

Affordable Housing Proof of Evidence of James Stacey BA (Hons) DipTP MRTPI

Land West of Royal Hill Road, Spondon

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Outline application for residential development including access
arrangements - up to 90 dwellings

Land West of Royal Hill Road, Spondon

Appeal by Miller Homes

March 2025

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Appendices

Appendix JS1	Derby City Council FOI Correspondence
Appendix JS2	Derby Homes FOI Correspondence
Appendix JS3	Relevant PPG Extracts
Appendix JS4	House of Commons Debate, October 2023
Appendix JS5	BBC News Article, October 2024
Appendix JS6	Independent Article, March 2020
Appendix JS7	Affordable Housing as a Separate Material Consideration

Core Document References

CD 3	Decision Notice, Committee Report and Minutes
CD 3.02	Officer's Committee Report (23rd May 2024)
CD 4	The Development Plan
CD 4.01	Derby City Local Plan Part 1 – Core Strategy (2017)
CD 4.02	City of Derby Local Plan Review (2006)
CD 5	Supplementary Planning Documents and Guidance Documents
CD 5.01	Planning Obligations Supplementary Planning Document (August 2018)
CD 6	Relevant Appeal Decisions
CD 6.02	APP/C3620/W/23/3324631 – Land at Sondes Place Farm
CD 6.03	APP/L3815/W/16/3165228 – Land at the Corner of Oving Road and A27
CD 6.04	APP/Q3115/W/19/3230827 – Oxford Brookes University, Wheatley Campus
CD 6.05	APP/Y2736/W/15/3136233 & APP/Y2736/W/15/3136237 – Land to the West of Langton Road
CD 6.06	APP/R3650/W/23/3332590 – Land at Coombebury Cottage
CD 6.07	APP/P4605/W/18/3192918 - North Worcestershire Golf Club Ltd, Hanging Lane, Birmingham
CD 6.08	APP/R1038/W/17/3192255 - Land at Deerlands Road, Wingerworth
CD 6.09	APP/C3430/W/18/3213147 - Land off Stafford Road, Penkridge
CD 6.10	APP/W3005/W/24/3350529 - Land at junction of Newark Road and Coxmoor Road, Sutton-in-Ashfield, Nottinghamshire
CD 8	Appeal Documents
CD 8.03	Derby City Council Statement of Case
CD 9	Planning Matters
CD 9.08	Derby Authorities Monitoring Report 2022-2023
CD 9.10	Derby & South Derbyshire Local Housing Needs Assessment (December 2023)
CD 9.12	Derby Housing Land Supply Statement (January 2025)
CD 9.14	“Building the Homes We Need” Written Ministerial Statement (30 July 2024)
CD 9.16	Bleak Houses: Tackling the Crisis of Family Homelessness in England”
CD 9.17	Denied the Right to a Safe Home (Shelter – May 2021)
CD 9.18	Unlocking Social Housing (Shelter – April 2022)
CD 9.19	Derby Housing Strategy 2020-2029
CD 9.20	Derby Homelessness and Rough Sleeping Strategy 2020 - 2025
CD 9.21	Derby Council Plan 2022-2025
CD 9.30	“Building the Homes We Need” Written Ministerial Statement (12 Dec. 2024)
CD 9.31	Derby HMA Strategic Housing Market Assessment 2013
CD 9.32	Turning the Tide on Rising Homelessness and Rough Sleeping; The Kerslake Commission, September 2023

Executive Summary

- i. This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in the planning decision in light of the evidence of need in the Derby City area.
- ii. Outline planning permission is sought for up to 90 dwellings, of which 30% are proposed as affordable homes equivalent to up to 27 affordable homes. This level of provision meets the requirements of Policy CP7 (30%) of the adopted Core Strategy.
- iii. The proposed tenure split will be 80% social rent and 20% shared ownership, which reflects the requirements of the Planning Obligations SPD 2018.
- iv. The affordable housing provision will be secured through a section 106 agreement.

Key Findings

Corporate Documents

- v. Corporate documents identify the delivery of affordable housing as a high corporate priority of Derby City. These include the following documents:
 - Derby Housing Strategy 2020-2029 (**CD 9.19**);
 - Derby Homelessness and Rough Sleeping Strategy 2020 - 2025 (**CD 9.20**); and
 - Derby Council Plan 2022-2025 (**CD 9.21**)

Affordable Housing Needs

- vi. Derby City Council has undertaken two assessments of affordable housing need over the course of the past 13 years:
 - The Core Strategy (2017) was informed by the findings of the 2013 Strategic Housing Market Assessment (2013 SHMA) which acknowledges a need for **632 affordable dwellings per annum between 2012/13 and 2027/28**.
 - The 2023 Derby Local Housing Needs Assessment ("2023 LHNA") identifies a need for **672 affordable dwellings per annum between 2022/23 and 2038/39**.

Affordable Housing Delivery

- vii. Over the twelve-year period since the start of the Core Strategy period in 2011/12, the gross delivery of affordable housing has averaged 169 affordable dwellings per annum (equating to 30% of gross overall housing completions of 565 dwellings per annum).
- viii. However, the scale of affordable housing losses through the Right to Buy is substantial. The net delivery of affordable housing, accounting for Right to Buy sales has averaged just 35 affordable dwellings per annum (equating to 6% of net overall housing completions).
- ix. When the net affordable housing delivery is considered against the identified need of 632 affordable dwellings of the 2013 SHMA, a shortfall of -6,583 affordable dwellings has arisen over the eleven-year period. This is equivalent to an average annual shortfall of -598 affordable dwellings.
- x. In the first recoded year of the 2023 LHNA period in 2022/23, against a need of 672 net affordable dwellings per annum, a shortfall exceeding the annual need has arisen. There is a shortfall of -749 dwellings, arising from the net loss of -77 affordable dwellings that year via by the Right to Buy programme. In this year the ability of the Council to house people in affordable housing need has decreased. This dramatically emphasises the need for more affordable housing.

The Future Supply of Affordable Housing

- xi. In the first year of the 2023 LHNA period, the Council oversaw a net loss of -77 affordable dwellings (due to sales of existing homes under the Right to Buy) against an objectively assessed need of 672 affordable dwellings. This has resulted in a net shortfall of -749 affordable homes already arising.
- xii. Factoring this shortfall into the 2023 LHNA identified need of 672 affordable homes per annum for the period 2022/23 and 2038/39, the number of affordable homes the Council will need to complete increases by 22% to 822 net affordable homes per annum over the next five-year period to remove the backlog.
- xiii. The latest five-year housing land supply report for Derby identifies a supply of 4,185 total dwellings. If affordable housing delivery continues at the average rate of gross delivery since the start of the Core Strategy period in 2011/12 (i.e. 30%) this is likely to deliver only 1,256 affordable dwellings over the period, equating to just 251 new affordable dwellings per annum.

- xiv. Right to Buy losses will continue to deplete the housing stock, with an average of 140 sales per annum from Local Authority stock, 10 sales per annum from Registered Provider stock (i.e. a total 150 sales per annum) although the Council is able to acquire replacement dwellings with Right to Buy receipts at an average rate of 31 dwellings per annum. These average figures of 150 sales and 31 associated acquisitions results in an overall net sale of 119 affordable dwellings per annum.
- xv. Once deducted from the estimated 251 gross affordable dwellings per annum in the Council's housing pipeline, the Council is likely to deliver just 132 net affordable dwellings per annum net over the next five years. This is just 16% of the identified need for 822 affordable dwellings (dealing with the shortfall in the next five years)

Affordability Indicators

- xvi. The following affordability indicators are material considerations and in this particular case demonstrate a worsening situation in Derby City for any household seeking an affordable home:

Housing Register

- Data recorded by MHCLG confirms that on 31 March 2024 there were 8,492 households on the Housing Register. This represents an 8% increase in a single year from 7,898 households on 31 March 2023 (which itself was a 20% increase from 6,557 households on 31 March 2022).

Waiting Lists

- Derby Homes' Freedom of Information response (**Appendix JS2**) demonstrates that based on the dwelling size, successful applicants in the 2023/24 period experienced average waiting times ranging from 415 days (approximately 14 months) to 802 days (approximately 27 months) for an affordable home.

Housing Register Bids and Lettings

- Derby Homes' Freedom of Information response (**Appendix JS2**) demonstrates that between 1 April 2023 to 31 March 2024 there were an average of 115 bids per 1-bed affordable dwelling put up for let in Spondon ward, 230 average bids per 2-bed affordable dwelling and 98 average bids per 3-bed affordable dwelling. There were no bids per 4+ bed affordable dwelling due to no 4+ bed affordable dwellings being advertised. There were **just 14 social housing lettings in Spondon Ward.**

Temporary Accommodation

- MHCLG statutory homelessness data highlights that on 31 March 2024, there were 395 households housed in temporary accommodation by the Council, which is a 103% increase from 31 March 2023.
- Of these, 276 households (70%) were households with children.

Homelessness

- MHCLG statutory homelessness data shows that in the 12 months between 1 April 2023 and 31 March 2024, the Council accepted 1,246 households in need of homelessness prevention duty¹, and a further 1,149 households in need of relief duty² from the Council.

Private Rental Market

- Lower quartile private rents in Derby stood at £545 per calendar month ("pcm") in 2022/23. This represents a 57% increase from 2013/14 where median private rents stood at £347 pcm.
- During this same period, lower quartile private rents have increased by just 29% in the East Midlands (from £425 pcm to £550 pcm) and 35% in England (from £465 pcm to £625 pcm). Although in 2013/14 the lower quartile rent in Derby was £78 less than in the East Midlands, the 'gap' has narrowed over time to just £5 less in 2022/23.

Lower Quartile House Prices

- The ratio of lower quartile house price to incomes in Derby in 2023 stood at **5.61**, a 38% increase since the start of the Core Strategy period in 2011 when it stood at 4.07.
- In 2024 lower quartile house prices in the MSOA (£176,500) were 14% higher than across Derby (£155,000).
- The lower quartile house price across Derby has risen by 68% from £105,000 in 2011 to £155,000 in 2024. This compares to a 52% national increase over the same period.

¹ The Prevention Duty places a duty on housing authorities to work with people who are threatened with homelessness within 56 days to help prevent them from becoming homeless. The prevention duty applies when a Local Authority is satisfied that an applicant is threatened with homelessness and eligible for assistance.

² The Relief Duty requires housing authorities to help people who are homeless to secure accommodation. The relief duty applies when a Local Authority is satisfied that an applicant is homeless and eligible for assistance.

Conclusion

- xvii. In light of the key findings of my evidence, against the scale of unmet need, the worsening affordability indicators and the inability of the future supply of affordable homes to address the growing need, there is a strong justification to allow the appeal and I consider that **substantial weight** should be attributed to the delivery of up to 27 affordable homes through the appeal scheme in the planning balance.

Introduction

Section 1

- 1.1 This **Affordable Housing Proof of Evidence** has been prepared by **James Stacey BA (Hons) DipTP MRTPI** of **Tetlow King Planning** on behalf of the Appellant, **Miller Homes**. It is submitted in support of their appeal against the decision of Derby City Council to refuse outline planning application 23/01631/OUT for:

*“Outline application for residential development including access arrangements
- up to 90 dwellings”*

- 1.2 The proposed development includes up to 90 dwellings, of **which 30% or up to 27 dwellings are to be provided on site as affordable housing**. This level of provision meets the requirements of Policy CP7 of the adopted Core Strategy.
- 1.3 The **proposed tenure split will be 80% social rent and 20% shared ownership**, which reflects the requirements of the Planning Obligations SPD 2018. The mix of dwelling types and sizes will be determined at the reserved matters stage. The proposed affordable housing is secured by way of a Section 106 planning obligation.
- 1.4 This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in this planning decision, considering evidence of need in the area. It should be read alongside the planning proof of evidence of Mr Gary Lees on behalf of Pegasus Group.
- 1.5 My credentials as an expert witness are summarised as follows:
- I hold a Bachelor of Arts (Hons) degree in Economics and Geography from the University of Portsmouth (1994) and a post-graduate diploma in Town Planning from the University of the West of England (“UWE”) (1997). I am a member of the Royal Town Planning Institute (“RTPI”).
 - I have over 30 years professional experience in the field of town planning and housing. I was first employed by two Local Authorities in the South West and been in private practice since 2001.

- During my career I have presented evidence at more than 150 section 78 appeal inquiries and hearings. I act for cross-section of clients and advise upon a diverse range of planning housing related matters.
- In December 2022, I was appointed as Managing Director of Tetlow King Planning. Prior to this I held the position of Senior Director. I was first employed by Tetlow King Planning in 2009.
- Both Tetlow King generally and I have acted on a wide range of housing issues and projects for landowners, house builders and housing associations throughout the country. Tetlow King Planning has been actively engaged nationally and regionally to comment on emerging development plan documents and supplementary planning documents on affordable housing throughout the UK.

1.6 In accordance with the Planning Inspectorate's Procedural Guidance, I hereby declare that:

"The evidence which I have prepared and provide for this appeal in this Proof of Evidence is true and has been prepared and is given in accordance with the guidance of the Royal Town Planning Institute. I confirm that the opinions expressed are my true and professional opinions."

1.7 I further confirm that none of this evidence has been produced with the use of artificial intelligence technology.

1.8 It is a key priority of national planning policy to significantly boost the delivery of housing, and in particular affordable housing. This is set out in the most up-to-date version of the National Planning Policy Framework ("NPPF"), the Planning Practice Guidance ("PPG"), the National Housing Strategy and the new Government's recent Written Ministerial Statements ("WMS"). A thriving housing market that offers choice, flexibility and affordable housing is critical to our economic and social wellbeing.

1.9 As part of my evidence, I have sought data from the Council, upon which I rely, through two Freedom of Information requests:

- The first, to Derby City Council, was made on 27 September 2024 and a response was received on 21 October 2024 (**Appendix JS1**); and
- The second, to Derby Homes Ltd, was made on 17 January 2025 and a response was received on 30 January 2025 (**Appendix JS2**).

1.10 This Proof of Evidence comprises the following eleven sections:

- Section 2 establishes the importance of affordable housing as an important material consideration;
- Section 3 provides a review of the response of the Government, charities and other organisations to the national housing crisis;
- Section 4 summarises the extent of the national housing shortfall;
- Section 5 considers the consequences of failing to meet affordable housing needs;
- Section 6 analyses the development plan and related policy framework including corporate documents;
- Section 7 sets out the identified affordable housing needs;
- Section 8 examines past affordable housing delivery against identified needs;
- Section 9 considers the future supply of affordable housing;
- Section 10 covers a range of affordability indicators;
- Section 11 identifies the benefits of the proposed affordable housing at the appeal site; and
- Section 12 considers the weight to be attached to the proposed affordable housing provision.

Affordable Housing as an Important Material Consideration

Section 2

Introduction

- 2.1 The provision of affordable housing is a key part of the planning system. A community's need for affordable housing was first enshrined as a material consideration in PPG3 in 1992 and has continued to play an important role in subsequent iterations of national planning policy, including the National Planning Policy Framework ("NPPF").

National Planning Policy Framework (12 December 2024)

- 2.2 The NPPF was substantially revised on 12 December 2024 and is a material planning consideration³. It identifies the role of affordable housing in the plan-making and decision-taking processes.
- 2.3 The NPPF sets a strong emphasis on the delivery of sustainable development. Fundamental to the social objective set out at paragraph 8(b) is to *"support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations"* (my emphasis).
- 2.4 Chapter 5 of the NPPF focuses on delivering a sufficient supply of homes, in which paragraph 61 is clear that:

"to support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed [...] The overall aim should be to meet an area's identified housing need, including with an appropriate mix of housing types for the local community" (my emphasis).

³ In addition, minor corrections and clarifications were published in February 2025.

- 2.5 It should be stressed that paragraph 61 identifies the ‘overall aim’ as to meet an area’s identified housing need. Paragraph 62 clarifies that *“to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance”*.

- 2.6 Paragraph 63 also makes clear that *“within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent)...”* (My emphasis).

- 2.7 The NPPF places a core responsibility on all major developments (involving the provision of housing) to provide an element of affordable housing. In particular, paragraph 66 establishes that *“where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures”*.

- 2.8 Affordable housing is defined within the glossary of the NPPF (Annex 2) as *“housing for sale or rent, for those whose needs are not met by the market [...] and which complies within one or more of the following definitions”* before identifying four categories of affordable housing: Social Rent in accordance with Government’s conditions and requirements; other affordable housing for rent which is at least 20% below market value; discounted market sales housing which is at least 20% below market value; other affordable routes to home ownership including shared ownership, relevant equity loans, other low-cost homes for sale (at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).

“Building the Homes We Need” Written Ministerial Statement (30 July 2024) (CD-9.14)

- 2.9 On 30 July 2024, the Secretary of State, Angela Rayner MP, delivered a Written Ministerial Statement (“WMS”) indicating the ‘direction of travel’ for the new Government’s intentions for national planning policy.

- 2.10 The WMS set out the Government’s aspirations to drive the delivery of affordable homes, stating that *“the Government are committed to the biggest growth in social and affordable housebuilding in a generation”* and setting an objective to deliver 1.5 million homes during the current Parliament.

