



Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

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

8 July 2020

Dear Christopher,

FUNDING FOR AFFORDABLE HOUSING

The Committee was interested to hear the Prime Minister's speech last week (30 June 2020) regarding the Government's proposed reforms to the planning system and we look forward to the publication of a planning policy paper later in July.

The Committee supports the Government's ambition to boost housebuilding and invest in vital infrastructure projects to support our communities. In particular, our Land Value Capture report called on the Government to reform the *Land Compensation Act 1961* so that local authorities can acquire land for development at a fairer price and build a new generation of New Towns. We hope the Government will give this proposal detailed consideration in its planning paper.

What is clear is that a reformed planning system must ensure an adequate supply of affordable housing. Our ongoing inquiry into the *Long-term delivery of affordable and social rented housing* has heard compelling evidence of the urgent and ongoing need for a significant increase in the number of socially rented accommodation. We will publish our findings later in July.

In correspondence following our evidence session, you told us (22 June 2020):

[...] we announced at budget 2020 that we are investing £12 billion to build affordable homes between 2021/22 and 2025/26 – the biggest cash investment in affordable housing for a decade.

The commitment of £12 billion for affordable housing over five years was widely welcomed, including by this Committee. However, the Prime Minister said:

These announcements come alongside a package of measures to support home building across England. These include [...] a £12bn affordable homes programme that will support up to 180,000 new affordable homes for ownership and rent over the next 8 years [...]

A clarification issued by your department said that the funding remains over five years, with additional funding to support long-term partnerships with the sector over eight years.

However, there continues to be a lack of clarity around the levels of funding the Government will be providing for affordable housing over the next five years. We would be grateful if you could tell us, therefore:

- What additional funding, over and above the £12 billion available between 2021 and 2026, will be made available to “support long-term partnerships with the sector over eight years” and what, specifically, will this funding be used for?
- During our evidence session on 8 June 2020, you told us that the Government would be making the largest investment in affordable housing for 15 years ([Q145](#)). Could you confirm that it is still the Government’s intention that the funding package for 2021 to 2026 will be higher than the current average annual investment of £1.5 billion per year?
- Why the 2016-2021 Affordable Housing Programme, costing £9 billion, aimed to deliver “at least 250,000 affordable homes by March 2022” but the 2021-2026 programme, costing £12 billion, only aims to deliver up to 180,000. Why is the new programme aiming to delivering fewer affordable homes than the current programme, at greater expense?
- What advice you have received from the sector that has led the Government to conclude that only 180,000 new affordable homes will be needed over the next eight years?

We look forward to your response.

A handwritten signature in black ink, appearing to read 'Clive Betts', with a large, stylized initial 'C' at the start.

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