. As I have indicated, the regulator will be responsible for assessing and evaluating the local area plans, local developments plans adopted by local authorities, and regional, spatial and economic strategies. The regulator will also be responsible for advising the Minister on the appropriateness of the plans and whether they are in accordance with the proper planning and development of the areas concerned.

It is not intended that the regulator will be involved in conducting reviews of complaints relating to individual planning decisions of planning authorities. The regulator will have investigative powers to review the organisation, systems and procedures applied by planning authorities in the performance of their planning functions under the Act. These will include assessing whether decisions generally are made in accordance with the planning guidelines and policy directives issued by the Minister, whether any formal systematic discrimination is applied in assessing planning applications, the procedures adopted and whether they give rise to any potential corruption risks and if appropriate standards of administration are applied. These are the type of things the planning regulator will look at. It will be an overseeing function of the regulator in assessing the performance of planning authorities. It is something that has not been there previously but it will be a double check to ensure that appropriate systems and procedures are being adopted generally by local authorities in performing their planning functions.

We have previously spoken about enforcement and unauthorised developments bilaterally. Local authorities have powers to issue enforcement notices, to enter on to sites if necessary to take actions in respect of unauthorised developments and to pursue court orders, so there are powers in respect of the handling of unauthorised developments and the enforcement of the planning legislation. Unfortunately, it can be difficult to prosecute offences and unauthorised development. A lot of detective work and information gathering is required. I accept that the enforcement aspect of the planning legislation needs to be better addressed by local authorities. In their defence-----

Senator Terry Brennan: Are we taking it up at the next stage of this Bill?

Mr. Terry Sheridan: We are considering numerous Committee Stage amendments to enhance the existing Planning Acts and that is something we can address. We can bring forward Committee Stage amendments to address existing deficiencies. We are open to that. However, it will be in the context of the No. 2 Bill rather than the Bill we are discussing today.

On the issue of whether one-off houses will be subjected to the possibility of reduced planning permission durations, it is intended that this will be applied to developments of ten or more houses, with a view to facilitating and incentivising the earlier development of housing schemes rather than one-off houses.

Deputy James Bannon: A lot of over-zoning took place during the Celtic tiger era in towns and villages. Will there be implications by way of compensation claims taken against local authorities for withdrawal of zoning, or will that be covered in the legislation?

Mr. Terry Sheridan: The zoning of land for housing or commercial use is a matter for the local authorities and councillors when adopting their local development plans. Land can be and is being de-zoned. We have gone from a situation where there was zoning for 1.5 million houses ten years ago to a situation where that has been reduced to some 400,000 houses. Local authorities have the powers to de-zone lands.

Deputy James Bannon: Without implications?

Mr. Terry Sheridan: Without implications.

Vice Chairman: Senator Brennan raised the issue of one-off housing. We have spoken a lot today about affordability but the architects of the Bill would seem to place an unjust burden and would certainly make one-off houses that bit more unaffordable, given the extreme cost that is added as a result of the Bill, which is in the range of €8,000 to €10,000. Has the Department looked at this issue? Has the Department or the Minister any intention of introducing a Bill that will remove this clause, which would be very important, particularly to people living in rural Ireland? Deputy Coppinger said earlier that prices in Dublin had rocketed. That may be so but they certainly have not rocketed in rural Ireland, where there are also housing problems, as it is important to point out to the Department officials and which should never be forgotten.

We speak a lot about social and affordable housing. The Department should have a policy designed to take away the stigma from such housing. We are trying to get a uniformity of housing across the country. While we currently describe it as social and affordable housing, is there not better terminology or could we not blend it in better with local buildings and local developments by private builders that would remove that aspect from it? I see a number of sites are already identified for housing as a result of the housing crisis. Many of the people in those areas fell victim to the Celtic tiger and people who built homes at an enormous cost during the Celtic tiger era are now in negative equity, with some in substantial negative equity. Now, local authorities are proposing to build houses and it is causing serious problems for some people, particularly as many of these will be on already established sites. Could the Department come up with a better terminology, given it sounds alarm bells the minute social and affordable housing is mentioned?

Planning is very much open to the interpretation of an individual planner. There was always a huge problem where one planner would not have red brick or any brick on a house, while another would want all brick on a house. There are huge inconsistencies in the interpretation of the planning rules and guidelines. Is this problem being addressed and can the Department bring some uniformity to this area?

Is it not true to say the planning system has failed town centres? This has been added to by the imposition of parking charges in that people are afraid of their lives to park in the centre of a town because adequate parking has not been provided over the years. It is now much easier for

people to go outside a town to the shopping centres where an abundance of parking is provided. Does the Department accept the planning system has failed the development of town centres?

Mr. John O'Connor: To start with the issue of one-off houses, the building control regulations are the ones that affect the inspection and certification of buildings. The purpose of making amendments to the building control regulations was to ensure better building standards by ensuring people were preparing decent plans when building a house or other buildings, and that there would be inspections during construction and certification at the end. The purpose of the regulations was to improve building standards. It is acknowledged that it may be an undue burden for people building one-off houses and the Minister is looking at that in terms of making the process less costly and more effective for one-off house owners building their own houses.

Vice Chairman: Santa Claus might bring some good news.

Mr. John O'Connor: Yes. The overall purpose of the regulations was to have better control in regard to what was being built and there is a high level of compliance. The new system with regard to buildings is effective, although there is a particular issue with the cost for people building their own houses.

With regard to the use of the term “social and affordable housing”, it is something we need to look at so as not to label housing as being of a particular type. We are looking for developers to build integrated housing developments and, similarly, where the local authorities are providing housing, they need to build mixed developments as well. However, I agree the terminology on housing needs to be changed as applying labels is always a dangerous thing.

Mr. Sheridan might deal with the issue of town centre planning.

Mr. Terry Sheridan: The Vice Chairman remarked on whether the planning system has failed town centres by allowing the development of out-of-town centres. It is a matter for the planning authorities to approve proposed developments in their own local areas, having regard to their local development plans. In hindsight, my personal view is that there was perhaps an over-concentration on the development of out-of-town centres at the expense of the town centre areas, and this is an issue we need to look at very carefully going forward. I would hope there would be a re-focus on town centre development so that we can revitalise the towns and help to bring them back to life. The vacant site levy is one measure that might possibly help to incentivise development in the town centre areas and we will look at the possibility of introducing other measures as well. It is an issue in which I have a particular interest and I would like the social fabric that existed in rural towns to be restored as much as possible. I come from a country town and I believe there is a social fabric associated with the town centres. They should, if at all possible, be restored and maintained.

Vice Chairman: We look forward to developments in that area. That concludes our consideration of this topic for this session. We will resume consideration in 2015. I thank the witnesses for assisting us in our consideration and deliberations today.

The joint committee adjourned at 5.40 p.m. until 2.15 p.m. on Tuesday, 20 January 2015.