

**Joint Oireachtas Committee on Housing, Local Government and Heritage**

**Strategic Housing Developments**

**Opening Statement by Department of Housing, Local Government and Heritage**

**10 November 2020**

Chairperson, I would like to thank you and your Committee members for inviting, and giving, the Department the opportunity to participate in this discussion on the Strategic Housing Development planning process which, as you know, the Programme for Government has committed to ending when it expires in December 2021.

By way of introduction, my name is Terry Sheridan, Principal in the Planning Policy and Legislation Section of the Department and I am accompanied by my colleague Paul Hogan, Principal Planning Adviser in the Department.

In my opening statement, I propose to outline some of the background context to the introduction of the Strategic Housing Development process, the main provisions therein as well as some brief commentary on the outcome of the external review that was conducted on the SHD arrangements in 2019. I will leave it to the representatives of An Bord Pleanála to go into more detail on the number of SHD planning applications it has determined to date, the number of housing units approved under the scheme and its experience of the practical operation of the arrangements.

As you are aware, further to a specific action in the previous Government's *Action Plan on Housing and Homelessness – Rebuilding Ireland* to fast-track planning decisions with a view to facilitating the speedier delivery of housing supply and help address the housing supply shortage then identified, the Planning and Development (Housing) and Residential Tenancies Act 2016 introduced new streamlined arrangements to enable planning applications for strategic housing developments (or SHDs) of 100 housing units or more, or student accommodation or shared accommodation developments of 200 bed spaces or more, to be made directly to An Bord Pleanála for determination.

The Act was subsequently supplemented by regulations entitled the Planning and Development (Strategic Housing Development) Regulations 2017 which came into operation on 3 July 2017. The regulations prescribe the detailed procedural and administrative arrangements relating to proposed SHDs, setting out the procedures and requirements to be followed in respect of SHD proposals by prospective applicants, planning authorities, the Board, prescribed authorities and other participants in the planning process.

Prior to the introduction of the new process, a significant number of planning approvals by planning authorities of large housing developments were subject to subsequent appeal to the Board, effectively locking in a protracted two-stage planning consent process for such developments which could typically take up to 2 years from initial design concept stage to securing ultimate planning approval.

Under the SHD arrangements which were introduced, developers are in the first instance required to hold initial informal consultations with the relevant local planning authority in relation to a proposed development.

This is then followed by a two-stage process. Firstly, the developer is required to submit a request to the Board to enter into mandatory formal pre-application consultations regarding a proposed SHD. This request is accompanied by the submission of detailed documentation by the developer on the SHD proposal including a site location map, a draft layout of the proposed SHD, details of house types and design, housing density, building heights, vehicular access, open space provision, integration with surrounding land uses etc.

This comprehensive documentation requirement is for the purpose of facilitating tripartite discussions and engagement between the Board, the local planning authority and the developer on the proposed SHD with a view to informing the ultimate making of a determination by the Board as to whether the SHD proposal constitutes a reasonable basis for moving on to the 2<sup>nd</sup> stage and the submission of a planning application to the Board by the developer. This detailed documentation requirement is also intended to avoid the issuing of further information requests by the Board to developers in relation to SHD proposals.

The 2<sup>nd</sup> stage of the process – as mentioned, the submission of a formal planning application to the Board - includes the opportunity for the public and other interested parties to participate in the process and make submissions and observations on the SHD proposals. The Board is required to make a determination on an SHD application within a mandatory period of 16 weeks of receipt of the application, except in exceptional circumstances where an oral hearing is required. It is worth noting that the Board has met the statutory timeline requirements specified in the Act in respect of all SHD cases it has received to date.

The primary purpose of the SHD arrangements was to significantly speed up the planning decision-making process in respect of large housing developments, thereby providing greater certainty for developers in terms of the timelines within which proposals for such developments are determined,

while also fully respecting the statutory requirements for consultation and public participation in the planning process.

