

Appeal by Bloor Homes South West

Land at Sodbury Road, Wickwar, South Gloucestershire

**AFFORDABLE HOUSING NEED
REBUTTAL PROOF OF EVIDENCE OF**

Jonathan Lee

**ON BEHALF OF
SOUTH GLOUCESTERSHIRE COUNCIL**

PINs Ref: APP/P0119/W/23/3323836

Local Planning Authority reference no. P22/01300/O

Introduction

- i. My name is Jonathan Lee and I am Managing Director of Opinion Research Services (ORS), an independent social research practice that was founded at the University of Wales Swansea and has specialised in social and housing research for more than 30 years. I have a BSc degree in Computer Science (with Honours) awarded by the University of Wales (Swansea) in 1996.
- ii. I first joined ORS in 1994 and have been responsible for Housing Needs Assessments undertaken for more than 100 local authorities across England and Wales, all of which require advanced knowledge of statistics and demographic modelling.
- iii. I was the Project Director for the West of England Local Housing Needs Assessment (September 2021) (CD4.33) and the previous Wider Bristol HMA Strategic Housing Market Assessment Update: Volume I (April 2018) and Volume II (January 2019). Both studies provide evidence for South Gloucestershire.
- iv. I am instructed by South Gloucestershire Council to give evidence in relation to this Appeal. The evidence that I have set out in this document provides a specific response to a number of technical issues relating to Affordable Housing Need raised in the “Affordable Housing Statement” prepared by Mr James Stacey, presented at Appendix 2 of the proof of evidence from Mr Jeff Richards on behalf of the Appellant.
- v. This rebuttal is not intended to be an exhaustive response to every point that has been raised in the evidence provided by Mr Stacey with which I disagree, and the fact that I have not addressed a point made should not be taken to indicate that I accept it. The issues that I have considered include:
 - » The appropriate basis for assessing the Affordable Housing Need for South Gloucestershire
 - » The reasons why the Appellant’s concerns about the 2021 LHNA are unfounded
 - » Affordable Housing Supply in the context of the identified Affordable Housing Need
 - » Comparisons with other local areas on which the Appellant relies for appeal decisions.
- vi. The points raised seek to clarify issues of difference and remove ambiguity (as far as possible) for the Inspector’s benefit, and reduce the amount of time likely to be needed at the inquiry.
- vii. The evidence which I have prepared and provide for this appeal reference APP/P0119/W/23/3323836 (in this proof of evidence) is true and I confirm that the opinions expressed are my true and professional opinions. Planning and site assessment details relating to the Appeal are considered by other witnesses.

Rebuttal Evidence

Introduction and Summary

1. South Gloucestershire Council recognises that there is a need to deliver new affordable housing in the area. This is a strategic priority for the Council, and as a result they consider it appropriate to afford the provision of affordable housing significant weight in the overall planning balance in the context of this appeal.
2. The Appellant agreed with this approach at the time that they presented their Statement of Case, so the Council did not seek to present any detailed evidence on this issue in their original proofs. However, it is apparent from the evidence submitted by the Appellant that their position has now changed.
3. The Appellant now suggests that substantial weight should be afforded to the provision of affordable housing on the appeal site and have submitted over a hundred pages of evidence on this matter (see the “Affordable Housing Statement” prepared by Mr James Stacey, presented at Appendix 2 of the proof of evidence from Mr Jeff Richards on behalf of the Appellant).
4. Given that context, this rebuttal proof seeks to respond to the relevant issues that have been raised. As already noted, the Council recognises that there is a need to deliver new affordable housing in the area and affords significant weight to the provision of new affordable housing on the appeal site. On this basis, the Council does not believe that there is any merit in debating whether there is a need to provide more affordable housing either locally or at a national level as that is accepted.
5. What is relevant to this appeal is understanding the extent to which the recent supply of affordable housing and the expected rate of future delivery is likely meet the identified needs, or whether there is a clear shortfall that the appeal site could help to address. That judgement evidently relies on knowing how much affordable housing is needed, which requires a robust, up-to-date and credible assessment of need.
6. As set out below, the Council’s position on this is clear. The West of England Local Housing Needs Assessment (LHNA) 2021 identifies a need to provide 411 affordable homes per year in South Gloucestershire.
7. The Appellant would appear to agree with this approach, as Mr Stacey states *“I have used the 411 figure as a benchmark for subsequent future supply analysis”* and in considering future supply he concludes that the figures *“fall short of the on-going 411 net affordable housing needs per annum identified in the 2021 LHNA”* (paragraphs 5.23 and 6.28). However, despite relying on this figure for his analysis, Mr Stacey routinely caveats this figure as being a likely *“undercalculation of affordable housing need”* in his view (ibid).