**“Building the Homes We Need” Written Ministerial Statement (12 December 2024)
(CD 9.30)**

- 2.11 In a further WMS accompanying the publication of the revised NPPF, the Housing and Planning Minister, Matthew Pennycook MP, referred again to the Government’s objective to deliver 1.5 million homes during the current Parliament and made a series of stark observations in respect of housing costs, the use of temporary accommodation, and insufficient new housing coming forward:

“This Government has inherited an acute and entrenched housing crisis. The average new home is out of reach for the average worker, housing costs consume a third of private renters’ income, and the number of children in temporary accommodation now stands at a historic high of nearly 160,000. Yet just 220,000 new homes were built last year and the number of homes granted planning permission has fallen to its lowest in a decade.” (my emphasis)

Planning Practice Guidance (March 2014, Ongoing Updates)

- 2.12 The Planning Practice Guidance (“PPG”) was first published online on 6 March 2014 and is subject to ongoing updates. It replaced the remainder of the planning guidance documents not already covered by the NPPF and provides further guidance on that document’s application. **Appendix JS3** sets out the paragraphs of the PPG of particular relevance to affordable housing.

Summary and Conclusions

- 2.13 This section clearly demonstrates that, within national policy, providing affordable housing has long been established as, and remains, a key national priority of successive Governments. It is a fundamental element in the drive to address and resolve the national housing crisis. That it has been part of Government policy for so long is indicative of the length of time over which there has been a deficiency in supply in the national housing market.

The National Housing Crisis

Section 3

- 3.1 There is incontrovertible evidence that there is a national housing crisis in the UK affecting many millions of people, who are unable to access suitable accommodation to meet their housing needs. This section highlights some of this evidence and the response of successive Governments, including the recently-elected Labour government of July 2024, to grappling with this issue.

Laying the Foundations – A Housing Strategy for England (November 2011)

- 3.2 'Laying the Foundations: A Housing Strategy for England' was published on 21 November 2011, by the former Coalition government led by the Conservative Prime Minister David Cameron and the Liberal Democrat Deputy Prime Minister Nick Clegg. The foreword by Cameron and Clegg set out the former Coalition Government's intention to unblock the housing market and tackle the social and economic consequences of the failure to develop sufficient high-quality homes over recent decades.
- 3.3 The Executive Summary signed off by both the then Secretary of State for Communities and Local Government and the then Minister for Housing and Local Government included the following:
- a. A thriving, active but stable housing market that offers choice, flexibility and affordable housing is stated as being critical to our economic and social wellbeing;
 - b. *"The problems we face are stark"* and have been compounded by the impact of the credit crunch;
 - c. *"Urgent action to build new homes"* is necessary as children will grow up without the opportunities to live near their family and older people will not have the choice and support, they need;
 - d. *"Housing is crucial for our social mobility, health and wellbeing"*;
 - e. *"Housing is inextricably linked to the wider health of the economy"*; and
 - f. Fundamental to the whole approach of the strategy is communities (including prospective owners and tenants), landlords and developers working together.

- 3.4 Many of the measures proposed in 'Laying the Foundations' were taken forward in the following years and some remain in place to the present day. These include the introduction of the National Planning Policy Framework in 2012, the New Homes Bonus, changes to the Right to Buy, and the Help to Buy equity loan scheme which ran to 2023.

House of Commons Debate (October 2013) (Appendix JS4)

- 3.5 A debate took place in the House of Commons on 24 October 2013 concerning the issue of planning and housing supply. Although the debate took place over ten years ago and under a different Government, the concerns remain prevalent and the commentary is sadly still highly pertinent to the issues surrounding affordable housing in Derby City.

- 3.6 The then- Planning Minister, Nick Boles, provided a comprehensive and robust response to the diverse concerns raised, emphasising the pressing need for more housing, and in particular affordable housing across the country. He opened by stating:

"I need not start by underlining the scale of the housing crisis faced by this country, the extent of the need for housing or the grief and hardship that the crisis is visiting on millions of our fellow citizens."

- 3.7 When asked to clarify the word "crisis" by the Member for Tewkesbury, Mr Boles commented that in the preceding year the proportion of first-time buyers in England who were able to buy a home without their parents' help had fallen to the lowest level ever, under one third. He also commented that the first-time buyer age had crept up and was approaching 40 in many parts of the country. He stated that the crisis *"is intense within the south-east and the south, but there are also pockets in parts of Yorkshire"*.

- 3.8 In response to questions, Mr Boles reaffirmed that:

"Housing need is intense. I accept that my hon. Friend the Member for Tewkesbury (Mr Robertson) does not share my view, but many hon. Members do, and there are a lot of statistics to prove it".

- 3.9 He went on to say:

"It is not unreasonable, however, for the Government to tell an authority, which is representing the people and has a duty to serve them, "Work out what's needed, and make plans to provide it". That is what we do with schools. We do not tell local authorities, "You can provide as many school places as you feel

like”; we say, “Provide as many school places as are needed”. We do not tell the NHS, “Provide as many GPs as you feel you can afford right now”; we say, “Work out how many GPs are needed.” The same is true of housing sites: we tell local authorities, “Work out how many houses will be needed in your area over the next 15 years, and then make plans to provide them.”

- 3.10 Mr Boles’ full response highlighted the Government’s recognition of the depth of the housing crisis and continued commitment to addressing, in particular, affordable, housing needs. The final quote above also emphasised the importance of properly assessing and understanding the needs for housing; and planning to provide for them.

Building the Homes We Need (April 2014)

- 3.11 This report was the result of a year-long project by consultants KPMG and the housing charity Shelter to understand the housing shortage and was intended to provide advice to the incoming 2015 Government.
- 3.12 The report started by setting out that *“everyone now accepts that we have a desperate housing shortage in England”*. It further explained that:

“each year we build 100,000 fewer homes than we need, adding to a shortage that has been growing for decades. What’s more, our current house building system seems incapable of delivering growth on the scale required. Growing demand means that without a step change in supply we will be locked into a spiral of increasing house prices and rents – making the current housing crisis worse”.

- 3.13 The report highlighted that if firm action is not taken to build more homes there will be very worrying consequences for the economy and wider society; including rising homelessness, stalled social mobility, declining pension saving and an ever-rising benefit bill.
- 3.14 The chart titled ‘House Building since 1946’ at page 7 of the report shows four interrelated trends across the housing sector:
- a. An overall decline in house building since 1946, including a steep decline from 1980 and a marked further decline since 2007;
 - b. Relatively high levels of social housing provision by local authorities up until the mid-1970s;

- c. The growing relative contribution to affordable housing provision by housing associations since the late 1980s; they are providing most of the new affordable housing stock but not matching anything like the previous local authority contribution; and
- d. The gradual increase in the nominal house price through until about 1985 then grows exponential over the subsequent 30 years. There appears to be a correlation with the decline in new housing provision, although there are clearly other interrelated factors.

Fixing our Broken Housing Market (February 2017)

3.15 The Housing White Paper titled “Fixing our Broken Housing Market” was published in February 2017. The foreword by the then- Prime Minister, Theresa May, was very clear that the housing crisis is one of the biggest barriers to progress facing the country.

3.16 The then Prime Minister’s foreword stated that:

“Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting, the fact is that housing is increasingly unaffordable – particularly for ordinary working-class people who are struggling to get by.

Today the average house costs almost eight times average earnings – an all-time record. As a result, it is difficult to get on to the housing ladder, and the proportion of people living in the private rented sector has doubled since 2000.

These high housing costs hurt ordinary working people the most. In total more than 2.2 million working households with below-average incomes spend a third or more of their disposable income on housing.

This means they have less money to spend on other things every month, and are unable to put anything aside to get together the sums needed for a deposit...

...I want to fix this broken market so that housing is more affordable, and people have the security they need to plan for the future.

The starting point is to build more homes. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home and it will also bring the costs of renting down...

...By building the homes Britain needs and giving those renting a fairer deal, we will give those growing up in society today more chance of enjoying the same opportunities as their parents and grandparents. It will ensure that the housing market is as fair for those who don't own their own homes as it is for those that do. This is a vital part of our Plan for Britain and a critical step along the way towards fulfilling the mission I have set out to make Britain a country that works for everyone."

- 3.17 The former Secretary of State for Communities and Local Government, Sajid Javid, also provided commentary on the housing crisis in his foreword to the White Paper where he stated that:

"This country doesn't have enough homes. That's not a personal opinion or a political calculation. It's a simple statement of fact.

For decades, the pace of house building has been sluggish at best. As a result, the number of new homes has not kept pace with our growing population. And that, in turn, has created a market that fails to work for far too many people.

Soaring prices and rising rents caused by a shortage of the right homes in the right places has slammed the door of the housing market in the face of a whole generation...

...The housing market has taken decades to reach the state it's now in. Turning it around won't be quick or easy. But it can be done. It must be done."

- 3.18 The introduction to the White Paper was clear:

"The housing market in this country is broken, and the cause is very simple: for too long, we haven't built enough homes."

- 3.19 Page 9 of the Housing White Paper identifies a mismatch between supply and demand that results in increasing prices relative to earnings:

"The laws of supply and demand mean the result is simple. Since 1998, the ratio of average house prices to average earnings has more than doubled. That means the most basic of human needs – a safe, secure home to call your own – isn't just a distant dream for millions of people. It's a dream that's moving further and further away."

- 3.20 Page 10 goes on to highlight the difficulties in raising a deposit that have emerged since the 1990s, with falling rates of home ownership amongst younger households:

“Furthermore, as recently as the 1990s, a first-time buyer couple on a low-to-middle income saving 5% of their wages each month would have enough for an average sized deposit after just three years. Today it would take them 24 years. It’s no surprise that home ownership among 25 to 34-year olds has fallen from 59% just over a decade ago to just 37% today.”

- 3.21 Page 11 highlights the economic impact of the housing crisis, making it harder for business and the workforce. It states that *“Sky high property prices stop people moving to where the jobs are. That’s bad news for people who can’t find work, and bad news for successful companies that can’t attract the skilled workforce they need to grow which is bad news for the whole economy”*.

- 3.22 Paragraph 4.3 at page 58 sets out the real-world impact of high prices upon younger households, stating that *“Some young people have no choice but to continue to live with their parents, friends or strangers to make ends meet. Renters are seeing their rents rise; some are only just managing to cover their costs. For the average couple in the private rented sector, rent now takes up roughly half of their gross income”*.

- 3.23 At paragraph 4.4 at page 48, the White Paper reports on how the housing crisis is creating conditions that allow exploitative and unfair practices to occur. It states that:

- a. *“Where the housing shortage is most acute, high demand and low supply is creating opportunities for exploitation and abuse: unreasonable letting agents’ fees, unfair terms in leases, landlords letting out dangerous, overcrowded properties. In short, it’s becoming harder to rent a safe, secure property. And more and more people can’t find a place to rent at all, added to which the loss of a private rented sector tenancy is now the most common cause of homelessness.”*

NHF – People in Housing Need (December 2021)

- 3.24 In December 2021, the National Housing Federation (“NHF”) published an analysis of the scale and shape of housing need in England.
- 3.25 On page 4, the report shows that *“8.5 million people in England are experiencing some of form of unmet housing need”* (my emphasis). Nearly 1.9 million households have been hosting a ‘concealed’ household while 3.4 million people have been found to be living in overcrowded accommodation.

- 3.26 It finds (page 2) that *“we need long-term investment in social housing”* and notes that *“housing associations are ready to work with the government to provide people with suitable homes they can afford”*.
- 3.27 The report describes how the number of people in need of social housing in England has reached 4.2 million people. This equates to 1.6 million households – 500,000 more than the 1.1 million households recorded on official waiting lists at that time⁴.
- 3.28 The report provides a clear measurement of housing need, necessary because local housing registers (or waiting lists) have become inadequate following the introduction of the Localism Act in 2011.
- 3.29 It states (page 3) that *“There is now no consistent set of criteria for allowing households to join a register”* and the data on these registers is not necessarily reviewed for accuracy on a regular basis. It also explains that *“While local registers do serve an important administrative function, they don’t give us the full picture of how many people are in need of a home”*, hence the reason for the NHF analysis.
- 3.30 The report identifies how the housing crisis *“isn’t one single crisis, but a series of interrelated and overlapping crises”* (page 3). These include affordability, the suitability, size and condition of homes, and the ability of people to find accommodation in the first place. Some people will experience one of these problems – others will experience many at once. The complicated picture of interrelated housing crises means there is a need for new, accurate and comprehensive research on housing need, the report finds.
- 3.31 It reveals that the number of people for whom social rent is the most appropriate tenure stands at over 4.2 million people and 1.6 million households, compared with the 1.1 million households on local authority housing registers at that time.
- 3.32 The table at page 4 of the report shows that almost 3.7 million people were found to be living in overcrowded households and 2.4 million were found to have an affordability issue. The table at page 6 focuses on the effect upon children, identifying almost 1.3 million children experiencing a housing need for whom social renting is most appropriate.

⁴ The most recent data published by MHCLG shows that there were over 1.3 million households on Housing Registers in England on 31 March 2024.

- 3.33 As might be expected, a significant proportion of these people are to be found within the social sector already. Overcrowding is a known issue in this sector, the report establishes. A shortage of larger homes can make finding a suitably sized home more difficult for families as a result of the sale of council housing and a decrease in government funding for building new social homes since 2010.
- 3.34 This is because larger, family homes are more expensive to build and therefore more difficult to build with less government funding. The 'spare bedroom subsidy' has also acted as an incentive for developers to build smaller homes.
- 3.35 Across different tenures, when examining the proportions relative to the size of each tenure, the report finds that problems are more prevalent in the rented sectors, particularly the private rented sector, *"where nearly a quarter of households face some form of housing need"* (page 7).
- 3.36 In addition, the table at page 7 of the report looks at those households with needs for whom social rent is the most appropriate tenure. 16.9% of private renting households are in this position compared to 8.4% of social renters and just 1.1% of homeowner households.

Coming Home – Tackling the Housing Crisis Together (February 2021)

- 3.37 The report by the independent Commission on Housing, Church and Community lays out a positive vision for housing. The vision is centred on five core values, which are rooted in the Christian story but resonate with us all: good housing should be sustainable, safe, stable, sociable and satisfying.
- 3.38 At the heart of the report is the idea that simply building more houses, whilst important, is not sufficient to address the prolonged housing issues this country continues to face. The report suggests that we need more truly affordable homes and stronger communities that people can be proud of and where they can feel safe and welcome, put down roots and flourish.
- 3.39 Chapter 8 focuses on what Government can do; it recommends six actions for the Government to consider. These actions include that the Government should develop a coherent, long-term housing strategy, focusing particularly on those in the greatest need. It recommends a full review of the social security system to ensure it provide adequate housing support for low- income households and that all public land should maximise its long term social, environmental and economic value, not simply be sold for the highest achievable price.

- 3.40 It is this Commission's contention that we all need to start to think differently, and act differently, if the next 20 years are not simply to be a re-run of the last 20. It states that:
- a. *"The housing problems in our society, which have been consistently documented for many years, must not continue to be borne solely by those living in unaffordable or inadequate housing, while nearly everyone else – the Church included – continues to act largely in their own interests, and effectively perpetuates this injustice".*

The Centre for Social Justice: Exposing the Hidden Housing Crisis (November 2021)

- 3.41 The report found that the *"collapse in the supply of decent, affordable homes"* for people living on modest to low incomes has not just made homeownership less attainable. It has made it harder to start and maintain healthy families, to thrive in work, and to provide an educational foundation for children.
- 3.42 The thinktank identified that 'tonight', over 90,000 families and more than 120,000 children will go to sleep in 'temporary accommodation', and that an estimated 150,000 properties see parents sharing a bedroom with their children.
- 3.43 Section 1.3 of the report discusses how high housing costs have critically undermined the impact of positive government initiatives to raise incomes among lower earners, constituting a key driver of 'in-work poverty'. A quarter of the English population said they found it either fairly or very difficult to pay their housing costs, this rising to 43% of private renters; a group of individuals where 60% have less than £100 in savings.
- 3.44 Chapter four of the report reviews the attitudes to housing affordability among the public. The report survey found that:
- a. 60% of those surveyed think the housing crisis has worsened 'significantly' due to the pandemic;
 - b. 63% believe the Government needs to supply low-cost homes to rent to end the housing crisis;
 - c. 55% said building social housing should be a priority of the Government;
 - d. 58% said building more low-cost homes to rent would 'level up' the country;
 - e. 55% of people said 'affordability' should be the primary aim of housing policy, while 11% said 'eventual ownership'; and

- f. The public most highly associates social housing with being 'affordable' (44%) and providing 'community' (28%). Other popular positive answers included 'safe' (18%) and 'comfortable' (16%).
- 3.45 On page 7 the report identifies that expenditure on housing benefits is forecast to be £30.3 billion by 2021–22. This is more than double the total government grant allocated (£11.5 billion) for new affordable housing until 2026, in just one year. The research further alluded that It warned that the annual housing benefit bill could reach £50bn by 2050.
- 3.46 Prefacing the report, former Prime Minister Theresa May stated in her Foreword that her party's focus on homeownership had become a distraction and that rediscovering affordable housebuilding for the 2020s is what is needed in order to address the social, economic and fiscal costs of the hidden housing crisis.
- 3.47 The report recommends that the government initiates a process of rapid evidence-gathering to reshape social housing policy for the 2020s with the forthcoming Levelling Up White Paper.

