

# Affordable Housing Proof of Evidence of James Stacey BA (Hons) Dip TP MRTPI

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Land at Berrow Green Road, Martley



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Outline planning permission for up to 55 dwellings (with means of access to the site be considered at this stage and all other matters reserved)

Land at Berrow Green Road, Martley

Hayfield Homes

October 2024

PINS REF: APP/W1860/W/24/3348743

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# Contents

	Executive Summary	
Section 1	Introduction	1
Section 2	Affordable Housing as an Important Material Consideration	4
Section 3	The Development Plan and Related Policies	7
Section 4	Affordable Housing Needs	11
Section 5	Affordable Housing Delivery	15
Section 6	Affordability Indicators	23
Section 7	Future Supply of Affordable Housing	35
Section 8	Council's Assessment of the Application	41
Section 9	Benefits of the Proposed Affordable Housing at the Appeal Site	43
Section 10	The Weight to be Attributed to the Proposed Affordable Housing Provision	48

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## Appendices

- Appendix JS1 Consequences of Failing to Meet Affordable Housing Needs
- Appendix JS2 Freedom of Information Response (February 2024 and August 2024)
- Appendix JS3 Relevant extracts from the Planning Practice Guidance
- Appendix JS4 Summary of Corporate Documents
- Appendix JS5 Affordable Housing as a Separate Material Consideration
- Appendix JS6 Relevant Secretary of State and Appeal Decisions

## Core Documents

- CD 7.1 NPPF 2024 Consultation Draft
- CD 7.3 Written Ministerial Statement – ‘Playing your part in Building the Homes we Need’ from the Deputy Prime Minister, Angela Reyner.
- CD 3.1 South Worcestershire Development Plan (February 2016)
- CD 3.8 Affordable Housing Supplementary Planning Document (2016)
- CD 3.11 South Worcestershire Development Plan Review Regulation 19 Publication Document (September 2023)
- CD 3.12 Malvern Hills District Council ‘Our Five-Year Plan 2024 – 2029’ (January 2024)
- CD 3.13 Worcestershire Homelessness and Rough Sleeping Strategy 2022 – 2025
- CD 7.6 Inspectors Report on the Examination of the South Worcestershire Development Plan (February 2016)
- CD 7.7 South Worcestershire Development Plan, Inspector’s Report, Annex A: Inspector’s Interim Conclusions on the Stage 1 Matters (February 2016)
- CD 7.8 Worcestershire Strategic Housing Market Assessment (2012)
- CD 7.9 South Worcestershire Strategic Housing Market Assessment Update (2021)
- CD 7.17 South Worcestershire Allocations Policy
- CD 3.14 Malvern Hills Five-Year Housing Land Supply Statement (December 2023)
- CD 2.2 App ref: M/23/01711/OUT Decision Notice
- CD 2.1 App ref: M/23/01711/OUT Planning Delegated Report
- CD 7.10 ‘The Economic Impact of Building Social Housing’, Centre for Economics and Business Research (February 2024)
- CD 5.3 SoS Decision: Land at Franklands Drive, Addlestone (October 2006)
- CD 5.4 SoS Decision: Land at Pulley Lane, Droitwich Spa (July 2014)
- CD 5.5 Appeal Decision: Land at Firlands Farm, Reading (July 2015)
- CD 5.6 Appeal Decision: Mans Hill, Burghfield Common (March 2015)
- CD 5.7 Appeal Decision: Greetham Garden Centre, Oakham (May 2015)
- CD 5.8 Appeal Decision: Land to the West of Langton Road, Norton (July 2016)
- CD 5.18 Appeal Decision: Coalpit Heath, South Gloucestershire (September 2018)
- CD 5.9 Appeal Decision: Land at Deerlands Road, Wingerworth (November 2018)
- CD 5.10 SoS Decision: Land at Former North Worcestershire Golf Club, Birmingham (July 2019)
- CD 5.11 Appeal Decision: Land to East of Highgate Hill and South of Copthall Avenue, Hawkhurst (March 2022)
- CD 5.12 Appeal Decision: Land at Sondes Place Farm, Dorking (November 2023)
- CD 5.13 Appeal Decision: Land at Coombebury Cottage, Dunsfold (May 2024)
- CD 6.13 Vistry Homes High Court Challenge (August 2024)

## Executive Summary

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- i. This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in the planning decision in light of the evidence of need in the Malvern Hills area.
- ii. Outline planning permission is sought for up to 55 dwellings, of which 40% are proposed as affordable homes, equivalent to up to 22 affordable. This level of provision meets the requirements of Policy SWDP 15 (40%) of the South Worcestershire Development Plan.
- iii. Whilst the delivery of 22 affordable homes is policy compliant, the delivery of such homes is clearly a benefit of the proposal which is in addition to the delivery of the 33 market homes because (this list is not intended to be exhaustive):
  - They will (as a matter of fact) meet the extant needs of 22 households in need of an affordable home now;
  - The need for affordable housing does not arise out of the delivery of the 33 market homes; and
  - The delivery of affordable housing is therefore a land use planning benefit which is additional to the delivery of market housing.
- iv. The tenure split would be 25% First Homes tenure (up to 6 units) and 69% Social Rented tenure (up to 15 units) and 6% Shared ownership (up to 1 unit), in accordance with the 2021 SHMA update.
- v. The affordable housing provision will be secured through a Section 106 agreement.

### **Key Findings**

#### **Corporate Documents**

- vi. Corporate documents identify the delivery of affordable housing as a high corporate priority of Malvern Hills. These include the Malvern Hills District Council 'Our Five-Year Plan 2024-2029' and the Worcestershire Homelessness and Rough Sleeping Strategy 2022/25.

### **Affordable Housing Needs**

- vii. The 2012 Strategic Housing Market Needs Assessment was used to inform the adopted South Worcestershire Development Plan. It covered the period 2012/13 to 2016/17, finding at page 183 that Malvern Hills had a need of 131 affordable dwellings per annum over the period, equivalent to 655 dwellings in total.
- viii. The 2021 SHMA update is within the evidence base for the emerging South Worcestershire Development Plan Review and covers the period 2021/22 to 2030/31. It concluded that at page 120, Table C7, that there was a need for 331 affordable dwellings per annum over the period, equivalent to 3,310 dwellings in total.

### **Affordable Housing Delivery**

- ix. In the 17-year period since the start of the South Worcestershire Development Plan period in 2006, the Council has delivered just 1,867 gross affordable dwellings, equivalent to 110 per annum. This represents 34% of overall housing completions.
- x. Against the 131 per annum need figure identified by the 2012 SHMA over the period 2012/13 to 2017/18, a shortfall of 317 affordable dwellings accumulated, equivalent to -63 per annum.
- xi. Against the 331 per annum need figure identified by the more up to date 2021 SHMA update over the period 2021/22 to 2031/21, in just the first two years, a shortfall of -344 affordable dwellings has accumulated, equivalent to 172 per annum.
- xii. Within Martley Parish, 65 gross affordable dwellings have been completed since 2006/07. This should be viewed in the context that 285 households on the Housing Register specified Martley Parish as their preferred choice of location (as of 31 March 2024).

### **Affordability Indicators**

- xiii. The following affordability indicators are material considerations and in this particular case demonstrate a substantial problem within Malvern Hills for any household seeking an affordable home:

#### Housing Register

- On 8 August 2024, there were 1,026 households on the Housing Register.

### Waiting Times

- The average waiting times for an affordable property in the monitoring year 2023/24 range from 14 months for a 1-bedroom home, to 30 months for a 4+ bedroom home.

### Temporary Accommodation

- In total, 15 households were housed in temporary accommodation by the Council on 31 March 2024, with Malvern Hills spending £102,000 on Bed and Breakfast hotels for this use over the 2022-2023 monitoring period.

### Homelessness

- MHCLG data shows that between 1 April 2022 and 31 March 2023, the Council accepted 83 households as being in need of homelessness prevention duty in Malvern Hills, with a further 156 households in need of relief duty.

### Private Rental Market

- Median and lower quartile private rents in Malvern Hills is above those of the West Midlands more widely, consistently since 2013/14.

### Median House Prices

- The current ratio of median house price to median income in Malvern Hills is 9.91, which is 20% higher than the national average median of 8.26 and also higher than the regional median of 7.18.
- The median house price across Malvern Hills has risen by 67% since the start of the South Worcestershire Development Plan period in 2006, while median house prices in Martley Parish has risen by 92% over the same period, standing at £550,000 in 2023.
- This median house price in Martley Parish is 69% higher than the median house price in Malvern Hills, and 132% higher than the regional figure indicating Martley is an area of extreme unaffordability to those on lower or median incomes.

