

Affordable Housing Proof of Evidence of Annie Gingell BSc (Hons) MSc MRTPI

St Stephens Green Farm, Chiswell Green Lane, St
Albans, Hertfordshire

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Outline application (access sought) for demolition of existing buildings, and the building of up to 330 discounted affordable homes for Key Workers, including military personnel, the creation of open space and the construction of new accesses and highway

St Stephens Green Farm, Chiswell Green Lane, St Albans, Hertfordshire

Mr S Collins, Headlands Way Limited

March 2023

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Introduction

Section 1

- 1.1 This Affordable Housing Proof of Evidence has been prepared by **Annie Gingell** of **Tetlow King Planning** on behalf of **Mr S Collins, Headlands Way Limited**.
- 1.2 The proposed development is for up to 330 dwellings, of which 100% are proposed as affordable homes.
- 1.3 The tenure split of the affordable housing offer will comprise a mix of First Homes, Shared Ownership dwellings, and Discount Market Sale properties (all discounted by at least a third of open market value) which will be secured through a Section 106 agreement.
- 1.4 This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in this planning decision¹ considering evidence of need in the area. It should be read alongside the main Planning Evidence of Steven Fidgett and the Proof of Evidence of Brian Parker.
- 1.5 My credentials as an expert witness are summarised as follows:
 - I hold a Bachelor of Science (Hons) degree in City and Regional Planning from Cardiff University (2016) and a Master of Science degree in Spatial Planning and Development from Cardiff University (2020). I am a chartered member of the Royal Town Planning Institute (“RTPI”).
 - I have over 9 years’ professional experience in the field of town planning and housing. I have previously been employed by a Local Authority in the South West and have been in private practice since 2017. I have been employed at Tetlow King Planning Ltd for the past 6 years.
 - During my career, I have presented evidence at Section 78 appeals in the West Midlands, North West, South West and the South East of England.
 - 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

¹ For the clarity, the weightings I apply are as follows: very limited, limited, moderate, significant, very significant, substantial, and very substantial.

regionally to comment on emerging Development Plan Documents and Supplementary Planning Documents on affordable housing throughout the UK.

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

"The evidence which I have prepared and provide for this appeal in this 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."

1.7 Providing a significant boost in the delivery of housing, and in particular affordable housing, is a key priority for the Government.

1.8 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 (**CD7.3**).

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

1.10 This Proof of Evidence comprises the following sections:

- Section 2 establishes the importance of affordable housing as an important material consideration;
- Section 3 outlines the national housing crisis;
- Section 4 considers the extent of the national shortfall in housing delivery;
- Section 5 analyses the development plan and related policy framework including corporate documents;
- Section 6 sets out the identified affordable housing needs;
- Section 7 examines past affordable housing delivery against identified needs;
- Section 8 considers the future supply of affordable housing;
- Section 9 sets out the Council's assessment of the application;
- Section 10 covers a range of affordability indicators in St Albans;
- Section 11 provides justification for key worker affordable housing; and
- Section 12 considers the 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 iterations of national planning policy, including the NPPF. What was once deemed unnecessary is now part and parcel of each major planning application (save for those where viability is an issue).
- 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 (20 July 2021)

- 2.3 The revised NPPF was last updated on 20 July 2021 and is, of course, a key material planning consideration in setting out the role of affordable housing in the planning and decision-making process.
- 2.4 The document sets a strong emphasis on the delivery of sustainable development, an element of which is the social objective 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 Section five covers delivering a sufficient supply of homes and, at paragraph 60, makes clear that local authorities need to make sufficient provision of land with permission without delay to meet the needs of different groups.
- 2.6 Paragraph 61 says that in determining the minimum number of homes needed, strategic policies should be informed by a local housing need assessment. It goes on, at paragraph 62, to say that within this context, the size, type, and tenure of housing needed for different groups in the community should be assessed and reflected in policy, including "*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”

- 2.7 Paragraph 63 is clear that: *“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required”*.
- 2.8 The national guidance places a responsibility on all major developments involving the provision of housing to provide an element of affordable housing. In particular, paragraph 65 establishes that: *“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership”*.
- 2.9 Affordable housing is defined within the revised NPPF’s 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).
- 2.10 Notably, the only category of persons specifically identified in the NPPF definition of “affordable housing” is “essential local workers”:

“Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers...”

Planning Practice Guidance (March 2014, Ongoing Updates)

- 2.11 The Planning Practice Guidance (PPG) was first published online on 6 March 2014 and is subject to ongoing updates. It replaced the remainder of the planning guidance documents not already covered by the NPPF and provides further guidance on that document’s application. **Appendix AG1** sets out the paragraphs of the PPG of particular relevance to affordable housing.

Summary

- 2.12 This section clearly demonstrates that, within national policy, providing affordable housing has long been established as, and remains, a key national priority; it is a fundamental element in the drive both to address, and resolve, the national housing crisis.

The National Housing Crisis

Section 3

3.1 There is incontrovertible evidence that there is a national housing crisis in the UK affecting many millions of people who are unable to access suitable accommodation to meet their housing needs, not just those at the lowest end of affordable need but anyone who cannot afford to buy on the open market. This section highlights some of this evidence and the Government's response to grappling with this issue.

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

3.2 “*Laying the Foundations: A Housing Strategy for England*” was published on 21 November 2011. The foreword by the former Prime Minister and Deputy Prime Minister set out the Coalition Government’s intention to unblock the housing market and tackle the social and economic consequences of the failure to develop sufficient high-quality homes over recent decades.

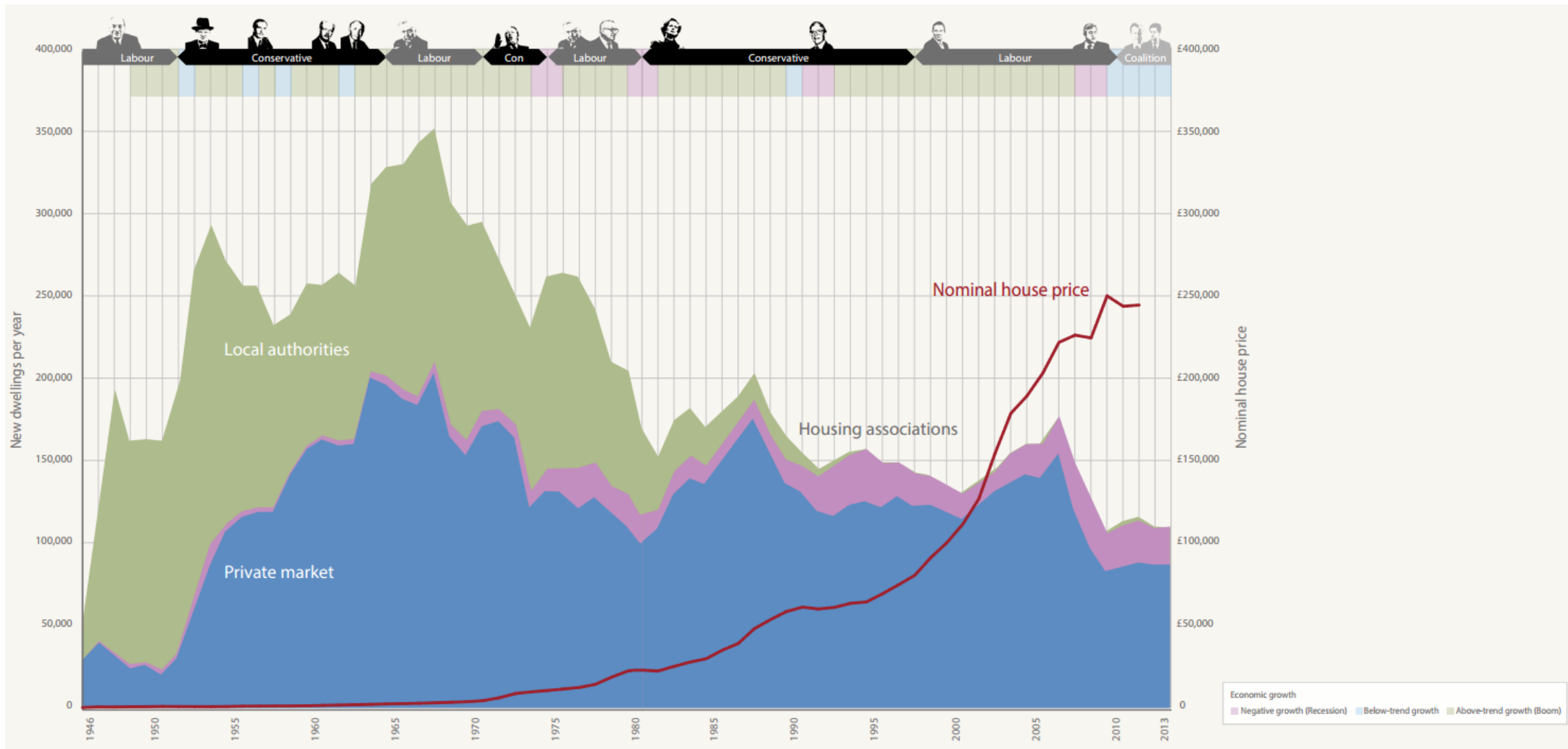
3.3 The Executive Summary, signed off by both the then Secretary of State for Communities and Local Government and the then Minister for Housing and Local Government, included the following comments:

- A thriving active but stable housing market that offers choice, flexibility, and affordable housing is stated as being critical to our economic and social wellbeing;
- ‘*The problems we face are stark*’ and have been compounded by the impact of the credit crunch;
- ‘*Urgent action to build new homes*’ is necessary as children will grow up without the opportunities to live near their family and older people will not have the choice and support they need;
- ‘*Housing is crucial for our social mobility, health and wellbeing*’;
- ‘*Housing is inextricably linked to the wider health of the economy*’; and
- Fundamental to the whole approach of the strategy is communities, including prospective owners and tenants, landlords and developers working together.

Building the Homes We Need (April 2014)

- 3.4 This report was the result of a year-long project by KPMG and Shelter to understand the housing shortage and was intended to provide advice to the incoming 2015 Government.
- 3.5 The report started by setting out that: *“everyone now accepts that we have a desperate housing shortage in England.”* It further explained that: *“each year we build 100,000 fewer homes than we need, adding to a shortage that has been growing for decades. What’s more, our current house building system seems incapable of delivering growth on the scale required. Growing demand means that without a step change in supply we will be locked into a spiral of increasing house prices and rents – making the current housing crisis worse”.*
- 3.6 The report highlighted that if we do not take firm action to build more homes there will be very worrying consequences for our economy and society; including rising homelessness, stalled social mobility, declining pension saving and an ever-rising benefit bill.
- 3.7 The report set out the graph illustrated in Figure 3.1, showing the levels of house building in England since 1946.

Figure 3.1: House building since 1946



Source: *Building the Homes We Need, Shelter and KPMG (2014)*

3.8 The Figure 3.1 graph shows four interrelated trends:

- An overall decline in house building since 1946, including a steep decline from 1980 and a marked further decline since 2007;
- Relatively high levels of social housing provision by local authorities up until the mid-1970s;
- The growing relative contribution to affordable housing provision by housing associations since the late 1980s - they are providing most of the new affordable housing stock, but not matching anything like the previous Local Authority contribution; and
- The gradual increase in the nominal house price through until about 1985, then grows exponential over the subsequent 30 years - there appears to be a correlation with the decline in new housing provision, although there are clearly other interrelated factors.

Fixing our Broken Housing Market (February 2017)

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

3.10 The then Prime Minister’s foreword stated that:

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

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

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

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

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

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

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

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

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

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

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

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

- 3.12 The introduction to the White Paper was clear:

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

- 3.13 It goes on to explain that since the 1970s there have been, on average, 160,000 new homes each year in England, when the consensus is that we need from 225,000 to 275,000 or more homes per year to keep up with population growth and start to tackle years of under-supply. The laws of supply and demand mean the result is simple. Since

1998, the ratio of average house prices to average earnings has more than doubled. That means the most basic of human needs – a safe, secure home to call your own – is not just a distant dream for millions of people, but a dream that is moving further and further away.

- 3.14 Furthermore, as recently as the 1990s a first-time buyer couple on a low-to-middle income, saving 5% of their wages each month, would have enough for an average sized deposit after just three years. Today it would take 24 years. It is no surprise that home ownership among 25 to 34-year olds has fallen from 59% just over a decade ago to just 37% today.
- 3.15 The White Paper also reported that Britain’s broken housing market hurts all of us. Sky high property prices stop people moving to where the jobs are. That is bad news for people who cannot find work, and bad news for successful companies that cannot attract the skilled workforce they need to grow, which is bad news for the whole economy.
- 3.16 Section four of the White Paper identified, at paragraph 4.1, that England has some of the highest house price inflation and worst affordability in the OECD. An average home now costs almost eight times average earnings; and nearly 30% of local authorities have house prices over 10 times average earnings.
- 3.17 Paragraph 4.3 revealed that rising prices are particularly tough on younger people trying to get onto the housing ladder or wanting to move into their first family home. Some young people have no choice but to continue to live with their parents, friends or strangers to make ends meet. Renters are seeing their rents rise; some are only just managing to cover their costs. For the average couple in the private rented sector, rent now takes up roughly half of their gross income.
- 3.18 At paragraph 4.4, the White Paper reported that in areas where the housing shortage is most acute, high demand and low supply is creating opportunities for exploitation and abuse: unreasonable letting agent’s fees, unfair terms in leases, landlords letting out dangerous, overcrowded properties.

**Former Secretary of State for Housing, Communities and Local Government
Speech to Local Government Association Conference (July 2017)**

- 3.19 At the beginning of July 2017, the then Secretary of State for Housing, Communities and Local Government, Sajid Javid, addressed the conference reflecting on “*what has gone wrong in local government*”, outlining what the national and local governments need to do to address the nationwide housing crisis.

- 3.20 On housing, Mr Javid stated that *“there’s a serious shortage of decent, affordable housing in this country”*. He added, *“... since the 1970s – under Wilson, Callaghan, Thatcher, Major, Blair, Brown, Cameron and now May – we’ve supplied an average of 160,000 new homes each year. That’s far below what’s needed, and that failure of supply to keep up with demand has led to predictable results”*.
- 3.21 Mr Javid summarised the issue by outlining that *“... the simple fact is that to put this right we need to build more homes that people want to live in, in places people want to live”*.

Former Prime Minister’s Speech (15 November 2017)

- 3.22 In November 2017, former Prime Minister Theresa May delivered a speech in which she made it her ‘mission’ to speed up the delivery of more homes.
- 3.23 Mrs May announced that: *“... for decades we simply have not been building enough homes, nor have we been building them quickly enough, and we have seen prices rise”*. Whilst *“the number of new homes being delivered each year has been increasing since 2010”*, she acknowledged that *“there is more we can do”*.
- 3.24 She stated that: *“... we must get back into the business of building the good quality new homes for people who need them most”*; and *“that is why I have made it my mission to build the homes the country needs and take personal charge of the Government’s response”*.
- 3.25 The former Prime Minister added that: *“... today I am seeing the work now underway to put this right and, in coming weeks and months, my Government will be going further to ensure that we build more homes, more quickly”*.
- 3.26 In concluding, Theresa May stated that: *“... this will be a long journey and it will take time for us to fix the broken housing market - but I am determined to build a Britain fit for the future”*.

Former Secretary of State for Housing, Communities and Local Government Speech on the Housing Market (16 November 2017)

- 3.27 The day after the former Prime Minister pledged her commitment to providing more homes, former Communities Secretary Sajid Javid delivered a speech setting out his blueprint for boosting housing provision.
- 3.28 Following the publication of official figures, Mr Javid announced that an additional 217,000 new homes (net) had been delivered during the 2016/17 financial year and

added that this was the *“first time in almost a decade that the 200,000 milestone had been reached”*. However, Mr Javid acknowledged that: *“... It is painfully obvious that there remains much, much more to be done”*; and that *“... fixing the broken housing market will require a much larger effort”*.

3.29 He set out that: *“... even today, I still hear from those who say that there isn’t a problem with housing in this country. That we don’t need to build more. That affordability is only a problem for Millennials that spend too much on nights out and smashed avocados. It’s nonsense... where once it would have taken an average couple 3 years to save for a deposit – it will now take a quarter of a century. Assuming of course they could save at all”*.

3.30 Mr Javid compared the position of a first-time buyer in London saying a deposit of more than £90,000 was needed and lamented: *“... that’s a lot of avocados.”*

3.31 The former Communities Secretary stated that: *“... without affordable, secure, safe housing we risk creating a rootless generation, drifting from one short-term tenancy to the next, never staying long enough to play a real role in their community”*.

Conservative Party Manifesto (December 2019)

3.32 The Conservative Party Manifesto for the December 2019 election reports, at page 29, that: *“... the biggest problem that young people face in getting on the housing ladder is the deposit.”* It committed to ensure that the Government will *“... offer more homes to local families”*.

3.33 At page 30 of the Manifesto, it states that: *“... home ownership is one of the most fundamental Conservative values. People are happier, more secure and more rooted in their communities when they own their own home – and know that they can pass it on to future generations”*. It goes on to set out that *“young people need the security of knowing that home ownership is within their reach – that they too can have a tangible stake in society, can be rooted in their communities and have a place to raise a family”*.

3.34 Under the heading of ‘places we want to live in’, at page 31, the Manifesto explains that, despite increased housebuilding since 2010: *“... it still isn’t enough. That is why we will continue our progress towards our target of 300,000 homes a year by the mid-2020s. This will see us build at least a million more homes, of all tenures over the next Parliament”*.