House of Lords: Built Environment Committee (1st Report of Session 2021-2022): Meeting Housing Demand (10 January 2022)

- 3.48 The report by the House of Lords Built Environment Committee considers extensive evidence in respect of the delivery and affordability of housing and the functioning of the wider housing market. The report found that *"The challenges facing the housing market have been well documented: too many people are living in expensive, unsuitable, poor quality homes. To address these complex challenges in the long term, it is necessary to increase housing supply now"* (summary – page 4).
- 3.49 Chapter two (Housing demand and demographic trends) concludes that the Government's target to deliver 300,000 new homes per year and one million homes by 2025 is welcomed. However, *"even with increased development through SMEs, 'build to rent', self-commissioned homes and local authorities, building will likely still fall short of the target"*.
- 3.50 Chapter three (Housing types and tenures) sets out that over the past 40 years the private rented sector has doubled in the UK, with social rented dwellings halving over the same period (paragraph 39). Paragraph 41 explains that homeownership is becoming increasingly unaffordable as growth in house prices has outstripped growth in wages.

- 3.51 The report identifies that those living in the private rented sector are more likely to live in poor quality, overcrowded conditions than owner-occupiers (Paragraph 61). The report highlights a serious shortage of social housing, which is reflected in long waiting lists for social homes and a large number of families housed in temporary accommodation (paragraph 76). Chapter three goes on to state that *“Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and there should be tighter restrictions on the conditions under which social homes can be bought”*.
- 3.52 Chapter five (planning) concludes that uncertainty about the future of the planning system and delays to planning reforms have led to a ‘chilling effect’ on housebuilding and created uncertainty for planners and housebuilders (paragraph 118). It goes on to state that *“Only 40% of local plans are less than five years old or have been updated or reviewed in the past five years. The lack of local plan-making means the system is not ‘plan led’ and creates an uncertain environment for housebuilders”* (paragraph 122).
- 3.53 Paragraph 41 outlines the overall conclusions of the report and states that *“Evidence to our inquiry has shown how vital it is that that new homes are built to help meet housing demand. Building more homes will not address affordability pressures in the short term but is an essential first step to ensure that demand can be met in the long term”*.
- 3.54 Paragraph 42 goes on to explain that *“To meet that challenge, the sector needs certainty and a clear direction from the Government about reforms to the planning system and more resources to address chronic delays”*.

Turning the Tide on Rising Homelessness and Rough Sleeping; The Kerslake Commission, September 2023 (CD 9.32)

- 3.55 The Kerslake Commission, led by the respected senior civil servant, the late Lord Kerslake, was convened to consider the progress, challenges and actions to address rough sleeping, taking account of the experience of the ‘Everyone In’ initiative during 2020.

- 3.56 The Executive Summary at page 6 makes clear the link between affordable housing provision and the Government's efforts to tackle homelessness. It observes that *"For the next administration, it is the lack of capacity within the system which needs to be prioritised, as many of the problems outlined in the report would be resolved if there was an increased supply of social rented housing and supported housing"*. The report goes on to identify three key themes, namely to *"Prevent people from getting to the brink of homelessness"*; that *"No one should need to arrive onto the streets to get help"*; and that *"Everyone should have a route out of rough sleeping"*.
- 3.57 Chapter 2 at page 25 of the report sets out the challenges that the housing sector faces, which have *"made the UK vulnerable to a rise in rough sleeping, whilst also inhibiting its ability to respond to this rising need"*. Page 25 goes on to highlight 'the affordability and availability of housing' as a key concern, with housing benefits insufficient to cover housing costs; a decreasing proportion of properties available to those in receipt of benefits; an undersupply of affordable housing including a net loss of social rented homes in the 2021/22 financial year.
- 3.58 Along a similar theme, Chapter 3 at page 31 identifies 'worsening housing affordability pressures' as one of the future risks that could worsen the existing situation if left unaddressed; this includes further increases in rents and continuing pressure at the 'more affordable' end of the private rented sector.
- 3.59 Chapter 4 proposes urgent actions to address the rising rates of rough sleeping, and Chapter 5 recommends longer term priorities to be taken up by the next administration. Principle one at page 41 is to *"Prevent people from getting to the brink of homelessness"*; the first action is to achieve the *"Increased supply of social rented housing"*. At page 41, the report notes that:

"We are in the midst of a housing affordability crisis in the private rented sector, which is pushing people into homelessness and making it more challenging for them to move on from homelessness services. Due to a chronic undersupply of social rented housing, many people who would have benefitted from this type of housing have been placed in temporary accommodation or in the private rented sector, living in expensive and insecure arrangements. As supply in the PRS shrinks, rents increase at record levels and thousands of households are placed in temporary accommodation, we can no longer rely on this sector to provide housing for low-income and vulnerable groups."

- 3.60 The following paragraph explains that the Commission considers that social rented housing should be a priority, within the context of a variety of tenures to meet the needs of a spectrum of income groups. It states that

“The work and recommendations of the Kerslake Commission focus on social rented housing as this tenure is most appropriate for people at risk of, or recovering from, homelessness and rough sleeping, with tailored support where needed. However, increasing the supply of social rented housing must sit within a large scale national programme of housing development that increases housing supply across a variety of tenures and locations. The current crisis in housing is felt by a broad spectrum of income groups and housing tenures, however it is those on lower incomes and in more insecure housing that feel the biggest squeeze.”

- 3.61 The report makes several recommendations in relation to affordable housing supply including the provision of 90,000 social rented dwellings per annum across the country; allowing local authorities to set Right to Buy discounts locally and to retain 100% of receipts; and to ensure that the proposed Infrastructure Levy will not result in a reduction in affordable house building.

Labour Party Manifesto (June 2024)

- 3.62 The Labour Party Manifesto for the July 2024 General Election is themed around the notion of ‘change’ throughout its 142-page document. The party outlines its proposed reforms related to planning, focussing on housing, strategic planning and local authority support.
- 3.63 In the section titled ‘Kickstart Economic Growth’, planning reform is identified as a key priority for the Labour government. Page 36 of the Manifesto sets out the party’s view that *“The dream of homeownership is now out of reach for too many young people. The Conservatives have failed to act even though the housing crisis is well known to be one of the country’s biggest barriers to growth”*. It further sets out a target that *“Labour will get Britain building again, creating jobs across England, with 1.5 million new homes over the next parliament”*. Assuming a five year parliament, this target equates to 300,000 dwellings per annum.

3.64 On the same page, the Labour party sets out more specific measures it intends to take in respect of planning. It proposes to *“immediately update”* the NPPF with a key focus on reinstating mandatory housing targets – it is important to note that since the Government’s election in July a new NPPF has been published. Alongside this, the party proposes to take *“tough action”* to ensure planning authorities maintain current Local Plans. They also intend to reinforce the presumption in favour of sustainable development, and they set out that a Labour government will *“not be afraid to make full use of intervention powers to build the houses we need”*.

3.65 Page 38 of the Manifesto deals specifically with affordable housing and states that:

“Labour will deliver the biggest increase in social and affordable housebuilding in a generation. We will strengthen planning obligations to ensure new developments provide more affordable homes; make changes to the Affordable Homes Programme to ensure that it delivers more homes from existing funding; and support councils and housing associations to build their capacity and make a greater contribution to affordable housing supply. Labour will prioritise the building of new social rented homes and better protect our existing stock by reviewing the increased right to buy discounts introduced in 2012 and increasing protections on newly-built social housing.”

Chancellor of the Exchequer’s First Speech to HM Treasury (8 July 2024)

3.66 A few days after the Labour Party’s win at the General Election, the new Chancellor of Exchequer, Rachel Reeves MP, delivered her first speech in post, setting out the actions that the new Government intends to take.

3.67 In this speech, Reeves reaffirmed the new Government’s ambitions to carry out planning reforms and build 1.5 million homes in England over the course of the parliament. She set out her view that *“Nowhere is decisive reform needed more urgently than in the case of our planning system [...] Planning reform has become a byword for political timidity in the face of vested interests and a graveyard of economic ambition”*.

3.68 Reeves concluded by setting out her view that *“Any development may have environmental consequences, place pressure on services and rouse voices of local opposition, but we will not succumb to a status quo which responds to the existence of trade-offs by always saying no”*.

The King's Speech 2024: Oral Statement to Parliament

- 3.69 The State Opening of Parliament took place on 17 July 2024 and as is traditional, HM The King delivered a speech which sets out the present Government's legislative agenda for the forthcoming Parliamentary session. Early in the speech, the King introduces the Government's intention to accelerate housing delivery through a new Planning and Infrastructure Bill, stating that *"My Ministers will get Britain building, including through planning reform, as they seek to accelerate the delivery of high quality infrastructure and housing"* (my emphasis).

Conclusions on the National Housing Crisis

- 3.70 There is an ever-increasing wealth of evidence including from figures at the highest levels of Government that unaffordability and inability to get on the housing ladder is a significant problem.
- 3.71 What is also clear is that the messages from successive Governments have failed to ensure enough new homes, especially affordable homes, are being built.
- 3.72 The evidence is clear and, in my opinion, demonstrates the pressing requirement to build more homes to meet the significant level of unmet need, particularly for homes that are affordable.
- 3.73 Evidence suggests that failure to do so will present a risk to the future economic and social stability of the United Kingdom.

The Extent of the National Shortfall in Housing Delivery

Section 4

- 4.1 The extent of the need for housing and the scale of the crisis as a result of the persistent under delivery of both market and affordable housing in the UK is explored further in this section of my evidence, starting over 20 years ago with the Barker Review of Housing Supply in March 2004.

The Barker Review of Housing Supply (17 March 2004)

- 4.2 In her 2004 review into issues underlying the lack of supply and responsiveness of the housing in the UK, the economist Dame Kate Barker reported that housing is a basic human need, fundamental to our economic and social well-being. She found that:
- a. A weak supply of housing contributes to macroeconomic instability and hinders labour market flexibility;
 - b. Housing has become increasingly unaffordable over time, noting that the aspiration for home ownership is as strong as ever, yet the reality is that for many this aspiration will remain unfulfilled unless the trend in real house prices is reduced;
 - c. This brings potential for an ever widening social and economic divide between those able to access market housing and those kept out; and
 - d. Homes are more than shelter. They provide access to a range of services and to communities. Housing also plays a major role as an asset in household's balance sheets and in household planning for their financial futures.
- 4.3 Barker considered that continuing at the current rate of housebuilding was not a realistic option:

“Unless we are prepared to accept increasing problems of homelessness, affordability and social division, decline in standards of public service delivery and increasing costs of doing business in the UK – hampering our economic success”.

- 4.4 She found that whilst demand for housing is increasing over time, driven by demographic trends and rising incomes, in 2001 the construction of new houses in the UK fell to its lowest level since the Second World War.
- 4.5 A weak response of housing supply to demand changes has been one of the factors underlying the instability of the UK housing market with Barker reporting that *“there is growing evidence of a persistent inadequate supply”* noting that in the UK the trend rate of real house price growth over the past 30 years had been 2.4% compared to the European average of 1.1%
- 4.6 She found that affordability has worsened and that in 2002 only 37% of new households could afford to buy a property compared to 46% in the late 1980s. The overall objective of the Barker Review included:
 - a. To achieve improvements in housing affordability in the market sector;
 - b. A more stable housing market; and
 - c. An adequate supply of publicly funded housing for those who need it.
- 4.7 Taking the baseline level of private sector housing built in 2002/03 of 140,000 gross starts and 125,000 gross completions, Barker estimated that:
 - a. Reducing the trend in real house prices to 1.8% would require an additional 70,000 private sector homes per annum; and
 - b. More ambitiously, to reduce the trend in real house prices to 1.1% an additional 120,000 private sector homes per annum would be required.
- 4.8 Even in the case of the less ambitious price trend, Barker found that this would include pricing an additional 5,000 new households into the market each year and improving the access for the backlog of those currently priced out.
- 4.9 She found that an increase in supply of 17,000 affordable homes per annum would be required to meet the needs among the flow of new households, noting that there is also a case for the provision of up to 9,000 affordable homes per annum above this rate in order to make inroads into the backlog of need, a total of 26,000 per annum.

- 4.10 Barker presented three scenarios for real house price trends ranging from slowing the rate at which households were being priced out to a long-term reduction of house price inflation:
- a. 2.4% per annum – which represented the Government’s target aimed at slowing the rate at which households were being priced out of the market, would have required an increase in housebuilding to 160,000 per annum;
 - b. 1.8% per annum – to reduce the long-term trend would have required an increase in housebuilding to 200,000 per annum; and
 - c. 1.1% per annum – which represented the EU average at the time, and which was considered would ‘improve the housing market’ would have required an increase in housebuilding to 260,000 per annum.
- 4.11 Meeting Barker’s most optimistic objective of improving the housing market and pricing many more households back into the marketplace would have required an estimated 260,000 homes per annum.

The Barker Review: A Decade On (24 March 2014)

- 4.12 In March 2014, the Home Builders Federation (“HBF”) undertook a review of housing delivery against the findings of the Barker Review and the impacts of this upon the market and affordability. They found that by 2004 the housing crisis was already building and in the 10 years since then, even against the most modest of the housing targets identified by Barker (which was met only once in 2005/06), the average annual shortfall had been 45,000 homes.
- 4.13 Measured against the objective of improving the housing market, housebuilding had been an average of 145,000 per annum down on the target of 260,000 per annum over the period between 2004 and 2014.
- 4.14 The HBF found that when measured against the middle of Barker’s three price inflation targets for 200,000 per annum, the shortfall of homes over the decade stood at 953,000 homes in 2014. This was on top of a backlog that had already been identified as being large (estimated at between 93,000 and 146,000) and growing in 2004.
- 4.15 They reported that in 2014 even if housebuilding rose to 210,000 per annum overnight, assessed against the middle objective of reducing the long-term rate of inflation, the country would be four and a half years behind where it was in 2004.

- 4.16 In 2014, the HBF found that a decade on from the Barker Review, the UK was 1.45 million homes short of where Kate Barker projected would have brought about an improved housing market.
- 4.17 The HBF reported that a basic estimate would suggest that in order to achieve the very modest objective of slowing the increase in the affordability gap so that fewer new households are priced out of the market, in 2014 some 200,000 private household starts would be required, a figure last achieved in 1972/73.
- 4.18 It goes further to detail that the objective of improving the housing market would, in 2014, have required **320,000 private housing starts per annum**, a figure achieved in England only four times since World War II.

Building the Homes We Need (April 2014)

- 4.19 The KPMG and Shelter research was intended to provide a package of new housing policies to inform the new 2015 Government.
- 4.20 It reported that each year an average of 100,000 fewer homes are built that are needed which adds to a shortfall which has been growing for decades, noting that growing demand means that without a step-change in supply we will be locked into a spiral of increasing house prices and rents, making the housing crisis worse.
- 4.21 Because of private housing becoming less affordable, the number of people in need of affordable housing has grown and with the failure of successive governments to deliver new social housing whilst existing stock continues to be depleted through the Right to Buy, waiting lists have grown whilst social housing stock has shrunk as illustrated by Figure 4.1⁵.

⁵ Reduction in total numbers on housing waiting lists in 2013 as a result of local authorities utilising the freedoms afforded to set their own housing allocation criteria through the Localism Act.

Figure 4.1: Social Housing Waiting Lists and Stock



Source: *Building the Homes We Need* (2014)

- 4.22 KPMG and Shelter found that changing demographics meant that we need to build a minimum of 250,000 new homes per annum in England to meet rising demand. In 2013 (the most recent monitoring period available at the time of publication of the report) just 109,660 new homes were built, the lowest annual level since 1946, the year of recovery after the Second World War.
- 4.23 In addition to which the report found that estimates suggest that the backlog of housing need may be as large as two million households and that to clear this England would need to build well **over 250,000 homes each year**, which would require doubling current output at the time of publication of the report.

The House of Lords Select Committee on Economic Affairs: Building More Homes (15 July 2016)

- 4.24 The Select Committee found that a growing population, rising immigration and rising incomes have increased demand for housing in England in recent decades but that too few homes have been built over this period. As a result, house prices and rents have risen sharply and there has been a decline in home ownership over the past decade.
- 4.25 They considered that we must build enough homes to make housing more affordable for everyone, noting that aspirant home owners who are unable to afford a deposit pay substantial proportions of their income on rent, families on waiting lists of social housing contend with insecure tenancies and rogue landlords, and at the same time housing benefit spending has doubled in the past two decades.

- 4.26 The Lords reported that as former Housing and Planning Minister Brandon Lewis had explained to them, the Government aimed to address the problems by building one million homes by the end of Parliament. However, it was noted that since the Brexit vote the Minister had effectively abandoned this target and prior to the vote had warned that it would be difficult to achieve if the UK voted to leave the European Union.
- 4.27 In addition to this the Committee found that whilst the Government's ambition was welcomed, it must be matched by appropriate action on a much larger scale than currently envisaged and across all tenure. They considered that the Government was focused on building for home ownership and therefore neglecting housing for affordable and social rent.
- 4.28 It was reported that it had been 10 years since 200,000 homes (the implied annual rate from the Government's target) were added to the housing stock in a single year, but the evidence suggested that this will not be enough to meet future demand and the backlog from previous years of undersupply.
- 4.29 The Select Committee found that in order to meet demand and have a moderating effect on house prices, at least 300,000 homes a year need to be built for the foreseeable future otherwise the age of a first-time buyer will continue to rise. The main conclusions of the Select Committee included that:

"The Government's target of one million new homes by 2020 is not based on a robust analysis. To address the housing crisis at least 300,000 new homes are needed annually for the foreseeable future. One million homes by 2020 will not be enough". (my emphasis).