### Lower Quartile House Prices

- The ratio of lower quartile house price to income in Malvern Hills in 2023 stood at 9.21, meaning that those on lower quartile incomes need to find more than 9 times their income to afford a median price property.

- This level is again above regional and national comparable figures and shows no sign of improvement.
- While mortgage lending is typically offered at 4.5 times earnings, here, the lower quartile affordability ratio is some 120% higher.

### **The Future Supply of Affordable Housing**

- xiv. It is imperative for those in need of an affordable home that the 344 affordable housing shortfall, accumulated in just the first two years of the 2021 SHMA update period (2021/22 – 2022/23), is addressed as soon as possible and in any event within the next five years.
- xv. When the shortfall is factored into the 2021 SHMA identified need of 331 affordable homes per annum for the period 2021/22 to 2031/32, the number of affordable homes the Council will need to complete increases by 21% to 400 net affordable homes per annum over the five-year period.
- xvi. The evidence demonstrates that the Council is unlikely to be able to meet its affordable housing needs over the next five years. Generously assuming all sites in the 5YHLS would provide policy compliant levels of affordable housing, there is only a possible supply of just 107 new affordable dwellings per annum.
- xvii. If past delivery rates in Malvern Hills are used as a predictive measure for the likely percentage of housing to come forward as affordable in the next five years, this supply falls to just 91 new affordable dwellings per annum.
- xviii. It is therefore clear that little confidence can be had that the Council can oversee a sufficient step change in the delivery of affordable housing to meet annual needs.

### **Conclusion**

- xix. In light of the key findings of my evidence and the acute need for affordable housing within Malvern Hills, I consider that **very significant weight** should be attributed to the delivery of up to 22 affordable homes through the appeal scheme in the planning balance.

# Introduction

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## Section 1

- 1.1 This Affordable Housing Proof of Evidence has been prepared by **James Stacey BA (Hons) Dip TP MRTPI** of **Tetlow King Planning** on behalf of **Hayfield Homes**.
- 1.2 The proposed development is for up to 55 dwellings, of which 40% (up to 22 dwellings) are to be provided on-site as affordable housing. This level of provision meets the requirements of Policy SWDP 15 (40%) of the adopted South Worcestershire Development Plan.
- 1.3 The tenure split would be 25% First Homes tenure (up to 6 units) and 69% Social Rented tenure (up to 15 units) and 6% Shared ownership (up to 1 unit), in accordance with the 2021 SHMA update.
- 1.4 The proposed affordable housing will be secured by way of a Section 106 planning obligation.
- 1.5 This Proof of Evidence deals specifically with affordable housing and the weight to be afforded to it in this planning decision<sup>1</sup> considering evidence of need in the area. It should be read alongside the planning and housing land supply evidence of RPS.
- 1.6 My credentials as an expert witness are summarised as follows:
  - I hold a Bachelor of Arts (Hons) degree in Economics and Geography from the University of Portsmouth (1994) and a post-graduate diploma in Town Planning from the University of the West of England (“UWE”) (1997). I am a member of the Royal Town Planning Institute.
  - I have over 29 years’ professional experience in the field of town planning and housing. I was first employed by two Local Authorities in the South West and have been in private practice since 2001.
  - During my career, I have represented evidence at more than 140 Section 78 appeal inquiries and hearings. I act for a cross-section of clients and advise upon a diverse range of planning and housing related matters.

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<sup>1</sup> For the clarity, the weightings I apply are as follows: very limited, limited, moderate, significant, very significant, substantial, and very substantial.

- In December 2022 I was appointed as Managing Director of Tetlow King Planning. Prior to this I held the position of Senior Director. I was first employed by Tetlow King Planning in 2009.
- Both Tetlow King generally and I have acted on a wide range of issues and projects for landowners, house builders and housing associations throughout the country. Tetlow King Planning has been actively engaged nationally and regionally to comment on emerging development plan documents and supplementary planning documents on affordable housing throughout the UK.

1.7 In accordance with the Planning Inspectorate’s Procedural Guidance, I hereby declare that:

*“The evidence which I have prepared and provide for this appeal in this Statement is true and has been prepared and is given in accordance with the guidance of the Royal Town Planning Institute. I confirm that the opinions expressed are my true and professional opinions.”*

1.8 In addition, I confirm that no part of my evidence, including the data presented has used any form of artificial intelligence (AI).

1.9 Providing a significant boost in the delivery of housing, and in particular affordable housing, is a key priority for the Government. This is set out in the most up-to-date version of the National Planning Policy Framework (“NPPF”), the Planning Practice Guidance (“PPG”), the National Housing Strategy and the Government’s Housing White Paper.

1.10 Having a thriving active housing market that offers choice, flexibility and affordable housing is critical to our economic and social well-being. The consequences of failing to meet affordable housing needs in any local authority is well documented and acknowledged by the SOS and Inspectors alike. These consequences are important to understand. They are real consequences, afflicted upon many households who are in dire need of assistance with their housing. The consequences affect the ability of households, families, and individuals in leading the best lives that they can. I set out my summary of the consequences at **Appendix JS1**.

1.11 As part of my evidence, I have sought data from the Council, upon which I rely, through a Freedom of Information (“FOI”) request submitted to Malvern Hills District Council on 16 July 2024. A partial response was received on 6 August 2024. Clarifications were sought and a subsequent response was received on 8 August 2024. Some reliance is also placed on an FOI received on 16 February 2024. The full FOI correspondence is attached at **Appendix JS2**.

1.12 This proof of evidence comprises the following nine sections:

- Section 2 establishes the importance of affordable housing as an important material consideration;
- Section 3 analyses the development plan and related policy framework including corporate documents;
- Section 4 sets out the identified affordable housing needs;
- Section 5 examines past affordable housing delivery against identified needs;
- Section 6 covers a range of affordability indicators;
- Section 7 considers the future supply of affordable housing;
- Section 8 sets out the council’s assessment of the application;
- Section 9 identifies the benefits of the proposed affordable housing at the appeal site; and
- Section 10 considers the weight to be attached to the proposed affordable housing provision.

# Affordable Housing as an Important Material Consideration

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## Section 2

### Introduction

- 2.1 The provision of affordable housing is a key part of the planning system. A community's need for affordable housing was first enshrined as a material consideration in PPG3 in 1992 and has continued to play an important role in subsequent iterations of national planning policy, including the National Planning Policy Framework ("NPPF").

### National Planning Policy Framework (19 December 2023)

- 2.2 The NPPF was last updated on 19 December 2023 and is a material planning consideration. It is important in setting out the role of affordable housing in the plan-making and decision-making processes.
- 2.3 The NPPF sets a strong emphasis on the delivery of sustainable development. Fundamental to the social objective is to *"support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations"* (paragraph 8) (my emphasis).
- 2.4 Chapter 5 of the NPPF focuses on delivering a sufficient supply of homes, in which paragraph 60 is clear that:

*"to support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed [...] **The overall aim should be to meet as much of an area's identified housing need as possible**, including with an appropriate mix of housing types for the local community".* (my emphasis)

- 2.5 Paragraph 63 also makes clear that *"within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing."* (my emphasis).

- 2.6 The national guidance places a corner-stone responsibility on all major developments (involving the provision of housing) to provide an element of affordable housing. In particular, paragraph 66 establishes that *“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.”*
- 2.7 Affordable housing is defined within the revised NPPF’s glossary as affordable housing for rent (in accordance with the Government’s rent policy for Social Rent or Affordable Rent or is at least 20% below local market rents), starter homes, discounted market sales housing (at least 20% below market value) and other affordable routes to home ownership including shared ownership, relevant equity loans, other low-cost homes for sale (at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).

**Consultation Draft National Planning Policy Framework (CD7.1) and Written Ministerial Statement (30 July 2024) (CD7.3)**

- 2.8 On 30 July 2024, the new Labour government published a draft revised NPPF for consultation (CD7.1) and an accompanying Written Ministerial Statement (“WMS”) by the Deputy Prime Minister, Angela Rayner MP (CD7.3). The WMS is a material consideration.
- 2.9 The WMS sets out the Government’s aspirations to drive the delivery of affordable homes, stating that *“the Government are committed to the biggest growth in social and affordable housebuilding in a generation”* and setting an objective to deliver 1.5 million homes during the current Parliament. All of this in the context of being *“in the middle of the most acute housing crisis in living memory”* (emphasis added), with *“home ownership [being] out of reach for too many; the shortage of houses drives high rents; and too many are left without access to a safe and secure home.”*
- 2.10 Relevant proposed changes to the NPPF include:
- a. Paragraph 61, which provides that *“The overall aim should be to meet an area’s identified housing need”* – no longer expressed as being *“as much as possible”* to reinforce the Government’s position that identified needs should be met in full.
  - b. Paragraphs 63 and 64 seek to place greater emphasis on the delivery of social rented homes.

