



# Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

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The Rt Hon Christopher Pincher MP  
Minister for Housing  
Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF

12 June 2020

Dear Chris,

## **Provision of information during 8 June evidence session**

Thank you for your appearance before the Committee on Monday 8 June as part of our inquiry into the long-term delivery of social and affordable rented housing.

As [the House of Commons Library has identified](#), “there is no all-encompassing statutory definition of affordable housing in England” and “there is a good deal of ambiguity in the way the term ‘affordable’ is used in relation to housing.” Affordable housing is defined for planning purposes in Annex 2 of the National Planning Policy Framework (NPPF) as housing for sale or rent, for those whose needs are not met by the market (including housing which provides a subsidised route to home ownership, or is for essential local workers), as long as it meets the definitions of affordable housing for rent, starter homes, discount market sales housing, or other affordable routes to home ownership.

To reduce the level of ambiguity, from our perspective, we consider that our inquiry is looking at the long-term delivery of affordable housing for rent as defined under the NPPF, which includes rent set at Social Rent or Affordable Rent where the landlord is a registered provider. We also use the term “social housing” to refer to these affordable housing for rent, as this is the commonly-used broad term for these affordable houses for rent. Affordable housing captures a much wider category of housing.

We are disappointed with the way you answered a number of the questions we put to you. I am sure you agree it is important for the Committee to hear full answers from Government Ministers about these policies and actions, so that we can write a balanced report. In that spirit, we give you a further opportunity to provide further supplementary evidence.

We consider that the following questions did not receive a full response:

1. Do you agree with the analysis of housing need which found England needs 145,000 social homes a year, with 90,000 of those needing to be social rent?
2. Would the housing benefit bill be reduced if significantly more social rent housing was delivered?
3. Housing associations have told us the current funding mechanisms simply do not work

to enable them to build social rent homes. [Clare Miller of Clarion told us that](#), in London, it costs an average of £400,000 to build a new two-bedroom flat. The rent secured for social rent across 30 years is around £100,000. The average grant is around £60,000 per home. There is therefore a funding gap of £240,000 which must be found each time for a social rent home in London, which is why Clarion told us they only built 30 social rented homes in 2018 and 70 in 2019, calling it a “tiny part of our programme”.

Do you accept the main reasons housing associations and local authorities cannot build more social rent homes is a lack of enough grant investment to meet that funding gap?

4. The [most recent publication of Right to Buy sales](#) found that, since 2012-13 when Right to Buy discounts increased, there have been 28,090 additional affordable properties started or acquired, against a replacement target of 35,064. These are not required to be like for like affordable properties, as councils can deliver affordable rent instead of social rent.

How many social rented homes sold through Right to Buy since 2010 have been replaced by another social rented home, and not by a different affordable tenure?

5. You said that Right to Buy resulted in a 20,000 net gain with 120,000 homes sold and 140,000 homes built. We are unclear of the source of these statistics, given that, since 2010, [MHCLG statistics](#) show that 114,341 homes have been sold through Right to Buy. 120,000 sales would place the time period somewhere in 2007-08. Furthermore, while around 140,000 social rent homes have been built since 2010, this is not a net figure – it does not factor in conversions or demolitions of existing stock. So a net gain of 20,000 is not assured.

Tracey Waltho stated that only a proportion of the receipt of Right to Buy sales contributed to these 140,000 homes built, but did not have the information to hand. Can you provide a full note on many of the 140,000 social rent homes provided since 2010 have been built as a direct result of Right to Buy receipts? What percentage of funding was provided by Right to Buy receipts compared to grant funding, public borrowing, and other funding streams?

6. Taking into account sales, conversions, and demolitions, when was the last year when the level of social rented homes in England went up?
7. Based on the proposals put forward for the First Homes Consultation, at least 40% of affordable homes delivered under section 106 obligations will need to be First Homes. Do you agree that delivering this policy will reduce the number of social and affordable rented homes built under section 106 agreements? What reduction in delivery of social and affordable rented homes do you expect?
8. What estimation do you make of the impact of publishing guidance to councils recommending the deferral of section 106 obligations during the current pandemic on the delivery of social and affordable rented housing? If you had made no estimate, will you commit to doing so as soon as possible and provide this analysis to the Committee?
9. What interventions are you considering taking forward to help councils maintain their new-build programmes throughout the coronavirus crisis and beyond, given that none of the £3.2 billion of extra funding for local authorities was made available for councils' housing revenue accounts?

10. Given the restrictions on social landlords accessing funding from the £1 billion non-ACM cladding fund, and the outstanding remediation work social landlords will need to fund to make their buildings safe, what assessment have you made on the impact of the cost of this remediation on social and affordable rented housing delivery?

I would appreciate a response to this letter by 19 June.

A handwritten signature in black ink, appearing to read 'Clive Betts', written in a cursive style.

**Clive Betts MP**  
**Chair, Housing, Communities and Local Government Committee**