National Housing Federation Press Release: 'England Short of Four Million Homes' (18 May 2018)

- 4.30 The National Housing Federation ("NHF") press release reported that new figures reveal the true scale of the housing crisis in England and that the research (conducted by Heriot-Watt University) shows that England's total housing backlog has reached four million homes.
- 4.31 They report that in order to both meet this backlog and provide for future demand, the country needs to build 340,000 homes per year until 2031, noting that this is significantly higher than current estimates which have never before taken into account the true scale of housing need created by both homelessness and high house prices.

- 4.32 However, the NHF is clear that these need to be the right type of houses with a need for 145,000 of these new homes per year to be affordable homes, compared to previous estimates of annual affordable housing need of around 78,000 homes. It reports that this means around two fifths (or 40%) of all new homes built every year must be affordable homes, yet in 2016/17 only around 23% of the total built were affordable homes.
- 4.33 The research breaks down exactly what type of affordable homes are needed:
- a. 90,000 per annum should be for social rent;
 - b. 30,000 per annum should be for intermediate affordable rent; and
 - c. 25,000 per annum should be for shared ownership.
- 4.34 Reference was drawn to the September 2017 announcement by the former Prime Minister Theresa May that £2 billion will be invested in affordable housing and indicating that this could deliver around 25,000 new homes for social rent over three years, however the NHF report that even when this funding is made available, the research shows that it would deliver less than 10% of the social rented homes needed each year.
- 4.35 Government funding for social housing has been steadily declining for decades. In 1975/76 investment in social housing stood at more than £18 billion a year but had declined to just £1.1 billion in 2015/16. Over the same period, the housing benefit bill grew from £4 billion to £24.2 billion each year.
- 4.36 The NHF set out that homeownership rates have plummeted among young people, rough sleeping has risen by 169% since 2010 and that unless the Government takes steps to deliver more private, intermediate and social housing, the number of households in temporary accommodation is on track to reach 100,000 by 2020.
- 4.37 A series of quotes accompany the NHF press release from senior industry professionals, summaries of which are detailed below:
- a. David Orr, Chief Executive of the NHF – *“This ground-breaking new research shows the epic scale of the housing crisis in England”*.
 - b. Jon Sparkes, Chief Executive of Crisis – *“Today’s findings are stark and shocking, but they also represent a huge opportunity for us as a country to get to grips with our housing and homelessness crisis – and to end it once and for all”*.

- c. Terrie Alafat CBE, Chief Executive of the Chartered Institute of Housing – *“This new report once again highlights the chronic housing shortage we face in the UK and it is clear that only a bold and ambitious plan to solve the housing crisis will prevent a decent, genuinely affordable homes being out of reach for our children and their children.”*
- d. Campbell Robb, Chief Executive of the Joseph Rowntree Foundation – *“It is unacceptable that currently in our society millions of people are locked out of being able to afford a decent and secure home. For years our failure to deliver enough affordable housing in England has led to rising levels of poverty and homelessness across our country.”*
- e. Polly Neate, Chief Executive of Shelter – *“We are in the midst of a housing emergency where an entire generation faces a daily struggle for a decent home...Government can turn things around but only by building many more of the high quality, genuinely affordable homes this country is crying out for”.*

Ministry of Housing, Communities and Local Government Single Departmental Plan (27 June 2019)

- 4.38 The Ministry Single Departmental Plan outlines its objectives which include to *“deliver the homes the country needs”* and to *“make the vision of a place you call home a reality.”*
- 4.39 Under the objective of delivering the homes the country needs, the Plan states that the Ministry will:

“Support the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average by the mid-2020s, to help increase affordability.”
- 4.40 The Departmental Plan clearly outlines the previous Government’s aim to **deliver 300,000 new homes per annum** in order to address the housing crisis in England – a target to which the new Labour Government has reaffirmed its commitment, through its recent Written Ministerial Statements.

The National Housing Shortfall

- 4.41 Over the course of the past 20 years a series of industry leading professionals and figures at the highest level of Government have identified that there is a need for between 200,000 to 340,000 homes per annum to address the housing crisis that has engulfed the country.

- 4.42 At Figure 4.2 net additional dwellings in England since 2004 sourced from the Ministry of Housing, Communities and Local Government (“MHCLG”) Live Table 122 are compared with the annual need figures identified in the Barker Review (2004), the KPMG & Shelter research (2014), the HBF research (2014), the NHF research (2018), and the MHCLG Single Departmental Plan (2019).
- 4.43 The results are stark. The lowest of the annual need figures since 2004, that of the KPMG/Shelter report of 250,000 homes per annum, results in a shortfall of -1,066,947 homes in the past 20 monitoring years. To put this into context, this is equivalent to:
- a. 80% of the total number of households on local authority Housing Registers in the whole of England⁶; and
 - b. Over three times the total number of homes across the entire County of Oxfordshire⁷.
- 4.44 At the other end of the scale, the need for 340,000 homes per annum most recently identified in the NHF research results in a shortfall figure of -2,866,947 homes. This is equivalent to more than twice the total number of homes in the entire West Midlands metropolitan area⁸.
- 4.45 When the Government’s most recently published target of 300,000 homes per annum taken from the MHCLG 2019 Single Departmental Plan is used for comparison, there has been a shortfall of -2,066,947 homes since 2004. To put this into context, this is equivalent to:
- a. More than one-and-a-half times the number of households on local authority Housing Registers in the whole of England (see footnote 4); or put another way,
 - b. More than one-and-a-half times the total number of homes in Greater Manchester⁹.

⁶ Source: MHCLG Live Table 600 – 1,330,611 households on Housing Registers in England on 1 April 2024

⁷ Source: MHCLG Live Table 100 – 314,053 homes in Oxfordshire on 1 April 2023

⁸ Source: MHCLG Live Table 100 – 1,204,034 homes in West Midlands on 1 April 2023

⁹ Source: MHCLG Live Table 100 – 1,268,533 homes in Greater Manchester Metropolitan County on 1 April 2023

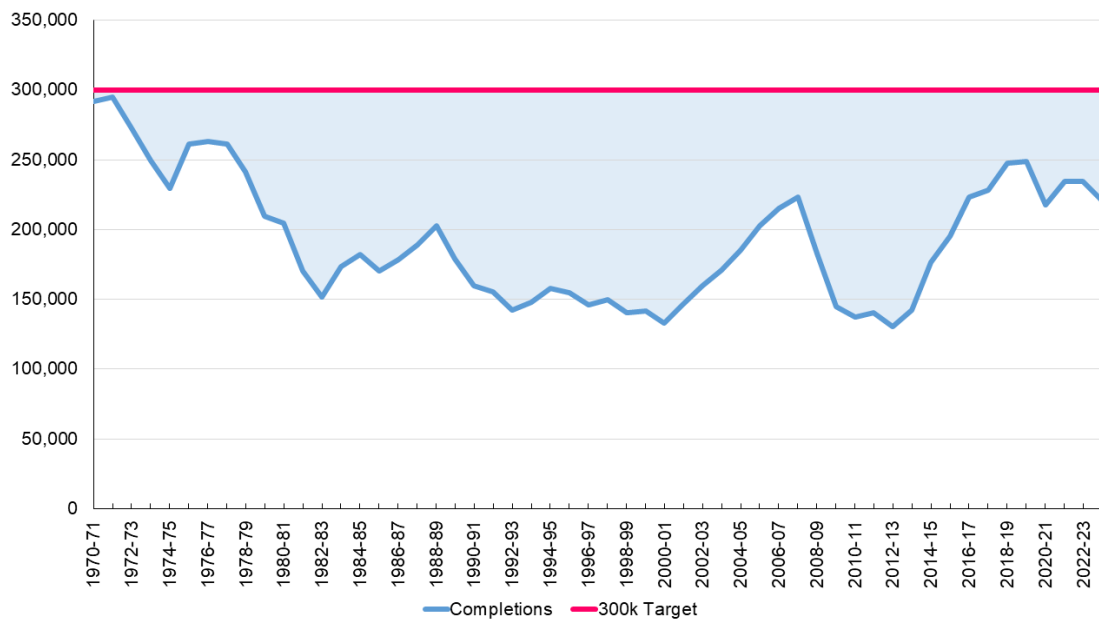
Figure 4.2: National Housing Shortfall Comparison

Year	Net Additions	KPMG/Shelter (2014) 250,000 dpa		Barker Review (2004) 260,000 dpa		MHCLG Dept. Plan (2019) 300,000 dpa		The HBF (2014) 320,000 dpa		NHF Research (2018) 340,000 dpa	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
04/05	185,553	-64,447	-64,447	-74,447	-74,447	-114,447	-114,447	-134,447	-134,447	-154,447	-154,447
05/06	202,653	-47,347	-111,794	-57,347	-131,794	-97,347	-211,794	-117,347	-251,794	-137,347	-291,794
06/07	214,936	-35,064	-146,858	-45,064	-176,858	-85,064	-296,858	-105,064	-356,858	-125,064	-416,858
07/08	223,534	-26,466	-173,325	-36,466	-213,325	-76,466	-373,325	-96,466	-453,325	-116,466	-533,325
08/09	182,767	-67,233	-240,558	-77,233	-290,558	-117,233	-490,558	-137,233	-590,558	-157,233	-690,558
09/10	144,870	-105,130	-345,688	-115,130	-405,688	-155,130	-645,688	-175,130	-765,688	-195,130	-885,688
10/11	137,394	-112,606	-458,294	-122,606	-528,294	-162,606	-808,294	-182,606	-948,294	-202,606	-1,088,294
11/12	140,785	-109,215	-567,509	-119,215	-647,509	-159,215	-967,509	-179,215	-1,127,509	-199,215	-1,287,509
12/13	130,611	-119,389	-686,898	-129,389	-776,898	-169,389	-1,136,898	-189,389	-1,316,898	-209,389	-1,496,898
13/14	142,494	-107,506	-794,404	-117,506	-894,404	-157,506	-1,294,404	-177,506	-1,494,404	-197,506	-1,694,404
14/15	176,582	-73,418	-867,822	-83,418	-977,822	-123,418	-1,417,822	-143,418	-1,637,822	-163,418	-1,857,822
15/16	195,534	-54,466	-922,288	-64,466	-1,042,288	-104,466	-1,522,288	-124,466	-1,762,288	-144,466	-2,002,288
16/17	223,234	-26,766	-949,054	-36,766	-1,079,054	-76,766	-1,599,054	-96,766	-1,859,054	-116,766	-2,119,054
17/18	228,170	-21,830	-970,884	-31,830	-1,110,884	-71,830	-1,670,884	-91,830	-1,950,884	-111,830	-2,230,884
18/19	247,766	-2,234	-973,117	-12,234	-1,123,117	-52,234	-1,723,117	-72,234	-2,023,117	-92,234	-2,323,117
19/20	248,591	-1,409	-974,526	-11,409	-1,134,526	-51,409	-1,774,526	-71,409	-2,094,526	-91,409	-2,414,526
20/21	217,754	-32,246	-1,006,772	-42,246	-1,176,772	-82,246	-1,856,772	-102,246	-2,196,772	-122,246	-2,536,772
21/22	234,462	-15,538	-1,022,310	-25,538	-1,202,310	-65,538	-1,922,310	-85,538	-2,282,310	-105,538	-2,642,310
22/23	234,292	-15,708	-1,038,018	-25,708	-1,228,018	-65,708	-1,988,018	-85,708	-2,368,018	-105,708	-2,748,018
23/24	221,071	-28,929	-1,066,947	-38,929	-1,266,947	-78,929	-2,066,947	-98,929	-2,466,947	-118,929	-2,866,947
Total Shortfalls Since 2004 compared to:		KPMG/Shelter Research		The Barker Review		MHCLG Departmental Plan		The HBF		NHF Research	
		-1,066,947		-1,266,947		-2,066,947		-2,466,947		-2,866,947	

Source: MHCLG Live Table 122; HM Land Registry; The Barker Review (2004); HBF (2014); Building the Homes We Need, KPMG & Shelter (2014); NHF (18 May 2018); MHCLG Single Departmental Plan (2019)

- 4.46 It is widely accepted that 300,000 new homes are needed per annum and have been for quite some considerable time as set out above. The last time the country built more than 300,000 homes was in 1969. Since that time there has arisen an accumulated shortfall of 5,782,669 dwellings. This 54-year duration accumulated shortfall is set out in Figure 4.3 below.

Figure 4.3: National Housing Shortfall since 1970/71



Source: MHCLG Live Tables 122 and 209

Conclusion on the Extent of the National Housing Shortfall

- 4.47 The evidence before the Inspector shows that in every scenario, against every annual need figure, the extent of the shortfall in housing delivery in England is staggering and merely serves to further compound the acute affordability problems that the country is facing.
- 4.48 It is my view that what is clear is that a significant boost in the delivery of housing, and in particular affordable housing, in England is absolutely essential to arrest the housing crisis and prevent further worsening of the situation.

The Consequences of Failing to Deliver Affordable Housing

Section 5

Introduction

- 5.1 The National Housing Strategy¹⁰ sets out that a thriving housing market that offers choice, flexibility and affordable housing is critical to our social and economic wellbeing.
- 5.2 As set out earlier in this evidence, a debate took place in the House of Commons on 24 October 2013 concerning the issue of planning and housing supply; despite the debate taking place almost a decade ago the issues remain, and the commentary is sadly still highly pertinent to the issues surrounding affordable housing in Derby City.

Consequences of Failing to Meet Affordable Housing Need

- 5.3 This section highlights some of the evidence gathered in recent years demonstrating the significant consequences of failing to meet affordable housing needs.
- 5.4 In August 2019 the Children's Commissioner produced a report titled "*Bleak Houses: Tackling the Crisis of Family Homelessness in England*" (CD 9.16) to investigate impact of homelessness and in particular the effect of this upon children.
- 5.5 The report identified that family homelessness in England today is primarily a result of structural factors, including the lack of affordable housing and recent welfare reforms¹¹.
- 5.6 It stated that the social housing sector has been in decline for many years and that between the early 1980s and early 2010s, the proportion of Britons living in social housing halved, because of losses to stock through the Right to Buy and a drop in the amount of social housing being built.

¹⁰ Laying the Foundations: A Housing Strategy for England (November 2011)

¹¹ The Children's Commissioner Report references a National Audit Office Report titled 'Homelessness' (2017) which concludes that government welfare reforms since 2011 have contributed towards homelessness, notably capping, and freezing Local Housing Allowance.

- 5.7 The research found that the decline in social housing has forced many households, including families, into the private rented sector. High rents are a major problem: between 2011 and 2017 rents in England grew 60% quicker than wages. It stated that *“Simply put, many families cannot afford their rent. It is telling that over half of homeless families in England are in work”* (page 18).
- 5.8 The report particularly focused on the effect on children. The report revealed that many families face the problem of poor temporary accommodation and no choice but to move out of their local area, which can have a *“deeply disruptive impact on family life”*. This can include lack of support (from grandparents for example) and travel costs.
- 5.9 It found that a child’s education can suffer, even if they stay in the same school, because poor quality accommodation makes it difficult to do homework and that younger children’s educational development can also be delayed.
- 5.10 Temporary accommodation also presents serious risks to children’s health, wellbeing, and safety, particularly families in B&Bs where they are often forced to share facilities with adults engaged in crime, anti-social behaviour, or those with substance abuse issues.
- 5.11 Other effects include lack of space to play (particularly in cramped B&Bs where one family shares a room) and a lack of security and stability. The report found (page 12) that denying children their right to adequate housing has a *“significant impact on many aspects of their lives”*.
- 5.12 More recently in May 2021, Shelter published its report *“Denied the Right to a Safe Home – Exposing the Housing Emergency”* (CD 9.17) which sets out in stark terms the impacts of the affordable housing crisis. The report affirms that Affordability of housing is the main cause of homelessness (page 15) and that *“we will only end the housing emergency by building affordable, good quality social homes”* (page 10).
- 5.13 In surveying 13,000 people, the research found that one in seven had to cut down on essentials like food or heating to pay the rent or mortgage. In addition, over the last 50 years, the average share of income young families spend on housing has trebled. The following statements on the impacts of being denied a suitable home are also made in the report:

“Priced out of owning a home and denied social housing, people are forced to take what they can afford – even if it’s damp, cramped, or away from jobs and support networks.” (Page 5)

“... people on low incomes have to make unacceptable sacrifices to keep a roof over their head. Their physical and mental health suffers because of the conditions. But because of high costs, discrimination, a lack of support, and fear of eviction if they complain to their landlord, they are left with no other option.” (Page 5)

“The high cost of housing means the private-rented sector has doubled in size over the last 20 years. [...] Most private rentals are let on tenancies of 6 to 12 months, and renters can be evicted for no reason because of section 21. This creates a permanent state of stress and instability.” (Page 6)

“If you live in a home with damp and black mould on the walls, your health will suffer.” (Page 9)

“14% of people say they’ve had to make unacceptable compromises to find a home they can afford, such as living far away from work or family support or having to put up with poor conditions or overcrowding.” (Page 12)

“Spending 30% of your income on housing is usually the maximum amount regarded as affordable. Private renters spend the most, with the average household paying 38% of their income on rent, compared to social renters (31%) and owner-occupiers (19%).” (Page 14)

“19% of people say their experiences of finding and keeping a home makes them worry about the likelihood they will find a suitable home in the future.” (Page 15)

“Families in temporary accommodation can spend years waiting for a settled home, not knowing when it might come, where it might be, or how much it will cost. It’s unsettling, destabilising, and demoralising. It’s common to be moved from one accommodation to another at short notice. Meaning new schools, long commutes, and being removed from support networks. Parents in temporary accommodation report their children are ‘often unhappy or depressed’, anxious and distressed, struggle to sleep, wet the bed, or become clingy and withdrawn.” (Page 25)

“Landlords and letting agents frequently advertise properties as ‘No DSS’, meaning they won’t let to anyone claiming benefits. This practice disproportionately hurts women, Black and Bangladeshi families, and disabled people.” (Page 29)

“The situation is dire. A lack of housing means landlords and letting agents can discriminate knowing there is excess demand for their housing.” (Page 30)

- 5.14 Shelter estimate that some 17.5 million people are denied the right to a safe home and face the effects of high housing costs, lack of security of tenure and discrimination in the housing market (Page 32)
- 5.15 The Report concludes (page 33) that for change to happen, *“we must demand better conditions, fight racism and discrimination, end unfair evictions, and reform housing benefit. But when it comes down to it, there’s only one way to end the housing emergency. **Build more social housing**”* (emphasis in original).
- 5.16 In April 2022 Shelter published a further report titled *“Unlocking Social Housing: How to fix the rules that are holding back building”* (CD 9.18). The first paragraph of the Executive Summary is clear that:

“Our housing system is broken. Across the country, renters are stuck in damp, crumbling homes that are making them sick. Private renters are forced to spend more than 30% of their income on rent. As a result, nearly half have no savings. Desperate parents fighting to keep a roof over their heads are forced to choose between rent and food.”

