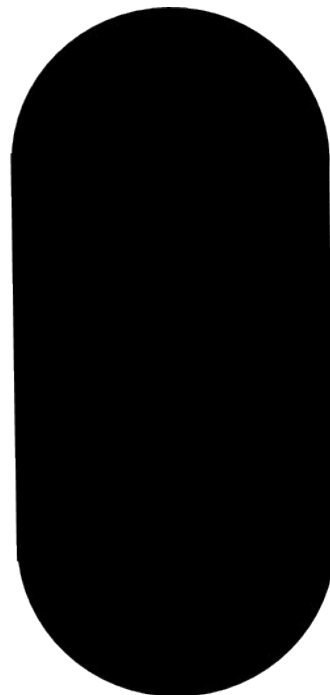
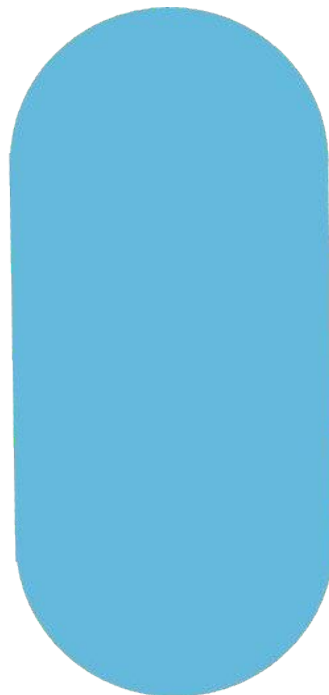




WOKINGHAM AFFORDABLE HOUSING NEED TECHNICAL NOTE

**Land North and South of School Road, Arborfield Cross,
Wokingham**

Prepared on Behalf of Croudace Homes



Land North and South of School Road, Arborfield Cross, Wokingham

Affordable Housing Need Technical Note

Prepared on Behalf of
Croudace Homes

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1. INTRODUCTION AND THE NATIONAL HOUSING CRISIS

Introduction

- 1.1 This affordable housing need Technical Note has been prepared by Marrons national socio-economics team on behalf of Croudace Homes, in support of their proposed development on Land North and South of School Road, Arborfield Cross, Wokingham.
- 1.2 The purpose of the Note is to provide a high level review of the affordable housing position in Wokingham Borough, drawing on key indicators which are publicly available. These indicators include the following:
- Affordable housing need;
 - Gross affordable housing delivery;
 - Affordable stock losses;
 - Net affordable housing delivery;
 - Households on the Council housing waiting list;
 - Homelessness;
 - Temporary accommodation;
 - The affordability of housing.
- 1.3 Section 2 of this Technical Note provides the analysis of the above indicators, but before we consider the need for Wokingham we provide some context in terms of the national housing crisis and the need for affordable housing in particular.

The need for affordable housing nationally

- 1.4 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades.
- 1.5 The January 2022 House of Lords report 'Meeting Housing Demand' identified *"there were 1,187,641 households on local authority housing waiting lists in 2021"* and *"as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities."*¹
- 1.6 Research for the National Housing Federation (NHF) and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next

¹ Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022



15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.²

- 1.7 However to put this into context, only 63,605 new affordable homes were delivered across England in the most recent year for which data is available (2022/23), approximately 27.1% of all net completions (234,397).
- 1.8 However this a gross affordable delivery figure and the Government's statistics show a loss of 27,500 affordable dwellings in 2022/23 to demolitions and sales.
- 1.9 Net affordable completions were therefore only 36,105 (i.e., 15.4% of all net completions).
- 1.10 Furthermore the House of Lords report stated, *"There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, no homes for social rent were built over the five-year period from 2015/16 to 2019/20"*³ (our emphasis). There is a severe lack of local authority housing as this statement summarises.
- 1.11 The Department for Levelling Up, Housing and Communities (DLUHC) publishes data on social housing lettings in England. In its latest publication, updated on 6 March 2024, the department reported that there were 1.29 million households on local authority waiting lists as of 31 March 2023. This represented an increase of 73,000 households (6 percent) compared to 31 March 2022. It also was the highest number of households on the waiting list since 2014 when the conditions for accessing the waiting list were changed.
- 1.12 The NHF also undertook research in late 2023 which concluded that unless politicians commit to a long-term plan to fix the housing crisis, an extra 1.7 million households will be living in unaffordable homes by 2030 compared with 2020 - an increase of more than a third (35%).
- 1.13 The NHF research also found that by 2030 there will be:
 - 600,000 additional households living in unaffordable private rented homes, taking the total to 2.2 million;
 - 1 million additional homeowners facing unaffordable mortgage costs, taking the total to 1.9 million - more than double current levels;
 - 1.5 million Families will be on the waiting list for social housing, a rise of

² Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

³ Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022



350,000 or almost a third (32%);

- 150,000 children will be homeless and living in emergency accommodation like B&Bs and hostels by 2030 – an increase of 20,000. This is the equivalent of six children in every school in England. ⁴

1.14 In April 2023 the NHF also found that more than 310,000 children were sharing a bed with their parents or siblings; and the number of homeless children stuck in temporary accommodation reached 130,000 in 2023, the highest number since records began. ⁵

1.15 In the context of the above it is imperative that affordable housing is provided across the country.

1.16 The following section of our Technical Note considers the position in Wokingham, analysing and reporting key indicators.

⁴ The housing crisis: what will happen if we don't act? NHF, August 2023

⁵ Overcrowding in England, NHF, April 2023



2.0 KEY AFFORDABLE HOUSING INDICATORS IN WOKINGHAM

Introduction

- 2.1 This section of our Technical Note summarises the key indicators of affordable housing need and delivery in Wokingham Borough.
- 2.2 As part of this summary we have considered Wokingham Borough Council's most recent evidence base documents where relevant.

Affordable Housing Need and Delivery in Wokingham Borough

- 2.3 The most recent adopted plan for Wokingham is the Core Strategy, adopted on 29 January 2010. This incorporated an affordable need of between 400 and 550 affordable dwellings per annum (dpa), 2006-2026.
- 2.4 In the intervening period the February 2016 Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA) published by GL Hearn determined there to be a net affordable housing need in Wokingham of 441 affordable dpa, 2013-2036⁶ based on a 35% income threshold.
- 2.5 A March 2018 Update of the SHMA by GL Hearn updated this figure to 453 net affordable dpa 2016-2036, an increase of 5 per annum from the 2016 SHMA.⁷
- 2.6 In contrast to the broadly similar levels of affordable need determined for the Adopted Plan and the GL Hearn reports set out above, a more recent assessment prepared by Opinion Research Services (ORS) suggests future affordable need is only 61 dwellings per annum.⁸ However it should be noted that this document is yet to be examined through the Local Plan process.
- 2.7 The conclusion arrived at by ORS is considered questionable given the consistent level of affordable need arrived at through the adopted Plan and subsequent evidence.
- 2.8 For these reasons we have considered affordable housing delivery against the range of need (400 to 550 per annum) set out in the adopted Core Strategy. Table 2.1 sets out the delivery published in the most recent Annual Monitoring Report

⁶ Table 81, page 228, Berkshire (including South Bucks) Strategic Housing Market Assessment, February 2016

⁷ Table 44, page 73, OAN Sensitivity Testing – Western Berkshire Housing Market Area, March 2018

⁸ Figure 1, page 7, Wokingham Local Housing Needs Assessment 2023, November 2023



covering the period of 2009/10 to 2020/21. The subsequent two years delivery have been taken from government live table 1008c.

Table 2.1: Affordable Housing Completions in Wokingham, 2011/12 to 2022/23

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total (average per annum)
146	91	108	95	123	212	482	365	465	187	338	121	2,733 (228)

Sources: (1) Wokingham Borough Authority Monitoring Report 01/14/2020 to 31/03/2021, (2) DLUHC live table 1008c

2.9 As Table 2.1 illustrates there has been delivery of 2,733 affordable dwellings over the past 12 years, at an average rate of 228 affordable dpa.

2.10 However these are gross figures and do not take account of affordable housing stock losses. These figures need to be subtracted from the completions data to arrive at a net affordable housing figure.