BBC Housing Briefing (February 2020)

- 3.35 The BBC Housing Briefing summarises a range of secondary data and case studies relating to the scale of housing need, quality, availability, and tenure. Sections 1 to 4 cover the broad context and issues; sections 5 to 7 consider the role of the public and private sectors in housing provision; and sections 8 to 10 cover policy mechanisms to address housing issues. The Briefing was prepared at the national level and sets out the overall ‘picture’ in respect of housing matters.
- 3.36 The Briefing was the topic of several news stories on the BBC Website and was widely promoted on the day of its publication, including through radio phone-ins, television news items, and the Bitesize revision service for teenagers.
- 3.37 The BBC states that the Housing Briefing was prepared in order to address public demand for “... *more transparency and better explanation of the facts behind the headlines*”. The acknowledgements include Dame Kate Barker, who undertook a review of the housing market in 2004; and Toby Lloyd, the former policy director of Shelter.
- 3.38 Section 8 of the Briefing refers to the scale of the housing shortfall that has amassed in recent years. It highlights, at page 134, the work undertaken by Dame Kate Barker in 2004; the KPMG/Shelter study of 2014; and the joint study between Heriott Watt University, Crisis and the National Housing Federation in 2018/9 - all of which are referenced at Section 4 of this Proof of Evidence.
- 3.39 The Briefing contains case studies throughout which highlight the impact of the housing crisis on real people and households. These include the numerous case studies at pages 33, 40, 66, 69, 84, and 125 which include those in desperate need, facing homelessness or temporary accommodation, and those trapped in rented housing unable to afford to purchase.

Speech by the Minister for Housing to the District Councils’ Network (October 2020)

- 3.40 The former Housing Minister, Christopher Pincher, gave a speech to the District Councils’ Network explaining why the Government is seeking reforms to the planning system. In explaining why the Government is considering a revised methodology for calculating housing need, Pincher noted the work of KPMG and Shelter, stating that: “*Local plans do not provide for the ambition we have – 300,000 new homes each year – nor enough to meet the demands of organisations and such as KPMG and Shelter,*

both of which say we need to be building north of 250,000 homes a year to deal with the housing challenges that we have”.

- 3.41 Pincher also emphasised the need to address poor housing affordability - particularly as observed in the South and the South East. He explained that, in calculating housing need under the Government’s proposed methodology: *“Fundamentally the initial driver, the first driver of need, must be affordability because there are parts of our country, not just in the south and the south east, where the affordability is low and people who want and need to live in a certain place and work in that place cannot afford to do so”.* (my emphasis)

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

- 3.42 The report by the House of Lords Built Environment Committee considers extensive evidence in respect of the delivery and affordability of housing and the functioning of the wider housing market. The report found, in its Summary at page 4, that: *“The challenges facing the housing market have been well documented: too many people are living in expensive, unsuitable, poor quality homes. To address these complex challenges in the long term, it is necessary to increase housing supply now.”*
- 3.43 Chapter two (Housing demand and demographic trends) concludes that the Government’s target to deliver 300,000 new homes per year and one million homes by 2025 is welcomed. However, *“... even with increased development through SMEs, ‘build to rent’, self-commissioned homes and local authorities, building will likely still fall short of the target.”*
- 3.44 Paragraph 41 explains that home ownership is becoming increasingly unaffordable as growth in house prices has outstripped growth in wages.
- 3.45 Chapter five (planning) concludes that uncertainty about the future of the planning system, and delays to planning reforms, have led to a ‘chilling effect’ on housebuilding and created uncertainty for planners and housebuilders (paragraph 118). It goes on to state, in paragraph 122, that: *“Only 40% of local plans are less than five years old or have been updated or reviewed in the past five years. The lack of local plan-making means the system is not ‘plan led’ and creates an uncertain environment for housebuilders.”*
- 3.46 Paragraph 41 outlines the overall conclusions of the report and states that: *“Evidence to our inquiry has shown how vital it is that that new homes are built to help meet housing demand. Building more homes will not address affordability pressures in the*

short term but is an essential first step to ensure that demand can be met in the long term.”

3.47 Paragraph 42 goes on to explain that:

“To meet that challenge, the sector needs certainty and a clear direction from the Government about reforms to the planning system and more resources to address chronic delays.”

Conclusions on the National Housing Crisis

3.48 There is an ever-increasing wealth of evidence including from figures at the highest levels of Government that unaffordability, and an inability to get on the housing ladder, are significant problems.

3.49 What is also clear is that the messages from previous Governments have failed to ensure that enough new homes, especially affordable homes, are being built.

3.50 The evidence is clear and, in my opinion, demonstrates the pressing requirement to build more homes to meet the significant level of unmet need, particularly for homes that are affordable.

3.51 Evidence suggests that failure to do so will present a risk to the future economic and social stability of the United Kingdom.

The Extent of the National Shortfall in Housing Delivery

Section 4

4.1 In a speech to the House of Commons on 24 October 2013, the then Planning Minister, Nick Boles, made reference to: “... *the scale of the housing crisis faced by this country*” and “... *the extent of the need for housing*”.

4.2 The extent of the need for housing and the scale of the crisis as a result of the persistent under delivery of both market and affordable housing in the UK is explored further in this section of my evidence, starting over 18 years ago with Dame Kate Barker’s Review of Housing Supply in March 2004.

The Barker Review of Housing Supply (17 March 2004)

4.3 In her 2004 review into issues underlying the lack of supply, and responsiveness of the housing in the UK, Barker reported that housing is a basic human need, fundamental to our economic and social well-being. She found that:

- A weak supply of housing contributed to macroeconomic instability and hinders labour market flexibility;
- Housing had become increasingly unaffordable over time, noting that the aspiration for home ownership is as strong as ever, yet the reality is that for many this aspiration will remain unfulfilled unless the trend in real house prices is reduced;
- This brought potential for an ever widening social and economic divide between those able to access market housing and those kept out; and
- Homes were (and are) more than shelter - they provide access to a range of services and to communities; and housing also plays a major role as an asset in household’s balance sheets and in household planning for their financial futures.

4.4 Barker considered that continuing at the current rate of housebuilding was not a realistic option:

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

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

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

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

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

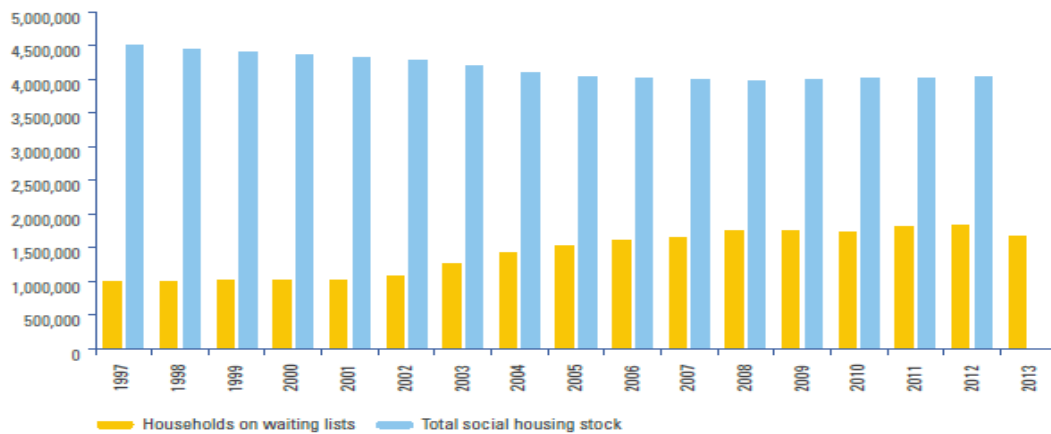
- 4.17 The HBF found that, a decade on from the Barker Review, the UK was 1.45 million homes short of where Kate Barker projected would have brought about an improved housing market.
- 4.18 The HBF further reported that a basic estimate would suggest that in order to achieve the very modest objective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

Building the Homes We Need (April 2014)

- 4.20 The KPMG and Shelter research was intended to provide a package of new housing policies to inform the new 2015 Government. It reported that, each year, an average of 100,000 fewer homes were built than were needed, which added to a shortfall that had been growing for decades, noting that growing demand meant that without a step-change in supply we would be locked into a spiral of increasing house prices and rents, making the housing crisis worse.
- 4.21 Because of private housing becoming less affordable, the number of people in need of affordable housing had grown and, with the failure of successive Governments to deliver new social housing whilst existing stock continued to be depleted through the Right to Buy, waiting lists had grown, whilst social housing stock had shrunk as illustrated by Figure 4.1².

² Reduction in total numbers on housing waiting lists in 2013 as a result of local authorities utilising the freedoms afforded to set their own housing allocation criteria through the Localism Act.

Figure 4.1: Social Housing Waiting Lists and Stock



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

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

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

- 4.24 The Ministry’s³ ‘Single Departmental Plan’ outlines its objectives, which include to: “... *deliver the homes the country needs*” and to “*make the vision of a place you call home a reality.*”
- 4.25 Under the objective of delivering the homes the country needs, the Plan states that the Ministry will:

“Support the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average by the mid-2020s, to help increase affordability.”

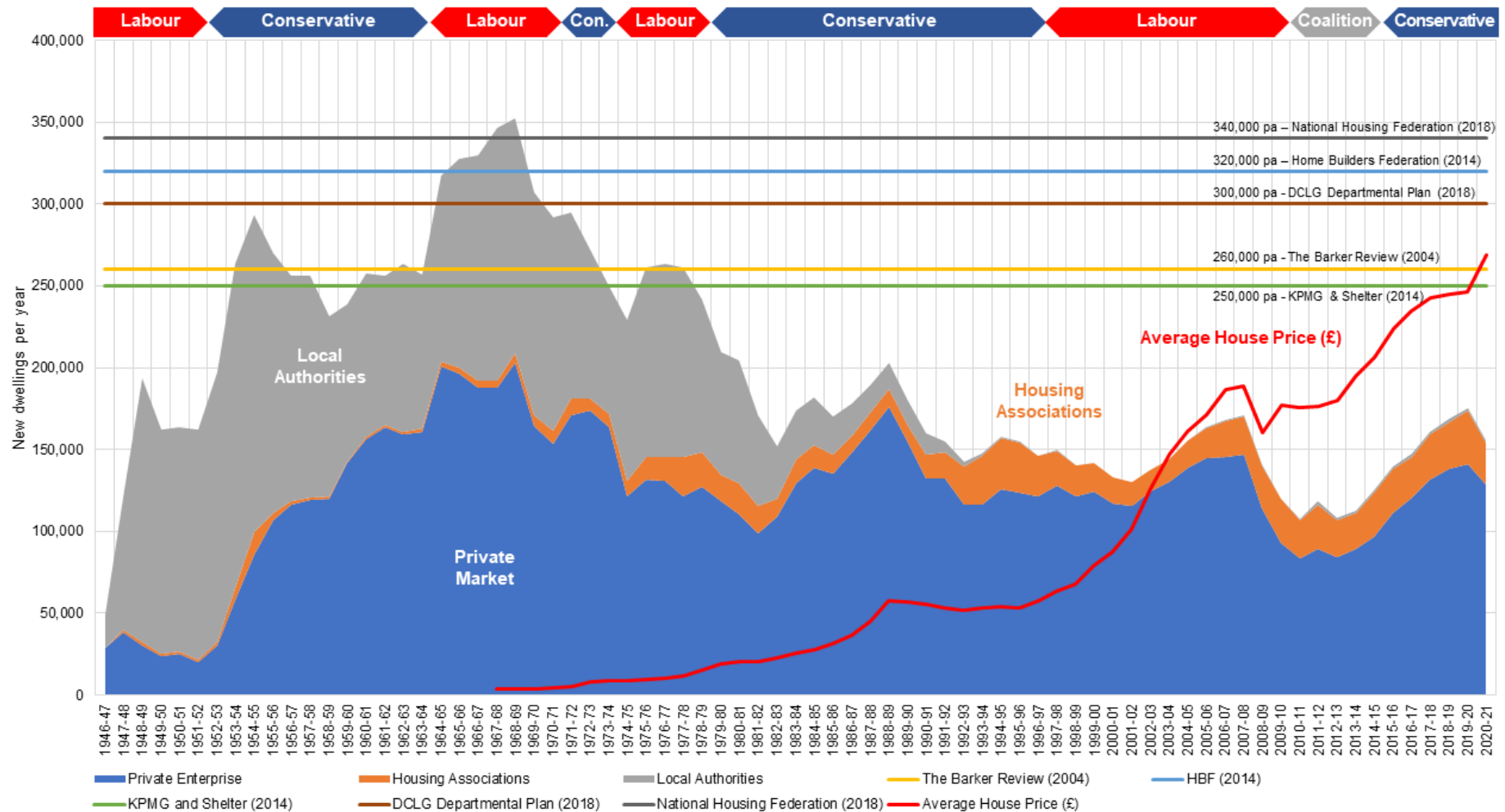
³ The Ministry of Housing, Communities and Local Government was renamed Department for Levelling Up, Housing and Communities (“DLUHC”) in September 2021.

- 4.26 The Departmental Plan clearly outlines the Government's aim to deliver 300,000 new homes per annum in order to address the housing crisis in England.

The National Housing Shortfall

- 4.27 Over the course of the past 18 years, a series of industry leading professionals and figures at the highest level of Government have identified that there is a need for between 200,000 to 340,000 homes per annum to address the housing crisis that has engulfed the country.
- 4.28 Figure 4.2 below illustrates the level of house building in England between 1946 and 2022 and compares delivery over this period with the range of annual housing needs identified between 2004 and 2020, the most recent of which being the Government's own Department for Levelling Up, Housing and Communities ("DLUHC") target for 300,000 new homes per annum.

Figure 4.2: House Building in England 1946 to 2022



Source: DLUHC Live Table 209; DLUHC Live Table 253; HM Land Registry House Price Index; England; (2022); The Barker Review (2004); HBF (2014); Building the Homes We Need, KPMG & Shelter (2014); MHCLG Single Departmental Plan (2019); NHF (18 May 2018).

- 4.29 Figure 4.2 shows that the Government's current target of 300,000 new homes per annum is a figure that the country has not seen achieved since the mid to late 1960s. Whilst housing completions have generally been increasing since around 2011, they are still a long way short of meeting the level of housing delivery that is desperately needed to address the housing crisis in this country.
- 4.30 In Figure 4.3 below, net additional dwellings in England since 2004 (sourced from DLUHC Live Table 122) are compared with the annual need figures identified in the Barker Review (2004), the KPMG & Shelter research (2014), the HBF research (2014), the NHF research (2018), and the MHCLG Single Departmental Plan (2019).
- 4.31 The results are stark. The lowest of the annual need figures since 2004, that of the KPMG/Shelter report of 250,000 homes per annum, results in a shortfall of -1,082,847 homes in the past 18 years. To put this into context, this is equivalent to:
- 91% of the total number of households on Local Authority Housing Registers in the whole of England⁴; and
 - Over three-and-a-half times the total number of homes across the entire County of Oxfordshire⁵.
- 4.32 At the other end of the scale, the need for 340,000 homes per annum most recently identified in the NHF research results in a shortfall figure of -2,702,847 homes. This is equivalent to more than twice the total number of homes in the entire West Midlands metropolitan area⁶.
- 4.33 When the Government's most recently published target of 300,000 homes per annum (taken from the MHCLG 2018 Single Departmental Plan) is used for comparison, there has been a shortfall of -1,982,847 homes since 2004. To put this into context, this is equivalent to:
- More than 1.6 times the number of households on Local Authority Housing Registers in the whole of England (see footnote 4); and
 - More than one-and-a-half times the total number of homes in Greater Manchester⁷.