- c. Paragraph 66 is amended to remove the expectation to deliver 10% of the total number of homes as affordable home ownership, although there remains an expectation that local authorities should identify local needs for both affordable rented and home ownership tenures and to reflect this in planning decisions.
- d. New paragraph 69 highlights the benefit of mixed tenure schemes in “*creating diverse communities and supporting timely build out rates*”.
- e. The definition of affordable housing at Annex 2 is revised to replace the defunct Starter Homes tenure with the First Homes tenure type.

### **Planning Practice Guidance (March 2014, Ongoing Updates)**

- 2.11 The Planning Practice Guidance (“PPG”) was first published online on 6 March 2014 and is subject to ongoing updates. It replaced the remainder of the planning guidance documents not already covered by the NPPF and provides further guidance on that document’s application. **Appendix JS3** sets out the paragraphs of the PPG of particular relevance to affordable housing.

### **Summary and Conclusions**

- 2.12 This section clearly demonstrates that, within national policy, providing affordable housing has long been established as, and remains, a key national priority of successive Governments. It is a fundamental element in the drive to address and resolve the national housing crisis.

# The Development Plan and Related Policies

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## Section 3

### Introduction

- 3.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, the application should be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 3.2 The relevant Development Plan in respect of affordable housing for the appeal site currently comprises the South Worcestershire Development Plan (Adopted February 2016) (**CD3.1**).
- 3.3 Other material considerations relevant to affordable housing include the NPPF (2023) and the PPG (March 2014, ongoing updates), the adopted Affordable Housing Supplementary Planning Document (“SPD”) (2016) (**CD3.8**) and a number of corporate documents which support the provision of affordable housing at the corporate level.

### The Development Plan

#### South Worcestershire Development Plan (2016) – CD3.1

- 3.4 The South Worcestershire Development Plan (“SWDP”) was adopted in February 2016, and covers the administrative areas of Malvern Hills District Council, Wychavon District Council and Worcester City Council, who are collectively referred to as the South Worcestershire Councils. The plan covers the period 2006 to 2030.
- 3.5 Affordable housing is highlighted within the vision for South Worcestershire in 2030, as outlined on page 9: “*affordable and accessible housing is widely available and helps to secure and sustain local communities, services and facilities*”.
- 3.6 Page 9 continues to set out the objectives for the SWDP; Objectives 1, 2 and 3 under the heading ‘stronger communities’ relate to the requirement for providing appropriate levels of housing, including affordable:
  - “1. To deliver sufficient new homes needed by local communities and which help support economic growth.

2. To provide a balanced mix of house tenures and types, including extra care provision, to satisfy the full range of housing needs and help create active / inclusive / sustainable communities.
  3. To maximise opportunities to deliver affordable housing.” (My emphasis).
- 3.7 Within the spatial context as described on page 14, it is stated at paragraph 15 that:
- “Good accessibility and a high quality built, and natural environment has led to the area being subject to relatively high levels of inward migration, which has kept market housing prices relatively high. Housing affordability within both the urban and rural areas is a major issue and is likely to remain so throughout the plan period.”* (My emphasis).
- 3.8 Paragraph 53 identifies Malvern Hills in particular as an authority area with poor affordability in South Worcestershire:
- “Housing demand and house price growth are stronger in Malvern Hills than in the rest of the plan area and improving affordability will be a long-term challenge”.*
- 3.9 The SWDP makes reference to the 2012 Strategic Housing Market Assessment on page 133, indicating that:
- “The Worcestershire Strategic Housing Market Assessment (February 2012) advises that the waiting list data indicates that the group most frequently requiring affordable housing is family households, followed by single person households. It identifies that current stresses on the housing market include acute affordability issues, particularly in more rural areas, tightening of mortgage finance and rising levels of unemployment and economic inactivity.”* (My emphasis).
- 3.10 **Policy SWDP 15 ‘Meeting Affordable Housing Needs’** on page 121 provides the main affordable housing policy for Malvern Hills. It seeks **40% provision of affordable housing** on schemes of 15 dwellings or more on greenfield sites, such as the appeal site. A lower 30% provision is required on brownfield sites or 15 dwellings or more (within Worcester City and Malvern Hills only).

- 3.11 Also of relevance is **Policy SWDP 3 ‘Employment, Housing and Retail Provision Requirement and Delivery’** which sets out South Worcestershire Council’s employment, retail and housing requirements – including affordable housing – over the Plan period. **Policy SWDP 3** sets out a minimum affordable housing requirement over the Plan period of 1,700<sup>2</sup> affordable dwellings within the Malvern Hills area (excluding the Wider Worcester Area) over the 24-year period 2006 to 2030, equivalent to 71 affordable dwellings per annum. However, it is also noted that the ‘Wider Worcester Area’ comprising Malvern Hills and Wychavon is also required to deliver a further 2,100 affordable dwellings over the plan period.
- 3.12 Section 4 of this Proof of Evidence discusses this affordable housing requirement in light of affordable housing needs.

#### **Other material considerations**

##### **South Worcestershire Development Plan Review**

- 3.13 In 2017, the South Worcestershire Councils began work to undertake a review of the adopted SWDP 2016. The emerging SWDP Regulation 19 Publication Document (**CD3.11**) was formally submitted for Independent Examination in September 2023. The SWDP Review is therefore at an advanced stage which means it is afforded weight in the planning balance. The SWDP Review will cover the period 2021 to 2041.
- 3.14 The emerging SWDP Review retains a number of the key visions and objectives from the adopted SWDP, including those around affordable housing.
- 3.15 Emerging **Policy SWDPR 02 ‘Employment, Housing and Retail Requirements’** does not include an affordable housing target. This is a change in approach from the adopted SWDP 3 which includes an affordable housing delivery target.
- 3.16 Policy **SWDPR 18 ‘Meeting Affordable Housing Needs’** is the key policy regarding affordable housing in the emerging SWDP Review. It also seeks a **40% affordable housing provision** on sites of 10 or more dwellings, or 0.5ha or more. It also sets out smaller thresholds for sites within designated rural areas.
- 3.17 The supporting text to Policy SWDPR 18 makes reference to the 2021 Strategic Housing Market Assessment Update (“2021 SHMA Update”) as its basis for determining affordable housing need, stating that it indicates a current shortfall of “*around 906 affordable dwellings*”.

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<sup>2</sup> See Table 4b(i)

### **Affordable Housing Supplementary Planning Document (2016) – CD3.8**

- 3.18 The Affordable Housing SPD (2016) provides guidance on the affordable housing policies within the adopted SWDP, including guidance on relevant legal agreements and the design principles that should be followed with relation to affordable housing.

#### **Corporate Documents**

- 3.19 The Council's corporate documents identify the delivery of affordable housing as a high corporate priority of Malvern Hills. These include the following documents:
- Malvern Hills District Council 'Our Five-Year Plan 2024-2029' (**CD3.12**); and
  - Worcestershire Homelessness and Rough Sleeping Strategy 2022-2025 (**CD3.13**).
- 3.20 Summaries of each of these documents are provided at **Appendix JS4** and quotes from each of the documents are referred to throughout this evidence.

#### **Summary and Conclusions**

- 3.21 The relevant Development Plan in respect of affordable housing for Malvern Hills currently comprises South Worcestershire Development Plan (2016).
- 3.22 The evidence set out in this section clearly highlights that within adopted policy, emerging policy and a wide range of other plans and strategies, providing affordable housing has long been established as, and remains, a key issue which urgently needs to be addressed within Malvern Hills.
- 3.23 The appeal proposals provide an affordable housing contribution which meets requirements of adopted SWDP, Policy SWDP 15, and emerging Policy SWDPR 18 in the emerging SWDP Review.
- 3.24 The up to 22 affordable homes at the appeal site will make a significant contribution towards the annual affordable housing needs of the District, particularly when viewed in the context of past rates of affordable housing delivery which is considered in more detail in Section 5 of my evidence.

# Affordable Housing Needs

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## Section 4

### Introduction

- 4.1 This section explores the affordable housing needs identified in the adopted Development Plan and its associated evidence base, as well as more recent assessments of affordable housing need in order to provide a comprehensive understanding of formally identified affordable housing needs across the District.