Table 2.2: DLUHC figures on the disposal of social housing stock: Wokingham

Year	Demolition	LCHO Sales	Other sales	Other sales to sitting tenants	Right to Buy	Sales to sitting tenants	Grand Total
2011-12	0	10	0	0	1	1	12
2012-13	0	11	0	0	6	1	18
2013-14	0	24	1	0	12	1	38
2014-15	0	22	1	0	13	1	37
2015-16	0	23	0	0	8	0	31
2016-17	0	18	3	0	19	35	75
2017-18	0	14	4	0	7	0	25
2018-19	0	7	19	0	9	1	36
2019-20	0	15	0	0	7		22
2020-21	0	21	2	0	0	1	24
2021-22	59	31	2	0	7		99
2022-23	19	19	2	0	8	0	48
Total	78	215	34	0	97	41	465

Source: Social housing sales and demolitions open data, www.gov.uk

2.11 Table 2.2 illustrates how there have been 465 stock losses in Wokingham over the same period covered by Table 2.1.

2.12 This means net affordable completions have been 2,268 in total, averaging 189 net affordable dpa.

2.13 Set against the range of the adopted Plan this equates to a shortfall of between 2,532 and 4,332 affordable dwellings since 2011/12. Put another way between 34% and 47% of need set out in the adopted Plan has been delivered in 12 years.

Households on the Council's Housing Register



- 2.14 The number of homes on the Housing Register can also provide an indication of the need for affordable housing. Table 2.3 provides register data from 2015 when changes to the criteria for accessing housing waiting lists changed in 2013.

Table 2.3: Wokingham Borough Housing Waiting List 2015-2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Households	1,622	1,527	1,702	1,613	1,498	1,510	2,086	2,592	2,420

Source: DLUHC live table 600: local authority waiting lists

- 2.15 Table 2.3 shows how the number of households on the waiting list has risen by 49% between 2015 and 2022. It is important to note that these figures are households, which could contain several people. The number of people on the waiting list is therefore significantly higher.

- 2.16 This is considered to emphasise the need for affordable housing in Wokingham Borough.

Homelessness

- 2.17 In respect of homelessness, Table 2.4 sets out the data collected by DLUHC for the last five financial years.

Table 2.4: Homelessness in Wokingham, 2018/19 to 2021/22

Year	Number of households assessed	Total households owed a duty	Threatened with homelessness - Prevention duty owed	Homeless - Relief duty owed
2022/23	400	391	180	211
2021/22	315	313	131	182
2020/21	322	321	151	170
2019/20	323	322	139	183
2018/19	230	223	127	96

Source: DLUHC

- 2.18 Table 2.4 shows how the number of households assessed for homelessness and whether they are owed a prevention or relief duty is the highest it has been in recent times, with over 400 households assessed in 2022/23 compared with 230 in 2018/19. This represents an increase of 74% in only five years.

- 2.19 Furthermore the number of households assessed and then determined to be owed a duty has risen by 75% from 223 to 391 households.

- 2.20 Most concerning is the increase in those assessed as being homeless. This figure

has risen by 120% from 93 households to 211 households over a five year period.

- 2.21 This worsening situation in terms of homelessness is a further indicator of the worsening housing situation affecting Wokingham.

Affordability

- 2.22 The lower quartile and median affordability ratios provide an indication of how the affordability of housing has changed over the past.
- 2.23 The median affordability ratio is currently used to determine minimum overall housing need using the National Planning Policy Framework's standard method. This ratio determines how many times median earnings a resident would require to buy a median priced home in the local authority area.
- 2.24 The lower quartile affordability ratio measures the multiple of lower quartile earnings required to afford a lower quartile home (i.e., most reasonable 25% of homes).
- 2.25 Table 2.5 sets out these figures from 2011/12-2022/23 (lower quartile ratios have not been published for 2023).