Crucially, while SHD planning applications can only be submitted to the Board, it should be recognised that there is still a key role for the relevant local authority in the SHD process at pre-application consultation stage, involving attendance at consultation meetings with the Board and the developer; submitting its report regarding the SHD proposal to the Board, including advising whether or not the proposed development is broadly in compliance with the local development plan or local area plan, is serviced by necessary supporting infrastructure i.e. roads, water, sewerage etc; as well as providing other supporting local information or advice which is of relevance to the SHD proposal.

As you know, the Act provides that the measure is temporary in nature, being initially limited to a 3 year period until end December 2019 prior to which a review of the operation and effectiveness of the measure had to be carried out and reported to both Houses of the Oireachtas, combined with a report of the Minister's conclusions of the review, in order for the Minister to be enabled to extend the arrangements by Order to no later than 31 December 2021, coinciding with the end date of the Rebuilding Ireland Action Plan.

This review requirement was a worthwhile exercise as it enabled the Minister to commission an independent expert advisory group to undertake a detailed analysis of the operation of all aspects of the SHD arrangements; to conduct consultations with relevant stakeholders including the Board, planning authorities, housing developers and professional bodies; to undertake a wider public consultation exercise on the arrangements; and to make recommendations on whether the arrangements should be extended beyond end 2019 and what possible changes could be made to further streamline and improve the effectiveness of the SHD process.

With regard to the main findings of the Review Group Report, the Report noted that while the process imposes significant workload and time pressures on both planning authorities and the Board, it has succeeded in its principal objective of achieving significantly faster planning decisions, with all planning applications being determined by an average of 14.5 weeks, thereby – in the view of the Review Group - justifying the extension of the arrangements to end 2021.

The Report further noted that the comprehensive pre-application consultation requirements in particular have resulted in more consistent and higher quality planning applications and higher quality developments than was previously generally the case.

Notwithstanding the extensive effort and resources invested by the State in the establishment and operation of the SHD arrangements, one of the concerns of the Department prior to the undertaking of the external review was the level of activation of SHD permissions which have been granted. In this regard, the Review Group noted that at the time it was undertaking its report, less than half of all SHD permissions granted in the period to 30 June 2019 had been activated in some way, through enabling works or commencement of housing construction. The Review Group remarked that this activation rate is less than might reasonably be expected having regard to – (a) the benefits of time saving and increased certainty for developers, and (b) the efforts and resources invested by the State in establishing and operating the SHD arrangements.

The Review Group was unanimous in its view that the primary purpose of the SHD arrangements was to expedite the delivery of additional housing supply, rather than to serve to enhance site value. The question it consequently asked is what measures might be taken to increase the activation rate. Arising from this, the Review Group recommended that if the activation rate does not significantly improve, policy measures such as the introduction of “use it or lose it” provisions should be considered to incentivise development of sites within a specified period of the granting or planning permission.

Subsequent to the Review Group Report, the Department has continued to monitor the activation rate of SHD planning permissions. The latest figures up to end September 2020 indicate that 47 of the 163 SHD permissions granted to that date (roughly 29%) had been activated at that time. Notwithstanding the commitment in the current Programme for Government not to extend the SHD arrangements beyond end 2021, the Department is presently engaged in the drafting of the necessary legislation to bring forward the implementation of this “use it or lose it” recommendation which it is intended will be applied more generally on housing developments going forward.

The Department is also giving consideration to establishing a SHD consultation group to examine what aspects of the SHD process might be incorporated in the planning system, through further legislation if necessary, in the post 2021 scenario, particularly in relation to the time periods for decisions. Any proposed changes to the planning system arising from the SHD consultation group will of course be subject to further consultation and Oireachtas engagement as part of the legislative process.

Chairperson, I will conclude my opening statement at this point but both Paul Hogan and myself will endeavour to answer any further questions that you or the Committee members might have on this matter. Thank you for your attention.