### The Development Plan

- 4.2 **Policy SWDP 3** of the adopted SWDP sets out a minimum affordable housing requirement over the Plan period of 1,700<sup>3</sup> affordable dwellings within the Malvern Hills area (excluding the Wider Worcester Area) over the 24-year period 2006 to 2030, equivalent to 71 affordable dwellings per annum. It is also noted that the 'Wider Worcester Area' comprising Malvern Hills and Wychavon is also required to deliver a further 2,100 affordable dwellings over the plan period.
- 4.3 Paragraph 2 of the supporting text to Policy SWDP 3, clarifies that these figures are justified in the Addendum to the Housing Background Paper Update (2015) and the SWDP Objective Assessment of Housing Need (2014) report. Unfortunately, at the time of writing, neither of these documents appear to be available on the Council's website for review. I make no criticism of this. Although for the reasons I set out below I do not consider this level of need is representative of the true scale of need within Malvern Hills District.
- 4.4 It is not considered that the 71 affordable dwellings per annum required by SWDP is representative of the true scale of need within Malvern Hills District. Policy SWDP 3 splits the total housing requirement into three sub areas: the Wider Worcestershire Area ("WWA"), Malvern Hills (excluding the WWA) and Wychavon (excluding the WWA). This figure has been calculated on the basis of all three Worcestershire Council's affordable housing needs and so it is not clear exactly how much of the 2,100 affordable homes required in the WWA are to be solely delivered within Malvern Hills (in addition to the 1,700).

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<sup>3</sup> See Table 4b(i)

- 4.5 It is important to note the Inspectors comments at paragraph 56 (page 13) of their Report (**CD7.6, p.13, [56]**) for the adopted SWDP:

*“In my ICs I noted that there was likely to be a **gap between the need for affordable housing and the amount that could be specifically delivered through the Plan**. But the uplift in the overall housing requirement now means that about 9,000 affordable dwellings can be provided in association with market housing schemes identified in the Plan, through the mechanisms set out in policy SWDP 15 (as modified). **Additional affordable housing is likely to come forward through windfall development and Registered Provider-led schemes, giving further assurance that the identified need is likely to be met in full.**”*

- 4.6 In reviewing the Inspectors Interim Conclusions (**CD7.7, p.10, [50, 51, 52]**), the Inspector remarks at paragraph 50 that *“The SHMA [2012] contains a robust assessment, in accordance with DCLG’s Practice Guidance, of the need for affordable housing in the Plan area.”*
- 4.7 They continue at paragraphs 51 and 52, stating *“Of this requirement, the SWCs calculate that about 4,110 can be delivered between 2012 and 2030... This leaves a need for over 2,000 affordable dwellings which is not specifically met by the Plan as submitted.”*
- 4.8 The Inspector recognised at paragraph 52 that *“...it is probable that a gap will remain between the need for affordable housing and the amount that can be specifically delivered through the Plan.”*
- 4.9 These comments clearly indicate that additional affordable housing delivery over and above the minimum affordable housing requirements set out in adopted Policy SWDP 3 is required in order to meet identified needs.

### **Housing Market Assessments**

- 4.10 Whilst the 2016 SWDP does outline its own minimum requirement figure for affordable housing, in light of the limitations of this figure as an indication of true affordable need, consideration must be given to the Housing Market Assessments in the Council’s evidence bases.

#### Worcestershire Strategic Housing Market Assessment (2012) – CD7.8

- 4.11 The 2012 Strategic Housing Market Assessment (“2012 SHMA”) was commissioned by the three South Worcestershire Councils, and its findings were used to inform the adopted SWDP 2016. The assessment covered the five-year period between 2012/13 and 2016/17. The Development Plan acknowledges the findings of the 2012 SHMA on page 122.
- 4.12 Figure 7.3 on pages 181 – 183 of the 2012 SHMA sets out the total affordable housing need for each of the South Worcestershire authorities, identifying that Malvern Hills had a need for **131 affordable dwellings per annum, equivalent to a total of 655 dwellings** in the five years between 2012/13 and 2016/17.

#### South Worcestershire Strategic Housing Market Assessment Update (2021) – CD7.9

- 4.13 The 2021 SHMA Update was commissioned as an update to a 2019 SHMA, specifically to support the development of the SWDP Review. The assessment covers the 10-year period between 2021/22 and 2030/31.
- 4.14 Notably, the 2021 SHMA Update identifies that the need for affordable housing across the South Worcestershire Councils is significantly higher than that in the 2019 SHMA (906 dwellings per annum, compared with 489 dwellings per annum respectively).
- 4.15 The 2021 SHMA Update sets out in Table C7 on page 120 that in Malvern Hills there is an on-going need for **331 affordable dwellings per annum, equivalent to a total of 3,310 dwellings** in the 10-year period between 2021/22 and 2030/31.

#### **Summary and Conclusions**

- 4.16 The adopted SWDP 2016 makes reference to the 2012 SHMA for its identified housing needs but opts to provide its own requirement figure based on other pieces of evidence not available for review. Reasons have been provided for why this figure is not considered reflective of the true scale of need, and therefore reliance in this assessment is placed on SHMAs produced in 2012 (which forms part of the evidence base for the adopted SWDP), and the 2021 SHMA update which forms part of the evidence base for the emerging SWDP Review.
- 4.17 The 2012 SHMA identified an affordable housing need figure of 131 dwellings per annum over the period 2012/13 and 2017/18, equivalent to 655 dwellings in total over the period.

- 4.18 The 2021 SHMA update identified an affordable housing need figure of 331 dwellings per annum over the period 2021/22 to 2031/32, equivalent to 3,310 dwellings in total.

# Affordable Housing Delivery

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## Section 5

### **Introduction**

- 5.1 This section of the evidence analyses the delivery of affordable housing in Malvern Hills. It highlights significant shortfalls in meeting identified needs, illustrating a pressing need for a substantial increase in affordable housing provision across the District.

### **Past Affordable Housing Delivery**

- 5.2 Figure 5.1 illustrates the delivery of affordable housing (“AH”) in Malvern Hills since the start of the SWDP period in 2006/07.

*\*\* continued overleaf \*\**

Figure 5.1: Gross Additions to Affordable Housing Stock, 2006/07 to 2022/23

Monitoring Year	Total Housing Completions (Net)	Additions to AH stock (Gross)	Gross affordable additions as a %age of total completions
2006/07	183	39	21%
2007/08	299	23	8%
2008/09	256	100	39%
2009/10	222	51	30%
2010/11	137	74	54%
2011/12	229	115	50%
2012/13	176	8	5%
2013/14	184	53	29%
2014/15	258	95	37%
2015/16	323	117	36%
2016/17	363	90	25%
2017/18	467	188	40%
2018/19	591	180	30%
2019/20	417	152	36%
2020/21	528	254	48%
2021/22	448	175	39%
2022/23	462	153	33%
<b>Totals</b>	<b>5,543</b>	<b>1,867</b>	<b>34%</b>
<b>Avg. Pa.</b>	<b>326</b>	<b>110</b>	

Source: Freedom of Information ("FOI") Response (August 2024)

- 5.3 Between 2006/07 and 2022/23, a total of 5,543 dwellings were delivered in Malvern Hills, equivalent to 326 per annum. Of these, 1,867 dwellings were affordable tenures, equivalent to 110 per annum. This equates to 34% gross affordable housing delivery.
- 5.4 However, it is important to note that the gross affordable completions figure does not take into account any losses from the affordable housing stock through demolitions nor through Right to Buy ("RtB") sales from existing Registered Provider ("RP") affordable housing stock.

- 5.5 At a national level almost two million households have exercised their Right to Buy since it was introduced in 1980. In her Written Ministerial Statement of 30 July 2024, the Deputy Prime Minister observed that Right to Buy sales have not been matched by the rate of replacements, making it harder for Councils to accommodate households in need:

*“Over the last five years, there has been an average of 9,000 council Right to Buy sales annually, but only 5,000 replacements each year. Right to Buy provides an important route for council tenants to be able to buy their own home. But the discounts have escalated in recent years and councils have been unable to replace the homes they need to move families out of temporary accommodation.”*

- 5.6 Figure 5.2 below calculates the affordable housing delivery per annum since the start of the SWDP period in 2006, net of Right to Buy sales. A net loss of 74 affordable dwellings over this period equates to 4% of the gross affordable housing completions of 1,867 affordable dwellings over the 17-year period.

