



**Housing, Communities
and Local Government
Committee**

**Matthew Pennycook MP
Minister for Housing and Planning
Ministry of Housing, Communities and Local Government
2 Marsham Street
London, SW1P 4DF**

25 July 2025

Dear Matthew,

Land Value Capture inquiry session

Thank you for attending the Committee on 15 July 2025 as part of our ongoing inquiry, [*Delivering 1.5 million new homes: Land Value Capture*](#). We are grateful that you also took the time to answer questions regarding your wider housing and planning brief. Following your evidence to the Committee, we have some further questions to which we would welcome your response.

Progress towards 1.5 million homes

During the session, we discussed how the Committee can monitor the Government's progress towards its commitment to deliver 1.5 million new homes during this Parliament. On several occasions you referenced the Office for Budget Responsibility's (OBR) forecasts of housing supply, including:

The Committee will be able to see, through both OBR forecasts and the data that we are releasing, the impact of our changes as they feed through over time into, first, planning applications, then planning consents, starts and completions.¹

We use the OBR forecasts. They are the main public estimate of net additions. They inform the Department's work.²

In November 2024, when we asked how we should measure progress towards delivering 1.5 million homes, you told us that:

[...] we will report net additional completions as normal. The Committee, the House as a whole and the sector will be able to see, over the next year or two,

¹ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.101

² Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.102



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whether we have turned the system around and are making progress towards that final full-Parliament target.³

Therefore, we would be grateful for your responses to the following questions:

- Could you confirm that the Ministry's annual [net additional dwellings](#) statistical release remains the Government's primary measure of its progress towards the 1.5 million homes target, rather than OBR forecasts?
- Will future MHCLG annual statistical releases include a clear statement of net additional dwellings from the start of the Parliament on 9 July 2024, as was included in the [indicators of new supply](#) statistical release in June 2025?
- What consideration has the Ministry given to publishing biannual net additional dwellings statistics, or otherwise publishing net additional dwellings statistics in the month of July to aid the assessment of progress?
- Assuming that this Parliament will end in July 2029, can you outline how the Government intends to measure whether it has reached its 1.5 million target in the year 2028 to 29, if the final statistics are to be published in November 2029?

Uncontracted and unsold section 106 affordable homes

We were grateful for your update on the Government's work to address the issue of uncontracted and unsold section 106 affordable homes. During the session, you informed us that the Ministry is working to verify [research by the Home Builders Federation](#) (HBF), which found that around 17,400 affordable homes are currently unsold or uncontracted. Joanna Key, Director General for Regeneration, Housing and Planning, told us that:

We have asked the HBF for a detailed breakdown. It has not been able to provide that. There are commercial considerations associated with the data.⁴

We would be grateful for an update on the Ministry's work to obtain a detailed breakdown of the HBF's research.

You also offered to write with examples of where local authorities are using local authority housing funds to acquire uncontracted and unsold section 106 homes for use as temporary accommodation.⁵ We would appreciate this information as part of your response to this letter.

³ Oral evidence: [Planning for 1.5 million new homes](#), 20 November 2024, HC 432, Q.6

⁴ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.130

⁵ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.132, Q.128



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New Towns and local housing targets

During the session, we asked about the Government's policy that homes delivered in New Towns will deliver over and above local housing targets/Local Housing Need (LHN). You told us that:

We are reflecting, and it is partly why I say that is the Government's current position, but we are keeping that matter under review. We do want to, in general, incentivise local areas to want to see the new towns that Sir Michael and his taskforce suggest come forward, so we are keeping that position under review.⁶

Could you therefore clarify whether the Government is considering changing its policy nationally, or whether the Government intends to consider how homes delivered in New Towns may contribute towards LHN on a case-by-case basis, depending on local circumstances?

Social and Affordable Homes Programme

We were grateful for the update you were able to provide regarding the new Social and Affordable Homes Programme and look forward to seeing further detail once you have published the prospectus in the autumn.⁷ In response to our questions about social housing delivery, you set out your plan to "agree a joint ambition" for how many social and affordable homes registered providers can bring forward.⁸ Joanna Key, Director General for Regeneration, Housing and Planning, said "I would say by the end of next year we will have a much clearer idea of what exactly it looks like across the piece".⁹

We would appreciate your response to the following questions:

- Can you confirm that the "joint ambition" for social and affordable housing delivery will still be published "later this year", as set out in the policy paper [Delivering a decade of renewal for social and affordable housing](#)?
- In what year do you expect the Government to first meet its target of 60% of homes delivered through the Programme being for Social Rent?
- What modelling did the Ministry conduct to arrive at the 60% figure?

⁶ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.154

⁷ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.158

⁸ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.157

⁹ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.158



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During the session, you also offered to write with an assessment of how reforms to Right to Buy [announced on 2 July 2025](#) will impact on sale numbers.¹⁰ We would be grateful for this information as part of your response to this letter.

Competition and Markets Authority investigation

Finally, we welcome your update on the Ministry's interaction with the Competition and Markets Authority (CMA) regarding its investigation into suspected breaches of competition law by housebuilders. Whilst noting that the investigation was rightly independent of the Ministry, we would appreciate an update on the following aspects of the MHCLG's response:

- How is the Ministry engaging with the CMA to reflect on its investigation and inform potential future changes to housing market policy?
- Will the Ministry seek access to evidence that the CMA collected as part of its investigation to inform future changes to housing market policy?
- Does the Ministry believe there are any legal barriers to the Ministry accessing information from the CMA regarding its investigation as a result of the proposed settlement?

We would be grateful for your response to our questions by 22 August 2025.

Best wishes,

Florence Eshalomi MP
Chair, Housing, Communities and Local Government Committee

¹⁰ Oral evidence: [Delivering 1.5 million new homes: land value capture](#), 15 July 2025, HC 672, Q.165