

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

Land at Spruce Close, Exeter

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Outline application for up to 93 residential dwellings

Land at Spruce Close, Exeter

Salter Property

June 2022

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Introduction

Section 1

- 1.1 This Affordable Housing Proof of Evidence has been prepared by **James Stacey** of **Tetlow King Planning** on behalf of **Salter Property**.
- 1.2 The proposed development is for up to 93 dwellings, of which 35% (up to 32 dwellings) are to be provided on-site as affordable housing and a financial contribution for 0.55 of a dwelling towards off-site affordable housing provision in the city.
- 1.3 This level of provision accords with the requirements of Policy CP7 (35%) of the adopted Exeter City Council (“ECC”) Core Strategy 2006-2026 (2012) and paragraph 3.5 of the ECC Affordable Housing Supplementary Planning Document (“SPD”) (2014).
- 1.4 The tenure split would be policy compliant at 70% social rent (up to 22 units) and 30% Shared Ownership (up to 10 units). The affordable housing provision will be secured through a Unilateral Undertaking.
- 1.5 The site sits entirely within Mincinglake and Whipton Ward, Middle Layer Super Output Area¹ (“MSOA”) Exeter 002 and Lower Layer Super Output Area² (“LSOA”) Exeter 002C.
- 1.6 Population estimates for 2020³ indicate that within the ward there were 9,379 residents, within the MSOA 7,058 residents and within the LOSA 1,130 residents.
- 1.7 Maps of each of these areas as well the ECC local authority area are available to view at **Appendix JS1**.
- 1.8 This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in this planning decision⁴ in light of evidence of need in the area. It should be read alongside the main Planning evidence of Dr Tom Rocke (Rocke Associates) and the Housing Land Supply evidence of Mr Ben Pycroft (Emery Planning).

¹ A geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. MSOAs have a minimum population of 5,000 households and a mean population of 7,200 households

² A geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. LOSAs have a minimum population of 1,000 households and a mean population of 1,500 households.

³ Derived from the Office for National Statistics - Population estimates - small area based by single year of age - England and Wales data.

⁴ For the avoidance of doubt, the weightings I apply are as follows: very limited, limited, moderate, significant, very significant, substantial and very substantial.

1.9 My credentials as an expert witness are summarised as follows:

- I hold a Bachelor of Arts (Hons) degree in Economics and Geography from the University of Portsmouth (1994) and a post-graduate diploma in Town Planning from the University of the West of England (“UWE”) (1997). I am a member of the Royal Town Planning Institute (“RTPI”).
- I have over 27 years’ professional experience in the field of town planning and housing. I was first employed by two Local Authorities in the South West and have been in private practice since 2001. I have been a Director/Senior Director of Tetlow King Planning Ltd for the past ten years. Prior to joining Tetlow King Planning I ran the Exeter office of Genesis Town Planning and I am familiar with the City.
- During the course of my career, I have presented evidence in more than 100 Section 78 appeal inquiries and hearings, including a number within Devon and the South West. I act for a cross-section of clients and advise upon a diverse range of planning and housing related matters.
- Both Tetlow King generally and I have acted on a wide range of housing issues and projects for landowners, house builders and housing associations throughout the country. Tetlow King Planning has been actively engaged nationally and regionally to comment on emerging development plans, including Local Development Framework Core Strategies and many specific development plan and supplementary planning documents on affordable housing throughout the UK.

1.10 In accordance with the Planning Inspectorate’s Procedural Guidance, I hereby declare that:

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

1.11 Providing a significant boost in the delivery of housing, and in particular affordable housing, is a key priority for the Government. 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’s Housing White Paper. Having a thriving active housing market that offers choice, flexibility and affordable housing is critical to our economic and social well-being.

- 1.12 As part of my evidence, I have sought data from the Council through a Freedom of Information (“FOI”) request submitted to ECC on 20 December 2021. A full response was received on 25 January 2022.
- 1.13 An updated FOI request seeking data for the 2021/22 monitoring year was submitted on 27 April 2022 with a full response received on 24 May 2022. The full FOI correspondence is available to view at **Appendix JS2**.
- 1.14 This proof of evidence comprises the following 11 sections:
- Section 2 of the report establishes the importance of affordable housing as an important material planning consideration;
 - Section 3 considers the national housing crisis and the extent of the national shortfall in housing delivery;
 - Section 4 analyses the Development Plan and related policy framework including corporate documents;
 - Section 5 considers the need for affordable housing in Exeter City;
 - Section 6 analyses the extent to which new affordable homes are being delivered towards meeting identified needs in Exeter City;
 - Section 7 discusses future affordable housing supply across Exeter City
 - Section 8 considers a range of affordability indicators;
 - Section 9 reviews the Councils assessment of the planning application and their Statement of Case for the appeal;
 - Section 10 considers the consequences of not meeting affordable housing needs;
 - Section 11 analyses the benefits of providing affordable housing at the appeal site; and;
 - Section 12 considers weight to be attached to the proposed affordable housing provision.

Affordable Housing as an Important Material Consideration

Section 2

- 2.1 The provision of affordable housing is a key part of the planning system. A community's need for affordable housing was first enshrined as a material consideration in PPG3 in 1992 and has continued to play an important role in subsequent national planning policy, including the NPPF.
- 2.2 It has been reflected in a number of court cases including *Mitchell v Secretary of State for the Environment and Another*, Court of Appeal (1994); *ECC Construction Limited v Secretary for the Environment and Carrick District Council*, Queens Bench Division (1994); *R v Tower of Hamlets London District Council, ex parte Barratt Homes Ltd*, Queens Bench Division (2000).

National Planning Policy Framework (July 2021)

- 2.3 The revised NPPF was last updated on 20 July 2021 and is a material planning consideration. It is important in setting out the role of affordable housing in the planning and decision-making process.
- 2.4 It sets a strong emphasis on the delivery of sustainable development. Fundamental to the social objective is to “*support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations*” (paragraph 8).
- 2.5 Chapter 5 NPPF (2021) focuses on delivering a sufficient supply of homes, in which paragraph 60 confirms the Government's objective of “*significantly boosting the supply of homes*”.
- 2.6 The NPPF (2021) is clear that local authorities should deliver a mix of housing sizes, types and tenures for different groups, which include “*those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes*” (paragraph 63).

- 2.7 It places a great responsibility on all major developments (involving the provision of housing) to provide an element of affordable housing. Paragraph 65 establishes that *“at least 10% of new homes on major residential developments be available for affordable home ownership”*.
- 2.8 Affordable housing is defined within the NPPF (2021) glossary as affordable housing for rent (in accordance with the Government’s rent policy for Social Rent or Affordable Rent or is at least 20% below local market rents), Starter Homes, discounted market sales housing (at least 20% below local market value) and other affordable routes to home ownership including shared ownership, relevant equity loans, other low-cost homes for sale (at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).

Planning Practice Guidance (March 2014, Ongoing Updates)

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

Conclusions on Affordable Housing as an Important Material Consideration

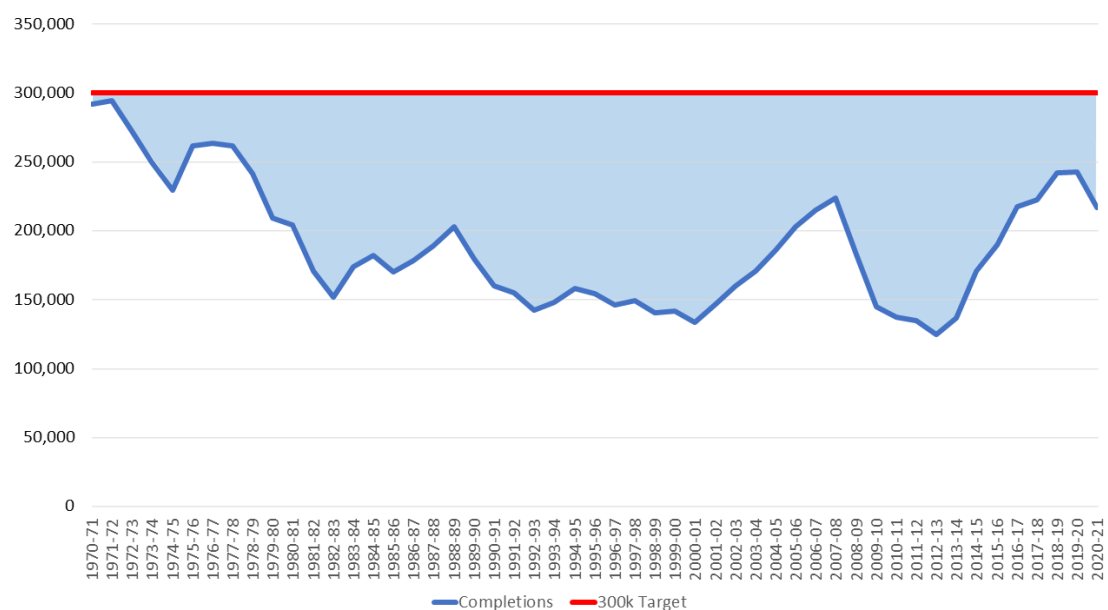
- 2.11 Within national policy, providing affordable housing has long been established as, and remains, a key national priority as part of the drive to address the national housing crisis.

The National Housing Crisis and the Extent of the National Shortfall in Housing Delivery

Section 3

- 3.1 There is an ever-increasing wealth of evidence including from the Johnson Conservative Government that unaffordability and inability to get on the housing ladder is a significant problem. I set this out in more detail in **Appendix JS4**.
- 3.2 It is widely accepted that 300,000 new homes are needed per annum and have been for quite some considerable time. The last time the country built more than 300,000 homes was in 1969. Since that time there has arisen an accumulated shortfall of 5,626,760. This 50-year duration accumulated shortfall is set out in Figure 3.1 below.

Figure 3.1 National Housing Shortfall since 1970/71



Source: DLUHC Live Table 122

- 3.3 On 6 August 2020 the Government published its consultation on the future of the planning system, entitled 'White Paper: Planning for the Future' (**CD-JS2**).
- 3.4 The Planning White Paper identifies the need for radical reform. The Foreword from the Prime Minister, Boris Johnson, makes clear on page 6 the need for a whole new planning system that "*above all, that gives the people of this country the homes we*

need in the places we want to live at prices we can afford, so that all of us are free to live where we can connect our talents with opportunity.” (my emphasis).

- 3.5 In his foreword, the former Secretary of State for Housing, Communities and Local Government, Robert Jenrick, states that their proposals for the planning system seek a significantly simpler, faster and more predictable system. They aim to facilitate a more diverse and competitive housing industry, providing, inter alia the “*affordable housing existing communities require*” (page 8).
- 3.6 The White Paper’s introduction identifies the shortcomings of the current system, including that there is a ‘*shortage of beautiful, high quality homes...and our capacity to house the homeless and provide security and dignity*’, with particular reference to the shortage of affordable homes.
- 3.7 It goes on to say (page 12) that the current system ‘*simply does not lead to enough homes being built*’ and that ‘*the result of long-term and persisting undersupply is that housing is becoming increasingly expensive*’.
- 3.8 The Government’s desires for the new system that it consulted upon include the wish to “*increase the supply of land available for new homes where it is needed to address affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market*” (page 14) and to create a virtuous circle of prosperity including in villages, to support their ongoing renewal and regeneration.
- 3.9 One of the Government’s proposals (number 21) is to reform the Infrastructure Levy, so that it also provides affordable housing. At paragraph 4.21, the Government states its commitment to deliver on-site affordable housing at least at present levels (this is one of its questions). The consultation proposed that the on-site delivery of affordable housing would be considered as ‘in kind’ payment of the levy liability.
- 3.10 The Government’s approach is perhaps best crystallised in the summary of the press release that accompanied the launch of the consultation – ‘PM: Build, Build, Build’.
- 3.11 That expressed ethos is hardly surprising, it is clear that successive Governments have failed to ensure that anything like enough new homes, especially affordable homes, are being built.
- 3.12 On a national level, in every scenario, against every annual need figure identified since the publication of the Barker Review in 2004, the extent of the shortfall in housing delivery in England is staggering and ranges from a shortfall of -1,061,038 to a shortfall

of -2,591,038 homes over the past 17 monitoring years depending on which annual target actual housing completions are measured against. The Barker Review and a wealth of other evidence regarding the extent of the national shortfall in housing delivery is included at **Appendix JS5**.

- 3.13 Several voluntary and non-governmental organisations have raised concerns about the extent of the housing crisis. Most recently, a report in May 2021 by Shelter entitled “*Denied the Right to a Safe Home; Exposing the Housing Emergency*” (**CD-JS4**) sets out how the country is experiencing a ‘housing emergency’ - and explains its effects in stark terms. Page 4 highlights that an estimated 17.5 million people in the UK are affected by the housing crisis, for reasons of cost, insecurity of tenure, poor conditions and discrimination.
- 3.14 Page 10 explains that Shelter is calling for 90,000 social homes to be built each year⁵. This is vital if the social consequences of poor and insufficient housing are to be addressed: pages 25 and 26 detail the particular challenges faced by children through housing instability, which include deteriorating mental health and development.
- 3.15 Page 33 sets out Shelter’s conclusions, making clear that...

“when it comes down to it, there’s only one way to end the housing emergency. Build more social housing” (my emphasis).

Conclusions on the National Housing Crisis and Extent of the National Shortfall in Housing Delivery

- 3.16 The evidence is clear and, in my opinion, demonstrates the pressing requirement to build more homes to meet the significant level of unmet need, particularly for homes that are affordable. A shortfall of over 5.6 million homes is nothing short of a national scandal. The evidence suggests that failure to do so will present a risk to the future economic and social stability of the United Kingdom.

⁵ MHCLG data shows that in 2020/21, only 52,100 gross affordable houses were completed.

The Development Plan and Related Policies

Section 4

Introduction

- 4.1 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.
- 4.2 The statutory development plan for the ECC administrative area is made up of the Core Strategy 2006-2026 (2012) and the saved policies of the Local Plan First Review 1995-2011 (2008).
- 4.3 Other material considerations relevant to this application include the emerging ECC Local Plan Review 2020 – 2040, the Affordable Housing SPD (2014), the Planning Obligations SPD (2014), the First Homes Planning Policy Statement (2021) and the emerging Local Plan 2020 - 2040.

The Development Plan

Core Strategy 2006-2026 (2012) – CD-DP1

- 4.4 The ECC Core Strategy was adopted in February 2012 and sets out policies to guide future development and change across the ECC administrative area for the 20 year period from 2006 up to 2026.
- 4.5 The forward to the Core Strategy written by Councillor Rachel Sutton is set out on page 1. It is clear that *“Problems such as a shortage of affordable housing, ageing infrastructure and stretched public services are already with us.”*
- 4.6 Section 2 of the Core Strategy sets out the spatial context and key issues facing the area. In this section paragraphs 2.13 to 2.16 on page 7 discuss ‘Housing’ with paragraph 2.14 (page 7) explaining that:

“House prices have risen more rapidly in Exeter than in neighbouring areas and are above regional and national averages. Although average earnings in Exeter are above those in Devon and broadly similar to those in the South West as a whole, they are well below the national average. The disproportionate growth in house prices means that the ability of first-time buyers to access mortgages is extremely limited. This has

been exacerbated by the recent credit squeeze which has reduced the availability of mortgages.” (Emphasis added).

- 4.7 The bottom of page 7 identifies an *“Imbalance between housing supply and demand resulting in lack of affordability”* as a *“key housing issue”*.

- 4.8 In concluding on the key issues page 11 of the Core Strategy acknowledges at paragraph 2.36 that:

“There are significant challenges. The city suffers from a lack of affordable housing and is under pressure to provide more land for housing and employment.”

- 4.9 Section 5 of the Core Strategy considers ‘*Employment*’, with paragraph 5.7 on page 22 explaining that: “

“Despite having the profile of a healthy and growing economy until very recent times, there are other issues of concern that could constrain further growth. These include a shortage of affordable accommodation, low economic performance and participation in deprived wards, a relatively poor skills base, inadequate transport infrastructure, under-representation of high-value-added employment in the creative industries and manufacturing sectors, and a shortage of available high-quality employment land.” (Emphasis added).