*\*\* continued overleaf \*\**

Figure 5.2: Net of Right to Buy Additions to Affordable Housing Stock, 2006/07 to 2022/23

Monitoring Year	Total housing completions (Net)	Additions to AH Stock (Gross)	RP RtB Sales	Additions to AH Stock (Net of RtB)	Net of RtB additions as a %age of total completions
	A	B	C	D (B – C)	E (F / A) X 100
2006/07	183	39	n/a	39	21%
2007/08	299	23	n/a	23	8%
2008/09	256	100	n/a	100	39%
2009/10	222	51	n/a	51	30%
2010/11	137	74	n/a	74	54%
2011/12	229	115	8	107	47%
2012/13	176	8	4	4	2%
2013/14	184	53	6	47	26%
2014/15	258	95	5	90	35%
2015/16	323	117	5	112	35%
2016/17	363	90	5	85	23%
2017/18	467	188	7	181	39%
2018/19	591	180	2	178	30%
2019/20	417	152	19	133	32%
2020/21	528	254	3	251	48%
2021/22	448	175	4	171	38%
2022/23	462	153	6	147	32%
<b>Totals</b>	<b>5,543</b>	<b>1,867</b>	<b>74</b>	<b>1,793</b>	<b>32%</b>
<b>Avg. Pa.</b>	<b>326</b>	<b>110</b>	<b>6</b>	<b>105</b>	

Source: FOI Response (August 2024); MHCLG Open Data

5.7 Figure 5.2 demonstrates that on average between 2006/07 and 2022/23, the council has added just 105 affordable dwellings per annum net of Right to Buy sales, equivalent to 32% of the total average number of net housing completions. This figure is likely to fall even further if demolitions to existing stock were to be accounted for.

### Affordable Housing Delivery Compared to Affordable Housing Needs

5.8 Figure 5.3 illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 131 net affordable dwellings per annum between 2012/13 and 2016/17, as set out in the 2012 SHMA.

*Figure 5.3: Net of Right to Buy Additions to Affordable Housing Stock vs Needs Identified in the 2012 SHMA, 2012/13 to 2016/17*

Monitoring Year	Additions to AH Stock (Net of RtB)	2012 SHMA AH Needs (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2012/13	4	131	-127	-127	3%
2013/14	47	131	-84	-211	36%
2014/15	90	131	-41	-252	69%
2015/16	112	131	-19	-271	85%
2016/17	85	131	-46	-317	65%
<b>Total</b>	<b>338</b>	<b>655</b>	<b>-317</b>		<b>52%</b>
<b>Avg. Pa</b>	<b>68</b>	<b>131</b>	<b>-63</b>		

Source: FOI Response (August 2024), 2012 SHMA

5.9 Over the five-year period of the 2012 SHMA, affordable housing completions (net of Right to Buy) in Malvern Hills averaged just 68 net affordable dwellings per annum, against a need of 131 net affordable dwellings per annum. A shortfall of -317 affordable dwellings has arisen over the five-year period, equivalent to an average annual shortfall of -63 affordable dwellings.

5.10 As demonstrated by Figure 5.3, the delivery of only 338 affordable homes net of Right to Buy over the period means that just 52% of identified affordable housing needs were met. Put another way 48% households in need of an affordable home were let down by the councils in ability to deliver.

5.11 Figure 5.4 below illustrates net of Right to Buy affordable housing delivery compared to the affordable housing need of 331 net affordable dwellings per annum between 2021/22 and 2031/32, as set out in the 2021 SHMA update.

Figure 5.4: Net of Right to Buy Additions to Affordable Housing Stock vs Needs Identified in the 2021 SHMA Update, 2021/22 to 2022/23

Monitoring Year	Additions to AH Stock (Net of RtB)	2021 SHMA Update AH Needs (Net)	Annual Shortfall	Cumulative Shortfall	Additions as a %age of Needs
2021/22	171	331	-160	-160	52%
2022/23	147	331	-184	-344	44%
<b>Total</b>	<b>318</b>	<b>662</b>	<b>-344</b>		<b>48%</b>
<b>Avg. Pa</b>	<b>159</b>	<b>331</b>	<b>-172</b>		

Source: FOI Response (August 2024), 2021 SHMA Update

- 5.12 In the first two years of the 2021 SHMA Update period, affordable housing completions (net of Right to Buy) in Malvern Hills have averaged 159 net affordable dwellings per annum, against a need of 331 net affordable dwellings per annum. A shortfall of -344 affordable dwellings has arisen over just the first two years of the SHMA period, equivalent to an average annual shortfall of -172 affordable dwellings.
- 5.13 As demonstrated by Figure 6.4, delivery of only 318 affordable homes net of Right to Buy over the period means that just 48% of identified affordable housing needs have been met. Put another way 52% households in need of an affordable home were let down by the councils in ability to deliver.

#### Affordable Housing Delivery in Martley Parish

- 5.14 Figure 5.5 illustrates the delivery of affordable housing in Martley Parish since the start of the SWDP period in 2006/07.

Figure 5.5: Gross Additions to Affordable Housing Stock in Martley Parish, 2006/07 to 2023/24

Monitoring Year	Total Housing Completions (Net)	Additions to AH stock (Gross)	Gross affordable additions as a %age of total completions
2006/07	6	0	0%
2007/08	7	0	0%
2008/09	1	0	0%
2009/10	2	0	0%
2010/11	1	0	0%
2011/12	3	0	0%
2012/13	1	0	0%
2013/14	3	0	0%
2014/15	9	9	100%
2015/16	43	42	98%
2016/17	18	14	78%
2017/18	0	0	0%
2018/19	3	0	0%
2019/20	2	0	0%
2020/21	2	0	0%
2021/22	1	0	0%
2022/23	0	0	0%
2023/24	1	0	0%
<b>Totals</b>	<b>103</b>	<b>65</b>	<b>63%</b>
<b>Avg. Pa.</b>	<b>6</b>	<b>4</b>	

Source: FOI Response (August 2024)

- 5.15 Over the 18-year period between 2006/07 and 2023/24 there have been a total of 103 net overall housing completions and 65 affordable housing completions in Martley Parish. Losses existing stock through the Right to Buy are not recorded on a parish basis. The figure given above is therefore a gross figure.

- 5.16 Affordable housing delivery in Martley Parish over the past 18-years should be viewed in context of the fact that as of 31 March 2024 there were 285 households on the councils Housing Register specifying Martley Parish as their preferred choice of location. While a notable amount of affordable housing was delivered in the parish between 2014 and 2017, there is clearly an increased need for affordable housing in the parish that is going unmet.
- 5.17 It is notable that in 15 of the 18 years over the SWDP period, there were no affordable housing completions, including the past seven years from 2017/18 to 2023/24.

### **Summary and Conclusions**

- 5.18 The above evidence demonstrates that across Malvern Hills, the delivery of affordable housing has fallen persistently short of meeting identified needs.
- 5.19 In the 17-year period since the start of the SWDP period in 2006/07, net of Right to Buy affordable housing delivery represented just 32% of overall housing delivery, equating to just 105 affordable dwellings per annum.
- 5.20 When net of Right to Buy affordable housing completions are compared against the need figures identified in the 2012 SHMA that informed the adopted SWDP, a shortfall of -317 affordable dwellings arose over the period 2012/13 to 2016/17, equivalent to -63 dwellings per annum.
- 5.21 Similarly, when net affordable housing completions are compared against the need figures identified in the 2021 SHMA update, which forms part of the evidence base of the emerging SWDP Review, a shortfall of -344 affordable dwelling has arisen in just the first two years of the SHMA period, equivalent to -172 affordable dwellings per annum.
- 5.22 There has been no affordable housing delivery in Martley Parish in the last seven years, and none provided in 15 of the last 18 years. As of 31 March 2024, there were 285 households on the councils Housing Register specifying Martley Parish as their preferred choice of location.
- 5.23 It is clear that a 'step change' in affordable housing delivery is needed now in Malvern Hills to address these shortfalls and ensure that the future authority-wide needs for affordable housing can be met.
- 5.24 In light of the identified level of need there can be no doubt that the delivery of up to 55 affordable dwellings on the proposed site will make an important contribution to the affordable housing needs of Malvern Hills.