8. The Appellant has not put forward any alternative assessment of affordable housing need; and although Mr Stacey seeks to impugn the 2021 LHNA, he raises only two concerns, and neither are well-founded. Considering all of the evidence that has been presented, there is only one affordable housing need figure before this inquiry. That is the figure of 411 affordable homes per year from the 2021 LHNA, which provides a robust, up-to-date and credible figure for the Inspector to assess the future supply of affordable housing.
9. When considering the previous supply of affordable housing and the extent of any possible shortfall, the Appellant's analysis considers this in the context of a different affordable housing need: 903 dpa (figure 6.3). On this basis, Mr Stacey asserts that a *"shortfall of -6,882 affordable dwellings has arisen"* over the period 2009-2021 (paragraph 6.16) without providing any evidence or explanation as to what could have happened to those hypothetical households that apparently needed affordable housing.
10. Had there been a shortfall of almost seven thousand affordable homes (more than 500 per year) as Mr Stacey suggests, it would be reasonable to expect the number of households on the housing register to be steadily increasing – but his evidence shows the contrary (figure 7.1) with the housing register reducing markedly from 2012 to 2018 with no discernible change year-on-year over the period to 2023. Similarly, had there been such a large shortfall of affordable housing then the number in receipt of housing benefit in the private rented sector would also be expected to increase, but that hasn't happened either. Consistent with the reductions in the housing register, the number of claimants has also reduced year-on year (see below).
11. There is simply no evidence to support the claimed shortfall of almost seven thousand affordable homes. It is the consequence of an artificial calculation which relies upon an unreliable, out-of-date assessment of affordable housing need. This figure was taken from a historic SHMA published in 2009 based on an academic model that has failed to reflect reality. Whilst more recent SHMA studies for South Gloucestershire were prepared by ORS and published in 2015 and 2019, these have only been acknowledged in a limited way and there has been no regard to their outputs, which demonstrated far lower levels of affordable housing need.
12. A substantial number of new affordable homes have successfully been delivered in South Gloucestershire over recent years – more than 500 per year on average over the last five years. This rate of affordable housing delivery is amongst the highest of all local areas nationally, and the Council is likely to be one of the very few that are successfully meeting their identified affordable housing need in full.
13. Having undertaken a review of the rate of affordable housing delivery being achieved in the other local areas on which the Appellant relies for appeal decisions (where Inspectors have afforded substantial weight to the provision of affordable housing) there are none that are delivering affordable housing at a rate that is comparable to the current rate in South Gloucestershire. The context is entirely different.

14. ORS has previously been asked to respond to similar (if not identical) extracts of evidence from Mr Stacey at five separate inquiries in three different local authority areas (see below). In each case, it was argued that substantial weight should be afforded to the affordable housing provision in the overall planning balance. None of the Inspectors agreed with Mr Stacey: one considered moderate weight appropriate with four concluding significant weight.
15. Affordable housing is a priority for South Gloucestershire Council, but there is no justification for its provision being afforded substantial weight at this appeal. It is right for the proposed affordable housing to carry significant weight in the overall planning balance, as the Appellant had originally agreed.

Affordable Housing Need

The Council's Approach

16. The West of England Local Housing Needs Assessment (LHNA) 2021 identified a need to provide an additional 6,165 affordable homes in South Gloucestershire over the period 2020-2035 (CD4.33, figure 108) equivalent to an average of 411 per year. This comprised 4,406 rented affordable homes (294 dpa) and 1,759 affordable homeownership units (117 dpa).
17. The 2021 LHNA does not currently form part of the evidence base for the emerging Local Plan, as that covers a different 15-year period (2024-2039). The Council can confirm that the 2021 LHNA did form part of the evidence that informed the Bath & North East Somerset (B&NES) Local Plan Partial Update (LPPU). Although the Inspector examining the LPPU only considered information relevant for the B&NES local area, no concerns were raised about any aspect of the 2021 LHNA.
18. South Gloucestershire Council has commissioned ORS to produce a new LHNA to inform the emerging Local Plan, and that is currently being prepared but has not yet been completed. I can confirm that the new LHNA will be based on the same well-established methodology as used for the LHNA 2021 which has been tested extensively through Local Plan examinations in numerous local areas.¹ Inspectors have consistently accepted evidence based on this methodology and approach and found the associated policies to be sound.
19. Until the new LHNA is completed, the 2021 LHNA continues to provide the most up-to-date assessment of affordable housing need for South Gloucestershire. This study identified a need to provide an additional 411

¹ For example: Aylesbury Vale, Bath & North East Somerset, Bedford, Breckland, Camden, Central Bedfordshire, Cheshire East, County Durham, Darlington, East Hertfordshire, East Lindsey, Eastleigh, Epping Forest, Gateshead, Gloucester, Greater Norwich, Hackney, Harlow, Luton, Middlesbrough, Milton Keynes, Newcastle upon Tyne, Newham, North Hertfordshire, Redbridge, Stevenage, Stockton-on-Tees, Teignbridge, Tower Hamlets, West Northamptonshire, Wycombe, and also the Broads Authority, London Legacy Development Corporation, and Old Oak and Park Royal Development Corporation

affordable homes per year and that is the only assessment of affordable housing need that is relevant for this appeal.

The Appellant's Approach

20. The evidence submitted by Mr Stacey on behalf of the Appellant considers *"Affordable Housing Needs"* in section 5 of his proof. Paragraph 5.2 states that:

"...it is important to consider the objectively assessed need for affordable housing within the most up-to-date assessments of local housing need."

21. Despite the stated importance of considering the *"most up-to-date"* evidence, Mr Stacey goes on to introduce three different assessments:

- » West of England Strategic Housing Market Assessment (SHMA) 2009 (CD4.32)
- » West of England Joint Strategic Plan Strategic Housing Market Assessments
- » West of England Local Housing Needs Assessment (LHNA) 2021 (CD4.33)

22. Paragraphs 5.3 to 5.6 confirm that the 2009 SHMA identified a need for 903 net affordable homes per year in South Gloucestershire over the 12-year period 2009-2021, which was comprised of 727 social rented units and 176 intermediate units.