- 4.10 Section 6 of the Core Strategy deals with ‘*Housing*’, stating in the text box on page 27 that the Housing Strategy mission statement is that *“The council aims to ensure that: Everyone has the opportunity to live in a suitable home that they can afford.”*

- 4.11 On Page 23, **Policy CP5 “Meeting Housing Needs”** seeks to deliver a supply of housing that meets *“the needs of all members of the community”*. The full policy text of Policy CP5 is replicated below:

Policy CP5: Meeting Housing Needs

The supply of housing should meet the needs of all members of the community such that:

- all major developments (10 or more dwellings) should include a mix of housing informed by context, local housing need and the most up to date Housing Market Assessment;
- specialist housing, such as wheelchair accessible housing, sheltered housing, residential care homes, 'extra care' housing and continuing care retirement communities should be provided as part of mixed communities, where possible, in accessible locations close to facilities;
- all housing developments should be designed to meet Lifetime Homes Standards where feasible and practical; and
- purpose built student accommodation should be provided to meet the housing need.

4.12 Under the sub section '*Affordable Housing*', paragraph 6.30 on page 33 explains that *"For Exeter, the [S]HMA⁶ identified a level of affordable housing need that exceeds total annual completions."*

4.13 Page 33 goes on to set out the subsection '*Social rented and intermediate housing*'. Paragraph 6.31 on page 33 states that *"There is evidence that the high cost of housing relative to incomes⁷ has a significant effect on the ability of the city to attract and retain people with professional and other skills that are especially needed."*

4.14 Paragraph 6.32 on page 34 explains:

"The [S]HMA⁸ suggests that 31% of households seeking affordable housing in Exeter have an income that should enable them to access intermediate and some affordable rented housing [...] people who can only afford social rented housing generally have the greatest current housing problems and, by definition, have very limited choice as to how to resolve them. It is considered, therefore, that the priority should continue to be focused on those in greatest need [...] The Council recognise that in some circumstances however the provision of 70% social rented may not be viable and subject to 'open book discussions' on viability the local authority may accept the

⁶ Exeter and Torbay Strategic Housing Market Assessment published in December 2007.

⁷ See Section 10 of this Evidence for further evidence on the consequences of failing to meet affordable housing needs.

⁸ Exeter and Torbay Strategic Housing Market Assessment published in December 2007.

provision of affordable rent units let so far as possible at social rented levels. The remaining balance should be provided as intermediate affordable housing.”

- 4.15 Page 34 sets out the subsection ‘Affordable housing mix’. Paragraph 6.34 acknowledges that:

“Clearly affordable housing supply is unlikely to meet identified requirements. Because of this it will be necessary to prioritise supply to those in greatest need. One likely effect of this will be that the mix of house types needed for affordable housing will be different from the mix required for market housing and hence securing a representative mix of affordable housing on a site by site basis will not provide a mix of types to meet the greatest need.”

- 4.16 On page 34 of the Core Strategy **Policy CP7 “Affordable Housing”** seeks 35% affordable housing provision by the number of units on sites providing three or more dwellings. The full text of Policy CP7 is reproduced below:

Policy CP7: Affordable Housing
<p>On sites capable of providing 3 or more additional dwellings (irrespective of the number of dwellings proposed) 35% of the total housing provision should be made available as affordable housing for households whose housing needs are not met by the market. At least 70% of the affordable housing should be provided as social rented housing. The overall percentage of affordable housing and the tenure split will be subject to considerations of viability and feasibility. Where it is not possible for viability reasons to provide the full requirement of social rented housing affordable rent provision would be considered let as far as possible at social rented levels. The remaining balance of the affordable housing should be delivered as intermediate affordable housing.</p>

- 4.17 Despite the Core Strategy threshold stating that affordable housing is required within developments of three or more dwellings, ECC’s First Homes Planning Policy Statement (2021) provides an update to Policy CP7 (Affordable Housing) which clarifies:

“On developments where 10 or more homes are proposed or the site measures 0.5 hectares or more, 35% of the total housing provision should be made available as affordable housing for households whose housing needs are not met by the market.”
(See paragraph 4.7 of this Evidence).

- 4.18 Page 8 introduces two policy monitoring indicators and corresponding targets for Policy CP7 *“Affordable Housing”*. This includes the *“Number of affordable homes completed”* against the target of 35% affordable housing *“constructed on sites capable of providing 3 or more dwellings”* and the *“Proportion of social rented and intermediate housing completed”* against the target of *“70% of non-market housing to be social rented and 30% intermediate”*.

Local Plan First Review 1995-2011 Saved Policies (2008)

- 4.19 Preceding the Local Development Framework, the Local Plan was adopted in March 2005 to provide the main planning framework for the ECC to 2011.
- 4.20 Under the Planning and Compulsory Purchase Act 2004, the Exeter Local Plan First Review policies were saved for 3 years from the date the plan was adopted (until 31 March 2008).
- 4.21 None of the saved policies relate to affordable housing.

Material Considerations

Emerging Local Plan Review – CD-DP2

- 4.22 ECC are in the process of producing a new Local Plan. This will cover the 20 year period between 2020 and 2040, replacing adopted the Core Strategy (2012) and Local Plan First Review Saved Policies (2008) upon adoption.
- 4.23 The Council ran an “Issues” consultation on the emerging Local Plan between 20 September 2021 and 15 November 2021. The draft plan consultation is scheduled for September 2022 with adoption anticipated in June 2024.
- 4.24 Page 4 of the Issues consultation document provides an initial set of issues that the council thinks ECC and its communities will face over the emerging Plan period.
- 4.25 Under the heading “Housing” (page 4) the document is clear that:
- “We know that housing is a big issue. The Government requires around 630 new homes in Exeter each year and Covid-19 has underlined just how much we need good quality housing. The new Local Plan will need to help address the shortage of affordable homes in the city and consider how best to provide the good quality accommodation we all need. Young adults, families, older people, those with disabilities, students and gypsies and travellers all have specific housing needs which we need to meet.”* (Emphasis added).

- 4.26 This is the only mention of affordable housing within the consultation document. Whilst I agree the plan can seek to address affordable housing matter in time and once adopted, there is however a real and pressing need for more affordable housing as I outline in subsequent sections of this Proof of Evidence.

Affordable Housing Supplementary Planning Document (2014) – CD-SPD5

- 4.27 ECC adopted its Affordable Housing SPD in April 2014. The SPD provides more detailed guidance on how Policy CP7 of the Core Strategy will be implemented to deliver affordable homes and to help promote mixed and sustainable communities.

- 4.28 Paragraph 1.1 acknowledges that:

“It is important that everyone living in Exeter has the opportunity of a decent and affordable home. One of the nine themes of the Sustainable Community Strategy is ‘a City with homes for everyone’, reflecting the Council’s commitment to helping local people who cannot afford to buy or rent a home on the open market in Exeter.”

- 4.29 Chapter 2.0 ‘Affordable Housing Need in Exeter’ explains at paragraph 2.2:

“To meet housing needs in Exeter between 2010 and 2015, the 2010 SHMA identifies a requirement for 5,294 additional dwellings to be provided, of which 3,165 dwellings (nearly 60%) should be affordable. This demonstrates a significant need for affordable housing in the City. Of the 3,165 affordable dwellings, the 2010 SHMA concludes that around 70% need to be provided as social rented housing.”

- 4.30 Paragraph 2.3 explains that *“The Housing Register currently shows a high overall requirement for small affordable dwellings. However, the Register also shows that larger households tend to have a more acute degree of affordable housing need.”*

- 4.31 Paragraph 3.2 of the SPD outlines the requirement to provide affordable housing to all proposals of residential development, this includes:

- *“new build, conversions and mixed-use schemes phased developments (whether the result of one or more than one planning application) where the threshold of 3 dwellings will be exceeded by cumulative totals⁹;*
- *developments by Registered Providers (“RPs”);*
- *schemes providing housing for people receiving care or support, including supported housing developments;*

⁹ The council have confirmed that they are now applying the NPPF threshold of 10 or more dwellings

- *schemes involving non-self-contained dwellings and the sharing of amenities, including houses in multiple occupation.*

4.32 Paragraphs 3.4 to 3.6 provides detail on the ‘Amount of affordable housing’ required. Paragraph 3.4 sets out the affordable housing requirement of 35%, as stated within Policy CP7 of the ECC Core Strategy. The paragraph explains that it is *“the Council’s intention to negotiate 35% affordable housing on all sites capable of providing 3¹⁰ or more new dwellings (net), subject to considerations of viability and feasibility.”*

4.33 Paragraph 3.5 goes on to explain that *“in some cases, the percentage of affordable housing required will not equate to a whole number of dwellings⁷. To make up the balance, the Council will require a financial contribution to provide ‘part’ of an affordable home.”* This contribution is based on the formula presented in Appendix 3, Table 1 of the SPD.

4.34 Paragraphs 3.7 and 3.8 sets out the ‘Size mix’ requirements of affordable housing. Paragraph 3.7 states that *“The Council will require the mix of new affordable housing on each development site, to be representative of the mix of market dwelling types and sizes (including number of bedrooms) being provided.”* As set out above, Policy CP5 of the ECC Core Strategy details the Council’s approach to housing mix.

4.35 Paragraphs 3.9 to 3.11 set out the ‘Tenure Mix’ that is sought after by the Council. Paragraph 3.9 refers to the 2010 Strategic Housing Market Assessment (“SHMA”) stating that:

“the 2010 SHMA shows that around 70% of households in need of affordable homes can only afford social rented housing provided by Registered Providers or the Council. On each qualifying site the Council will therefore expect at least 70% of the 35% affordable housing requirement to be social rented housing. The remaining balance of the affordable housing should be provided as intermediate affordable housing.”

4.36 Paragraphs 3.18 to 3.25 address the provision of affordable housing as a commuted sum. Paragraph 3.19 explains that *“Commuted provision will only be agreed in exceptional circumstances and at the Council’s discretion”*, with the following order of priority:

1. Off-site provision;
2. Off-site purchase; and

¹⁰ The council have confirmed that they are now applying the NPPF threshold of 10 or more dwellings

3. Financial contribution.

- 4.37 Paragraph 3.24 deals with a financial contribution towards affordable housing, explaining that the formula used to calculate the contribution is set out within Table 1, Appendix 3 of the SPD.

Planning Obligations Supplementary Planning Document (2014) – CD-SPD6

- 4.38 The Planning Obligations SPD is designed to provide information to all those involved in the development process it details ECC's approach to Section 106 planning obligations associated with new development.
- 4.39 Paragraph 2.2.4 on pages 5 and 6 offers further guidance on planning obligations, it indicates that ECC has adopted a Community Infrastructure Levy ("CIL") 'Charging Schedule' for ECC and explains that:

"The use of planning obligations therefore needs to be scaled back to cover only the provision of affordable housing and site-specific measures required to mitigate the impact of development, including those indicated on page 4 of this document (where applicable)."

First Homes Planning Policy Statement (2021) – CD-SPD7

- 4.40 The First Homes Planning Policy Statement was published in June 2021. The Statement provides an update on ECC position in respect of the implementation of First Homes.
- 4.41 Paragraph 2.2 on page 4 explains that:

"Exeter City Council is assessing the potential for adopting a local lower market discount, lower value cap and lower household income threshold, including through work on the new Exeter Local Plan. The national criteria for First Homes will be implemented in these cases until such time as appropriate evidence to support local criteria is available. However, the WMS and PPG allow local authorities to apply local connection criteria to First Homes without the need to provide supporting evidence. This is because First Homes are intended to allow people to get on the housing ladder in their local area. The local connection criteria that will apply to First Homes sold in Exeter is set out in appendix 1[A]. The local connection criteria will apply via a Section 106 Agreement upon the first and every successive sale of a First Homes, although the criteria will be lifted after three months if the home has not been reserved or sold."
(Emphasis added).

- 4.42 Section 3 of the Statement explains what the introduction of first homes means for affordable housing planning policy across ECC. Paragraph 3.2 on page 5 seeks clarify the Councils interpretation of Policy CP7 and provides an update to the policy which reflects the introduction of First Homes and threshold changes put forward within the revised NPPF:

Policy CP7: Affordable Housing (Revised)
<ul style="list-style-type: none"> • On developments where 10 or more homes are proposed or the site measures 0.5 hectares or more, 35% of the total housing provision should be made available as affordable housing for households whose housing needs are not met by the market. • Of the 35% affordable housing: <ul style="list-style-type: none"> ○ At least 25% should be provided as First Homes ○ 70% should be provided as social rent. Where it is not possible for viability reasons to provide the full requirement of social rented housing, affordable rent provision will be considered let as far as possible at social rented levels) ○ The remaining balance should be provided as intermediate affordable housing (which can include or comprise First Homes) or social rent housing. • The overall percentage of affordable housing and the tenure split will be subject to considerations of viability and feasibility, taking into account government guidance in the First Homes PPG that a policy compliant planning application should seek to capture the same amount of value as would be captured under policy CP7 of the Exeter Core Strategy (2006- 2026).

- 4.43 Paragraph 3.3 on pages 5 and 6 goes on to explain that:

“Developments that comply with policy CP7 (as reinterpreted above) will satisfy the NPPF’s requirement that 10% of homes on major developments should be made available for affordable homeownership. In accordance with the NPPF, exemptions to the 10% requirement will be made where the site or proposed development:

- a) Provides solely Build to Rent homes;*
- b) Provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for the elderly or students);*
- c) Is proposed to be developed by people who wish to build or commission their own homes; or (i.e. self- or custom-build housing)*

d) Is exclusively for affordable housing or is a First Homes Exception Site (see below for further details)."

4.44 In considering the impact of First Homes on the Affordable Housing SPD the Statement is clear at paragraph 3.4 on page 6 that *"Aside from the interpretation of policy CP7 set out above, the introduction of the national First Homes policy has no impact upon the contents of the Affordable Housing SPD.*

4.45 In considering the transitional arguments for Planning Applications paragraph 5.1 sets out that:

"As stated in the WMS and PPG, the First Homes policy will not apply to sites with full or outline planning permissions already in place (or where a right to appeal against non-determination has arisen) before 28 December 2021 (or 28 March 2022 if there has been significant pre-application engagement). However, the Council will allow developers to introduce First Homes to the affordable housing tenure mix from 28 June 2021 if they wish to do so." (Emphasis added).

4.46 This statement implies that ECC will leave it up to the developer to decide whether First Homes should for part of the affordable housing mix on qualifying sites. In the case of the appeal scheme, First Homes are not specified as part of the tenure mix, although the scheme does provide for over 10% affordable routes to home ownership to be negotiated and agreed with the Council.

Corporate Documents

4.47 The Council's corporate documents identify the delivery of affordable housing as a high corporate priority of ECC. These include the Exeter Housing Strategy 2016-2020 (**CD-SPD8**) and the joint Exeter and Teignbridge Homelessness Strategy 2016 to 2021 (**CD-SP9**).

4.48 Summaries of each of these documents are provided at **Appendix JS6** and quotes from each of the documents are referred to throughout this evidence.

Conclusion on the Development Plan and Related Policies

- 4.49 It is my opinion that the evidence set out within this section clearly highlights that within adopted policy and a wide range of other plans and strategies, providing affordable housing has long been established as, and remains, a key priority for ECC.
- 4.50 Given the recognised need for affordable housing across the City, the appeal proposals provide an affordable housing contribution which would contribute significantly towards the requirements of Core Strategy Policy CP7.

Affordable Housing Needs across Exeter City

Section 5

The Development Plan

- 5.1 The adopted Development Plan does not define a numerical target for the provision of affordable homes. Instead, the adopted Core Strategy seeks 35% affordable housing provision is made from qualifying developments.
- 5.2 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 up-to-date assessment of local housing need.

Affordable Housing Needs Evidence Base

- 5.3 The most recent assessment of affordable housing need for the Exeter City Council administrative area is contained within the Exeter Housing Market Area SHMA 2015.
- 5.4 The SHMA addresses housing issues and establishes the Objectively Assessed Housing Need ("OAN") in the local planning authority areas of East Devon, Exeter, Mid Devon and Teignbridge. The SHMA covers the 20-year period from 2013 to 2033.
- 5.5 Table 1-4 titled 'Annual Requirements' on page nine of the SHMA summarises the annual affordable housing need for each of the four local authority areas in the Housing Market Area ("HMA").
- 5.6 A need for **325 net affordable homes per annum** is identified for the Exeter City Council administrative area over the 20-year period. This is equivalent to a **total net need of 6,500 affordable homes over the SHMA period**.
- 5.7 Supporting paragraph 1.1.12 to Table 1-4 notes that *"Most new affordable housing can be expected to be built on new housing developments as a proportion of total housing built."*
- 5.8 Section 11 of the SHMA concerns affordable housing need. Paragraph 11.1.2 states that Appendix three details the methodology for the SHMA 2015. The assessment identifies the total scale of affordable need of new forming households not able to access the market, the needs of existing households who fall into need, provision from

existing stock turnover and the net need which requires to be addressed from future new provision.

