Affordable Housing Statement

Land at Carpenders Park Farm

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Up to 257 dwellings (50% affordable), housing with care and a Children's Home

Land at Carpenders Park Farm

Burlington Property Group

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Introduction

Section 1

1.1 This Affordable Housing Statement is prepared by **Tetlow King Planning** ("TKP") on behalf of **Burlington Property Group**. It examines the need for affordable housing in the Three Rivers District Council administrative area (where the application site is located), as well as the local need for affordable housing in the Watford Rural Civil Parish and the Carpenders Park (Three Rivers 010) MSOA (Middle Layer Super Output Area) (which covers part of the Watford Rural Civil Parish).

1.2 Planning permission is sought for the erection of up to 257 dwellings (50% affordable), housing with care and a Children's Home.

1.3 The proposed development includes 50% on site affordable housing provision (128 dwellings), which exceeds the requirements of Policy CP4 (45%) of the adopted Three Rivers Core Strategy (2011) and also meets the requirement which forms part of the 'Golden Rules' for Green Belt development set out in the National Planning Policy Framework (NPPF) (paragraph 67). For a full assessment of the proposal's compliance with the NPPF 'Golden Rules', please refer to the Planning Statement which accompanies this planning application submission.

1.4 The proposed tenure split will be 70% social rent (90 dwellings) and 30% shared ownership (38 dwellings) which reflects the requirements of Core Strategy Policy CP4. The provision of a high percentage of social rent will ensure those with the greatest needs will be significantly assisted in meeting their housing needs. The proposed affordable housing will be secured by way of a Section 106 planning obligation.

1.5 Providing a significant boost in the delivery of housing, and in particular affordable housing, including social rent, is a key priority for the Government.

1.6 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 Government Housing White Paper.

1.7 Having a thriving active housing market that offers choice, flexibility and affordable housing is critical to our economic and social well-being.

1.8 This Affordable Housing Statement considers the need for affordable housing and the contribution that the proposed development can make towards meeting the affordable housing needs of the Three Rivers District Council administrative area, Watford Rural Civil Parish and the Carpenders Park (Three Rivers 010) MSOA.

1.9 It also takes account of a range of affordable housing indicators as well as consideration of national planning policy, performance against plan requirements, affordability issues, and the Council's own corporate objectives.

1.10 It concludes that there is a well-established, genuine and acute need for the proposed affordable homes now, and that **very substantial positive weight** should be attributed to the provision of affordable housing at the application site in the planning balance.

1.11 In undertaking this work, reliance has been placed upon data obtained through a Freedom of Information ("FOI") request to the Council which is included at **Appendix TKP1 and TKP2**[1] to this Statement.

1.12 This statement comprises the following five sections:

- Section 2 reviews relevant Development Plan policies and other material considerations relevant to the site;
- Section 3 provides analysis of affordable housing needs;
- Section 4 examines past affordable housing delivery;
- Section 5 identifies a range of affordability indicators; and
- Section 6 sets out our conclusions and recommendations.

[1] Appendix TKP2 relates to a FOI for a different site but still within the Three Rivers District

The Development Plan and Related Policies

Section 2

Introduction

2.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, the application should be determined in accordance with the Development Plan unless material considerations indicate otherwise.

2.2 The relevant Development Plan in respect of affordable housing for the application site currently comprises the Three Rivers Core Strategy 2011-2026 (2011). As the site is located in the Green Belt, the Three Rivers Development Management Policies (2013) is also of relevance.

2.3 Other material considerations relevant to affordable housing include the NPPF (2024) and the PPG (March 2014, ongoing updates), the Affordable Housing Supplementary Planning Document ("SPD") (2011) and a number of corporate documents which support the provision of affordable housing at the corporate level.

The Development Plan

Three Rivers Core Strategy (2011)

2.4 The Core Strategy sets out in broad terms how the Council plans to deliver new homes, jobs and infrastructure over the period to 2026. The Core Strategy replaced the Three Rivers Local Plan 1996-2011.

2.5 The Core Strategy was adopted before the introduction of the NPPF in 2012. Much of the content in the Core Strategy refers to the national policies of the PPS3 and RSS in force prior to the NPPF and is therefore out of date.

2.6 Chapter 2 of the Core Strategy provides the 'background and context' to Three Rivers District. At paragraph 2.2, a number of issues are highlighted in Three Rivers that need to be addressed. This includes:

> *"House prices in Three Rivers are very high and <u>affordability has been worsening.</u> Alongside the need to provide more housing to meet forecast housing growth, there is therefore a <u>particular need to achieve more affordable housing</u> and to provide more family sized affordable housing"* (emphasis added).

2.7 The Spatial Vision and Strategic Objectives of the Core Strategy are set out in Chapter 3. The Vision can be found at paragraph 3.2 and reads as follows:

"Looking forward to 2026 and beyond, the District will remain a prosperous, safe and healthy place where people want and are able to live and work."

2.8 Nine priorities (a to i) are listed beneath the Spatial Vision on page eight, including priorities a) and c) which are of relevance to affordable housing:

"a) To provide growth required to support local communities and provide for their needs in the most sustainable way possible"

"c) To improve access to housing and affordable housing for communities across the whole District."

2.9 Twelve Strategic Objectives (S1 to S12) are presented at paragraph 3.3. Strategic Objective S5 on page 10 concerns affordable housing:

"To increase levels of affordable housing in the District, prioritising the provision of social rented and larger family-sized homes

<u>A step-change in the provision of affordable housing is needed in order to seek to meet the large, identified need for affordable housing in the District</u>. House prices are high relative to incomes in the District and a significant proportion of the population, particularly the young and those within the less affluent parts of the District, are unable to access housing in the general market. The lack of suitable and affordable housing within the District also has impacts on the ability of the District to attract and retain workers with impacts on key services and the local economy. <u>There is a very high need for affordable housing within the District,</u> but viability considerations mean that it will not be possible to meet all of this need within the period to 2026. The priority will therefore be social rented homes and larger family sized homes, as these are required to meet the most urgent housing needs within the District" (emphasis added).

2.10 The site is designated as Metropolitan Green Belt and although outwith is immediately adjacent to the Secondary Centre of Carpenders Park.

2.11 Policy CP11 'Green Belt' sets out that there will be a general presumption against inappropriate development that would not preserve the openness of the Green Belt, or which would conflict with the purpose of including land within it.

2.12 Policy PSP3 'Development in Secondary Centres' (including Carpenders Park), states that development in these settlements will, among other points, "*provide approximately 24% of the District's housing requirements over the Plan period to include approximately 45% of affordable housing*[2]*.*"

2.13 Paragraph 5.7 states that *"Providing sufficient housing to meet the needs of local communities in a sustainable way is one of the key challenges facing Three Rivers."* Development in the District needs to provide a range of types and sizes of homes to meet needs and to address local affordability issues.

2.14 Policy CP3 'Housing Mix and Density' requires proposals to provide a range of house types and sizes to reflect the existing and future needs of the Three Rivers population and the characteristics of housing in the area. This includes provision of housing for the elderly and supported and specialist accommodation which will be encouraged in suitable and sustainable locations.

2.15 Table 1, located at paragraph 5.9 of the Core Strategy, sets out housing supply and delivery is being monitored over the period 2001-2026. This aligns with the Council's monitoring framework at Appendix 7 of the Core Strategy.

2.16 'Addressing Local Affordability' is discussed from paragraph 5.25. Paragraph 5.25 echoes the comments made earlier at paragraph 2.2 that young people are having difficulty accessing housing on the open market and that house prices are very high in Three Rivers District.

2.17 Paragraph 5.38 recognises that *"it is clear from the evidence therefore that, in order to ensure affordability in the District in any meaningful way, a step-change in policy approach and affordable housing delivery is required."*

2.18 **Policy CP4 Affordable Housing** is the main affordable housing policy for Three Rivers District, requiring 45% affordable housing provision on all new developments resulting in a net gain of one or more dwellings.

2.19 As a guide, Policy CP4 seeks 70% of the affordable housing provided to be social rented and 30% to be intermediate, however the Council will treat each case on its merits when assessing the amount, type and tenure mix.

[2] Three Rivers Annual Monitoring Report 2023/24, reports that based on 2023/24 net dwelling completions, 43% were in the Secondary Centres, but none of these were in Carpenders Park (Page 12, Table 4.2)

2.20 Appendix 7 of the Core Strategy provides a Monitoring Framework for each of the Place-Shaping and Core Policies. Observing the Monitoring Framework for Core Policy CP4, there is no target figure for the number of affordable homes to be delivered in Three Rivers District over the plan period.

Development Management Policies (2013)

2.21 Policy DM2 'Green Belt' sets out the exceptions to the construction of new buildings in the Green Belt, which include demonstrating very special circumstances (this pre-dates the most recent Green Belt policies contained in the NPPF and the PPG).

Other material considerations

Emerging Three Rivers Local Plan

2.22 Three Rivers District Council is preparing a new Local Plan that will set out a vision and policy framework for the future levels of growth within the District up until 2038.

2.23 Between June 2021 and December 2023 the Council undertook a series of Regulation 18 Consultations. As part of the Regulation 18 consultation in 2021, the northern part of the site was identified in the 'Sites for Potential Allocation' consultation document (ref: CFS69a) with an estimated dwelling capacity of 485 dwellings.

2.24 More recently, an updated Local Development Scheme (LDS) was published in December 2024, which sets out that the Council is proposing to consult on the Publication Stage (Regulation 19) of the Plan in February/March 2026. The proposed timetable anticipates that the Examination would take place during summer 2026 with adoption sometime between September and December 2026.

2.25 Given the infancy of the emerging plan, it should be afforded limited weight in the planning balance. Furthermore, as set out in the NPPF, as the new Local Plan only reached Regulation 18 stage prior to the publication of the revised NPPF (December 2024), the new Local Plan will need to ensure it meets the provisions of the revised NPPF and is submitted no later than December 2026 (which the current LDS is targeting) for it to be examined under the existing 2004 Act system.

Affordable Housing Supplementary Planning Document (2011)

2.26 The Affordable Housing SPD was approved at Executive Committee in June 2011. It provides guidance on the application of Core Strategy Policy SP4 'Affordable Housing'.

2.27 TKP note that this SPD was produced and adopted prior to the NPPF and its subsequent revisions.

2.28 Notwithstanding, the vintage of the SPD Chapters 1 and 2 refer to the PPS3, RSS and previous evidence base documents. As stated above much of this has since been superseded by the NPPF and later housing needs assessments. The SPD is therefore largely out of date.

2.29 This being said, while opening paragraph 1.1 of the SPD introduction is over 10 years old, it is still relevant in the context of today's housing market:

"Average house prices within Three Rivers are some of the highest in the country outside of London. <u>House prices are high relative to incomes</u> in the District resulting in a significant proportion of the population, particularly the young and those within the less affluent parts of the District, being unable to access housing in the general market. The <u>lack of suitable and affordable housing</u> within Three Rivers impacts on the ability of the District to attract and retain workers with impacts on key services and the local community." (Emphasis added).

2.30 Paragraph 1.2 recognises that *"A step-change in the provision of affordable housing is therefore required in order to seek to meet the large, identified need for affordable housing. To address these issues, the provision of affordable housing to meet the needs of the local people is one of the Council's top corporate priorities…"*

2.31 The definitions set out in paragraphs 3.1 to 3.3 of the Affordable Housing SPD are now largely out of date and are superseded by those in Annex 2 of the NPPF (2024).

2.32 In discussing the tenure mix to be secured on site, paragraph 3.11 states that *"The tenure mix of affordable housing units on-site should reflect the identified local and District wide housing need and contribute towards a balanced housing market and the creation of mixed, integrated and sustainable communities."*

2.33 Paragraph 3.21 further explains that *"The overall balance of the type and size of affordable housing to be sought across the District will be informed by the Strategic Housing Market Assessment (SHMA) subject to local considerations on a site by site basis."*

2.34 Paragraph 4.5 of the SPD requires that "*Affordable housing requirements will be secured by planning obligations under Section 106 of the Town and Country Planning Act 1990 or, where appropriate, by planning conditions."*

National Planning Policy Framework

2.35 Paragraph 67 sets out that a specific affordable housing requirement(s) should be set for major development involving the provision of housing either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

i) Be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and

ii) Require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).

