



# Affordable Housing Supplementary Planning Guidance April 2025



Fermanagh & Omagh  
District Council  
Comhairle Ceantair  
Fhear Manach agus na hÓmaí

## **1. Introduction**

- 1.1 This Supplementary Planning Guidance (SPG), produced with input from the Northern Ireland Housing Executive (NIHE), provides advice and guidance in relation to affordable housing policies within the Fermanagh and Omagh District Council Local Development Plan – Plan Strategy with a particular focus on viability and tenure mix. The guidance will complement Policy HOU03 – Affordable Housing in Settlements and HOU16 deals with Affordable Housing in the Countryside and provide clarification on the information that should be submitted with applications subject to the requirements for affordable housing. It is intended for use by developers, the public and by planning officers in the assessment of applications incorporating affordable housing.
- 1.2 SPG represents planning guidance which supports, clarifies and/or illustrates by example policies included within the Fermanagh and Omagh District Council Local Development Plan – Plan Strategy. The information set out in this SPG should therefore be read in conjunction with the Local Development Plan, copies of which are available online or from the Planning Department.
- 1.3 The SPG is a material consideration in the determination of planning applications. The Pre-application Advice and Discussion (PAD) stage is the appropriate time for developers/applicants to discuss queries relating to affordable housing, viability and tenure mix. This SPG should be read in conjunction with the Council's other advice guides and protocols, including the Validation Checklist, Applicant/Agent Protocol – A Good Practice Guide and the Pre-Application Discussion advice and guidance.

### **Affordable Housing**

- 1.4 Affordable Housing is defined in the Plan Strategy as social rented housing or intermediate housing for sale or intermediate housing for rent that is provided outside of the general market, for those whose needs are not met by the market.
- 1.5 The definition of the various elements of the affordable housing, including social rented housing and intermediate housing are set out in the Glossary within the Plan Strategy.

## **2. Planning Policy Context**

### **Regional Development Strategy (RDS) 2035**

- 2.1 The RDS is the main strategic planning framework for NI to guide the private and public sectors. The RDS recognises the role the provision of more social and affordable housing plays in building strong balanced communities which assists in achieving the RDS aim of promoting development which improves the health and well-being of communities.

- 2.2 The definition of affordable housing in NI was revised in April 2021 following a consultation exercise by the Department for Communities, and therefore differs from the definition within the RDS. The RDS however is still relevant. Policy RG8 - 'Manage housing growth to achieve sustainable patterns of residential development' recognises the need to ensure an adequate and available supply of quality housing to meet the needs of everyone and therefore has a direct link to objective 4 of the Plan Strategy.
- 2.3 The RDS identifies that development plans should take account of need identified, in the Housing Needs Assessment/Housing Market Analysis (HNA/HMA) when allocating housing land.

### **Strategic Planning Policy Statement (SPPS) for Northern Ireland**

- 2.4 The NIHE will identify the range of specific housing needs including affordable housing requirements, within its publications, such as the HNA/HMA.
- 2.5 The SPPS contains definitions of 'affordable housing' and 'social housing' however these have now been updated and expanded in April 2021 as outlined above.
- 2.6 The development plan process, in particular the Local Policies Plan will be the primary vehicle to facilitate any identified affordable housing need by zoning land or by indicating, through key site requirements, where a proportion of a site may be required for social/affordable housing. This will not preclude other sites coming forward through the development management process and being considered within the context of the relevant Plan Strategy policies.

### **Fermanagh and Omagh District Council - Local Development Plan 2030 Policy Context**

- 2.7 Objective 4 of the Plan Strategy seeks to provide for new homes across a range of housing types and tenures capable of meeting the needs of all sections of the community at locations accessible to existing and new community (including education) services, employment, leisure and recreational facilities.
- 2.8 Proposals for affordable housing are considered primarily under the Council's Policy HOU03 Affordable Housing in Settlements and HOU16 Affordable Housing in the Countryside in the Local Development Plan 2030 - Plan Strategy. Policy HOU03 states that, where a need for affordable housing is established by the HNA, proposals for residential developments of 10 housing units or more, or on a site of 0.5 hectares or more, will only be permitted where at least 10% of the units are affordable housing.
- 2.9 Development proposals will not be supported which contain less than 10 housing units where lands have been artificially divided for the purpose of circumventing the policy requirements. In circumstances where the number of affordable housing units required by HOU03 would exceed the need established by the HNA, a lower number of units will normally be acceptable.