⁴ Source: DLUHC Live Table 600 – 1,187,641 households on Housing Registers in England at 1 April 2021

⁵ Source: DLUHC Live Table 100 – 305,142 homes in Oxfordshire at 1 April 2021

⁶ Source: DLUHC Live Table 100 – 1,190,943 homes in West Midlands at 1 April 2021

⁷ Source: DLUHC Live Table 100 – 1,249,731 homes in Greater Manchester Metropolitan County at 1 April 2021

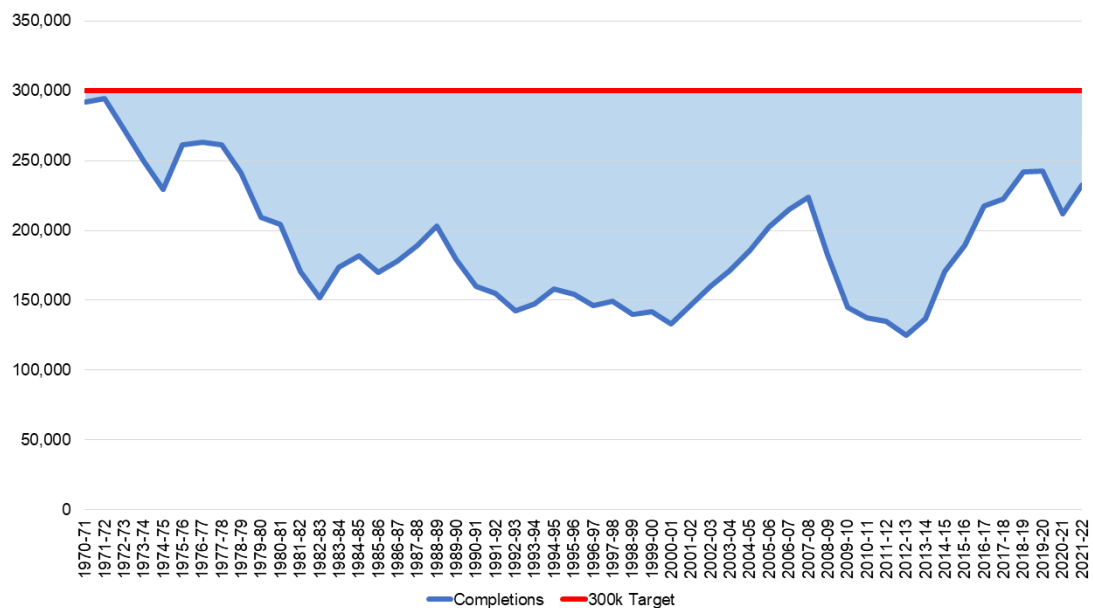
Figure 4.3: National Housing Shortfall Comparison

Year	Net Additions	KPMG/Shelter (2014) 250,000 pa		Barker Review (2004) 260,000 pa		MHCLG Departmental Plan (2019) 300,000 pa		The HBF (2014) 320,000 pa		NHF Research (2018) 340,000 pa	
		Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
04/05	185,553	-64,447	-64,447	-74,447	-74,447	-114,447	-114,447	-134,447	-134,447	-154,447	-154,447
05/06	202,653	-47,347	-111,794	-57,347	-131,794	-97,347	-211,794	-117,347	-251,794	-137,347	-291,794
06/07	214,936	-35,064	-146,858	-45,064	-176,858	-85,064	-296,858	-105,064	-356,858	-125,064	-416,858
07/08	223,534	-26,466	-173,325	-36,466	-213,325	-76,466	-373,325	-96,466	-453,325	-116,466	-533,325
08/09	182,767	-67,233	-240,558	-77,233	-290,558	-117,233	-490,558	-137,233	-590,558	-157,233	-690,558
09/10	144,870	-105,130	-345,688	-115,130	-405,688	-155,130	-645,688	-175,130	-765,688	-195,130	-885,688
10/11	137,394	-112,606	-458,294	-122,606	-528,294	-162,606	-808,294	-182,606	-948,294	-202,606	-1,088,294
11/12	134,896	-115,104	-573,398	-125,104	-653,398	-165,104	-973,398	-185,104	-1,133,398	-205,104	-1,293,398
12/13	124,722	-125,278	-698,676	-135,278	-788,676	-175,278	-1,148,676	-195,278	-1,328,676	-215,278	-1,508,676
13/14	136,605	-113,395	-812,071	-123,395	-912,071	-163,395	-1,312,071	-183,395	-1,512,071	-203,395	-1,712,071
14/15	170,693	-79,307	-891,378	-89,307	-1,001,378	-129,307	-1,441,378	-149,307	-1,661,378	-169,307	-1,881,378
15/16	189,645	-60,355	-951,733	-70,355	-1,071,733	-110,355	-1,551,733	-130,355	-1,791,733	-150,355	-2,031,733
16/17	217,345	-32,655	-984,388	-42,655	-1,114,388	-82,655	-1,634,388	-102,655	-1,894,388	-122,655	-2,154,388
17/18	222,281	-27,719	-1,012,107	-37,719	-1,152,107	-77,719	-1,712,107	-97,719	-1,992,107	-117,719	-2,272,107
18/19	241,877	-8,123	-1,020,230	-18,123	-1,170,230	-58,123	-1,770,230	-78,123	-2,070,230	-98,123	-2,370,230
19/20	242,702	-7,298	-1,027,528	-17,298	-1,187,528	-57,298	-1,827,528	-77,298	-2,147,528	-97,298	-2,467,528
20/21	211,865	-38,135	-1,065,663	-48,135	-1,235,663	-88,135	-1,915,663	-108,135	-2,255,663	-128,135	-2,595,663
21/22	232,816	-17,184	-1,082,847	-27,184	-1,262,847	-67,184	-1,982,847	-87,184	-2,342,847	-107,184	-2,702,847
Total Shortfalls Since 2004 compared to:		KPMG/Shelter Research	-1,082,847	The Barker Review	-1,262,847	MHCLG Departmental Plan	-1,982,847	The HBF	-2,342,847	NHF Research	-2,702,847

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

4.34 It is widely accepted that 300,000 new homes are needed per annum, and have been needed for quite some considerable time as set out above. The last time the country built more than 300,000 homes, however, was in 1969. Since that time, there has arisen an accumulated shortfall of 5,698,569. This 50-year duration accumulated shortfall is set out in Figure 4.4 below.

Figure 4.4 National Housing Shortfall since 1970/71



Source: DLUHC Live Tables 122

Conclusions on the Extent of the National Housing Shortfall

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

The Development Plan and Related Policies

Section 5

Introduction

- 5.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, the application must be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 5.2 The Development Plan for St Albans City and District Council comprises the St Albans District Local Plan Review (1994); and the St Stephen Neighbourhood Plan (2022).
- 5.3 Other material considerations include the National Planning Policy Framework (2021), the Planning Practice Guidance (March 2014, Ongoing Updates), the St Albans City and District Council Affordable Housing Supplementary Planning Guidance (2004), as well as several corporate documents.

The Development Plan

St Albans District Local Plan Review (1994) – CD8.1

- 5.4 The St Albans District Local Plan Review was adopted in November 1994, covering the period 1981 to 1996 (and, for Housing, 2001⁸). In 2007, a Direction was made saving specified policies of the Plan. The saved policies are therefore the remaining operational policies within the district until replaced by the emerging Local Plan.
- 5.5 **Policy 1 (Metropolitan Green Belt)** requires proposals within the Green Belt but outside settlements identified in Policy 2 (see below) to demonstrate that Very Special Circumstances apply. This policy, therefore, reflects the provisions of the NPPF whereby inappropriate development in the Green Belt can be approved provided “very special circumstances” are found to exist.
- 5.6 **Policy 2** of the Plan is concerned with the settlement strategy for the district. The policy classifies Chiswell Green (where the application site is located) as a ‘specified settlement’. These areas are characterised by larger villages where the built-up area is excluded from the Green Belt.

⁸ Policy 3 Housing Land Supply 1981-1996 and 1986-2001.

- 5.7 However, the appeal site is located outside the built-up area of Chiswell Green and, therefore, does not fall within a 'specified settlement'. As such, Policy 2 is not relevant to this appeal.
- 5.8 The Plan has two saved policies relating to affordable housing. The first is **Policy 7a** which is concerned with affordable housing in towns and specified settlements. The policy states that:
- "In the towns and specified settlements as defined in Policy 2, the Council will therefore normally seek to negotiate an element of affordable housing on sites over 0.4 hectares and on sites under this size where 15 or more dwellings are proposed."*
- 5.9 The policy then goes on to set out a number of criteria planning applications will be assessed against. Given that the appeal site is not defined in Policy 2 as a town or specified settlement for development, it is considered this Policy 7a is not directly applicable to the determination of this appeal.
- 5.10 Relevantly, however, the policy also sets a target of 200 affordable dwellings per annum in its supporting text (paragraph 3.36), albeit the Plan accepts that this represents a considerable under-estimation of the total need for affordable housing. Clearly given the length of time since this figure was formulated it can be given no weight.
- 5.11 Notably, however, the Council is failing to meet even this low target, as covered in Section 8 of this evidence.
- 5.12 The second affordable housing policy is **Policy 8** which is concerned with affordable housing in the metropolitan Green Belt. The policy states that permission for affordable housing for local needs will only be granted where 100% of the new dwellings are affordable (which is the case for the appeal site).
- 5.13 However, Policy 8 also requires the housing to meet only the needs of the relevant Parish, to be within the reasonable physical limits of a Green Belt Settlement, and, normally, to be on a small site of c.0.4 hectares, none of which apply to the appeal proposals.
- 5.14 It is therefore considered that the Plan is silent on affordable housing requirements for the appeal proposals as the proposed development is not located within a specified town or settlement and the proposed 100% affordable scheme exceeds 0.4 hectares. Similarly, there are no policies contained within the plan that relate to key workers.

St Stephen Parish Neighbourhood Plan (2022) – CD8.12

- 5.15 The St Stephen Parish Neighbourhood Plan (“NP”) was ‘made’ in March 2022 and now forms part of the development plan for this part of St Albans District.
- 5.16 Paragraph 3.2, on page 16, sets out the vision for the NP and states that a key priority for the Parish is: *“Ensuring housing developments include smaller, affordable properties for first-time buyers, to help keep younger people in the villages, and also provide properties tailored to the ageing population.”*
- 5.17 Paragraph 3.3, on page 17, goes on to reflect this vision and sets out a number of objectives which are categorised by themes. The first theme relates to ‘Housing, Character and Design of Development’. **Objective 1** which falls under this theme states that:
1. *“Encourage the development of housing that meets an identified local need:*
 - *Smaller, more affordable properties for first-time buyers, thus helping to attract and retain more young people in the villages;*
 - *Properties suitable for existing older residents wishing to downsize; and*
 - *Housing suitable for and affordable to local workers.”* (my emphasis).
- 5.18 Part 3 of **Policy S1 (Location of Development)**, on page 19, explains that residential development which meets either the exceptions to inappropriate development in the Green Belt or demonstrates that very special circumstances exist will be supported.
- 5.19 The policy goes on to note that where very special circumstances can be demonstrated, development of the following types will be supported:
- *“affordable housing; or*
 - *smaller units for younger people;*
 - *properties tailored to the ageing population; or*
 - *provision of additional community benefit.”*
- 5.20 **Policy S2 (Dwelling Mix)**, on page 22, states that: *“In order to address the evidenced housing need in St Stephen and redress the imbalance in housing size across the Parish, support will be given to developments that provide a mix of 1-, 2- and 3-bedroom properties.”*

5.21 The supporting text to Policy S2 explains, at paragraph 5.2, page 21, that:

“The St Stephen Local Housing Needs Assessment revealed a particular need for smaller, starter home dwellings for younger people, the continued provision of family sized homes and homes suitable for older people, including extra care housing...The Survey also revealed that residents recognised the need for more affordable housing, such as starter homes and 2- and 3-bedroom houses. There was less support for 4+ bedroom houses.” (my emphasis).

5.22 Paragraph 5.3, on page 21, goes on to state that:

“In terms of housing for younger people, it is notable that the number of residents aged between 25 and 44 has significantly fallen since 2011. This could be as a result of the relative shortage of smaller 1- and 2-bedroom properties, which at 8% and 22% respectively, is far less than provision at District level. There is a need to address this shortfall to alleviate the danger of St Stephen becoming a ‘retirement village’.” (my emphasis).

5.23 Paragraph 5.6, on page 22, provides commentary from local estate agents who report a general lack of properties for sale in the area when compared to demand, noting a particular demand for smaller properties and properties available for first time buyers.

Other Material Considerations

Emerging St Albans City and District Local Plan 2020-2036

5.24 The emerging St Albans City and District Local Plan was submitted to the Secretary of State in March 2019. Stage 1 hearing sessions held between 21 and 23 January 2020 on legal compliance, the Duty to Cooperate, the spatial strategy and matters relating to the Green Belt.

5.25 On 27 January 2020, the Examining Inspectors wrote to the Council to raise their serious concerns in terms of legal compliance and soundness and to cancel the subsequent hearing sessions arranged for February 2020. A second letter was sent on 14 April 2020 setting out these concerns in detail.

5.26 With regard to affordable housing provision, paragraph 91 of the letter states:

“Although we understand that the Council has commissioned an updated Strategic Housing Market Assessment this has not yet been published. As a result, there is no up to date understanding of how many homes are needed and of what type, including the different sizes and types of affordable housing that may be required.”

Additionally, the Council rely on the brownfield register for its 10% smaller sites, but this is also not published. This list is not exhaustive, but it gives a flavour of the extent of missing documents that are critical to the examination of the Plan.” (my emphasis).

5.27 Paragraph 93 concludes that:

“As set out in our letter of the 27 January 2020 and above, we will not reach an absolute or final position until you have had chance to consider and respond to this letter. However, in light of our serious concerns regarding the DtC, we consider it a very strong likelihood that there will be no other option other than that the Plan is withdrawn from examination or we write a final report recommending its non-adoption because of a failure to meet the DtC.” (my emphasis).

5.28 The Council withdrew the Local Plan 2020-2036 (Publication Draft 2018) in November 2020 and has commenced work on preparing a new draft Local Plan for the period 2020 – 2036. However, this is at very early stages of plan preparation.

St Albans City and District Council Affordable Housing Supplementary Planning Guidance (2004)

5.29 The Albans City and District Council Affordable Housing Supplementary Planning Guidance (“SPG”) was adopted by the Council in March 2004. The SPG sets out the Council’s negotiation position for the element of affordable housing to be delivered on suitable development sites.

5.30 The SPG provides supplementary guidance on the Council’s main policy on Affordable Housing, Policy 7A of the District Plan, which is set out its Appendix B.

5.31 The SPG addresses the need to address Key Worker housing in paragraph 3.12:

“Key Workers

3.12 There are growing difficulties in the provision of housing for workers on lower incomes necessary for the economic health of the County. Hertfordshire County Council has concluded that if nothing is done then the most likely scenario is one of growing polarisation, more and longer commuting, and poorer personal and public service sectors. A specific research study of the housing needs of key workers across the County has been undertaken. Housing problems are predicted to worsen both in terms of affordability and access.”

5.32 The SPG sets out the Council definition for Key Worker at paragraph 5.12:

“Key workers are people employed or taking up employment (have a confirmed and accepted job offer) in the following employment categories:

- *Teachers for Hertfordshire County Council*
- *Police officers for Hertfordshire Constabulary*
- *Fire officers for Hertfordshire Fire and Rescue Service*
- *Health care workers in National Health Service Trusts working in Hertfordshire*
- *Social care workers for Hertfordshire County Council (residential care workers and social workers dealing with families/children or vulnerable adults)*
- *Local Authority Staff*
- *Or such other groups that may be nominated from time to time by the Head of Housing, St Albans District Council.”*

5.33 Furthermore, paragraph 5.13 of the SPG went on to state how the housing needs of Key Workers in St Albans might be addressed:

“In some cases, the affordable housing may accommodate key workers. The housing could be for rent or low cost sale. However, this decision will be made by the Council in the light of competing needs and the specific characteristics of the development.” (my emphasis)

Conclusions on the Development Plan and Related Policies

5.34 It is my opinion that the evidence set out in this section clearly highlights that providing affordable housing for households including key workers, has long been established as, and remains, a key issue which urgently needs to be addressed within St Albans District.

5.35 The provision of up to 330 affordable homes at the appeal site will make a very significant contribution towards the annual affordable housing needs of the district and wider district, particularly when viewed in the context of past rates of affordable housing delivery which is considered in more detail in Section 7 of my evidence.

Affordable Housing Needs

Section 6

The Development Plan

- 6.1 The adopted Development Plan (Policy 7a) sets a target of 200 affordable dwellings per annum during the Local Plan period which covers the period 1981 to 1996. The Local Plan was subsequently reviewed which extended the period to 2001, some 22 years ago.
- 6.2 As such, the Local Plan target is considerably out of date and the assessments of affordable housing needs identified below provide a more up to date indication of affordable housing needs for the district.

South West Hertfordshire Strategic Housing Market Assessment (2016) – CD8.20

- 6.3 The South West Hertfordshire Strategic Housing Market Assessment (“2016 SHMA”) was published in January 2016 and covers the 23 year period 2013 to 2036.
- 6.4 Table 39, on page 112, identifies the affordable housing need in St Albans to be **617 dwellings per annum over the period 2013 to 2036**. This calculation of need uses a 30% gross income threshold for households.
- 6.5 Table 40 demonstrates estimated levels of affordable housing need at other variant income thresholds. The table finds that at a gross 25% income threshold the annual affordable housing need for St Albans increases to 764 affordable homes per annum over the period, an uplift of 24%.
- 6.6 Table 43 on page 120 sets out estimated level of affordable housing need per annum by type of affordable housing. It identifies a net need for **102 intermediate affordable properties and 515 social/affordable rented properties per annum**⁹ in St Albans.
- 6.7 This represents a tenure split of 17% intermediate properties and 83% social/affordable rented properties, such a tenure split is across both plan period (2013 to 2036) and the district as a whole. It is not prescriptive that each application has to follow this precise tenure split.

⁹ 102 + 515 = 617 dwellings

South West Hertfordshire Local Housing Need Assessment (September 2020) – CD4.60

- 6.8 The South West Hertfordshire Local Housing Need Assessment (“2020 LHNA”) was published in September 2020 and covers 16 year period from 2020 to 2036.
- 6.9 Table 37 on page 89 identifies a need for 443 net affordable/social rented affordable dwellings per annum over the period.
- 6.10 Table 42 on page 97 identifies a need for 385 net affordable home ownership dwellings per annum over the period.
- 6.11 In total therefore, there is an objectively assessed need for 828 affordable dwellings per annum for the period 2020 to 2036 in St Albans. Again, the tenure split has to be seen across the period and the district and not on individual planning applications.