- 5.9 Table 11-3 on page 110 of the SHMA presents total affordable housing need and the likely delivery across the HMA. The table identifies that a policy requirement of only 35% affordable housing in Exeter is likely to deliver just 215 net¹¹ affordable homes per annum over the SHMA period, against a net need for 325 affordable homes per annum.
- 5.10 Supporting paragraph 11.1.13 mentions that *“An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”*
- 5.11 Moreover, the 2015 SHMA was produced before the July 2018 revisions to the NPPF which introduced in Annex 2 an updated definition for affordable housing to incorporate a wider spectrum of affordable housing tenures to meet needs. The most recent NPPF maintains this new definition.
- 5.12 I therefore consider that the 2015 SHMA identified need should be considered a minimum at best and that there is an urgent need for an updated SHMA to reflect the wider spectrum of needs now enshrined in the NPPF, which includes routes to home ownership that the 2015 SHMA does not consider.

Local Housing Need vs Affordable Housing Need

- 5.13 The councils latest Five Year Housing Land Supply (“5YHLS”) Statement published in April 2022 sets out at paragraph 2.2 that due to the Core Strategy being more than 5 years old ECC’s housing supply has been measured against a figure based on the Government’s standard methodology for assessing Local Housing Need.
- 5.14 This results in an assessment of Local Housing Need of 650 dwellings per year across ECC.
- 5.15 Whilst the Standard Method for calculating Local Housing Need applies an affordability adjustment, the PPG is clear that:

“The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment

¹¹ Figure 6.4 of this evidence demonstrates that since the start of the 2015 SHMA period in 2013/14 the Council has delivered an average of just 58 affordable homes per annum net of RtB Sales.

*in this guidance is set at a level to ensure that minimum annual housing need starts to address the **affordability of homes**¹².*” (My emphasis)

- 5.16 Evidently providing an affordability adjustment to start to address the affordability of homes in an authority is clearly not the same as calculating an affordable housing need figure. The affordability uplift is simply a function of the standard methodology, and it is not a basis for determining the numerical need for affordable housing nor the types of affordable housing required as defined in Annex 2 of the NPPF (2021).
- 5.17 This is further supported by the fact that calculating such need for an authority is dealt with under a separate section of the PPG titled ‘*How is the total annual need for affordable housing calculated?*’ which clearly sets out that:
- 5.18 *“The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period¹³.”*
- 5.19 Whilst the Standard Method calculation may be appropriate for monitoring general housing needs and supply across the authority it does not provide a need figure for affordable housing in line with the PPG. As such it does not reflect affordable housing need; nor is it an appropriate basis with which to monitor affordable housing supply.
- 5.20 In a similar fashion, the achievement of Housing Delivery Test targets does not signify that affordable housing needs have been being met over a period when using the standard method to calculate the ‘number of homes required’ for a Local Authority area.

Conclusions on Affordable Housing Needs in Exeter City Council

- 5.21 Given that the Standard Method calculation of Local Housing Need does not provide an annual need figure for affordable housing in line with the PPG nor does it monitor affordable housing supply, the 2015 SHMA is the most up to date published assessment of affordable housing need for ECC.
- 5.22 The 2015 SHMA identifies a need for 325 net affordable homes per annum over the 20-year period between 2013 and 2033.

¹² Paragraph: 006 Reference ID: 2a-006-20190220

¹³ Paragraph: 024 Reference ID: 2a-024-20190220

- 5.23 I consider that the 2015 SHMA identified need should be considered a minimum at best and that there is an urgent need for an updated SHMA to reflect the wider spectrum of needs now enshrined in the NPPF, which includes routes to home ownership that the 2015 SHMA does not consider.

Affordable Housing Delivery across Exeter City

Section 6

Past Affordable Housing Delivery across Exeter City Council

6.1 Figure 6.1 illustrates the delivery of affordable housing across ECC since the start of the Core Strategy (2012), which sets a base date of 2006.

Figure 6.1: Exeter City Gross Additions to Affordable Housing Stock, 2006/07 to 2020/21

Monitoring Year	Total housing completions (Net)	Additions to Affordable Housing Stock (Gross)	Gross affordable additions as a %age of total completions
2006/07	891	247	28%
2007/08	491	97	20%
2008/09	236	126	53%
2009/10	270	206	76%
2010/11	432	142	33%
2011/12	55	170	309%
2012/13	87	26	30%
2013/14	382	100	26%
2014/15	483	75	16%
2015/16	618	130	21%
2016/17	508	83	16%
2017/18	473	97	21%
2018/19	621	160	26%
2019/20	553	81	15%
2020/21	348	40	11%
Total	6,448	1,780	28%
Ave. PA.	430	119	28%

Source: FOI response (25 January 2022)

- 6.2 Figure 6.1 demonstrates that on average in the 15-year period between 20006/07 and 2020/21, ECC has added just 119 gross affordable dwellings per annum, equivalent to 28% of the total number of housing completions.
- 6.3 Furthermore, in the eight-year period since the start of the 2015 SHMA period in 2013/14 and 2020/21, ECC has added just 96 gross affordable dwellings per annum, equivalent to just 19% of the total number of housing completions.
- 6.4 Across the last two monitoring years (2019/20 and 2020/21), the rate of gross affordable completions has dropped further to just 13% of the total number of housing completions, delivering an average of just 61 gross affordable dwellings per annum.
- 6.5 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.
- 6.6 As set out below once such sales are taken in to account ECC’s completions figures falls by 21% to 1,399 affordable dwellings over the 15-year period.

Accounting for the Right to Buy

- 6.7 At a national level almost two million households have exercised their RtB since it was introduced in 1980. In July 2015, the Conservative Government published ‘Fixing the Foundations: Creating a More Prosperous Nation’ which confirms that the Government is committed to extending the RtB to housing association tenants, noting that *“since the Right to Buy for council tenants was reinvigorated in the last Parliament, the number of sales has increased by nearly 320%”*.
- 6.8 In my opinion the extension of RtB to Housing Association tenants will further increase the loss of existing affordable housing stock, putting increasing pressure on the need to deliver more affordable homes in ECC in the future.
- 6.9 The Government’s Housing White Paper (February 2017) (**CD-JS2**) sets out at paragraph 4.22 that the reinvigoration of the RtB scheme in 2012 which increased discounts significantly, has resulted in over 60,000 affordable homes being sold. This is equivalent to an average of 12,000 affordable homes lost per year, every year, on a national basis for the five-year period between 2012 and 2017.
- 6.10 Data on ECC sales of affordable housing stock to ECC tenants is contained within the councils FOI response (**Appendix JS2**) dated 25 January 2022. Data on RP sales of affordable housing to RP tenants is contained in the annual Statistical Data Returns

('SDR') data sets for the period 2011/12 to 2020/21 published by the Regulator of Social Housing.

- 6.11 Figure 6.2 below sets out the recorded RtB sales across ECC for this period, demonstrating that a total of 381 RtB sales were recorded, an average of 25 dwellings per annum over the 15-year period between 2006/07 and 2020/21.

Figure 6.2: Right to Buy Sales across Exeter City, 2006/07 to 2020/21

Monitoring Year	ECC RtB Sales	RP RtB Sales	Total RtB Sales
2006/07	14	n/a	14
2007/08	23	n/a	23
2008/09	6	n/a	6
2009/10	1	n/a	1
2010/11	9	n/a	9
2011/12	4	1	5
2012/13	23	0	23
2013/14	31	10	41
2014/15	26	2	28
2015/16	39	0	39
2016/17	39	0	39
2017/18	37	0	37
2018/19	40	0	40
2019/20	42	0	42
2020/21	34	0	34
Total	368	13	381
Ave. PA.	25	1	25

Source: FOI Response (25 January 2022) and Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2012 to 2021)

- 6.12 Figure 6.3 below calculates the affordable housing delivery per annum since the start of Core Strategy period in 2006/07, net of RtB sales. The loss of 381 affordable dwellings over this period equates to 21% of the gross affordable housing completions of 1,780 affordable dwellings over the 15-year period.

- 6.13 Furthermore, in the eight-year period since the start of the 2015 SHMA period in 2013/14 and 2020/21, ECC has added just 58 net affordable dwellings per annum, equivalent to just 12% of the total number of housing completions.
- 6.14 Across the last two monitoring years (2019/20 and 2020/21), the rate of net affordable completions has dropped further to just 5% of the total number of housing completions, delivering an average of just 23 net affordable dwellings per annum.
- 6.15 It should also be noted that if demolitions of affordable housing stock over the 15-year period were to be accounted for this figure is likely to fall even further.

Figure 6.3: Exeter City Additions to Affordable Housing Stock Net of Right to Buy, 2006/07 to 2020/21

Monitoring Year	Total housing completions (Net)	Additions to Affordable Housing Stock (Gross)	Total RtB Sales	Additions to Affordable Housing Stock (Net of RtB Sales)	Net of RtB Sales affordable additions as a %age of total completions
2006/07	891	247	14	233	26%
2007/08	491	97	23	74	15%
2008/09	236	126	6	120	51%
2009/10	270	206	1	205	76%
2010/11	432	142	9	133	31%
2011/12	55	170	5	165	300%
2012/13	87	26	23	3	3%
2013/14	382	100	41	59	15%
2014/15	483	75	28	47	10%
2015/16	618	130	39	91	15%
2016/17	508	83	39	44	9%
2017/18	473	97	37	60	13%
2018/19	621	160	40	120	19%
2019/20	553	81	42	39	7%
2020/21	348	40	34	6	2%
Total	6,448	1,780	381	1,399	22%
Ave. PA.	430	119	25	93	22%

Source: FOI Response (25 January 2022) and Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2012 to 2021)

- 6.16 The Exeter Housing Strategy 2016-2020 (**CD-SPD8**) acknowledges this issue, clearly stating in the executive summary that “*local authority social housing has been seriously depleted as a consequence of the Right to Buy*” going on highlight on page 13 that:

“On average 25 properties per year are bought through Right to Buy; this number has risen since the government increased the amount of discount available, and is now five times higher than the figure in 2010”

6.17 The Executive Summary to the Housing Strategy is also clear that:

Insufficient housing is being built. Indeed, there has been a failure by successive governments over a long period to deliver enough housing. This has led to a crisis on the supply side in many areas (typically those such as Exeter with strong and growing economies) which, coupled with increasing demand, has led to significant problems of affordability across all tenures. At the same time the stock of local authority social housing has been seriously depleted as a consequence of the Right to Buy.”
(Emphasis added).

6.18 The impact of losses to affordable housing stock through the RtB was also considered by the Secretary of State (“SoS”) at the recovered appeal at North Worcestershire Golf Course, Birmingham (**CD-A1**). In that case, RtB losses were substantial and almost counteracted the new (gross) affordable houses in its entirety, resulting in an overall increase of affordable provision of just 1% of total completions and 3% of affordable housing need. The Inspector noted at paragraph 9.49 of their report that:

“When the losses of social rented dwellings through right to buy purchases is taken into account that equates to a net provision of only 151 new affordable homes over that period [...] against an identified need for 970 affordable homes each year. This represents only 1% of all completions over those 6 years and 3% of the affordable housing need for that period”.

6.19 The seriousness of the impact was considered in a Newspaper article in the Independent newspaper in June 2020. The article is attached as **Appendix JS7**. The reporter considered how the Council housing sell-off continues as the government fails to replace most homes sold under RtB. It advised 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 went on to say 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”.*

- 6.20 The articles goes on to quote Jon Sparkes, chief executive at homelessness charity Crisis, who 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.”

- 6.21 RtB sales are depleting the affordable housing stock across ECC. The impact of losses to affordable housing stock through the RtB is a matter that has been acknowledged by the SoS. The recent 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 I apply the net figures.

Affordable Housing Delivery Compared to Affordable Housing Needs

- 6.22 When comparison is drawn between net affordable housing delivery and the needs identified in the 2015 SHMA for the period eight-year period between 2013/14 and 2020/21, it can be seen in Figure 6.4 that there has been an accumulated shortfall in the delivery of affordable housing of some -2,134 affordable homes against an identified need for 2,600 over the same period.
- 6.23 Figure 6.4 also demonstrates that since the start of the 2015 SHMA period in 2013/14 ECC has delivered an average of just 58 affordable homes per annum net of RtB Sales. Evidently the supply of affordable homes across ECC has collapsed in recent years – illustrated by the fact that ECC delivered of just 6 net affordable housing completions in the 2020/21 monitoring period (or just 2% of total net housing completions).

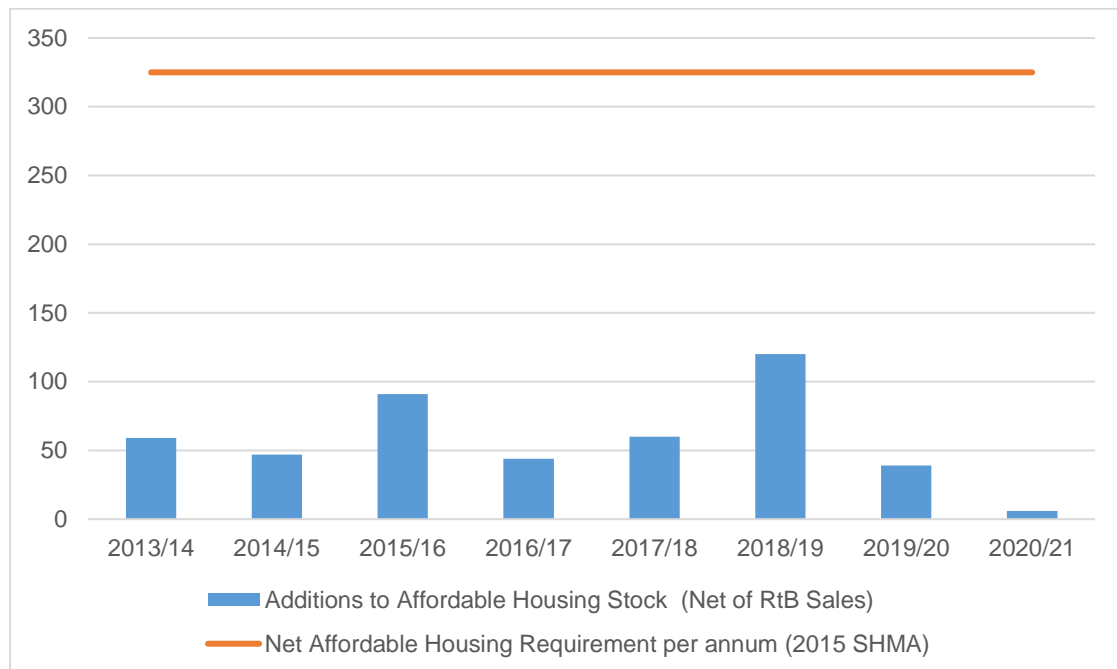
Figure 6.4: Affordable Housing Delivery Compared to affordable needs identified in the 2015 SHMA for Exeter City, 2013/14 to 2020/21

Monitoring Period	2015 SHMA Affordable Housing Needs Per Annum (Net)	Additions to Affordable Housing Stock (Net of RtB Sales)	Annual Shortfall	Cumulative Shortfall
2013/14	325	59	-266	-266
2014/15	325	47	-278	-544
2015/16	325	91	-234	-778
2016/17	325	44	-281	-1,059
2017/18	325	60	-265	-1,324
2018/19	325	120	-205	-1,529
2019/20	325	39	-286	-1,815
2020/21	325	6	-319	-2,134
Total	2,600	466	-2,134	-2,134
Ave. PA.	41	58	-267	-267

Source: FOI Response (25 January 2022), Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2012 to 2021) and 2015 SHMA

- 6.24 This shortfall is likely to be higher if demolitions of affordable housing stock over 8-year period were to be accounted for and even higher if the calculation of need accounted for all Annex 2 affordable housing tenures.
- 6.25 The -2,134 figure should therefore be viewed as the minimum affordable housing shortfall accrued over the 2015 SHMA period to date.
- 6.26 The chart at Figure 6.5 illustrates that ECC have not once achieved the needs identified in the 2015 SHMA, and by massive margins. This figure further serves to demonstrate the desperately poor affordable housing delivery record by the Council.