- 2.10 Proposals should be designed to integrate seamlessly and with no distinguishable design differences (generally consistent in materials, style and detailing) between the market and affordable housing. However, it is acknowledged that the mix, tenure and design of affordable housing units proposed for any scheme, will reflect the needs identified by the NIHE or any relevant design guidance issued by them. As per the Plan Strategy, the application of the policy will be informed by the NIHE HNA providing direction on the need for affordable housing and seeking to bring about a reasonable mix and balance of housing tenures, types and designs.
- 2.11 The policy also states that where it is demonstrated that a development is not viable a reduced or alternative provision of affordable housing may be acceptable. The Council's approach to these matters is set out below. Development viability is capable of being a material consideration in the determination of applications. If a developer cites viability as a concern, then the Council will expect those concerns to be evidenced through the submission of a viability assessment. Further guidance on these matters is set out below.
- 2.12 Policy HOU03 applies to affordable housing within settlements, including Rural settlements. Policy HOU16 deals with Affordable Housing in the Countryside, which allows for development proposals for a group of no more than 8 dwelling adjacent or near a village or small settlement to provide affordable housing to meet the needs of the rural community, subject to policy stipulations.

### **Local Policies Plan**

- 2.13 The Local Policies Plan, once adopted, will incorporate detailed site specific proposals and set out the Council's policies in relation to the development and use of land within the Fermanagh and Omagh District. This will include the zoning of land for housing and outline Key Site Requirements, which may in some instances include specific policy requirements in relation to affordable housing.

## **3. Need and Percentage of Affordable Homes Required**

- 3.1 Policy HOU03 requires, where a need for Affordable Housing is established by the Housing Needs Assessment, proposals for residential developments of 10 housing units or more, or on a site of 0.5 hectares or more, will only be permitted where at least 10% of the units are affordable housing.
- 3.2 When calculating the 10% provision there may be instances where the requirement for affordable housing does not equal a whole number. Where this is the case the Council will round to the nearest whole number, so a requirement for 0.4 of a dwelling or less will be rounded down while 0.5 or more will be rounded up.
- 3.3 The Northern Ireland Housing Executive identifies the need for affordable housing, and is a key consultee in the consideration of planning applications for residential development including affordable housing under HOU03. Policy

HOU03 will apply to all relevant residential development proposals. The delivery of the affordable housing aspect of the proposal will be secured by legal agreement.

- 3.4 The consideration of the economic viability of affordable housing proposals, either individually or as part of a greater residential scheme, is separate to the need identified for affordable housing within the Housing Needs Assessment. HOU03 has clearly set out the level of affordable housing contribution expected from developments, and its requirements are not considered to give rise to viability concerns in the absence of evidence to the contrary.
- 3.5 There may be instances where the provision of affordable housing, as part of a greater residential development proposal, may impact upon the economic viability of the proposed development. The onus will be on an applicant to demonstrate that compliance with the requirements of the policy would render the development unviable. For this reason, it is important to understand the impact delivering affordable housing on a proposed site has on the overall viability of the development proposal. Consideration should be given to matters such as infrastructure and site costs, the location of the site, the role/function of the settlement and the overall size and type of proposed development. Given the policy requirements of HOU03, it will be necessary for developers to carefully consider the cost associated with delivering the required affordable housing contributions into land values and the payment made for any site. Should the applicant fail to reflect this requirement in the price paid for the land, then the Council will be unlikely to agree any reduction or alternative provision of affordable housing units based on viability.