2.36 Furthermore, paragraph 157 notes that before Development Plan policies for affordable housing are updated in line with paragraphs 67/68, the affordable housing contribution required to satisfy the Green Belt 'Golden Rules' is 15% points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%. In the absence of a pre-existing requirement for affordable housing, a 50% affordable housing contribution should apply by default.

Corporate Documents

2.37 The Council's corporate documents identify the delivery of affordable housing as a high corporate priority of Three Rivers District. These include the following documents:

- Three Rivers Corporate Framework 2023 – 2026;
- Three Rivers Housing, Homelessness and Rough Sleeping Strategy 2023 – 2028;
- Three Rivers Community Strategy 2023 – 2028; and
- Three Rivers Temporary Accommodation Placement Policy (December 2018, reviewed May 2024).

Summary and Conclusions

2.38 The relevant Development Plan in respect of affordable housing for Three Rivers District currently comprises the Three Rivers Core Strategy 2011 – 2026 (2011).

2.39 The evidence set out in this section clearly highlights that within adopted policy, emerging 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 Three Rivers District.

2.40 The application proposals provide an affordable housing contribution which exceeds requirements of Core Strategy Policy CP4.

2.41 The delivery of up to 128 affordable homes at the application site will make a significant contribution towards the annual affordable housing needs of the District, particularly when viewed in the context of past rates of affordable housing delivery which is considered in more detail in Section 4 of this Statement.

Affordable Housing Needs

Section 3

Introduction

3.1 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 the District.

The Development Plan

3.2 The adopted Development Plan does not define a numerical target for the provision of affordable homes. Instead, the adopted Core Strategy (Policy CP4) seeks 45% affordable housing provision from qualifying developments.

3.3 In the absence of a defined affordable housing target figure in adopted and/or emerging policy, it is important to consider the objectively assessed need for affordable housing within the most recent assessment of local housing need.

Housing Market Assessments

3.4 Three Rivers District have published three Housing Market Assessments (HMAs) since the production of the Core Strategy, each of which demonstrates a severe lack of affordable housing delivery in Three Rivers District, with the net annual need increasing in each successive study.

3.5 It is important to note that all three HMAs pre-date the most recent publication of the NPPF (2024), and therefore, are based on out-of-date definitions of affordable housing, which has now been amended to incorporate a broader spectrum of need and now includes “other routes to home ownership”.

3.6 An increase in affordable housing need in the Darlington 2015 Strategic Housing Market Assessment (SHMA) was identified by ORS in the Darlington SHMA 2020 (**Appendix TKP3**) and at paragraph 3.70 of the SHMA 2020, it is recognised that:

“The additional affordable housing need contained in this supply comes directly from the change in definition for affordable housing set out in Annex 2 of the NPPF 2018.”

3.7 Therefore, as such any identified shortfalls can only be viewed as minimum figures as both the HEDNA Update 2016 and VALP pre-date the latest NPPF definition of affordable housing.

3.8 The three HMAs are summarised in chronological date order below.

London Commuter Belt (West) Sub-Region Strategic Housing Market Assessment (2008) (published 2010)

3.9 The 2008 Strategic Housing Market Assessment ("SHMA") forms part of the housing evidence base for the adopted Three Rivers Core Strategy (2011). The 2008 SHMA provides an assessment of the housing (market and affordable) requirement for Three Rivers District over the remainder of the Core Strategy period until 2021.

3.10 The 2008 SHMA pre-dates the NPPF and was informed by the now defunct Planning Policy Statement 3: Housing ("PPS3") definitions and requirements, and the Regional Spatial Strategies ("RSS"). The PPS3 affordable housing definition has since been superseded by the NPPF (2004) Annex 2 definition for affordable housing which includes a wide variety on tenures to meet specific needs.

3.11 Figure 156 on page 166 of the 2008 SHMA identifies a net need for 3,100 intermediate affordable homes and another 1,200 affordable rented homes between 2007/08 and 2020/21 in Three Rivers District; a total of 4,300 net affordable homes. Aggregated on a per annum basis over the 14-year period, this gives a net affordable housing need figure of **307[3] affordable homes per annum** in Three Rivers District between 2007/08 and 2020/21.

South West Hertfordshire Strategic Housing Market Assessment (2016)

3.12 The purpose of the 2016 SHMA was to develop a robust understanding of housing market dynamics in Three Rivers and to provide an assessment of future needs for both market and affordable housing for different groups within the population.

3.13 Table 39 (page 112) of the 2016 SHMA identifies a need for **357 net affordable homes per annum** in Three Rivers District between 2013/14 and 2035/36, equivalent to 8,211[4] net affordable dwellings over the period.

[3] 4,300/14 = 307.14
[4] 357*23 = 8,211

3.14 The 2016 SHMA was produced prior to the revision of the NPPF definition of affordable housing in 2018 which was broadened to include a wider variety of tenures to meet specific needs. The level of affordable housing need identified by the 2016 SHMA should therefore be treated as a minimum figure.

South West Hertfordshire Local Housing Needs Assessment (2020)

3.15 The 2020 South West Hertfordshire Local Housing Needs Assessment ("LHNA") was commissioned to assess future development needs for housing across South West Hertfordshire over the 2020-2036 period to help inform strategic and local planning activities, including the production of the Three Rivers Emerging Local Plan.

3.16 The 2020 LHNA provides two separate assessments of affordable housing need; affordable/social rented housing need and affordable home ownership housing need.

3.17 Table 37 on page 89 of the 2020 LHNA identifies a net need for **350 affordable/social rented homes per annum** in Three Rivers District between 2020 and 2036, equivalent to 5,600[5] net affordable/social rented dwellings over the 16-year period.

3.18 Table 37 on page 97 of the LHNA identifies a net need for **162 affordable home ownership homes per annum** in Three Rivers District between 2020 and 2036, equivalent to 2,592[6] net affordable/social rented dwelling over the 16-year period.

3.19 Combining the affordable/social rented needed and the home ownership need figures, the 2020 LHNA identifies a need **for 512[7] affordable homes per annum** over the 2020 to 2036 period, equivalent to a total of 8,192[8] net affordable/social rented dwellings over the 16-year period.

3.20 The 2020 LHNA provides the most recent assessment of affordable housing needs in Three Rivers District and was produced following the revisions to the NPPF definition of affordable housing.

Conclusions on Affordable Housing Needs

3.21 There is a clear and on-going pressing need for more affordable homes in Three Rivers District, with each successive needs assessment identifying a higher level of needs than its predecessor. The 2020 LHNA identifies a need for 512 affordable homes per annum over the 2020 to 2036 period.

[5] 350*16 = 5,600
[6] 162*16 = 2,592
[7] 350+162 = 512
[8] 512*16 = 8,192

3.22 In this context, the delivery of up to 128 affordable homes proposed on the application site would make a serious and meaningful contribution to meet the affordable housing needs of Three Rivers District, which the Council accept is an acute and pressing need.

Affordable Housing Delivery

Section 4

Introduction

4.1 This section of the Statement analyses the delivery of affordable housing in Three Rivers District. It highlights significant shortfalls in meeting identified needs, illustrating a pressing need for a substantial increase in affordable housing provision across the District.

Past Affordable Housing Delivery

4.2 Figure 4.1 illustrates the delivery of affordable housing ("AH") in Three Rivers District since the start of the Core Strategy monitoring period in 2001/02.

Figure 4.1: Gross Additions to Affordable Housing Stock, 2001/02 to 2023/24

Monitoring Period	Total Housing Completions (Net)	Additions to AH Stock (Gross)	Gross AH as a %age of total completions
2001/02	381	71	19%
2002/03	255	91	36%
2003/04	186	42	23%
2004/05	94	18	19%
2005/06	229	57	25%
2006/07	369	123	33%
2007/08	286	13	5%
2008/09	351	83	24%
2009/10	48	0	0%
2010/11	107	25	23%
2011/12	185	55	30%
2012/13	176	39	22%
2013/14	142	48	34%
2014/15	285	93	33%
2015/16	215	85	40%
2016/17	144	0	0%
2017/18	264	90	34%
2018/19	149	22	15%
2019/20	406	82	20%
2020/21	99	91	92%
2021/22	154	34	22%
2022/23	204	61	30%
2023/24	260	3	1%
Total	**4,989**	**1,226**	**25%**
Avg. Pa.	**217**	**53**	**25%**

Source: AMR 2010/11 and FOI 13/06/2024

4.3 Between 2001/02 and 2023/24, a total of 4,989 dwellings were delivered in Three Rivers District, equivalent to 217 dwellings per annum. Of these, 1,226 dwellings were affordable tenures, equivalent to 53 per annum. This equates to 25% gross affordable housing delivery.

4.4 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.

4.5 At a national level over two million households have exercised their Right to Buy since it was introduced in 1980. In her Written Ministerial Statement of 30 July 2024, the incoming Deputy Prime Minister observed that Right to Buy sales have not been matched by the rate of replacements, making it harder for Councils to accommodate households in need:

> *"Over the last five years, there has been an average of 9,000 council Right to Buy sales annually, but only 5,000 replacements each year. Right to Buy provides an important route for council tenants to be able to buy their own home. But the discounts have escalated in recent years and councils have been unable to replace the homes they need to move families out of temporary accommodation."*

4.6 Figure 4.2 below calculates the affordable housing delivery per annum since the start of the Core Strategy monitoring period in 2001/02, net of Right to Buy sales. A net loss of 475[9] affordable dwellings over this period equates to 10% of the gross affordable housing completions of 4,989 affordable dwellings over the 23-year period.

[9] (327 + 148) – 0 = 475 dwellings

Figure 4.2: Net of Right to Buy Additions to Affordable Housing Stock, 2001/02 to 2023/24

Monitoring Period	Total housing completions (Net)	Additions to AH Stock (Gross)	LPA Acquisitions	LPA RtB sales	RP RtB 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*** ***(B + C) - (D + E)***	***G*** ***(F / A) X 100***
2001/02	381	71	0	57	0	14	4%
2002/03	255	91	0	77	0	14	5%
2003/04	186	42	0	75	0	-33	-18%
2004/05	94	18	0	33	0	-15	-16%
2005/06	229	57	0	28	0	29	13%
2006/07	369	123	0	39	0	84	23%
2007/08	286	13	0	18	0	-5	-2%
2008/09	351	83	0	0	0	83	24%
2009/10	48	0	0	0	0	0	0%
2010/11	107	25	0	0	0	25	23%
2011/12	185	55	0	0	4	51	28%
2012/13	176	39	0	0	32	7	4%
2013/14	142	48	0	0	11	37	26%
2014/15	285	93	0	0	34	59	21%
2015/16	215	85	0	0	9	76	35%

Monitoring Period	Total housing completions (Net)	Additions to AH Stock (Gross)	LPA Acquisitions	LPA RtB sales	RP RtB 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 (B + C) - (D + E)***	***G (F / A) X 100***
2016/17	144	0	0	0	8	-8	-6%
2017/18	264	90	0	0	12	78	30%
2018/19	149	22	0	0	10	12	8%
2019/20	406	82	0	0	8	74	18%
2020/21	99	91	0	0	6	85	86%
2021/22	154	34	0	0	2	32	21%
2022/23	204	61	0	0	12	49	24%
2023/24	260	3	0	0	0	3	1%
Total	**4,989**	**1,226**	**0**	**327**	**148**	**751**	**15%**
Avg. Pa.	***217***	***53***	***0***	***14***	***6***	***33***	***15%***

Source: FOI Response 13/06/2024, Live Table 691; Registered Provider Statistical Data Returns

4.7 Figure 4.2 demonstrates that on average between 2021/22 and 2023/24, the Council has added just 33 affordable dwellings per annum net of Right to Buy sales and additions from acquisitions, equivalent to 15% of the total average number of net housing completions.

