

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

Land at Oakley Farm, Cheltenham

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Outline application for development comprising up to 250 residential dwellings, associated infrastructure, ancillary facilities, open space and landscaping. Demolition of existing buildings. Creation of new vehicular access from Harp Hill.

Land at Oakley Farm, Cheltenham

Robert Hitchins Limited

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Executive Summary

- i. This Proof of Evidence deals specifically with affordable housing and my consideration of the degree of weight which I believe should be applied in the context of the acute need and the woeful level of affordable housing that has been delivered in Cheltenham.
- ii. The appeal proposals seek permission for 250 dwellings, of which 40% - 100 dwellings - are proposed as affordable homes. The provision of 100 affordable homes (comprising 38 affordable rented units (38%), 32 social rented units (32%), and 30 shared ownership properties (30%)) satisfies the requirements of JCS Policy SD12 which requires 40% provisions on qualifying sites.
- iii. The affordable housing provision will be secured through a Section 106 agreement.
- iv. There is irrefutable evidence of an acute national housing crisis. The former Housing Minister described the shortage of housing in the UK as possibly the largest scandal to hit the country in the past 30 years. Esther McVey acknowledged at her RESI Convention speech in September 2019 that the housing crisis has led *“to a rise in renting and costs, and to a fall in home ownership which has destroyed the aspiration of a generation of working people.”*

“Since the mid-1990s, house prices have risen to 8 times, 10 times, 12 times, in some of the most expensive parts of this country 44 times the actual income of someone, that cannot be right”, claimed the former Housing Minister.
- v. Meanwhile in a House of Commons debate in September 2019 it was resolved that *“this House notes with concern the ongoing shortage of housing and the housing crisis across England; further notes with concern the number of families in temporary accommodation and the number of people rough sleeping; [and] acknowledges that there are over one million households on housing waiting lists...”*
- vi. In a speech on 4 March 2020 to the Planning Inspectorate, the current Housing Minister, Christopher Pincher stated that:

“I know a lot about the need for new and better homes. Because in my part of the world, houses for purchase and rent are appreciatively more expensive than in other parts of the West Midlands as we simply do not have enough homes.

There isn't a week that goes by without my constituents contacting me saying, "Chris, we just aren't able to buy or to rent the homes that we want to live in in this beautiful part of the world." (emphasis added)

- vii. More recently at his speech on 14 October 2020 to the District Councils' Network, Housing Minister Christopher Pincher stated 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.*"
- viii. On a national level, in every scenario, against every annual need figure identified since the publication of the Barker Review in 2004, the extent of the shortfall in housing delivery in England is staggering and ranges from a shortfall of -1,105,490 to a shortfall of -2,635,490 homes over the past 17 years depending on which annual target actual housing completions are measured against. However, the true picture is that since 1969 the scale of the shortfall is over 5.5 million homes have not been provided. Not once in the last 50 years has the country built more than 300,000 homes. In January 2019, Shelter reported at least three million new homes will need to be built in England over the next 20 years to solve the housing crisis.
- ix. Analysis undertaken by Shelter and Savills in June 2020 identifies a range of scenarios for housebuilding recovery following the significant impact Covid-19 has had for the housebuilding industry and the wider economy in 2020.
- x. The scenarios anticipate that between 125,000 and 318,000 fewer new dwellings will be delivered in the five years 2020-2025, because of Covid-19, equating to a 9-23% drop in delivery. Of these, between 25,000 and 66,000 fewer affordable homes will be delivered (an 8-21% drop in delivery). Of these scenarios, the 'best case' assumes a rapid economic recovery (e.g. in light of medical advances) and the worst case assumes deeper and longer economic difficulties.
- xi. Shelter recommends boosting social housing provision in order to support overall housing output, with social housing demand being counter-cyclical to the prevailing wider economy. This merely serves to further compound the acute affordability problems that the country is facing.
- xii. As recently as May 2021, Shelter published '*Denied the Right to a Safe Home – Exposing the Housing Emergency*' which sets out in stark terms the impacts of the housing crisis. Shelter estimate that some 17 million people face the effects of high

housing costs, lack of security of tenure and discrimination in the housing market, and notably concludes that “*when it comes down to it, there’s only one way to end the housing emergency. Build more social housing*”.

Key Findings

xiii. Affordable Housing Needs in Cheltenham Borough

- Joint Core Strategy Policy SD12 does not define a numerical target for the provision of affordable homes in Cheltenham Borough, instead it requires 40% provision from qualifying sites in Cheltenham.
- The reasoned justification to the policy draws reference to the need for 638 affordable homes per annum across the Joint Core Strategy (JCS) area which is taken from the 2015 Strategic Housing Market Assessment (SHMA) Update.
- Within this JCS area need figure the 2015 SHMA Update identifies a need for 231 net affordable homes per annum in Cheltenham Borough between 2015/16 and 2031/32, equivalent to 3,696 net affordable dwellings when using 30% income thresholds.
- When comparison is drawn between affordable housing delivery and the needs identified in the SHMA Update since its 2015 base date, there has been a shortfall in the delivery of affordable housing of some -1,160 affordable homes against an identified need for 1,386 between 2015/16 and 2020/21.
- The Gloucestershire Local Housing Needs Assessment (LHNA) published in September 2020 finds a minimum net annual need of 194¹ affordable homes per annum over the 20-year period between 2021 and 2041 for the Cheltenham Borough Council area. This equates to a minimum of 3,874 net affordable dwellings over the period.
- Is it important to note that the 2020 LHNA focuses on households with the most acute housing needs but does not however take into account households currently residing in the Private Rented Sector (PRS). If these households were to be included the annual affordable housing need figure for the Borough increases significantly by 52% to 295 dwellings per annum, equivalent to 5,900 new affordable dwellings over the 20-year period.

¹ Figures do not sum due to rounding – $3,874 / 20 = 193.7$

xiv. **Affordable Housing Delivery in Cheltenham Borough and Battledown Ward**

- Since the start of the JCS period in 2011/12 and 2019/20, there have been a total of 3,570 net overall housing completions and 394 net affordable housing completions. This equates to an average of 44 net affordable housing additions to stock over the nine-year period. There has been an average rate of 11% affordable housing delivery over the period.
- Over the same period in Battledown Ward, there have been a total of 337 net overall housing completions and 44 net affordable housing completions. This equates to an average of 5 net affordable housing additions to stock per annum over the nine-year period. There has been an average rate of 13% affordable housing delivery over the period.
- These figures should also be viewed in context of the fact that since the start of the JCS period in 2011/12 there have been a total of 178 losses to affordable housing stock through the Right to Buy across the Borough in the nine-year period. This equates to an average of approximately 20 affordable dwellings lost from stock across the Borough per annum.
- It is abundantly clear that the Council have a poor performance record in terms of delivering affordable housing at a Borough and local level. A position I describe as woeful.

xv. **Future Delivery in Cheltenham Borough**

- The future delivery of affordable housing is highly uncertain. Within Cheltenham Borough the delivery of affordable homes has fluctuated considerably since the start of the JCS period in 2011/12 and the 2015 SHMA Update period in 2015/16.
- The delivery of a higher number of affordable homes one year does not guarantee this will continue for future years. The supply of affordable housing is affected by the local market factors, including the number of sites with planning permission and also wider national factors including availability of public funding.
- When the Sedgefield approach is applied in seeking to address the backlog in delivery of affordable homes which has accrued since 2015/16 compared with identified needs taken from the 2015 SHMA Update, there would be a need for 463 net affordable homes per annum for the five years period between 2021/22 and 2025/26 across the Borough.

- The Council produced its latest five-year housing land supply (5YHLS) statement in December 2019 covering the period 1 April 2019 to 31 March 2024. If we were generously to assume that all 2,265 dwellings included in the 5YHLS will come forward on sites eligible for affordable housing; and that all of these sites would provide policy compliant levels of affordable housing (i.e., 40%) as a proportion of overall housing completions, this is likely to deliver only 906 affordable dwellings over the period, equating to just 181 new affordable dwellings per annum.
- This figure falls substantially short of both the 231 per annum and 463 per annum figure required when back log needs are addressed in the first five years in line with the Sedgefield approach. Similarly, this figure falls below the minimum net annual need of 194 affordable homes per annum over the 20-year period between 2021 and 2041 identified in the 2020 LHNA.
- It should also be highlighted that net affordable completions in the 2019/20 monitoring period only averaged 11% of net overall housing. This further serves to demonstrate the Council are actively failing to plan to address affordable housing needs across the Borough and have been for some time.

xvi. **Affordability Indicators**

- Housing Register:

The housing register data has been updated and shows that at 1 April 2021 there were 2,514 households on the register, qualifying for assistance with their housing needs. This figure has risen by 16% in just one year, from 2,161 households at 1 April 2020. There is no specific local preference data available for Battledown Ward. However, local preference data is available for the adjoining ward of Charlton Kings which shows there are 551 households with a local need. This demonstrates that there is significant local need for affordable properties in the general area of the appeal site.

- Relets

Within Battledown Ward there is an extremely low level of annual relets. Between 2019 and 2020 there were three relets and between 2020 and 2021 there was just one home relet.

- Temporary Accommodation

At 1 April 2021 there were nine households being housed in temporary accommodation within the Borough.

- Waiting Times

There have been significant increases in waiting times in just one year between 1 April 2020 and 1 April 2021 across all but one size of affordable accommodation in Cheltenham (refer to Figure 6.2).

- Private Market Rents

Average rental costs in Cheltenham reached £837 per month in 2020/21, an increase of 13% from £744 in 2015/16 (base date of the 2015 SHMA Update).

The lower quartile monthly rents for the Borough rose by 19% over the same period, rising from £528 in 2015/16 to £625 per month in 2020/21.

Private market rents are increasingly unaffordable in the Borough, even with Local Housing Allowance support there are shortfalls in monthly rental costs ranging from -£88 to -£307 for average rental prices, to shortfalls of -£5 to -£137 for lower quartile rental properties which are typically considered to be the 'more affordable' segment of the rental market. For those in need of an affordable home in Cheltenham, the private rental market fails to provide an appropriate alternative to genuinely affordable homes.

- Affordability:

The average house price to average income ratio in This exceeds the ratio of 8 referred to by the former Prime Minister Teresa May in the Governments white paper – entitled “Fixing our Broken Housing Market”, where she, “*Today the average house costs almost eight times average earnings – an all-time record*”. Cheltenham now stands at 10. Even those seeking a home in the 'more affordable' lower quartile segment of the market would need to find almost nine times their annual income to do so with the lower quartile house price to lower quartile income ratio now standing at 8.94, a 20% increase since the start of the JCS period in 2011 where it stood at 7.44.

- House Prices:

The National Housing Federation report that the average house price in Cheltenham in 2018/19 was £332,953 which exceeds the national average. By comparison, data taken from Zoopla shows that over the past 12 months the average house price paid in Battledown Ward was £378,000.

- Tenure Profile:

Using Census 2011 data, social housing tenures comprised 19% of all households nationally. Within Cheltenham just 13% of tenures were affordable. The picture in Battledown Ward was even more bleak with just 5% of homes comprising affordable tenures. This means the prospect of households having their housing needs met in Battledown Ward is exceedingly low, especially when the level of relets averages just two a year.

- xvii. In light of the Borough's poor record of affordable housing delivery compared to the level of affordable housing needs identified I consider that the provision of 100 affordable dwellings on this site should be afforded **substantial weight** in the determination of this appeal.