- 5.17 The Executive Summary goes on to state that *“**An affordable and secure home is a fundamental human need**”* (emphasis in original) noting that one in three of us don’t have a safe place to call home and that finding a good-quality home at a fair price is impossible for so many people.
- 5.18 In considering the impact of the PRS the report highlights at page 7 that nearly half of private renters are now forced to rely on housing benefit to pay their rent – *“That’s taxpayer money subsidising private landlords providing insecure and often poor-quality homes.”* The paragraph goes on to note that:

“The lack of social housing has not just pushed homeownership out of reach, it’s made it nearly impossible for working families to lead healthy lives and keep stable jobs. Poor housing can threaten the life chances and educational attainment of their kids. If we want to level up the country, we must start with home.”

- 5.19 Regarding the use of temporary accommodation (“TA”) the report notes on page 10 that number of households living in such accommodation has nearly doubled over the last decade and the cost to the taxpayer has gone through the roof. The page also notes that *“TA cost councils £1.45bn last year (2020/21). 80% of this money went to private letting agents, landlords or companies.”*
- 5.20 Page 11 goes on to highlight that *“Of the nearly 100,000 households living in TA, more than a quarter (26,110) of these households are accommodated outside the local authority area they previously lived in.”* This means that *“Families have been forced to endure successive lockdowns in cramped, unhygienic, and uncertain living conditions, away from jobs, family, and support networks.”*
- 5.21 The page goes on to conclude that *“As a result, the national housing benefit bill has grown. Tenants' incomes and government money is flowing into the hands of private landlords, paying for poorer quality and less security. **There are now more private renters claiming housing benefit than ever before.**”* (emphasis in original).
- 5.22 Page 9 is also clear that *“Since 2011, freezes to Local Housing Allowance (housing benefit for private renters) and blunt policies like the benefit cap have been employed to limit the amount of support individuals and families can receive. As a result, many thousands of renters’ housing benefit simply doesn’t meet the cost of paying the rent.”*
- 5.23 In considering the consequences of this page 12 notes that *“With fast growing rents, mounting food and energy bills, and a dire shortage of genuinely affordable social housing, these policies have failed to curb the rising benefits bill. Instead, they have tipped people into poverty, destitution, and homelessness.”*
- 5.24 Finally, page 21 is clear that:

“For the over 1 million households on housing waitlists across England, who in the current system may never live with the security, safety, and stability that a good quality social home can provide, reforms cannot come any faster. Access to good housing affects every aspect of one’s life and outcomes like health, education, and social mobility. More to the point, the outcomes and holistic wellbeing of an individual or an entire household is not only meaningful for their trajectory, but also contributes to the threads of society by helping people contribute to their communities.”

The evidence is clear, the financial requirements to own one’s home are out of reach for many. And many will spend years stuck in a private rented sector that’s not fit for purpose. The answer is clear: build many more, good quality

social homes for the communities that so desperately need them.” (My emphasis).

- 5.25 It is also pertinent to highlight that Derby City Council itself recognise the consequences of failing to meet affordable housing needs, as set out in Section 6 of this Proof of Evidence.

The Cost of Temporary Accommodation

- 5.26 In my opinion the cost of temporary accommodation is an important material consideration in the determination of this appeal.
- 5.27 BBC News reported on 13 October 2023 that English Councils spent more than £1.7bn on temporary accommodation for homeless people in the 2022/23 financial year. In my opinion this is a significant cost arising primarily as a consequence of a lack of affordable housing to adequately house people in need.
- 5.28 The article highlighted that the figure, which is published by MHCLG, has increased by around 9% from the previous year. B&B accommodation alone in 2022/23 accounted for almost £500m in gross costs, increasing by a third on the previous year.
- 5.29 Shelter's chief executive Polly Neate was quoted in the article, stating that the amount spent on temporary accommodation was not only *"outrageous, but it's also illogical"*. She went on to say that:

"We simply can't keep throwing money at grim B&Bs and hostels instead of focusing on helping families into a home. [...]"

This decision combined with the decades of failure to build enough social homes has meant that families can't find anywhere affordable to live and as a result are forced into homelessness in cramped and unsuitable temporary accommodation, often miles away from their children's schools and support networks. (Emphasis added)

- 5.30 Inside Housing reported in October 2023 that homelessness in England is continuing to increase, with figures published in July 2023 showing the number of people in temporary accommodation was at a record high and that the number of children in this situation is also at the highest level since records began in 2004.

- 5.31 On the 5 March 2024 MHCLG published data on the age of children under ten in temporary accommodation. The study found that there were 86,945 children under the age of ten living in temporary accommodation at the 30 June 2023, with 19,430 of these children less than 12 months old.
- 5.32 The Inside Housing article also highlighted that the growing cost of temporary accommodation is putting local authorities' budgets under strain. It noted that that Hastings Borough Council recently faced bankruptcy, partly due to its large expenditure on temporary accommodation, which had risen to £5.6m per year, compared with £730,000 in 2019.
- 5.33 The report added that London councils are expected to overspend on temporary accommodation by £90m this year.
- 5.34 On the 23 January 2024, ITV News reported that the increasing cost of housing homeless people in temporary accommodation is putting local authorities on the brink of financial ruin.
- 5.35 The ITV News article added that according to homelessness charity Crisis, some 298,430 households approached their local council for homelessness support in the past year. Jasmine Basran, head of policy and campaigns at Crisis, said:
- "Crippling financial pressures from rising living costs, unaffordable rents and a severe lack of social homes is forcing more and more people into homelessness." (Emphasis added)*
- 5.36 The ITV News article continued, adding that Eastbourne Borough Council ("EBC") is currently spending 49p of every £1 on temporary accommodation for homeless people. Stephen Holt, the leader of EBC said ministers must "recognise the gravity of this situation" and work out how to resolve it "before it is too late", adding that:
- "Simply put, without government intervention to tackle the tremendous cost of temporary accommodation and homelessness, the next step for many councils of all stripes is emergency budgets and section 114 notices."*
- 5.37 A further article from Inside Housing on 24 January 2024 reported that the surge in spending on temporary accommodation could spell the "end of local government".

- 5.38 The article highlighted that Councillors from across the political spectrum had expressed serious concerns over temporary accommodation spending at an emergency meeting in Westminster on 23 January 2024 where more than 50 local leaders met to discuss the “*national crisis*” caused by the cost of temporary accommodation.
- 5.39 I agree that the cost of housing people in affordable housing is spiralling out of control. I also agree with Polly Neate that, “*We simply can't keep throwing money at grim B&Bs and hostels instead of focusing on helping families into a home.*”
- 5.40 Derby City Council is not immune to these pressures arising from temporary accommodation spending. In an article on 24 October 2024 (**Appendix JS5**) the BBC News reported that the Council had already spent £4.6 million in providing temporary accommodation in the financial year to date, with homeless families being placed in nightly paid accommodation including Bed and Breakfasts and even Airbnbs. The article notes that although some of the Council’s expenditure can be recovered through Housing Benefit, the use of hotels and Airbnbs cannot be claimed back.

Conclusions

- 5.41 Evidently, the consequences of failing to meet affordable housing needs in any local authority are significant. Some of the main consequences of households being denied a suitable affordable home have been identified as follows:
- a. A lack of financial security and stability;
 - b. Poor impacts on physical and mental health;
 - c. Decreased social mobility;
 - d. Negative impacts on children’s education and development;
 - e. Reduced safety with households forced to share facilities with those engaged in crime, anti-social behaviour, or those with substance abuse issues;
 - f. Being housed outside social support networks;
 - g. Having to prioritise paying an unaffordable rent or mortgage over basic human needs such as food (heating or eating); and
 - h. An increasing national housing benefit bill.

- 5.42 These harsh consequences on households, individuals and children unequivocally highlight the importance of meeting affordable housing needs. These are real people in real need. An affordable and secure home is a fundamental human need, yet households on lower incomes are being forced to make unacceptable sacrifices for their housing.
- 5.43 I am strongly of the opinion that a step change in delivery of affordable housing is needed now.
- 5.44 The acute level of affordable housing need in Derby City coupled with worsening affordability will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so.

The Development Plan and Related Policies

Section 6

Introduction

- 6.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, the appeal should be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 6.2 The relevant Development Plan in respect of affordable housing for the appeal site currently comprises:
- the Derby City Local Plan Part 1 Core Strategy (2017) (**CD 4.01**), and
 - the remaining ‘saved’ policies of the City of Derby Local Plan Review (2006) (**CD 4.02**). (Although, I note that the City of Derby Local Plan Review contains no ‘saved’ affordable housing policies relevant to this Proof of Evidence).
- 6.3 Other material considerations relevant to affordable housing include:
- The NPPF (2024)
 - The PPG (March 2014, ongoing updates),
 - Planning Obligations Supplementary Document (2018), (**CD 5.01**), and
 - A number of corporate documents produced by Derby City Council, which support the provision of affordable housing at the corporate level.

The Development Plan

Derby City Local Plan Part 1 – Core Strategy (adopted 2017) (CD 4.01)

- 6.4 The Derby City Local Plan Part 1 was adopted in January 2017 and covers a 17-year plan period between 2011 and 2028. One of the ‘Key Issues’ outlined on page 6 of the document states that *“Evidence suggests that there is a substantial need for affordable housing within the city”*.

- 6.5 At the strategic level, **Policy CP6 (Housing Delivery)** at page 29 of the Core Strategy sets out that the Council will work collaboratively with its partner authorities in the Housing Market Area (“HMA”), to ensure that the City’s full, objectively assessed needs for market and affordable housing are met.
- 6.6 Part (a) of Policy CP6 outlines that the Council will enable the delivery of a minimum of 11,000 new mixed tenure, high quality homes in the city between 2011 and 2028. Part (b) of the Policy adds that the Council will identify specific threshold and targets for the delivery of affordable housing.
- 6.7 **Policy CP7 (Affordable and Specialist Housing)** at page 32 of the Core Strategy is the Council’s main affordable housing policy. Part (b) of the Policy explains that the Council will require a 30% affordable housing contribution on sites of 15 or more dwellings.
- 6.8 The Policy goes on to describe the factors that will be taken into account in applying the policy. These include:
- a. Evidence of local need for affordable housing and other types of specialist housing;
 - b. Site size, suitability and the economics of provision; and
 - c. The presence of competing planning objectives.
- 6.9 Supporting text on page 32 highlights at paragraph 5.7.4 that *“Evidence in the 2013 Derby HMA SHMA suggests that the need for affordable housing in the City is significant”*. The paragraph continues, adding that *“The Council will require developers to contribute to meeting the City’s affordable housing needs through the delivery of new homes provided by way of planning obligations as well as by delivering new affordable housing itself in partnership with providers and will seek innovative solutions to funding and provision”*.

Other material considerations

Emerging Local Plan for Derby

- 6.10 Derby City Council is in the process of developing a new Local Plan. A Local Plan Newsletter published in Autumn 2024 explains that joint work with Derby HMA neighbours in Amber Valley and South Derbyshire on sustainable housing options has taken longer than anticipated. As such, the Council advises that it has not been

possible to consult on a draft version of the Local Plan in line with their previously published timetable.

Planning Obligations Supplementary Document (2018) (CD 5.01)

- 6.11 The Planning Obligations Supplementary Document was published in 2018. The SPD sets out detailed guidance on the Council's planning obligation requirements including for affordable housing.
- 6.12 Page 14 of the document outlines at paragraph 2.1.9 that in most instances, provision at less than 30% will require a full financial assessment to be submitted and independently verified by an Independent Valuer as agreed by the Council.
- 6.13 Paragraph 2.1.10 highlights that in order to meet the needs identified in the SHMA 2013, the Council's priority is to secure properties firstly for social or affordable rent and secondly for intermediate tenure, for example shared ownership. The document adds that for many sites the Council will have a starting point of 80% of properties for social or affordable rent and the remaining 20% of properties for intermediate tenure.
- 6.14 Design and Accessibility standards are set out at paragraph 2.1.15 of the document, as it adds that the Council will expect applicants to ensure that the affordable properties are integrated into the overall development, in terms of their built form and external appearance, so that they are indistinguishable from the market properties.
- 6.15 Furthermore, paragraph 2.1.16 adds that the Council will not support affordable homes being grouped together in clusters of more than 10 properties.
- 6.16 Finally, paragraph 2.1.27 outlines that in exceptional circumstances, where on site and off site provision of affordable housing is not an option, the Council may accept a financial contribution in lieu.

Corporate Documents

- 6.17 The Council's corporate documents identify the delivery of affordable housing as a high corporate priority of Derby City Council. These have been summarised below.

Derby Housing Strategy 2020-2029 (CD 9.19)

- 6.18 The Derby Housing Strategy 2020-2029 was published in 2020 and sets out and plans for continuing the delivery of housing and effective management and related services.
- 6.19 The Foreword to the Strategy on page 3 underlines that a possible extension of 'Right to Buy' to cover Housing Association properties as well as Council properties "*may further reduce the stock of scarce affordable housing*".

- 6.20 Page 8 of the Strategy highlights the importance of housing for Derby residents borne out of consultation exercises, with people frequently expressing *“their wish for the provision of good standard homes in desirable areas that are available at an affordable price”*.
- 6.21 The future situation of affordable housing is outlined at page 19, as the Strategy highlights that the *“overall supply of affordable housing is unlikely to meet need in full”*.
- 6.22 Page 37 of the Strategy sets out that the Council *“need to ensure a ready supply of affordable housing to meet the needs of the city, and ensure all Derby’s residents have access to good quality homes”*. The Strategy adds at this page that *“demand for affordable homes is currently much higher than supply”*.
- 6.23 The affordable housing picture in Derby City Council is further explained at page 38 of the Strategy, which adds that *“there will still be insufficient affordable housing to meet demand, as evidenced by the numbers on the housing register”*.

Derby Homelessness and Rough Sleeping Strategy 2020 - 2025 (CD 9.20)

- 6.24 Derby’s Homeless and Rough Sleeping Strategy 2020-2025 was published in 2020 and sets out how the Council will work to reduce homelessness in Derby.
- 6.25 The Foreword of the Strategy sets out on page 3 that *“Like many parts of the country the cost of housing puts pressure on households and we must continue our work to support the development of affordable housing and increasing access to the private rented sector”*.

Derby Council Plan 2022-2025 (CD 9.21)

- 6.26 The Derby Council Plan 2022-2025 sets out the Council’s priorities and outcomes for the future.
- 6.27 Page 8 of the document contains the ‘City of growth’ chapter, outlining that one of the Council’s key outcomes is *“Decent, sufficient and affordable housing”*. The page adds that one of the differences seen as a result will be the *“number of new homes delivered across the city, including affordable properties”*.
- 6.28 Page 11 of the document includes the ‘Resilient city’ chapter. This page adds that one of the differences seen will be *“Fewer people at risk of homelessness and more affordable housing and housing of a decent standard”*.

Summary and Conclusions

- 6.29 The relevant Development Plan in respect of affordable housing for Derby currently comprises the Derby City Local Plan Part 1 Core Strategy (2017) alongside the remaining 'saved' policies of the City of Derby Local Plan Review (2006).
- 6.30 The evidence set out in this section clearly highlights that within adopted policy and a wide range of other plans and strategies, providing affordable housing has long been established as, and remains, a key issue which urgently needs to be addressed within Derby.
- 6.31 The appeal proposals provide an affordable housing contribution which meets the requirements of Core Strategy Policy CP7.
- 6.32 The provision of up to 27 affordable homes at the appeal site will make a significant contribution towards the annual affordable housing needs of the city, particularly when viewed in the context of past rates of affordable housing delivery which is considered in more detail in Section 8 of my evidence.

Affordable Housing Needs

Section 7

Introduction

- 7.1 This section explores the affordable housing needs identified in the adopted Development Plan and its associated evidence base, as well as more recent assessments of affordable housing need in order to provide a comprehensive understanding of formally identified affordable housing needs across Derby. Given the passage of time it is my opinion that the most recent assessment is of most relevance.