St Stephen Local Housing Needs Assessment (2017) – CD8.19

- 6.12 The St Stephen Parish Housing Need Assessment was prepared by consultants AECOM in 2017 on behalf of St Stephen Parish Council and forms part of the evidence base for the St Stephen Neighbourhood Plan. A Housing Needs Assessment of this vintage need to be treated with a degree of caution.
- 6.13 Paragraphs 4 and 5 at page 7 explains that the brief for the Assessment is to review local data to inform the type, tenure and quantity of housing to be provided for in the Neighbourhood Plan.
- 6.14 Section 3 at page 20 of the Housing Need Assessment sets out the research questions which are of interest to the Parish Council in preparing the Neighbourhood Plan. Questions RQ2 and RQ3 directly relate to affordable housing; namely:
- “RQ2. What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?”*
- “RQ3. What is the role of ‘Starter Homes’ and other forms of discounted market housing in the plan area?”*
- 6.15 Section 3 then goes on to consider a range of demographic and income data for the St Stephen area, including the prevailing tenure split; the relative affordability of affordable housing tenures and of home ownership on the open market.
- 6.16 Section 3.3.5 at page 36 sets out the Assessment’s conclusions in respect of affordable housing in the St Stephen Area but concludes that there is (ostensibly) a limited need for affordable tenures arising, with table 11 showing 23 applicants on the

Housing Register living in the Parish, and other indicators setting out a position of relative affluence.

6.17 Paragraph 113 at page 36 remarks that:

“Affordable Housing (AH), in particular the approval of rural exception sites, is driven by evidence of local need. As is common in areas of relative affluence some distance from urban centres, there is little hard evidence to show that AH should be located in the NPA, indeed the overriding picture that emerges from the SHMA is one of relative affluence.”

6.18 However, paragraph 115 at page 36 goes on to note that there is evidence to support the need for affordable housing at the district-wide level:

“115. As we have seen, this document suggests apportioning approximately 60% to social rented / affordable rent and 40% to intermediate housing. While there is evidence to suggest a need for AH at the district level, the case is more difficult within the NPA; for this reason we see no reason to depart from the AH allocations put forward in the SASLP Policy SLP9 – Affordable Housing.”

6.19 Section 3.4 addresses Research Question 3 in respect of 'Starter Homes' and discount market housing in the St Stephen area. Table 12 at page 37 shows a range of house prices for different types of homes based upon local estate agency data; paragraph 120 explains that with a discount of 20% these would be unaffordable for people on average incomes¹⁰.

6.20 It therefore recommends that discount market sale is considered separately to the provision of the affordable housing through the Neighbourhood Plan, but paragraph 121 goes on to stress that this does not negate the benefit of its provision, and highlights that apartments at a 20% discount would become affordable to those on average incomes:

“121. This is not to say the introduction of DMH will not ease affordability for many households (and will be popular based on feedback from the SSNPS displayed in figure 10), but only those on higher incomes in the region of £80,000pa. It is however worth noting that flats valued at £222,788 in 2015, if now subject to a discount of 20% (reducing the price to around £178,000), would become affordable to those on average incomes.”

¹⁰ All of the affordable properties at the appeal site will be discounted by at least a third.

6.21 Paragraphs 193 to 195 at page 62 draw the above factors together to reach conclusions for the Neighbourhood Plan, and in doing they support the principle of delivering discount market housing.

6.22 Paragraph 193 highlights the need for 'radical action' not just within the remit of affordable housing, but beyond:

“193. In our view, it is an indication that radical action needs to be taken if the price of entry level properties has increased to a point where they are well out of reach those on average incomes, as is the case in St. Stephen. The policy options available, beyond AH, are, firstly, to stimulate the delivery of more housing and, secondly, for those dwellings to be designed around the needs of people on moderate incomes.”

6.23 I consider these households to be the “hidden middle”, earning too much to qualify for social / affordable rented housing yet earning too little to get on the property ladder.

6.24 Paragraphs 194 and 195 go on to discuss the opportunities that exist through the Neighbourhood Plan process to bring forward discount market housing and to potentially ensure this is subject to a local connection test:

“194. In terms of affordable housing, in particular Discounted Market Housing for sale, the emerging Local Plan opens up the possibility of new development brought forward through a neighbourhood plan through site allocations. This is a key policy step for St. Stephen, and should include rural exception sites (RES).

195. It is within the scope of policy to apply a local connection test to dwellings on RES on condition evidence of local need can be shown. A weakness is the scant evidence of such need. A local register, developed in conjunction with SACDC, recording such need within the NPA would help address this.”

6.25 As set out at paragraph 5.24 to 5.28 of this evidence, the emerging Local Plan referred to above was withdrawn by the Council in November 2020. Work has been commenced on a new draft Local Plan; however, it is at very early stages of plan preparation. As such the appeal proposals represent to address the needs of the hidden middle now.

Conclusions on Affordable Housing Needs

6.26 The 2016 SHMA identified an objectively assessed need for 14,191 net affordable homes between 2013 and 2036, equivalent to an estimated annual need of 617 affordable homes in St Albans

- 6.27 The most recent report, the 2020 LHNA, identified an objectively assessed need for 13,248 net affordable homes between 2020 and 2036, equivalent to an estimated annual need of 828 affordable homes in St Albans, with almost half of those needs being for affordable home ownership.
- 6.28 Crucially, none of the above needs assessments provide a specific need figure for key worker affordable homes across the St Albans Local Authority, despite the fact that paragraph 63 of the NPPF indicates they should do so. The appeal proposal seeks to directly meet the needs of Key Workers, with appropriate controls set out in the accompanying Section 106 agreement.
- 6.29 As such, the exact need for this type of affordable accommodation over this period has not been definitively established. This is a serious omission in the Councils evidence base and means that Council are not properly looking to provide the needs of those people who require such provision into the future, a section of need I describe as the “hidden middle”.

Affordable Housing Delivery

Section 7

Affordable Housing Delivery in St Albans District

7.1 Figure 7.1 illustrates the delivery of affordable housing (“AH”) in St Albans District since the start of the 2016 SHMA period in 2013/14 net of demolitions.

Figure 7.1: Additions to Affordable Housing Stock (Net of Demolitions), 2013/14 to 2021/22

Monitoring Period	Total Housing Completions (Net)	Additions to AH Stock (Net of Demolitions)	AH as a %age of total completions
2013/14	375	-42	-11%
2014/15	313	70	22%
2015/16	396	97	24%
2016/17	340	56	16%
2017/18	385	106	28%
2018/19	624	82	13%
2019/20	437	31	7%
2020/21	516	169	33%
2021/22	314	71	23%
Total	3,700	640	17%
Avg. Pa.	411	71	17%

Source: St Albans City and District Council Authorities Monitoring Reports (2015 to 2022)

7.2 Between 2013/14 and 2021/22, a total of 3,700 dwellings were delivered in St Albans District, equivalent to 411 per annum. Of these, 640 dwellings were affordable tenures, equivalent to 71 per annum. This equates to just 17% affordable housing delivery net of demolitions.

7.3 However, it is important to note that the net of demolitions affordable completions figure does not take into account any losses from the affordable housing stock through

demolitions nor through Right to Buy sales from existing Council and Registered Provider¹¹ affordable housing stock.

- 7.4 Figure 7.2 below calculates the affordable housing delivery per annum since the start of the 2016 SHMA period in 2013/14, net of Right to Buy sales and acquisitions.
- 7.5 A net loss of 143¹² affordable dwellings over this period equates to 22% of the affordable housing net of demolitions completions of 640 affordable dwellings over the nine-year period.

¹¹ RtB 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 2021/22 published by the Regulator of Social Housing. These figures have been combined on an annual basis to produce total Right to Buy sales.

¹² $(185 + 16) - 58 = 143$ dwellings

Figure 7.2: Net of Right to Buy Additions to Affordable Housing Stock, 2013/14 to 2021/22

Monitoring Period	Total housing completions (Net)	Additions to AH Stock (Net)	LPA Acquisitions	LPA RtB sales	RP RtB sales	Additions to AH Stock (Net of RtB)	Additions to AH Stock (Net of RtB) as a %age of total completions
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i> <i>(B + C) - (D + E)</i>	<i>G</i> <i>(F / A) X 100</i>
2013/14	375	-42	n/a	37	2	-81	-22%
2014/15	313	70	n/a	27	1	42	13%
2015/16	396	97	n/a	24	0	73	18%
2016/17	340	56	n/a	24	13	19	6%
2017/18	385	106	1	20	0	87	23%
2018/19	624	82	18	12	0	88	14%
2019/20	437	31	25	15	0	41	9%
2020/21	516	169	14	11	0	172	33%
2021/22	314	71	0	15	0	56	18%
Total	3,700	640	58	185	16	497	13%
Avg. Pa.	411	71	12	23	2	55	13%

Source: St Albans City and District Council Authorities Monitoring Reports (2015 to 2022); DLUHC Live Tables 691 and 693c2; and Private Registered Provider Social Housing Stock in England Statistical Data Returns.

7.6 Figure 7.2 demonstrates that, on average between 2013/14 and 2021/22, the Council has added just 55 affordable dwellings per annum net of Right to Buy sales and acquisitions, equivalent to 13% of the total average number of net housing completions.

Affordable Housing Delivery Compared to Affordable Housing Needs in St Albans

7.7 Figure 7.3 illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 617 net affordable dwellings per annum between 2013/14 and 2021/22, as set out in the 2016 SHMA.

Figure 7.3: Net of Right to Buy Additions to Affordable Housing Stock vs Needs Identified in the 2016 SHMA, 2013/14 to 2021/22

Monitoring Period	Additions to AH Stock (Net of RtB)	2016 SHMA AH Needs Per Annum (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2013/14	-81	617	-698	-698	-13%
2014/15	42	617	-575	-1,273	7%
2015/16	73	617	-544	-1,817	12%
2016/17	19	617	-598	-2,415	4%
2017/18	87	617	-530	-2,945	14%
2018/19	88	617	-529	-3,474	14%
2019/20	41	617	-576	-4,050	7%
2020/21	172	617	-445	-4,495	18%
2021/22	56	617	-561	-5,056	9%
Total	497	5,553	-5,056	-5,056	9%
Avg. Pa.	55	617	-562	-562	9%

Source: St Albans City and District Council Authorities Monitoring Reports (2015 to 2022); DLUHC Live Tables 691 and 693c2; Private Registered Provider Social Housing Stock in England Statistical Data Returns; and 2016 SHMA.

7.8 Since the start of the 2016 SHMA period in 2013/14, affordable housing completions (net of Right to Buy) have averaged just 55 net affordable dwellings per annum, against a need of 617 net affordable dwellings per annum.

- 7.9 A shortfall of -5,056 affordable dwellings has arisen over the nine-year period, equivalent to an average annual shortfall of -562 affordable dwellings.
- 7.10 As demonstrated by Figure 7.3, delivery of only 497 affordable homes net of Right to Buy over the period means that just 9% of identified affordable housing needs were met.
- 7.11 Put another way, 91% households in need of an affordable home were let down by the Council's inability to deliver.
- 7.12 Figure 7.4 illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 828 net affordable dwellings per annum between 2020/21 and 2021/22, as set out in the 2020 LHNA.

Figure 7.4: Net of Right to Buy Additions to Affordable Housing Stock vs Needs Identified in the 2020 LHNA, 2020/21 to 2021/22

Monitoring Period	Additions to AH Stock (Net of RtB)	2020 LHNA AH Needs Per Annum (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2020/21	172	828	-656	-656	21%
2021/22	56	828	-772	-1,428	7%
Total	228	1,656	-1,428	-1,428	14%
Avg. Pa.	114	828	-714	-714	14%

Source: St Albans City and District Council Authorities Monitoring Reports (2021 to 2022); DLUHC Live Tables 691 and 693c2; Private Registered Provider Social Housing Stock in England Statistical Data Returns; and 2020 LHNA

- 7.13 In the first two years of the 2020 LHNA period between 2020/21 and 2021/22, affordable housing completions (net of Right to Buy) have averaged just 114 affordable dwellings per annum, against a need of 828 net affordable dwellings per annum.
- 7.14 A shortfall of -1,428 affordable dwellings has arisen in the first two years of the 2020 LHNA period, equivalent to -714 per annum.
- 7.15 As demonstrated by Figure 7.4, delivery of only 228 affordable homes net of Right to Buy over the period means that just 14% of identified affordable housing needs were met.
- 7.16 Put another way 86% households in need of an affordable home were let down by the Council's inability to deliver. There is no doubt there is an acute need for affordable housing in St. Albans.

7.17 As previously highlighted, the 2020 LHNA identifies a need for **385 net affordable home ownership dwellings per annum** over the period. The Council's 2021 and 2022 Authorities Monitoring Reports break down the Council's gross affordable housing completions figure by tenure.

7.18 Figure 7.5 illustrates gross affordable home ownership delivery compared to the affordable housing need of 385 net affordable home ownership dwellings per annum per annum between 2020/21 and 2021/22, as set out in the 2020 LHNA.

Figure 7.5: Gross Additions to Affordable Home Ownership Stock vs Affordable Home Ownership Needs Identified in the 2020 LHNA, 2020/21 to 2021/22

Monitoring Period	AHO Additions to AH Stock (Gross)	2020 LHNA AHO Needs Per Annum (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2020/21	28	385	-357	-357	7%
2021/22	30	385	-355	-712	8%
Total	58	770	-712	-712	8%
Avg. Pa.	29	385	-356	-356	8%

Source: St Albans City and District Council Authorities Monitoring Reports (2021 to 2022) and 2020 LHNA

7.19 In the first two years of the 2020 LHNA period between 2020/21 and 2021/22, gross affordable home ownership completions have averaged just 29 affordable dwellings per annum, against a need of 385 net affordable dwellings per annum.

7.20 A shortfall of -712 affordable home ownership dwellings has arisen in the first two years of the 2020 LHNA period, equivalent to -356 per annum. It is likely that this shortfall would increase if demolitions over the period were to be accounted for in the figures.

Conclusions on Affordable Housing Delivery

7.21 The above evidence demonstrates that across St Albans District, the delivery of affordable housing has fallen persistently short of meeting identified needs.

7.22 In the nine-year period since the start of the 2016 SHMA period in 2013/14 net of Right to Buy affordable housing delivery represented just 13% of overall housing delivery, equating to just 55 affordable dwellings per annum.

- 7.23 A shortfall of -5,056 affordable dwellings has arisen against the 2016 SHMA, which requires 617 affordable dwellings per annum between 2013 and 2036.
- 7.24 Against the most recent assessment of affordable housing need in St Albans, a shortfall of -1,428 affordable dwellings has arisen in the two first years of the 2020 LHNA period, which requires 828 affordable dwellings per annum between 2020 and 2036.
- 7.25 It is clear that a 'step change' in affordable housing delivery is needed now in St Albans District to address these shortfalls and ensure that the future authority-wide needs for affordable housing can be met.
- 7.26 In light of the identified level of need, there can be no doubt that the delivery of up to 330 affordable dwellings on the proposed site will make a vital contribution to the affordable housing needs of St Albans City and District Council.

Future Supply of Affordable Housing

Section 8

Future Affordable Housing Supply

- 8.1 The future delivery of affordable housing is highly uncertain. Within St Albans, the delivery of affordable homes has fluctuated considerably since the start of the 2016 SHMA period in 2013/14, as illustrated in Figures 7.1 and 7.2.
- 8.2 The delivery of a higher number of affordable homes in one year obviously 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

- 8.3 The 2020 LHNA identifies an objectively assessed need for 828 net affordable homes per annum between 2020 and 2036. Over the 16-year period this equates to a total need for 13,248 net affordable homes.
- 8.4 Since the start of the 2020/21 monitoring period, the Council have overseen the delivery of just 228 affordable homes (net of Right to Buy) against a need of 1,656 net new affordable homes, which has resulted in a shortfall of -1,428 affordable homes over the two-year period.
- 8.5 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 PPG¹³ and endorsed at appeal.
- 8.6 The Inspector presiding over the appeal at land off Aviation Lane, Burton-upon-Trent where I presented evidence, which was allowed in October 2020 (**CD9.17**) 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).

¹³ Paragraph: 031 Reference ID: 68-031-20190722

- 8.7 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).

- 8.8 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 Council's 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).

- 8.9 It is therefore imperative that the -1,428 dwelling affordable housing shortfall accumulated since 2020/21 in St Albans is addressed as soon as possible and in any event within the next five years.

- 8.10 When the shortfall is factored into the 2020 LHNA identified need of 828 affordable homes per annum, the number of affordable homes the Council will need to complete substantially increases to 1,114 net affordable homes per annum for the period 2022/23 to 2026/27.

- 8.11 This would ensure that for the remainder of the period up to 2036 the annual affordable housing need returns to 828 per annum to deal solely with newly arising needs. This is illustrated in Figures 8.1 and 8.2.

Figure 8.1: Annual Affordable Housing Need incorporating Backlog Needs since the 2020/21 base date of the 2020 LHNA

A	Affordable housing need per annum for the period 2020/21 to 2021/22 identified in the 2020 LHNA	828
B	Net Affordable housing need for the period 2020/21 to 2021/22 (A x 2)	1,656
C	Net of Right to Buy sales Affordable housing completions for the period 2020/21 to 2021/22	228
D	Shortfall/backlog of affordable housing need for the period 2020/21 to 2021/22 (B – C)	1,428
E	Backlog affordable housing need per annum required over the period 2022/23 to 2026/27 (D/5)	286¹⁴
F	Full affordable housing need per annum for the period 2022/23 to 2026/27 (A + E)	1,114
G	Full affordable housing need for the period 2022/23 to 2026/27 (F x 5)	5,570

8.12 Further illustration of the severity of the situation can be seen in Figure 8.2 below which illustrates that the Council need to deliver 5,570 net affordable homes over the next five years to address backlog needs in line with the Sedgefield approach.