4.8 The above evidence clearly demonstrates that Right to Buy sales are depleting the affordable housing stock across Three Rivers faster than the replacements from acquisitions.

4.9 The impact of losses as a result of Right to Buy was acknowledged by the Inspector presiding over the appeal[10] at land at the site of the former North Worcestershire Golf Club Ltd, Hanging Lane, Birmingham which was allowed in July 2019. 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. <u>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.</u> 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"* (emphasis added).

4.10 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.

4.11 The seriousness of the impact was considered in an article in the Independent newspaper in June 2020 which is attached at **Appendix TKP4.**

4.12 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".*

[10] APP/P4605/W/18/3192918

4.13 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.”*

4.14 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”*.

4.15 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.

4.16 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

4.17 Figure 4.3 illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 512 net affordable dwellings per annum between 2020 and 2036, as set out in the 2020 South West Hertfordshire LHNA.

Figure 4.3: Net of Right to Buy Additions to Affordable Housing Stock vs Needs Identified in the 2020 LHNA, 2020/21 to 2023/24

Monitoring Year	Additions to AH Stock (Net of RtB)	2020 LHNA AH Needs (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2020/21	85	512	-427	-427	17%
2021/22	32	512	-480	-907	6%
2022/23	49	512	-463	-1,370	10%
2023/24	3	512	-509	-1,879	1%
Total	**169**	**2,048**	**-1,879**		**8%**
Avg. Pa	**42**	**512**	**-470**		**8%**

Source: FOI 13/06/2024, Live Table 691, Registered Provider Statistical Data Returns, 2020 LHNA

4.18 Since the start of the 2020 LHNA period in 2020/21 affordable housing completions (net of Right to Buy) have averaged just 42 net affordable dwellings per annum, against a need of 512 net affordable dwellings per annum. A shortfall of 1,879 affordable dwellings has arisen over the four-year period, equivalent to an average annual shortfall of 470 affordable dwellings.

Affordable Housing Delivery in Watford Rural Civil Parish

4.19 The Council confirmed in its response at **Appendix TKP1** that they do not have information pertaining to the number of net affordable housing completions in Watford Rural Civil Parish broken down on a per annum basis for the period 2000/01 and 2023/24.

Summary and Conclusions

4.20 The above evidence demonstrates that across Three Rivers District, the delivery of affordable housing has fallen persistently short of meeting identified needs.

4.21 In the 23-year period since the start of the Core Strategy monitoring period in 2001/02, net of Right to Buy affordable housing delivery represented just 15% of overall housing delivery, equating to just 33 affordable dwellings per annum.

4.22 Against the level of affordable housing need identified in the 2020 LHNA there has been a shortfall in delivery of 1,879 affordable dwellings over the four-year period between 2020/21 and 2023/24, equivalent to an average annual shortfall of 470 affordable dwellings.

4.23 It is clear that a ‘step change’ in affordable housing delivery is needed now in Three Rivers District to address these shortfalls and ensure that the future authority-wide needs for affordable housing can be met.

4.24 In light of the identified level of need and the substantial shortfalls in delivery of affordable housing, there can be no doubt that the delivery of up to 128 affordable dwellings on the proposed site will make an important and valuable contribution to the affordable housing needs of Three Rivers District.

Affordability Indicators

Section 5

Introduction

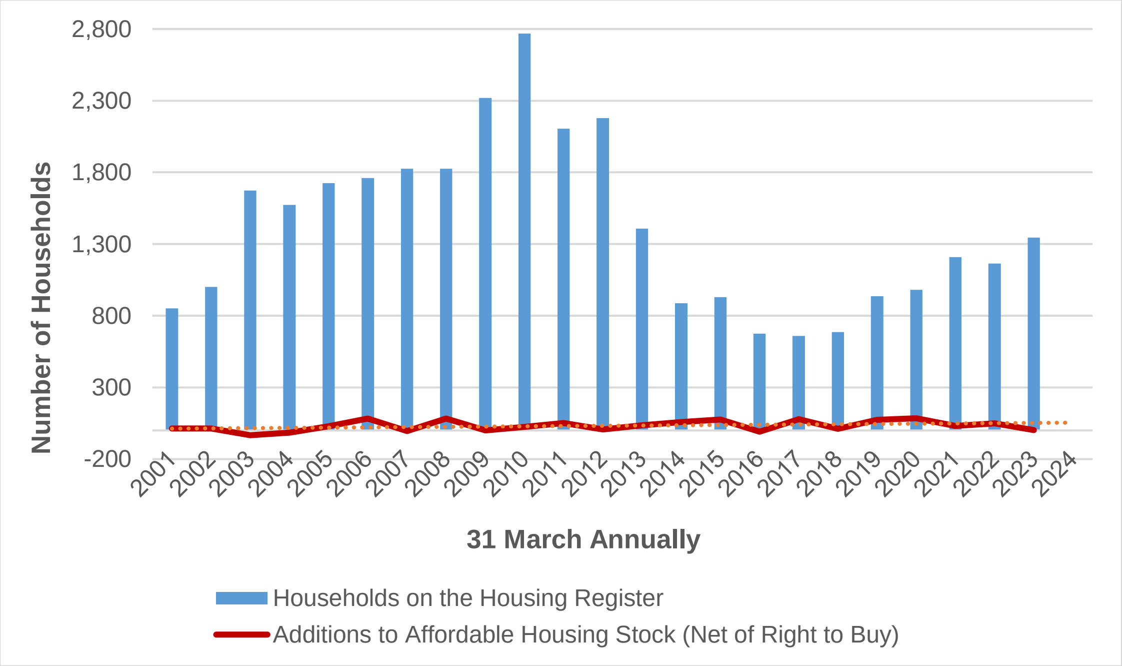
5.1 The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability. It is acknowledged that this is in the context of plan making.

Housing Register

5.2 The Council's Freedom of Information response (**Appendix TKP2**) confirms that on 31 March 2024 there were 1,310 households on the Housing Register.

5.3 Figure 5.1 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 Three Rivers since the start of the Core Strategy monitoring period in 2001.

Figure 5.1: Number of Households on the Housing Register Compared with Additions to Affordable Housing Stock (Net of Right to Buy), 2001/02 to 2023/24



Source: MHCLG Open Data and Freedom of Information Response (13/062024)

5.4 As Figure 5.1 clearly illustrates, affordable housing delivery has failed to keep pace with identified need on the housing register by a considerable margin for every single year in Three Rivers since 2001/02.

5.5 Footnote 3 of MHCLG[11] Live Table 600 highlights that:

> *"The introduction of choice-based approaches in 2003, where applicants have more choice about where they live, has contributed to a rise in the size of waiting lists. The Localism Act 2011 has contributed to a decrease in the size of waiting lists, as it allowed local authorities to set their own qualification criteria. Since households can be on the waiting list of more than one local authority, there is the potential for double counting."*

5.6 Evidently the result of the Localism Act is that many local authorities, including Three Rivers District, 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.

5.7 Following the changes brought about by the Localism Act, Three Rivers District published a revised Housing Allocations Scheme in **2013** which received further revisions in **2020 and 2022**.

5.8 Despite this, it is important to reiterate that the number of households on the Housing Register has actually increased by 16% (from 1,165 to 1,346) in the 12-months from 2022 to 2023, indicating a worsening of affordability across the District.

5.9 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.

5.10 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.

[11] Department for Levelling Up, Housing and Communities

5.11 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, TKP suggest, the Government intends to assist by increasing the range of affordable housing types in the NPPF.

5.12 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. Furthermore, as previously raised the wider definition of affordable housing is not reflected in the latest LHNA.

Housing Register Bids and Lettings

5.13 Figure 5.2 below demonstrates average number of bids per property in Watford Rural Civil Parish over the 2023/24 monitoring period for a range of types of affordable property.

Figure 5.2: Bids Per Property in Watford Rural Civil Parish, April 2023 to March 2024

Type of Affordable Property	No. Properties Advertised	Average Bids Per Property
1-bed affordable dwelling	38	45
2-bed affordable dwelling	5	79
3-bed affordable dwelling	1	34
4+ bed affordable dwelling	0	N/A

Source: Freedom of Information response (05/12/2024)

5.14 Figure 5.2 demonstrates that between 1 April 2023 to 31 March 2024 there were an average of 45 bids per 1-bed affordable dwelling put up for let in the parish, 79 average bids per 2-bed affordable dwelling and 34 average bids per 3-bed affordable dwelling.

5.15 This should be viewed in context of the fact that the Figure 5.2 also highlights that over the 2023/24 monitoring period there were **just 44 social housing lettings in Watford Rural Civil Parish.**

5.16 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 Civil Parish area and this is not being met.

Temporary Accommodation

5.17 Figure 5.3 below shows that as of 31 March 2024, there were 57 households housed in temporary accommodation within the Three Rivers District. Three Rivers District Council has a responsibility to house these households.

5.18 Furthermore, an additional 16 households were housed in temporary accommodation outside Three Rivers District at 31 March 20214. 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.

Figure 5.3: Temporary Accommodation, 2023 to 2024

Households in Temporary Accommodation	31 March 2023	31 March 2024
Households Housed within Three Rivers District Council	51	57
Households Housed outside Three Rivers District Council	10	16
Total Households	**61**	**73**

Source: Freedom of Information (13/06/2024)

5.19 Figure 5.3 also shows that the number of households in temporary accommodation has increased by 20% over the past year, from 61 households in 2023 to 73 households in 2024.

5.20 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.

5.21 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

5.22 MHCLG statutory homelessness data shows that in the 12 months between 1 April 2023 and 31 March 2024, the Council accepted 249 households in need of homelessness prevention duty[12], and a further 47 households in need of relief duty[13] from the Council.

5.23 The Council's Housing, Homelessness and Rough Sleeping Strategy 2023 – 2028 confirms on pages 9-11 that *"overall demand on the Housing Service has increased by 50% since 2017",* and that following the Covid-19 pandemic *"a significant increase in enquires can be seen post 2019/20".*

5.24 The Strategy also clarifies that *"data indicates that the primary reasons for the Council to accept homelessness duty towards a household is due to an eviction by a family member (parents/extended family) or friend. This is followed closely by the eviction of a household from a property in the private rented sector".*

5.25 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.*** *The proportion of households accepted as homeless by Local Authorities due to the end of an assured shorthold tenancy increased from 11% during 2009-10 to 32% during 2016-17. The proportion in London increased during the same period from 10% to 39%. Across England, the ending of private sector tenancies accounts for 74% of the growth in households who qualify for temporary accommodation since 2009-10. Before this increase, homelessness was driven by other causes. These included more personal factors, such as relationship breakdown and parents no longer being willing or able to house children in their own homes. The end of an assured shorthold tenancy is the defining characteristic of the increase in homelessness that has occurred since 2010."* (Emphasis in original).

[12] 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.
[13] 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.