Development Plan

- 7.2 The adopted Development Plan does not define a numerical target for the provision of affordable homes (although Policy CP6 sets out a strategic commitment for the Council to meet its objectively assessed needs for affordable housing). Instead, the adopted Core Strategy seeks 30% affordable housing provision is made from qualifying developments.
- 7.3 In the absence of a defined affordable housing target figure in adopted and emerging policy, it is important to consider the objectively assessed need for affordable housing within the most recent assessments of local housing need.

Housing Needs Assessments

- 7.4 Derby City Council has undertaken two assessments of affordable housing need over the course of the past 13 years, both of which demonstrate a significant need to deliver more affordable housing in Derby. These are: the 2013 Strategic Housing Market Assessment, and the 2023 Local Housing Needs Assessment. The 2013 Strategic Housing Market Assessment forms part of the evidence base for the adopted Core Strategy and forms the basis for my analysis at Section 8 of this report.

Derby HMA Strategic Housing Market Assessment 2013 (CD 9.31)

- 7.5 The Core Strategy (2017) was informed by the findings of the 2013 Strategic Housing Market Assessment (“2013 SHMA”) which acknowledges at Figure 160 on page 214 a need for 10,117 affordable dwellings during the period between 2012/13 and 2027/28¹². This equates to a need for **632 affordable dwellings per annum**.

Derby Local Housing Needs Assessment 2023 (CD 9.10)

- 7.6 The 2023 Derby Local Housing Needs Assessment (“2023 LHNA”) outlines at paragraph 6.48 a need for **672 affordable dwellings per annum**. This equates to a need for 11,424 affordable dwellings during the plan period between 2022/23 and 2038/39.

Summary and Conclusions

- 7.7 The adopted Development Plan does not define a numerical target for the provision of affordable homes. Instead, the adopted Core Strategy seeks 30% affordable housing provision is made from qualifying developments.
- 7.8 The Core Strategy (2017) was however informed by the findings of the 2013 SHMA, which identifies an on-going need for 632 affordable dwellings per annum, equivalent to a total of 10,117 new affordable homes in the 16-year period between 2012/13 and 2027/28.
- 7.9 Most recently, the 2023 LHNA identifies an on-going need for 672 affordable dwellings per annum, equivalent to a total of 11,424 new affordable homes in the 17-year period between 2022/23 and 2038/39.
- 7.10 In considering the level of identified affordable housing need in each of the Council’s housing needs assessments since the adoption of the Core Strategy in 2017, it is clear that the trend is one of increasing affordable housing need in Derby.

¹² This differs slightly from the Core Strategy period which starts one year earlier in 2011/12.

Affordable Housing Delivery

Section 8

- 8.1 This section of the Proof of Evidence considers the track record of Derby City Council in delivering affordable housing against its identified need figures, as reported in its Authority Monitoring Report 2022/23 (**CD 9.08**).

Past Affordable Housing Delivery

- 8.2 Figure 8.1 overleaf illustrates the **gross delivery of affordable housing** (“AH”) in Derby, in the twelve years since the start of the Core Strategy period in 2011/12.
- 8.3 Between 2011/12 and 2022/23, a total of 6,769 gross dwellings were delivered in Derby, equivalent to 565 dwellings per annum. Of these, 2,033 dwellings were affordable tenures, equivalent to 169 affordable dwellings per annum. This equates to 30% gross affordable housing delivery.

Figure 8.1: Gross Additions to Affordable Housing Stock, 2011/12 to 2022/23

Monitoring Period	Total Housing Completions (Gross)	Additions to AH stock (Gross)	Gross AH as a %age of total completions
2011/12	261	92	35%
2012/13	373	172	46%
2013/14	447	303	68%
2014/15	428	305	71%
2015/16	489	154	31%
2016/17	789	136	17%
2017/18	787	75	10%
2018/19	670	89	13%
2019/20	655	207	32%
2020/21	540	223	41%
2021/22	681	178	26%
2022/23	649	99	15%
Totals	6,769	2,033	30%
Average per annum	565	169	30%

Source: Derby City Council Authority Monitoring Report 2022/23 (**CD 9.08**)

- 8.4 However, it is important to note that the gross affordable completions figure does not take into account any losses from the affordable housing stock through demolitions nor through Right to Buy (“RtB”) sales from existing Council and Registered Provider (“RP”) affordable housing stock.
- 8.5 Figure 8.2 below calculates the affordable housing delivery per annum since the start of the Core Strategy period in 2011/12, net of Right to Buy sales. The net deduction of 1,619 affordable dwellings¹³ over this period equates to 80% of the gross affordable housing completions of 2,033 affordable dwellings over the twelve-year period. In other words, **for every five new affordable homes delivered in Derby, four existing homes are lost through the Right to Buy.**

¹³ (1,682 Local Authority sales + 122 Registered Provider sales) – 185 associated acquisitions = 1,619 dwellings

Figure 8.2: Calculation of Net Additions to Affordable Housing Stock, 2011/12 to 2022/23

Monitoring Year	Total housing completions (Net)	Additions to AH Stock (Gross)	Local Authority Acquisitions	Local Authority Right to Buy sales	Registered Provider Right to Buy sales	Additions to AH Stock (Net of RtB)	Additions to AH Stock (Net of RtB) as a %age of total completions
	A	B	C	D	E	F	G
						(B + C) - (D + E)	(F / A) X 100
2011/12	261	92	not available	35	12	45	17%
2012/13	373	172	not available	72	3	97	26%
2013/14	447	303	not available	138	0	165	37%
2014/15	428	305	not available	131	3	171	40%
2015/16	489	154	not available	139	4	11	2%
2016/17	789	136	not available	176	0	-40	-5%
2017/18	787	75	17	185	2	-95	-12%
2018/19	670	89	30	173	0	-54	-8%
2019/20	655	207	50	169	68	20	3%
2020/21	540	223	42	103	22	140	26%
2021/22	681	178	31	175	3	31	5%
2022/23	649	99	15	186	5	-77	-12%
Total	6,769	2,033	185	1,682	122	414	6%
Average p/a	565	169	31*	140	10	35	6%

Source: Derby City Council Annual Monitoring Report 2022/23; MHCLG; Private Registered Provider Statistical Data Returns

* Average Local Authority acquisitions calculated over 2017/18 to 2022/23 only. No data available before 2017/18.

- 8.6 Figure 8.2 demonstrates that on average between 2011/12 and 2022/23, the Council has added just 35 affordable dwellings per annum net of Right to Buy sales and additions from acquisitions, equivalent to 6% of the total average number of net housing completions.
- 8.7 The above evidence clearly demonstrates that Right to Buy sales are depleting the affordable housing stock across Derby faster than the replacements from acquisitions.
- 8.8 The impact of losses as a result of Right to Buy was acknowledged by the Inspector presiding over the appeal at land at the site of the former North Worcestershire Golf Club Ltd, Hanging Lane, Birmingham which was allowed in July 2019 (**CD 6.07**). Paragraph 14.108 of the Inspector's Report sets out that:
- "Mr Stacey's unchallenged evidence shows that only 2,757 new affordable homes were provided in the City over the first 6 years of the plan period. This represents less than half of the target provision and a net increase of only 151 affordable homes if Right to Buy sales are taken into account. On either measure there has been a very low level of provision against a background of a pressing and growing need for new affordable homes in Birmingham"* (my emphasis).
- 8.9 This was later endorsed by the Secretary of State who stated that the 800 family homes, including up to 280 affordable homes is a benefit of significant weight.
- 8.10 The seriousness of the impact was considered in an article in the Independent newspaper in June 2020 which is attached at **Appendix JS6**.
- 8.11 The article reports that *"Two-thirds of the council homes sold off under Right to Buy are still not being replaced by new social housing despite a promise by the government, official figures show"*. It goes on to discuss the national picture, explaining that *"Housing charities warned that enough "desperately needed" genuinely affordable housing is simply not being built, with an overall net loss of 17,000 homes this year from social stock. Since the policy was updated in 2012-13, 85,645 homes have been sold through the policy, but only 28,090 built to replace them, statistics from the Ministry of Housing, Communities and Local Government show"*.
- 8.12 The article goes on to quote Jon Sparkes, who was the chief executive at homelessness charity Crisis at the time. He remarked that *"These statistics demonstrate just how serious the current housing crisis is. What few social homes that are available are largely being removed from the market as part of Right to Buy, and the supply is not being replenished in line with this. People in desperately vulnerable*

circumstances are being left with dwindling housing options as a consequence of our threadbare social housing provision.”

- 8.13 The article also notes that a significant proportion of homes sold under the Right to Buy (for instance, around 40% of apartments) have gone on to be let in the private rented sector – in other words, what was once affordable housing is now being let out at full market rates. The article notes that *“Previous studies have shown that around 40 per cent of flats sold under the policy since the 1980s have ended up in the hands of private landlords, who let the homes out to private tenants at higher rates. The proportion is thought to be even higher in areas of high housing pressure like London”*.
- 8.14 It is important, therefore, that gains and losses to affordable housing stock through the Right to Buy and acquisitions are taken into account to reflect the actual level of affordable houses available.
- 8.15 The comments of Crisis underline the serious effect this is having upon the supply of affordable homes and for those people in housing need. For the purposes of subsequent analysis, the net of Right to Buy figures have been applied.

Affordable Housing Delivery Compared to Affordable Housing Needs

Affordable Housing Delivery Compared to the 2013 SHMA

- 8.16 Figure 8.3 illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 632 net affordable dwellings per annum between 2012/13 and 2027/28, as set out in the 2013 SHMA.

Figure 8.3: Net Additions to Affordable Housing Stock Compared to Needs Identified in the 2013 SHMA, 2012/13 to 2022/23

Monitoring Year	Additions to AH Stock (Net of RtB)	2013 SHMA AH Needs per Annum (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2012/13	97	632	-535	-535	15%
2013/14	165	632	-467	-1,002	26%
2014/15	171	632	-461	-1,463	27%
2015/16	11	632	-621	-2,084	2%
2016/17	-40	632	-672	-2,756	-6%
2017/18	-95	632	-727	-3,483	-15%
2018/19	-54	632	-686	-4,169	-9%
2019/20	20	632	-612	-4,781	3%
2020/21	140	632	-492	-5,273	22%
2021/22	31	632	-601	-5,874	5%
2022/23	-77	632	-709	-6,583	-12%
Total	369	6,952	-6,583	-6,583	5%
Average	34	632	-598	n/a	5%

Source: See Figure 8.2 above and 2013 SHMA

- 8.17 Since the start of the 2013 SHMA period in 2012/13 affordable housing completions (net of Right to Buy) have averaged just 34 net affordable dwellings per annum, against a need of 632 net affordable dwellings per annum. A shortfall of -6,583 affordable dwellings has arisen over the eleven-year period, equivalent to an average annual shortfall of -598 affordable dwellings.
- 8.18 As demonstrated by Figure 8.3, the delivery of only 369 affordable homes net of Right to Buy over the period means that just 5% of identified affordable housing needs were met. Put another way 95% households in need of an affordable home were let down by the Council's inability to deliver.

Affordable Housing Delivery Compared to the 2023 LHNA

- 8.19 Although only one year of delivery data is available, Figure 8.4 illustrates net of Right to Buy affordable housing delivery compared to the most up to date assessment of affordable housing need of 672 net affordable dwellings per annum between 2022/23 and 2038/39, as set out in the 2023 LHNA.

Figure 8.4: Net Additions to Affordable Housing Stock Compared to Needs Identified in the 2023 LHNA, 2022/23 only

Monitoring Year	Additions to AH Stock (Net of RtB)	2023 LHNA AH Needs per Annum (Net)	Annual Shortfall	Additions as a %age of Needs
2022/23	-77	672	-749	-11%

Source: Figure 8.2 above and 2023 LHNA

- 8.20 In the sole monitoring year since the start of the 2023 LHNA period, there has been a negative delivery of -77 net affordable dwellings being added to the stock (due to Right to Buy losses counteracting the delivery of new affordable homes). Strikingly the annual shortfall, as a consequence, is greater than the annual need in 2023 LHNA, with an annual shortfall of -749 affordable homes.
- 8.21 In effect, none of the Council's need was met that year, with a net loss equivalent to 11% of that level of need and in fact the ability of the council to house people in need has grown. This underlines the need to deliver more affordable homes in future years of the LHNA period.

Summary and Conclusions

- 8.22 The above evidence demonstrates that across Derby, the delivery of affordable housing has fallen persistently short of meeting identified needs.
- 8.23 In the twelve-year period since the start of the Core Strategy period in 2011, net of Right to Buy affordable housing delivery represented just 6% of overall housing delivery, equating to just 35 affordable dwellings per annum. It is clear that the Right to Buy is having a serious effect on the housing stock in Derby, with four dwellings being lost for every five new ones completed.
- 8.24 Since the start of the 2013 SHMA period in 2012/13, against a need of 632 net affordable dwellings per annum, a shortfall of -6,583 affordable dwellings has arisen over the eleven-year period, equivalent to an average annual shortfall of -598 affordable dwellings.
- 8.25 In the first year of the 2023 LHNA period in 2022/23, against a need of 672 net affordable dwellings per annum, a shortfall of -749 dwellings has occurred, arising from the net loss of -77 affordable dwellings that year exacerbated by the Right to Buy.
- 8.26 It is clear that a 'step change' in affordable housing delivery is needed now in Derby to address these shortfalls and ensure that the future authority-wide needs for affordable housing can be met.

- 8.27 In light of the identified level of need there can be no doubt that the delivery of up to 27 affordable dwellings on the proposed site will make an important contribution to the affordable housing needs of Derby.

The Future Supply of Affordable Housing

Section 9

Introduction

- 9.1 This section of the evidence considers the future supply of affordable housing across Derby in comparison with identified needs. The most recent figure is that set out in the 2023 LHNA.

Addressing the Shortfall in Affordable Housing Delivery

- 9.2 The 2023 LHNA identifies an objectively assessed need for 672 affordable dwellings per annum between 2022 and 2039. Over the 17-year period this equates to a total need for 11,424 net affordable homes.
- 9.3 In the first year of the 2023 LHNA period, a net loss of -77 affordable dwellings occurred (due to sales of existing homes under the Right to Buy) resulting in a net shortfall of -749 affordable homes already arising. I consider that any shortfall in delivery should be dealt with within the next five years. This is also an approach set out within the PPG¹⁴ and endorsed at appeal.
- 9.4 The critical importance of understanding the ability of the Council to meet future need was considered in a recent appeal at Sondes Place Farm, Dorking where my colleague provided affordable housing evidence.
- 9.5 The Inspector accepted the findings of the ‘future supply of affordable housing’ evidence and endorsed the use of the Sedgefield approach to clear a previous backlog of affordable housing delivery (**CD 6.02**, page 16, paragraphs 85 and 86):

“Compared to the Core Strategy Policy CS4 target a shortfall of 234 affordable homes has arisen across the current development plan period. The most recent evidence of need points to an increased need for affordable homes (143 dpa). However, in the last three years alone, there has been a shortfall of 396 affordable homes due to the delivery of only 33 dpa in those years. To clear the backlog 222 affordable homes would need to be delivered each year for the next five years. The number of affordable homes coming forward looks to

¹⁴ Paragraph: 022 Reference ID: 68-031-20190722

be substantially below that level of delivery. This will mean the existing shortfall will only become worse.” (my emphasis).

- 9.6 The Inspector went on to outline the consequences of not providing sufficient affordable housing (paragraph 88):

“The consequences of not providing enough affordable homes affect people. Being able to access good housing has a bearing upon everyday life and there are socio-economic effects such as financial security and stability, physical and mental health, decreased social mobility and adverse effects on children’s education and development. In Mole Valley the number of people on the housing register has risen, there are increasing affordability ratios and people are paying significantly over 30% of their income on rent.”

- 9.7 It is therefore imperative that the -749 dwelling affordable housing shortfall accumulated in 2022/23 is addressed as soon as possible and in any event within the next five years. I note that the shortfall may be greater than -749 dwellings at present, since data on completions for 2023/24 has not been provided in the Council’s Annual Monitoring Report.
- 9.8 When the shortfall is factored into the 2023 LHNA identified need of 672 affordable homes per annum for the period 2022/23 and 2038/39, the number of affordable homes the Council will need to complete increases by 22% to 822 net affordable homes per annum over the next five-year period.
- 9.9 This would ensure that for the remainder of the 2023 LHNA period up to 2038/39 the annual affordable housing need returns to 672 per annum to deal solely with newly arising needs. This is illustrated in Figures 9.1 and 9.2.

Figure 9.1: Annual Affordable Housing Need incorporating Backlog Needs since the 2023 LHNA base date of 2022/23

A	Affordable housing need per annum for the period 2022/23 to 2038/39 identified in the 2023 LHNA	672
B	Net Affordable housing need for the period 2022/23 (A x 2)	672
C	Net of Right to Buy sales Affordable housing completions for 2022/23	-77
D	Shortfall of affordable housing need for the period already arisen (B – C)	-749
E	Backlog affordable housing need per annum required over the period 2024/25 to 2028/29 (D/5)	150
F	Full affordable housing need per annum for the period 2024/25 to 2028/29 (A + E)	822
G	Full affordable housing need for the period 2024/25 to 2028/29 (F x 5)	4,110

Please note that figures account for rounding

- 9.10 Further indication of the severity of the situation can be seen in Figure 9.1 which illustrates that the Council would need to deliver 4,110 net affordable homes over the next five years to address backlog needs in line with the Sedgefield approach (which seeks to address accumulated needs within 5 years along with ongoing need).
- 9.11 It is clear that the backlog of affordable housing needs within Derby will continue to grow unless the Council takes urgent and drastic action to address needs and deliver more affordable homes.

