

## **CIPFA Housing Panel,**

### **SUBJECT affordable Housing Commission/RTPI Research Project**

#### **Affordable Housing Commission's Interim report**

Panel members are aware that the Affordable Housing Commission (AHC) is an independent group established by the Smith Institute under the chairmanship of Lord Best.

#### **Interim Report**

Their interim report proposes a new measure of housing affordability in England. Rather than focusing on market rents and house prices it defines and measures housing affordability as being what people can afford, be it to rent or to buy. This would mean a move away from the definition related to 80% of market rent.

Their findings are that there are 4.8m households (1 in 5 of all households) that have some measure of housing affordability problem, which is over a 10% increase in the current decade. Further, despite all the government's attempts to assist first time buyers, there has been a 60 fold increase in the decade of those renters who are able to buy except they are unable to find the large deposits required. The report highlights that while affordability issues are often most acute in London and the South East, the challenge is spread across the whole country. The affordable housing crisis also impacts on all tenures, with the worse in the PRS. However, it also highlights that There are 1.3m in unaffordable housing in the social housing sector, mainly owing to the shortfall in benefits. A smaller percentage of these are paying over 40% of their incomes in rent

#### **Future Work**

The AHC is proposing to work on solutions for the affordable housing crisis and is looking for ideas to help with this. Their website is <https://www.affordablehousingcommission.org/>

#### **Panel's Action**

The Panel is invited to submit views on possible options to move this agenda forward.

#### **2017 Study of Local Authority Housing Provision**

National Planning Forum (NPF) and Royal Town Planning Institute (RTPI) study on the direct provision of local authority housing published in December 2017 highlighted the type of changes that were emerging in local authority practices in housing delivery at that time.

This research demonstrated that LAs were trying to respond to the lack of all types of housing (all tenure) in their areas and the rise in homelessness which was seen as an ever-increasing burden on them.

#### **2018 Update**

There was a desire to update the original survey in the light of changing demand and government policy. A Planning and Housing consultancy provided funding to enable this work to be undertaken. The same questions were used as in the 2017 survey.

Unsurprisingly it was found that larger urban authorities in the south east were more likely to be engaged in direct provision than smaller rural authorities in the north.

### **Houses being built**

Concern has been expressed that given the freedoms provided by the government, if Local Authorities and HAs are not “upping their game”, there might be an adverse reaction from the centre. The 2017 survey showed that there 1897 units being delivered. The more recent survey showed that there were 8992 units being delivered with 65% of them being either for social or affordable tenure. So clearly, there are positive moves being made. However, we know that the current housing minister has been exhorting HAs and LAs to build even more.

### **Barriers to delivering more**

These were investigated and land came out as the major issue, with others expressing concerns about their internal skills and the revenue impact of borrowing.

### **Reports Recommendations**

The report’s recommendations are being finalised as this paper was being written, but would appear to include removal of RTB, full use of RTB receipts by authority and a call for government recognition that the private sector cannot meet the housing needs of the country.

### **Panel’s Action**

The panel members will be issued with a copy of the report as soon as it is made available. Until such time the panel should not that the report is being prepared and that some of the recommendations at least support issues that CIPFA has been pushing for in relation to social housing over the last few years.