Introduction

Section 1

- 1.1 This Affordable Housing Proof of Evidence has been prepared by James Stacey of Tetlow King Planning on behalf of Robert Hitchins Limited for Land at Oakley Farm, Cheltenham. It examines the affordable housing need in Cheltenham and considers the weight to be attributed to affordable housing in the overall planning balance.
- 1.2 The appeal proposals seek permission for 250 dwellings, of which 40% - 100 dwellings - are proposed as affordable homes. The provision of 100 affordable homes (comprising 38 affordable rented units (38%), 32 social rented units (32%), and 30 shared ownership properties (30%)) satisfies the requirements of JCS Policy SD12 which requires 40% provisions on qualifying sites at a split of 70:30 affordable rented to shared ownership tenures.
- 1.3 The affordable housing provision 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 decision in light of evidence of need in the area. It should be read alongside the main Planning evidence of David Hutchinson and the Housing Land Supply evidence of Neil Tiley.
- 1.5 My credentials as an expert witness are summarised as follows:
 - I hold a Bachelor of Arts (Hons) degree in Economics and Geography from the University of Portsmouth (1994) and a post-graduate diploma in Town Planning from the University of the West of England (UWE) (1997). I am a member of the Royal Town Planning Institute.
 - I have over 26 years' professional experience in the field of town planning and housing. I was first employed by two Local Authorities in the South West and have been in private practice since 2001. I have been a Director of Tetlow King Planning Ltd for the past ten years.
 - I act for a cross-section of clients and advise upon a diverse range of planning and housing related matters.

- During the course of my career, I have presented evidence at over 80 Section 78 appeal inquiries and hearings.
 - Both Tetlow King Planning generally and I have acted on a wide range of housing issues and projects for landowners, house builders and housing associations throughout the country. Tetlow King Planning has been actively engaged nationally and regionally to comment on emerging development plans, including the Regional Strategy, all Local Development Framework Core Strategies and many specific development plan and supplementary planning documents on affordable housing throughout the UK.
- 1.6 In accordance with the Planning Inspectorates Procedural Guidance, I hereby declare that:
- “The evidence which I have prepared and provide for this appeal reference APP/B1065/W21/3273053 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. This is set out in the most up-to-date version of the National Planning Policy Framework (NPPF), the Planning Practice Guidance (PPG), the National Housing Strategy and the Government’s Housing White Paper. Having a thriving active housing market that offers choice, flexibility and affordable housing is critical to our economic and social well-being.
- 1.8 In researching the evidence which underpins my evidence, I have placed reliance upon a Freedom of Information (FOI) request submitted to Cheltenham Borough Council on 24 June 2021 seeking a range of information relating to affordable housing delivery. A partial response was received on 30 July 2021 followed by an additional response with the remaining data on 6 August 2021.
- 1.9 Copies of all relevant correspondence relating to the FOI requests are included within **Appendix JS1**.
- 1.10 This proof of evidence comprises the following eight sections:
- Section 2 establishes the importance of affordable housing as an important material consideration;
 - Section 3 considers the national housing crisis and the extent of the national shortfall in housing delivery;

- Section 4 analyses the development plan and related policy framework including Cheltenham Borough Council corporate documents;
- Section 5 examines the extent to which new affordable homes are being delivered towards meeting identified needs in Cheltenham Borough;
- Section 6 covers a range of affordability indicators in Cheltenham Borough;
- Section 7 considers the weight to be attached to the proposed affordable housing provision; and
- Section 8 draws together my summary and conclusions.

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 PPG in 1992 and has continued to play an important role in subsequent national planning policy, including the NPPF.
- 2.2 It has been reflected in a number of court cases including *Mitchell v Secretary of State for the Environment and Another*, Court of Appeal (1994); *ECC Construction Limited v Secretary for the Environment and Carrick District Council*, Queens Bench Division (1994); *R v Tower of Hamlets London Borough Council, ex parte Barratt Homes Ltd*, Queens Bench Division (2000).

National Planning Policy Framework (July 2021) – CD D1

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

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

Planning Practice Guidance (March 2014, Ongoing Updates)

- 2.9 The PPG was first published online on 6 March 2014 and is subject to ongoing updates. It replaced the remainder of the planning guidance documents not already covered by the NPPF and provides further guidance on that document’s application.
- 2.10 **Appendix JS2** sets out the paragraphs of the PPG of particular relevance to affordable housing.

Conclusions on Affordable Housing as an Important Material Consideration

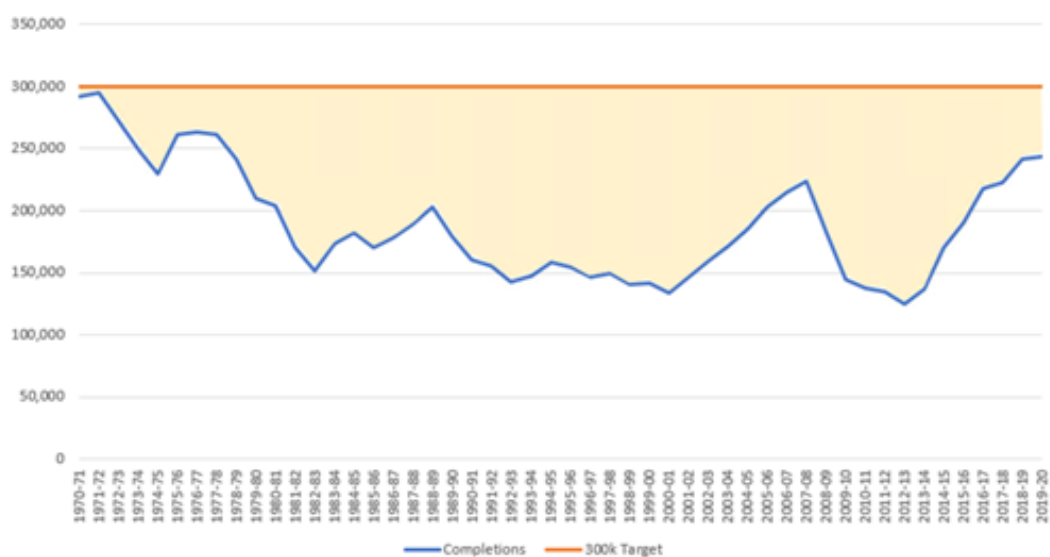
- 2.11 Within national policy, providing affordable housing has long been established as, and remains, a key national priority as part of the drive to address the national housing crisis.

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

Section 3

- 3.1 There is irrefutable evidence of a national housing crisis, a position the Council recognised in the signed Statement of Common Ground relating to affordable housing.
- 3.2 There is an ever-increasing wealth of evidence including from the Johnson Conservative Government that unaffordability and inability to get on the housing ladder is a significant problem. I set this out in more detail in **Appendix JS3**.
- 3.3 It is widely accepted that 300,000 new homes are needed per annum and have been for quite some considerable time. The last time the country built more than 300,000 homes was in 1969. Since that time there is an accumulated shortfall of 5,542,181. This shortfall is set out in Figure 3.1 below.

Figure 3.1 National Housing Shortfall since 1970/71



Source: MHCLG Live Tables 209 and 122

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

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

- 3.6 In his foreword, the Secretary of State for Housing, Communities and Local Government, Robert Jenrick, states that their proposals for the planning system seek a significantly simpler, faster and more predictable system. They aim to facilitate a more diverse and competitive housing industry, providing the “*affordable housing existing communities require*” (page 8).
- 3.7 The White Paper’s introduction identifies the shortcomings of the current system, including that there is a ‘*shortage of beautiful, high quality homes...and our capacity to house the homeless and provide security and dignity*’, with particular reference to the shortage of affordable homes.
- 3.8 It goes on to say (page 12) that the current system ‘*simply does not lead to enough homes being built*’ and that ‘*the result of long-term and persisting undersupply is that housing is becoming increasingly expensive*’.
- 3.9 The Government’s desires for the new system it is consulting on includes the wish to “*increase the supply of land available for new homes where it is needed to address affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market*” (page 14) and to create a virtuous circle of prosperity including in villages, to support their ongoing renewal and regeneration.
- 3.10 One of the Government’s proposals (number 21) is to reform the Infrastructure Levy, so that it also provides affordable housing. At paragraph 4.21, the Government states its commitment to deliver on-site affordable housing at least at present levels (this is one of its questions). The consultation however proposes that this would be secured through in-kind delivery on-site, with it being considered delivery of the reformed Levy.
- 3.11 As part of moving to the new system, in the shorter term the consultation paper contemplates at paragraph 5.4 the temporarily lifting the small sites threshold, below which developers do not need to contribute to affordable housing, to up to 40 or 50 units. The risk of this approach, however, in my opinion, is that the number of affordable houses delivered from those proposals would fall and that the new system would not make up those units lost.
- 3.12 The Prime Minister’s approach is perhaps best summed up in the summary of the press release that accompanied the launch of the consultation – ‘PM: Build, Build, Build’.

- 3.13 On a national level, in every scenario, against every annual need figure identified since the publication of the Barker Review in 2004, the extent of the shortfall in housing delivery in England is staggering and ranges from a shortfall of -1,105,490 to a shortfall of -2,635,490 homes over the past 17 years depending on which annual target actual housing completions are measured against. The Barker Review and a wealth of other evidence regarding the extent of the national shortfall in housing delivery is included at **Appendix JS4**.
- 3.14 Analysis undertaken by Shelter and Savills in June 2020 identifies a range of scenarios for housebuilding recovery following the significant impact Covid-19 has had for the housebuilding industry and the wider economy in 2020 at **Appendix JS5**.
- 3.15 The scenarios anticipate that between 125,000 and 318,000 fewer new dwellings will be delivered in the five years 2020-2025, because of Covid-19, equating to a 9-23% drop in delivery. Of these, between 25,000 and 66,000 fewer affordable homes will be delivered (an 8-21% drop in delivery). Of these scenarios, the ‘best case’ assumes a rapid economic recovery (e.g. in light of medical advances) and the worst case assumes deeper and longer economic difficulties.
- 3.16 Shelter recommends boosting social housing provision in order to support overall housing output, with social housing demand being counter-cyclical to the prevailing wider economy. This merely serves to further compound the acute affordability problems that the country is facing.
- 3.17 As recently as May 2021, Shelter published ‘*Denied the Right to a Safe Home – Exposing the Housing Emergency*’ which sets out in stark terms the impacts of the housing crisis. Shelter estimate that some 17 million people face the effects of high housing costs, lack of security of tenure and discrimination in the housing market, and notably concludes that “*when it comes down to it, there’s only one way to end the housing emergency. Build more social housing*”.

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

- 3.18 The evidence is clear and, in my opinion, demonstrates the pressing requirement to build more homes to meet the significant level of unmet need, particularly for homes that are affordable. A shortfall of over 5.5 million homes is nothing short of a national scandal. The evidence suggests that failure to do so will present a risk to the future economic and social stability of the United Kingdom.

The Development Plan and Related Policies

Section 4

Introduction

- 4.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, the application should be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 4.2 The Development Plan for Cheltenham Borough currently comprises the Cheltenham Borough Council, Gloucester City Council and Tewkesbury Borough Council Joint Core Strategy (2017) and the Cheltenham Plan (2020).
- 4.3 Other material considerations include the NPPF (2021) and the PPG, the Affordable Housing Supplementary Planning Guidance (2004), the emerging Cheltenham Plan, and the emerging Joint Core Strategy Review.

The Development Plan

Gloucester, Cheltenham and Tewkesbury Joint Core Strategy 2011-2031 (2017) – CD E1

- 4.4 The Plan vision at section two sets out that by 2031 across the JCS authorities *“improved access to housing will have addressed the needs of young families, single people and the elderly”*.
- 4.5 In identifying key challenges at paragraph 2.29 the JCS sets out that *“for young people the key issue in the area is not just the availability of housing, but also the price of housing”*. It reports that in the JCS area the house price to earnings ratios was around 6:1 for people aged under 40 in 2011, noting that *“there has been insufficient delivery of housing in recent years to lower this ratio”*.
- 4.6 Paragraph 2.29 goes on to explain that whilst 8,266 homes were delivered across the JCS between 2006 and 2011, only 2,015² of these were affordable which equates to around 400 per annum across the entire JCS area. As a result, it notes that *“housing need in both the rural and urban areas remains a pressing issue”*.