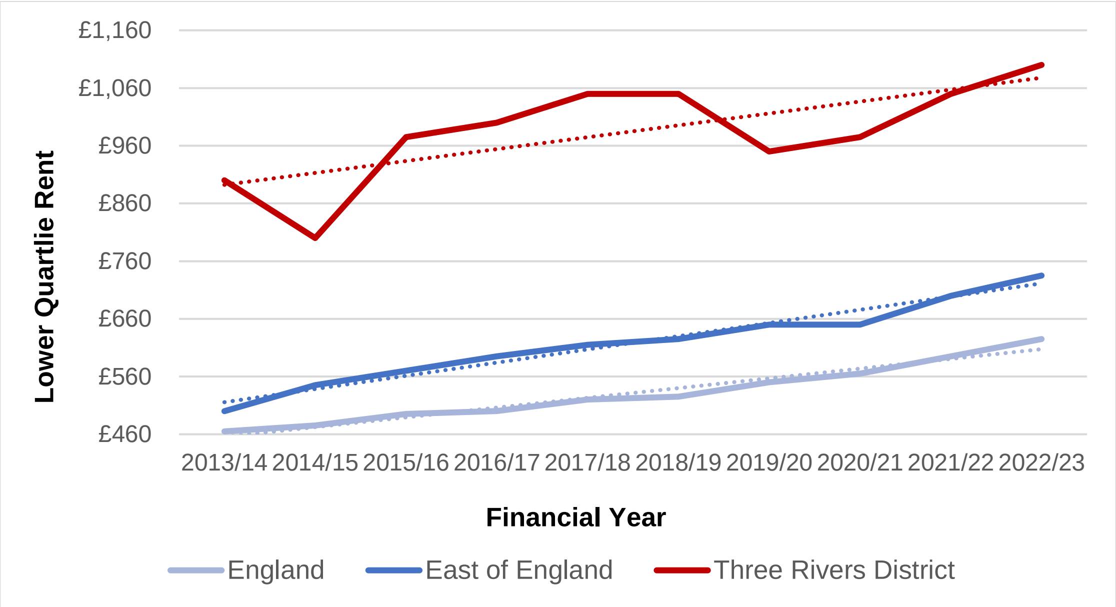
5.26 The NAO report also noted that *"the affordability of tenancies is likely to have contributed to the increase in homelessness"* and that *"changes to Local Housing Allowance are likely to have contributed to the affordability of tenancies for those on benefits and are an element of the increase in homelessness."*

Private Rental Market

5.27 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.

5.28 Valuation Office Agency ("VOA") and Office for National Statistics ("ONS") data (first produced in 2013/14) show that average lower quartile monthly rents in Three Rivers in 2022/23 was £1,100 pcm. This represents a 22% increase from 2013/14 where average lower quartile monthly rents stood at £900 pcm.

Figure 5.4: Lower Quartile Private Sector Rents, 2013/14 to 2022/23



Source: VOA and ONS.

5.29 A lower quartile rent of £1,100 pcm in 2022/23 is 50% higher than the East of England figure of £735 pcm and 76% higher than the national figure of £625 pcm. <u>It should also be noted that since the start of the 2020 LHNA monitoring period lower quartile rents in Three Rivers have increased by 13%.</u>

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

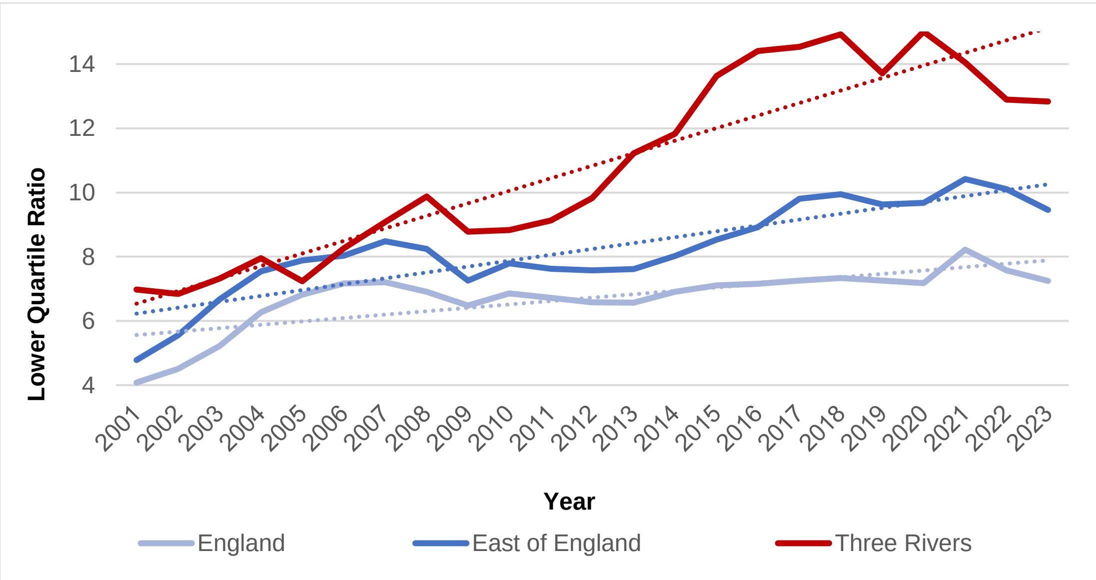
Lower Quartile House Prices

5.31 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 Three Rivers in 2023 stood at **12.83[14],** an 84% increase since the start of the Core Strategy monitoring period in 2001 when it stood at 6.98.

5.32 This means that those on lower quartile incomes in Three Rivers, seeking to purchase a lower quartile priced property, now need to find almost 13 times their annual income to do so.

5.33 The ratio in Three Rivers stands substantially above the national average of 7.25 (+77%) and significantly above the East of England average of 9.46 (+36%). It follows that housing in this area is significantly unaffordable for a significant part of the local population.

Figure 5.5 Lower Quartile Workplace-Based Affordability Ratio comparison, 2001 to 2023



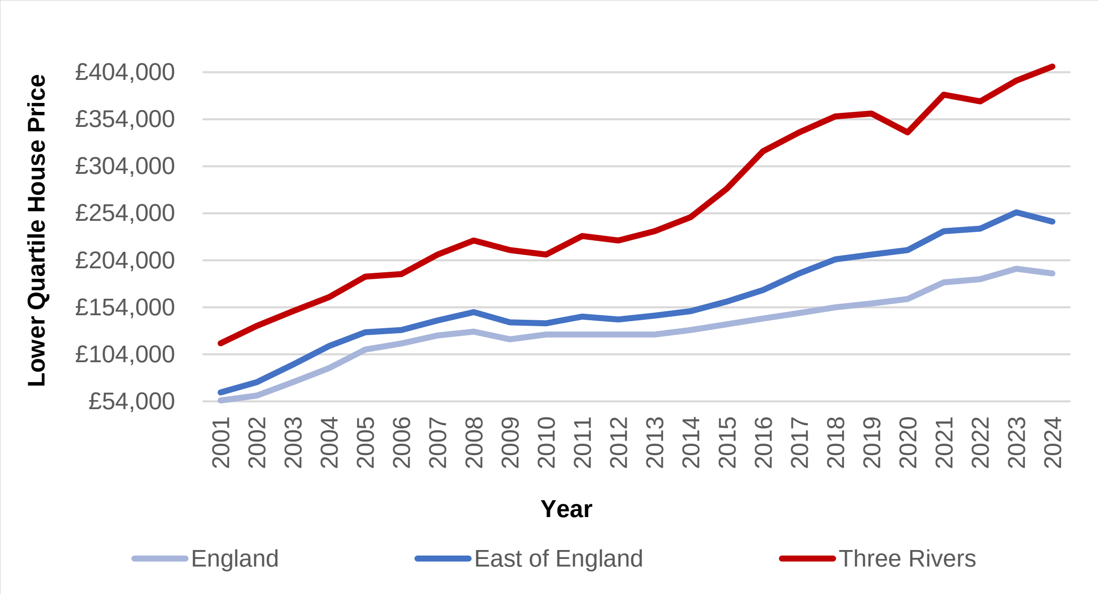
Source: ONS.

5.34 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 185% higher than that.

[14] For comparison, the median affordability ratio in 2023 was 12.11. This is 6% lower than the lower quartile ratio of 12.83, but 51% higher than the figure of 8 times average incomes which was described as a problem by the former Prime Minister in the foreward to the White Paper entitled 'Fixing our broken housing market' in 2017.

5.35 Figure 5.6 illustrates the lower quartile house sale prices for England, East of England, and Three Rivers. It demonstrates that they have increased dramatically between the start of the Core Strategy monitoring period in 2001 and 2024.

Figure 5.6: Lower Quartile House Prices, 2001 to 2024



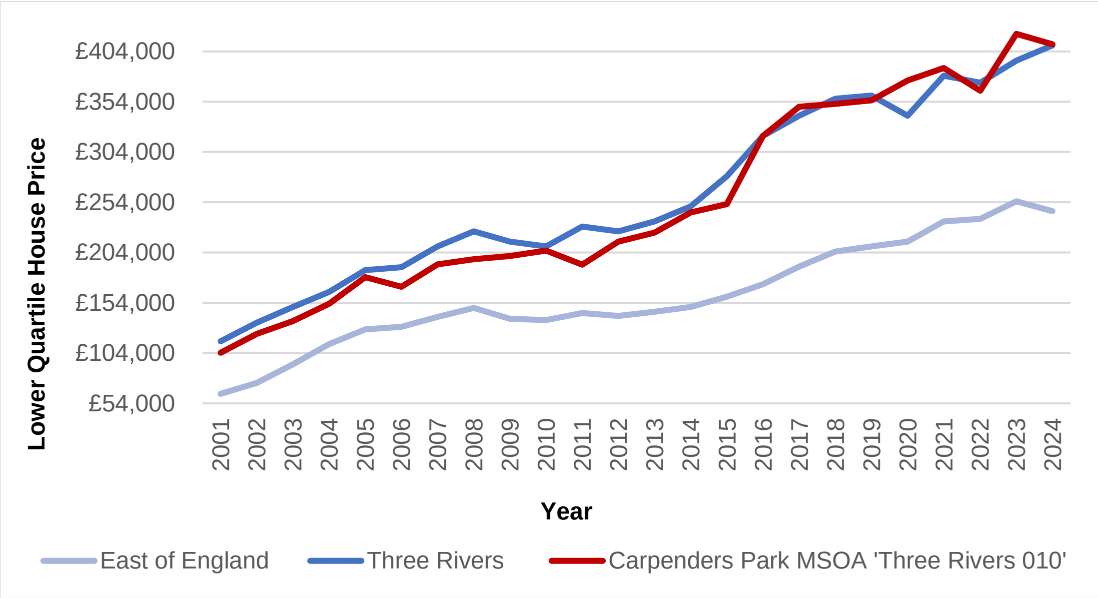
Source: ONS.

5.36 The lower quartile house price across Three Rivers has risen by 254% from £115,750 in 2001 to £410,000 in 2024. This compares to a 286% increase across the East of England region and a national increase of 246% over the same period.

5.37 In 2024 lower quartile house prices in Three Rivers (£410,000) were 67% higher than across the East of England Region (£245,000) and 116% higher than the national figure (£190,000). <u>It should also be noted that since the start of the 2020 LHNA period lower quartile house prices in Three Rivers have increased by 20.5%.</u>

5.38 Figure 5.7 below compares the lower quartile house sale prices in the Carpenders Park MSOA 'Three Rivers 010' with Three Rivers District and the East of England. Once again it demonstrates that they have increased dramatically between the start of the Core Strategy period in 2001 and 2024.

Figure 5.7: Lower Quartile House Price Comparison, 2001 to 2024



Source: ONS.

5.39 The lower quartile house price across Carpenders Park MSOA has risen by 294% from £104,375 in 2001 to £411,250 in 2024. This figure is slightly higher than the Three Rivers figure of £410,000 (which has seen an increase of 254% over the same period) and 51% higher than the East of England figure of £245,000 (which has seen an increase of 286% over the same period).

5.40 The importance of providing affordable tenures in high value areas for housing was recognised by the Planning Inspector presiding over an appeal at Land at Filands Road/Jenner Lane, Malmesbury, Wiltshire[15] (page 17, paragraph 78-79) in January 2022. In considering the provision of affordable housing at the site and the weight to be attached to this provision the Inspector set out the following at paragraphs 78 and 79 of the decision:

> *"78. The proposed affordable housing would not be as cheap, either to rent or buy, as housing in some other parts of Wiltshire, because Malmesbury is a relatively high value area for housing. However, the housing would meet all policy requirements in terms of amount, mix, and type of provision. Both Appeals A and C would offer affordable housing products as defined by national and local planning policy. I do not diminish the weight to be provided to this provision because such housing might be even cheaper in a theoretical location elsewhere.*

[15] Ref: APP/Y3940/W/21/3278256

<u>In fact, that Malmesbury is a relatively high value area for housing adds more weight to the need for affordable housing products</u>.