Figure 6.5 Net of Right to Buy Affordable Housing Delivery Compared to Affordable Housing Needs, 2013/14 to 2020/21



Source: FOI Response (25 January 2022), Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2012 to 2021) and 2015 SHMA

- 6.27 This shortfall accrued over the past eight years should also be viewed in context of the fact that the Core Strategy (**CD-DP1**) adopted in February 2012 was clear on page 1 of the Forward that *“Problems such as a shortage of affordable housing, ageing infrastructure and stretched public services are already with us.”*
- 6.28 The Core Strategy goes further at paragraph 5.7 on page 22 explaining that *“Despite having the profile of a healthy and growing economy until very recent times, there are other issues of concern that could constrain further growth. These include a shortage of affordable accommodation”.*
- 6.29 Similarly, almost a decade later the Emerging Local Plan Review - “Issues” consultation published in September 2021 is clear on page 4 that *“We know that housing is a big issue [..]. The new Local Plan will need to help address the shortage of affordable homes in the city and consider how best to provide the good quality accommodation we all need.”* (My emphasis).
- 6.30 It should be noted that adoption of the emerging Local Plan is not expected until 2024 at the earliest; in the meantime those in need of affordable housing are waiting

longer¹⁴. This points to an urgent need for more affordable homes now to address the already identified shortfalls.

- 6.31 Additionally the Exeter Housing Strategy 2016-2020 (**CD-SPD8**) explains on page 12 that *“Increasing the supply of housing is now a key national priority. Locally, it is essential”* also identifying *“Housing supply not keeping up with demand”* as a key issue on page 17.
- 6.32 Evidently despite the ongoing rhetoric over the past decade in respect of the need to address the affordable housing shortage facing ECC, the council has not been able to put these words in to action, delivering just 6 affordable homes net of RtB losses in the 2020/21 monitoring period. This is nothing short of a disaster for those households who need assistance with their housing.

Conclusions on Affordable Housing Delivery across Exeter City

- 6.33 In light of the identified level of need and the persistent shortfalls in delivery against these needs there can be no doubt in my mind that the delivery of up to 32 affordable dwellings on the proposed site will make an important contribution to the affordable housing needs of ECC and should be afforded **substantial weight** in the determination of this appeal.
- 6.34 Indeed, in my view the evidence indicates that this weight should be at the very top end of substantial weight and is bordering on very substantial.

¹⁴ See Figure 8.2 of this Evidence

Future Supply of Affordable Housing

Section 7

Future Affordable Housing Supply in Exeter

- 7.1 The future delivery of affordable housing is highly uncertain. Within ECC the delivery of affordable homes has fluctuated considerably since the start of the Core Strategy period in 2006/07, as illustrated in Figures 6.1 and 6.3.
- 7.2 The delivery of a higher number of affordable homes one year does not guarantee this will continue for future years. The supply of affordable housing is affected by the local market factors, including the number of sites with planning permission and also wider national factors including availability of public funding.

Addressing the Shortfall in Affordable Housing Delivery

- 7.3 The 2015 SHMA Update identifies an objectively assessed need for 325 net affordable homes per annum between 2013/14 and 2033/34. Over the 20-year period this equates to a total need for 6,500 net affordable homes.
- 7.4 Since 2013/14, the Council have overseen the delivery of 466 affordable homes net of Right to Buy losses against a need of 2,600 net new affordable homes which has resulted in a shortfall of -2,134 affordable homes in eight years.
- 7.5 I consider that any shortfall in delivery should be dealt with within the next five years. This is also an approach set out within the PPG¹⁵ and endorsed at appeal.
- 7.6 The Inspector presiding over the appeal at land off Aviation Lane, Burton-upon-Trent where I presented evidence in respect of future affordable housing supply, which was allowed in October 2020 (**CD-A7**) set out at paragraph 8 of her decision that:

“In my view, the extent of the shortfall and the number of households on the Council’s Housing Register combine to demonstrate a significant pressing need for affordable housing now. As such, I consider that, the aim should be to meet the shortfall as soon as possible.” (My emphasis).

¹⁵ Paragraph: 031 Reference ID: 68-031-20190722

- 7.7 Similarly, in considering the disputed sites in the Council's five-year housing land supply that did not yet have planning permission the Inspector stated at paragraph 9 that:

"I am not convinced, in accordance with the guidance in the PPG and the Framework, that there is clear evidence that the 108 dwellings relied on by the Council from these two sites would be deliverable within five years. There is nothing within the Framework or the PPG to suggest that this definition should not apply to affordable housing as well as market housing." (My emphasis).

- 7.8 The Inspector went on to set out at paragraph 11 that:

"My concern, given the nature of the development proposed, is whether the affordable housing needs of the District are being met. These are households in need of a home now. While the Council is of the view that there is not an overwhelming need for affordable housing which cannot be met within the settlement boundary, on allocated sites or through current planning permissions, just by excluding these three sites from its five year housing supply, the Councils expectation of 884 houses coming forward within five years is reduced to 768 which would be below the five year requirement of 818 dwellings including the existing shortfall." (My emphasis).

- 7.9 It is therefore imperative that the -2,134 dwelling affordable housing shortfall accumulated since 2013/14 in ECC is addressed within the next five years.
- 7.10 When the shortfall is factored into the 2015 SHMA's identified need of 325 affordable homes per annum for the period 2013/14 and 2033/34, the number of affordable homes the Council will need to complete substantially increases to 752 net affordable homes per annum for the period 2021/22 to 2025/26.
- 7.11 This would ensure that for the remainder of the period to 2033/34 the annual affordable housing need reduces to 325 per annum to deal solely with newly arising needs. This is illustrated in Figures 7.1 and 7.2

Figure 7.1: Annual Affordable Housing Need incorporating Backlog Needs since the 2013/14 base date of the 2015 SHMA Applying the Sedgefield Approach)

A	Affordable housing need per annum for the period 2013/14 to 2020/21 identified in the 2015 SHMA	325
B	Net Affordable housing need for the period 2013/14 to 2020/21 (A x 8)	2,600
C	Net of Right to Buy sales Affordable housing completions for the period 2013/14 to 2020/21	466
D	Shortfall/backlog of affordable housing need for the period 2013/14 to 2020/21 (B – C)	2,134
E	Backlog affordable housing need per annum required over the period 2021/22 to 2025/26 (D/5)	426.8
F	Full affordable housing need per annum for the period 2021/22 to 2025/26 (A + E)	751.8
G	Full affordable housing need for the period 2021/22 to 2025/26 (F x 5)	3,759

7.12 Further illustration of the severity of the situation can be seen in Figure 7.2 below which illustrates that the Council need to deliver 3,759 net affordable homes over the next five years to address backlog needs in line with the Sedgefield approach.

Figure 7.2: Annual Affordable Housing Need 2021/22 to 2025/26 incorporating Backlog Needs Accrued between 2013/14 and 2020/21 when applying the Sedgefield Approach

Monitoring Period	Net Affordable Housing Need – 2015 SHMA	Net Affordable Housing Need When Addressing Backlog Within Next Five Years
2021/22	325	427
2022/23	325	427
2023/24	325	427
2024/25	325	427
2025/26	325	427
Total	1,625	3,759¹⁶

7.13 These statistics should be considered against the fact that in the 15 years between 2006/07 and 2020/21 the Council have delivered a total of 1,399 affordable homes net of Right to Buy sales, equivalent to just 93 affordable homes net of Right to Buy sales per annum. More Strikingly since the start of the 2015 SHMA period in 2013/14 ECC

¹⁶ Figures do not sum due to rounding

has delivered and average of just 58 affordable homes per annum net of RtB Sales, delivering just 6 affordable homes net of RtB losses in the 2020/21 monitoring period.

- 7.14 It is clear that the backlog affordable housing needs within the ECC will continue to grow exponentially unless the Council takes urgent and drastic action to address the needs and deliver more affordable homes.

Exeter Five Year Land Supply

- 7.15 The Council produced its latest five-year housing land supply (5YHLS) statement in April 2022 covering the period 1 April 2022 to 31 March 2027 (**CD-SPD10**).
- 7.16 For the purpose of this evidence, the calculations with regard to future affordable housing delivery have been calculated by reviewing all sites included in the supply to understand the level affordable housing contributions committed.
- 7.17 In addition, I have also considered future affordable housing delivery against the expected delivery undertaken by the appellants. A full breakdown of both positions is available at **Appendix JS8**.
- 7.18 Unfortunately, there is no publicly available information breaking down the split in completions between market and affordable. I have therefore based my future supply analysis assuming all of the affordable housing units are still to be built. In reality, this will not be the case and therefore my analysis is based on a best-case scenario for the council's anticipated delivery.
- 7.19 Of the 3,200 dwellings included in the Council's latest 5YHLS, it is considered that 2,975 dwellings across 44 sites will come forwards on sites eligible for affordable housing.
- 7.20 Following a review of each of the applications on these 44 sites, the Council have committed to deliver 780 gross affordable dwellings over the five-year period, equating to just 156 gross affordable homes per annum.
- 7.21 In addition to the on-site delivery, it is important to note that £1,748,942.35 in off-site affordable housing contributions will be collected from four qualifying sites in the Council's latest 5YHLS in lieu of providing affordable housing onsite (**Appendix JS8**).
- 7.22 There are two additional sites in the supply providing off-site affordable housing contributions however the amount to be paid is not available on the councils Public Access. I accept that the contributions collected from these sites could contribute to

the affordable housing supply over the period however the effect on the total units delivered is likely to be negligible.

- 7.23 The published Government consultation (August 2018) on the “*Use of receipts from Right to Buy sales*” attached as **Appendix JS9**, which indicated that the cost of building an affordable home in the South West to be £152,000. Based on the total of £1,748,942.35 collected, this would deliver just under 12¹⁷ additional affordable homes across the five-year period.
- 7.24 Therefore, if the additional affordable homes to be delivered through the commuted payments were also to be delivered within the five-year period, delivery in addition to the 780 gross affordable dwellings in the supply this would total just 792¹⁸ gross affordable dwellings, i.e., a total of just 158¹⁹ per annum.
- 7.25 When considering future affordable housing delivery against the expected delivery undertaken by the appellants (**Appendix JS8**), the Council appear to have committed to the supply of just 524 gross affordable homes over the five-year period at an average of approximately just 105 gross affordable dwellings per annum.
- 7.26 The appellants analysis of off-site affordable housing contributions remains the same at £174,8942.35 across the four qualifying sites, delivering an additional 12 affordable homes across the five-year period. Therefore, the total is 536 gross new affordable homes, or just 107 per annum.
- 7.27 It should be noted that these figures fail to take account of losses to affordable housing stock through the Right to Buy. If the losses experienced by ECC continue at the prevailing average rate over the past five years it is likely that the council will lose around 192 affordable dwellings from the supply (see Figure 7.3²⁰), equivalent to 38 losses per annum.
- 7.28 When the effect of these losses is taken account, the councils supply figure for the next five years falls to 120 per annum and the appellants figure falls to just 69 per annum.
- 7.29 Both the Council and the appellants future supply figures derived from the analysis fall substantially short of the 752 per annum figure required when back log needs are addressed in the first five years in line with the Sedgefield approach.

¹⁷ £174,8942.35 / £152,000 = 11.51 dwellings

¹⁸ 780 dwellings + 11.51 dwellings = 791.51 dwellings

¹⁹ 791.51 dwellings / 5 years = 158.3 dwellings pa

²⁰ 39 + 37 + 40 + 42 + 34 = 192 / 5 years = 38.4 dwellings pa

- 7.30 Furthermore, both figures also fall substantially short of the 325 net affordable housing needs per annum identified in the 2015 SHMA.
- 7.31 Evidently this council is not in any meaningful way seeking to boost the supply of affordable housing, based on the analysis of the available sites in the 5-year supply.
- 7.32 I have no confidence that the council can see a sufficient step change in the delivery of affordable housing to meet annual needs. This makes it even more important that suitable sites, such as the appeal site, being granted planning permission now in order to boost the supply of affordable housing.

Conclusions on Future Affordable Housing Supply

- 7.33 In light of the Council's poor record of affordable housing delivery, the volatility of future affordable housing delivery and the level of affordable housing needs identified there can be no doubt that the provision of up to 32 affordable dwellings on this site to address the district-wide needs of ECC should be afforded **substantial weight** in the determination of this appeal.

Affordability Indicators

Section 8

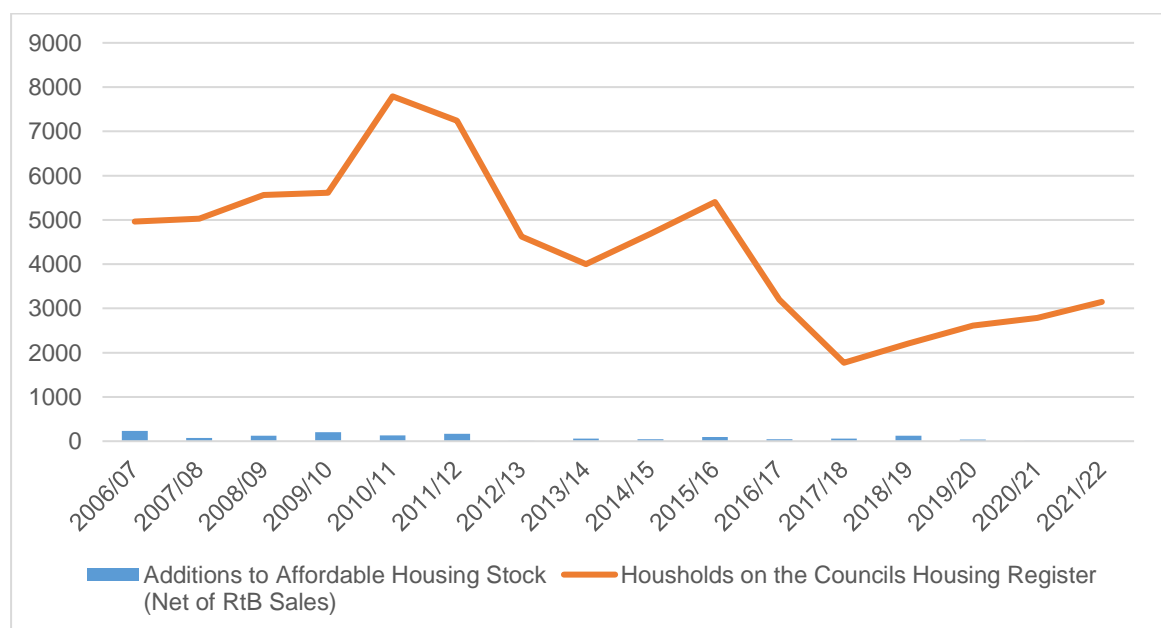
Market Signals

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

Exeter City Housing Register

- 8.2 The Council's Freedom of Information response (**Appendix JS2**) confirms that as at 31st March 2022 there were 3,149 households on the Housing Register. This represents a 13% increase in a single year from 2,789 households at 31 March 2021 (which itself was a 6.6% increase from 2,609 households at 31 March 2020).
- 8.3 Figure 8.1 provides a comparative analysis of the number of households on the Housing Register and affordable housing delivery (net of Right to Buy) across ECC since the start of the Core Strategy period in 2006.

Figure 8.1: Number of Households on the Housing Register Compared with Affordable Housing Delivery (Net of Right to Buy)



Source: DLUHC Live Table 600, FOI Responses (25 January 2022 and 24 May 2022) and Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2012 to 2021)

- 8.4 As Figure 8.1 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 over the course of the 16 years in ECC.
- 8.5 This failure should be viewed in context of the fact that page 27 of the Core Strategy (**CD-DP1**) is clear that the council's Housing Strategy mission statement is to “*ensure that: Everyone has the opportunity to live in a suitable home that they can afford*” and that Core Strategy Policy CP5 seeks to deliver a supply of housing that meets “*the needs of all members of the community*”. This has clearly not been achieved.
- 8.6 Footnote 4 of DLUHC²¹ Live Table 600 highlights that:
- “The Localism Act 2011, which came into force in 2012, gave local authorities the power to set their own qualification criteria determining who may or may not go onto the housing waiting list. Previously, local authorities were only able to exclude from their waiting list people deemed guilty of serious unacceptable behaviour. The Localism Act changes have contributed to the decrease in the number of households on waiting lists since 2012.”* (My emphasis).
- 8.7 Evidently the result of the Localism Act is that many local authorities, including ECC, 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.
- 8.8 Following the 2012 changes brought about by the Localism Act, in August 2012 ECC District Council published a revised Housing Allocations Scheme which received further revisions in May 2015, July 2016, April 2018 and June 2020.
- 8.9 The Council's Housing Strategy 2016-2020 (**CD-SPD8**) sets out on page 16:
- “Recent amendments to our Allocations Policy brought in a range of measures designed to streamline the number of households registered with Devon Home Choice and to prioritise housing need, as well as local connection. Changes also manage expectations and implement preventative measures to avoid and reduce crisis cases.”* (My emphasis).
- 8.10 This statement appears to acknowledge that perceived historic reductions in the total number of applicants accepted onto the Housing Register is not as a result of increased delivery but rather a consequence of stricter eligibility or “streamlined” criteria being applied to households wishing to be accepted on to the Register.