Figure 8.2: Annual Affordable Housing Need 2022/23 to 2027/28 incorporating Backlog Needs Accrued between 2020/21 to 2021/22 when applying the Sedgefield Approach

Monitoring Period	2020 LHNA Net Affordable Housing Need	Net Affordable Housing Need When Addressing Backlog Within Next Five Years
2022/23	828	1,114
2023/24	828	1,114
2024/25	828	1,114
2025/26	828	1,114
2026/27	828	1,114
Total	4,140	5,570

8.13 It is clear that the backlog affordable housing needs within St Albans will continue to grow unless the Council takes urgent and drastic action to address needs and deliver more affordable homes.

¹⁴ 1,428 / 5 years = 285.6 dwellings

The Future Supply of Affordable Housing

- 8.14 The Councils latest Five Year Housing Land Supply (“5YHLS”) position, covering the period 1 April 2022 to 31 March 2027, is contained within in its Authority’s Monitoring Report (**CD8.7**) published in February 2022.
- 8.15 For the purpose of this evidence, the calculations with regard to future affordable housing delivery have been calculated using the sites included in the supply above five dwellings as they are considered to qualify for affordable housing contributions. A full breakdown is available at **Appendix AG2**.
- 8.16 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.
- 8.17 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.
- 8.18 Of the 1,067¹⁵ committed dwellings included in the Council’s latest 5YHLS, it is considered that 941 dwellings across 24 sites will come forwards on sites eligible for affordable housing, i.e., those above the five dwelling threshold.
- 8.19 Following a review of each of the applications on these 24 sites, the Council have committed sites which will deliver 260 gross affordable dwellings over the five-year period, equating to 52¹⁶ gross affordable homes per annum.
- 8.20 In addition to the on-site delivery, it is important to note that £1,190,942 in off-site affordable housing contributions will be collected from three qualifying sites in the Council’s latest 5YHLS in lieu of providing affordable housing on-site.
- 8.21 The published Government consultation (August 2018) on the “*Use of receipts from Right to Buy sales*” (**CD7.4**), which indicated that the cost of building an affordable home in the Midlands¹⁷ to be £132,000. Based on the total of £1,190,942 collected, this would deliver just 9¹⁸ additional affordable homes across the five-year period.
- 8.22 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

¹⁵ 1,067 dwellings – 8 dwellings (5% small sites discount) + 546 dwellings (windfall allowance) = 2,145 dwellings

¹⁶ 260 / 5 years = 51.96 dwellings

¹⁷ I have used the Midlands figure as the consultation does not provide a figure for the East of England

¹⁸ £1,190,942 / £132,000 = 9.02 dwellings

the 260 gross affordable dwellings in the supply this would total 269 gross affordable dwellings, i.e., a total of 54¹⁹ per annum.

- 8.23 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 St Albans continue at the prevailing average rate over the past five years, it is likely that the Council will lose around 73 affordable dwellings from the supply (see Figure 7.2²⁰), equivalent to 15 losses per annum.
- 8.24 When the effect of these losses is taken account, the Council's supply figure for the next five years falls to 39 affordable dwellings per annum. The future supply of affordable housing in St Albans appears to have collapsed.
- 8.25 It should also be noted that none of the affordable dwellings committed in the supply are exclusively for key worker households.
- 8.26 Figure 8.3 shows that the projected delivery of 39 net affordable dwellings per annum falls significantly short of the 828 affordable dwellings per annum required by the 2020 LHNA.

Figure 8.3: Projected Affordable Housing Additions Compared to 2020 LHNA Identified Needs

Monitoring Year	Net Affordable Housing Additions		Affordable Housing Need – 2020 LHNA	Shortfall	Cumulative Shortfall
	Actual	Projected			
2020/21	172		828	-656	-656
2021/22	56		828	-772	-1,428
2022/23		39	828	-789	-2,217
2023/24		39	828	-789	-3,006
2024/25		39	828	-789	-3,795
2025/26		39	828	-789	-4,584
2026/27		39	828	-789	-5,373
Total	423		5,796	-5,373	-5,373

Source: St Albans City and District Council Authorities Monitoring Reports (2021 to 2022); DLUHC Live Tables 691 and 693c2; Private Registered Provider Social Housing Stock in England Statistical Data Returns; and 2020 LHNA

¹⁹ 269 / 5 years = 53.8 dwellings

²⁰ 20 + 12 + 15 + 11 + 15 = 73 / 5 years = 14.6 dwellings pa

- 8.27 The Council's future supply figure derived from the analysis also fall substantially short of the 1,114 per annum figure required when back log needs are addressed in the first five years, in line with the Sedgefield approach.
- 8.28 More strikingly, even if all the dwellings included in the Council's latest 5YHLS i.e., 2,145²¹, were to be delivered over the five year period as affordable dwellings, this would not come close to meeting the minimum affordable housing need of 4,140 dwellings. The situation is even worse when compared to the backlog need figure of 5,570 dwellings for the period.
- 8.29 Evidently, this Council is not seeking in any meaningful way to boost the supply of affordable housing, based on the analysis of the available sites in the 5-year supply.
- 8.30 Consequently, 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, are granted planning permission now in order to boost the supply of affordable housing.

Conclusions on Future Affordable Housing Supply

- 8.31 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 330 affordable dwellings on this site to address the district-wide needs of St Albans should be afforded **very substantial weight** in the determination of this appeal.

²¹ 1,067 dwellings – 8 dwellings (5% small sites discount) + 546 dwellings (windfall allowance) = 2,145 dwellings

Council's Assessment of the Application

Section 9

Committee Report

- 9.1 The application was refused at committee 25 October 2022 (**CD3.7**). The Officer's Report which recommended the application for refusal can be seen at **CD3.4**.
- 9.2 Section 8 of the Officer's Report considers the provision of affordable housing. Paragraphs 8.11.1 to 8.11.4 explain that the proposal constitutes inappropriate development in the Green Belt and, unless 'Very Special Circumstances' exist, the proposal will not be acceptable.
- 9.3 It goes on to outline that the Council does not have a five-year housing land supply (2.2 years using a base date of 1 April 2020), as well as confirming the NPPF definitions of affordable housing, discounted market sales housing, and essential local workers.
- 9.4 Paragraph 8.11.6 accepts that, "*Noting the clear and pressing need for affordable housing within the District, the provision of the proposed affordable housing weighs heavily in favour of the proposals.*" (my emphasis).
- 9.5 Paragraph 8.11.7 explains that the application was supported by an Affordable Housing Needs Assessment and considered data from a number of publicly available sources including the 2020 LHNA.
- 9.6 The 2020 LHNA shows a need of 385 affordable home ownership dwellings per annum. The Affordable Housing Needs Assessment reduces this figure in accordance with the level of 'key workers' in the district and concludes a need of 74 dwellings per annum for those in need of key workers accommodation.
- 9.7 It should be noted that for the purposes of my evidence I do not rely upon the Affordable Housing Needs Assessment produced to support the application.
- 9.8 Paragraph 8.11.8 goes on to state that:

"The applicants consider the report shows that the clear and pressing need for AH as a whole includes the need for key worker housing. There is no requirement for the Local Planning Authority to separately produce an assessment of 'Key Worker'

affordable housing needs, but there is no dispute that the provision of housing of the type here proposed is a very substantial benefit of the proposal which carries weight.” (my emphasis)

- 9.9 Paragraph 8.11.9 considers the appeal decision at Bullens Green Lane (**CD4.65**), where Tetlow King gave evidence on affordable housing matters:

“The degree of weight is a matter of planning judgement, informed by material considerations. In this regard, the recent appeal decision at Bullens Green Lane (Ref: 5/2020/1992) is a relevant consideration. This decision was issued on 14 June 2021 after the withdrawal of the most recently draft Local Plan, and therefore considers a similar housing and affordable housing position in the District as applies in relation to the application subject of this committee report (albeit need is now very slightly greater). The Inspector concluded that:

“49. There is therefore no dispute that given the existing position in both Local Authority areas, the delivery of housing represents a benefit. Even if the site is not developed within the timeframe envisaged by the appellant, and I can see no compelling reason this would not be achieved, it would nevertheless, when delivered, positively boost the supply within both Local Authority areas. From the evidence presented in relation to the emerging planning policy position for both authorities, this is not a position on which I would envisage there would be any marked improvement on in the short to medium term. I afford very substantial weight to the provision of market housing which would make a positive contribution to the supply of market housing in both Local Authority areas...

52. In common with both market housing and affordable housing, the situation in the context of provision of sites and past completions is a particularly poor one. To conclude, I am of the view that the provision of 10 self build service plots at the appeal site will make a positive contribution to the supply of self build plots in both Local Planning Authority areas. I am attaching substantial weight to this element of housing supply...

*54. The persistent under delivery of affordable housing in both Local Authority areas presents a critical situation. Taking into account the extremely acute affordable housing position in both SADC and WHBC, I attach **very substantial weight** to the delivery of up to 45 affordable homes in this location in favour of the proposals.” (my emphasis).*

- 9.10 Paragraph 8.11.10 concludes that **very substantial weight** should be afforded to the delivery of the proposed 100% affordable housing scheme. However, paragraph 8.11.11 states that: “... *in assessing the benefits of the proposal the following factors are also relevant (i) the type of development proposed and (ii) uncertainty over the delivery of the Affordable Housing.*”
- 9.11 Paragraphs 8.11.13 to 8.11.20 consider the ‘type of development proposed’ and notes that, according to the 2020 LHNA, the majority of the need within the district is for rented accommodation which is: “... *considered to slightly reduce the potential benefits of the development proposed.*”
- 9.12 On this point, I would like to highlight that neither the NPPF nor the PPG seek to rank provision of one form of affordable housing over another. The Inspector presiding over the appeal at 51-56 Manor Road and 53-55 Drayton Green Road, West Ealing, which was allowed in October 2021 (**CD9.13**) reached a similar conclusion at paragraph 34 of the decision:
- “There is no provision in local or national policy or guidance that justifies ranking one form of affordable housing need over another. Indeed, Planning Practice Guidance makes clear that all households whose needs are not met by the market and who are eligible for one or more of the types of affordable housing specified in the Glossary to the Framework are in affordable housing need.”*
- 9.13 Furthermore, on this point, this issue was considered in a more recent appeal decision allowed in March 2022 at Land to the East of Highgate Hill and South of Copthall Avenue, Hawkhurst, Kent (**CD9.19**). The Inspector was clear at paragraph 114 that:
- “... there is nothing in adopted local policy or national policy or guidance that justifies ranking one form of affordable housing need over another. The Government’s Planning Practice Guidance is clear that all households whose needs are not being met by market housing and who are eligible for one or more of the types of affordable housing specified in the Glossary to the Framework are in affordable housing need.”*
- 9.14 Evidently, the Council has inappropriately sought to reduce the weight to proposed affordable housing provision at the appeal site.
- 9.15 The Officer’s Report goes on to emphasise comments from the Council’s Strategic Housing Manager who claims that: “... *The development is not policy compliant and a concentration of such a large amount of discounted affordable homes does not promote a sustainable community which is typically mixed tenure.*”

- 9.16 It should be noted that the appeal proposals are for a combination of First Homes, Shared Ownership dwellings, and Discount Market Sale properties (all discounted by at least a third of open market value), which does in fact comprise a mixed tenure scheme.
- 9.17 Paragraphs 8.11.21 to 8.11.22 consider ‘uncertainty over delivery of the Affordable Housing’, including that there is no identified delivery partner for the housing; uncertainty over the extent to which the housing mix would reflect the type of homes most needed as identified in the LHNA; and that the proposed units are not currently secured by way of a Section 106 agreement.
- 9.18 It then concludes at paragraph 8.11.23 that:

“Taking the above discussion into account, although the provision of discounted market housing which meets the NPPF definition of ‘Affordable housing’ is a significant benefit of the scheme and is given very substantial positive weight; the amount of positive weight is slightly reduced due to the factors outlined above. Whilst the weight is slightly reduced, it doesn’t materially affect the weight to be given to affordable housing which is still very substantial.” (my emphasis).

St Albans City and District Council Statement of Case

- 9.19 The Council’s Statement of Case (“SoC”) in respect of the appeal proposals is at **CD5.1**.
- 9.20 Paragraph 5.13 sets out that:
- “All Households whose needs are not met by the market, and which are eligible for one or more types of affordable housing set out in the definition of affordable housing in Annex 2 of the NPPF are considered to be in affordable housing need”.*
- 9.21 Paragraphs 6.18 and 6.19 outline the benefits of the appeal and conclude that:

“Weighing in favour of the development consist of the provision of up to 330 affordable housing units to include some self-build plots which would contribute to the housing needs of the Council. Substantial weight is given to this provision. However, as the Appeal Proposal (North) is for 100% affordable housing the Council consider that the weight is set at the lower-most end of the spectrum. This matter is dealt with in detail in the officer’s report (“OR”) Paragraph 8.11[CD 3.1]” (emphasis added).

- 9.22 This statement directly conflicts with the comments made at paragraph 8.11 of the Officer Report which is clear, at paragraph 8.11. 23, that:

“Taking the above discussion into account, although the provision of discounted market housing which meets the NPPF definition of ‘Affordable housing’ is a significant benefit of the scheme and is given very substantial positive weight; the amount of positive weight is slightly reduced due to the factors outlined above. Whilst the weight is slightly reduced, it doesn’t materially affect the weight to be given to affordable housing which is still very substantial.” (my emphasis).

- 9.23 It is therefore clear that the Council have deliberately sought to downplay the provision of up to 330 affordable homes at the appeal site. It is my view that provision of affordable housing is a clear benefit which should be afforded **very substantial weight** in the determination of this appeal.

Affordability Indicators

Section 10

Market Signals

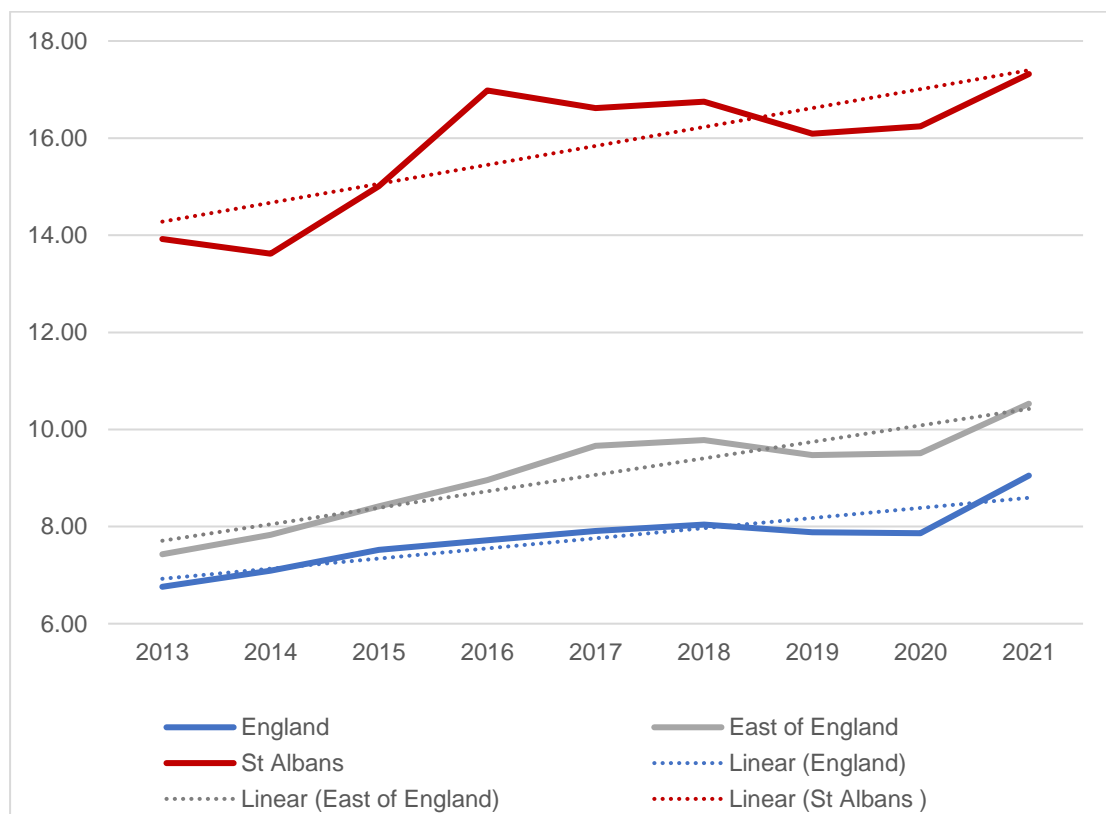
10.1 The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability. I acknowledge that this is in the context of plan making.

Median House Prices

10.2 The ratio of median house prices to median incomes in St Albans now stands at 17.32, a 24% increase since the start of the 2016 SHMA period in 2013 where it stood at 13.92.

10.3 As demonstrated by Figure 10.1, there is no clear trend of improvement in the affordability ratio, with the linear lines for each area clearly trending upwards.