*79. Evidence has been provided that there is more affordable housing either already provided or committed for Malmesbury than the identified need. However, that need is as identified in a Development Plan that is out-of-date in relation to housing, and there is an overall identified shortfall in Wiltshire as a whole. <u>I therefore place **substantial positive weight** on the proposed provision of affordable housing in Appeals A and C</u>. <u>The slightly reduced provision in Appeal C, after taking account of the nursery land, is of no material difference in this regard</u>"* (my emphasis).

Summary and Conclusions

5.41 As demonstrated through the analysis in this section, affordability across Three Rivers has been, and continues to be, in crisis.

5.42 House prices and rent levels in the 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 Three Rivers out of the reach of more and more people.

5.43 Analysis of market signals is critical in understanding the affordability of housing. It is TKP's opinion that there is an acute housing crisis in Three Rivers, with a lower quartile house price to average income ratio of 12.83. It is understood the Council agree with this description of the local housing crisis.

5.44 Furthermore, market signals indicate a worsening trend in affordability in Three Rivers and within Carpenders Park MSOA 'Three Rivers 010'. By any measure of affordability, this is an authority in the midst of an affordable housing emergency, and one through which urgent action must be taken to deliver more affordable homes.

Conclusions and Recommendations

Section 6

Introduction

6.1 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.

6.2 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.

6.3 Market signals indicate a worsening trend in affordability across Three Rivers and, by any measure of affordability, this is an Authority amid an affordable housing emergency, and urgent action must be taken to deliver more affordable homes.

Affordable Housing Offer

6.4 The proposed development includes 50% on site affordable housing provision (128 dwellings), which exceeds the requirements of Policy CP4 (45%) of the adopted Core Strategy (2011).

6.5 The proposed tenure split will be 70% social rent (90 dwellings) and 30% shared ownership (38 dwellings) which reflects the requirements of Core Strategy Policy CP4.

6.6 The proposed affordable housing will be secured by way of a Section 106 Planning Obligation.

Local Policy Position

6.7 Core Strategy Policy CP4 is the main affordable housing policy for Three Rivers District, requiring 45% affordable housing provision on all new developments resulting in a net gain of one or more dwellings.

6.8 As a guide, Policy CP4 seeks 70% of the affordable housing provided to be social rented and 30% to be intermediate, however, the Council will treat each case on its merits when assessing the amount, type and tenure mix.

Affordable Housing Needs

6.9 The South West Hertfordshire Local Housing Needs Assessment (2020) provides the most up-to-date assessment of affordable housing need in Three Rivers District.

6.10 The 2020 LHNA identifies a net need for 512[16] affordable homes per annum over the 2020-2036, equivalent to a total of 8,192[17] net affordable/social rented dwellings over the 16-year period.

Affordable Housing Delivery

6.11 Since the start of the Core Strategy monitoring period in 2001/02, net of Right to Buy, affordable housing delivery represented just 15% of overall housing delivery, equating to just 33 affordable dwellings per annum.

6.12 When compared against the identified level of affordable housing need in the 2020 LHNA, there has been a shortfall in delivery of 1,879 affordable dwellings over the four-year period between 2020/21 and 2023/24, equivalent to an average annual shortfall of 470 affordable dwellings.

6.13 The Council concedes in its response at Appendix TKP1 that it does not have information pertaining to the number of net affordable housing completions in Watford Rural Civil Parish broken down on a per annum basis for the period between 2000/01 and 2023/24.

Affordability

6.14 In addition to the persistent shortfall in affordable housing delivery against objectively assessed needs other indicators further point to an affordability crisis in Three Rivers. Set out below are the key findings in respect of affordability across the District:

<u>Housing Register</u>

- The Council's Freedom of Information response (Appendix TKP2) confirms that on 31 March 2024, there were 1,310 households on the Housing Register.
- Average bids per property were significantly above the number of properties advertised in the period 1 April 2023 to 31 March 2024.

[16] 350+162 = 512
[17] 512*16 = 8,192

Temporary Accommodation

- As of 31 March 2024, there were 57 households being housed in temporary accommodation within the Three Rivers District Council. This is an increase from the previous year.
- In addition, there are 16 households that had to be housed in temporary accommodation outside the Three Rivers District Council area at 31 March 2024.
- Temporary accommodation is unlikely to be suited to or meet the needs of those people who are housed there who are in need of affordable housing. Furthermore, for those being housed outside the Three Rivers District, this means they may also be located away from their support network.

Homelessness

- During the period 1 April 2023 and 31 March 2024, the Council accepted 249 households in need of homelessness prevention duty, and a further 47 households in need of relief duty.

Private Rental Market

- Average lower quartile monthly rents in Three Rivers stood at £1,100 pcm in 2022/23. This represents an increase of 22% from 2013/14, when lower quartile rents were £900 pcm.
- A lower quartile rent of £1,100 pcm in 2022/23 is 50% higher than the East of England figure of £735 pcm and 76% higher than the national figure of £625 pcm.

Lower Quartile House Prices

- The ratio of lower quartile house prices to incomes in Three Rivers in 2023 stood at 12.83, an increase of 84% since the start of Core Strategy monitoring period in 2021 when it stood at 6.98. A ratio of 12.83 in 2023 in Three Rivers stands substantially above the national average of 7.25 and the East of England average of 9.46.
- The lower quartile house price in Three Rivers has risen by 254% from £115,750 in 2001 to £410,000 in 2024.
- In 2024 lower quartile housing prices in Three Rivers (£410,000) were 67% higher than across the East of England (£245,000) and 116% higher than the national figure (£190,000).

- The lower quartile house price across Carpenders Park MSOA ‘Three Rivers 010’ has risen by 294% from £104,375 in 2001 to £411,250 in 2024. This figure is slightly higher than the Three Rivers figure of £410,000 and 51% higher than the East of England figure of £245,000.

6.15 All these factors combine to create a challenging situation for anybody in need of affordable housing to rent or to buy in Three Rivers District.

6.16 This demonstrates an acute need for affordable housing in Three Rivers District and one which the Council and decision takers need to do as much as possible to address as required to do so, proactively, by the NPPF (2024).

Summary and Conclusions

6.17 There are serious and persistent affordability challenges across Three Rivers District. This is exemplified by the affordability indicators which show a poor and worsening affordability across the District.

6.18 It is the opinion of TKP that there is an acute housing crisis in Three Rivers District, with a lower quartile house price to income ratio of 12.83. Mortgage lending is typically offered based on up to 4.5 times earnings (subject to individual circumstances). <u>Here, the affordability ratio is some 185% higher than that</u>.

6.19 Boosting the supply of affordable homes will mean that households needing affordable housing will spend less time in unsuitable accommodation. This will improve the lives of those real households who will benefit from the provision of high quality, affordable homes that meet their needs.

6.20 The affordable housing benefits of the application scheme are substantial and weighty, comprising:

- Above policy compliant 50% (128 dwellings) (policy requires 45%) of the scheme provided as affordable housing;
- A deliverable scheme which provides much needed affordable homes;
- In a sustainable location;
- With the affordable homes managed by a Registered Provider;
- Which provide better quality affordable homes; and
- Greater security of tenure than the private rented sector.

6.21 Evidently, there can be no doubt that the provision of 128 affordable dwellings on this site to help those in acute need in Three Rivers District should be afforded **very substantial weight** in the determination of this application.

Appendix TKP1

Freedom of Information Response (05/12/2024)

Nathan Price

From: FOI (Three Rivers) <foi@ThreeRivers.gov.uk>
Sent: 05 December 2024 09:18
To: Nathan Price
Subject: RE: Freedom of Information Request - Housing Data
Attachments: Net Completions 00-24 Watford Rural.xls; Herts_Res_Afford_Comp.pdf

Thank you for your Freedom of Information request.

Colleagues from the Housing department and Planning Policy department have provided the information which has been added to your e-mail below.

Regards

Phil King
Freedom of Information Officer
Ref: 8899-1224

Three Rivers District Council
www.threerivers.gov.uk

From: Nathan Price <nathan.price@tetlow-king.co.uk>
Sent: 11 November 2024 17:54
To: FOI (Three Rivers) <foi@ThreeRivers.gov.uk>
Subject: Freedom of Information Request - Housing Data

Dear Sir/Madam,

I hope this email finds you well. I write to you to make a request under the Freedom of Information Act 2000 in respect of housing matters in Watford Rural Civil Parish.

Please see below the FOI request. Please let me know if you have any queries or require any clarification; I look forward to hearing from you within the relevant timescales.

Confirmation of receipt would be greatly appreciated.

Freedom of Information Request

Questions 1 to 4 of this request relate to data held by the Housing Department.
Questions 5 to 6 of this request relate to data held by the Planning Department.

Housing Register

1. The total number of households on the Council's Housing Register at 31 March 2024 specifying the following locations as their preferred choice of location:

Location	Household Preferences (31 March 2024)
Watford Rural Civil Parish	N/A

As we are a choice based lettings system rather than a traditional waiting list, customers bid on properties of choice and are not requested to advised preferred areas of choice.

2. The number of properties advertised, and the average number of bids per property over the 2023/24 monitoring period for the following types of affordable property in the locations listed below:

Type of affordable property	Watford Rural Civil Parish	
	Number of properties advertised	Average Bids per Property
1-bed affordable dwelling	38	45
2-bed affordable dwelling	5	79
3-bed affordable dwelling	1	34
4+ bed affordable dwelling	0	N/A

Social Housing Stock

3. The total number of social housing dwelling stock at 31 March 2024 in the following locations:

Location	Total Social Housing Stock (31 March 2024)
Watford Rural Civil Parish	2167 – please note we are a non-stock holding authority so this is an approx. figure based on information provided by the local housing associations.

Social Housing Lettings

4. The number of social housing lettings in the period between 1 April 2023 and 31 March 2024 in the following locations:

Location	Social Housing Lettings
	1 April 2023 to 31 March 2024
Watford Rural Civil Parish	44

Housing Completions

5. The number of NET housing completions in Watford Rural Civil Parish broken down on a per annum basis for the period between 2000/01 and 2023/24.

Please see the attached excel spreadsheet titled "Net Completions 00-24 Watford Rural.xls"

6. The number of NET affordable housing completions in Watford Rural Civil Parish broken down on a per annum basis for the period between 2000/01 and 2023/24.

We do not have information pertaining to "the number of NET affordable housing completions in Watford Rural Civil Parish broken down on a per annum basis for the period between 2000/01 and 2023/24". However, I have attached a PDF with the total number of affordable completions within the District between 2000 and 2024.

Glossary of Terms

Housing Register	The housing register is a waiting list of households in a given authority area who are eligible and in need of an affordable home.
Affordable Property	Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions: a) Affordable housing for rent b) Starter Homes c) Discounted market sales housing; and d) Other affordable routes to home ownership.[1]
Housing Completion	A dwelling is counted as completed when construction has ceased, and it becomes ready for occupation. This includes new build dwellings, conversions, changes of use and redevelopments. Housing completions should be provided as net figures.
Net	Net refers to total (gross) figures minus any deductions (for example, through demolitions).
Monitoring Period	From 1 April in any given calendar year through until 31 March in the following calendar year.
Prevention Duty	The prevention duty applies when a local authority is satisfied that an applicant is threatened with homelessness and eligible for assistance.
Relief Duty	The relief duty applies when a local authority is satisfied that an applicant is homeless and eligible for assistance.
Parish	The smallest unit of local government.
Ward	A division of a city or town, for representative, electoral, or administrative purposes.

I look forward to hearing from you. If there are any issues with providing any of the data then please get in touch.

Nathan Price **BA (Hons) MSc**
Assistant Planner
TETLOW KING PLANNING

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M: 07780 481839
W: tetlow-king.co.uk

[1] As defined by Annex 2 of the National Planning Policy Framework (2023) which can be viewed here.

Appendix TKP2

Freedom of Information Response (13/06/2024)

Colleagues from our Housing department and Planning Policy department have provided the information which has been added to your e-mail below.