²¹ Department for Levelling Up, Housing and Communities

- 8.11 Despite this it is important to reiterate that the number of households on the Housing Register has actually increased by 13% in the past 12 months, indicating a worsening of affordability across ECC.
- 8.12 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.
- 8.13 It may also have other negative impacts when you consider that those who are excluded from the register may be forced to move away from ECC to cheaper more affordable areas but due to their connections to the area, they still have to commute back into the area to visit friends, family and travel to their place of work. One clear impact of this is that such an eventuality would generate extra traffic which brings in to question the sustainability of such an approach.
- 8.14 The ability of Local Authorities to set their own qualification criteria in relation to Housing Registers was recognised by the Planning Inspector presiding over an appeal at Oving Road, Chichester (**CD-A9**) in August 2017. In assessing the need for affordable housing in the district, and in determining the weight to be attached to the provision of affordable housing for the scheme which sought to provide 100 dwellings; the Inspector acknowledged at paragraph 63 of their report that:
- “The provision of 30% policy compliant affordable houses carries weight where the Council acknowledges that affordable housing delivery has fallen short of meeting the total assessed affordable housing need, notwithstanding a recent increase in delivery. With some 1,910 households on the Housing Register in need of affordable housing, in spite of stricter eligibility criteria being introduced in 2013 there is a considerable degree of unmet need for affordable housing in the District. Consequently, I attach substantial weight to this element of the proposal” (my emphasis).*
- 8.15 Furthermore, in the recent appeal decision at Oxford Brookes University Campus at Wheatley, (**CD-A2**) Inspector DM Young asserted at paragraph 13.101 of their report that in the context of a lengthy housing register of 2,421 households:
- “It is sometimes easy to reduce arguments of housing need to a mathematical exercise, but each one of those households represents a real person or family in urgent need who have been let down by a persistent failure to deliver enough affordable houses” (my emphasis).*

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

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

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

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

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

8.19 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. affordable rented, starter homes, 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.

8.20 In short there remains a group of households who fall within the gap of not being eligible to enter the housing register but who also cannot afford a market property and as such are in need of affordable housing. It is those in this widening affordability gap who, I suggest, the Government intends to assist by increasing the range of affordable housing types in the most recent NPPF.

8.21 The Franklands Drive Secretary of State appeal decision in 2006 (**CD-A3**) underlines how the Housing Register is a limited source for identifying the full current need for affordable housing. At paragraph 7.13 of the Inspector’s report the Inspector drew an important distinction between the narrow statutory duty of the Housing Department in

meeting priority housing need under the Housing Act, and the wider ambit of the planning system to meet the much broader need for affordable housing.

- 8.22 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 SHMA.

Waiting Times

- 8.23 In addition, the wait to be housed in an affordable home within the area ranges from 2.21 years for a 1-bed affordable home through to 2.23 years for a 4-bed+ affordable home. The wait for each size of property in ECC has increase in the 12 month period between 31 March 2021 and 31 March 2022.
- 8.24 The waiting times for all affordable property sizes is set out at Figure 8.2 below and presents further stark evidence of a deteriorating affordable housing crisis afflicting ECC.

Figure 8.2: Housing Register Average Waiting Times

Size of Affordable Property	Average Waiting Time to be Housed at 31 March 2021	Average Waiting Time to be Housed at 31 March 2022	Numerical change
1-bedroom home	773 days (2.12 years)	805 days (2.21 years)	+32 days
2-bedroom home	606 days (1.66 years)	626 days (1.72 years)	+20 days
3-bedroom home	678 days (1.86 years)	679 days (1.86 years)	+1 day
4+ bedroom home	759 days (2.08 years)	813 days (2.23 years)	+54 days

Source: Freedom of Information response (24 May 2022)

Housing Register Preferences

- 8.25 The FOI request submitted to the council sought the total number of households on the Council's Housing Register at 1st April 2021 specifying Mincinglake & Whipton Ward as their preferred choice of location.
- 8.26 The council's response (**Appendix JS2**) stated that *"Unfortunately this information is not held. We request the applicant's area of preference, however, do not split Exeter into wards or refine it in any other way."* In any case, the affordable homes proposed will be for the entire administrative area.

Housing Register Bids per Property

- 8.27 Figure 8.3 below demonstrates average number of bids per property in Mincinglake & Whipton Ward over the 2020/21 and 2021/22 monitoring periods for a range of types of affordable property.

Figure 8.3: Bids Per Property in Mincinglake & Whipton Ward

Size of Affordable Property	Average Bids Per Property (1 April 2020 to 31 March 2021)	Average Bids Per Property (1 April 2021 to 31 March 2022)	Numerical change
1-bedroom home	159	184	+25
2-bedroom home	60	55	-5
3-bedroom home	131	144	+13

Source: Freedom of Information response (24 May 2022)

- 8.28 Figure 8.3 demonstrates that there has been an increase in the number of average bids per property for 1- bedroom and 3-bedroom affordable homes in Mincinglake & Whipton Ward between 2020/22 and 2021/22.
- 8.29 The table also demonstrates that there has been a slight decrease in the in the number of average bids per property for 2-bedroom affordable homes in Mincinglake & Whipton Ward between 2020/22 and 2021/22.
- 8.30 This should be viewed in context of the fact that the FOI response also highlights that over the 2020/21 monitoring period there were just 82 social housing letting in the ward increasing by 16% to 95 bids over the 2021/22 monitoring period.
- 8.31 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 ward this is not being met.

Help to Buy Register

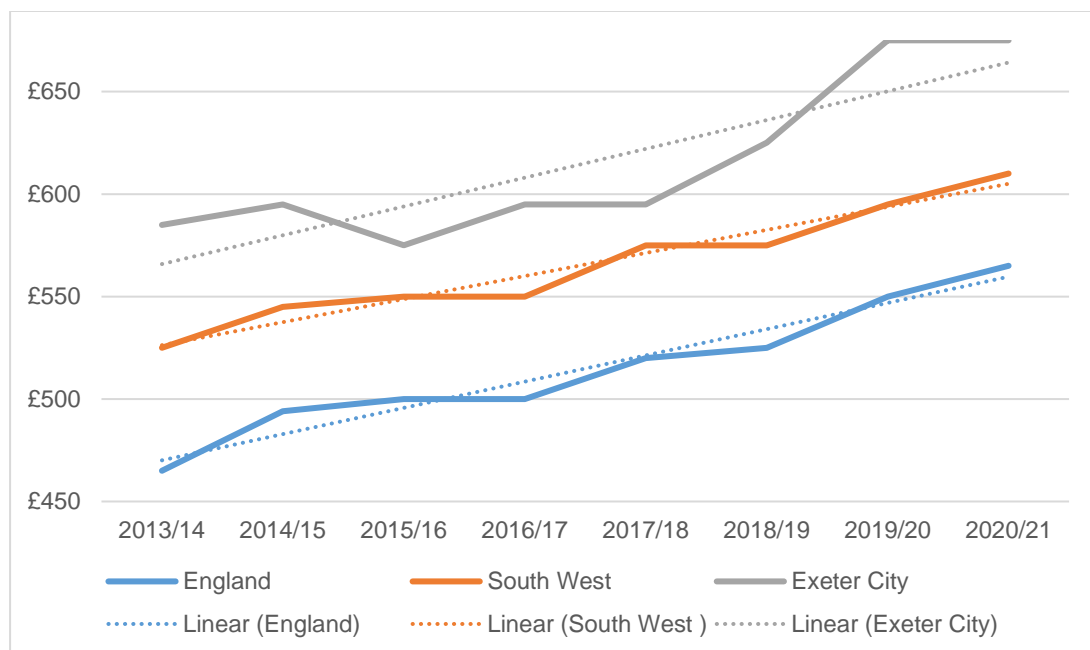
- 8.32 Further evidence in respect of the need across ECC for affordable housing is provided in information from Help to Buy South, at **Appendix JS10**.
- 8.33 Help to Buy South is one of three agents appointed by the Government to help provide Help to Buy schemes across England. They cover the South of England. Households who are seeking shared ownership homes are required to register with Help to Buy South so that they may apply for properties.

- 8.34 The Help to Buy Register provides details of those seeking shared-ownership accommodation in the south of England. This demonstrates that as of 8 June 2022, 1,154 households are seeking a shared ownership home in ECC. This is clearly a significant proportion of those seeking assistance with their housing.

Exeter City Private Rental Market

- 8.35 The average lower quartile monthly rent in ECC in 2020/21 was £675 per calendar month (pcm). This represents a 15% increase since the start of the 2015 SHMA period in 2013 where average lower quartile monthly rents stood at £585 pcm.

Figure 8.4: Lower Quartile Private Sector Rents 2013/14 to 2020/21



Source: VOA and ONS

- 8.36 A lower quartile rent of £675 pcm in 2020/21 is 11% higher than the South West figure of £610 pcm and 20% higher than the national figure of £565 pcm.
- 8.37 The Exeter Housing Strategy 2016-2020 (**CD-SPD8**) is clear on page 18 that:
- “The Private Rented Sector in Exeter is growing and accounts for around 22% of all housing in the city. It offers a flexible form of tenure and contributes to greater labour market mobility, yet housing conditions in this sector are often worse than for any other tenure.” (Emphasis added).*
- 8.38 It is important to consider this in the context of the level of Local Housing Allowance (“LHA”) available to qualifying residents of the district. Figure 8.5 illustrates the disparity between median private market rents across the district and lower quartile

private rents, whilst illustrating the relative affordability of RP rents to lower income households.

Figure 8.5: Comparison of Monthly Rental Costs with Local Housing Allowance across Exeter City Council

No. of Bedrooms	Median Monthly Private Rent (2020/21)	Maximum Monthly LHA Rate ²²	Disparity between LHA and Median Monthly Private Rent	Disparity as a %age
1-Bedroom	£650.00	£564.07	-£85.93	-15%
2-Bedroom	£800.00	£672.91	-£127.09	-19%
3-Bedroom	£950.00	£816.40	-£133.60	-16%
4+ Bedroom	£2,168.00	£1,088.55	-£1,079.45	-99%
No. of Bedrooms	Lower Quartile Monthly Rent (2020/21)	Maximum Monthly LHA Rate ²³	Disparity between LHA and Lower Quartile Rent	Disparity as a %age
1-Bedroom	£595.00	£564.07	-£30.93	-5%
2-Bedroom	£750.00	£672.91	-£77.09	-11%
3-Bedroom	£895.00	£816.40	-£78.60	-10%
4+ Bedroom	£1,485.00	£1,088.55	-£396.45	-36%

Source: Directgov website, ONS Private Rental Market Statistics (2020/21)

8.39 The evidence demonstrates that private market rents are increasingly unaffordable across ECC, even with LHA support there are shortfalls in monthly rental costs ranging from -£85.93 to -£1,079.45 for median rental prices, and shortfalls of -£30.93 to -£396.45 for lower quartile rental properties which are typically considered to be the 'more affordable' segment of the rental market.

8.40 For those in need of an affordable home in ECC, the private rental market is unaffordable for those in need of affordable housing.

8.41 This issue also was recognised on page 9 of the Homelessness Strategy 2016 to 2021 (CD-SPD9) for ECC and Teignbridge District Council which highlighted that:

"According to the Valuation Office, the amount of housing benefit, or 'local housing allowance', that helps pay for one, two and three bed, privately rented property is currently between 15% to 25% lower than the average local rent. Households needing

²² Figures based on weekly LHA Rate at March 2021 multiplied by 4.3 to represent monthly LHA rate available

²³ Figures based on weekly LHA Rate at March 2021 multiplied by 4.3 to represent monthly LHA rate available

four, or more bedrooms face a significant shortfall, with the monthly benefit allowance somewhere between £600 below average rent in Exeter and £230 in Teignbridge.”

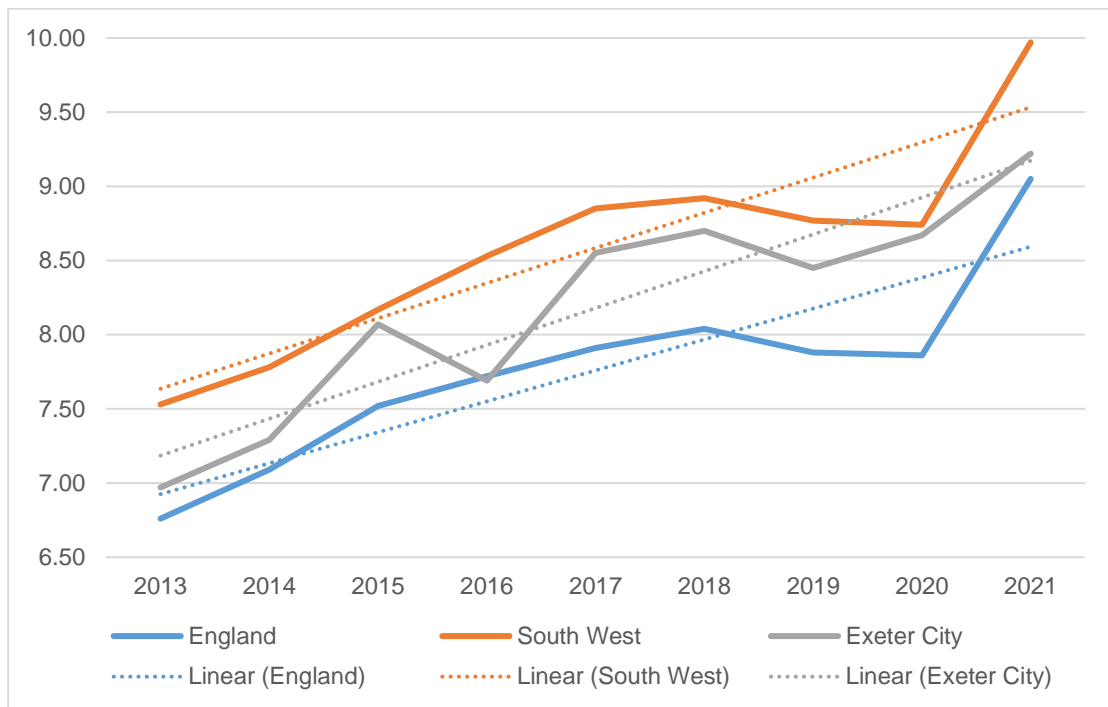
8.42 Page 9 goes further explaining that:

“Rental affordability is also a concern for working households on low wages. Single and two bed properties in Teignbridge are around £480 and £620 pcm respectively and on average is £100 per month more expensive in Exeter. In Teignbridge, to rent a three, or four bed property costs around £760 and £1,000 respectively. In Exeter, rents are more expensive and are somewhere between £260 a month more for a three bed and £470 more for a four bed.” (Emphasis added).

Exeter City Median House Prices

- 8.43 The ratio of median house prices to median incomes in ECC now stands at 9.22, a 14% increase since the start of the Core Strategy period in 2006 where it stood at 7.60.
- 8.44 As demonstrated by Figure 8.6, there is no clear trend of improvement in the affordability ratio, with the linear lines for each area clearly trending upwards.
- 8.45 It remains the case that the ratio in ECC stands significantly above the national average of 9.05 and just below the South West average of 9.97.