23. Paragraphs 5.7 to 5.9 give background details about the 2015 SHMA and subsequent 2019 SHMA update, but do not set out the identified need. As the Project Director for both studies, I can confirm that the 2015 SHMA identified a need for 275 affordable homes per year in South Gloucestershire, 215 rented affordable homes and 60 affordable homeownership units (2015 SHMA, Volume II, figure 12); and the 2019 SHMA identified a need for 300 per year, 236 rented and 64 affordable homeownership (2019 SHMA, Volume II, figure 33).

24. Paragraphs 5.10 to 5.13 confirm that the 2021 LHNA identifies a need for 411 affordable dwellings per year over the 15-year period 2020-2035, but the subsequent paragraphs then raise a number of unfounded concerns about the study.

The Appellant's First Concern about the 2021 LHNA:

Use of a 35% income threshold

25. Paragraph 5.14 claims that the calculation of need was undertaken using a 35% income threshold and goes on to quote an extract from paragraph 3.40 of the 2021 LHNA. However, the quote is taken from Section 3

of the report which provides a contextual discussion about the “Local Housing Market” and the housing options likely to be available for households with different incomes.

26. Having considered the incomes that would be needed based on 35% of gross income being available for housing costs, the 2021 LHNA goes on to conclude (paragraphs 3.47 and 3.48, emphasis added):

*“When assessing affordable housing need, **it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances.** It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing.*

Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed.”

27. Section 5 of the LHNA report set out the calculations used for assessing “Affordable Housing Need”. Paragraphs 5.8 and 5.9 confirm the approach taken when assessing affordability (original emphasis):

“The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021).

The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.

Therefore, the appropriate proportion is determined separately for each household type and age group.

The affordability percentages in Figure 72 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.”

28. The 2021 LHNA does not use a 35% income threshold when determining affordability and establishing the need for affordable housing. The assessment is based upon the Government’s criteria for determining whether individual households are able to afford their housing costs (based on their specific circumstances) and the proportion of each type of household in each age group identified as needing financial support.
29. Given this context, the concerns set out at paragraphs 5.15 to 5.19 are unfounded.

The Appellant's Second Concern about the 2021 LHNA:

Assumed role of the Private Rented Sector

30. Paragraph 5.20 incorrectly states that *“the LHNA 2021 assumes that the Private Rental Sector (“PRS”) will house a proportion of households in affordable housing need”* despite this being followed immediately by an extract from the 2021 LHNA (quoted from paragraph 5.83) that confirms that this is not the case.
31. The 2021 LHNA does assume that some households *“can only afford their housing costs as they receive housing benefit”* and the assessment assumes that *“housing benefit will continue to help some households to afford their housing costs”*.
32. Planning Practice Guidance explicitly states that [PPG ID 2a-020-20190220]:
- Care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market*
33. Households who receive housing benefit can afford to access suitable housing, as housing benefit enables them to afford their housing costs. It is only if this support was withdrawn that they would be unable to afford – so it would be wrong (and contrary to Guidance) to assume that these households cannot afford and count them as needing affordable housing. Such an assumption would be predicated on a fundamental change in the national policy position, and it is well-established that housing need assessments should be undertaken on a “policy off” basis.
34. If the 2021 LHNA had assumed that housing benefit was to be discontinued, not only would it be a significant policy assumption, it would also depend on a policy change that was beyond the Council's control. The 2021 LHNA recognises *“this is a national policy decision which is not in the control of the Council”* (CD4.33, paragraph 5.81) and that *“the [national] policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending”* (CD4.33, paragraph 3.23). On this basis, it is clear that the 2021 LHNA was right to assume no change and that households would continue receiving housing benefit support to enable them to afford their housing costs.
35. The 2021 LHNA provides a robust assessment of affordable housing need based on a methodology that has been subject to scrutiny through the strategic planning process on numerous occasions, and Local Plan Inspectors have consistently found policies informed by the evidence and approach to be sound.
36. Given this context, the concerns set out at paragraphs 5.20 to 5.22 are also unfounded.

The Appellant's Conclusion on Affordable Housing Need

37. Paragraph 5.23 sets out the Appellant's conclusion in three sentences, which are each set out and reviewed in turn below.

"Considering the above points I am of the view that the LHNA 2021 figure of 411 net affordable homes per annum between 2020 and 2035 is likely an undercalculation of affordable housing need in South Gloucestershire."

38. None of the "above points" are well founded.
39. Only two concerns were identified. The assertion that affordable housing need was assessed using a 35% multiplier was incorrect; and the statement that the Private Rental Sector ("PRS") will house a proportion of households in affordable housing need was inaccurate, given that households in receipt of housing benefit can afford suitable housing so they are not in affordable housing need.
40. The identified need for 411 additional affordable homes per year is not an undercalculation.
41. Mr Stacey continues:

"I believe that the 411 should be considered a minimum net affordable housing needs figure for this period."

42. Whilst housing requirement is routinely expressed as a minimum, the 2021 LHNA provides a robust estimate of the scale of overall affordable housing needed over the plan period. Many of the inputs to the calculation are subject to inherent uncertainty, but the assessed need provides a reasonable midpoint estimate. On this basis, it should not be considered a minimum but should be used as the most reliable, up-to-date figure.
43. Finally, Mr Stacey concludes:

"However, given it is the only on-going affordable housing need in South Gloucestershire at this point in time, I have used the 411 figure as a benchmark for subsequent future supply analysis."

44. The Council endorses this final conclusion, given that it directly reflects the Council's Approach set out at paragraphs 16 to 19 of this rebuttal proof. Although Mr Stacey seeks to impugn the 2021 LHNA, he raises only two concerns and neither is well-founded. The Appellant has not put forward any alternative assessment of affordable housing need, so there is only one affordable housing need figure before this inquiry. That is the figure of 411 affordable homes per year from the 2021 LHNA, and this provides a robust, up-to-date and credible figure for the Inspector to assess the future supply of affordable housing.