² Equivalent to 24%

- 4.7 There are three overarching ambitions of the JCS identified with a series of strategic objectives sitting beneath these ambitions. Ambition 3: A healthy, safe and inclusive community, includes Strategic Objective 8: Delivering a Wide Choice of Quality Homes, which seeks to *“deliver good quality new housing to meet the needs of the current and future population and ensure greater affordability for all sectors of the community”*. It aims to do so by:
- *“Delivering, at least, a sufficient number of market and affordable houses; and*
 - *Delivering housing of the right size, type and tenure to ensure the creation of mixed communities located in sustainable locations with good access to jobs and services”*.
- 4.8 Policy SD12: Affordable Housing, applies a sliding scale approach to affordable housing contributions. Strategic Allocations are required to provide a minimum of 35% affordable housing. Outside of these allocations, qualifying sites within Gloucester City administrative area are required to provide 20% affordable housing, whilst qualifying sites in Cheltenham Borough and Tewkesbury Borough administrative areas are required to provide 40% affordable housing.
- 4.9 The reasoned justification to the policy at paragraph 4.12.6 states that evidence from the 2015 SHMA Update determined a need for 638³ affordable homes per annum across the JCS area.

The Cheltenham Plan (2020) – CD E2A

- 4.10 The Cheltenham Plan was adopted 20 July 2020 and runs to 2031. It supports the Joint Cores strategy of the three Councils. The Cheltenham Plan must be read in conjunction with the other documents that make up the development plan as well as the latest iteration of the National Planning Policy Framework (NPPF), as policies are not replicated from one document to another.
- 4.11 Chapter 11 – Residential Development, identifies local sites suitable for new homes and jobs while protection the natural and built environment. Policy HD4: Land off Oakhurst Rise amongst other criteria set out a minimum requirement of 25 dwellings.
- 4.12 Chapter 12 – deals with housing mix and standards, in regard to affordable, it confirms that affordable housing policy for Cheltenham is set out in the JCS (Policy SD12).

³ The 2015 SHMA Update also found that within this need figure for the JCS, there was a need for 231 affordable homes per annum in Cheltenham Borough

Other Material Considerations

Charlton Kings Parish Plan (2017) – CD E3

- 4.13 Chapter three is titled ‘Our urban environment – housing and green space’. In setting out residents’ views on development in Charlton Kings at page eight of the Parish Plan it states that the question about what type of development would be appropriate elicited many responses *“with almost every response strongly emphasising the need to prioritise the building of affordable/starter/council/social housing, especially for young people and disadvantaged groups”*.
- 4.14 The conclusions in respect of future development in Charlton Kings are also covered on page eight and reported that:
- “Respondents were mostly pragmatic in respect of identifying the likely future demand for, and need to satisfy, housing in Charlton Kings. Many went further and actively promoted the need to maintain the social mix of residents, by moving to a phase of housing provision that actively favoured starter and properly affordable homes that would allow young people and those on low incomes to own their own home”*.
- 4.15 The overall conclusions to chapter three on page 13 state that *“the Parish Council will promote and encourage affordable housing development”*.
- 4.16 The conclusions and next steps are detailed at chapter 10 on page 38 and outline the aspiration that *“people of all ages will be able to afford to live in Charlton Kings through the mix of housing available”* and acknowledge that in order to achieve this a *“range of affordable housing to be included in future developments enabling Charlton Kings to be home to people of all ages”*.

Affordable Housing Supplementary Planning Guidance (2004) – CD E4

- 4.17 The Affordable Housing Supplementary Planning Guidance (SPG) cross-referenced a Housing Needs Survey from 2000 at paragraph 5.1 which concluded that there was a need for 709 affordable homes between 2001 and 2005 in Cheltenham.
- 4.18 Paragraph 5.2 goes on to explain that a 2003 update to the 2000 survey indicated that when taking account of changes in the levels of affordability Cheltenham since 2000, there was a gross affordable housing requirement of 753 per annum.
- 4.19 At paragraph 5.6 it explained that when annual supply has been taken into account, this indicated a net requirement of 294 affordable homes per annum over the next five years (2004 to 2009) in order to meet local needs.

- 4.20 Paragraph 6.6 explained that *“in light of the considerable level of housing needs which exist in Cheltenham Borough, the Council will generally seek a minimum level of affordable housing provision amounting to 40% of total dwellings proposed”*.

Emerging Joint Core Strategy Review – Issues and Options (2018) – CD E5

- 4.21 The JCS authorities are undertaking a review of the JCS and published an Issues and Options paper for consultation between 12 November 2018 and 11 January 2019. 223 responses were received to the questionnaire, these are available to view on the Council’s website. The JCS are still to publish their formal response to representations received.
- 4.22 Section nine explains at paragraph 9.3 that the six Gloucestershire districts are currently working on a new Local Housing Needs Assessment (LHNA) which will replace the existing Strategic Housing Market Assessment (SHMA) and is intended to provide a robust evidence based around specific housing needs to provide policies to inform the JCS review.

Cheltenham Borough Corporate Plan 2019-2023 (2019) – CD E6

- 4.23 A key priority of the Plan at page 13 is *“increasing the supply of housing and investing to build resilient communities”*. It identifies that success will be measured as *“work[ing] with partners to increase the supply of new homes in the Borough”*.

Housing and Homelessness Strategy 2018-2023 – CD E7

- 4.24 The foreword to the Strategy by Councillor Pete Jeffries, Deputy Leader of the Council and Cabinet Member for Housing, states that *“everyone should have the right to a decent affordable home; this is something I passionately believe. At present Cheltenham doesn’t have all the homes that local people need”*.
- 4.25 At section 1.1 the Strategy outline a number of constraints that compromise the supply of affordable housing. These include:
- *“The National Planning Policy Framework, which has introduced a policy that enables developers to reduce their affordable housing contributions, potentially to zero, where they can demonstrate that the financial viability of a scheme would otherwise be compromised. Whilst this policy may have the benefit of stimulating the market and bringing about development on what might otherwise be stalled sites, the consequence is that fewer affordable homes are being provided locally.”*

- *“Recent relaxations in the Right to Buy criteria, which have led to greater discounts for tenants and a shortening of the period (from 5 years to 3 years) for which a tenant needs to reside in social housing in order to be eligible to buy their home, have incentivised the take-up of right to buy, which in turn has reduced the supply of affordable homes”*; and
 - *“Whilst councils are able to retain an element of their Right to Buy receipts on homes sold, there are restrictions over how these receipts can be used, and this has the effect of limiting our options to increase supply”*.
- 4.26 Section 1.4 analyses local pressures in the Borough and reports that the number of affordable housing completions has fallen in recent years and that this has been compounded by high house prices which have led to more households seeking private rented accommodation as a solution to their housing needs. However, it sets out that this in turn has pushed up the price of the private rental market and the Government’s freeze on welfare benefits have meant that benefits have failed to keep pace with these increases in rents. This has forced many lower income households out of the private rented sector.
- 4.27 The vision, detailed in section two has four key outcomes, the first of which is “increasing the provision of affordable housing” which is covered in more detail at page 11 where it recognises that “Cheltenham has some of the highest house prices in the South West”.
- 4.28 It goes on to detail that “real earnings are failing to keep pace with house price rises and these pressures are set to grow, as the population both within Cheltenham and more generally within the Joint Core Strategy area continues to grow”.
- 4.29 In discussing the specific affordable housing requirements of the Borough, on page 11 the Strategy goes on to set out that the 2015 SHMA Update identified a requirement for 231 affordable homes per annum in Cheltenham between 2015 and 2031, totalling 3,696 affordable homes. It considers that there is a potential supply of around 2,654 affordable homes (from commitments and allocations) leaving an unmet requirement of 1,042 affordable homes.
- 4.30 It recognises that this figure may increase if viability issues are presented on S106 sites, resulting in a loss of affordable homes, or if S106 sites become stalled. It acknowledges that *“Affordable housing delivery in the last three years in particular has been poor, with the number of completions for 2014/15, 2015/16 and 2016/17 being*

24, 34 and 52 respectively” and concludes that *“this simply cannot be allowed to continue”*.

- 4.31 At page 12 the Strategy accepts that the Council relies significantly on the market to provide affordable housing through landowners S106 obligations and notes that “if sites do not come forward in a timely manner, then housing supply generally will be affected, and this in turn will affect the delivery of the majority of our affordable housing supply”.
- 4.32 In discussing the private rented sector at page 14, the Strategy recognises that private rental rates in Cheltenham have increased significantly in recent years, reflecting the fact that demand is outpacing supply and reports that “this is hardly surprising given that home ownership is now out of reach for many, in particular young people”.
- 4.33 Another key outcome identified by the Strategy is ‘tackling homelessness’. At page 22 the Strategy examines the causes of homelessness and finds that “by far the main cause of homelessness in Cheltenham is loss of private rented accommodation”
- 4.34 At pages 24-25 the Strategy reports on future trends and notes that the continued freeze on Local Housing Allowance (LHA) will create even more pressures on low-income households trying to access and remain in the private rented sector, should rents continue to rise. It anticipates that the loss of private rented accommodation will continue to remain the main cause of homelessness in Cheltenham.

Conclusions on the Development Plan and Related Policies

- 4.35 The Development Plan for Cheltenham Borough currently comprises the Cheltenham Borough Council, Gloucester City Council and Tewkesbury Borough Council Joint Core Strategy (2017) and the Cheltenham Plan (2020).
- 4.36 At a national level the direction of travel to address housing need and supply, including affordable housing, is abundantly clear. It is my opinion that the evidence set out in this section clearly highlights that within adopted policy, emerging policy and a wide range of other plans and strategies, providing affordable housing has long been established as, and remains, a key issue which urgently needs to be addressed within Cheltenham.
- 4.37 The appeal proposals provide an affordable housing contribution which exceeds requirements of JCS Policy SD12. The 100 affordable homes will make a substantial contribution towards the annual affordable housing needs of the Borough, particularly when viewed in the context of past rates of affordable housing delivery which is considered in more detail in section five of my evidence.

Affordable Housing Needs and Delivery in Cheltenham

Section 5

Affordable Housing Needs

- 5.1 JCS Policy SD12 does not define a numerical target for the provision of affordable homes in Cheltenham Borough, instead it requires 40% provision from qualifying sites in Cheltenham. The reasoned justification to the policy draws reference to the need for 638 affordable homes per annum across the JCS area which is taken from the 2015 SHMA Update (**CD F1**).
- 5.2 Within this SHMA Update need figure for the JCS area there is an identified need for 231 net affordable homes per annum in Cheltenham Borough between 2015/16 and 2031/32, equivalent to 3,696 net affordable dwellings when using 30% income thresholds.
- 5.3 The 2015 SHMA Update also sets out alternative net annual affordable housing need figures for the Borough over the same period when calculated using a variety of other income thresholds. These are set out in Figure 5.1 below.

Figure 5.1: Net Annual Affordable Housing Need Adjusted Using Gross Household Income

Gross Income Threshold	Annual Need (2015/16 to 2031/32)	Total Need (2015/16 to 2031/32)
25%	431	6,896
30%	302	4,832
35%	231	2,432
40%	86	1,376

Source: 2015 SHMA Update, Table A1.13

- 5.4 Since the production of the SHMA Update in 2015 there has only been one other assessment of local housing need commissioned for the JCS area and by proxy Cheltenham Borough Council.

- 5.5 The Gloucestershire Local Housing Needs Assessment (LHNA) **(CD F2)** was published in September 2020 and finds a minimum net annual need of 194⁴ affordable homes per annum over the 20-year period between 2021 and 2041 for the Cheltenham Borough Council area. This equates to a minimum of 3,874 net affordable dwellings over the period.
- 5.6 Is it important to note that the 2020 LHNA focuses on households with the most acute housing needs but does not however take into account households currently residing in the private rented sector (PRS).
- 5.7 This is because 2020 LHNA was prepared on the basis that it assumes that households in receipt of housing benefit within the PRS are not in need of affordable housing. This is a very odd conclusion and one that serves to mask housing need, since it excludes those who need state financial assistance to even access the rental sector. Such people on any view are in need of affordable housing. Where there is a shortage in affordable housing – then inevitably the PRS sector ends up accommodating those in housing need who would otherwise be homeless but whose entitlement to housing benefit enables them to access a home.
- 5.8 Section 6 of this Proof of Evidence finds that even with Local Housing Allowance support there are shortfalls in monthly rental costs ranging from -£88 to -£307 for average rental prices, to shortfalls of -£5 to -£137 for lower quartile rental properties which are typically considered to be the ‘more affordable’ segment of the rental market.
- 5.9 Furthermore, the councils own Homeless Strategy **(CD E7)** acknowledges this issue setting out clearly at paragraph 1.2 that:
- ‘The number of new affordable housing completions has fallen in recent years, largely due to our reliance on delivery through s.106 provision. These pressures have been compounded by high house prices, which have led to more households seeking private rented accommodation as a solution to their housing needs. This in turn has pushed up the price of the private rented market. The government’s introduction of the freeze on welfare benefits, most notably Local Housing Allowance, has meant that benefits have failed to keep pace with these increases in rents, forcing many low-income households out of the private rented sector.’* (my emphasis).
- 5.10 The 194 per annum figure should therefore be considered as a minimum at best.