# Affordability Indicators

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## Section 6

### Introduction

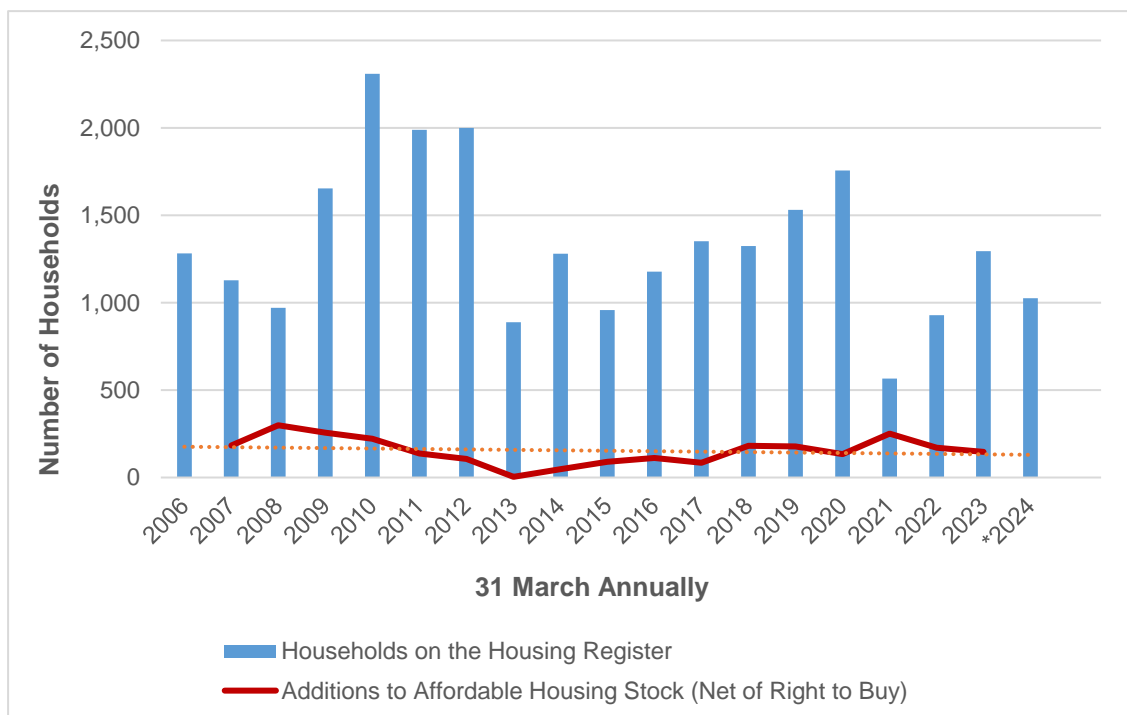
- 6.1 The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability. I acknowledge that this is in the context of plan making.

### Housing Register

- 6.2 The Housing Register provides a starting point for understanding the scale of need for affordable houses in a Local Authority, with those on the Housing Register actively seeking affordable housing options.
- 6.3 In line with the South Worcestershire Allocations Policy (2020) (**CD7.17**), across South Worcestershire, there are a number of eligibility criteria with regards to joining the Housing Register, including:
- Be entitled to live in the UK and access public funds;
  - Not have a gross household income of more than £38,000 per annum, or overall assets of £60,000 or more;
  - Meet Local Connection criteria (with some exceptions including those with a reasonable preference, considered statutorily homeless, victims of domestic abuse, members of armed forces, required to move to give or receive care):
    - Must have lived in the area for 6 out of the last 12 months;
    - Must have lived in the area for 3 out of the last 5 years;
    - Must have permanent paid employment in the area, over 16 hours per week;
    - Must have immediately family living in the area for a minimum period of 5 years prior to application being made.

- 6.4 Those with a Reasonable Preference are considered as being in the highest level of need and include those considered homeless or threatened with homelessness; people occupying unsanitary, overcrowded or otherwise unsatisfactory housing conditions; people who need to move on medical grounds; and people who need to move to avoid hardship to themselves or others. As of March 2023, there were 583 households in a Reasonable Preference category on the Housing Register.
- 6.5 The Council’s Freedom of Information (“FOI”) response (**Appendix JS2**) confirms that on 8 August 2024, when the response was received, there were 1,026 households on the Housing Register.
- 6.6 The Council’s FOI response specifies that 285 households specified a preference for an affordable home in Martley Parish as of 31 March 2024. Although I note, as of February 2024, the Housing Register was said to have been 1,451.
- 6.7 Figure 6.1 below provides a comparative analysis of the number of households on the Housing Register on 31 March each year and affordable housing delivery (net of Right to Buy) in the corresponding monitoring year ending on 31 March across Malvern Hills since the start of the SWDP period in 2006.

*Figure 6.1: Number of Households on the Housing Register Compared with Additions to Affordable Housing Stock (Net of Right to Buy), 2006 to 2024*



Source: MHCLG Open Data and FOI Response (August 2024).

\* Data from FOI response at **Appendix JS2**. 1,026 households as of 8 August 2024.

- 6.8 As Figure 6.1 clearly illustrates, affordable housing delivery has failed to keep pace with identified need on the housing register by a considerable margin for every single year in Malvern Hills since 2006.
- 6.9 It is important to note that the Housing Register is only part of the equation relating to housing need. The housing register does not constitute the full definition of affordable housing need as set out in the NPPF – Annex 2 definitions i.e. affordable rented, starter homes, discounted market sales housing and other affordable routes to home ownership including shared ownership, relevant equity loans, other low-cost homes for sale and rent to buy, provided to eligible households whose needs are not met by the market.
- 6.10 In short, there remains a group of households who fall within the gap of not being eligible to enter the housing register but who also cannot afford a market property and as such need affordable housing. It is those in this widening affordability gap who, I suggest, the Government intends to assist by increasing the range of affordable housing types in the most recent NPPF.
- 6.11 The Franklands Drive Secretary of State appeal decision in 2006 (**CD5.3, p.57, [7.13]**) underlines how the Housing Register is a limited source for identifying the full current need for affordable housing. At paragraph 7.13 of the Inspector's report the Inspector drew an important distinction between the narrow statutory duty of the Housing Department in meeting priority housing need under the Housing Act, and the wider ambit of the planning system to meet the much broader need for affordable housing.
- 6.12 As such, the number of households on the Housing Register will only be an indication of those in priority need and whom the Housing Department have a duty to house. But it misses thousands of households who are in need of affordable housing, a large proportion of whom will either be living in overcrowded conditions with other households or turning to the private rented sector and paying unaffordable rents.

### **Waiting Times**

- 6.13 The Council's Freedom of Information response (**Appendix JS2**) shows that successful applicants for affordable housing face lengthy and increasing waits for an affordable home in Malvern Hills.
- 6.14 Figure 6.2 illustrates that, based on the dwelling size, successful applicants in the 2023/24 period experienced average waiting times ranging from 16 months to 30 months for an affordable home.

Figure 6.2: Housing Register Average Waiting Times, March 2024

Size of Affordable Property	Average Waiting Time to be Housed (31 March 2024)
1-bedroom home	16 months
2-bedroom home	14 months
3-bedroom home	22 months
4+ bedroom home	30 months

Source: FOI Response (8 August 2024)

- 6.15 It is crucial to note that these figures represent averages, implying that some households may have been waiting even longer than the indicated times. Additionally, these statistics only capture the waiting times for successful applicants, typically those in the highest priority need. Households with less urgent needs can anticipate significantly lengthier waiting periods.

### Housing Register Bids and Lettings

- 6.16 The Council's FOI response (**Appendix JS2**) confirms that as of 31 March 2024, there were 285 households who specified a preference for an affordable home in Martley Parish.
- 6.17 Figure 6.3 below demonstrates average number of bids per property in Martley Parish over the 2023/24 monitoring period for a range of types of affordable property.

Figure 6.3: Bids Per Property in Martley Parish, April 2023 to March 2024

Type of Affordable Property	No. Properties Advertised	Average Bids Per Property
1-bed affordable dwelling	1	49
2-bed affordable dwelling	1	41
3-bed affordable dwelling	2	91
4+ bed affordable dwelling	0	0

Source: Freedom of Information response (8 August 2024)

- 6.18 Figure 6.3 demonstrates that between 1 April 2023 to 31 March 2024 there were an average of 49 bids per 1-bed affordable dwelling put up for let in the parish, 41 average bids per 2-bed affordable dwelling and 91 average bids per 3-bed affordable dwelling, it also demonstrates that no 4-bed affordable properties were advertised over the period.
- 6.19 For every successful letting, there are clearly tens, if not hundreds of households who have missed out and are left waiting for an affordable home. Evidently, there is a clear and pressing need for affordable homes within the parish this is not being met.