Figure 8.6: Ratio of Median House Prices to Incomes across Exeter City Council, South West Region and England (2006 to 2021)

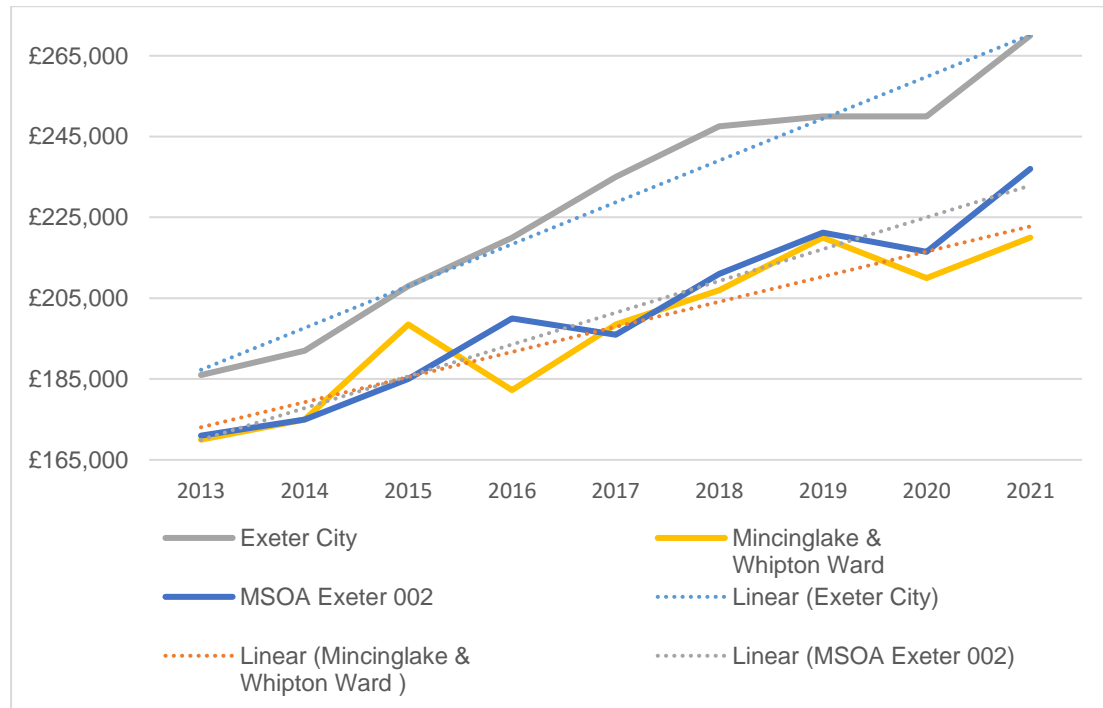


Source: ONS Ratio of House Price to Work-place Based Earnings Table 1C and 5C

- 8.46 In the 12-month period between March 2020 and March 2021 the median house price to income ratio across ECC has increased by 6% from 8.67 to 9.22. This means that those on median incomes in ECC, seeking to purchase a median priced property, now need to find more than 9 times their annual income to do so.
- 8.47 It is also worth noting that a figure of 8 times average incomes was described as problematic by the former Prime Minister in the foreword to the White Paper entitled – Fixing our broken housing market (**CD-JS2**). Here, the affordability ratio is some 15% higher than that and rising.
- 8.48 Figure 8.7 illustrates the median house sale prices for ECC, Mincinglake and Whipton Ward and MSOA Exeter 002. It demonstrates that they have increased dramatically between the start of the 2015 SHMA period in 2013 and 2021.
- 8.49 The median house price across ECC has risen by 45% from £186,000 in 2013 to £270,000 in 2021. This compares to a 29% increase across Mincinglake and Whipton Ward from £170,000 to £220,000 and a 39% increase across MSOA Exeter 002 from £171,000 to £237,000 over the same period.
- 8.50 In the 12 month period between March 2020 and March 2021 median house price across ECC has increased by 8% from £250,000 to £270,000, the median house price

in Mincinglake and Whipton Ward has increased by 5% from £210,000 to £220,000 and the median house price in MSOA Exeter 002 has increased by 9% from £216,500 to £237,000.

Figure 8.7: Median House Price Comparison (2013 to 2021)



Source: ONS HPSSA Datasets 2,9 and 37

- 8.51 Data is also available from ONS for geographical areas smaller than MSOAs. These are known as Lower Layer Super Output Areas (LSOA) which have a minimum population of 1,000 households and a mean population of 1,500 households. The appeal site lies within LSOA 'Exeter 002C'.
- 8.52 The median house price in the LSOA²⁴ for the appeal site has risen by 33% from £178,500 in 2013 to £237,000 in 2021. This figure is 19% higher than the figure of £220,000 for Mincinglake and Whipton Ward.
- 8.53 In the 12 month period between March 2020 and March 2021 median house price in LSOA 'Exeter 002C' has increased by 3% from £230,000 to £237,000.
- 8.54 Evidently house prices in MSOA and LSOA are proportionally higher than Mincinglake and Whipton Ward thus further constraining opportunities for those in need of affordable home ownership to purchase a home in this area of ECC.

²⁴ ONS HPSSA Dataset 46

- 8.55 This issue also was recognised on page 9 of the Homelessness Strategy 2016 to 2021 (**CD-SPD9**) for ECC and Teignbridge District Council which highlighted that:

“Both areas also have high house purchase to average income ratios, meaning that potential home buyers are occupying private rented properties in the locality.”

- 8.56 Whilst paragraph 2.14 of the Core Strategy (**CD-DP1**) is clear that:

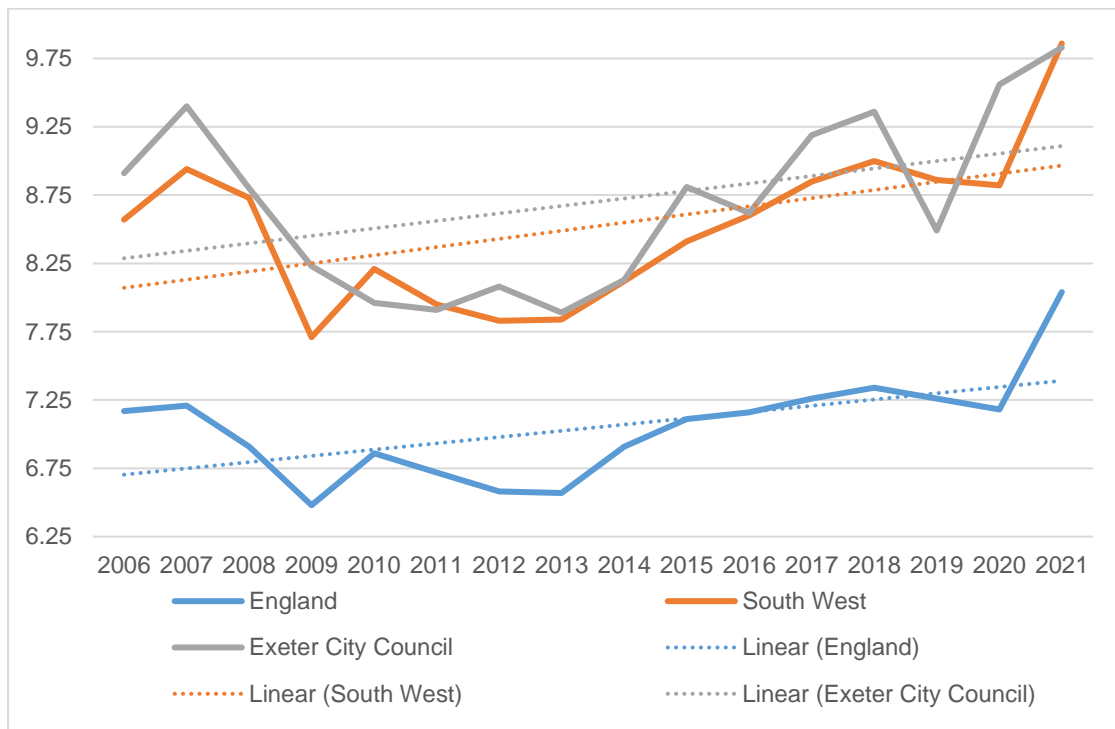
“The disproportionate growth in house prices means that the ability of first-time buyers to access mortgages is extremely limited. This has been exacerbated by the recent credit squeeze which has reduced the availability of mortgages.” (Emphasis added).

Exeter City Lower Quartile House Prices

- 8.57 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 ECC now stands at 9.83, a 7% increase since the start of the Core Strategy period in 2006 where it stood at 8.91.
- 8.58 As demonstrated by Figure 8.8, there is no clear trend of improvement in the affordability ratio, with the linear lines for each area clearly trending upwards.
- 8.59 Once again it remains the case that the ratio in ECC stands significantly above the national average 8.04 and just below the South West average of 9.86.
- 8.60 Paragraph 6.31 of the Core Strategy (**CD-DP1**) is clear that:

“There is evidence that the high cost of housing relative to incomes has a significant effect on the ability of the city to attract and retain people with professional and other skills that are especially needed.”

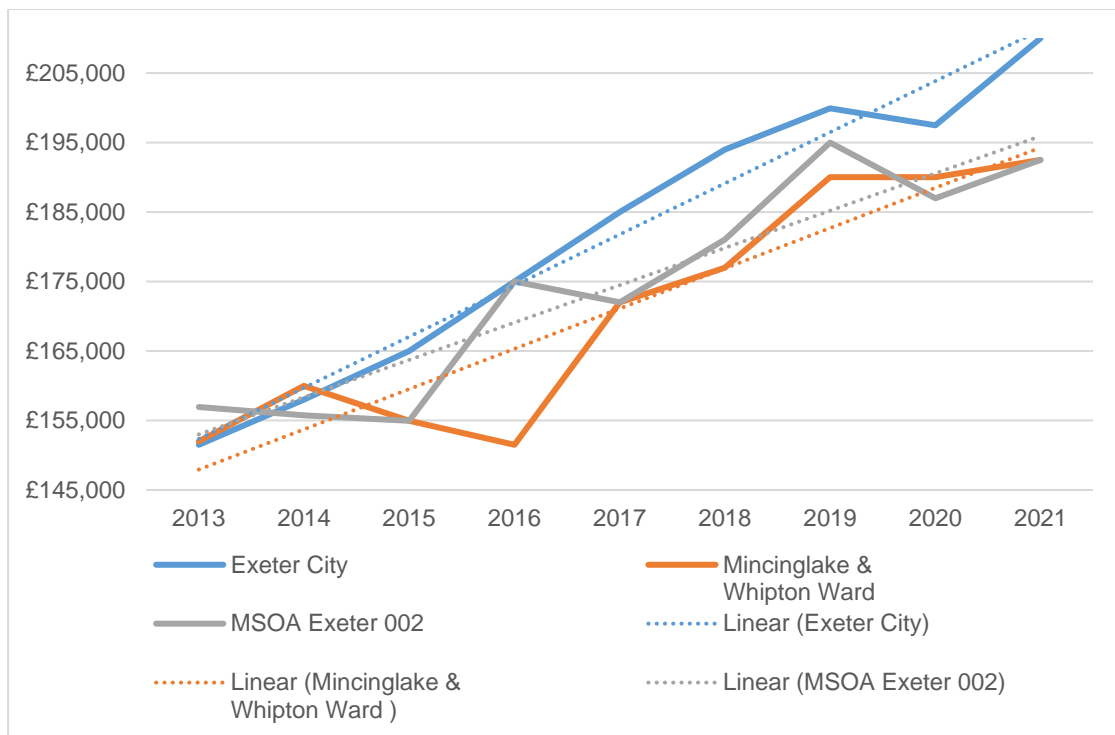
Figure 8.8: Ratio of Lower Quartile Incomes to House Prices across Exeter City Council, South West Region and England (2006 to 2020)



Source: ONS Ratio of House Price to Work-place Based Earnings Table 2C and 6C

- 8.61 In the 12-month period between March 2020 and March 2021 the lower quartile house price to income ratio across ECC has increased by 3% from 9.56 to 9.83. This means that those on the lowest incomes in the district, seeking to purchase a home in the lower end of the property market, now need to find almost 10 times their annual income to do so.
- 8.62 In terms of lower quartile house prices themselves, as is demonstrated in Figure 8.9, the lower quartile house price across ECC has risen by 39% from £151,500 in 2013 to £210,000 in 2021. This compares to a 27% increase across Mincinglake and Whipton Ward from £152,000 to £192,000 and a 23% increase across MSOA Exeter 002 from £156,950 to £192,500 over the same period.
- 8.63 In the 12 month period between March 2020 and March 2021 the lower quartile house price across ECC has increased by 6% from £197,500 to £210,000, the lower quartile house price in Mincinglake and Whipton Ward has increased by 1% from £190,000 to £192,500 and the lower quartile house price in MSOA Exeter 002 has increased by 3% from £187,000 to £192,500.

Figure 8.9: Lower Quartile House Prices (2013 to 2021)



Source: ONS HPSSA Datasets 15 and 39

- 8.64 The lower quartile house price in the LSOA²⁵ for the appeal site has risen by 34% from £153,000 in 2013 to £205,000 in 2021. This figure is 19% higher than the figure of £192,500 for Mincinglake and Whipton Ward and the MSOA.
- 8.65 In the 12 month period between March 2020 and March 2021 lower quartile house price in LSOA 'Exeter 002C' has increased by 7% from £230,000 to £237,000.
- 8.66 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 (**CD-A28**) 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

²⁵ ONS HPSSA Dataset 48

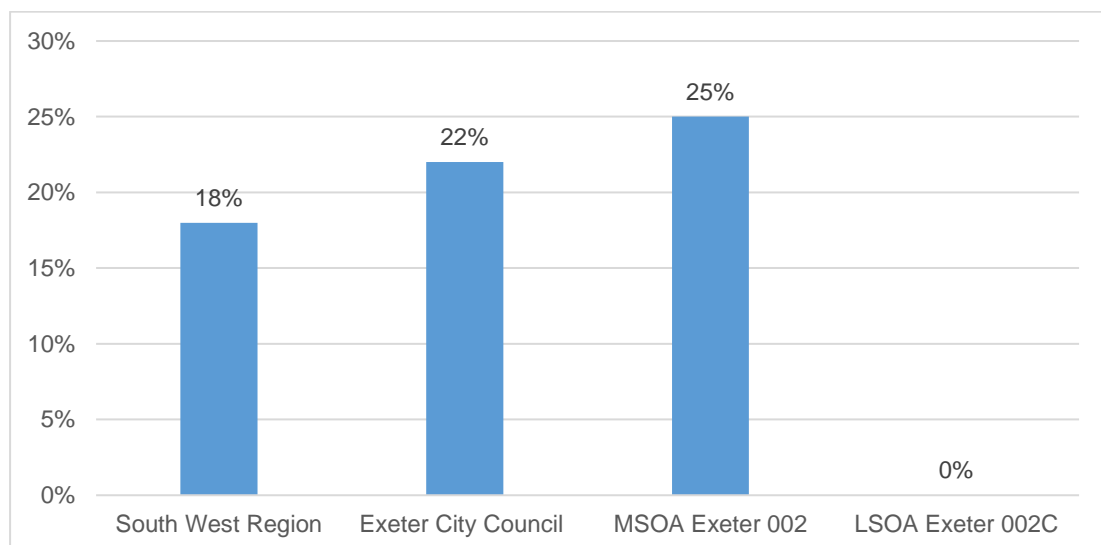
in a theoretical location elsewhere. **In fact, that Malmesbury is a relatively high value area for housing adds more weight to the need for affordable housing products.**

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. I therefore place **substantial positive weight** on the proposed provision of affordable housing in Appeals A and C. The slightly reduced provision in Appeal C, after taking account of the nursery land, is of no material difference in this regard.” (My emphasis).

Council Tax Bands

- 8.67 Further evidence of the need for affordable housing in LSOA Exeter 002C is provided by the Valuation Office Agency’s data for Council Tax bands as at 31 March 2021, which is broken down into MSOAs and LSOAs.

Figure 8.10: Percentage of Properties in Council Tax Band A at 31 March 2021



Source: Table CTSOP1.1: Number of properties by Council Tax band, local authority and lower and middle super output area as at 31 March 2021

- 8.68 Figure 8.10 demonstrates that the lower super output area that includes the appeal site 0% of properties are in Council Tax Band A (the lowest band) and just 16% of properties are in Council Tax Band B.
- 8.69 This compares to 25% of properties being in Council Tax Band A in MSOA Exeter 002 which is comparable to 22% of properties across ECC as a whole and 18% across the South West region indicating that higher value properties are more prevalent in the lower super output area than across the MSOA, authority and the region.

Conclusions on Affordability Indicators

- 8.70 As demonstrated through the analysis in this section, affordability across ECC has been and continues to be, in crisis.
- 8.71 House prices and rent levels in both the average, median and lower quartile segments of the market are increasing whilst at the same time the stock of affordable homes is failing to keep pace with the level of demand. This only serves to push buying or renting in ECC out of the reach of more and more people.
- 8.72 Analysis of market signals is critical in understanding the affordability of housing. It is my opinion that there is an acute housing crisis in ECC District, with a lower quartile house price to average income ratio of 9.83.
- 8.73 Market signals indicate a worsening trend in affordability in ECC and within Mincinglake and Whipton Ward, MSOA Exeter 002 and LOSA Exeter 002C. By any measure of affordability, this is an authority in the midst of an affordable housing crisis, and one through which urgent action must be taken to deliver more affordable homes.