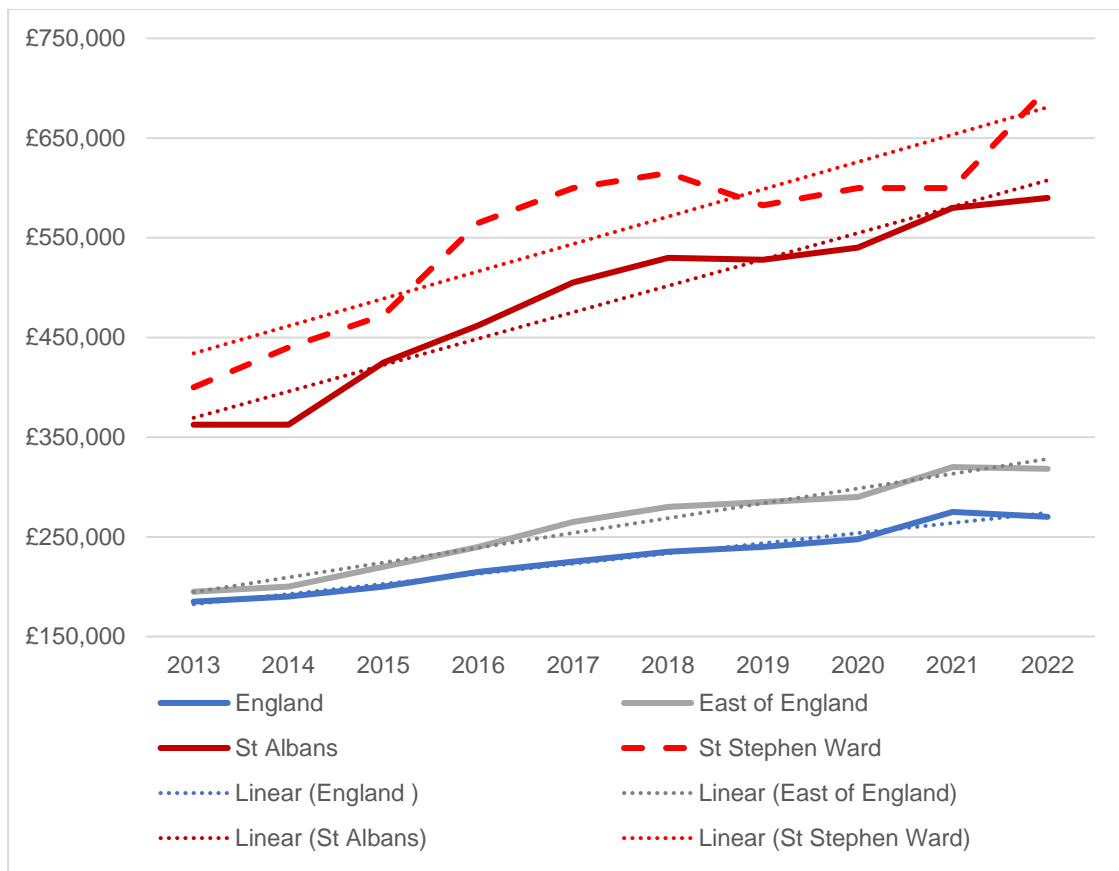
Figure 10.1: Median Workplace-Based Affordability Ratio comparison, 2013 to 2021



Source: ONS Ratio of House Price to Work-place Based Earnings

- 10.4 A ratio of 17.32 in St Albans stands significantly above the East of England average of 10.53 (+64%) and substantially above the national average of 9.05 (+91%).
- 10.5 In the 12-month period between March 2020 and March 2021, the median house price to income ratio across St Albans has increased by 24% from 16.24 to 17.32. This means that those on median incomes in St Albans, seeking to purchase a median priced property, now need to find more than 17 times their annual income to do so.
- 10.6 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 (**CD7.3**). Here, the affordability ratio is some 117% higher than that and rising.
- 10.7 Figure 10.2 illustrates the median house sale prices for England, East of England, St Albans and St Stephen Ward. It demonstrates that they have increased dramatically between the start of the 2016 SHMA period in 2013 and 2022.
- 10.8 The median house price across the St Stephen Ward has risen by 75% from £400,000 in 2013 to £700,000 in 2022. This compares to a 63% (£362,500 to £590,000) increase across St Albans; a 63% (£195,000 to £318,375) increase across East of England; and a national increase of 46% (£185,000 to £270,000) over the same period.

Figure 10.2: Median House Price Comparison, 2013 to 2022



Source: ONS HPSSA Datasets

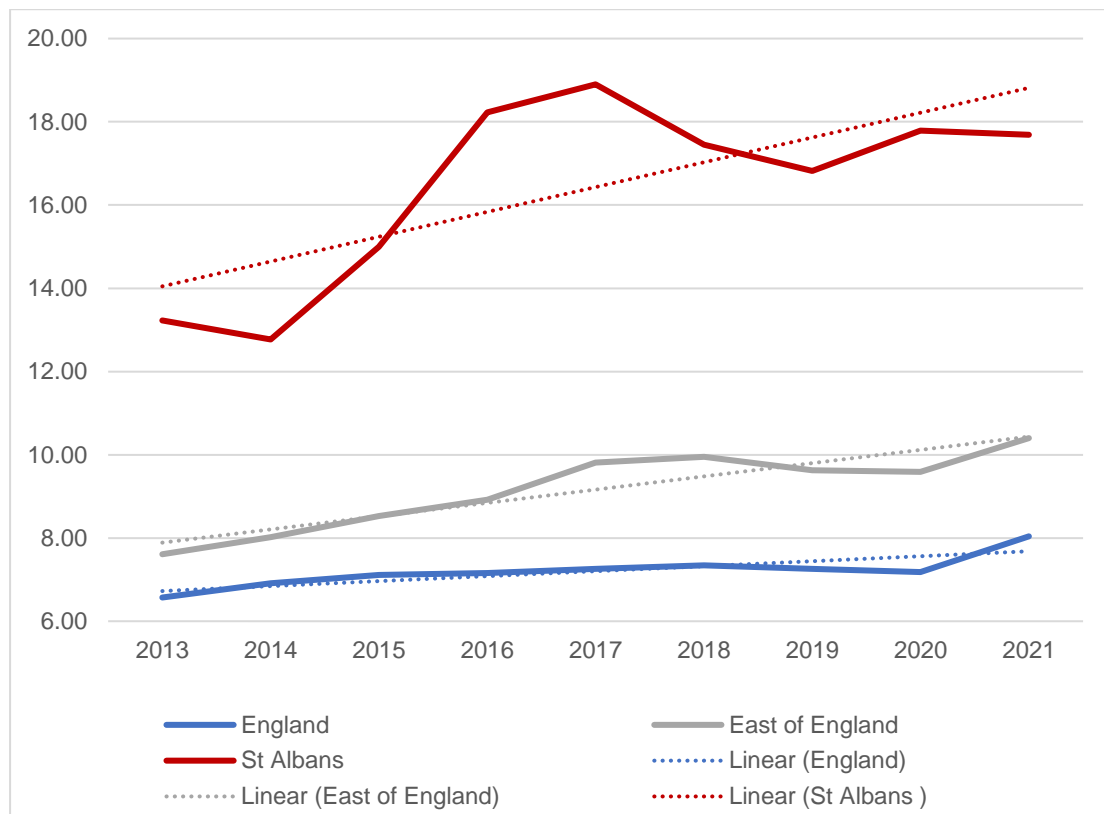
- 10.9 In 2022, median house prices in the ward (£700,000) were 19% higher than across the St Albans (£590,000); 120% higher than across the East of England (£318,275); and 159% higher than the national figure (£270,000).
- 10.10 Evidently, house prices in St Stephen Ward are proportionally higher than in St Albans, thus further constraining opportunities for those in need of affordable home ownership to purchase a home in this area of the district.

Lower Quartile House Prices

- 10.11 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 St Albans now stands at 17.69, a 34% increase since the start of the 2016 SHMA period in 2013 when it stood at 13.23.
- 10.12 This means that those on lower quartile incomes in St Albans, seeking to purchase a lower quartile priced property, now need to find almost 18 times their annual income to do so.

10.13 As demonstrated by 8.3, there is no clear trend of improvement in the affordability ratio, with the linear lines for each area clearly trending upwards.

Figure 10.3: Lower Quartile Workplace-Based Affordability Ratio comparison, 2013 to 2021



Source: ONS Ratio of House Price to Work-place Based Earnings

10.14 Once again, it remains the case that the ratio in St Albans stands significantly above the East of England average of 10.40 (+70%), and substantially above the national average of 8.04 (+120%).

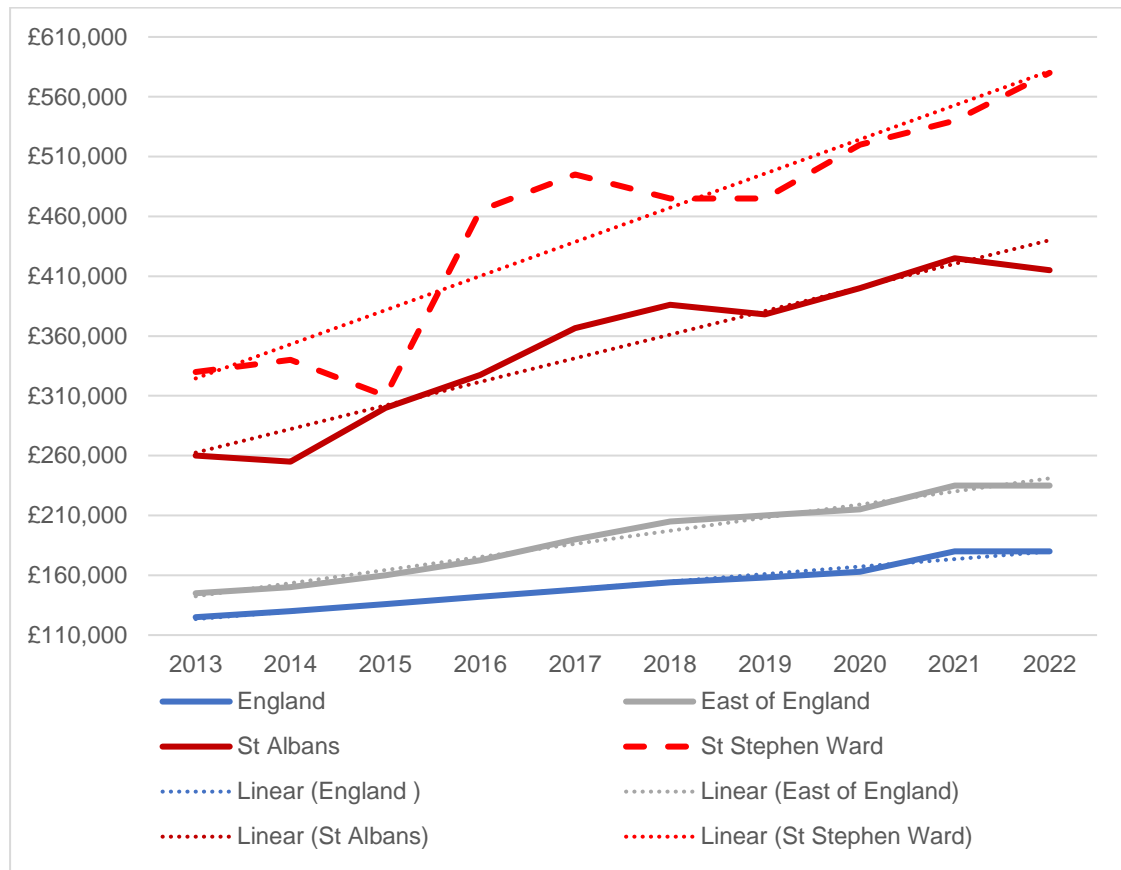
10.15 It is also worth noting that mortgage lending is typically offered on the basis of up to 4.5 times earnings (subject to individual circumstances). Here, the affordability ratio is some 293% higher than that and rising.

10.16 Figure 10.4 illustrates the lower quartile house sale prices for England, East of England, St Albans and St Stephen Ward. It demonstrates that they have increased dramatically between the start of the 2016 SHMA period in 2013 and 2022.

10.17 The lower quartile house price across St Stephen Ward has risen by 78% from £330,000 in 2013 to £580,000 in 2022. This compares to a 60% (£260,000 to £415,000) increase across St Albans; a 62% (£145,000 to £235,000) increase across

East of England; and a national increase of 44% (£125,000 to £180,000) over the same period.

Figure 10.4: Lower Quartile House Prices, 2013 to 2022



Source: ONS HPSSA Datasets

10.18 In 2022, lower quartile house prices in St Stephen Ward (£580,000) were 40% higher than across the St Albans (£415,000); 147% higher than across the East of England (£235,000); and 222% higher than the national figure (£180,000).

10.19 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 (**CD9.18**) 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 letter:

“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, Appeals A and C would offer affordable housing products as defined by national and local planning policy. I do not diminish

the weight to be provided to this provision because such housing might be even cheaper in a theoretical location elsewhere. **In fact, that Malmesbury is a relatively high value area for housing adds more weight to the need for affordable housing products.**

79. ... 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).

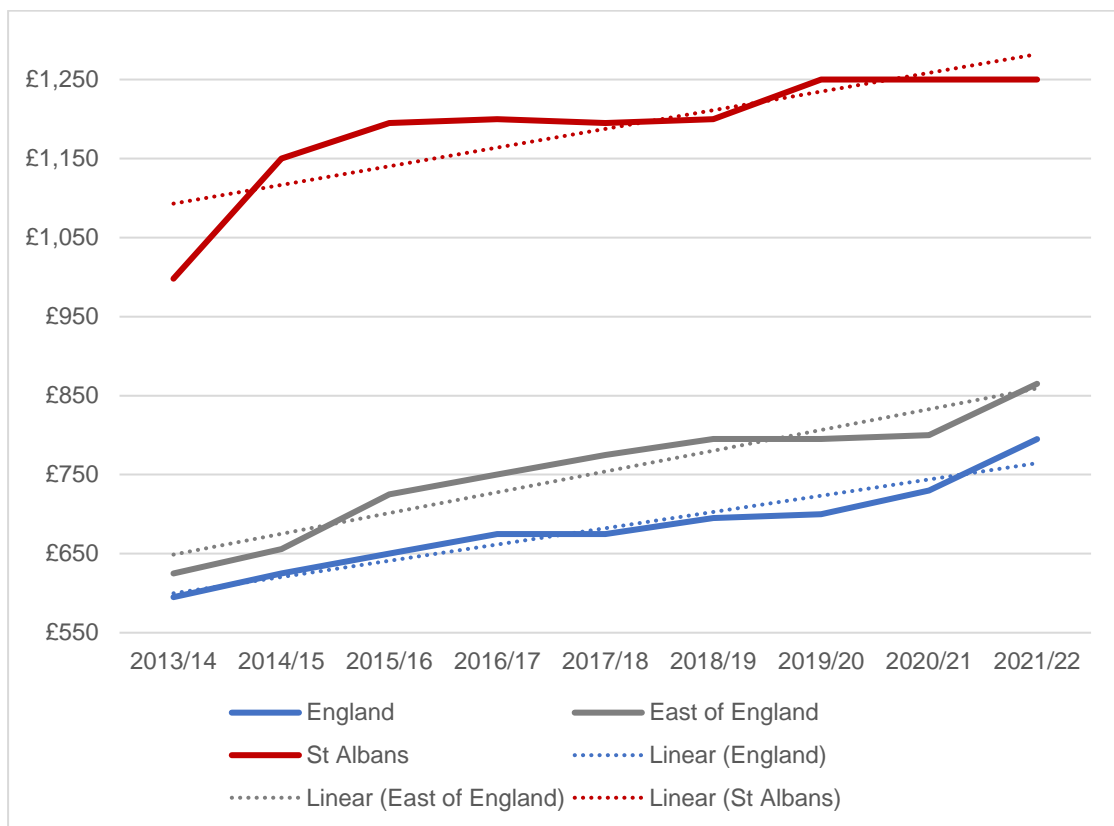
Help to Buy Register

- 10.20 Further evidence in respect of the need across St Albans for affordable housing is provided in information from Help to Buy South, at **Appendix AG3**.
- 10.21 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.
- 10.22 The Help to Buy Register provides details of those seeking shared-ownership accommodation in the south of England. This demonstrates that as of 27 February 2023, 768 households are seeking a shared ownership home in St Albans. This is clearly a significant proportion of those seeking assistance with their housing.

Private Rental Market

- 10.23 Valuation Office Agency (“VOA”) and Office for National Statistics (“ONS”) data show that median private rents in St Albans stood at £1,250 per calendar month (“pcm”) in 2021/22. This represents a 25% increase from 2013/14 (start of the 2016 SHMA period), where median private rents stood at £998 pcm.