Regards

Phil King
Freedom of Information Officer
Ref: 8524-0624

Three Rivers District Council
www.threerivers.gov.uk

From: Lisa Luong <lisa.luong@tetlow-king.co.uk>
Sent: Wednesday, May 29, 2024 5:04 PM
To: FOI (Three Rivers) <foi@ThreeRivers.gov.uk>
Cc: James Stacey <James.Stacey@tetlow-king.co.uk>; Leonie Stoate <Leonie.Stoate@tetlow-king.co.uk>
Subject: Freedom of Information request

Dear Sir / Madam,

I hope this email finds you well. I write to you to make a request under the Freedom of Information Act 2000 in respect of housing matters in Chorleywood North & Sarratt Ward, as well as the Three Rivers District Council area.

Please see below the FOI request. Please let me know if you have any queries or require any clarification; I look forward to hearing from you within the relevant timescales.

Confirmation of receipt would be greatly appreciated.

Freedom of Information Request

Questions 1 to 11 of this request relate to data held by the Housing Department.
Questions 12 to 15 of this request relate to data held by the Planning Department.

Housing Register

1. The total number of households on the Council's Housing Register at 31 March 2024.

1,310

2. The average waiting times at 31 March 2024 for the following types of affordable property across the Authority:

   a. 1-bed affordable dwelling;
   b. 2-bed affordable dwelling;
   c. 3-bed affordable dwelling; and
   d. A 4+ bed affordable dwelling.

We cannot provide realistic waiting times as we operate a choice based letting system rather than a traditional waiting list. Customers bid on properties of choice in geographical areas of choice. We verify at point of offer so some accounts may also be inactive.

3. The average waiting times at 31 March 2023 for the following types of affordable property across the Authority:

   a. 1-bed affordable dwelling;
   b. 2-bed affordable dwelling;
   c. 3-bed affordable dwelling; and
   d. A 4+ bed affordable dwelling.

We cannot provide realistic waiting times as we operate a choice based letting system rather than a traditional waiting list. Customers bid on properties of choice in geographical areas of choice. We verify at point of offer so some accounts may also be inactive.

4. The total number of households on the Council's Housing Register at 31 March 2024 specifying the following locations as their preferred choice of location:

Location	**Household Preferences (31 March 2024)**
Chorleywood North & Sarratt Ward	

Customers are not asked to specify their preferred choice of location as part of the application process, so we are unable to provide this information.

5. The number of properties advertised, and the average number of bids per property over the 2023/24 monitoring period for the following types of affordable property in the locations listed below:

Type of affordable property	Chorleywood North & Sarratt Ward	
	Number of properties advertised	Average Bids per Property
1-bed affordable dwelling	1	42
2-bed affordable dwelling	0	N/A
3-bed affordable dwelling	0	N/A
4+ bed affordable dwelling	0	N/A

6. Any changes the Council has made to its Housing Register Allocations Policy since 2011 including:

- The date they occurred;
- What they entailed; and
- Copies of the respective documents

Changes in 2013, 2020 and 2022 – see attached documents.

Social Housing Stock

7. The total number of social housing dwelling stock at 31 March 2024 in the following locations:

Location	Total Social Housing Stock (31 March 2024)
Chorleywood North & Sarratt Ward	84 properties

Social Housing Lettings

8. The number of social housing lettings in the period between 1 April 2022 and 31 March 2023; and between 1 April 2023 and 31 March 2024 in the following locations:

Location	Social Housing Lettings	
	1 April 2022 to 31 March 2023	1 April 2023 to 31 March 2024
Chorleywood North & Sarratt Ward	2	1

Temporary Accommodation

9. The number of households on the Housing Register housed in temporary accommodation within and outside the Three Rivers District Council on the following dates:

Households in Temporary Accommodation	31 March 2023	31 March 2024
Households Housed within Three Rivers District Council	51	57
Households Housed outside Three Rivers District Council	10	16
Total Households	61	73

10. The amount of money spent on temporary accommodation per household within the Three Rivers District Council over the following periods:
    - 1 April 2023 to 31 March 2024.

No spend as this is all our own temporary accommodation.

11. The amount of money spent on temporary accommodation per household outside the Three Rivers District Council over the following periods:
    - 1 April 2023 to 31 March 2024.

£173,149 total spend across the year on nightly lets and hotels. We are unable to report the specific costs associated with each household.

Housing Completions

12. The number of NET housing completions in the Three Rivers District Council broken down on a per annum basis for the period between 2000/01 and 2023/24.

	01/02 - 08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Completions (net)	1926	48	107	185	176	142	285	215	144	264	149	406	99	154	204	260
Affordable Comps (net)	498	0	25	55	39	48	93	85	0	90	22	82	91	34	61	3

For a breakdown of housing completions per annum for the years prior to 09/10, please view previous Annual Monitoring Report's, available at https://www.threerivers.gov.uk/services/planning/planning-policy/monitoring The AMR for the period 2010/2011 is suggested.

Please note the above relates to financial years.

13. The number of NET affordable housing completions in the Three Rivers District Council broken down on a per annum basis for the period between 2000/01 and 2023/24.

	01/02 - 08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Completions (net)	1926	48	107	185	176	142	285	215	144	264	149	406	99	154	204	260
Affordable Comps (net)	498	0	25	55	39	48	93	85	0	90	22	82	91	34	61	3

For a breakdown of affordable housing completions per annum for the years prior to 09/10, please view previous Annual Monitoring Report's, available at https://www.threerivers.gov.uk/services/planning/planning-policy/monitoring The AMR for the period 2010/2011 is suggested.

Please note the above relates to financial years.

14. The number of NET housing completions in Chorleywood North & Saratt Ward broken down on a per annum basis for the period between 2000/01 and 2023/24.

2001/2002 = 9
2002/2003 = 9
2003/2004 = 3
2004/2005 = 5
2005/2006 = 26
2006/2007 = 16
2007/2008 = 11
2008/2009 = 11
2009/2010 = -2
2010/2011 = 19
2011/2012 = 5
2012/2013 = 13
2013/2014 = 13
2014/2015 = 0
2015/2016 = 18
2016/2017 = 5
2017/2018 = 6
2018/2019 = 4
2019/2020 = 11
2020/2021 = 9
2021/2022 = 40
2022/2023 = 4
2023/2024 = 13

Please note the above relates to financial years.

15. The number of NET affordable housing completions in Chorleywood North & Saratt Ward broken down on a per annum basis for the period between 2000/01and 2023/24.

According to our records there have been no affordable housing completions within the Chorleywood North & Saratt Ward between 2000/01 and 2023/24.

Glossary of Terms

Housing Register	The housing register is a waiting list of households in a given authority area who are eligible and in need of an affordable home.
Affordable Property	Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions: a) Affordable housing for rent b) Starter Homes c) Discounted market sales housing; and d) Other affordable routes to home ownership.[1]
Housing Completion	A dwelling is counted as completed when construction has ceased, and it becomes ready for occupation. This includes new build dwellings, conversions, changes of use and redevelopments. Housing completions should be provided as net figures.
Net	Net refers to total (gross) figures minus any deductions (for example, through demolitions).
Monitoring Period	From 1 April in any given calendar year through until 31 March in the following calendar year.
Prevention Duty	The prevention duty applies when a local authority is satisfied that an applicant is threatened with homelessness and eligible for assistance.
Relief Duty	The relief duty applies when a local authority is satisfied that an applicant is homeless and eligible for assistance.
Parish	The smallest unit of local government.
Ward	A division of a city or town, for representative, electoral, or administrative purposes.

I look forward to hearing from you. If there are any issues with providing any of the data, then please get in touch.

Kind regards,

Lisa Luong BSc (Hons) MSc
Planner
TETLOW KING PLANNING

Tetlow King PLANNING

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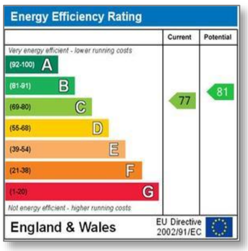
[1] As defined by Annex 2 of the National Planning Policy Framework (2023) which can be viewed here.

Appendix TKP3

Darlington SHMA 2020

Opinion Research Services

Excellent research for the public, voluntary and private sectors



Darlington Strategic Housing Market Assessment 2020

Report of Findings

December 2020

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Contents

3. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

3.1 This section represents an update of the analysis in the SHMA 2015 to include new data and the impact of policy changes. It represents a technical exercise to comply with the requirements of the NPPF and the PPG. We would note that all figures in this section relate to households, not dwellings, until Figure 21 where the results are converted in to the need for dwellings.

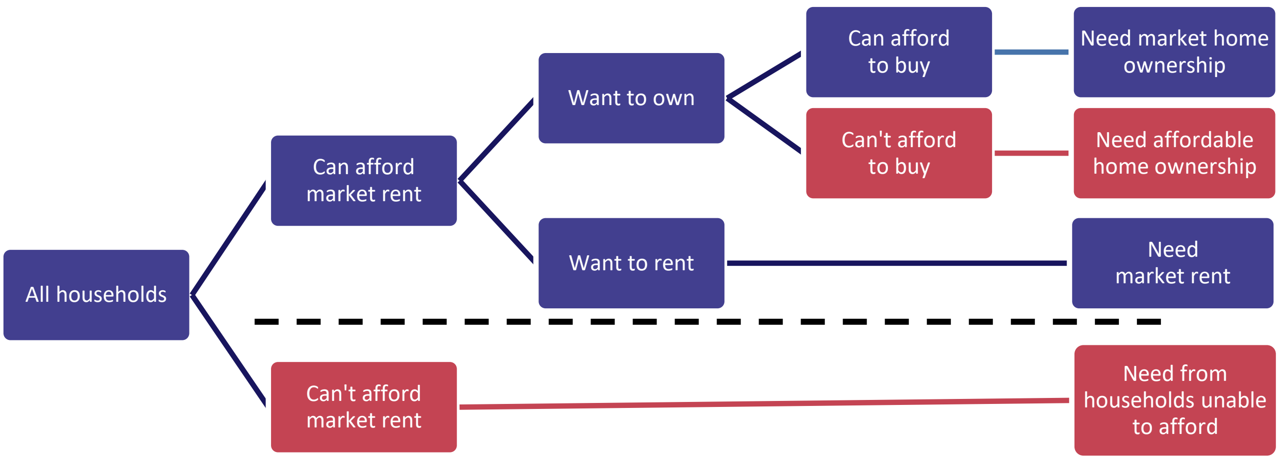
3.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. Annex 2 of the Framework now defines affordable housing as being:

> *Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*
>
> **National Planning Policy Framework 2018, Annex 2**

3.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [PPG ID 2a-020-20190220].

3.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent *and* those households who can afford to rent but would like to buy.

Figure 6: Establishing the need for market and affordable housing



3.5 There is a well-established method for assessing the needs of households who cannot afford to own *or* rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

3.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.

3.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

3.8 The PPG identifies that "projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need" (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

3.9 The affordability percentages in Figure 7 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 7: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	24%	13%	35%	37%	40%	34%
Couple family with no dependent children	21%	7%	10%	7%	8%	13%
Couple family with 1 or more dependent children	39%	24%	13%	7%	12%	20%
Lone parent family with 1 or more dependent children	82%	64%	47%	37%	43%	55%
Other household type	53%	59%	39%	22%	20%	13%

Current Unmet Needs of Households Unable to Afford

3.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

> ***How should the current unmet gross need for affordable housing be calculated?***
>
> *Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:*
>
> » *the number of homeless households;*
>
> » *the number of those in priority need who are currently housed in temporary accommodation;*
>
> » *the number of households in overcrowded housing;*
>
> » *the number of concealed households;*

> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance (February 2019), ID 2a-020-20190220**

3.11 Households assumed to be unable to afford housing include:

» All households that are currently **homeless**;

» All those currently housed in **temporary accommodation**; and

» People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

3.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2016.

3.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Darlington.