Table 2.5: Median and lower quartile affordability ratio change in Wokingham, 2011/12 to 2022/23

Ratio	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	% change 2011/12 to 2022/23
Lower Quartile	9.58	10.09	10.19	12.42	12.73	13.83	13.13	12.59	12.17	13.64	14.37	n/a	+50%
Median	7.14	8.05	8.47	9.95	10.57	12.17	11.15	10.78	11.15	11.76	12.73	11.79	+65%

Source: ONS

- 2.26 Table 2.5 shows a 50% increase in Wokingham's lower quartile affordability ratio between 2011/12 and 2021/22. Only four other authorities of 64 in the south east region have experienced a higher increase in their lower quartile affordability ratio over the same period.
- 2.27 Furthermore only six of 64 authorities in the south east had a lower quartile ratio which exceeded Wokingham's (14.37) as of 2021/22.
- 2.28 Across the 307 local authorities in England (as of March 2023) the increase in Wokingham was the 21st highest and excluding London the 14th highest (highest 5%).
- 2.29 The median ratio change between 2011/12 and 2022/23 has been even higher at 65%. This is the third highest increase in the south east and the fifth highest



nationally outside of London (8th highest including London).

2.30 As of 2022/23 Wokingham has a median ratio of 11.79 meaning home ownership is out of reach for the vast majority of residents.

Summary

2.31 In summary the key points from this section are as follows:

- The adopted Core Strategy is predicated on affordable housing need of 400-550 affordable dpa 2006-2026;
- This level of need was ratified by the 2016 Berkshire SHMA and the 2018 SHMA Update which concluded need was 441 and 453 dpa respectively;
- The 2023 Wokingham Local Housing Need Assessment conclusion that affordable need is only 61 dpa is therefore considered questionable;
- There has been a shortfall of between 2,532 and 4,332 affordable dwellings since 2011/12 against the range of need in the adopted Core Strategy;
- Only 34% to 47% of need has therefore been delivered over 12 years;
- The number of households on the waiting list has risen by 49%, 2015-2022;
- Over 400 households were assessed for homelessness in 2022/23 compared with 230 in 2018/19. This represents an increase of 74% in only five years;
- The number of households assessed as homeless has risen by 120% from 93 households to 211 households over a five year period;
- The increase in Wokingham's lower quartile affordability ratio 2012-2022 was the 4th highest of 64 authorities in the south east region;
- The increase in Wokingham's median affordability ratio 2012-2023 has been the 3rd highest in the south east and the 5th highest nationally outside London.



3.0 THE WEIGHT ATTRIBUTED TO AFFORDABLE HOUSING NEED

Introduction

- 3.1 The importance of affordable housing as a material consideration has been reflected in a number of Secretary of State (SoS) and appeal decisions.
- 3.2 Of particular interest is the amount of weight which has been afforded to affordable housing relative to other material considerations; many decisions recognise affordable housing as an individual benefit with its own weight in the planning balance.

Land lying to the east of Hartfield Avenue and fronting on to Barnet Lane, Elstree, Hertfordshire (25 March 2024)

- 3.3 This appeal concerned the proposal for up to 74 dwellings with associated landscaping, amenity space, Self-Build plots, sustainable urban drainage (SuDs), and associated works.
- 3.4 The Site was located in the Green Belt within Hertsmere Borough and it was common ground between the parties that the development comprised inappropriate development in the Green Belt, and very special circumstances for the development needed to be justified.
- 3.5 Having considered the evidence the Inspector allowed the appeal, concluding as follows as paragraph 172:

“To my mind, the combination of the housing benefits, set against the failure of the development plan and the plan-making process, in their widest sense, and the overwhelming deficiency in the five-year housing land supply, and the other benefits described, clearly outweigh the harm to the Green Belt by reason of inappropriateness and any other harm resulting from the proposal. Overall, I consider that very special circumstances exist which justify the development.”

- 3.6 As part of the decision the Inspector considered that the appellant’s provision of 45% affordable housing provision merited ‘very substantial’ weight. The Inspector commented as follows at paragraphs 130-133:

“The proposal would deliver 45% affordable housing, compared to the policy requirement of at least 35%, amounting to up to 33 dwellings. The difference between the parties is again one of weight, with the Council favouring



substantial weight and the Appellant claiming very substantial weight.”

...taking account of the totality of Appellant’s undisputed evidence, the anticipation of up to 33 affordable units being delivered within the five-year period also merits very substantial weight.” (Our emphasis)

Land North and South of Chiswell Green Lane, Chiswell Green, St. Albans (22 March 2024)

3.7 This appeal was called in by the Secretary of State (SoS) and incorporated two appeals in St Albans District, for 391 dwellings (Appeal A) and 330 discounted affordable homes for key workers (Appeal B).