## Temporary Accommodation

- 6.20 The Councils FOI response (**Appendix JS2**) details that 2 households were housed in temporary accommodation within the Malvern Hills District area on 31 March 2024 and a further 13 households were housed in temporary accommodation outside the District. The Council has a responsibility to house these households.
- 6.21 MHCLG data indicates that Malvern Hills spent £102,000 on Bed and Breakfast hotels (including shared annexes) for use as temporary accommodation, in the 2022 – 2023 monitoring period.
- 6.22 The Worcestershire Homelessness Strategy 2022 – 2025 makes clear on page 3 under the heading ‘Temporary Accommodation’ that:

*“The Homelessness Strategy Code of Guidance for Local Authorities states that while Bed & Breakfasts (B&Bs) may be used in an emergency, councils should avoid the use of B&Bs wherever possible.”*

- 6.23 Within the Malvern Hills District Five Year Plan 2024-2029, it is clear at paragraph 7 that the Council is aware of the issue of using temporary accommodation and intends to *“reduce our use of B&B accommodation by increasing the provision of suitable temporary accommodation in the district, by March 2027”*.

## Homelessness

- 6.24 MHCLG statutory homelessness data shows that in the 12 months between 1 April 2022 and 31 March 2023, the Council accepted 83 households in need of homelessness prevention duty<sup>4</sup>, and a further 156 households in need of relief duty<sup>5</sup> from the Council.
- 6.25 The Councils Five Year Plan makes a brief reference to homelessness prevention, including the above quote on reducing use of B&Bs, with one of their visions being to *“prevent homelessness and rough sleeping or ensure it is rare, brief and non-recurring”*, which includes *“work[ing] with housing partners to maximise delivery of affordable housing, to meet local needs”*.

<sup>4</sup> The Prevention Duty places a duty on housing authorities to work with people who are threatened with homelessness within 56 days to help prevent them from becoming homeless. The prevention duty applies when a Local Authority is satisfied that an applicant is threatened with homelessness and eligible for assistance.

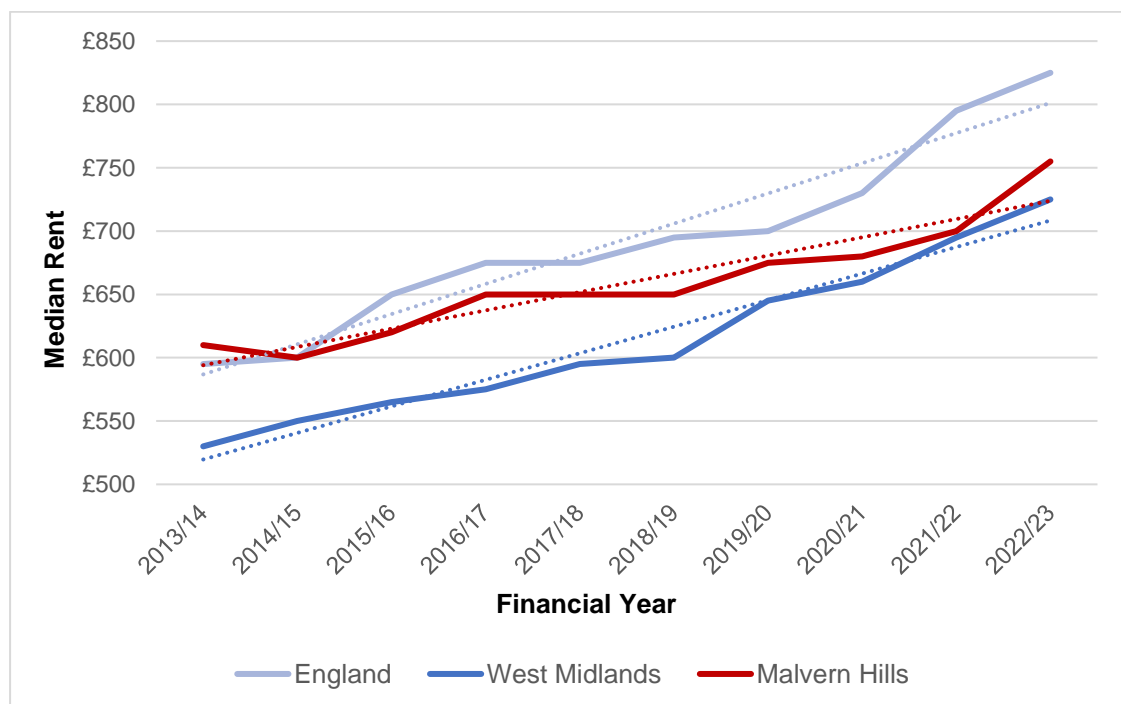
<sup>5</sup> The Relief Duty requires housing authorities to help people who are homeless to secure accommodation. The relief duty applies when a Local Authority is satisfied that an applicant is homeless and eligible for assistance.

- 6.26 The Worcestershire Homelessness and Rough Sleeping Strategy discusses the issue in more detail, within the foreword acknowledging that “*anyone can be affected by homelessness and the effects for families and individuals can be devastating and can impact on health and wellbeing, employment, education and crime.*”
- 6.27 Page 13 indicates that: “*the two most common causes of homelessness in Worcestershire are the loss of private rented accommodation and family or friends being no longer willing to accommodate*”. (My emphasis).

### Private Rental Market

- 6.28 Valuation Office Agency (“VOA”) and Office for National Statistics (“ONS”) data (first produced in 2013/14) show that median private rents in Malvern Hills stood at £755 per calendar month (“pcm”) in 2022/23. This represents a 24% increase from 2013/14 where median private rents stood at £610 pcm.

Figure 6.4: Median Private Sector Rents, 2013/14 to 2022/23

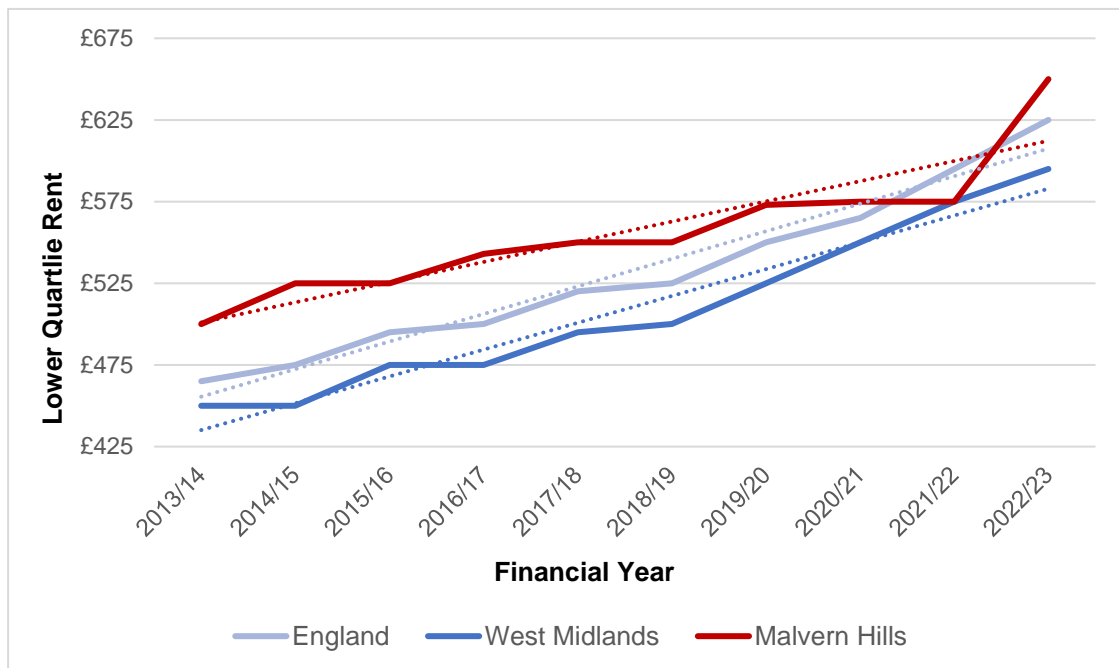


Source: VOA and ONS.

- 6.29 A median private rent of £755 pcm in 2022/23 is 4% higher than the West Midlands figure of £725 pcm. Since the start of the SHMA 2021 Update period median rents in Malvern Hills have increased by 8%.
- 6.30 Lower quartile private sector rents are representative of the ‘entry level’ of the private rented sector and include dwellings sought by households on lower incomes.

- 6.31 The average lower quartile monthly rent in Malvern Hills in 2022/23 was £650 pcm. This represents a 30% increase from 2013/14 where average lower quartile monthly rents stood at £500 pcm.