3.14 **Concealed families** are an important part of unmet housing need**.** However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

3.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

3.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

3.17 Figure 8 sets out the assessment of current affordable housing need for Darlington:

Figure 8: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2016]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	3		3	3
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0		0	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	1	1	0	
Households accepted as homeless but without temporary accommodation provided	6		6	6
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	63		63	63
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	247		247	
Households living in overcrowded social rented housing	273	273	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2016]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	222	11	211	
People who need to move to a particular locality in the authority, where failure to meet that need would cause hardship (to themselves or to others)	27	1	26	
TOTAL	**842**	**286**	**556**	**72**

3.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 842 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

3.19 Of these households, 286 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

3.20 There is, therefore, a net affordable housing need of 556 households (842 less 286 = 556). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.

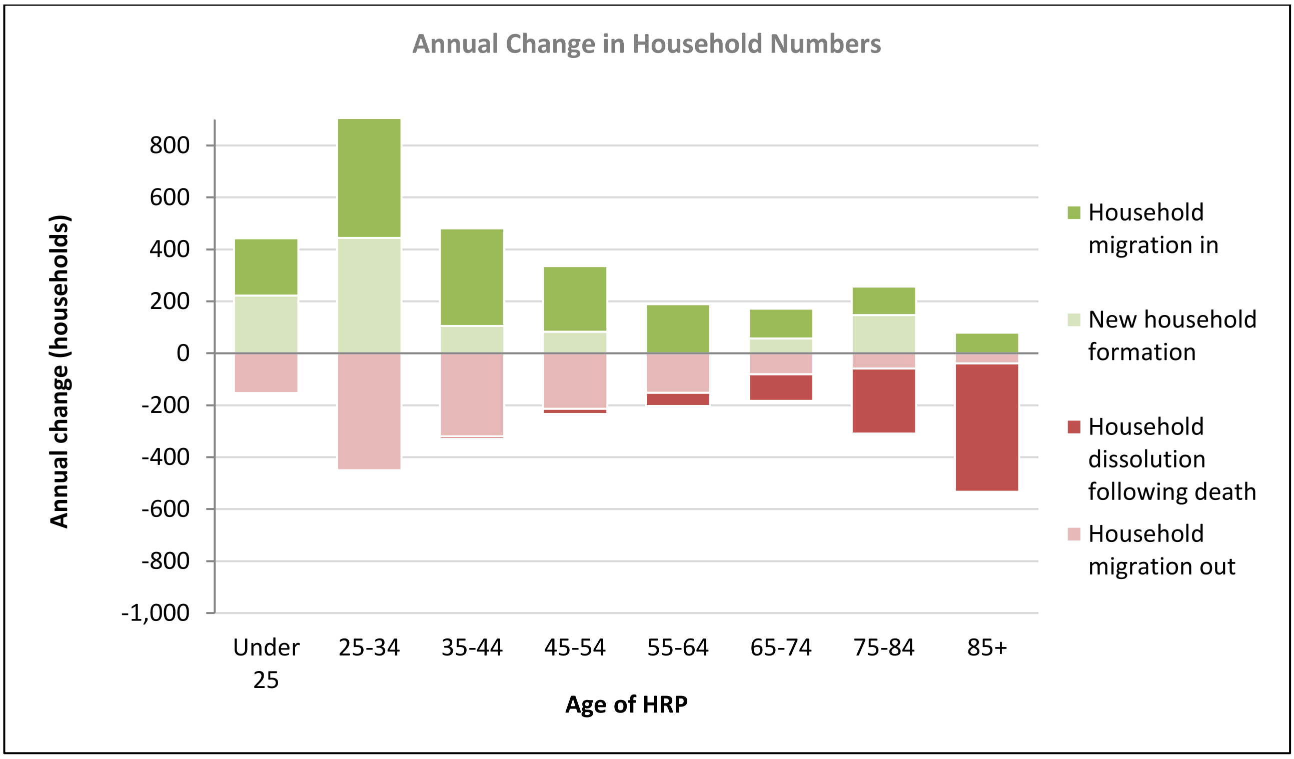
3.21 Providing the net affordable housing need for 556 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 484 households (556 less the 72 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford

3.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a *"gross annual estimate"* (ID 2a-021) suggesting that *"the total need for affordable housing should be converted into annual flows"* (ID 2a-024).

3.23 Figure 9 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 9: Annual change in household numbers in each age cohort by age of HRP in Darlington (Source: ORS Housing Model)



3.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables looks at the impact of different types of household.

Figure 10: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	977	657	320	33%
Households migrating into the area	1,858	1,341	517	28%
All new households	**+2,835**	**+1,998**	**+837**	**30%**

3.25 The ORS Model identifies 977 new households projected to form in Darlington each year, of which 33% will be unable to afford their housing costs. This amounts to 320 households each year.

3.26 The model also considers new households migrating to the area. The projection is for 1,858 households per annum of which 28% (517 households) will be unable to afford their housing costs.

3.27 **This results in a total of 837 new households in need of affordable housing** (Figure 10).

Figure 11: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	931	691	240	26%
Households migrating out of the area	1,468	1,062	406	28%
All households no longer present	**+2,399**	**+1,754**	**+645**	**27%**

3.28 PPG identifies that "there will be a current supply of housing stock that can be used to accommodate households in affordable housing need" and that it is necessary to establish "the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need" (ID 2a-022).

3.29 The model identifies 931 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 240 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

3.30 In addition, some households that are unable to afford housing are will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 1,468 households will migrate out of the area each year, including 406 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

3.31 **Altogether, there are 645 households who will vacate affordable dwellings or will no longer be waiting for a home (**Figure 11**).**

Figure 12: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-203	+203	100%
Existing households climbing out of need	-	+264	-264	0%
Change in existing households	**-**	**+61**	**-61**	**-**

3.32 PPG also identifies that it is important to estimate *"the number of existing households falling into need"* (ID 2a-021). Whilst established households that continue to live in Darlington will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 203 established households will fall into need in Darlington each year.

3.33 However, established households' circumstances can also improve. For example:

» When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

» Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

3.34 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 264 households will improve such that they become able to afford their housing costs having previously being unable to afford.

3.35 Therefore, considering the changing needs of existing households overall, **there is a net decrease of 61 existing households needing affordable housing each year** (Figure 12).

3.36 The following table (Figure 13) summarises the overall impact of

» new households adding to housing need,

» the households no longer present reducing housing need and

» the changes in circumstances impacting existing households.

Figure 13: Annual components of Household Growth 2016-36 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		2,835	1,998	837
All households no longer present		2,399	1,754	645
Change in existing households		-	+61	-61
Future affordable housing need 2016-36	**Annual average**	**+436**	**+305**	**+131**
	20-year Total	**+8,716**	**+6,103**	**+2,612**

3.37 Overall reviewing the contribution of each element amounts **to an additional 2,612 households needing affordable housing over the 20-year period 2016-36.**

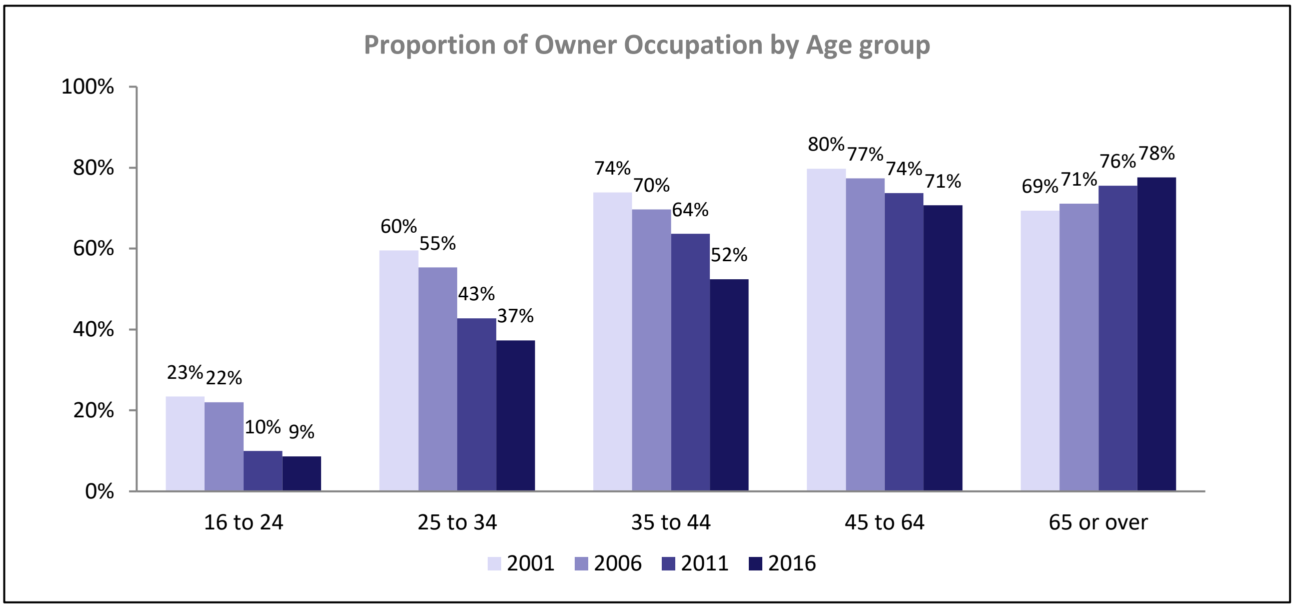
Needs of Households Aspiring to Homeownership

Home Ownership Trends

3.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.

3.39 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 14).

Figure 14: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

3.40 English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 15: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

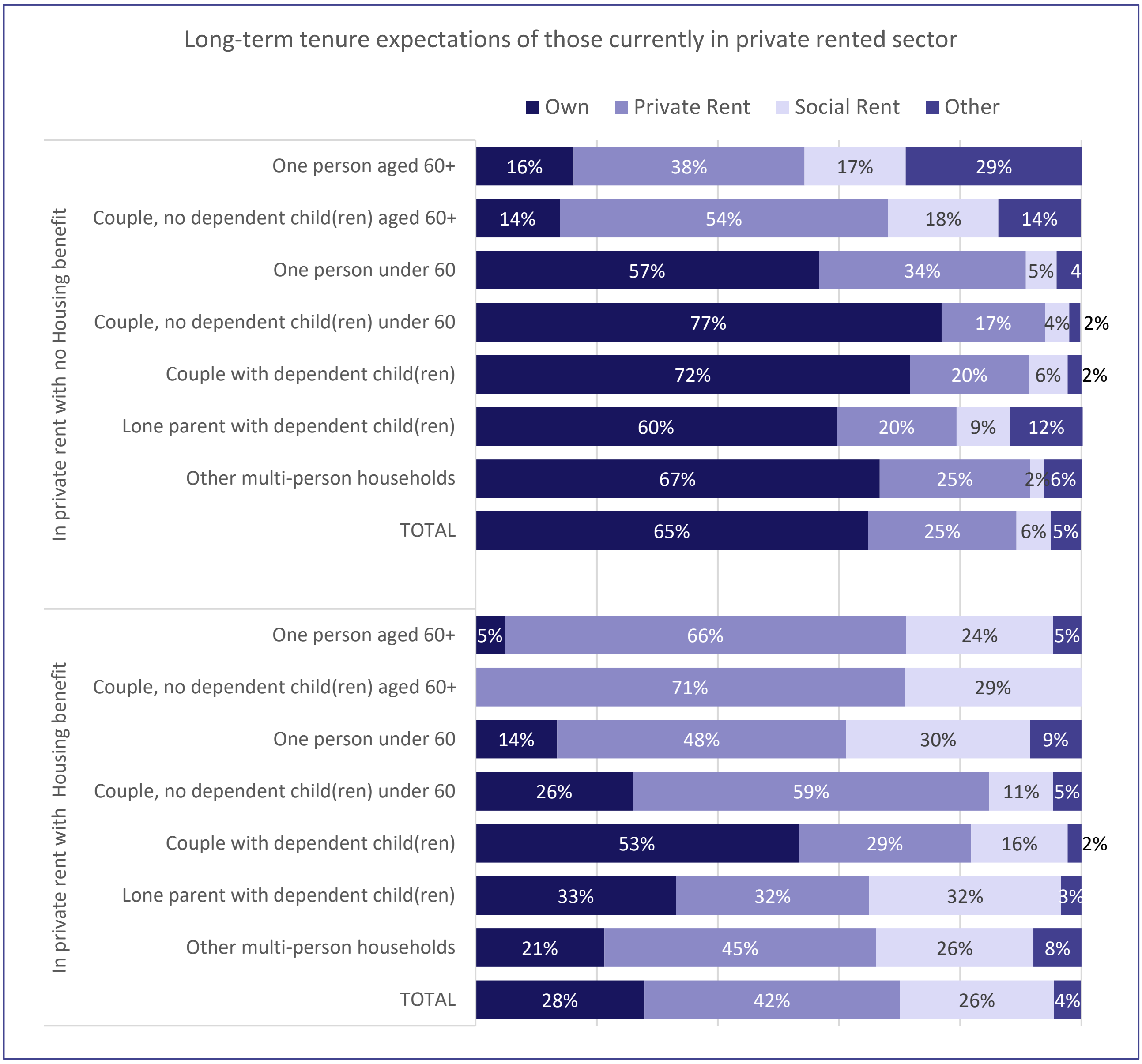
3.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

3.42 The following chart (Figure 16) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

3.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

3.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 16: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

3.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 17 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 17: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	200	541	234	106	16	24	1,122
Couple without children	71	347	80	109	78	23	708
Families with child(ren)	99	466	320	92	0	0	977
Other households	34	0	9	17	27	0	87
Total	**404**	**1,354**	**643**	**325**	**121**	**47**	**2,894**
Percentage of households	14%	47%	22%	11%	4%	2%	*100%*

3.46 Based on this analysis, we can estimate that there is a total of around 2,894 households currently resident in Darlington who cannot afford to own their own home but would aspire to do so. 61% of these households are aged 15-34 with the substantial majority (83%) aged under 45.