Hypothetical Affordable Housing Shortfall

45. Despite concluding that the 411 figure is the appropriate figure to use as a benchmark for his subsequent future supply analysis, Mr Stacey does not use this figure when considering the previous supply of affordable housing and the extent of any possible shortfall. Instead, his analysis considers this in the context of a different affordable housing need figure: 903 dpa (figure 6.3, reproduced below).

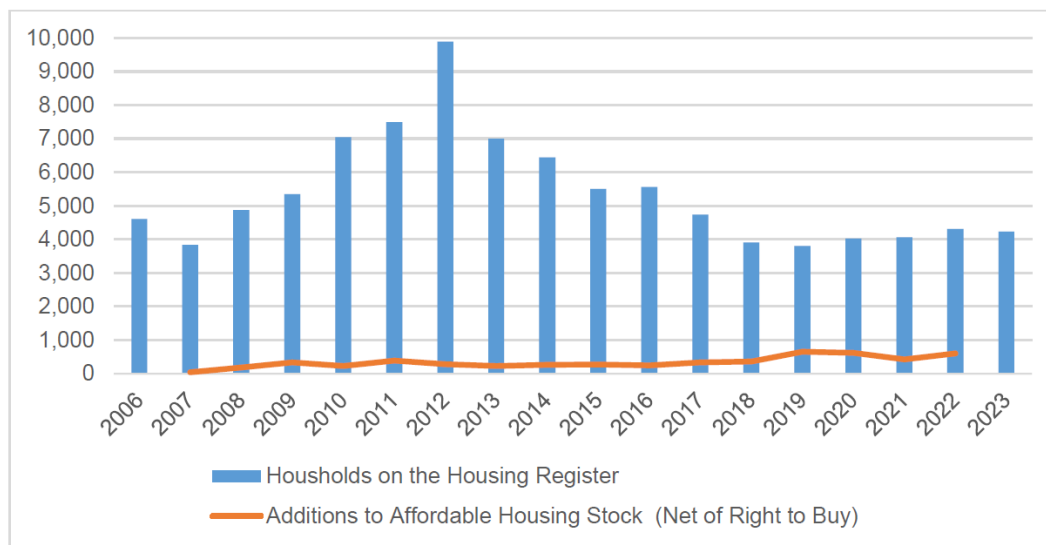
Figure 6.3: Net Affordable Housing Delivery Compared to SHMA 2009 identified needs, 2009/10 to 2020/21

Monitoring Year	Additions to Affordable Housing Stock (Net)	Affordable Housing Need – SHMA 2009	Surplus / Shortfall
2009/10	257	903	-646
2010/11	329	903	-574
2011/12	235	903	-668
2012/13	197	903	-706
2013/14	240	903	-663
2014/15	274	903	-629
2015/16	234	903	-669
2016/17	322	903	-581
2017/18	325	903	-578
2018/19	609	903	-294
2019/20	549	903	-354
2020/21	383	903	-520
Total	3,954	10,836	-6,882
Ave PA.	330	903	-574

Source: FOI response (27 September, updated 29 September 2023); Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2011/12 to 2020/21); Strategic Housing Market Assessment 2009

46. On this basis, Mr Stacey asserts that a “*shortfall of -6,882 affordable dwellings has arisen*” over the period 2009-2021 (paragraph 6.16). However, he does not provide any evidence or explanation as to what could have happened to those hypothetical households that apparently needed affordable housing.
47. Had there been a shortfall of almost seven thousand affordable homes (more than 500 per year) as Mr Stacey suggests, it would be reasonable to expect the number of households on the housing register to be steadily increasing – but his evidence shows the contrary (figure 7.1, reproduced overleaf) with the housing register reducing markedly from 2012 to 2018 with no discernible change year-on-year over the period to 2023.

Figure 7.1: Number of Households on the Housing Register Compared with Additions to Affordable Housing Stock (Net of Right to Buy), 2006 to 2023



Source: DLUHC Live table 600, 691 and 693c2; Private Registered Provider Social Housing Stock in England: Statistical Data Returns (2011/12 to 2021/22), FOI response (13 and 21, 29 September 2023)

Note: completions figures are not yet available for the 2022/2023 monitoring period

48. Whilst Mr Stacey suggests that reductions since 2012 will largely be due to changes to eligibility criteria introduced following the Localism Act (paragraphs 7.7 to 7.10) there is no analysis or evidence to support the claim that this reduction was entirely a consequence of these changes.