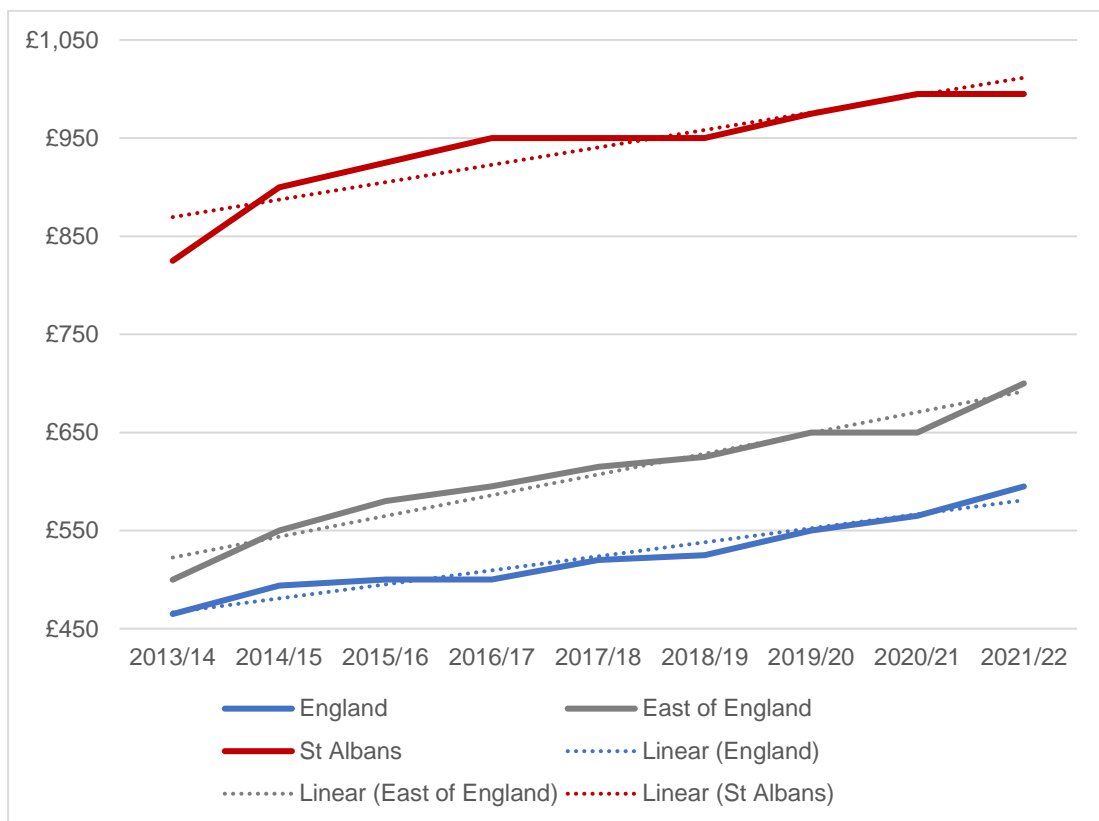
Figure 10.5: Median Private Sector Rents, 2013/14 to 2021/22



Source: VOA and ONS Private Rental Market Statistics

- 10.24 A median private rent of £1,250 pcm in 2021/22 is 45% higher than the East of England figure of £865 pcm and 57% higher than the national figure of £795pcm.
- 10.25 Lower quartile private sector rents are representative of the ‘entry level’ of the private rented sector and include dwellings sought by households on lower incomes.
- 10.26 The average lower quartile monthly rent in St Albans in 2021/22 was £995 pcm. This represents a 21% increase from 2013/14 where average lower quartile monthly rents stood at £825 pcm.

Figure 10.6: Lower Quartile Private Sector Rents, 2013/14 to 2021/22



Source: VOA and ONS Private Rental Market Statistics

- 10.27 A lower quartile rent of £995 pcm in 2021/22 is 42% higher than the East of England figure of £700 pcm and 67% higher than the national figure of £595 pcm.
- 10.28 It is noteworthy that a 2017 report by the National Audit Office (“NAO”) (CD8.29) found that:

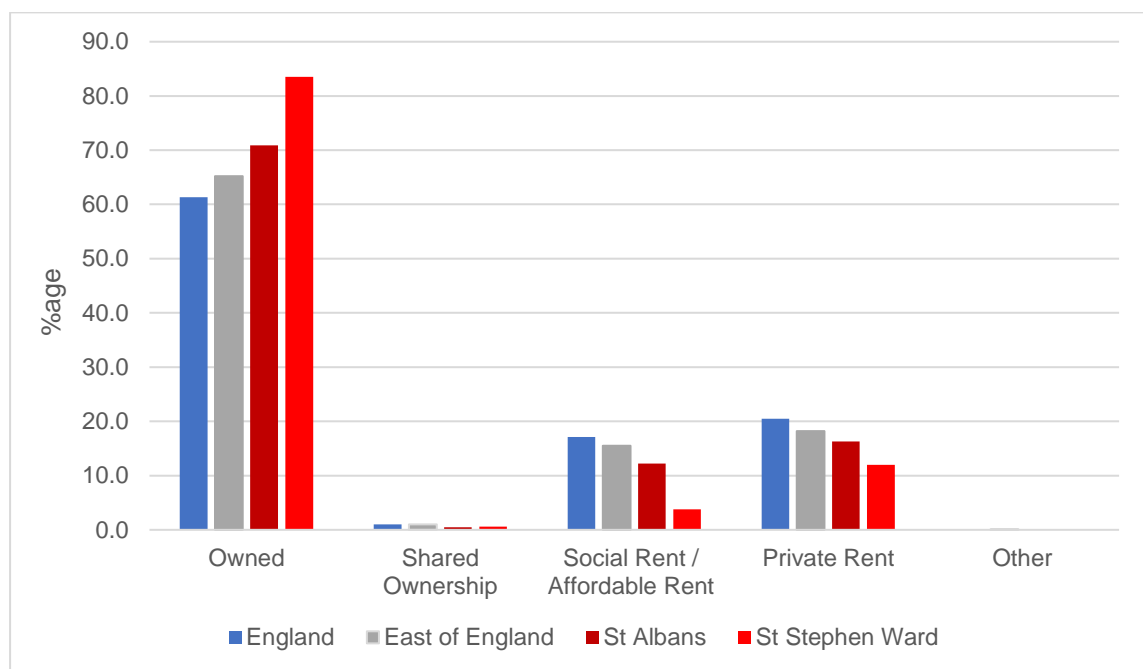
“The ending of private sector tenancies has overtaken all other causes to become the biggest single driver of statutory homelessness in England. The proportion of households accepted as homeless by local authorities due to the end of an assured shorthold tenancy increased from 11% during 2009-10 to 32%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

10.29 The NAO report also noted that *“The affordability of tenancies is likely to have contributed to the increase in homelessness”* and that *“Changes to Local Housing Allowance are likely to have contributed to the affordability of tenancies for those on benefits, and are an element of the increase in homelessness.”*

Tenure Profile

10.30 Figure 10.7 below illustrates the breakdown of tenures within St Albans and St Stephen Ward compared with that nationally and regionally at the time of the 2021 Census.

Figure 10.7: Tenure Comparison



Source: Census 2021 data set TS054

10.31 Figure 10.7 clearly shows that at the time of the Census 2021, owner occupation was by far the most common tenure in St Albans (70.9%) and St Stephen Ward (83.5%). It should be noted that owner occupation is much more prevalent at Ward level than at the District level as well as at the regional (65.2%) and national levels (61.3%).

10.32 When understanding the composition of the remaining housing stock in these areas, shared ownership properties are by far the most uncommon, representing just 0.5% at District level (297 dwellings). Worse still, there were just 19 shared ownership dwellings in the ward, equal to just 1.3% of stock.

10.33 This should be viewed in context of the fact that at the time of the 2011 Census²² there were just 261 (0.5%) shared ownership dwellings in St Albans and only 15 (0.6%)

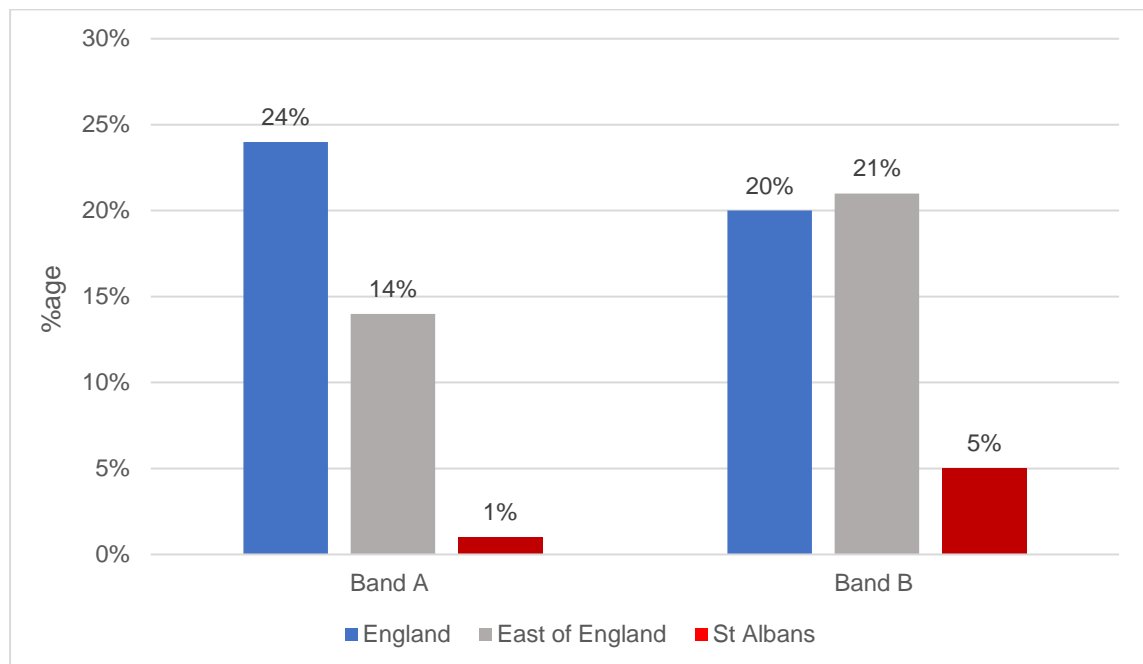
²² Source: Census 2011 data set KS402EW

within the ward. This means that over the ten year period between 2011 and 2021 the Council has added just 36 shared ownership units to its dwelling stock, four of which were in the ward.

Council Tax Bands

10.34 Further evidence of the need for affordable housing in St Albans is provided by the VOA's data for Council Tax bands as at 31 March 2022.

Figure 10.8: Percentage of Properties in Council Tax Band A and B at 31 March 2022



Source: VOA CTSOP 1.1

10.35 Figure 10.8 demonstrates that, in St Albans, 1% of properties are in Council Tax Band A (the lowest band) and just 5% of properties are in Council Tax Band B.

10.36 By comparison, 14% of properties across the East of England are in Council Tax Band A, and 21% of properties are in Council Tax Band B; and nationally 24% of properties are in Council Tax Band A, and 20% of properties are in Council Tax Band B.

10.37 This indicates that higher value properties are more prevalent in St Albans area than across the region and nationally.

Conclusions on Affordability Indicators

10.38 As demonstrated through the analysis in this section, affordability across the authority has been and continues to be, in crisis. House prices in both the average and lower quartile segments of the market are increasing as well as lower quartile rents 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 St Albans out of the reach of more and more key worker households in need.

Justification for Key Worker Affordable Housing

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 There are significant social and economic consequences for failing to meet affordable housing needs at both national and Local Authority level. St Albans is no exception to this.
- 11.3 The appeal scheme will deliver 330 dwellings exclusively for key worker households, comprising a mix of First Homes, Shared Ownership dwellings, and Discount Market Sale properties, all discounted by at least a third of open market value. 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. I have also set out, as have other inspectors (such as those at Hawkhurst and Ealing, referred to elsewhere in this Proof), that there is nothing in the NPPF or the PPG that ranks one form of affordable housing above another.
- 11.5 My evidence sets out a series of facts and figures, which support the Appellant's proposition that the appeal application accords with the NPPF in so far as the scheme will contribute to meeting an identified affordable housing need within the area of the Local Planning Authority, for households that are unable to afford an open market dwelling.

Defining Key Workers

- 11.6 Annex 2 of the NPPF (2021) defines 'essential local workers' also known as 'key workers' as: *"Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers."*

- 11.7 In a similar vein, paragraph 5.12 on page 12 of the Council's Affordable Housing SPG (2004) **(CD8.17)** defines 'key workers' as: *"people employed or taking up employment (have a confirmed and accepted job offer) in the following employment categories:*
- *Teachers for Hertfordshire County Council*
 - *Police officers for Hertfordshire Constabulary*
 - *Fire officers for Hertfordshire Fire and Rescue Service*
 - *Health care workers in National Health Service Trusts working in Hertfordshire*
 - *Social care workers for Hertfordshire County Council (residential care workers and social workers dealing with families/children or vulnerable adults)*
 - *Local Authority Staff*
 - *Or such other groups that may be nominated from time to time by the Head of Housing, St Albans District Council."*
- 11.8 In the context of the appeal proposals, the key workers eligible for the proposed dwellings are defined in the Section 106 agreement as *"Members of the Armed Forces and Key Workers as defined in paragraph 5.12 of the Council's Affordable Housing Supplementary Planning Guidance (March 2004)"*
- 11.9 The Section 106 agreement also includes the following system of priority and order of preference for persons who meet the key worker eligibility criteria:
- a) *Key Workers living or working in St Albans or members of the armed forces;*
 - b) *Key Workers living or working in Dacorum or Watford;*
 - c) *Key Workers living or working in Three Rivers or Hertsmere;*
 - d) *Key Workers living or working in Hertfordshire; and*
 - e) *In the event that no eligible Key Workers apply to purchase a home ownership affordable house it will be made available on a Shared Ownership basis via the AHP."*

Defining Key Workers in need of Affordable Housing

- 11.10 The NPPF (2021) defines affordable housing at Annex as *"housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)"* (my emphasis).

- 11.11 As such, the NPPF (2021) is clear that any household whose housing needs, either to buy or rent, that are not met by the market are considered to be in need of affordable housing products.
- 11.12 In context of the appeal proposals, this means any key worker households unable to buy a home on the open market in St Albans.

Does the Housing Market meet the home ownership needs of Key Workers?

- 11.13 In order to discern the purchasing power of key workers in Hertfordshire it is important to understand income levels. Given the definition of key workers encompasses a wide range of employment categories I have looked at incomes for a snapshot of professions included, taking account of the publicised pay scales for each profession.
- 11.14 The 2021/22 English Housing Survey (**CD8.36**) found that 38% of first time buyer households were couples without dependent children, 29% were one person households and 24% were couples with dependent children. It is therefore reasonable to assume that most first time buyers will be couples.
- 11.15 Figure 11.1 below identifies the range of salaries available for teachers, police constables and NHS staff over the 2022/23 financial year. It identifies the combined income for a couple by adding the gross median earnings in 2021 for St Albans to key worker salaries. It also seeks to understand the maximum mortgage available for each pay point using 4.5x income multipliers.

Figure 11.1: Key worker household incomes in Hertfordshire, 2022/23

Teachers							
Main Pay Range	Salary		Median Income	Combined Household Income		Maximum Mortgage	
1	£28,000		£33,774	£61,774		£277,983	
2	£29,800		£33,774	£63,574		£286,083	
3	£31,750		£33,774	£65,524		£294,858	
4	£33,850		£33,774	£67,624		£304,308	
5	£35,990		£33,774	£69,764		£313,938	
6	£38,810		£33,774	£72,584		£326,628	
Police Constables							
Pay Point	Salary		Median Income	Combined Household Income		Maximum Mortgage	
1	£26,825		£33,774	£60,599		£272,696	
2	£27,804		£33,774	£61,578		£277,101	
3	£28,932		£33,774	£62,706		£282,177	
4	£30,060		£33,774	£63,834		£287,253	
5	£32,313		£33,774	£66,087		£297,392	
6	£36,852		£33,774	£70,626		£317,817	
7	£43,032		£33,774	£76,806		£345,627	
NHS Staff							
Salary Band	Salary Range		Median Income	Combined Household Income		Maximum Mortgage	
	Lower	Upper		Lower	Upper	Lower	Upper
1	£20,270		£33,774	£54,044		£243,198	
2	£20,270	£21,318	£33,774	£54,044	£55,092	£243,198	£247,914
3	£21,730	£23,117	£33,774	£55,504	£56,891	£249,768	£256,010
4	£23,949	£26,282	£33,774	£57,723	£60,056	£259,754	£270,252
5	£27,055	£32,934	£33,774	£60,829	£66,708	£273,731	£300,186
6	£33,706	£40,588	£33,774	£67,480	£74,362	£303,660	£334,629
7	£41,659	£47,672	£33,774	£75,433	£81,446	£339,449	£366,507
8	£48,526	£91,787	£33,774	£82,300	£125,561	£370,350	£565,025

Source: National Education Union Salary Card (2022/23), Hertfordshire Police Federation Payscales (2022/23), NHS Employers Payscales (2022/23) and ONS Ratio of House Price to Work-place Based Earnings.

- 11.16 Figure 11.1 demonstrates that, irrespective of main pay range/ pay point, teachers and police constable households in Hertfordshire are not readily able to secure a mortgage for an open market property costing above c. £345,000.
- 11.17 Similarly, households with an NHS key worker in salary bands 1 to 6 are not readily able to secure a mortgage for an open market property costing above c. £334,000. I accept that some households may be able to purchase if they can afford a larger deposit through savings, or access ‘the Bank of Mum and Dad’ or inherited wealth.
- 11.18 It is important to consider these figures in the context of house prices within the district and the ward. Figure 11.2 seeks to understand the minimum incomes required to purchase a median priced property in St Albans and in St Stephen Ward, using standard 4.5x income multipliers and assuming a 10% deposit.