The Future Supply of Affordable Housing

- 9.12 The Council has published its latest Five-Year Housing Land Supply Statement ("5YHLS") in January 2025 (**CD 9.12**), covering the period 1 April 2024 to 31 March 2029.
- 9.13 If we were to generously to assume that all 4,185 dwellings included in the 5YHLS will come forward on sites eligible for affordable housing; and that all of these sites would provide policy compliant levels of affordable housing (i.e. 30%) as a proportion of overall housing completions, this is likely to deliver 1,256 affordable dwellings over the period, equating to 251 gross affordable dwellings per annum.
- 9.14 This figure falls substantially short of the 822 per annum figure required when back log needs are addressed in the first five years in line with the Sedgefield approach and significantly short of the 672 net affordable housing needs per annum identified in the 2023 LHNA.
- 9.15 Right to Buy losses will continue to deplete the housing stock, as shown in Figure 8.2 of this Proof of Evidence, with an average of 140 sales per annum from Local Authority stock, 10 sales per annum from Registered Provider stock (i.e. a total 150 sales per annum) although the Council is able to acquire replacement dwellings with Right to Buy receipts at an average rate of 31 dwellings per annum. These average figures of 150 sales and 31 associated acquisitions results in an overall net sale of 119 affordable dwellings per annum.
- 9.16 Once deducted from the estimated 251 gross affordable dwellings per annum in the Council's housing pipeline, the Council is likely to deliver just 132 net affordable dwellings per annum net over the next five years. This is just 16% of the identified need for 822 affordable dwellings (dealing with the shortfall in the next five years)

- 9.17 As Figure 8.2 of this evidence highlights, affordable housing provision has averaged (on a per annum basis) just 35 affordable homes net of Right to Buy over the Plan period.
- 9.18 Consequently, I have no confidence that the Council can deliver sufficient affordable housing to meet annual needs especially after the impact of the Right to Buy is accounted for. This makes it even more important that suitable sites, such as the appeal site, are granted planning permission now in order to boost the supply of affordable housing.

Affordability Indicators

Section 10

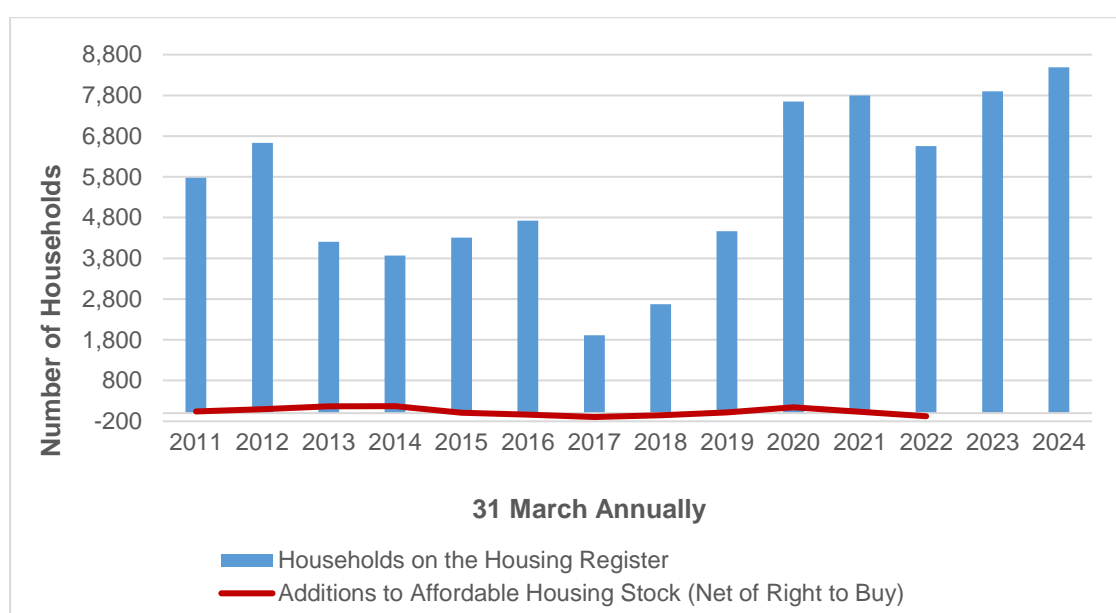
Market Signals

- 10.1 The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability. It is acknowledged that this is in the context of plan making.

Housing Register

- 10.2 Data recorded by MHCLG confirms that on 31 March 2024 there were **8,492 households on the Housing Register**. This represents an 8% increase in a single year from 7,898 households on 31 March 2023 (which itself was a 20% increase from 6,557 households on 31 March 2022).
- 10.3 Figure 10.1 provides a comparative analysis of the number of households on the Housing Register on 31 March each year and affordable housing delivery (net of Right to Buy) in the corresponding monitoring year ending on 31 March across Derby since the start of the Core Strategy period in 2011.

Figure 10.1: Number of Households on the Housing Register Compared with Additions to Affordable Housing Stock (Net of Right to Buy), 2011 to 2024



Source: MHCLG Open Data

* Please note that housing completions data for 2023/24 and 2024/25 are currently unavailable

10.4 As Figure 10.1 clearly illustrates, affordable housing delivery has failed to keep pace with identified need on the housing register by a substantial margin for every single year in Derby since 2011.

10.5 Footnote 4 of MHCLG Live Table 600 highlights that:

“The introduction of choice-based approaches in 2003, where applicants have more choice about where they live, contributed to a rise in the number of households on housing registers. The Localism Act 2011 then contributed to a decrease in the number of households housing registers, as it allowed local authorities to set their own qualification criteria.”

10.6 Evidently the result of the Localism Act is that many local authorities, including Derby, have been able to exclude applicants already on Housing Register waiting lists who no longer meet the new narrower criteria but who are still in need of affordable housing.

10.7 Despite this it is important to reiterate that the number of households on the Housing Register has actually increased by 8% in the past 12 months, indicating a worsening of affordability across Derby.

10.8 Whilst restricting the entry of applicants on to the Housing Register may temporarily reduce the number of households on the waiting list, this does not reduce the level of need, it merely displaces it.

10.9 The ability of Local Authorities to set their own qualification criteria in relation to Housing Registers was recognised by the Planning Inspector presiding over an appeal at Oving Road, Chichester (**CD 6.03, p.11, [63]**) in August 2017. In assessing the need for affordable housing in the district, and in determining the weight to be attached to the provision of affordable housing for the scheme which sought to provide 100 dwellings; the Inspector acknowledged at paragraph 63 of their report that:

“The provision of 30% policy compliant affordable houses carries weight where the Council acknowledges that affordable housing delivery has fallen short of meeting the total assessed affordable housing need, notwithstanding a recent increase in delivery. With some 1,910 households on the Housing Register in need of affordable housing, in spite of stricter eligibility criteria being introduced in 2013 there is a considerable degree of unmet need for affordable housing in the District. Consequently, I attach substantial weight to this element of the proposal” (my emphasis).

10.10 Furthermore, in the appeal at Oxford Brookes University Campus at Wheatley, (CD 6.04) Inspector DM Young asserted at paragraph 13.101 at page 74 of their report that in the context of a lengthy housing register of 2,421 households:

“It is sometimes easy to reduce arguments of housing need to a mathematical exercise, but each one of those households represents a real person or family in urgent need who have been let down by a persistent failure to deliver enough affordable houses” (my emphasis).

10.11 The Inspector went on to state at paragraph 13.102 that:

“Although affordable housing need is not unique to this district, that argument is of little comfort to those on the waiting list” before concluding that “Given the importance attached to housing delivery that meets the needs of groups with specific housing requirements and economic growth in paragraphs 59 and 80 of the Framework, these benefits are considerations of substantial weight”.

10.12 In undertaking the planning balance, the Inspector stated at paragraph 13.111 of their report that:

“The Framework attaches great importance to housing delivery that meets the needs of groups with specific housing requirements. In that context and given the seriousness of the affordable housing shortage in South Oxfordshire, described as “acute” by the Council, the delivery of up to 500 houses, 173 of which would be affordable, has to be afforded very substantial weight”.

10.13 In determining the appeal, the Secretary of State concurred with these findings, thus underlining the importance of addressing needs on the Housing Register, in the face of acute needs and persistent under delivery. In my opinion the numbers on Derby City Council’s housing register remains high.

10.14 It is important to note that the Housing Register is only part of the equation relating to housing need. The housing register does not constitute the full definition of affordable housing need as set out in the NPPF – Annex 2 definitions i.e. social rented, other affordable housing for rent, discounted market sales housing and other affordable routes to home ownership including shared ownership, relevant equity loans, other low-cost homes for sale and rent to buy, provided to eligible households whose needs are not met by the market.

- 10.15 In short, there remains a group of households who fall within the gap of not being eligible to enter the housing register but who also cannot afford a market property and as such are in need of affordable housing. It is those in this widening affordability gap who, I suggest, the Government intends to assist by increasing the range of affordable housing types in the NPPF.
- 10.16 As such, the number of households on the Housing Register will only be an indication of those in priority need and whom the Housing Department have a duty to house. But it misses thousands of households who are in need of affordable housing, a large proportion of whom will either be living in overcrowded conditions with other households or turning to the private rented sector and paying unaffordable rents.

Waiting Times for Housing

- 10.17 Derby Homes' Freedom of Information response (**Appendix JS2**) shows that successful applicants for affordable housing face lengthy and increasing waits for an affordable home in Derby.
- 10.18 Figure 10.2 illustrates that, based on the dwelling size, successful applicants in the 2023/24 period experienced average waiting times ranging from 415 days (approximately 14 months) to 802 days (approximately 27 months) for an affordable home.

Figure 10.2: Housing Register Average Waiting Times, March 2023 to March 2024

Size of Affordable Property	Average Waiting Time to be Housed on 31 March 2023	Average Waiting Time to be Housed on 31 March 2024	Numerical change
1-bedroom home	13 months	14 months	+ 1 month
2-bedroom home	17 months	18 months	+1 month
3-bedroom home	19 months	22 months	+3 months
4+ bedroom home	34 months	27 months	-7 months

Source: Freedom of Information Response 30 January 2025

- 10.19 It is crucial to note that these figures represent averages, implying that some households may have been waiting even longer than the indicated times. Additionally, these statistics only capture the waiting times for successful applicants, typically those in the highest priority need. Households with less urgent needs can anticipate significantly longer waiting periods.

Housing Register Bids and Lettings

- 10.20 Figure 10.3 below demonstrates average number of bids per property in Spondon council ward over the 2023/24 monitoring period for a range of types of affordable property.

Figure 10.3: Bids Per Property in Spondon Ward, April 2023 to March 2024

Type of Affordable Property	No. Properties Advertised	Average Bids Per Property
1-bed affordable dwelling	10	115
2-bed affordable dwelling	9	230
3-bed affordable dwelling	3	98
4+ bed affordable dwelling	0	n/a

Source: Freedom of Information Response 30 January 2025

- 10.21 Figure 10.3 demonstrates that between 1 April 2023 to 31 March 2024 there were an average of 115 bids per 1-bed affordable dwelling put up for let in the ward, 230 average bids per 2-bed affordable dwelling and 98 average bids per 3-bed affordable dwelling. There were no bids per 4+ bed affordable dwelling due to no 4+ bed affordable dwellings being advertised.
- 10.22 This should be viewed in context of the fact that the Council's Freedom of Information Response also highlights that over the 2023/24 monitoring period there were **just 14 social housing lettings in Spondon Ward**.
- 10.23 For every successful letting, there are clearly tens, if not hundreds of households who have missed out and are left waiting for an affordable home. Evidently, there is a clear and pressing need for affordable homes within the Spondon Ward this is not being met.

Temporary Accommodation

- 10.24 MHCLG statutory homelessness data highlights that on 31 March 2024, there were 395 households housed in temporary accommodation by the Council, which is a 103% increase from 31 March 2023. Of these, 276 households (70%) were households with children. The Council has a responsibility to house these households.
- 10.25 Not only does this mean that those in need of affordable housing are being housed in temporary accommodation, which is unlikely to be suited to their needs, but they may also be located away from their support network, at significant cost to local taxpayers.

- 10.26 The Derby Homelessness Strategy 2020-2025 underlines on page 10 that *“The number of households in bed and breakfast or temporary accommodation has increased since the introduction of the Homelessness Reduction Act”*.
- 10.27 The *“Bleak Houses: Tackling the Crisis of Family Homelessness in England”* report published in August 2019 by the Children’s Commissioner found that temporary accommodation presents serious risks to children’s health, wellbeing, and safety, particularly families in B&Bs where they are often forced to share facilities with adults engaged in crime, anti-social behaviour, or those with substance abuse issues.
- 10.28 Other effects include lack of space to play (particularly in cramped B&Bs where one family shares a room) and a lack of security and stability. The report found (page 12) that denying children their right to adequate housing has a *“significant impact on many aspects of their lives”*.

Homelessness

- 10.29 MHCLG statutory homelessness data shows that in the 12 months between 1 April 2023 and 31 March 2024, the Council accepted 1,246 households in need of homelessness prevention duty¹⁵, and a further 1,149 households in need of relief duty¹⁶ from the Council.
- 10.30 The Derby Homelessness Strategy 2020-2025 highlights on page 3 that *“Like many parts of the country the cost of housing puts pressure on households and we must continue our work to support the development of affordable housing and increasing access to the private rented sector”*.
- 10.31 Furthermore a 2017 report by the National Audit Office (“NAO”) found that *“The ending of private sector tenancies has overtaken all other causes to become the biggest single driver of statutory homelessness in England.”*
- 10.32 It is for this reason that the Private Rented Sector (“PRS”) is not a suitable substitute for affordable housing and does not have an equivalent role in meeting the housing needs of low-income families. It is highly pertinent that in the NPPF, PRS housing is not included within the Annex 2 definition of affordable housing.

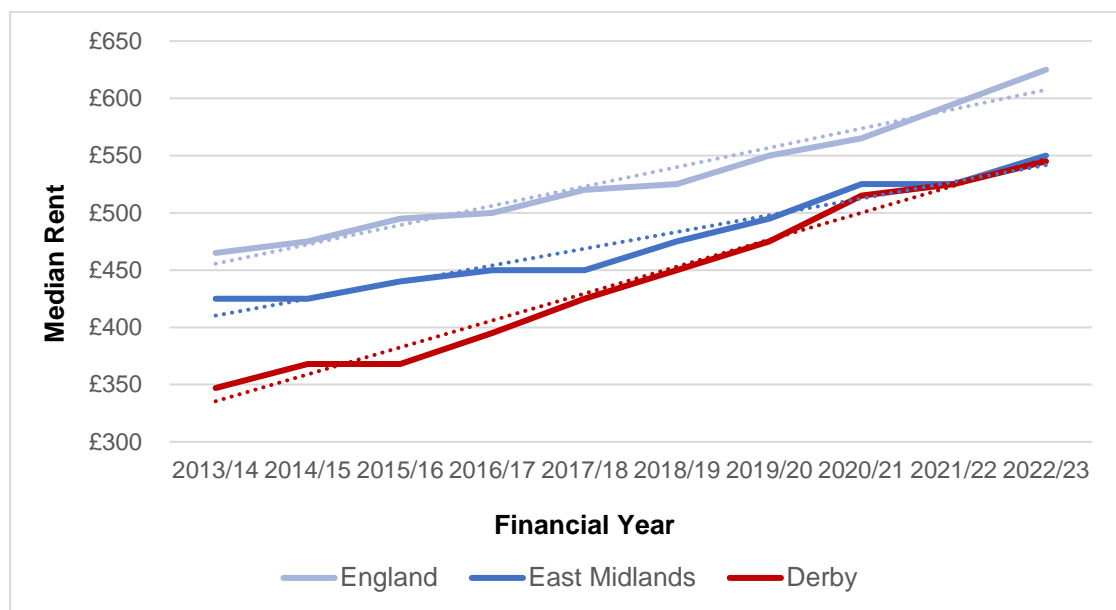
¹⁵ The Prevention Duty places a duty on housing authorities to work with people who are threatened with homelessness within 56 days to help prevent them from becoming homelessness. The prevention duty applies when a Local Authority is satisfied that an applicant is threatened with homelessness and eligible for assistance.

¹⁶ The Relief Duty requires housing authorities to help people who are homeless to secure accommodation. The relief duty applies when a Local Authority is satisfied that an applicant is homeless and eligible for assistance.

Private Rental Market

- 10.33 Lower quartile private sector rents are representative of the ‘entry level’ of the private rented sector and include dwellings sought by households on lower incomes.
- 10.34 Valuation Office Agency (“VOA”) and Office for National Statistics (“ONS”) data (first produced in 2013/14) show that lower quartile private rents in Derby stood at £545 per calendar month (“pcm”) in 2022/23. This represents a 57% increase from 2013/14 where median private rents stood at £347 pcm.
- 10.35 During this same period, lower quartile private rents have increased by just 29% in the East Midlands (from £425 pcm to £550 pcm) and 35% in England (from £465 pcm to £625 pcm). Figure 10.4 shows that although in 2013/14 the lower quartile rent in Derby was £78 less than in the East Midlands, the ‘gap’ has narrowed over time to just £5 less in 2022/23.