49. Furthermore, at paragraph 7.11 it is claimed that:

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

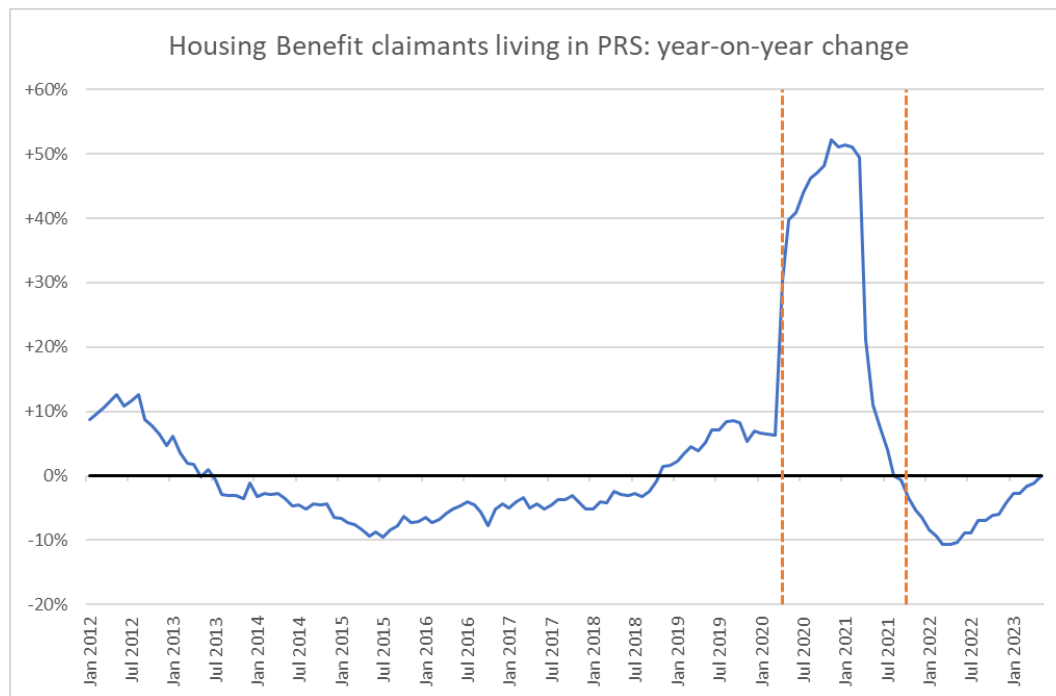
50. This inherently fails to recognise that prior to the Localism Act changes being introduced, housing registers did not provide any realistic indication of the level of housing need, as any household was able to register regardless of their current circumstances or local connections. As a consequence, many households were registered on multiple housing registers, having applied for housing in many different areas. This resulted in extensive double counting between registers and the overall numbers did not provide a reliable estimate of the actual number of households that were in need of housing in the local area.

51. The local changes that have been progressively introduced seek to ensure that the housing register now provides a more reliable estimate of households that are actively seeking affordable housing.

52. Given this context, it is notable that the number of households registered has remained relatively constant over the period 2018 to 2023. This suggests that the number of additions to the register are in balance with

the number of households who have been housed. In other words, the supply of affordable housing is meeting the need.

53. Any shortfall in affordable housing provision is also likely to result in more households having to seek housing in the private rented sector with housing benefit support. Nevertheless, administrative data about the number of such claimants in South Gloucestershire published by the Department for Work and Pensions confirms that this has not been the case:



54. From around mid-2013 to mid-2018 there was a sustained period of year-on-year reductions in the number of claimants, which suggests that it is unlikely that there was any material shortfall of affordable housing. There was a significant increase in the number of claimants from April 2020 to September 2021, however this was the period during which the Government introduced the Coronavirus Job Retention Scheme, when many employees were furloughed with reduced pay. Therefore, these increases were due to temporary changes in income rather than any shortfall of affordable housing provision.
55. Consistent with the reductions in the housing register, the number of claimants housing benefit in the private rented sector has also reduced year-on year. On this basis, there is no contextual evidence to support the claim that there was a “shortfall of -6,882 affordable dwellings” over the period 2009-2021.
56. The identified increase to the affordable housing stock is clearly measurable, and the figures are robust. However, the affordable housing need identified by the 2009 SHMA was based on a sequence of assumptions that were always subject to uncertainty and do not necessarily provide a robust and credible assessment of affordable housing need. The following section considers each of these assumption in turn.

Reviewing the 2009 SHMA

57. The 2009 SHMA identified a need for 903 affordable homes each year based on the calculation summarised below (derived from CD4.32, Tables 4.9 and 4.10):

2009-2021	Social rented housing	Affordable intermediate housing	Overall affordable housing need
1) Total current backlog need	2,635	287	2,922
2) Less committed new supply	322	97	419
3) Equals net backlog need	2,313	190	2,503
4) Annual flow @ 10%	231	19	250
5) Annual average newly arising need	1,055	161	1,216
6) Plus annual flow (from step 4)	231	19	250
7) Equals gross annual need	1,286	180	1,466
8) Less annual supply	559	4	563
9) Total net annual need 2009-2021	727	176	903

58. It is evident that the identified need comprises a net backlog need of 2,503 households (step 3) together with a total newly arising need of 1,216 households (step 5) offset against an annual supply of 563 (step 8).
59. Given that the total newly arising need (1,216) minus the annual supply (563) equals a need of 653 per year, the model suggests that the backlog need would increase by this rate each year if no new affordable housing was provided. If 653 new affordable homes were provided each year, the backlog would remain constant; whereas the model outputs suggest that delivering more than 653 affordable homes annually would result in the backlog reducing.
60. The net annual need of 903 affordable homes each year is based on addressing the backlog over a 10-year period, so it is not appropriate for this to be counted for 12 years. For arithmetic consistency, either the backlog has to be addressed over 12 years (and the annual flow calculated at 8.33% at step 4) or alternatively the backlog should be discounted from the need after the initial 10-year period has elapsed.
61. Correcting this arithmetic error reduces the total net annual need for the 12-year period 2009-2021 from 903 dpa to 862 dpa. This can be calculated based on the total backlog (2,503) plus the gross annual newly arising need minus the annual supply over a 12-year period $((1,216 - 563) \times 12)$; a total of 10,339 equivalent to an annual average of 862 per year.