Figure 11.2: Median House Price Affordability, 2022

Location	Median House Price	10% deposit	Income required (assuming 10% deposit)
St Albans	£590,000	£59,000	£118,000
St Stephen Ward	£700,000	£70,000	£140,000

Source: ONS HPSSA Datasets

- 11.19 Figure 11.2 demonstrates that in order to purchase a median priced property in St Albans, a minimum income of £118,000 is required along with a minimum deposit of £59,000. Within the ward the minimum income increases to £140,000 with a £70,000 minimum deposit.
- 11.20 It is noteworthy that none of the salary ranges for teachers, police constables and NHS households set out in Figure 11.1 (with the exception of households with an NHS key worker at the top end of salary band 8), even come close to the minimum income required to purchase median priced property in the district nor the ward.
- 11.21 Figure 11.3 seeks to understand the minimum incomes required to purchase a lower quartile priced property in St Albans and in St Stephen Ward, which is typically considered to be the ‘more affordable’ segment of the housing market, when assuming a 10% deposit.

Figure 11.3: Lower Quartile House Price Affordability, 2022

Location	Lower Quartile House Price	10% deposit	Income required (assuming 10% deposit)
St Albans	£415,000	£41,500	£83,000
St Stephen Ward	£580,000	£58,000	£116,000

Source: ONS HPSSA Datasets

- 11.22 Figure 11.3 demonstrates that in order to purchase a lower quartile priced property in the district, a minimum income of £83,000 is required along with a minimum deposit of £41,500. Within the ward the minimum income increases to £116,000 with a £58,000 minimum deposit.
- 11.23 Only households with an NHS key worker at the top end of salary band 8 would be able to afford a lower quartile priced property in the district and the ward. All other salary ranges fall below the minimum income required.
- 11.24 Evidently, the housing market does not meet the home ownership needs of key worker households, hence the need for the appeal proposals.

Are Key Workers eligible for Social/ Affordable rented housing?

- 11.25 In order to be eligible for social/ affordable rented properties in St Albans, applicants must meet the eligibility criteria set out in the Council’s Housing Allocation Policy.
- 11.26 The Council published its latest Housing Allocations Policy in December 2021 (**CD8.28**). Section 12 of the document sets out the “Financial Assessment” criteria for applicants which stipulates combined gross household income limits by property size, which are replicated in Figure 11.4 below.
- 11.27 The document is also clear that: *“The amounts permitted reflect gross household income, including adult children aged 18 and over that are included as part of the application”* and that *“Applicants with savings over £16,000 will not qualify to register for housing except in exceptional circumstances”*.
- 11.28 Often, young adults live with their parents as they are not able to afford private rents and/or are able to buy their own home. These people also fall within the “hidden middle”, albeit at the lower end of the spectrum.
- 11.29 A 2020 report produced by Loughborough University titled “Home Truths: Young adults living with their parents in low to middle income families” (**CD8.30**) found that 71% of young single adults were living with their parents during their early 20s, and a majority

(54%) were living at the parental home in their late 20s, falling to a third of those in their early 30s.

Figure 11.4: Gross Household Income Limits

Property Size	Gross Household Income Limit
1 bed property	£36,295
2 bed property	£48,173
3 bed property	£56,152
4 bed property	£69,608

Source: St Albans City and District Housing Allocations Policy (December 2021)

- 11.30 When Figure 11.4 is viewed in context of the key worker household incomes set out in Figure 11.1 is it notable that in every scenario the combined incomes exceed the gross household income limit for 1 and 2 bed properties. Similarly, the majority of combined incomes also exceed the gross household income limit for 3 and 4 bed properties.
- 11.31 This means that such households would be both excluded from social rented housing in St Albans, but could not afford to purchase an open market family home either; and the category of households in that gap will include many of the key worker households upon which we all depend.
- 11.32 This demonstrates that key workers' needs are not met through the open market nor social / affordable rented housing, having earnings which are simultaneously too little to access open market sale; and too much for means-tested social / affordable rented accommodation.
- 11.33 The Franklands Drive Secretary of State appeal decision in 2006 (**CD9.20**) underlines how the Housing Register is a limited source for identifying the full current need for affordable housing.
- 11.34 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.

How many Key Workers are there?

- 11.35 It is possible to estimate the number of key workers for the ten Local Authority areas within Hertfordshire using Office for National Statistics ("ONS") data sets.

11.36 ONS key worker reference tables, released in May 2020, set out the proportion of key workers within the adult population i.e., key workers aged between 16-64 years, for each Local Authority. Figure 11.5 below applies these percentages to the adult population at the time of the 2021 Census.

Figure 11.5: Estimated Number of Key Workers in Hertsmere

Local Authority	Adult Population	Percentage of Key Workers	Estimated No. of Key Workers
St Albans	90,599	29.9%	27,089
Dacorum	96,821	25.4%	24,593
Watford	68,074	31.3%	21,307
Three Rivers	58,039	41.7%	24,202
Hertsmere	67,053	45.3%	30,375
Welwyn Hatfield	78,682	34.3%	26,988
Broxbourne	62,196	30.5%	18,970
East Hertfordshire	93,761	28.3%	26,534
North Hertfordshire	81,908	35.3%	28,914
Stevenage	57,694	36.7%	21,174
Totals	754,827	33.14%	250,145

Source: Census 2021 data set TS007 and ONS Key Worker Reference Tables (2020)

11.37 Figure 11.1 estimates that within the St Albans Local Authority area alone there are as many as 27,089 key workers. Within Hertfordshire as whole, it is estimates that that are c. 250,000 key workers. This demographic of people clearly makes up a significant proportion of the population for the area.

11.38 For this reason alone, I have confidence that all of the homes will be occupied by suitable qualified key workers.

11.39 Given that this evidence has demonstrated that the majority of key workers cannot afford to buy on the open market, nor do they qualify for social / affordable rented accommodation it is clear that appeal proposals will meet the needs a demographic of people whose need would not otherwise be met.

How will the appeal proposals meet the home ownership needs of Key Workers?

11.40 The appeal proposals will deliver 330 dwellings exclusively for key worker households, comprising a mix of First Homes, Shared Ownership dwellings, and Discount Market Sale properties (all discounted by at least a third of open market value).

11.41 In addition to the general benefit of affordable housing there are more nuanced and specific benefits of the proposed tenures at the appeal site, and these are explored in Figure 11.6 below.

Figure 11.6: Benefits of the proposed Affordable Housing at the appeal site

Criteria	Tenure		
	First Homes	Shared Ownership	Discount Market Sale
Discount	At least 33% of Open Market Value	At least 33% of Open Market Value	At least 33% of Open Market Value
Sale Price	Capped at £250,000 (including discount)	Open market value at point of sale (minus discount)	Open market value at point of sale (minus discount)
Eligibility	<ul style="list-style-type: none"> • Must be Key Worker. • Must meet local connection criteria. • Combined annual household income must not exceeding £80,000. • Must be First Time Buyer. 	<ul style="list-style-type: none"> • Must be Key Worker. • Must meet local connection criteria. • Combined annual household income must not exceeding £80,000. • Eligibility must be confirmed by relevant Help to Buy Agent. 	<ul style="list-style-type: none"> • Must be Key Worker. • Must meet local connection criteria.
Finance Options	Must have a mortgage or home purchase plan (if required to comply with Islamic law) to fund a minimum of 50% of the discounted purchase price.	Minimum purchase is 10% share in a property and minimum deposit is 5% of the price of that share, rather than the whole property. Rent paid on the remaining share is charged at a discounted rate (usually 2.75% of the property value per year). Minimum staircasing increment of 1%. Stamp duty can generally be deferred until share is increased to 80%.	No restrictions.

11.42 Evidently, the proposed affordable housing at the site will meet the needs of key workers on a range of incomes whom the market is currently failing. The hidden middle will have an opportunity, subject to the eligibility criteria, to have a modern, new dwelling to meet their needs that they can afford.

Conclusions

- 11.43 The NPPF is clear that any household whose housing needs, either to buy or rent, that are not met by the market are considered to be in need of affordable housing products. Withing the context of the appeal proposals, this means any key worker households unable to buy a home on the open market in St Albans.
- 11.44 The evidence clearly demonstrates that the majority of key worker households do not earn enough to be able to purchase a property on the open housing market. It also demonstrates that the majority of key worker households earn too much to be eligible for social / affordable rented housing.
- 11.45 These people represent the hidden middle whose needs have largely been forgotten about by the Council. It is estimated that within the St Albans Local Authority area alone there are as many as 27,089 key workers falling within this gap. This demographic of people clearly makes up a significant proportion of the population for the area.
- 11.46 Against the scale of unmet need and the lack of suitable alternatives in St Albans, there is no doubt in my mind that the provision of up to 330 affordable homes will make a substantial contribution to addressing the issues facing key workers in the district and Hertfordshire more widely.
- 11.47 Considering all the evidence I consider that it should be afforded **very substantial weight** in the determination of this appeal.

Weight to be Attributed to the Proposed Affordable Housing Provision

Section 12

Affordable Housing Offer

- 12.1 The Appellant, Mr S Collins, Headlands Way Limited, proposes the development of 330 dwellings, of which 100% are proposed as affordable homes at St Stephens Green Farm, Chiswell Green Lane, St Albans, Hertfordshire.
- 12.2 The tenure split of the affordable housing offer will comprise a mix of First Homes, Shared Ownership dwellings, and Discount Market Sale properties (all discounted by at least a third of open market value) which will be secured through a Section 106 agreement.
- 12.3 The appeal proposals comprise the only site within St Albans to date that exclusively seeks to meet the affordable housing needs of key workers.

National Policy Position

- 12.4 The NPPF sets out, at paragraph 62, that the type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. Paragraph 63 is clear that: *“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required”*.
- 12.5 The NPPF is clear that any household whose housing needs, either to buy or rent, that are not met by the market are considered to be in need of affordable housing products.
- 12.6 Within the context of the appeal proposals, this means any key worker households unable to buy a home on the open market in St Albans. Despite the Council’s assertions to the contrary, there is nothing in the NPPF or the PPG that ranks one form of affordable housing above another.

Local Policy Position

- 12.7 The Development Plan for St Albans City and District Council comprises the St Albans District Local Plan Review (1994); and the St Stephen Neighbourhood Plan (2022).

- 12.8 Unfortunately, despite a clear requirement in national policy the Council's adopted/emerging development plan and associated evidence bases are silent on the needs of key workers. This is in spite of the fact that the only category of persons specifically identified in the NPPF definition of "affordable housing" is "essential local workers".

Affordable Housing Needs

- 12.9 There is a significant need for affordable homes in St Albans with the 2016 SHMA identifying an objectively assessed need for 14,191 net affordable homes between 2013 and 2036, equivalent to an estimated annual need of 617 affordable homes in St Albans
- 12.10 The most recent assessment, the 2020 LHNA, identified an objectively assessed need for 13,248 net affordable homes between 2020 and 2036, equivalent to an estimated annual need of 828 affordable homes in St Albans, with almost half of those needs being for affordable home ownership.
- 12.11 Crucially, neither of the above needs assessments provide a specific need figure for key worker affordable homes across the St Albans Local Authority, despite the fact that paragraph 63 of the NPPF requires them to do so. The appeal proposal seeks to directly meet the needs of Key Workers, with appropriate controls set out in the accompanying Section 106 agreement.
- 12.12 As such, the exact need for this type of affordable accommodation over this period has not been definitively established. This is a serious omission in the Council's evidence base and means that Council are not properly looking to provide the needs of those people who require such provision into the future, a section of need I describe as the "hidden middle".

Affordable Housing Delivery

- 12.13 In the nine-year period since the start of the 2016 SHMA period in 2013/14 net of Right to Buy affordable housing delivery represented just 13% of overall housing delivery, equating to just 55 affordable dwellings per annum.
- 12.14 Since the start of the 2016 SHMA period in 2013/14, a shortfall of -5,056 affordable dwellings has arisen over the nine-year period, equivalent to an average annual shortfall of -562 affordable dwellings. Put another way, 91% households in need of an affordable home were let down by the Council's inability to deliver.

- 12.15 In the first two years of the 2020 LHNA period between 2020/21 and 2021/22, affordable housing completions (net of Right to Buy) have averaged just 114 affordable dwellings per annum, against a need of 828 net affordable dwellings per annum.
- 12.16 A shortfall of -1,428 affordable dwellings has arisen in the first two years of the 2020 LHNA period, equivalent to -714 per annum. This means that just 14% of identified affordable housing needs were met.
- 12.17 Additionally, a shortfall of -712 affordable home ownership dwellings has arisen in the first two years of the 2020 LHNA period, equivalent to -356 per annum. It is likely that this shortfall would increase if demolitions over the period were to be accounted for in the figures. It should also be noted that none of the dwellings delivered were exclusively for key workers.
- 12.18 It is clear that a 'step change' in affordable housing delivery is needed now in St Albans District to address these shortfalls and ensure that the future authority-wide needs for affordable housing can be met.

Affordability

- 12.19 In addition to the current shortfalls in delivery against the objectively assessed needs for affordable housing identified in the 2016 SHMA and 2020 LHNA, other indicators further point to an affordability crisis in the district.
- 12.20 Set out below are the key findings in respect of affordability across St Albans:

House Prices

- The ratio of median house prices to median incomes in St Albans now stands at 17.32, a 24% increase since the start of the 2016 SHMA period in 2013 where it stood at 13.92.
- A median ratio of 17.32 in St Albans stands significantly above the East of England average of 10.53 (+64%) and substantially above the national average of 9.05 (+91%).
- The median house price across the St Stephen Ward has risen by 75% from £400,000 in 2013 to £700,000 in 2022. This compares to a 63% (£362,500 to £590,000) increase across St Albans.
- In 2022, median house prices in the ward (£700,000) were 19% higher than across the St Albans (£590,000); 120% higher than across the East of England (£318,275); and 159% higher than the national figure (£270,000).

- The ratio of lower quartile house price to incomes in St Albans now stands at 17.69, a 34% increase since the start of the 2016 SHMA period in 2013 when it stood at 13.23.
- A lower quartile ratio of 17.69 in St Albans stands significantly above the East of England average of 10.40 (+70%), and over double the national average of 8.04 (+120%).
- The lower quartile house price across St Stephen Ward has risen by 78% from £330,000 in 2013 to £580,000 in 2022. This compares to a 60% (£260,000 to £415,000) increase across St Albans;
- In 2022, lower quartile house prices in St Stephen Ward (£580,000) were 40% higher than across the St Albans (£415,000); 147% higher than across the East of England (£235,000); and 222% higher than the national figure (£180,000).

Help to Buy Register

- As of 27 February 2023, 768 households are seeking a shared ownership home in St Albans.
- This is clearly a significant proportion of those seeking assistance with their housing.

Private Rents

- In 2021/22 median private rents in St Albans stood at £1,250 pcm. This represents a 25% increase from 2013/14 (start of the 2016 SHMA period) where median private rents stood at £998 pcm.
- A median private rent of £1,250 pcm in 2021/22 is 45% higher than the East of England figure of £865 pcm and 57% higher than the national figure of £795pcm.
- The average lower quartile monthly rent in St Albans in 2021/22 was £995 pcm. This represents a 21% increase from 2013/14 where average lower quartile monthly rents stood at £825 pcm.
- A lower quartile rent of £995 pcm in 2021/22 is 42% higher than the East of England figure of £700 pcm and 67% higher than the national figure of £595 pcm.

Tenure Profile

- At the time of the Census 2021, owner occupation was by far the most common tenure in St Albans (70.9%) and St Stephen Ward (83.5%).

- Owner occupation is therefore much more prevalent at Ward level than at the District level as well as at the regional (65.2%) and national levels (61.3%).
- Shared ownership properties are by far the most uncommon, representing just 0.5% at District level (297 dwellings). Worse still, there were just 19 shared ownership dwellings in the ward equal to 1.3% of stock.
- Over the ten year period between 2011 Census and the 2021 Census the Council has added just 36 shared ownership units to its dwelling stock, four of which were in the ward.

Council Tax Bands

- In St Albans, just 1% of properties are in Council Tax Band A (the lowest band) and just 5% of properties are in Council Tax Band B.
- By comparison, 14% of properties across the East of England are in Council Tax Band A, and 21% of properties are in Council Tax Band B; and nationally 24% of properties are in Council Tax Band A, and 20% of properties are in Council Tax Band B.

12.21 All these factors combine to create a very challenging situation for any key worker in need of affordable housing to rent or to buy in St Stephen as well as across St Albans more generally.

12.22 This demonstrates an acute need for affordable housing in St Albans and one which the Council and decision takers need to do as much as possible to seek to address as required to do so, proactively, by the NPPF (2021).

Key Worker Affordable Housing Needs

12.23 The evidence clearly demonstrates that the majority of key worker households do not earn enough to be able to purchase a property on the open housing market. It also demonstrates that the majority of key worker households earn too much to be eligible for social / affordable rented housing.

12.24 These people represent the hidden middle whose needs have largely been forgotten about by the Council. It is estimated that within the St Albans Local Authority area alone there are as many as 27,089 key workers falling within this gap. This demographic of people clearly makes up a significant proportion of the population for the area.

12.25 Against the scale of unmet need and the lack of suitable alternatives in St Albans, there is no doubt in my mind that the provision of up to 330 affordable homes will make a substantial contribution to addressing the issues facing key workers in the district and Hertfordshire more widely.

Weight to be Attributed to the Proposed Affordable Housing Provision

12.26 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.

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

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

12.29 Against the scale of unmet need and the lack of suitable alternatives for key worker households in St Albans, there is no doubt in my mind that the provision of up to 330 affordable homes will make a substantial contribution. Considering all the evidence I consider that it should be afforded **very substantial weight** in the determination of this appeal.