Figure 10.4: Lower Quartile Private Sector Rents, 2013/14 to 2022/23



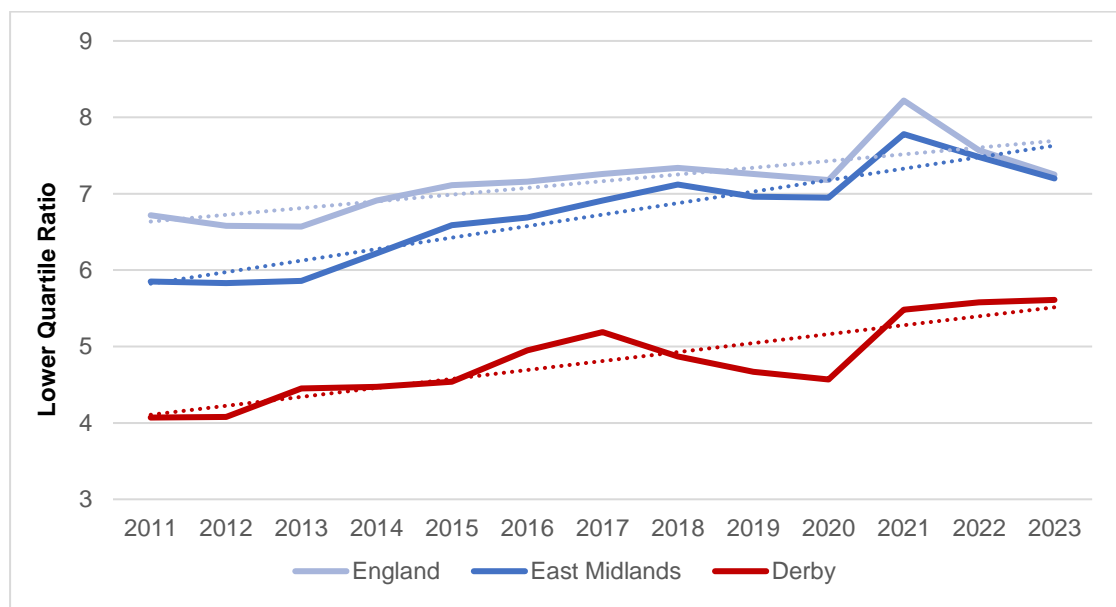
Source: VOA and ONS Private Rental Market Statistics

- 10.36 It is important to note that VOA/ONS rental data is calculated using all transaction data i.e., existing lets as well as new lets over the period. The data is therefore not necessarily representative of the cost of renting for new tenants in Derby.

Lower Quartile House Prices

- 10.37 For those seeking a lower quartile priced property (typically considered to be the 'more affordable' segment of the housing market), the ratio of lower quartile house price to incomes in Derby in 2023 stood at **5.61**, a 38% increase since the start of the Core Strategy period in 2011 when it stood at 4.07.
- 10.38 This means that those on lower quartile incomes in Derby, seeking to purchase a median priced property, now need to find more than 5 times their annual income to do so.

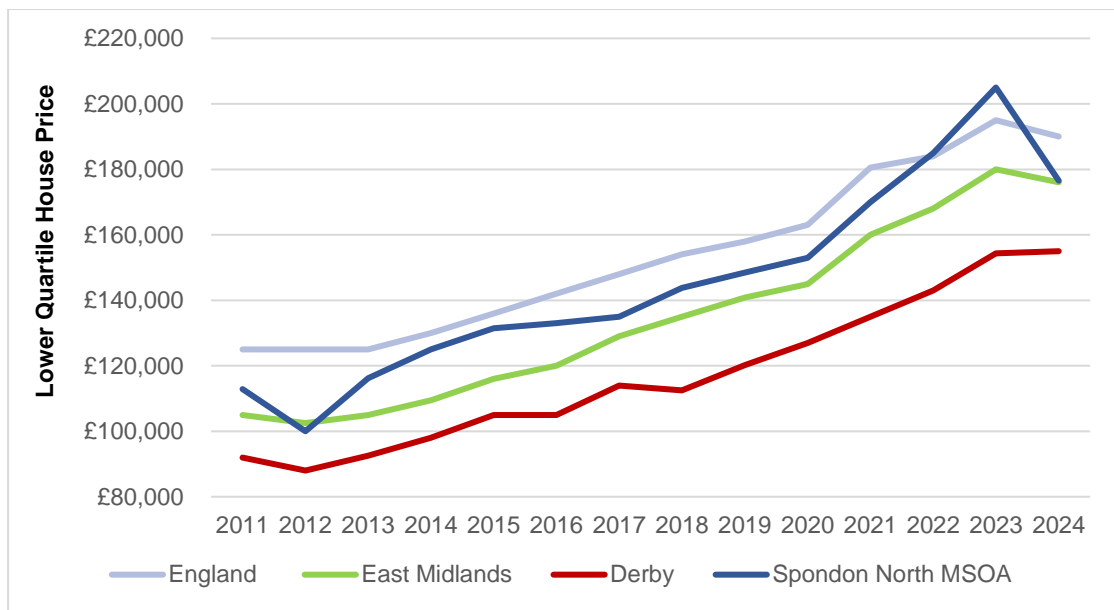
Figure 10.5: Lower Quartile Workplace-Based Affordability Ratio comparison, 2011 to 2023



Source: ONS

- 10.39 It is also worth noting that mortgage lending is typically offered on the basis of up to 4.5 times earnings (subject to individual circumstances). Here, the affordability ratio is some 24% higher than that.
- 10.40 Figure 10.6 illustrates the lower quartile house sale prices for England, East Midlands, Derby and Spondon North MSOA. It demonstrates that they have increased dramatically between the start of the Core Strategy period in 2011 and 2024.

Figure 10.6: Lower Quartile House Prices, 2011 to 2024



Source: ONS

- 10.41 In 2024 lower quartile house prices in the MSOA (£176,500) were 14% higher than across Derby (£155,000).
- 10.42 The lower quartile house price across Derby has risen by 68% from £105,000 in 2011 to £155,000 in 2024. This compares to a 52% national increase over the same period.

Summary and Conclusions

- 10.43 As demonstrated through the analysis in this section, affordability across Derby has been, and continues to be, in crisis.
- 10.44 House prices and rent levels in both the median and lower quartile segments of the market are increasing whilst at the same time the stock of affordable homes is failing to keep pace with the level of demand. This only serves to push buying or renting in Derby out of the reach of more and more people.
- 10.45 Analysis of market signals is critical in understanding the affordability of housing. It is my opinion that there is an acute housing crisis in Derby, with 8,492 households registered on the Housing Register as of 31 March 2024.
- 10.46 Market signals indicate a worsening trend in affordability in Derby and within Spondon Ward and Spondon North MSOA. By any measure of affordability, this is an authority in the midst of an affordable housing crisis, and one through which urgent action must be taken to deliver more affordable homes.

The Benefits of the Proposed Affordable Housing

Section 11

Introduction

- 11.1 The Government attaches weight to achieving a turnaround in affordability to help meet affordable housing needs. The NPPF is clear that the Government seeks to significantly boost the supply of housing, which includes affordable housing.
- 11.2 As set out in the previous chapter there are significant social and economic consequences for failing to meet affordable housing needs at both national and local authority level. Derby City is no exception to this.
- 11.3 The appeal scheme will provide up to 27 affordable dwellings on site comprising 80% social rent tenure (up to 22 dwellings) and 20% shared ownership tenure (up to 5 dwellings). The wider social and economic benefits of affordable housing per se are commonly recognised.
- 11.4 As set out in Section 2 of this evidence, the benefit of affordable housing is a strong material consideration in support of development proposals.

Benefits of the proposed Affordable Housing at the appeal site

- 11.5 The offer meets the requirements of adopted Policy CP7 (30%) of the Core Strategy. It should be noted that these policies were drafted to capture a benefit rather than to ward off harm or be needed in mitigation.
- 11.6 This fact was acknowledged by the Inspector presiding over two appeals on land to the west of Langton Road, Norton (**CD 6.05**) in September 2018 who was clear at paragraph 72 of their decision that:

“In the light of the Council’s track record, the proposals’ full compliance with policy on the supply of affordable housing would be beneficial. Some might say that if all it is doing is complying with policy, it should not be counted as a benefit but the policy is designed to produce a benefit, not ward off a harm and so, in my view, compliance with policy is beneficial and full compliance as here, when

others have only achieved partial compliance, would be a considerable benefit”
(my emphasis).

- 11.7 Similarly, as recognised in a recent appeal decision in at Coombebury Cottage, Dunsfold (**CD 6.06**, p.8, [48]) *“the benefit of providing affordable homes is clearly different from that of providing market housing as they each respond to related yet discrete needs”*. The benefits of the proposed affordable homes at the appeal site should therefore be independently weighed within the planning balance to ensure that its distinct contribution in addressing housing needs is fully appreciated.
- 11.8 The affordable housing benefits of the appeal scheme are therefore:
- a. Policy compliant offer of 30% (up to 27 dwellings) of the scheme provided as affordable housing;
 - b. An addition of up to 22 social rent tenure homes to meet priority needs from Derby City Council’s substantial housing register;
 - c. An addition of up to 5 shared ownership tenure homes to provide an affordable route to home ownership for those ‘priced out’ of Derby’s increasingly expensive housing market;
 - d. A deliverable scheme brought forward by experienced housebuilder Miller Homes which provides much needed affordable homes;
 - e. In a sustainable location;
 - f. With the affordable homes managed by a Registered Provider;
 - g. Which provide better quality affordable homes with benefits such as improved energy efficiency and insulation; and
 - h. Greater security of tenure than the private rented sector.
- 11.9 In my opinion these benefits are substantial and a strong material consideration weighing heavily in favour of the proposal.

The Weight to be Attributed to the Proposed Affordable Housing

Section 12

- 12.1 The NPPF is clear at paragraph 32 that policies should be underpinned by relevant up-to-date evidence which is adequate and proportionate and considers relevant market signals.
- 12.2 Paragraph 61 of the NPPF sets out the Government's clear objective of *"significantly boosting the supply of homes"* before explaining that *"The overall aim should be to meet an area's identified housing need"*.
- 12.3 Furthermore, paragraph 62 requires that *"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance."* (My emphasis).
- 12.4 The NPPF requires local authorities at paragraph 63 to assess and reflect in planning policies the size, type and tenure of housing needed for different groups, *"including those who require affordable housing"*.

The Council's Assessment of the Proposed Affordable Housing

Officers' Report

- 12.5 The outline planning application was refused at the Planning Committee meeting on 23 May 2024, contrary to the recommendation in the Officers' Report (**CD 3.02**) that it be approved.
- 12.6 Section 7.1 (at pages 12 and 13) of the Officers' Report discusses the principle of development in the context of the 'tilted balance' contained within the NPPF, including the weighing of the benefits against the adverse impacts of the development. It explains that *"Given the quantum of housing which is proposed, there would be significant benefits afforded by this development through the provision of new housing alongside an existing area of housing"* before turning its attention to affordable housing, setting out that *"The Council has extremely significant needs for affordable housing"*

and any affordable housing which will be provided through the development is also afforded weight in terms of benefits of the proposal” (my emphasis).

- 12.7 Section 7.2 (at page 15) considers the application in the context of the Green Wedge policy applicable at the site; it reaffirms the benefits of the scheme and identifies affordable housing as an ‘additional’ benefit, stating that *“As discussed, the proposal offers some significant benefits, including 90 new homes, new accessible public open space and construction jobs for the duration of the build. The proposal also includes a quantum of affordable homes and these should be seen as an additional benefit given the Councils need for this type of housing”*. I agree; affordable housing meets a different element of housing need and forms its own discrete benefit in the planning balance, additional to that of open market housing.

- 12.8 Section 7.8 at page 19 draws together the planning balance:

“The development would deliver a large quantum of new housing in the Spondon area, which would make a positive contribution towards the city’s housing need. It would also deliver new affordable homes.”

- 12.9 Overall, it is clear that the Council’s officers recognise the role of the proposed affordable housing as an important and discrete benefit in the planning balance.

Statement of Case

- 12.10 The Council’s Statement of Case for this appeal (**CD 8.03**) sets out further commentary on the Council’s position on the weight to be attributed to the proposed affordable housing. Paragraph 5.2 at page 8 suggests that the affordable housing forms a social benefit carrying ‘moderate’ weight in the planning balance:

“The proposal would support the government’s objectives to significantly increase housing supply by delivering a sufficient number and range of homes in well designed and sustainable locations. This would include the delivery of affordable housing as part of the development, which meets a significant need for social housing [...] These are social benefits which can therefore be given moderate weight in the planning balance” (my emphasis)

- 12.11 It is unclear how the Council concludes that the affordable housing attracts only moderate weight as part of the package of combined social benefits. Furthermore, this is contradicted at paragraph 6.2 at page 9 which sets out the Council’s view that due weight has been given to the benefits of the scheme, referring to the *“substantial*

benefits of housing delivery and the economic, social and environmental benefits of the development as proposed” (my emphasis)

- 12.12 In my view, the Council’s position on weight as set out in its Appeal Statement of Case is seemingly muddled and moves away from the clear advice of officers given to the Planning Committee.
- 12.13 By contrast, the extensive analysis in this Proof of Evidence provides an evidence-led discussion of the scale of the housing problem in Derby and Spondon, and the contribution that the proposed development can make to alleviating it – and in turn a clear recommendation of the weight I consider the proposed affordable housing should carry in the planning balance.

Relevant Appeal Decisions

- 12.14 The importance of affordable housing as a material consideration has been reflected in several Secretary of State (“SoS”) and appeal decisions.
- 12.15 Of particular interest is the amount of weight which has been afforded to affordable housing relative to other material considerations; many decisions recognise affordable housing as an individual benefit with its own weight in the planning balance, A collection of such decisions can be viewed at **Appendix JS7**.
- 12.16 Furthermore, brief summaries of appeal decisions relevant to this appeal are summarised below.

Land at junction of Newark Road and Coxmoor Road, Sutton-in-Ashfield, Nottinghamshire (CD 6.10)

- 12.17 In this very recent appeal decision in a nearby authority in neighbouring Nottinghamshire, to which I gave evidence, the Inspector considered the provision of 10% affordable housing (an increase against the 6% sought through adopted, albeit dated, local policy) carried substantial weight as an individual benefit in the planning balance. Paragraph 89 at page 20 states:

“The 10% affordable housing, as secured through the planning obligation, would make a meaningful contribution towards addressing the pressing and acute needs in the Borough. It would be in excess of the 6% requirement in the ALPR. I therefore consider the proposed affordable housing would amount to a substantial social benefit weighing in favour of the appeal proposal.”

- 12.18 At paragraph 97 at page 21 of the decision, the Inspector commented on the proposed development's compliance with the updated wording of the presumption in favour of sustainable development contained in the NPPF, including affordable housing:

"Furthermore, the appeal proposal would align with key policies of the NPPF to direct development to sustainable locations, make effective use of land and provide affordable homes. The proposal would therefore accord with the policies of the NPPF taken as a whole."

Land at Deerlands Road, Wingerworth (CD 6.08)

- 12.19 Much like the appeal site where there was a significant need for affordable housing an appeal at Wingerworth in North East Derbyshire District decided in November 2018, stated the following regarding the provision of affordable housing in paragraph 54 where very significant weight as attributed to affordable housing provision:

"the provision of 40% affordable housing in the appeal scheme is a benefit. This is a very significant material consideration weighing in favour of the appeal scheme".

Land off Stafford Road, Penkridge (CD 6.09)

- 12.20 This decision in Staffordshire, to which I gave evidence, identified affordable housing as an important material consideration carrying significant weight in the decision to allow the appeal.
- 12.21 Paragraph 89 at page 15 considered the undersupply of housing in the district against a lower level of housing need in Derby but also noted the importance of affordability indicators such as the housing register:

"The lower figure of a requirement of 92 affordable houses per annum is taken from the SHMA. This figure is based on the assumption that those in need of affordable housing could afford to pay 35% of gross household income towards rental costs. Even if I were to use this figure, there is still an overall undersupply of affordable housing that has been delivered in the district. Furthermore, I note that according to the appellant, there are 621 households on the Housing Register and the average house price to average income ratio in the District stands at 8.2. These figures are not disputed by the Council. Therefore, in my view, the delivery of 80 affordable units in an accessible location, in accordance with the Council's preferred tenure split, secured by a S106 agreement within

the appeal scheme is a significant benefit which should attract significant weight.”

12.22 Some of the key points I would highlight from these examples, and those referred elsewhere in this Proof of Evidence, are that:

- a. Affordable housing is an important and discrete material consideration;
- b. It is important for unmet need for affordable housing to be met immediately;
- c. Planning Inspectors and the Secretary of State have attached substantial weight to the provision of affordable housing; and
- d. Affordable housing plays an important role in satisfying the presumption in favour of sustainable development.

The Weight to be Attributed to the Proposed Affordable Housing

12.23 There is a wealth of evidence to demonstrate that there is a national housing crisis in the UK affecting many millions of people who are unable to access suitable accommodation to meet their housing needs.

12.24 What is clear is that a significant boost in the delivery of housing, and in particular affordable housing, in England is essential to arrest the housing crisis and prevent further worsening of the situation.

12.25 Market signals indicate a worsening trend in affordability across Derby City and, by any measure of affordability, this is an authority amid an affordable housing emergency, and one through which urgent action must be taken to deliver more affordable homes.

12.26 Against the scale of unmet need, the worsening affordability indicators and the inability of the future supply of affordable homes to address the growing need, there is no doubt in my mind that the provision of up to 27 affordable homes will make a substantial contribution. Considering all the evidence I consider there is a strong justification to allow the appeal and that this contribution should be afforded **substantial weight** in the determination of this appeal.