3.8 In terms of Appeal B and the provision of 100% affordable housing the Inspector commented as follows in paragraph 591:

“Such a scheme is unquestionably a positive aspiration that would go a long way towards boosting the Council’s supply of affordable housing. In the context of such a great housing need, I attach very substantial weight to the proposed housing.” (Our emphasis)

3.9 In concluding on Appeal B the Inspector stated the following in paragraph 610:

“There would be very substantial benefits from the scheme in terms of housing provision.”

3.10 The appeals were subsequently called-in by the SoS who stated the following in terms of the housing provision at paragraphs 28 and 29.

“The Secretary of State agrees with the Inspector that there is a very substantial need for housing in the district which is persistently going unmet, that the Local Plan housing requirement is hopelessly out of date, and that, using the standard method, the Council can demonstrate just a two-year housing land supply at best. He also notes that the latest HDT has been failed by some margin. Therefore, the presumption in favour of sustainable development is triggered, in accordance with footnote 8 to paragraph 11(d) of the Framework.

For the reasons given in IR586-591, the Secretary of State agrees with the Inspector that in the context of such a great housing need, very substantial weight should be attached to the proposed housing.”

Land West of Marston Lane, Frome BA11 4DL (16 February 2023)



- 3.11 The proposal in this appeal secured 45 affordable homes as part of the overall provision of 150 dwellings. In respect of the affordable housing provision in the local authority the Inspector stated the following at paragraph 52:

“The 2016 Somerset Strategic Housing Market Assessment (SHMA) identifies the net annual affordable housing need in Mendip to be 240 dpa for the SHMA period 2014-2039. There is a cumulative shortfall of 251 affordable dwellings delivered against this Local Plan requirement as of 2022. As a result of this, Mendip still need to deliver 1,680 affordable homes by the end of the plan period and it is common ground that affordable housing need is significant. The waiting list of people needing an affordable home has increased by 56% in four years, and the affordability ratio has increased by 40% in ten years and is the highest ratio in Somerset. These statistics sit in the middle of a much wider socio-economic conversation, but the under-delivery of affordable homes will have contributed to the worsening of these factors.” (Our emphasis)

- 3.12 The Inspector subsequently concluded as follows:

“The affordable housing offer is policy compliant but does not go beyond the minimum policy level of 30% of homes, as set out in Policy DP11 of LPP1. However, in the light of the poor delivery and the significant need for affordable housing, I place substantial positive weight on the proposed affordable housing, in accordance with the same weight I have applied to housing in general.” (Our emphasis)

Land off Watmore Lane/Maidensfield, Winnersh, Berkshire (06 March 2024)

- 3.13 This appeal decision concerned the provision of 234 homes within Wokingham Borough itself. The appeal was allowed on the basis that *“the adverse impacts of the appeal scheme would not significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole.”*
- 3.14 One of these benefits was the provision of affordable housing and having heard evidence on the need the Inspector concluded as follows:

“when considered in the round, the sizeable contribution to the provision of affordable housing would still be a notable benefit which attracts more weight than suggested by the Council but less than advocated by the appellant. I afford the matter significant weight.”



Land off Mytham Road, Prestolee Road, Boscow Road, Hall Lane And Newbury Road, Little Lever, Bolton (30 January 2023)

- 3.15 In this appeal decision the Inspector noted the development would be providing affordable housing in excess of Local Plan requirements, and noted the historical shortfall and number of households on the Council's register. At paragraph 60 the Inspector stated the following:

"Policy SC1 of the CS requires provision of affordable housing at 35% of total provision, or 15% in the case of development on previously developed land. The proposal would be well in excess of these policy requirements, delivering some 61%, or 154 affordable homes, including houses and apartments. As with market housing, there has been very significant under-delivery of affordable homes. There has been a shortfall in delivery of almost 2,000 affordable homes over the plan period and in October 2022 there were 15,848 people on the Housing Register."