#### **4. Alternative Provision**

- 4.1 Policy HOU03, explains that 'where it is demonstrated that a development is not viable a reduced or alternative provision of affordable housing may be acceptable'.
- 4.2 Proposals for any reduction or alternative provision of units, should be discussed at the Pre application discussion (PAD) stage, with the Council, in conjunction with NIHE and relevant Housing Association. The appropriate reduced provision or alternative will be determined, based on the specifics of the application, the viability evidence presented and the advice of the NIHE.
- 4.3 The Council's general preference for alternative provision will be as follows:
- Off-site provision of affordable housing units within the same settlement;
  - where offsite provision is not feasible;
  - a commuted sum, equivalent to cost of constructing affordable unit(s) on site, and this would be ring fenced for investment to provide affordable housing in the Fermanagh and Omagh District Council area.
- 4.4 Other alternative provisions may be considered on a case-by-case basis. It is in the first instance for the applicant to propose and justify any alternative provision for consideration by the Council. The details of how a commuted sum

will be secured, managed and used to deliver affordable housing will be considered on a case by case basis, through the S76 agreement’.

## **5. Phasing**

- 5.1 Para 3.16 of the Plan Strategy, explains that where there is a phased approach to the development of a site, this should be discussed with the Council at the outset to ensure that the overall delivery of affordable housing can be managed in a comprehensive way. Phasing proposals should include the anticipated build period and the affordable units to be delivered in each phase. The comments of NIHE on phasing will also be a material consideration. Each case will be considered on its own merits.
- 5.2 Policy HOU03, requires that residential schemes should be designed to integrate seamlessly and with no distinguishable design differences between the market and affordable housing, and it is therefore critical that developers take this into account when considering a phasing plan. This will usually require applicants to ensure that affordable housing delivery is delivered across the development and not delivered all in one phase unless there is good reason to do so. Applicants will be expected to justify their phasing plans. Phasing plans will be enforced by condition or legal agreement as appropriate.
- 5.3 As outlined within HOU03, development proposals will not be supported which contain less than 10 housing units where lands have been artificially divided for the purposes of circumventing the policy requirements.

## **6. Policy HOU16**

- 6.1 Development proposals for a group of no more than 8 dwellings adjacent to or near a village or small settlement to provide affordable housing to meet the needs of the rural community will be permitted where: a) the application is made by a registered Housing Association; and b) a demonstrable need has been identified which cannot readily be met within an existing settlement in the locality.
- 6.2 The Council considers that demonstrable need in the context of HOU16 is the same as HOU03, the NIHE will identify this housing need within its publications, such as the HNA/HMA.

## **7. Viability**

- 7.1 Viability assessment is a process of assessing whether a site is financially viable for a proposed development, by looking at whether the value generated by that development is more than the cost of developing it. It looks at the key elements of development value, costs, land value and developer return. When considering viability, all known costs associated with the development of the

site must be taken into account such as groundwork, demolition works, flood mitigation and infrastructure.

- 7.2 Proposals which are unable to comply with the affordable housing levels set out within HOU03 should be accompanied by a viability assessment. As per good practice elsewhere, viability assessments will form part of the information submitted in support of a planning application and as such will be publicly available alongside the other detail of the proposals. Should there be any commercially sensitive information submitted, the applicant should make the Council aware of this, so that it can be processed accordingly.
- 7.3 The Pre-application Advice or Discussion (PAD) stage is the appropriate time for developers/applicants to discuss affordable housing contributions on a without prejudice basis and the Council will expect all applicants to engage in the PAD process where policy HOU03 or HOU16 is material. This should act to front-load the planning application and result in a speedier planning decision. Those proposed schemes which are not capable of providing the level of affordable housing in accordance with HOU03 should identify this issue through the PAD process.
- 7.4 Where it has been accepted that a proposal should be assessed in terms of viability, the Council will seek to balance the weight given to the viability assessment alongside other planning material considerations to ensure the scheme, as a whole, complies with the requirements of the Plan Strategy. For example, the provision of affordable housing within a proposal will not be considered as justification for accepting any reduction in standard of design, layout or finish.
- 7.5 A standardised approach to the content and assessment of viability assessments will allow for transparency and consistency in the evaluation of those submitted for consideration. Increasing levels of shortfall in affordable housing contributions increases the importance of the role of a viability assessment in demonstrating why a lower level of affordable housing provision is justified.
- 7.6 When considered necessary, or when the Council's consideration of the viability assessment has been disputed by the applicant, this information may be independently assessed. Where the findings of the independent assessor conclude that it has been demonstrated that a development is not viable, a reduced or alternative provision of affordable housing in line with the findings of the independent assessor may be acceptable. The final decision will always rest with the Council as the decision-maker. Where a proposed site is part of a phased approach to a greater development site, which will be subject to further proposals for residential development, the Council may review viability assessments inclusive of the original site so as to maximise the potential affordable housing contributions.