62. Furthermore, the 2009 SHMA identifies that the analysis of the actual housing register (based on the 2007 data for South Gloucestershire, together with Zone Agent applications for intermediate affordable housing) identified an estimated need of 2,341 households (CD4.32, Table 6.2). This estimate had already been increased from 1,851 households to take account of moves from elsewhere in the West of England (ibid). The estimate was increased further based on a hypothetical analysis of national data to yield the average estimate of 2,922 households that was included in the analysis.
63. Given this context, it is evidently debateable as to whether the current backlog need of 2,922 households that were counted ever existed in practice, as only two thirds of this number (1,851) was identified based on actual applicants to the housing register.
64. Updating the modelling analysis based on those households that had actually been identified reduces the total net annual need yet further to 807 dpa. This can be calculated based on the actual backlog (1,851) plus the gross annual newly arising need minus the annual supply over a 12-year period $((1,216 - 563) \times 12)$; a total of 9,687 and an annual average of 807 per year.

Comparing the 2009 SHMA with the 2021 LHNA

65. The 2021 LHNA adopts a similar calculation for establishing affordable housing need: assessing the current unmet need for affordable housing at the base date of the analysis (the backlog) and then considering both the gross and net annual newly arising need for each year of the projection period.
66. The 2009 SHMA relied primarily on the housing register when establishing the backlog, despite the study authors cautioning about their reliability (CD4.32, paragraph 6.2.2):

The Partnership was aware from the outset that Housing Registers, however well managed, do not provide a complete measure of need. Households with a housing need may choose not to register for a variety of reasons, including a perception that chances of rehousing are low, or that properties available do not meet their needs. Conversely, some households may choose to register whose problems might be better solved in ways other than the allocation of a social rented housing unit.

67. In contrast, in assessing the current unmet need for affordable housing, the 2021 LHNA took account of the full range of data sources identified by PPG [ID 2a-020-20190220]. This included homeless households, those in priority need housed in temporary accommodation, households in overcrowded housing, concealed families, and other households living in unsuitable housing unable to afford their own home.
68. The detail of the approach was explained at paragraphs 5.10-5.16 of the 2021 LHNA report (CD4.33).

69. However, the 2021 LHNA only sought to identify those needs where the provision of a new affordable home would be the appropriate response. In this context, paragraph 5.16 stated:

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

70. Figure 75 (replicated below) summarised the overall current unmet need for affordable housing in the area.

Figure 75: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

S GLOS	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2019]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	14		14	14
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	61		61	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	4	4	0	
Households accepted as homeless but without temporary accommodation provided	3		3	3
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	306		306	306
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	433		433	
Households living in overcrowded social rented housing	757	757	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2019]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	295	24	271	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	13	1	12	
TOTAL	1,886	786	1,100	323

71. On this basis, the 2021 LHNA confirmed a gross current unmet need of 1,886 households unable to afford their housing costs (a similar number to the 1,851 households identified by the 2009 SHMA). However, after taking account of vacancies that would arise as the needs of some households were addressed, the net current unmet need for affordable housing identified 1,100 households and it was this figure that informed the subsequent analysis.

72. With regard to newly arising need, the LHNA identified a gross annual need from 1,305 households unable to afford their housing costs in South Gloucestershire (CD4.33, figure 84). This is higher than the gross annual housing need of 1,216 households identified by the 2009 SHMA.
73. However, the net annual need identified by the 2021 LHNA (218 households per year) is notably lower than the 2009 SHMA (1,216 - 563 = 653 households per year). The reason for this difference is that 2009 SHMA only discounted the number of vacancies arising within the affordable housing stock. It did not consider the changing circumstances of households that had yet to be allocated affordable housing.
74. It is important to recognise that the needs of households whose circumstances improve (which result in the household becoming able to afford) should be discounted regardless of whether or not the household is ever allocated affordable housing. This is explained at paragraph 5.46 of the 2021 LHNA, which states:

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

- When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).*
- Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.*

75. It is also important to recognise the need to discount the needs of out-migrant households and households that dissolve (sometimes following the death of all household members, but also when two single person households join together to form a couple household) where they had previously been counted within the gross annual need. Once again, the needs of these households must be discounted regardless of whether or not the household is ever allocated affordable housing – for if the households no longer need housing in the local area, it stands to reason that they will no longer need affordable housing either.
76. In only counting the supply of vacancies arising within the affordable housing stock, the 2009 SHMA failed to take account of these households. As a consequence, whilst the gross affordable housing need that was identified was lower than the equivalent estimate from the 2021 LHNA, the net affordable housing need was considerably higher than the actual affordable housing need for the local area.
77. The 2009 SHMA is clearly not up to date; however, more importantly, the study never provided a robust assessment of affordable housing need and its conclusion that 903 affordable homes were needed annually in South Gloucestershire was never credible. Given this context, Mr Stacey is wrong to claim that there was a “shortfall of -6,882 affordable dwellings” over the period 2009-2021. The shortfall is entirely hypothetical resulting from the reliance on a wholly inappropriate housing need figure.

Has Affordable Housing Supply met the Affordable Housing Need

78. Based on the evidence presented by Mr Stacey (CD4.32, figure 6.3) that was reproduced above, there were 3,954 net additions to the affordable housing stock over the 12-year period 2009-2021 equivalent to an average of 330 homes per year.
79. As previously identified, the 2015 SHMA identified a need for 275 affordable homes each year over the period 2016-2036, and the 2019 SHMA identified an updated need for 300 affordable homes annually over the same period (see paragraph 23 above). Whilst these estimates only cover seven of the 12 years from 2009-2021, it is evident the annualised need was being met in full.
80. That is consistent with the reductions in the housing register and the decrease of housing benefit claimants living in private rented housing over the period (see paragraphs 47 to 54 above). There is no evidence of any shortfall in affordable housing provision in South Gloucestershire.