Councils Assessment of the Application

Section 9

Planning Application

- 9.1 The application was refused on 12 October 2021 (**CD-DD8**). The Planning Officer's Report to the first Planning Committee held on 6 September 2021 can be seen under **CD-DD1** and additional information sheet can be found under **CD-DD2**.
- 9.2 The report states on the first page that the application is recommended for approval subject to (among other things) a S106 obligation being secured for providing affordable housing.
- 9.3 In considering affordable housing provision proposed on the site, under heading 4.0 the "Table of key planning issues" concludes that:

"35% of the dwellings will be secured as affordable housing in accordance with Policy CP7 delivering 32 affordable homes and a financial contribution for 0.55 of a dwelling towards off site affordable housing provision in the city."
- 9.4 Under heading 11.0 "Representations" as list of concerns raised in the objections is presented one of which being *"Housing developments are not bringing the numbers of affordable housing needed for local people."*
- 9.5 The report goes on to note under the heading 13.0 "Human Rights" that:

"It is acknowledged that there are certain individual properties where there may be some adverse impact and this will need to be mitigated as recommended through imposing conditions to ensure that there is no undue impact on the home and family life for occupiers. However, any interference with the right to a private and family life and home arising from the scheme as result of impact on residential amenity is considered necessary in a democratic society in the interests of the economic wellbeing of the city and wider area and is proportionate given the overall benefits of the scheme in the provision of homes, including affordable housing and economic benefits." (My emphasis)
- 9.6 Section 15.0 considers "Financial issues", the sub heading "Material considerations" list a number of material consideration relevant to the application the first of which is:

“35% affordable housing (32 dwellings if 93 dwellings developed and financial contribution for 0.55 of a dwelling towards off-site affordable housing – cannot be calculated until reserved matters confirms dwelling sizes).”

- 9.7 Later in the report, Section 16.0 considered the “Planning Assessment” of the application stating under subheading 4 “Affordable Housing” that:

“The applicant has agreed to provide 35% affordable housing in accordance with Policy CP7. If the maximum number of dwellings applied for was approved through a reserved matters application, this would deliver 32 affordable dwellings on the site. A financial contribution will also be secured towards the provision of affordable housing off site in the city to cover 0.55 of a dwelling, in accordance with the Affordable Housing SPD. These obligations will be secured in a s106 legal agreement.”

- 9.8 Under subheading 12 “Development Plan, Material Considerations and Presumption of Sustainable Development” the report notes that:

“If Members consider the application fails against any of the above development plan policies, officers consider there are material considerations that indicate that planning permission should be granted, in particular the social and environmental sustainability benefits of securing the adjoining fields as public open space/New Valley Park in perpetuity and the extension of the F1 bus route. This is in addition to the other sustainability benefits of providing 35% of the dwellings as affordable housing, biodiversity enhancement measures, sustainable drainage system, and local highways improvements.” (My emphasis)

- 9.9 Understanding each of these points, and notwithstanding the officer’s positive recommendation, I do not consider that the Council sufficiently assessed the substantial benefits, such as affordable housing, that the scheme would achieve.

- 9.10 Planning Officer’s Report to the second Planning Committee held on 11 October 2021 can be seen under **CD-DD4** and additional information sheet can be found under **CD-DD5**.

- 9.11 The first page of the report highlights that:

“REASON APPLICATION IS GOING TO COMMITTEE – The Liveable Exeter Programme Director and City Development Strategic Lead considers the application to be a significant application that should be determined by the Planning Committee in accordance with the Exeter City Council Constitution.”

9.12 And that this was because *“The application was deferred at the previous Planning Committee on 6 September 2021 for a site visit by the Planning Committee. This site visit took place on 28 September 2021.”*

9.13 Aside from repeating comments made in the previous report, once again this report does not attempt to consider in any detail the benefits of providing affordable housing at the appeal site.

Council’s Statement of Case

9.14 ECC submitted their Statement of Case (“SoC”) in respect of the appeal proposals to the Inspectorate in April 2022 which can be viewed under **CD-ID3**. Rather strikingly ECCs SoC does not mention affordable housing other than to state that the Affordable Housing SPD (April 2014) is an SPD relevant to the appeal.

9.15 The above should also be viewed in context of the fact that in the Statement of Common Ground (“SoCG”) (**CD-ID4**) agreed between the appellants and ECC on 26th May 2022 is clear under “Matters of Agreement” at paragraph 6.3 that *“There is a considerable unmet need for affordable housing in the City”*.

9.16 Paragraph 6.4 under the same heading goes further by stating that:

*“The Appeal proposals will deliver a policy-compliant level of affordable housing (35%) equating to 32 affordable homes. This is a material consideration to which **substantial weight** should be afforded in the decision.”* (My Emphasis)

9.17 It is therefore clear in my opinion that the Council have deliberately sought to downplay the provision of 32 affordable homes at the appeal site until pressed on the matter through the production of SoCG during the appeals process.

Exeter Greenspace Group (Rule 6 Party) Statement of Case

9.18 Exeter Greenspace Group (Rule 6 Party for the appeal) submitted their SoC in respect of the appeal proposals to the Inspectorate in May 2022 which can be viewed under **CD-ID7**.

9.19 Concerning affordable housing the SoC states the following at paragraph 5.2:

“The appellant argues that the provision of 35% affordable housing should also be afforded substantial weight, citing the PPG’s guidance that housing delivery may need to be escalated to deliver the required number of affordable homes.[31] However this guidance is intended to inform LPA policies rather than decisions on individual planning applications; the appellant’s case in this regard is plainly flawed and references

guidance inappropriately. Exeter also scored 155% on the 2021 Housing Delivery Test and has no need to increase delivery in future years.[32] Finally, the proposed affordable housing provision is only at a policy-compliant level. Taken as a whole, we believe that affordable housing should be afforded only moderate weight.”

- 9.20 The SoC seems to incorrectly imply that because ECC scored 155% on the 2021 Housing Delivery Test that there is no need for affordable housing across the city. This is plainly not the case.
- 9.21 As set out at paragraph 5.13 of this Evidence due to the Core Strategy being more than 5 years old ECC’s housing supply is measured against a figure based on the Government’s standard methodology for assessing Local Housing Need.
- 9.22 Paragraphs 5.14 to 5.19 of this Evidence go on to make clear that whilst the Standard Method calculation may be appropriate for monitoring general housing needs and supply across the authority it does not provide a need figure for affordable housing in line with the PPG.
- 9.23 As such it does not reflect affordable housing need; nor is it an appropriate basis with which to monitor affordable housing supply.
- 9.24 These claims should also be viewed in context of the fact that since the start of the 2015 SHMA period in 2013/14 there has been an accumulated shortfall in the delivery of affordable housing of some -2,134 affordable homes against an identified need for 2,600 over the same period.
- 9.25 Even more strikingly over the same period the council delivered just 58 net affordable homes per annum, delivering just 6 net affordable homes in the 2020/21 monitoring period. By comparison in the 12 month period between 31st March 2021 and 31st March 2022 ECC’s housing register increased by 13% from 2,789 households to 3,149 households.
- 9.26 Evidently the assertion that ECC *“has no need to increase delivery in future years”* ignores the real and pressing need facing each of the 3,149 households on the register in need of an affordable home in Exeter. These are real people, in real need, now.
- 9.27 The SoC goes on to set out that *“the proposed affordable housing provision is only at a policy-compliant level. Taken as a whole, we believe that affordable housing should be afforded only moderate weight”*

- 9.28 The implication appears to be that the Rule 6 party has accorded only moderate weight to affordable housing provision as it is merely policy compliant. This approach seriously underplays the importance of the delivery of affordable housing.
- 9.29 I consider that Policy CP7 is not drafted in mitigation or to ward off a harm. The fact that the appeal offer is policy compliant, meeting the full 35% requirement, is in no way any reason to reduce the weight given to affordable housing in the planning balance.
- 9.30 Indeed, this approach has been supported previously by appeal Inspectors. For example, in assessing the overall planning balance of an appeal in South Gloucestershire (**CD-A5**), Inspector Nick Fagan held that:
- “The fact that the much needed affordable housing and custom-build housing are elements that are no more than that required by policy is irrelevant – they would still comprise significant social benefits that merit substantial weight.”* (paragraph 61) (My emphasis).
- 9.31 In this context, I also refer to paragraphs 12.2 to 12.7 this Evidence which discusses that it is for each case to be considered on its individual merits. The individual benefits of a scheme are not transferable.
- 9.32 Furthermore paragraphs 12.8 to 12.9 of this Evidence are clear that a lack of affordable housing impacts on the most vulnerable people in an authority, who are unlikely to describe their needs as generic.
- 9.33 Considering ECC’s past poor record of affordable housing delivery, the level of current and future affordable housing needs identified in the 2015 SHMA and increasing numbers of households on ECCs housing register there can be no doubt in my mind that the provision of up to 32 affordable dwellings on this site should be afforded **substantial weight** in the determination of this appeal.

Consequences of Failing to Meet Affordable Housing Needs

Section 10

- 10.1 The National Housing Strategy sets out that a thriving housing market that offers choice, flexibility and affordable housing is critical to our social and economic wellbeing.

Consequences of Failing to Meet Affordable Housing Need

- 10.2 This section highlights some of the evidence gathered in recent years demonstrating the significant consequences of failing to meet affordable housing needs.
- 10.3 In August 2019 the Children's Commissioner produced a report titled *"Bleak Houses: Tackling the Crisis of Family Homelessness in England"* to investigate impact of homelessness and in particular the effect of this upon children.
- 10.4 The report identified that family homelessness in England today is primarily a result of structural factors, including the lack of affordable housing and recent welfare reforms.
- 10.5 It states that the social housing sector has been in decline for many years and that between the early 1980s and early 2010s, the proportion of Britons living in social housing halved, as a result of losses to stock through the Right to Buy and a drop in the amount of social housing being built.
- 10.6 The research found that the decline in social housing has forced many households, including families, into the private rented sector. High rents are a major problem: between 2011 and 2017 rents in England grew 60% quicker than wages. It states that *"Simply put, many families cannot afford their rent. It is telling that over half of homeless families in England are in work"*.
- 10.7 The report particularly focused on the effect on children. The report reveals that many families face the problem of poor temporary accommodation and no choice but to move out of their local area, which can have a *"deeply disruptive impact on family life"*. This can include lack of support (from grandparents for example) and travel costs.

- 10.8 It finds that a child's education can suffer, even if they stay in the same school, because poor quality accommodation makes it difficult to do homework and that younger children's educational development can also be delayed.
- 10.9 Temporary accommodation also prevents serious risks to children's health, wellbeing and safety, particularly families in B&Bs where they are often forced to share facilities with adults engaged in crime, anti-social behaviour or those with substance abuse issues.
- 10.10 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*".
- 10.11 More recently in May 2021, Shelter published its report "*Denied the Right to a Safe Home – Exposing the Housing Emergency*" (**CD-JS4**) which sets out in stark terms the impacts of the affordable housing crisis. The report affirms that Affordability of housing is the main cause of homelessness (page 15) and that "*we will only end the housing emergency by building affordable, good quality social homes*" (page 10).
- 10.12 In surveying 13,000 people, the research found that one in seven had to cut down on essentials like food or heating to pay the rent or mortgage. In addition, over the last 50 years, the average share of income young families spend on housing has trebled. The following statements on the impacts of being denied a suitable home are also made in the report:

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

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

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

If you live in an overcrowded home, you're more likely to get coronavirus. If you live in a home with damp and black mould on the walls, your health will suffer. (Page 9)

"14% of people say they've had to make unacceptable compromises to find a home they can afford, such as living far away from work or family support or having to put up with poor conditions or overcrowding" (Page 10)

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

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

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

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

"A lack of housing means landlords and letting agents can discriminate knowing there is excess demand for their housing." (Page 30)

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

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

10.16 The Executive Summary goes on to state that “An **affordable and secure home is a fundamental human need**” (emphasis in original) noting that one in three of us don’t have a safe place to call home and that finding a good-quality home at a fair price is impossible for so many people.

10.17 At page 6 the report considers the impacts of the Government plans to scrap developer contributions (Section 106 – s106) and replace it with a flat tax called the ‘infrastructure levy’. It states that:

“This would mean that developers no longer build social housing on site, in return for planning permission, but instead pay a tax to the local council when they sell a home. The unintended consequence could add yet more barriers to social housebuilding and spell the end of mixed developments where social tenants live alongside private owners.”

10.18 In considering the impact of the PRS the report highlights at page 7 that nearly half of private renters are now forced to rely on housing benefit to pay their rent – “That’s taxpayer money subsidising private landlords providing insecure and often poor-quality homes.” The paragraph goes on to note that:

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

10.19 With regard to the temporary accommodation (“TA”) the report notes on page 10 that number of households living in such accommodation has nearly doubled over the last decade and the cost to the taxpayer has gone through the roof. The page also notes that “TA cost councils £1.45bn last year (2020/21). 80% of this money went to private letting agents, landlords or companies.”

10.20 Page 11 goes on to highlight that “Of the nearly 100,000 households living in TA, more than a quarter (26,110) of these households are accommodated outside the local authority area they previously lived in.” This means that “Families have been forced to

endure successive lockdowns in cramped, unhygienic, and uncertain living conditions, away from jobs, family, and support networks.”

10.21 The page goes on to conclude that *“As a result, the national housing benefit bill has grown. Tenants' incomes and government money is flowing into the hands of private landlords, paying for poorer quality and less security. There are now more private renters claiming housing benefit than ever before.”*

10.22 Page 9 is also clear that *“Since 2011, freezes to Local Housing Allowance (housing benefit for private renters) and blunt policies like the benefit cap have been employed to limit the amount of support individuals and families can receive. As a result, many thousands of renters’ housing benefit simply doesn’t meet the cost of paying the rent.”*

10.23 In considering the consequences of this page 12 notes that *“With fast growing rents, mounting food and energy bills, and a dire shortage of genuinely affordable social housing, these policies have failed to curb the rising benefits bill. Instead, they have tipped people into poverty, destitution and homelessness.”*

10.24 Finally page 21 is clear that:

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

The evidence is clear, the financial requirements to own one’s home are out of reach for many. And many will spend years stuck in a private rented sector that’s not fit for purpose. The answer is clear: build many more, good quality social homes for the communities that so desperately need them.” (My emphasis).

10.25 It is also pertinent to highlight that ECC themselves recognise the consequences of failing to meet affordable housing needs.

10.26 Paragraph 6.31 of the Core Strategy (**CD-DP1**) is clear that *“There is evidence that the high cost of housing relative to incomes has a significant effect on the ability of the city to attract and retain people with professional and other skills that are especially needed.”*

10.27 Similarly the Homelessness Strategy 2016 to 2021 (**CD-SP9**) explains at page 8 that *“The supply of suitable, affordable accommodation is central to tackling homelessness, as is having the flexibility to offer a range of sustainable options to meet changing need.”*

10.28 Going on at page 18 to provide the following quotation from the mental health charity ‘Mind’:

“Most people would agree that having a home that is both safe and affordable is extremely important for your general health. If you have poor housing, or are homeless, it could increase your chances of developing a mental health problem or could make an existing one harder to manage.” (My emphasis).

Conclusions

10.29 Evidently the consequences of failing to meet affordable housing needs in any local authority are significant. ECC is no exception to this issue with shortfalls against the identified needs in 2015 SHMA amounting to some -2,134 affordable homes to date.

10.30 Future of affordable housing supply in ECC looks bleak with likely delivery being well below the current annual average. It is fair to say based on evidence that the future supply of affordable housing appears to have collapsed. This merely serves to further compound the acute affordability problems that the ECC is facing.

10.31 In addition to the shortfall in delivery against affordable housing need, other indicators further point to an affordability crisis in ECC. This includes increasing house prices, a large number of households on the housing register and increasingly unaffordable private rents.

10.32 It is clearly imperative that more affordable housing is delivered in ECC now to arrest the affordable housing emergency and prevent further worsening of the situation. The words of the Inspector at the Oxford Brooks University campus (**CD-A2**) ring true,

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

10.33 I am strongly of the opinion that a step change in delivery of affordable housing is needed now.

- 10.34 The acute level of affordable housing need in ECC coupled with worsening affordability will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so.