- 3.16 Following this, in paragraph 61 the Inspector concluded the following:

"These figures show an acute level of need for affordable homes. The development would make a very significant contribution towards addressing that need. I give very significant weight to this consideration." (Our emphasis)

Land at Fryatts Way, Bexhill, East Sussex (06 January 2023)

- 3.17 This appeal concerned outline planning application for up to 210 residential dwellings (including up to 30% affordable housing). The Inspector concluded that the housing supply boost outweighed the harm arising from greenfield homes. At paragraph 84 the Inspector summarised this as follows:

"The appeal scheme would deliver 30% affordable housing (up to 63 homes). This is a policy requirement but is a benefit nonetheless. This matter needs to be considered in the context that delivery is failing to keep up with need, meaning the backlog is getting worse. This is demonstrated in the Affordable Housing Needs Statement at Appendix 1 of Mr Lee's proof. Some of the pertinent points in this document, undisputed by the Council, are that house prices are 13.82 times the medium income in Rother, that a high number of households cannot afford to rent or buy in the district, and that the need has likely increased from 97 homes per annum between 2011-2018 to 295 homes per annum between 2019-39. The provision of up to 63 affordable homes would therefore be a very significant benefit." (Our emphasis)



3.18 In concluding, at paragraph 87 the Inspector stated the following:

“In conclusion, the appeal scheme would have high order benefits that would deliver positively against several policies in the Framework. Most notably the aim to significantly boost the supply of housing, including delivery of affordable housing. Against this there would be moderate harm occurring in the context of others, as well as the policies of the development plan. Overall, the adverse impacts of the appeal scheme would not significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole. Accordingly, on this occasion other considerations indicate the decision should be taken otherwise than in accordance with the development plan.” (Our emphasis)

Phase 4, Land North East of Rectory Lane, Rivenhall (05 January 2023)

3.19 This appeal concerned the delivery of 230 dwellings including 30% affordable homes. In summarising the affordable housing provision the Inspector stated the following at paragraph 55:

“Of the up to 230 dwellings, the s106 secures that 30% would be affordable housing dwellings. The Strategic Housing Market Assessment 2015 sets a target for affordable housing delivery of 218 dwellings per annum (dpa). The current delivery rate is 140 dpa and the shortfall this has created means that the current required delivery rate is likely much higher than 218 dpa. I therefore place substantial positive weight on the proposed affordable housing.” (Our emphasis)

Summary

3.20 This section of our Technical Note has provided a brief summary of the weight attributed affordable housing in recent appeal decisions. This is a small selection of such decisions but highlights how the provision is often afforded very substantial weight by the Secretary of State and the Planning Inspectorate.



4.0 SUMMARY AND CONCLUSIONS

- 4.1 This Technical Note has provided a concise analysis of the affordable housing need and affordability position in Wokingham Borough, alongside a consideration of the weight afforded to evidence of affordable housing need in appeal decisions issued by the Planning Inspectorate.
- 4.2 Nationally we are in the midst of a housing crisis for all types of housing, but as the evidence in this note has outlined the need for genuinely affordable housing is acute. This is evidence by the research of the National Housing Federation (NHF) we have summarised in section 1 of this note, amongst other organisations such as Shelter.
- 4.3 In Wokingham, only 34% to 47% of affordable need has been delivered over the past 12 years. The number of households on the Council's housing waiting list has risen by 49%, 2015-2022 to approximately 2,500 households. And the number of households assessed as homeless has risen by 120% from 93 households to 211 households between 2018/19 and 2023/24.
- 4.4 The affordability of the lowest cost market housing – lower quartile priced housing – has also deteriorated significantly. The increase in Wokingham's lower quartile affordability ratio 2012-2022 was the 4th highest of 64 authorities in the south east region. Across the 307 local authorities (as of March 2023) in England the increase in Wokingham was the 21st highest and excluding London the 14th highest (highest 5% of all authorities in England).
- 4.5 The increase in Wokingham's median affordability ratio 2012-2023 has been the 3rd highest in the south east and the 5th highest nationally outside London.
- 4.6 Our analysis of a small sample of recent appeal decisions emphasises the importance placed on affordable housing provision by the Secretary of State and the Planning Inspectorate, with provision regularly being given very substantial weight in the planning balance.
- 4.7 The evidence is therefore clear – Wokingham has an acute affordable housing delivery shortfall against need, and a deterioration in affordability which has been significantly higher than average.
- 4.8 The delivery of affordable housing by Croudace Homes should therefore be given very substantial weight by Wokingham Borough Council.