⁴ Figures do not sum due to rounding – 3,874 / 20 = 193.7

5.11 It is commonly accepted that the PRS should not be regarded as a form of affordable housing. Indeed, the PRS is not within the definition of affordable housing set out in the 2021 NPPF and this has been emphasised through numerous examples such as the Eastleigh Local Plan examination (**CD F9**), in which the Inspector’s report states at Paragraph 34:

“There is no justification in the Framework or Guidance for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA. This category of housing does not come within the definition of affordable housing in the Framework. There is not the same security of tenure as with affordable housing and at the lower-prices end of the PRS the standard of accommodation may well be poor”.

5.12 The 2020 LHNA appears to acknowledge this lack of security in the PRS at paragraph 9.6 by stating *“As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.”*

5.13 However, at paragraph 9.10, the 2020 LHNA states that *‘it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future.’*

5.14 In light of this, I suggested that the 2020 LHNA underestimates the extent to which affordable housing is required within the Cheltenham administrative area. If these households were to be included the annual affordable housing need figure for the Borough increases significantly by 52% to 295⁵ dwellings per annum over the period.

Past Affordable Housing Delivery in Cheltenham Borough

5.15 Figure 5.2 illustrates the delivery of affordable housing in Cheltenham Borough over the nine-year period between 2011/12⁶ and 2019/20.

⁵ See 2020 LHNA Figure 62: 1,510 + 2,022 + 2,364 = 5,896 / 20 years = 294.8 affordable dwellings per annum

⁶ Start of JCS period

Figure 5.2: Net Housing and Affordable Housing Completions in Cheltenham Borough

Monitoring Period	Overall Housing Completions (Net)	Affordable Housing Completions (Net)	Affordable Housing as a %age of Overall Housing
2011/12	36	8	22%
2012/13	266	88	33%
2013/14	413	119	29%
2014/15	316	15	4%
2015/16	397	-17	-4%
2016/17	296	-11	-4%
2017/18	594	85	14%
2018/19	776	53	7%
2019/20	476	54	11%
Total	3,570	394	11%

Source: Freedom of Information Response (30 July and 6 Aug 2021)

- 5.16 I note that the Freedom of Information response details that an additional 62 affordable dwellings were delivered in Cheltenham in 2020/21, but I am unable to compare this data as a percentage of total completions due to a lack of data for total housing completions in 2020/21⁷.
- 5.17 Since the start of the JCS period in 2011/12 there have been a total of 3,570 net overall housing completions and 394 net affordable housing completions.
- 5.18 This equates to an average of 44 net affordable housing additions to stock over the nine-year period. There has been an average rate of 11% affordable housing delivery over the period.

Affordable Housing Delivery in Battledown Ward

- 5.19 Figure 5.3 illustrates the delivery of affordable housing in Battledown Ward over the nine-year period between 2011/12⁸ and 2019/20.

⁷ see Appendix JS1

⁸ Start of JCS period

Figure 5.3: Net Housing and Affordable Housing Completions in Battledown Ward

Monitoring Period	Overall Housing Completions (Net)	Affordable Housing Completions (Net)	Affordable Housing as a %age of Overall Housing
2011/12	3	25	833%
2012/13	4	17	425%
2013/14	2	11	550%
2014/15	18	-1	-6%
2015/16	23	0	0%
2016/17	33	-2	-6%
2017/18	109	-3	-3%
2018/19	35	-1	-3%
2019/20	110	-2	-2%
Total	337	44	13%

Source: Freedom of Information Response (30 July and 6 Aug 2021)

- 5.20 Since the start of the JCS period in 2011/12 there have been a total of 337 net overall housing completions and 44 net affordable housing completions.
- 5.21 This equates to an average of 5 net affordable housing additions to stock per annum over the nine-year period. There has been an average rate of 13% affordable housing delivery over the period.

Losses to Social Housing Stock through the Right to Buy

- 5.22 Research published by the Local Government Association (LGA) in April 2018⁹ indicated 12,224 were homes sold under the scheme in 2017. Should these levels of sales remain consistent, with continuing borrowing restrictions, the research calculated that in 2023 councils will only be able to replace 2,000 of these homes. The LGA stated that *“Councils are being hampered in replacing homes because a portion of all receipts are given to the Treasury, rather than reinvested in housing.”*
- 5.23 The representative for Councils in England and Wales noted that in the past six years more than 60,000 homes have been sold off at an average price of half the market rate. This means that councils can fund to build or buy just 14,000 replacement homes.
- 5.24 It is also of relevance to note that only 30% of Right to Buy receipts can be retained to use for affordable housing provision and £17,000 of each Right to Buy receipt has to be paid into the Attributable Debt Pot to cover Housing Revenue Account debt.

⁹ Local Government Association: Sustainability of Right to Buy (April 2018)

- 5.25 At a national level, almost two million households have exercised their right to buy since it was introduced in 1980. *'Fixing the Foundations' (2015) confirmed that the Government is committed to extending the Right to Buy to housing association tenants, noting that "since the Right to buy for council tenants was reinvigorated in the last Parliament, the number of sales has increased by nearly 320%".*
- 5.26 The Government recently undertook a Voluntary Right to Buy pilot scheme with a limited number of RPs in a limited area. It is understood that plans are still being drawn up to extend this to all tenants but that the publication of Guidelines for the Voluntary Right to Buy has been delayed by the Brexit vote. In the Government's Autumn Statement, Chancellor Philip Hammond, outlined that there would be a large-scale regional pilot scheme of Right to Buy for housing association tenants.
- 5.27 In my opinion, the extension of Right to Buy to Housing Association tenants would seriously increase the loss of existing affordable housing stock, putting increasing pressure on the need to deliver more affordable homes in Cheltenham in the future.
- 5.28 This was acknowledged by the Inspector presiding over the appeal at land at Site of Former North Worcestershire Golf Club Ltd, Hanging Lane, Birmingham which was allowed in July 2019 (**CD K3**). Paragraph 14.108 of the Inspector's Report sets out that:
- "Mr Stacey's unchallenged evidence shows that only 2,757 new affordable homes were provided in the City over the first 6 years of the plan period. This represents less than half of the target provision and a net increase of only 151 affordable homes if Right to Buy sales are taken into account. On either measure there has been a very low level of provision against a background of a pressing and growing need for new affordable homes in Birmingham."* (emphasis added)
- 5.29 This approach was endorsed by the Secretary of State, who stated that the 800 family homes, including up to 280 affordable homes, was a benefit of significant weight.
- 5.30 Figure 5.4 illustrates the rate of affordable housing stock being lost through the Right to Buy in Cheltenham Borough and Battledown Ward over the nine-year period between 2011/12¹⁰ and 2019/20.

¹⁰ Start of JCS period

Figure 5.4: Right to Buy Losses to Affordable Housing Stock in Cheltenham Borough and Battledown Ward

Monitoring Period	Cheltenham Borough RtB losses to stock	Battledown Ward RtB losses to stock
2011/12	7	0
2012/13	13	0
2013/14	28	0
2014/15	13	0
2015/16	22	0
2016/17	28	0
2017/18	26	0
2018/19	21	1
2019/20	20	0
Total	178	1

Source: Freedom of Information Response (30 July and 6 August 2021)

- 5.31 Since the start of the JCS period in 2011/12 there have been a total of 178 losses to affordable housing stock through the Right to Buy across the Borough. This equates to an average of 20 affordable dwellings lost from stock across the Borough per annum.
- 5.32 Only one loss has occurred in Battledown Ward over the past nine-years.
- 5.33 This issue is also acknowledged on the Borough Council's website where it states that *"should the number of affordable dwellings in Cheltenham continue to decrease, this will inevitably place even greater pressure on existing housing to meet housing needs"*.

Figure 5.5: Extract from Cheltenham Borough Council website

Requirement for affordable housing

Cheltenham Borough Council faces significant challenges in relation to the affordability of homes in the town. A combination of high average house prices and relative constraints on developable land has resulted in a significant unmet need for affordable housing in Cheltenham Borough. As of August 2020, the **UK House Price Index** indicated that the average house price in England stands at £256,109, with the South West having an average house price of £264,886. In comparison, Cheltenham borough's average house price as of August 2020 stood at £280,199, 9% greater than English average and 6% greater than South West average respectively.



Clearly, therefore, increasing the provision of affordable housing in Cheltenham is a key priority for the council. We recognise that increasing the delivery of affordable homes can provide a critical safety net to help tackle and prevent homelessness and rough-sleeping, reducing the reliance upon temporary accommodation, as well as creating strong, resilient communities with a sense of belonging.

Between April 2015 and April 2020, the total amount of Council and Registered Provider (housing association) affordable homes in Cheltenham borough has risen slightly, from 6,873 homes in 2015 to 6,935 homes in 2020, despite the loss of 126 council affordable homes over this period through Right to Buy, in addition to the demolition of 44 affordable homes.

In terms of new affordable housing provision, since April 2015 Cheltenham has delivered 340 new affordable homes, with an average annual delivery of 68 affordable homes, this is broken down as follows:

- 2015-2016- 34 affordable homes delivered
- 2016-2017- 35 affordable homes delivered
- 2017-2018- 112 affordable homes delivered
- 2018-2019- 80 affordable homes delivered
- 2019-2020- 79 affordable homes delivered

Additionally, our **current Local Housing Needs Assessment (LHNA)** identifies a need for Cheltenham borough to deliver 3,874 new affordable homes (194 per annum) between 2021 and 2041.

Comparing this identified need against our prior delivery over the past 5 years indicates that demand for affordable housing in Cheltenham continues to significantly outstrip supply. As of October 2020, the council had 2,180 households on our housing register waiting for a new affordable home. However, between April 2015- October 2020, affordable housing need in Cheltenham was more than three times greater than the actual supply of new affordable homes.

Source: https://www.cheltenham.gov.uk/info/49/housing_strategy_and_enabling/635/housing_enabling [accessed 30 July 2021]

- 5.34 It is unclear why the affordable housing completions figures shown in Figure 5.5 do not align with the affordable housing completions provided in the Councils Freedom of Information (FOI) response (**Appendix JS1**) which have been replicated in Figure 5.2 above. For the purposes of this appeal, I have assumed the figures in the FOI response are the correct affordable housing completions figures for the Borough.

Affordable Housing Delivery Compared to Objectively Assessed Needs

- 5.35 When a comparison is drawn between affordable housing delivery and the needs identified in the SHMA Update since its 2015 base date, it can be seen in Figure 5.6 that there has been a shortfall in the delivery of affordable housing of some -1,160 affordable homes against an identified need for 1,386 over the same period.