Other Indicators of Housing Need

81. Mr Stacey presents numerous statistics relating to house prices, rents and affordability, and indicators of need such as the housing register and homelessness presentations. However, the Council does not believe that there is any merit in debating whether there is a need to provide more affordable housing either locally or at a national level, as the Council recognises that there is a need to deliver new affordable housing in the local area.
82. The 2021 LHNA identified a need to provide 6,165 additional affordable homes in South Gloucestershire over the 15-year period 2020-2035. That is a substantial number of new homes. It represents an increase of nearly 50% to the existing stock of affordable housing: in other words, providing one new affordable home for every two that currently exists.
83. In determining this figure, the 2021 LHNA has taken full account of the local house prices, rents and affordability, and indicators of need such as the housing register and homelessness presentations. It is these statistics that result in the 2021 LHNA concluding that there is a need to provide 6,165 new affordable homes.
84. The Council recognises that it will be a challenge to ensure that this number of affordable homes can be delivered in the local area. That is why delivering affordable housing is a strategic priority for the Council, and why the Council affords significant weight to the provision of new affordable housing on the appeal site. However, the Council also wants to ensure that the right housing is provided in the right places, and there is no justification for the provision of affordable housing being afforded substantial weight at this appeal.

Future Affordable Housing Supply

85. When considering the future supply of affordable housing, Mr Stacey seeks to apply “*the gross prevailing rate of 28% affordable housing delivery*” (paragraph 6.25).
86. This is based on 5,278 affordable homes being delivered over the 16-year period 2006-2022 in the context of 18,872 housing completions overall (figure 6.1). However, it is evident that recent rates of affordable housing delivery have been notably higher than earlier in the plan period, with affordable housing delivery averaging 31.4% over the most recent 5-year period 2017-2022.
87. Given this context, it is not appropriate to simply apply the overall historic rate to future housing delivery. It is necessary to consider the specific sites and the expected supply.
88. The Council’s original evidence set out an affordable housing supply trajectory which projected future delivery of more than 2,300 affordable homes over the next five years. This represents an average of at least 460 dwellings per year which is 49 dwellings (12%) higher than the annual need identified by the 2021 LHNA (411 dpa). Alternatively, it can be considered as being equivalent to 5.6 years of the identified affordable housing need.
89. The trajectory considers the specific mix of sites likely to be developed over the next five years and the analysis recognises that this is likely to include the delivery of new housing on a number of major sites. Through considering previous trends in net completions over the last 10 years on major sites separately from delivery on small sites, it is evident that net affordable housing completions on major sites represent an average of 34% of all dwellings delivered (in stark contrast to only 2% of the dwellings delivered on small sites).

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Totals
Total net completions	823	1095	1224	1107	1630	1599	1573	1518	1650	1657	13876
Major	618	893	997	832	1373	1266	1310	1518	1258	1381	11446
Small	205	202	227	275	257	333	263	0	392	276	2430
Total net AH completions	220	290	325	262	351	352	632	565	402	559	3958
Major	220	283	313	262	346	340	607	565	402	559	3897
Small	0	7	12	0	5	12	25	0	0	0	61
% AH	27	26	27	24	22	22	40	37	24	34	28
% AH major	36	32	31	31	25	27	46	37	32	40	34
% AH small	0	3	5	0	2	4	10	0	0	0	2

90. Given this context, the Council are confident that the projected delivery of at least 2,300 affordable homes provides a robust and credible estimate of the future affordable housing likely to be secured through section 106 agreements. It is also important to recognise that this figure only considers affordable housing

projected to be delivered through the planning system. It does not include any affordable housing delivered through other sources. Therefore, it clearly represents a minimum.

91. When considering the recent supply of affordable housing, it is apparent that whilst the affordable housing policy and associated contributions from section 106 agreements deliver a large proportion of the overall new affordable housing, other sources provide an important contribution too.

	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL
Affordable housing secured through s106 agreements	304	473	429	323	363	1,892
Affordable housing delivered through other mechanisms	64	163	136	80	199	642
TOTAL	368	636	565	403	562	2,534
% delivered via s106	83%	74%	76%	80%	65%	75%

92. Over the last five years, affordable housing secured through section 106 agreements has delivered around three quarters of all affordable homes. If this proportion was to continue over the next five years, the trajectory would increase from 2,300 to around 3,050 affordable homes, equivalent to an annual average of 610 per year. That is considerably higher than the need for 411 homes per year identified by the 2021 LHNA.

Previous Inspectors' Decisions

Decisions presented by the Appellant

93. The Appellant sets out a number of previous appeal decisions where Inspectors have afforded substantial weight to the provision of affordable housing in Section 9 of Mr Stacey's evidence (CD4.32). Paragraph 9.25 concludes:

Some of the key points I would highlight from these examples are that:

- *Affordable housing is an important material consideration;*
- *The importance of unmet need for affordable housing being met immediately;*
- *Planning Inspectors and the Secretary of State have attached substantial weight and very substantial weight to the provision of affordable housing; and*
- *Even where there is a five-year housing land supply the benefit of a scheme's provision of affordable housing can weigh heavily in favour of development.*

94. Evidently the Council agrees that affordable housing is a material consideration and that is important to meet the identified need for affordable housing. However, whilst Planning Inspectors and the Secretary of State have attached substantial weight and very substantial weight to the provision affordable housing in these specific examples, each decision must always depend on the specific local circumstances.
95. The weight afforded to affordable housing will inevitably be higher when recent rates of affordable housing delivery have been relatively lower. The following table sets out the supply of affordable housing that was delivered the areas for each of the appeals cited by Mr Stacey, identifying the overall number of homes delivered over the 5-year period preceding the relevant appeal, as set out in DLUHC Affordable housing supply statistics (AHS) 2021-22 (Live Table 1011C, published 27 June 2023). This figure is also presented as a percentage of the overall dwelling stock to allow for comparison between areas. It is apparent that the rates of affordable housing delivery in the five years prior to each appeal ranged from 0.8% to 1.6% of stock.