## **8. Guidance on Viability Assessments**

- 8.1 Viability assessment should be provided with a working viability model, setting out all calculations and evidenced<sup>1</sup> assumptions included to enable testing and checking of the information submitted. It will be necessary to test the impact of any assumptions within the model therefore it is important that there are no hidden calculations or assumptions which could skew the assessment. It is recognised that there may be difficulty in identifying all potential issues specific to the site, however it is expected that developers will have carried out the requisite checks/due diligence on sites prior to purchase and will have factored these matters into their consideration of the viability of developing the site inclusive of affordable housing.
- 8.2 Full details of the proposed scheme should be submitted including site area, number of residential units, number of habitable rooms, unit size, density and mix of proposed tenures. Floor space detail should be provided by tenure. Detail of the target market and proposed specifications should be provided. A development programme, inclusive of costs and income inputs, should be submitted and include information in relation to project/construction plans and contracts and information relating to pre-build, construction, marketing and sales periods.
- 8.3 Overall, the projected costs of the scheme should not generate a deficit. Assumptions in relation to values must be clearly set out and be based on recognised and relevant market sources.
- 8.4 Information should also be provided in relation to: gross development values; affordable housing values; costs including build costs, professional fees, marketing and finance costs and developer profit. This information will be submitted on an open book basis and as such will generally be made available to the public to inform their ability to comment on the application. Should there be any commercially sensitive information submitted, the applicant should make the Council aware of this so that it can be processed accordingly.

## **9. Tenure Mix**

- 9.1 Where the HNA has identified a need for affordable housing HOU03 requires the integration of affordable housing with other residential units in the overall development proposal. New residential developments should incorporate a range of densities, building forms/dwelling types and tenures, designs and sizes at various densities which are appropriate to the form and character of the proposed location to enhance quality and sustainability. Proposals for housing development should seek to reinforce and develop upon positive and attractive

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<sup>1</sup> Evidence should be provided to support assumptions.



local characteristics regardless of whether the proposals include affordable housing units. A reduction in the standard of design, layout or finish in order to accommodate affordable housing is not acceptable.

- 9.2 It is recognised that the mix of dwelling types provided will vary according to the identified affordable housing need and an expected range of housing to be provided for the open market. Whilst seeking to integrate affordable housing without distinction amongst all the residential units proposed, it is also recognised that in meeting the established affordable housing need that this, on occasion, may be best achieved through the use of various forms of development, such as townhouses or apartment blocks, which would result in a grouping of affordable housing within a certain location within the scheme. Maintaining the level of design and finishes to the affordable housing element within the development will prevent these units as being distinguishable for that reason.
- 9.3 Developers should be mindful of the wide-ranging character, form and nature of the settlements within the Fermanagh and Omagh District and be willing to respond to these with a proposal which is of an appropriate scale and density of development.

## **10. Legal Agreement**

- 10.1 The delivery of affordable housing will be secured through a legal agreement under section 76 of the Planning Act (Northern Ireland) 2011.
- 10.2 Where there has been a reduced or alternative provision of affordable housing approved due to viability issues, then the Council may include within the legal agreement, a suitable review mechanism, which would allow viability to be reviewed again at a future point in time, and an appropriate clawback clause may also be inserted where the viability of the development has improved in the intervening period.
- 10.3 The legal agreement may also include a clause, which requires the applicant to cover the costs to the Council of monitoring compliance with the legal agreement to ensure that the affordable housing delivered is in line with the section 76 agreement.