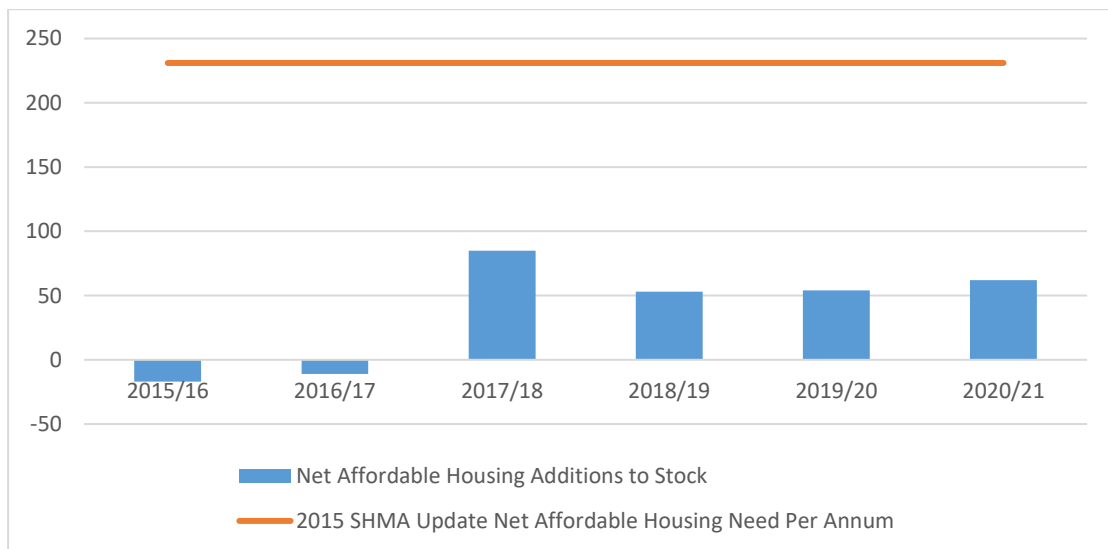
Figure 5.6: Net Affordable Housing Delivery in Cheltenham Borough Compared with the 2015 SHMA Update Identified Needs

Monitoring Period	Additions to Affordable Housing Stock (Net)	2015 SHMA Update Identified Needs ¹¹ (Net)	Shortfall	Shortfall a % of Identified Needs
2015/16	-17	231	-253	-110%
2016/17	-11	231	-246	-106%
2017/18	85	231	-146	-63%
2018/19	53	231	-174	-75%
2019/20	54	231	-196	-85%
2020/21	62	231	-169	-73%
Total	226	1,386	-1,160	-84%

Source: Freedom of Information Response (30 July 2021) and 2015 SHMA Update

- 5.36 The sheer scale of the Council's persistent failure to meet identified needs is better illustrated graphically, as shown in Figure 5.7.

Figure 5.7 Affordable Housing Delivery Compared to Identified Affordable Housing Needs



Source: Freedom of Information Response (30 July 2021) and 2015 SHMA Update

- 5.37 The 100 affordable homes provided by the appeal proposals represents the equivalent of 44% of the total number of affordable homes delivered across the entire Borough since the 2015 SHMA Update base period in 2015/16.

¹¹ Need calculated using 35% gross income threshold

Future Affordable Housing Delivery in Cheltenham Borough

- 5.38 The future delivery of affordable housing is highly uncertain. Within Cheltenham Borough the delivery of affordable homes has fluctuated considerably since the start of the JCS period in 2011/12 and the 2015 SHMA Update period in 2015/16 as illustrated in Figure 5.2 and 5.6, respectively.
- 5.39 The delivery of a higher number of affordable homes one year does not guarantee this will continue for future years. The supply of affordable housing is affected by the local market factors, including the number of sites with planning permission and also wider national factors including availability of public funding.
- 5.40 The 2015 SHMA Update identifies an objectively assessed need for 231 net affordable homes per annum between 2015/16 and 2031/32. Over the 16-year period this equates to a total need for 3,696 net affordable homes.
- 5.41 Since 2015/16, the Council have overseen the delivery of 226 net affordable homes against a need of 1,386 net new affordable homes which has resulted in a shortfall of -1,160 affordable homes in just six years.
- 5.42 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 PPG¹² and endorsed at appeal.
- 5.43 The Inspector presiding over the appeal at land off Aviation Lane, Burton-upon-Trent which was allowed in October 2020 (**CD K11**) 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).*
- 5.44 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*

¹² Paragraph: 031 Reference ID: 68-031-20190722

or the PPG to suggest that this definition should not apply to affordable housing as well as market housing.' (my emphasis).

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

5.46 It is therefore imperative that the -1,160 dwelling affordable housing shortfall which has accumulated since 2015/16 is addressed within the next five years. When the shortfall is factored into the 2015 SHMA's Updates identified need of 231 affordable homes per annum for the period 2015/16 to 2031/32, the number of affordable homes the Council will need to complete substantially increases to 463 per annum for the period 2021/22 to 2025/26.

5.47 This would ensure that for the remainder of the period to 2031/32 the annual affordable housing need reduces to 231 per annum to deal solely with newly arising needs. This is illustrated in Figures 5.8 and 5.9.

Figure 5.8: Annual Affordable Housing Need incorporating Backlog Needs since the 2015 base date of the 2015 SHMA Update (Applying the Sedgefield Approach)

A	Affordable housing need per annum for the period 2015/14 to 2020/21 identified in the 2015 SHMA Update	231
B	Net Affordable housing need for the period 2015/14 to 2020/21 (A x 6)	1,386
C	Net Affordable housing completions for the period 2015/14 to 2020/21	226
D	Shortfall/backlog of affordable housing need for the period 2015/14 to 2020/21 (B – C)	1,160
E	Backlog affordable housing need per annum required over the period 2021/22 to 2025/26 (D/5)	232
F	Full affordable housing need per annum for the period 2021/22 to 2025/26 (A + E)	463
G	Full affordable housing need for the period 2021/22 to 2025/26 (F x 5)	2,315

- 5.48 Further illustration of the severity of the situation can be seen in Figure 5.9 which illustrates that the Council need to deliver 2,315 net affordable homes over the next five years to address backlog needs in line with the Sedgefield approach.
- 5.49 Between 2011/12 and 2019/20, the Council delivered a total of just 394 net affordable homes, equivalent to an average of a mere 44 homes per year. It is clear that the backlog affordable housing needs within the Borough will continue to grow exponentially unless the Council takes drastic action to address the needs and deliver more affordable homes.

Figure 5.9: Annual Affordable Housing Need 2021/22 to 2025/26 incorporating Backlog Needs Accrued Since 2015/16 and applying the Sedgefield Approach

Monitoring Period	Net Affordable Housing Need – 2015 SHMA Update	Net Affordable Housing Need When Addressing Backlog Within Next Five Years
2021/22	231	463
2022/23	231	463
2023/24	231	463
2024/25	231	463
2025/16	231	463
Total	1,155	2,315

- 5.50 The Council produced its latest five-year housing land supply (5YHLS) statement in December 2019 covering the period 1 April 2019 to 31 March 2024 (**CD F3**).
- 5.51 If we were generously to assume that all 2,265 dwellings included in the 5YHLS will come forward on sites eligible for affordable housing; and that all of these sites would provide policy compliant levels of affordable housing (i.e. 40%) as a proportion of overall housing completions this is likely deliver only 906 affordable dwellings over the period, equating to just 181 new affordable dwellings per annum.
- 5.52 As figure 5.2 of this proof highlights, affordable housing provision has slipped far below the policy compliant 40% in recent years, most recently showing that net affordable completions in the 2019/20 monitoring period only averaged 11% of net overall housing completions. This demonstrates that the Council are actively failing to plan to address affordable housing needs across the Borough and have been for some time.
- 5.53 Regardless, the 181 annual future delivery figure falls substantially short of both the 231 per annum and 463 per annum figure required when back log needs are addressed in the first five years in line with the Sedgefield approach. Similarly, this

figure falls below the minimum net annual need of 194 affordable homes per annum over the 20-year period between 2021 and 2041 identified in the 2020 LHNA.

- 5.54 I have no confidence that the council can see a sufficient step change in the delivery of affordable housing to meet the new annual needs requirements. It makes it even more important that suitable sites, such as the appeal site, being granted planning permission in order to boost the supply of affordable housing.
- 5.55 In light of the Council's abysmal record of affordable housing delivery, the anticipated levels and rates of future affordable housing delivery in Cheltenham Borough Council and the level of affordable housing needs identified there can be no doubt that the provision of up to 100 affordable dwellings on this site to address the Borough-wide needs of Cheltenham Borough should be afforded **substantial weight** in the determination of this appeal.

Conclusions on Affordable Housing Needs and Past Delivery

- 5.56 On a borough-wide basis, in the nine-year period between 2011/12 and 2019/20 net affordable housing delivery represented just 11% of overall net housing delivery. Average delivery on a per annum basis over the same period has been just 44 net affordable homes per annum.
- 5.57 In Battledown Ward for the nine-year period between 2011/12 and 2019/20 net affordable housing delivery represented 13% of overall net housing delivery. Average delivery on a per annum basis over the same period has been 5 net affordable homes per annum.
- 5.58 The Borough's performance in delivering affordable housing is failing to meet the needs of its residents, which has resulted in an accumulated shortfall of -1,160 households not having their housing needs met in just six years, against a net need of 1,386 affordable dwellings.
- 5.59 In light of the Borough's poor record of affordable housing delivery and the level of affordable housing needs identified within Cheltenham Borough there can be no doubt that the provision 100 affordable dwellings on this site should be afforded **substantial weight** in the determination of this appeal.

Affordability Indicators in Cheltenham

Section 6

Market Signals

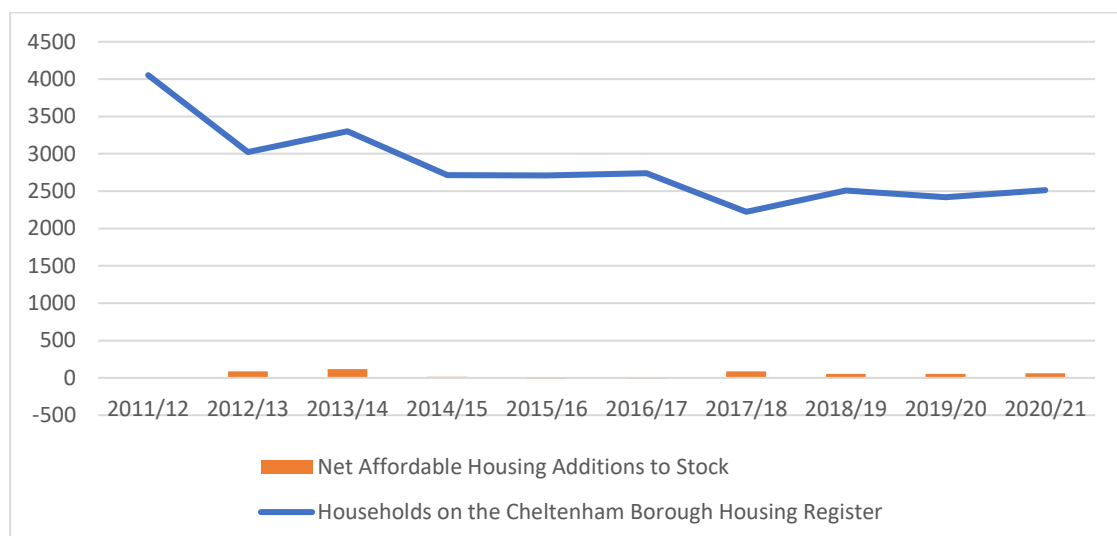
6.1 The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability. I acknowledge that this is in the context of Plan making.

Cheltenham Borough Housing Register

6.2 At 1 April 2021, there were 2,514 households on the Borough’s Housing Register. This figure has risen by 16% in just one year, previously standing at 2,161 at 1 April 2020. There is no specific local preference data available for Battledown Ward. However, local preference data is available for the adjoining ward of Charlton Kings which shows there are 551 households with a local need. This demonstrates that there is significant local need for affordable properties in the general area of the appeal site.

6.3 Figure 6.1 illustrates changes in the Housing Register and the delivery of affordable homes in Cheltenham over the 10-year period since 2011/12. This illustrates that the rate of affordable housing delivery in the Borough has persistently failed to meet identified needs on the Housing Register.