Paragraph	Reference	Local Planning Authority	Date	Previous 5-yr supply of affordable homes	
				Dwellings	% of Stock
6.8	CD5.8	Birmingham	July 2019	2,560	0.6%
7.13	CD5.10	Chichester	August 2017	737	1.3%
7.14	CD5.9	South Oxfordshire	December 2019	1,012	1.6%
7.63	CD5.14	Wiltshire	January 2022	3,404	1.5%
9.5	CD5.7	Ryedale	July 2016	421	1.6%
9.8	CD5.12	Tunbridge Wells	October 2015	638	1.3%
9.14	CD5.6	Wychavon	June 2014	737	1.4%
9.18	CD5.15	North Somerset	April 2017	881	0.9%
9.21	CD5.17	Cornwall	April 2014	3,816	1.4%
9.23	CD5.11	South Gloucestershire	September 2018	1,669	1.4%
9.24	CD5.16	Exeter	August 2022	450	0.8%

96. The equivalent published data for South Gloucestershire identifies a total of 2,510 affordable homes were delivered over the 5-year period 2017-2022, which is equivalent to 2.0% of the overall housing stock in 2022. **We can therefore conclude that of all the dwellings in South Gloucestershire in 2022, one in every fifty was an affordable home that had been built in the last five years.** There is clearly a very strong rate of affordable housing delivery in South Gloucestershire.

97. The rate in South Gloucestershire ranges from being 25% higher than the equivalent rate of delivery in Ryedale and South Oxfordshire (1.6% in both areas cf. 2.0% in South Gloucestershire) to as much as 150% higher than the rate in Exeter (0.8%).
98. It is evident that the context is entirely different in this local area.

Decisions where evidence was presented by both Mr Stacey and ORS

99. ORS has previously been asked to respond to similar (if not identical) extracts of evidence from Mr Stacey at five separate inquiries (including one inquiry for two conjoined appeals) in three different local authority areas.²
100. In each case, Mr Stacey argued that it was appropriate for the affordable housing provision to be afforded substantial weight (or very substantial weight) when determining the overall planning balance.
101. None of the Inspectors agreed with his position.

Appeal	Mr Stacey's view	Inspector's conclusion
Land to the South of The Ridgeway, Potton	Substantial weight	Moderate weight
Land North of Braeburn Way, Cranfield	Very substantial weight	Significant weight
Land to the east of Oakley Road, Bromham	Very substantial weight	Significant weight
Land to the west of Odell Road, Harrold	Substantial weight	Significant weight
Land to the North of Pound Lane, Semington	Substantial weight	Significant weight
Land North of St Georges Road, Semington	<i>Supporting a Rule 6 party</i> Substantial weight	Significant weight

102. Whilst all five Inspectors considered the affordable housing to be a positive benefit, the Inspector that considered the most recent decision (Land South of the Ridgeway, Potton) afforded the affordable housing provision only moderate weight, which was consistent with the Council's position given that the proposal simply complied with policy without any additionality. The other Inspectors each afforded significant weight to affordable housing.

² CD5.29 – APP/P0240/W/21/3289675 (August 2022): Land to the South of The Ridgeway, Potton – see paras 138-146 and 168
 CD5.30 – APP/P0240/W/21/3267704 (July 2021): Land North of Braeburn Way, Cranfield – see paras 114 and 132
 CD5.31 – APP/K0235/W/19/3240091 (April 2020): Land to the east of Oakley Road, Bromham – see paras 39-42 and 45
 CD5.32 – APP/K0235/W/19/3234032 (January 2020): Land to the west of Odell Road, Harrold – see para 64
 CD5.33 – APP/Y3940/W/16/3164255 (December 2017): Land North of St Georges Road, Semington – see paras 78-79
 CD5.34 – APP/Y3940/W/16/3162997 (December 2017): Land to the North of Pound Lane, Semington – see paras 3, 164, 175-183 and 192

103. Perhaps one of the most salient points was captured by Inspector Lesley Coffee at paragraph 79 of the appeal decision for Land North of St Georges Road, Semington (CD5.33) which states:

*The proposal would deliver affordable and market housing. In the light of the current national housing shortage, and the shortfall in housing delivery within Wiltshire, these considerations add significant weight in favour of the proposal. However, **although the Government sees the provision of housing as a priority** as evidenced by the recent consultations, **it is also eager to ensure that housing is provided in the right place.***

104. Whilst the delivery of affordable housing is clearly important, its provision should not result in housing being delivered in the wrong places. The Council wants to ensure that the right housing is provided in the right places, and there is no justification for the provision of affordable housing being afforded substantial weight at this appeal.
105. The proposed affordable housing should carry significant weight when considering the overall planning balance for this appeal, as was originally agreed between the Council and the Appellant.