3.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2016-2036. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 2,116 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 5,010 households who aspire to homeownership but who cannot afford to buy their own home over the period 2016-36, a net annual need of 251 per year.**

3.48 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

3.49 Figure 18 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2016-36. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 18: Assessing total need for affordable housing 2016-2036 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2016	556	2,894	3,450
Future housing need 2016-36	2,612	2,116	4,728
TOTAL HOUSING NEED	**3,168**	**5,010**	**8,178**

3.50 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 8,176 households over the 20-year period 2016-2036, equivalent to an average of 409 per annum.

3.51 This represents a substantial proportion of the annual need of 459 dwellings. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*
>
> *This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?*
>
> *Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:*
>
> » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
>
> » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
>
> » *the anticipated deliverability of different forms of provision, having regard to viability.*
>
> **Planning Practice Guidance, ID 67-001-20190722**

3.52 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

3.53 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

3.54 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 3,168 households.

3.55 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.

3.56 Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.[6] While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.

3.57 Given this context, Figure 19 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

3.58 Of the 5,010 households who can afford to rent but who aspire to homeownership and cannot afford to buy, there would be 1,130 where the household had insufficient income to have a realistic prospect of being able to afford at 60% of open market values (Figure 19). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,523 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area.

Figure 19: Affordable homeownership housing mix by household affordability to 2016-2036 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**516**	104	**412**	252	**160**
2 bedrooms	**2,678**	603	**2,075**	1,316	**758**
3 bedrooms	**1,592**	336	**1,256**	881	**375**
4+ bedrooms	**223**	86	**137**	73	**65**
TOTAL	**5,010**	**1,130**	**3,880**	**2,523**	**1,358**

3.59 On this basis, only 1,358 dwellings are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold.

[6] Developers will typically receive 50-60% of open market value when delivering Affordable Rented units

3.60 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 1,358 households likely to form an effective demand (i.e. those able to afford the various products that will be available) in addition to the 3,168 households unable to afford. Figure 20 provides a breakdown of the planned affordable housing on this basis.

Figure 20: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Planned Affordable Housing
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	437	160	596
2 bedrooms	1,218	758	1,976
3 bedrooms	1,267	375	1,642
4+ bedrooms	246	65	311
TOTAL HOUSING NEED	**3,168**	**1,358**	**4,526**

3.61 The LHNA identifies an overall affordable housing need from 4,526 households over the 20-year period 2016-36 (226 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

3.62 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

Size and Tenure Mix based Upon LHN

3.63 All data from this point onwards of the report now reference dwellings, not households. Therefore, we have taken the results from Figure 20 and applied a vacancy and second rate to them which allows us to calculate the number of dwellings required in Darlington. The totals therefore now match the annual need figure 459 dwellings per annum plus the equivalent of 33 dwellings for Class C2 per annum.

3.64 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available).

3.65 It would therefore seem appropriate for the local authority to plan to provide 1,394 dwellings for households aspiring to homeownership in addition to the 3,252 dwellings for households unable to afford. Figure 21 provides a breakdown of the Local Housing Need of 9,840 dwellings between market and affordable housing on this basis. In summary, there is a need for:

Social rented housing = 2,175 dwellings (22.1%) for households unable to afford affordable rent;

Affordable Rent = 1,077 dwellings (10.9%) for households that can afford affordable rent but unable to afford market rent;

Affordable home ownership = 1,394 dwellings (14.2%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;

Market housing = 5,194 dwellings (52.8%); and

Market housing includes an allowance for C2 provision within the total housing need of 9,840= equivalent to 660 dwellings that would be counted against the minimum LHN target.

Figure 21 Planned overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Dwellings Unable to afford		Aspiring to Home Ownership			
	Social rent	Affordable Rent				
1 bedroom	384	64	164	612	-6	**606**
2 bedrooms	828	423	779	2,029	884	**2,913**
3 bedrooms	806	495	385	1,686	2,901	**4,587**
4+ bedrooms	157	95	67	319	754	**1,073**
DWELLINGS	**2,175**	**1,077**	**1,394**	**4,646**	**4,534**	**9,180**
C2 Dwellings	-	-	-	-	660	**660**
LHN	**2,175**	**1,077**	**1,394**	**4,646**	**5,194**	**9,840**
Percentage Split	**22.1%**	**10.9%**	**14.2%**	**47.2%**	**52.8%**	**100.0%**

3.66 The data indicates a split between affordable to rent and affordable to own of almost exactly 70:30. However, this must be placed in the context of local viability and policy considerations. In particular, the overall level of affordable housing need of 4,646 units is unlikely to be met, so Darlington will need to assess the relative priority given to different housing needs when setting policy targets.

Delivery 2016-2020

3.67 Figure 22 shows the that in the past 4 years, Darlington has achieved an average dwelling delivery of 452 per annum, which sits within the draft Local Plan dwelling requirement of 422-492 per annum. Affordable housing completions have been around 110 per annum, below the need figures set out in Figure 21. However, the delivery of affordable housing has been around 24% of the total dwelling delivery and is as high as could be expected given the levels of viability in Darlington.

Figure 22: Housing Delivery in Darlington 2016-2020 (Source: Darlington Borough Council. Note: Includes 49 Park Homes in the market total have been counted as 25 two bed and 24 three bed properties)

	Market Housing	Affordable Housing	TOTAL
1 bedroom	85	15	100
2 bedrooms	289	279	568
3 bedrooms	480	128	608
4+ bedrooms	515	19	534
TOTAL	**1,369**	**441**	**1,810**

Comparison with the 2015 SHMA Update

3.68 It is possible to compare Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed Needs with the figures set out above. Figure 53 of the SHMA 2015 (reproduced here as Figure 23) set out the size and tenure mix for the period 2011-36 for Darlington.

Figure 23: Housing mix of OAN for market and affordable housing 2011-36 (Source: Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed, Figure 53. Note: Figures may not sum exactly due to arithmetic rounding)

		Dwellings
MARKET HOUSING		
Flat	1 bedroom	28
	2+ bedrooms	265
House	2 bedrooms	1,915
	3 bedrooms	3,960
	4 bedrooms	870
	5+ bedrooms	89
Total Market Housing		**7,127**
AFFORDABLE HOUSING		
Flat	1 bedroom	796
	2+ bedrooms	301
House	2 bedrooms	1,355
	3 bedrooms	1,368
	4+ bedrooms	214
Total Affordable Housing		**4,033**
TOTAL		**11,160**

3.69 The SHMA 2015 assumed an overall annual housing growth rate of 446 dwellings per annum, with annual affordable housing need of 161 dwellings per annum which covered the need for affordable to rent and shared ownership properties. This represents 36% of the overall need. This current study has an affordable housing need to rent figure of 163 dwellings per annum which is 33% of the overall need.

3.70 These figures are comparable because they are both based upon households unable to afford the cost of market housing. However, this current study also includes the additional need from those who aspire to own, but who can afford to meet their own private rents. This amounts to a further 70 dwellings per annum which result from the need to consider private renters who aspire to own. Therefore, the additional affordable housing need contained in this study comes directly from the change in definition for affordable housing set out in Annex 2 of the NPPF 2018.

Appendix TKP4

Independent News Article (June 2020)

Independent PremiumUK news

Council housing sell-off continues as government fails to replace most homes sold under Right to Buy

Home ownership has fallen since the policy was introduced and flats are ending up in the hands of private landlords, writes **Jon Stone**

Sunday 21 June 2020 09:18

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.

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.

Under Right to Buy, the government sells off council housing at discounts of up to £100,000 to tenants.

Despite pitching the policy as a way to get more people on the property ladder, overall home ownership has actually fallen significantly since it was introduced in the 1980s.

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.

Councils warned ministers when the policy was updated that the steep discounts meant the money would not be enough to replace homes one-to-one, and that the very existence of the policy undermined their ability to finance housebuilding by making it impossible to reliably borrow against future rents.

The government officially committed to replace the extra homes sold due to an increase in discounts in 2012-13, but housing charities say the affordable sector cannot afford to bleed stock at all. The government is still around 7,000 homes short of its own target, which covers construction up to the third quarter of 2016-17 because councils are given three years to replace the sold stock.

Jon Sparkes, chief executive at homelessness charity Crisis, said: “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. This is all the more worrying considering the rise we expect in people being pushed into homelessness as a result of the pandemic.

“To address this, we need to see the government suspend Right to Buy going forward and prioritisation for social housing being given to people who are homeless so they are able to better access what is currently available. Alongside this, we also need commitment to build significantly more social homes in the coming years to keep in step with demand.

“Ending homelessness in the UK is completely within our grasp, but requires a rethink of existing policies that stand in the way.”

In 2018 Theresa May announced that a long-standing borrowing cap preventing councils from building more homes would be lifting. A survey by the Local Government Association conducted in March 2019 found that a startling 93 per cent of councils were planning to use the extra headroom.

The Scottish and Welsh governments have already ended Right To Buy, citings its effect on the council housing stock.

Commenting on the Right to Buy figures, Polly Neate, chief executive of the housing charity Shelter, said: “The coronavirus pandemic has drummed into us the importance of having a safe home like nothing before. By the same token it’s made it crushingly clear that not enough people do – including the million-plus households stuck on social housing waiting lists. Many of whom are homeless or trapped in grossly overcrowded accommodation right now.

“Despite being desperately needed, our recent track record on building new social homes is atrocious. There was actually a net loss of 17,000 social homes last year, and as it stands Right to Buy isn’t helping. While some people have benefited from the scheme, the failure to replace the properties sold has deprived many others of a genuinely affordable social home.

“But the status quo can be changed. As the government plots its economic recovery from coronavirus, it could give councils the means they need to replace and build social housing. As well as helping to create jobs and get housebuilding going again, this would offer all those without one, their best shot at a safe home.”

Asked about the figures, a spokesperson for the Ministry of Housing, Communities, and Local Government said: “The government is committed to Right to Buy, which has helped nearly two million council tenants realise their dream of home ownership and get on the property ladder.

“Since 2010 we have delivered more homes for social rent – over 140,000 in total – compared to the number of homes sold under the Right to Buy scheme.”

The ministry’s statement is misleading, however, as the 140,000 figure refers to all social housebuilding rather than those homes built to replace housing sold under Right To Buy using receipts earmarked for this purpose.