Figure 6.1: Cheltenham Borough Housing Register and Affordable Housing Delivery



Source: MHCLG Live Table 685, Residential Land Availability Report (February 2020); Freedom of Information Response (30 July 2021)

- 6.4 The Borough is part of the Homeseeker Plus Partnership which comprises Cheltenham Borough Council, Cotswold District Council, Gloucester City Council, Stroud District Council, Tewkesbury Borough Council, Forest of Dean District Council and West Oxfordshire District Council as well as Registered Providers.
- 6.5 The Housing Allocations Policy (**CD F4**) covering all the Homeseeker Plus authorities details local connection criteria at section 11. Paragraph 11.1 states that *“due to the exceptional demand for housing across the Homeseeker Plus area and the difficulty in solving local housing need, preference will usually be given to applicants with a local connection to the appropriate district”*.
- 6.6 It explains that each authority may set quotas of dwellings available for cross boundary moves, if necessary, to increase mobility but will balance this against the local connection requirements.
- 6.7 Paragraph 11.2 defines local connection as:
- Those who are normally resident in the local authority area, and that residence is or was of their own choice (for six of the last 12 months or there of the last five years);
 - Those employed in the local authority area (permanent employment, not seasonal or temporary);
 - Those who have family connections in the local authority area (immediate family members who have lived in the area for five years); and
 - Members of the armed forces have a local connection to the district of their choice (those currently serving, served within the immediate preceding 5 years; bereaved spouse or civil partner who has recently or will cease to be entitled to Ministry of Defence accommodation following the death of their service spouse and the death was wholly or partly attributable to their service; existing or former members of the reserve forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service).
- 6.8 It is important to note that the Housing Register is only part of the equation relating to housing need. The housing register does not constitute the full definition of affordable housing need as set out in the NPPF – Annex 2 definitions i.e. affordable rented, starter homes, discounted market sales housing and other affordable routes to home ownership including shared ownership, relevant equity loans, other low cost homes for

sale and rent to buy, provided to eligible households whose needs are not met by the market.

- 6.9 As such the number of households on the Housing register will only be an indication of those in priority need and whom the Housing Department have a duty to house. But it misses thousands of households who are in need of affordable housing, a large proportion of whom will either be living in overcrowded conditions with other households or turning to the private rented sector and paying unaffordable rents.
- 6.10 The wait to be housed in an affordable home within Cheltenham is set out at figure 6.2 below and presents further stark evidence of the acute affordable housing crisis afflicting the Borough.
- 6.11 There have been significant increases in waiting times in one year between 1 April 2020 and 1 April 2021 across all sizes of affordable accommodation, with the exception of 1-bed accommodation which itself still has a waiting time of eight months at 1 April 2021.

Figure 6.2: Average Affordable Accommodation Waiting Times in Cheltenham

Affordable Accommodation Type	Average Waiting time at 1 April 2020	Average waiting time at 1 April 2021
Sheltered accommodation	n/a	9 months
Studio general needs	11 weeks	22 months
1-bed general needs	11 months	8 months
2-bed flat or maisonette	5 months	7 months
2-bed house	11 months	20 months
3-bed flat or maisonette	8 months	15 months
3-bed house	15 months	20 months
4-bed	10 months	16 months
5-bed	11 months	n/a

Source: Freedom of Information Response (30 July 2021)

- 6.12 The extent of the affordable housing crisis within Cheltenham Borough is such that at 1 April 2021 there were nine households being housed in temporary accommodation within the Borough (**See Appendix JS1**).
- 6.13 Within Battledown Ward there is an extremely low level of annual relets. Between 2019 and 2020 there were three relets and between 2020 and 2021 there was just one home relet.

Private Rental Market in Cheltenham Borough

- 6.14 Average rental costs in Cheltenham reached £837 per month in 2020/21, an increase of 13% from £744 in 2015/16 (base date of the 2015 SHMA Update).
- 6.15 The lower quartile monthly rents for the Borough rose by 19% over the same period, rising from £528 in 2015/16 to £625 per month in 2020/21.
- 6.16 It is important to consider this in the context of the level of Local Housing Allowance (LHA) available to qualifying residents of the Borough. Figure 6.3 illustrates the disparity between not only average private market rents in the borough but also lower quartile private rents, whilst illustrating the relative affordability of Registered Provider rents to lower income households.

Figure 6.3: Comparison of Monthly Rental Costs with Local Housing Allowance in Cheltenham

No. Bedrooms	of	Average Monthly Private Rent	Maximum Monthly LHA Rate ¹³	Disparity between LHA and Average Monthly Private Rent
1-Bedroom		£632	£544	-£88
2-Bedroom		£823	£688	-£135
3-Bedroom		£1,088	£841	-£247
4+ Bedroom		£1,490	£1,183	-£307
No. Bedrooms	of	Lower Quartile Monthly Rent	Maximum Monthly LHA Rate ¹⁴	Disparity between LHA and Lower Quartile Rent
1-Bedroom		£550	£486	-£64
2-Bedroom		£700	£623	-£77
3-Bedroom		£895	£758	-£137
4+ Bedroom		£1,050	£1,045	-£5

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

- 6.17 The evidence demonstrates that private market rents are increasingly unaffordable in the Borough, even with LHA support there are shortfalls in monthly rental costs ranging from -£88 to -£307 for average rental prices, to shortfalls of -£5 to -£137 for lower quartile rental properties which are typically considered to be the 'more affordable' segment of the rental market. For those in need of an affordable home in Cheltenham, the private rental market fails to provide an appropriate alternative to genuinely affordable homes.

¹³ Figures based on weekly LHA Rate multiplied by 4.3 to represent monthly LHA rate available

¹⁴ Figures based on weekly LHA Rate multiplied by 4.3 to represent monthly LHA rate available

Average House Prices in Cheltenham Borough

- 6.18 The National Housing Federation (NHF) produce an annual report for each of the regions in England, looking at various elements of the housing market across each area.
- 6.19 The September 2020 Home Truths report (**Appendix JS6**) for the South West covering the 2018/19 period identifies the ratio of average house prices to average incomes in Cheltenham stands at 10. This means that average house prices in the Borough are more than 10 times average incomes. This exceeds the ratio of 8 referred to by the former Prime Minister Teresa May in the Governments white paper – entitled “Fixing our Broken Housing Market”, where she, “*Today the average house costs almost eight times average earnings – an all-time record*”.
- 6.20 The report also found that whilst an income of £76,104 per annum would be required in order to obtain an 80% mortgage¹⁵ in the Borough, by comparison the average annual earnings in the Borough in 2018/19 were £32,583¹⁶.
- 6.21 In terms of house prices themselves, the NHF reported that whilst the average for England was £303,006 in Cheltenham the average house price was £332,953.

Lower Quartile House Prices in Cheltenham Borough

- 6.22 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 stood at 8.94 in 2020, a 20% increase since the start of the JCS period in 2011 where it stood at 7.44.
- 6.23 This means that those on the lowest incomes in the Borough seeking to purchase a home in the lower end of the property market now need to find more than eight times their annual income to do so.

House Prices in Battledown Ward

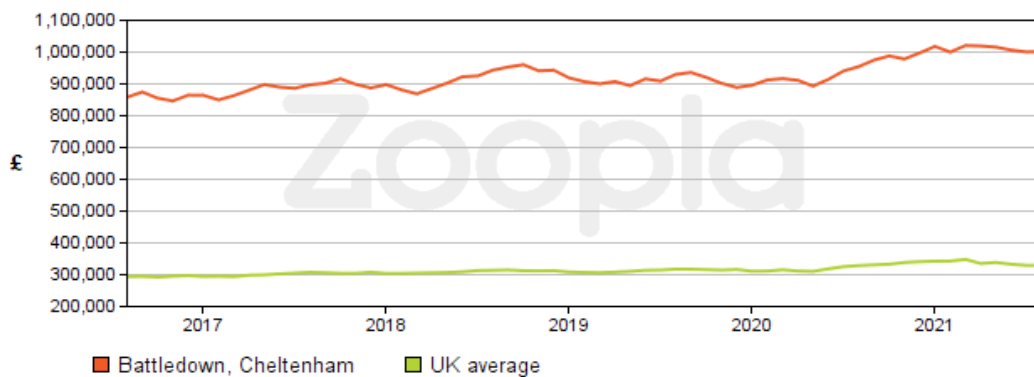
- 6.24 Data taken from Zoopla indicates that the average price paid for a home in Battledown Ward over the past 12 months¹⁷ was £378,000.
- 6.25 Figure 6.4 illustrates that average home prices in Battledown Ward have consistently far outstripped the UK average.

¹⁵ Based on 3.5 x income multiples

¹⁶ Based on Valuation Office Agency data

¹⁷ Accessed 5 August 2021

Figure 6.4: Average Home Prices in Battledown Ward Compared to UK Average

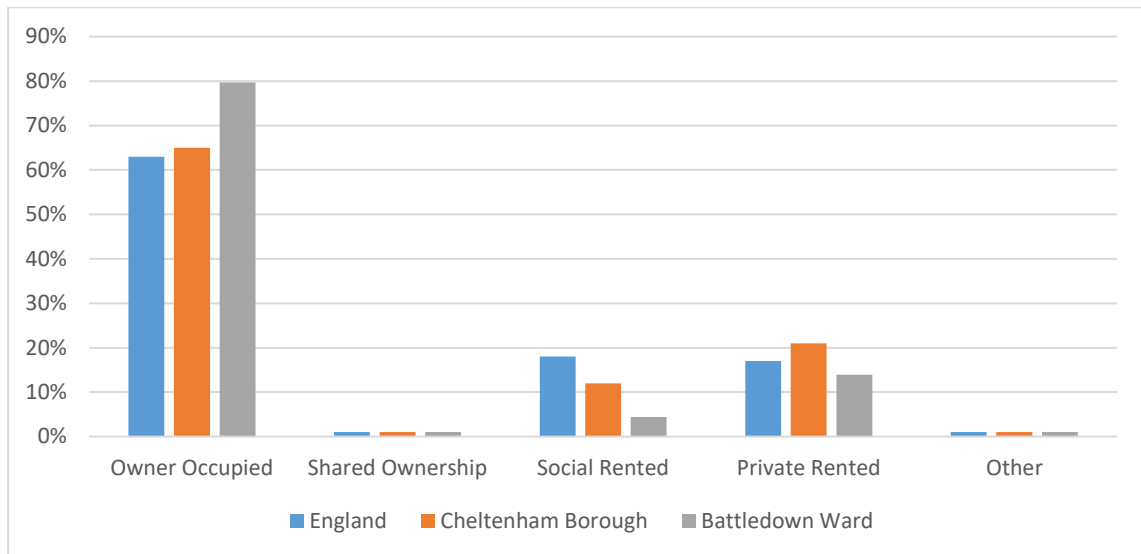


Source: <https://www.zoopla.co.uk/market/battledown/?q=Battledown%20ward> [accessed 5 August 2021]

Tenure Profile in Cheltenham Borough and Battledown Ward

- 6.26 Figure 6.5 illustrates the breakdown of tenures within Cheltenham Borough and Battledown Ward compared with the tenure breakdown nationally at the time of the 2011 Census. Owner occupation by far represents the largest tenure typology within the Borough with 65% of households owned outright or with a mortgage which exceeds the national average.
- 6.27 By comparison only 12% of households in Cheltenham were social rent/affordable rent, which is lower than the national average by 6%, whilst less than 1% of the households in the Borough were shared ownership tenure properties. The picture in Battledown Ward was even worse, with just 5% of tenures being affordable products (considerably below both the national and the Borough average) and some 80% of households being homeowners which far exceeds both the national (63%) and the Borough (65%) average.
- 6.28 This means the prospect of households having their housing needs met in Battledown Ward is exceedingly low, especially when the level of relets averages just two a year.

Figure 6.5: Tenure Breakdown for England, Cheltenham Borough and Battledown Ward



Source: 2011 Census

- 6.29 The data shows that by comparison to the national average, there are a larger percentage of owner occupiers in Cheltenham and an even higher proportion in Battledown Ward and lower proportions of social housing tenures available.
- 6.30 The evidence indicates that the situation for those in need of an affordable home in Cheltenham Borough is poor and is worsening.
- 6.31 The importance of the analysis of such data was acknowledged in Inspectors Drew appeal decision concerning Cornerways, Twyning in Tewkesbury (CD K4) where in considering affordable housing provision through the appeal scheme, he stated that:
- 6.32 *“The significance of this scheme in meeting the needs of different groups in the Borough, as required by paragraph 50 of the Framework, is underlined by the stark figure that this scheme alone would result in a 100% increase in shared ownership properties in the Parish of Twyning, as well as a 27% increase in social rented properties. Those figures are a powerful illustration of the extent to which the proposed development would contribute to creating a more mixed and balanced community, which is a key Government objective”* (paragraph 65).