Benefits of the Proposed Affordable Housing at the Appeal Site

Section 11

- 11.1 The Government attaches weight to achieving a turnaround in affordability to help meet affordable housing needs. The NPPF is clear that the Government seeks to significantly boost the supply of housing, which includes affordable housing.
- 11.2 As set out in the previous chapter there are significant social and economic consequences for failing to meet affordable housing needs at both national and local authority level. ECC is no exception to this.
- 11.3 The appeal scheme will provide up to 32 affordable dwellings on site comprising 70% social rent properties (up to 22 units) and 30% Shared Ownership properties (up to 10 units). The wider social and economic benefits of affordable housing per se are commonly recognised.
- 11.4 As set out in Chapter 2 the benefit of affordable housing is a strong material consideration in support of development proposals. However, there are more nuanced and specific benefits of the proposed tenures, and these are explored below.

Social Rent

- 11.5 Social rented units are a tenure of affordable housing that are exclusively provided housing associations (not-for-profit organisations that own, let, and manage rented housing) or a local council. Social tenants rent the property from the housing association or council, who act as landlord.
- 11.6 Annex 2 of the NPPF (2021) is clear that for rented affordable housing products *“the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable)”* (Emphasis added).
- 11.7 The Governments current policy for social rent is set out in the April 2020 Rent Standard (**CD-JS6**), which has been in force since 1 April 2020.

- 11.8 The Rent Standard (2020) sets out a 'formula rent' for each property to be let as a social rented unit, which is calculated based on the relative value of the property, the size of the property and relative local income levels.
- 11.9 The amount of social rent a person pays therefore depends on the location and size of the property, and is set according to a complex formula, but it is typically set at between 50% and 60% of market rent. Annual rent increases are capped at the Consumer Prices Index ("CPI") +1% as well as rent caps.
- 11.10 Social rent affordable homes will typically "help" those most in need of assistance with their housing needs.

Shared Ownership

- 11.11 Shared Ownership units are a tenure of affordable housing where first time buyers, and those that do not currently own a home are given the opportunity to purchase a share in a new build or resales property.
- 11.12 Shared ownership schemes are provided by housing associations or private developers. The details, costs and restrictions involved can vary by provider.
- 11.13 Annex 2 of the NPPF (2021) is clear that affordable routes to home ownership (including Shared Ownership) "*is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market*" and is set "*at a price equivalent to at least 20% below local market value*".
- 11.14 The Governments April 2022 Capital Funding Guide (**CD-JS7**) sets out that the cost of a Shared Ownership property should be calculated using the full market value of the property at the point of initial sale.
- 11.15 The main benefit of Shared Ownership properties is that people can start by buying as little as 10% share in a property and deposit can be 5% of the price of that share, rather than the whole property.
- 11.16 The rent paid on the remaining share is charged at a discounted rate (usually 2.75% of the property value per year). In addition, stamp duty can generally be deferred until you increase your share of the property to 80%.
- 11.17 With Shared Ownership, it is possible to buy more of the home by "staircasing" i.e. increasing the share. Shares can be bought in 1% increments, which will in turn reduce rent paid.

Benefits of the proposed Affordable Housing at the appeal site

11.18 The offer complies with the requirements of Policy CP7 (35%) of the adopted ECC Core Strategy 2006-2026 (2012) which is drafted to capture a benefit rather than to ward off harm or needed in mitigation.

11.19 This fact was acknowledged by the Inspector presiding over an appeal at Coalpit Heath, South Gloucestershire (**CD-A5**) in September 2018 who was clear at paragraph 61 of their decision that:

“there are three different components of the housing that would be delivered: market housing, affordable housing (AH) and custom build housing (CBH). They are all important and substantial weight should be attached to each component for the reasons raised in evidence by the appellants, which was not substantively challenged by the Council, albeit they all form part of the overall housing requirement and supply. The fact that the much needed AH and CBH are elements that are no more than that required by policy is irrelevant – they would still comprise significant social benefits that merit substantial weight.” (My emphasis)

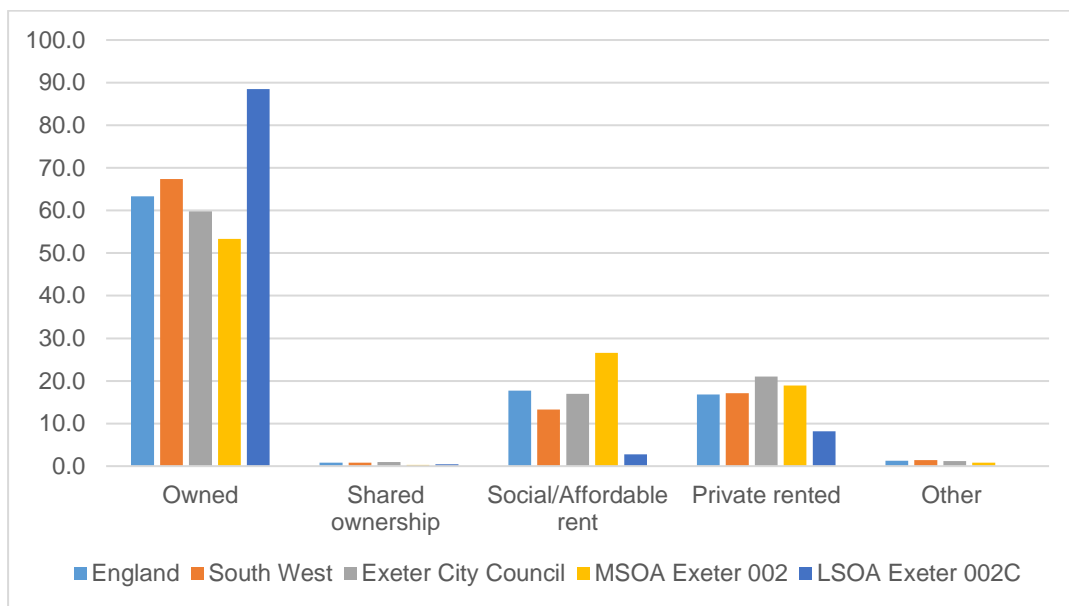
11.20 Additionally paragraph 92 of the NPPF is clear that:

*“Planning policies and decisions should aim to achieve healthy, **inclusive** and safe places which: a) promote social interaction, including opportunities for meetings between people who might not otherwise come into contact with each other.”*

11.21 Figure 11.1 illustrates the breakdown of tenures within ECC, MOSA Exeter 002 and LSOA Exeter 002C compared with that nationally and regionally at the time of the 2011 Census.

11.22 Owner occupation by far represents the largest tenure typology within ECC with 60% of households owned (outright or with a mortgage).

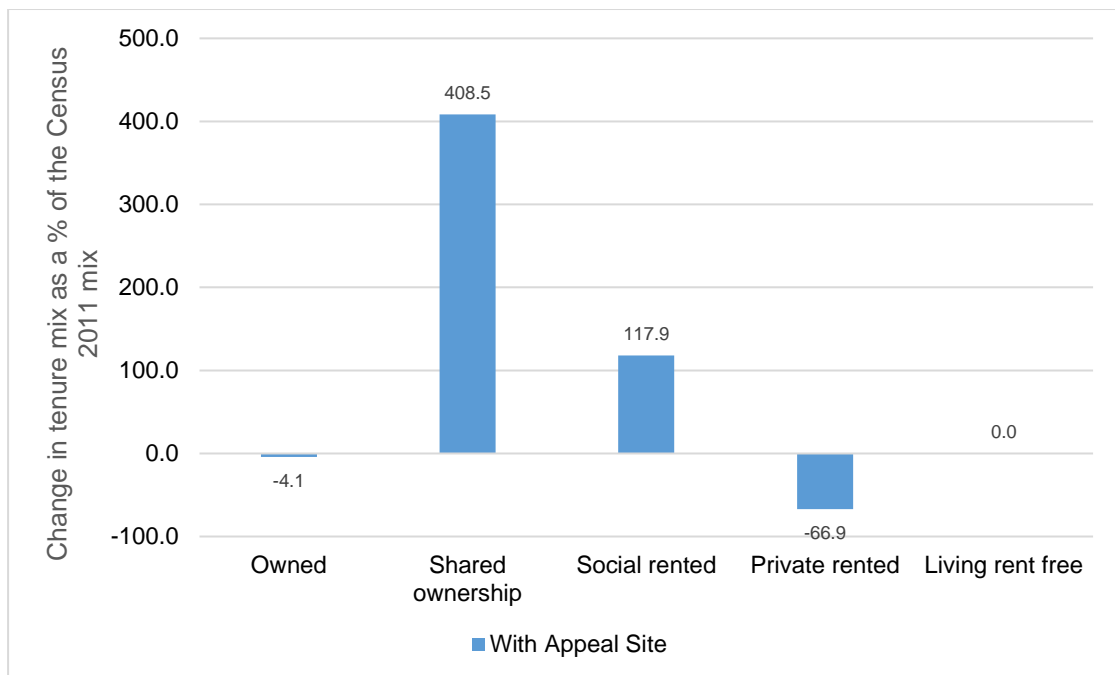
Figure 11.1: Tenure in Exeter, MOSA Exeter 002 and LSOA Exeter 022C



Source: 2011 Census

- 11.23 The data shows that, by comparison to the national average, there are a larger percentage of owner occupiers in ECC, MOSA Exeter 002 and LSOA Exeter 002C and a lower proportion of rented tenures available. This is particularly evident in LSOA Exeter 002C where 90% of homes are owner occupied compared to 60% across ECC, and 53% in MOSA Exeter 002.
- 11.24 Similarly in LSOA Exeter 002C just 3% of homes are affordable/social rent compared to 17% across ECC and 27% in MOSA Exeter 002; and only 0.4% of properties are shared ownership in the LSOA compared to 1% across ECC and 0.3% in MOSA Exeter 002.
- 11.25 The proposals at the appeal site for 32 new affordable homes will help to address the rebalancing in the LSOA. Figure 11.2 below shows the change in the tenure split for each tenure from its baseline 2011 position.
- 11.26 Notably, the proportion of Shared Ownership homes in the overall tenure split increases by 409% when considering the appeal scheme, rising from a 0.4% share in the tenure mix to a 2% share.
- 11.27 Similarly, the overall share of social rented homes climbs by 118% to a 6% share, whilst owner occupation and the private rented sector both show drops from the baseline position.

Figure 11.2: Changes in the Overall Tenure Mix in LSOA Exeter 002C



Source: 2011 Census

11.28 The importance of the analysis of such data was acknowledged in Inspectors Drew appeal decision concerning Cornerways, Twynning in Tewkesbury (CD-A6) where in considering affordable housing provision through the appeal scheme, he stated that:

“The significance of this scheme in meeting the needs of different groups in the Borough, as required by paragraph 50 of the Framework, is underlined by the stark figure that this scheme alone would result in a 100% increase in shared ownership properties in the Parish of Twynning, as well as a 27% increase in social rented properties. Those figures are a powerful illustration of the extent to which the proposed development would contribute to creating a more mixed and balanced community, which is a key Government objective” (paragraph 65).

11.29 The affordable housing benefits of the appeal scheme are therefore:

- 35% of the scheme provided as affordable housing;
- An addition of up to 22 social rented affordable homes;
- An addition of up to 10 Shared Ownership properties;
- A deliverable scheme which provides much needed affordable homes;
- In a sustainable location;

- Addressing the polarised tenure profile of LOSA Exeter 022C, delivering a broader mix of tenures to provide a more balanced community and to enhance its vitality;
- 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.

11.30 In my opinion these benefits are substantial and a strong material consideration weighing heavily in favour of the proposal.

Weight to be Attributed to the Proposed Affordable Housing Provision

Section 12

- 12.1 The NPPF is clear at paragraph 31 that policies should be underpinned by relevant up-to-date evidence which is adequate and proportionate and takes into account relevant market signals.
- 12.2 Paragraph 59 of the NPPF sets out the Governments clear objective of “*significantly boosting the supply of homes*” with paragraph 60 setting out that in order to “*determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment*”.
- 12.3 The NPPF requires local authorities at paragraph 61 to assess and reflect in planning policies the size, type and tenure of housing needed for different groups, “*including those who require affordable housing*”.
- 12.4 I also note the findings of Inspector Kevin Ward in July 2015 who considered (and subsequently allowed) an outline planning permission for the erection of up to 90 dwellings with vehicular access on to Hollybush Lane and associated public open space, landscaping and drainage work on land at Firlands Farm, Hollybush Lane, Burghfield Common, Reading, Berkshire (**CD-A10**).
- 12.5 Mr Ward identified that the individual benefits of a scheme are not transferable, as each development should be considered on its own merits. Mr Ward indicated at paragraph 58 that:
- “Whilst it may be that similar economic and social benefits could be achieved from other sites including the preferred option sites, I do not consider that this is relevant to the assessment of whether the particular proposal before me represents sustainable development in its own right.”*
- 12.6 The context of this decision is in relation to a previously determined appeal at Mans Hill also located within Burghfield Common (**CD-A11**). Mr Ward set out his comments in relation to the distinction between the two appeals at paragraphs 70 and 71, which I set out below:

“70. I have given careful consideration to the decision of the Inspector who dealt with the appeal at Mans Hill. It is worth emphasising that in that case the Inspector was considering a noticeably larger proposal adjoining a different part of the village. Whilst I have approached the issue of housing land requirements and supply from a different perspective, I reach the same conclusion that Policy HSG.1 of the Local Plan should not be considered up to date and the proposal should be assessed in the light of Paragraph 14 of the NPPF.

71. As explained above I take a different view as to the weight to be given to the emerging HSADPD and do not consider that the particular proposal before me would undermine the plan making process. I have also taken a different view of the weight to be attached to social and economic benefits as I consider that the proposal should be assessed in its own right in terms of sustainable development. Notwithstanding this, it is clear that the Inspector in the Mans Hill case had significant concerns regarding the adverse effect on the character and appearance of the area. I do not share such concerns in relation to the proposal before me.”

12.7 As can be seen in relation to Mr Wards’ comments at paragraph 58, it is for each case to be considered on its individual merits.

12.8 Another appeal that considers the issue of benefits is the development for 71 dwellings, including affordable provision at 40%, equal to 28 affordable dwellings on site at Hawkhurst in Kent (**CD-A12**). In critiquing the Council’s views with regard to the affordable housing benefits of the scheme, the Inspector made the following comments:

“The Council are of the view that the housing benefits of the scheme are ‘generic’ and would apply to all similar schemes. However, in my view, this underplays the clear need in the NPPF to meet housing needs and the Council’s acceptance that greenfield sites in the AONB are likely to be needed to meet such needs. Further, I agree with the appellant that a lack of affordable housing impacts on the most vulnerable people in the borough, who are unlikely to describe their needs as generic.” (Paragraph 118)

12.9 I agree, the recipients of 32 homes here will not describe their needs as generic.

12.10 In light of the authorities past poor record of affordable housing delivery and the level of current and future affordable housing needs identified in the 2015 SHMA, there can be no doubt in my mind that the provision of up to 32 affordable dwellings on this site should be afforded **substantial weight** in the determination of this appeal.

Relevant Secretary of State and Appeal Decisions

- 12.11 The importance of affordable housing as a material consideration has been reflected in a number of Secretary of State (“SoS”) and appeal decisions. Of particular interest is the amount of weight which has been afforded to affordable housing relative to other material considerations; many decisions recognise affordable housing as an individual benefit with its own weight in the planning balance. A collection of such SoS decisions can be viewed at **Appendix JS11**.
- 12.12 Brief summaries of appeal decisions relevant to this appeal are summarised at **Appendix JS12**. The full decisions are included as Core Documents.
- 12.13 Some of the key points I would highlight from these examples are that:
- Affordable housing is an important material consideration;
 - The importance of unmet need for affordable housing being met immediately;
 - Planning Inspectors and the Secretary of State have attached substantial weight and very substantial weight to the provision of affordable housing; and
 - Even where there is a five-year housing land supply the benefit of a scheme’s provision of affordable housing can weigh heavily in favour of development.

Summary and Conclusion

- 12.14 There is a wealth of evidence to demonstrate that there is a national housing crisis in the UK affecting many millions of people who are unable to access suitable accommodation to meet their housing needs.
- 12.15 What is clear is that a significant boost in the delivery of housing, and in particular affordable housing, in England is absolutely essential to arrest the housing crisis and prevent further worsening of the situation.
- 12.16 Market signals indicate a worsening trend in affordability across ECC and 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.

- 12.17 Against the scale of unmet need and the lack of suitable alternatives in the private rented sector across ECC, there is no doubt in my mind that the provision of up to 32 affordable homes will make a substantial contribution.
- 12.18 In light of all the evidence I consider that it should be afforded **substantial weight** in the determination of this appeal.