Conclusions on Affordability Indicators in Cheltenham

- 6.33 As demonstrated through the analysis in this section, affordability in the Borough has been and continues to be, in crisis. House prices and rent levels in both the average and lower quartile segments of the market are increasing whilst at the same time the

stock of affordable homes is decreasing. LHA rates for the Borough are insufficient to cover average private rents or lower quartile rents.

- 6.34 This only serves to push buying or renting in Cheltenham out of the reach of more and more people.
- 6.35 Analysis of market signals is critical in understanding the affordability of housing. It is my opinion that there is an acute housing crisis in Cheltenham Borough, with an average house price to average income ratio of 10.
- 6.36 The picture for those seeking to purchase a lower quartile priced property (typically considered to be the 'more affordable' segment of the housing market) is not much better with a lower quartile house price to income ratio of 8.94, meaning those on lower earnings would need to find more than eight their annual salary to purchase a lower price home.
- 6.37 The Borough's woeful record of affordable housing delivery and the failure to plan for a significant boost in the supply of affordable homes to meet identified needs are merely serving to further fuel the acute affordability crisis in Cheltenham.
- 6.38 Market signals indicate a worsening trend in affordability in Cheltenham and by any measure of affordability, this is a Borough in the midst of an affordable housing crisis, and one through which urgent action must be taken to deliver more affordable homes.

The Weight to be Attributed to the Proposed Affordable Housing Provision

Section 7

- 7.1 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.

The Need for Affordable Housing

- 7.2 The National Housing Strategy sets out that a thriving housing market that offers choice, flexibility and affordable housing is critical to our social and economic wellbeing.
- 7.3 The JCS does not define a numerical target for the provision of affordable homes in Cheltenham Borough, instead it requires that in Cheltenham 40% of homes are provided as affordable tenures from qualifying developments.
- 7.4 In the absence of a defined affordable housing target in adopted policy, it is important to consider the objectively assessed need for affordable housing within the most up-to-date SHMA. Notably the reasoned justification to Policy SD12 of the JCS cross-references the identified needs of the 2015 SHMA Update.
- 7.5 The 2015 SHMA Update identifies a need for 213 net affordable homes per annum in the Borough between 2015 and 2031 when the Liverpool approach to addressing backlog is applied.
- 7.6 The Gloucestershire Local Housing Needs Assessment (LHNA) published in September 2020 finds a minimum net annual need of 194¹⁸ affordable homes per annum over the 20-year period between 2021 and 2041 for the Cheltenham Borough Council area.
- 7.7 Against either estimate of need, this is a Borough which has overseen an average delivery rate of just 44 affordable homes per annum over the course of the past nine years, which helps to illustrate the sheer scale of the affordable housing crisis engulfing

¹⁸ Figures do not sum due to rounding – $3,874 / 20 = 193.7$

Cheltenham Borough. There has been an average rate of just 11% affordable housing delivery over the period.

- 7.8 When the Council's record of affordable housing delivery is compared with the needs identified in the SHMA then there has been a shortfall of -1,160 affordable homes since the base date in 2015/16.
- 7.9 It is my view that backlog needs should be addressed within the first five years in line with the Sedgefield approach. This would ensure that the same approach to addressing backlog needs is applied for both market and affordable housing and is an approach which has been endorsed at appeal (**CD K11**).
- 7.10 When the Sedgefield approach is applied to address the backlog of -1,160 affordable homes within the next five years, then this results in a need for 463 net affordable homes per annum between 2021/22 to 2025/26.
- 7.11 For the sake of clarity, the Council has overseen the delivery an annual average of just 38 net affordable homes per annum over the six years since the base date of the 2015 SHMA Update in 2015/16. The challenge the Council faces in addressing affordable housing needs in the Borough is stark.
- 7.12 In addition to the shortfall in delivery against the affordable housing needs identified in the SHMA, other indicators further point to an affordability crisis in the Borough. This includes increasing house prices, a large number of households on the housing register and increasingly unaffordable private rents.
- 7.13 This demonstrates an acute need for affordable housing in Cheltenham and one which the Council and decision makers need to do as much as possible to seek to address. Indeed, they are required to do so, and proactively, by the NPPF (2021).

Cheltenham Borough Council's Assessment of the Application

- 7.14 The application was recommended for refusal by the Planning Officer in their report (**CD F5**). However, the appeal has been lodged on the grounds of "non-determination" following the failure of the Council to determine the application within the statutory 16 week period.
- 7.15 At paragraph 6.155 of the Officer's Report, the Officer recognises, "*The application proposes a policy compliant level of affordable housing (40%); included within the applicant's Draft Heads of Terms.*"
- 7.16 The Officer continues:

“To achieve a policy complaint scheme and in line with the latest Local Housing Needs Assessment (LHNA) the Council would seek a provision of 100 affordable homes for this development with a 70/30 tenure split between social rented and shared ownership/intermediate properties. Affordable housing provision would be secured via a s106 Agreement.” (Paragraph 6.157)

7.17 The appeal scheme proposes a tenure mix of 70/30 rented/shared ownership based on 38% affordable rented, 32% social rented, 30% shared ownership.

7.18 The Council reported the application to its Planning Committee on 20th May 2021, to request that Members confirm whether they would have refused planning permission had the Council still been the determining authority. The Planning Committee determined that the application would have been refused.

7.19 The Committee identified the seven putative reasons for refusal listed in the Officer’s Report. Reason number six states:

“Policy SD12 of the JCS seeks the provision of 40% affordable housing in developments of 11 or more dwellings within the Cheltenham Borough administrative area. Affordable housing requirements will be delivered by way of on and/or off site provision and secured through the s106 mechanism.”

7.20 Sub-point three of refusal reason number six elaborates:

“3. A need to provide for an element of affordable housing (Policy SD12 of the JCS and Policy CI1 of the Cheltenham Plan) which would be expected to be provided in full on site.

No agreement has been completed to secure the delivery of affordable housing requirements, and schemes/strategies for play space provision and site management and maintenance. The proposal therefore does not adequately provide for affordable housing requirements, schemes/strategies for play space provision and site management maintenance and conflicts with Policies SD11, SD12, INF3, INF4, INF6 and INF7 of the JCS, Policies CI1 and CI2 of the Cheltenham Plan (adopted 2020), Supplementary Planning Guidance – Playspace in Residential Development and the NPPF as referred to above.”

7.21 Since the refusal of the application, a legal agreement has been drawn up in order to secure the delivery of up to 100 affordable dwellings.

7.22 I do not consider that the Council sufficiently assessed the substantial benefits, such as affordable housing, that the scheme would achieve.

Weight to be Afforded to the Proposed Affordable Housing

- 7.23 The NPPF (2021) is clear at paragraph 31 that policies should be underpinned by relevant up-to-date evidence which is adequate and proportionate and takes into account relevant market signals.
- 7.24 Paragraph 60 of the NPPF (2021) sets out the Governments clear objective of “*significantly boosting the supply of homes*” with paragraph 61 setting out that in order to “*determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment*”. The NPPF (2021) requires local authorities at paragraph 61 to assess and reflect in planning policies the size, type and tenure of housing needed for different groups, “*including those who require affordable housing*”.
- 7.25 There has been a persistent under delivery of affordable homes to meet identified needs and demand in the Borough where since 2015 alone there has been a shortfall of some -1,160 affordable homes against identified needs taken from the 2015 SHMA Update.
- 7.26 The Borough’s track record of affordable housing delivery must also be viewed in the context of the fact that at 1 April 2021 there were 2,514 households on the Housing Register in need of an affordable home in Cheltenham, an increase of 16% from 1 April 2020 where it stood at 2,161 households.
- 7.27 There have been significant increases in waiting times in one year between 1 April 2020 and 1 April 2021 across all but one size of affordable accommodation in Cheltenham (refer to Figure 6.2). In addition, at 1 April 2021 there were nine households being housed in temporary accommodation within the Borough.
- 7.28 It is critically important that we do not lose sight of the fact that these are real people, who are in real housing need, now.
- 7.29 Cheltenham Borough Council’s poor past track record of affordable housing delivery and the concerning number of households on the housing register was recognised in May 2021 by Inspector Searson who presided over an appeal at Land adjacent to Oakhurst Rise, Cheltenham (**CD K6**), for which I presented affordable housing evidence.
- 7.30 Acknowledging my evidence and understanding that the policy compliant provision of affordable housing was secured through a unilateral undertaking, Inspector Searson

awarded the affordable housing benefits of the scheme **substantial weight** in the planning balance:

“Comprehensive and undisputed evidence has been provided in relation to affordable housing need across the country as well as on a Borough level and specifically for Charlton Kings. There is an accumulated shortfall of 1,015 affordable homes against the requirements of the 2015 SHMA and the need is acute. The contribution of 40% affordable housing at the site including social rented units, affordable rented units and shared ownership units of different sizes as guaranteed by the submitted UU. This is of substantial weight.” (Paragraph 141)

- 7.31 The appeal garnered numerous benefits including 40% affordable housing but was dismissed on 11 May 2021 as a result of heritage and ecology harms that were not outweighed by the public benefits.
- 7.32 The acute level of affordable housing need in Cheltenham will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so.
- 7.33 Against the scale of need in the Borough and the Council’s affordable housing delivery track record, I therefore consider that the provision of 100 affordable homes on the appeal site should be afforded **substantial weight** in the determination of this appeal.
- 7.34 The weight to be applied to affordable housing in the planning balance is a matter for Mr Hutchinson to address in his planning evidence. I have set out my consideration of the degree of weight which I believe should be applied in the context of the acute need and the level of affordable housing that has been delivered in Cheltenham.

Relevant Secretary of State and Appeal Decisions

- 7.35 The importance of affordable housing as a material consideration has been reflected in a number of Secretary of State (SoS) and appeal decisions. Of particular interest is the amount of weight which has been afforded to affordable housing relative to other material considerations.
- 7.36 The importance of affordable housing as a material consideration has been reflected in a number of Secretary of State (SoS) and appeal decisions. Of particular interest is the amount of weight which has been afforded to affordable housing relative to other material considerations. Brief summaries are outlined below, and the full decisions are included as Core Documents.

Secretary of State Decision: Pulley Lane, Droitwich Spa (July 2014) – CD K8

- 7.37 The Inspector recognised that the contribution of the scheme in meeting some of the affordable housing deficit in the area cannot be underestimated (Inspector’s Report, Page 89). The Inspector set out under paragraph 8.122 of their Report that:

“The SOS should be aware that a major plank of the Appellant’s evidence is the significant under provision of affordable housing against the established need Figure and the urgent need to provide affordable housing in Wychavon. If the position in relation to the overall supply of housing demonstrate a general district-wide requirement for further housing, that requirement becomes critical and the need overriding in relation to the provision of affordable housing. The most recent analysis in the SHMA (found to be a sound assessment of affordable housing needs) demonstrates a desperate picture bearing hallmarks of overcrowding, barriers to getting onto the housing ladder and families in crisis.”

- 7.38 The Inspector continued under paragraph 8.123 of his report to state that *“the SHMA indisputably records that affordability is at crisis point. Without adequate provision of affordable housing, these acute housing needs will not be met. In terms of the NPPF’s requirement to create inclusive and mixed communities at paragraph 50, this is a very serious matter. Needless to say, these socially disadvantaged people were not represented at the Inquiry.”*

- 7.39 The level of significance attached to affordable housing provision was addressed through paragraph 8.124 of the Inspectors Report where he stated that:

“These bleak and desperate conclusions are thrown into even sharper focus by an examination of the current circumstances in Wychavon itself. Over the whole of the District’s area, there is presently a need for 268 homes per annum. These are real people in real need now. Unfortunately, there appears to be no early prospect of any resolution to this problem...Given the continuing shortfall in affordable housing within the District, I consider the provision of affordable housing as part of the proposed development is a clear material consideration of significant weight that mitigates in favour of the site being granted planning permission” (Inspectors Report, page 111).

- 7.40 This statement is supplemented at paragraph 8.125 by the Inspector considering that *“from all the evidence that is before me the provision of affordable housing must attract very significant weight in any proper exercise of planning balance.”*

- 7.41 The Secretary of State concluded that both schemes delivered *“substantial and tangible”* benefits, including the delivery of 40% *“much needed”* affordable housing.

Appeal Decision: Land North of Upper Chapel, Launceston (11 April 2014) – CD K9

- 7.42 At paragraph 51 the Inspector noted that *“irrespective of whether the five-year housing land supply figure is met or not, NPPF does not suggest that this has be regarded as a ceiling or upper limit on permissions. On the basis that there would be no harm from a scheme, or that the benefits would demonstrably outweigh the harm, then the view that satisfying a 5 year housing land supply figure should represent some kind of limit or bar to further permissions is considerably diminished, if not rendered irrelevant”*.
- 7.43 The Inspector acknowledged at paragraph 41 that the appeal proposal would have a very significant social role in bringing forward 40 affordable housing units, noting that there was an acute shortage of affordable housing in Launceston. The Inspector also noted that the need for additional affordable housing was all the greater having regard to other sites negotiating lower proportions of affordable housing in lieu of other planning obligation contributions.
- 7.44 At paragraph 52 of their report, the Inspector considered that *“there is an acknowledged acute need for affordable housing in this locality and the proposed scheme would bring forward 40 affordable units. This has to be a substantial benefit of the scheme.”* (my emphasis). In concluding the Inspector found that the benefits of the proposals outweighed the small degree of policy conflict.

Appeal Decision: Oldmixon Road, Weston-super-Mare (10 April 2017) – CD K10

- 7.45 The appeal proposals made provision for 150 dwellings of which 30% (45 dwellings) would be provided as affordable housing. Paragraph 92 of the Inspectors report acknowledged that the Sustainable Community Strategy *“recognises that one of the main challenges is the growing number of people seeking social housing in the area”* and that *“it is apparent that the need for more affordable housing in North Somerset has been, and continues to be, an issue of concern.”*
- 7.46 The Inspector went on at paragraph 94 to note the 3,608 households on the Housing Register at 1 April 2016 with paragraph 95 referring to the fact that the average waiting time for an affordable home in North Somerset was 735 days. In addition to which reference was drawn to the 34% increase in homelessness, high levels of affordability ratios and 32% house price increase over the past five years. Following on from this at paragraph 96 he found that *“the need in the district is glaring with a significant number of people having bleak housing prospects for the foreseeable future”*.

7.47 Furthermore, the Inspector made clear at paragraph 97 that *“although the Council sought to undermine the veracity of the affordable housing obligation, in the absence of a viability appraisal, nothing of any substance was placed before me. It is also telling that the appellant has not considered the 30% contribution to be unrealistic on the grounds of lack of viability”*.

7.48 Paragraph 101 set out that the Inspector *“remain[ed] content to afford substantial weight to the benefit arising from the market and affordable homes which the scheme would deliver”*.

Appeal Decision: Land east of Park Lane, Coalpit Heath, South Gloucestershire (September 2018) – CD K5

7.49 Paragraph 61 of the decision states that *“there are three different components of the housing that would be delivered: market housing, affordable housing (AH) and custom-build housing (CBH). They are all important and substantial weight should be attached to each component for the reasons raised in evidence by the appellants, which was not substantively challenged by the Council, albeit they all form part of the overall housing requirement and supply”* (my emphasis)

Overview of Secretary of State and Appeal Decisions

7.50 The decisions above emphasise the great weight which both Inspectors and the Secretary of State have, on various occasions, attached to the provision of affordable housing in the consideration of planning appeals.

7.51 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 has attached **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.

Conclusions on Weight to be attributed to the Proposed Affordable Housing Provision

- 7.52 JCS Policy SD12 does not define a numerical target for the provision of affordable homes, instead it requires that 40% of dwellings are provided as affordable homes from qualifying development in Cheltenham.
- 7.53 The reasoned justification to the policy draws reference to the need for 638 affordable homes per annum across the JCS which is taken from the 2015 SHMA Update. Within this SHMA Update need figure for the JCS there is an identified need for 231 affordable homes per annum in Cheltenham Borough between 2015/16 and 2031/32.
- 7.54 In the nine-year period since the start of the JCS period in 2011/12, there have been just 394 net affordable housing additions to stock, equivalent to an average of just 44 per annum and representing an astonishingly low 11% of overall net housing additions over the same period.
- 7.55 When the 226 net affordable housing additions to stock since 2015/16 are compared with the 2015 SHMA Update need figure of 231 per annum over the same period, there has been a shortfall in delivery of -1,160 affordable homes compared to identified needs.
- 7.56 If this backlog were to be addressed within five years in line with the Sedgefield approach, then there would need to be 463 affordable homes per annum delivered between 2021/22 to 2025/26.
- 7.57 There were 2,514 households on the Council's Housing Register at 1 April 2021 with an identified need for an affordable home in Cheltenham. This figure has risen by 16% in just one year from where it previously stood at 2,161 at 1 April 2020. There is no specific local preference data available for Battledown Ward. However, local preference data is available for the adjoining ward of Charlton Kings which shows there are 551 households with a local need. This demonstrates that there is significant local need for affordable properties in the general area of the appeal site.
- 7.58 It is critically important that we do not lose sight of the fact that these are real people, who are in real housing need, now. In my opinion there is a substantial need for new affordable homes in Cheltenham and Battledown Ward.
- 7.59 The appeal proposals provide 40% affordable housing which meets the requirements of JCS Policy SD12, equivalent to 100 affordable dwellings. It is my view that this will make a substantial contribution to meeting the identified needs in Cheltenham.

- 7.60 Given the Council's performance towards meeting its identified housing needs across the Borough, I consider that **substantial weight** should be afforded to the delivery of affordable housing in the determination of this appeal.
- 7.61 As discussed above at paragraphs 7.30 to 7.32 of this proof, as recently as May 2021, substantial weight was awarded to the affordable housing benefits presented at an appeal at Land adjacent to Oakhurst Rise, Cheltenham, by Inspector Searson.
- 7.62 The weight to be applied to affordable housing in the planning balance is a matter for Mr Hutchinson to address in his planning evidence. I have set out my consideration of the weight which I believe should be applied in the context of the acute need and the poor level of affordable housing that has been delivered in Cheltenham.

Summary and Conclusions

Section 8

- 8.1 My Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in the planning decision in light of the evidence of need in the area.
- 8.2 Britain is in the midst of an undisputed housing crisis with unaffordable housing one of the biggest challenges for the South West with low and stagnating wages combined with drastically rising house prices making it one of the most unaffordable regions in the country¹⁹. The National Housing Strategy states that a thriving housing market that offers choice, flexibility and affordable housing is critical to our social and economic wellbeing.
- 8.3 The NPPF (2021) sets out the Governments clear objective of *“significantly boosting the supply of homes”*.
- 8.4 Locally, providing housing is a key issue as acknowledged by the foreword to the Housing and Homelessness Strategy by Councillor Pete Jeffries, Deputy Leader of the Council and Cabinet Member for Housing, who stated that *“everyone should have the right to a decent affordable home; this is something I passionately believe. At present Cheltenham doesn’t have all the homes that local people need”*.
- 8.5 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.
- 8.6 In this context, it is important to consider that the NHF report that the average house price in the Borough now stands at £332,953, which exceeds the national average. The average house price to average income ratio in the Borough sits at 10. For those seeking a lower quartile priced property the situation is not much better with a lower quartile house price to income ratio of 8.94.
- 8.7 JCS Policy SD12 does not identify a defined affordable housing numerical target, though the reasoned justification to the policy does cross refer to the affordable housing need figure identified in the 2015 SHMA Update. In the absence of which

¹⁹ NHF Home Truths South West 2019/20

consideration must be given to the objectively assessed need for affordable housing within the most up-to-date SHMA.

- 8.8 The 2015 SHMA update identifies a net annual need of 231 affordable dwellings between 2015/16 and 2031/32 in Cheltenham.
- 8.9 The 2020 Gloucestershire LHNA found a minimum net annual need of 194 affordable homes per annum over the 20-year period between 2021 and 2041 for the Cheltenham Borough Council area. This figure increases by 52% to 295 dwellings per annum over the period when those in receipt of housing benefit within the PRS are factored into the calculation.
- 8.10 Since the base period of the 2015 SHMA update in 2015/16, the Borough have overseen the delivery of a total of 226 net affordable homes, equivalent to an average of just 38 per annum over this period. This has resulted in a shortfall of -1,160 affordable homes when compared with the identified need for 1,386 net affordable homes over the same period.
- 8.11 When the Sedgefield approach is applied in seeking to address the backlog in delivery of affordable homes which has accrued since 2015/16 compared with identified needs taken from the 2015 SHMA Update, there would be a need for 463 net affordable homes per annum for the five years period between 2021/22 and 2025/26 across the Borough.
- 8.12 In the nine-year period since the start of the JCS period in 2011/12, there have been just 394 net affordable housing additions to stock, equivalent to an average of just 44 per annum and representing an astonishingly low 11% of overall net housing additions over the same period.
- 8.13 When viewed in this context, the stark challenge that the Borough faces becomes clear and a monumental step change in the delivery of affordable housing is required. Given the persistent under delivery of affordable housing delivery in the Borough there appears to be little prospect of the backlog affordable housing needs being met without a substantial boost in the delivery of affordable housing.
- 8.14 The 100 affordable homes that the appeal proposal would provide represents the equivalent of 44% of the total number of affordable homes delivered across the entire Borough since the SHMA base period in 2015/16. It is evident that the appeal site can help to make a substantial contribution towards addressing the acute affordable housing needs of Cheltenham.

- 8.15 It is critical to view this appeal in the context of the 2,514 households on the Borough's Housing Register at 1 April 2021 and it is important not to lose sight of the fact that these are real people, who are in real need, now.
- 8.16 The lack of affordable homes is fuelling the Boroughs persistent homelessness issue. By the Borough's own admission in its Housing and Homelessness Strategy private rental rates in Cheltenham has increased significantly in recent years and *"by far the main cause of homelessness in Cheltenham is loss of private rented accommodation"*
- 8.17 The evidence demonstrates that private market rents are increasingly unaffordable in the Borough, even with LHA support there are shortfalls in monthly rental costs ranging from -£88 to -£307 for average rental prices, to shortfalls of -£5 to -£137 for lower quartile rental properties which are typically considered to be the 'more affordable' segment of the rental market. For those in need of an affordable home in Cheltenham, the private rental market fails to provide an appropriate alternative to genuinely affordable homes.
- 8.18 Existing stock in the Borough is dominated by owner occupiers. By comparison to the national average, there are a larger percentage of owner occupiers in Cheltenham and a lower proportion of rented tenures available. Within Battledown Ward, the proportion of owner occupiers exceeds both the Borough and the national average, whilst the proportion of social tenures at just 5% is particularly low in comparison to the national average of 19% and Borough average of 13%.
- 8.19 The future supply of affordable homes in Cheltenham is highly uncertain. Past delivery has fluctuated considerably and the delivery of a higher number of affordable homes one year does not guarantee this will continue for future years.
- 8.20 The acute level of affordable housing need coupled with worsening affordability will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so.
- 8.21 The appeal proposals would make a substantial contribution towards broadening the type and mix of dwellings in the Borough, including the provision of 100 much needed affordable homes.
- 8.22 Since 1969 there has been an accumulated shortfall of housing in excess of 5.5 million new homes. Furthermore, on a national level, in every scenario, against every annual need figure identified since the publication of the Barker Review in 2004, the extent of the shortfall in housing delivery in England is staggering and ranges from a shortfall of

-1,105,490 to a shortfall of -2,635,490 over the past 17 years depending on which annual target actual housing completions are measured against. This merely serves to further compound the acute affordability problems that the country is facing.

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

8.24 Against the scale unmet need and the lack of suitable alternatives in the private rented sector in Cheltenham Borough, there is no doubt in my mind that the provision of 100 affordable homes will make a substantial contribution. In light of all the evidence I consider that it should be afforded **substantial weight** in the determination of this appeal.