Figure 6.5: Lower Quartile Private Sector Rents, 2013/14 to 2022/23



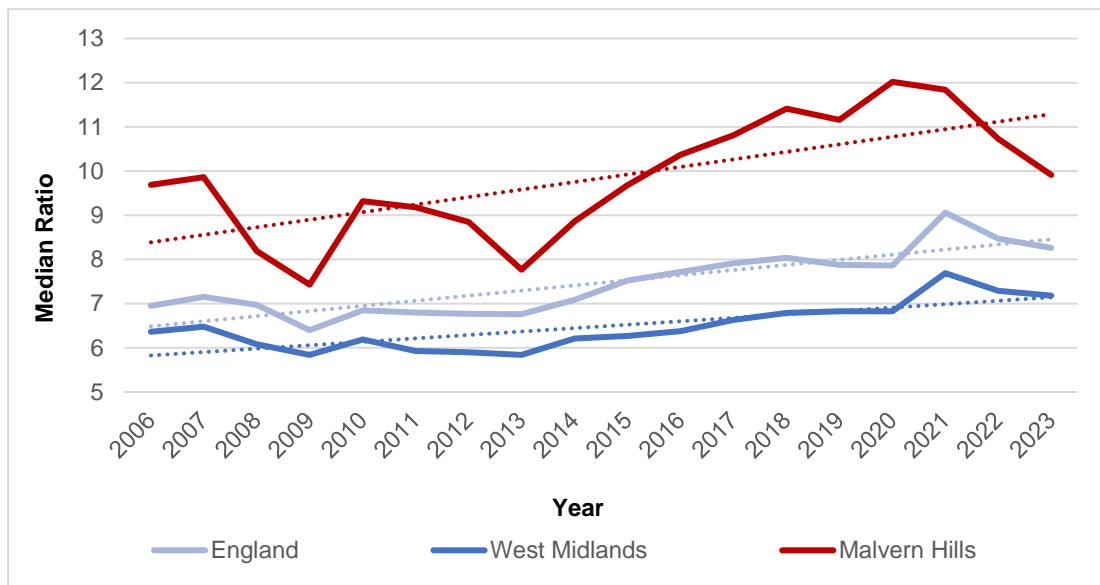
Source: VOA and ONS.

- 6.32 As can be seen in Figure 6.5, lower quartile rents in Malvern Hills have increased significantly over the past year, at a faster rate than that observed regionally or nationally.
- 6.33 A lower quartile rent of £650 pcm in 2022/23 is 9% higher than the regional figure of £595 pcm and 4% higher than the national figure of £625 pcm. Since the start of the 2021 SHMA Update period lower quartile rents in Malvern Hills have increased by 13%.
- 6.34 It is important to note that VOA/ONS rental data is calculated using all transaction data i.e., existing lets as well as new lets over the period. The data is therefore not necessarily representative of the cost of renting for new tenants in Malvern Hills.

### Median House Prices

- 6.35 The ratio of median house prices to median incomes in Malvern Hills now stands at **9.91**, a 2% increase since the start of the SWDP period in 2006 where it stood at 9.69. A ratio of 9.91 in Malvern Hills stands significantly above the national median of 8.26 (+20%) and substantially above the West Midlands median of 7.18 (+38%).

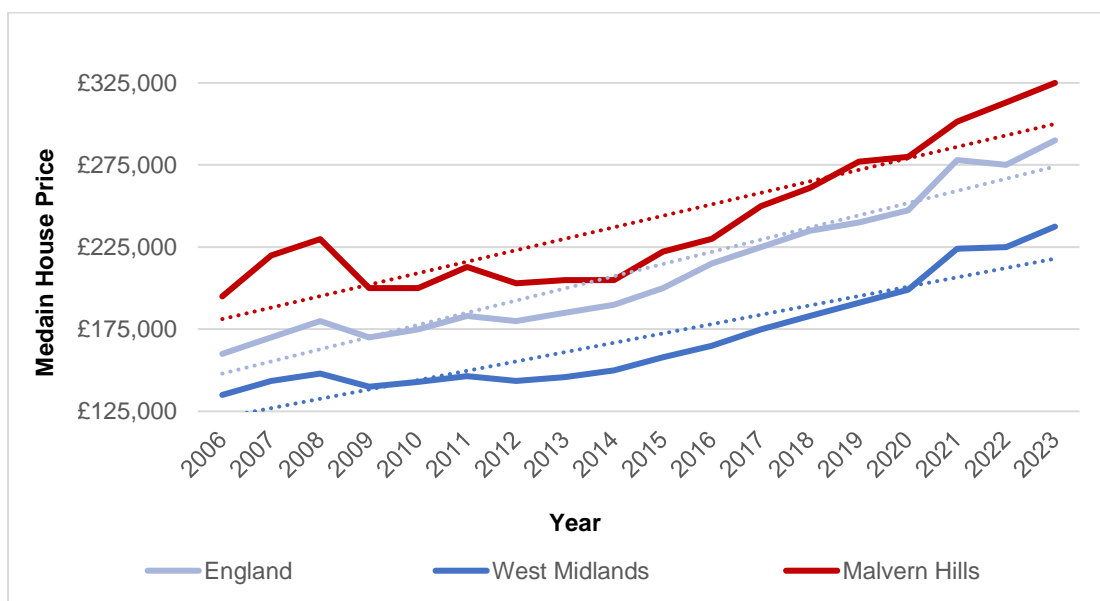
Figure 6.6: Median Workplace-Based Affordability Ratio comparison, 2006 to 2023



Source: ONS.

- 6.36 It is worth noting that a figure of 8 times average incomes was described as a problem by the former Prime Minister in the foreword to the White Paper entitled ‘Fixing our broken housing market’. Here, the affordability ratio is some 24% higher than that.
- 6.37 Figure 6.7 illustrates the median house sale prices for England, the West Midlands, and Malvern Hills. It demonstrates that they have increased dramatically between the start of the SWDP period in 2006 and 2023.

Figure 6.7: Median House Price Comparison, 2006 to 2023

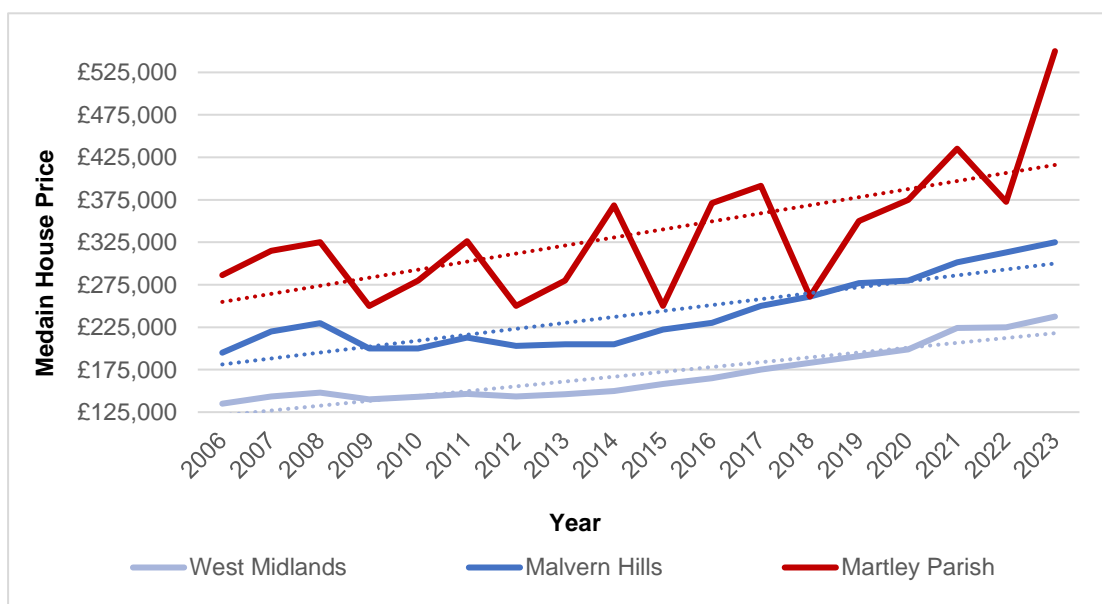


Source: ONS.

6.38 The median house price across Malvern Hills has risen by 67% from £195,000 in 2006 to £325,000 in 2023. This figure is some 12% higher than the national figure of £290,000, and 37% higher than the regional figure of £237,500. It should also be noted that since the start of the 2021 SHMA Update period median house prices in Malvern Hills have increased by 4%.

6.39 Figure 6.8 below compares the median house sale prices in the parish with Malvern Hills and the West Midlands. It demonstrates that they have increased dramatically between the start of the SWDP period in 2006 and 2023.

Figure 6.8: Median House Price Comparison, 2006 to 2023



Source: ONS.

6.40 The median house price across parish has risen by 92% from £286,250 in 2006 to £550,000 in 2023. This figure is 69% higher than the Malvern Hills figure of £325,000, and 132% higher than the regional figure of £237,500.

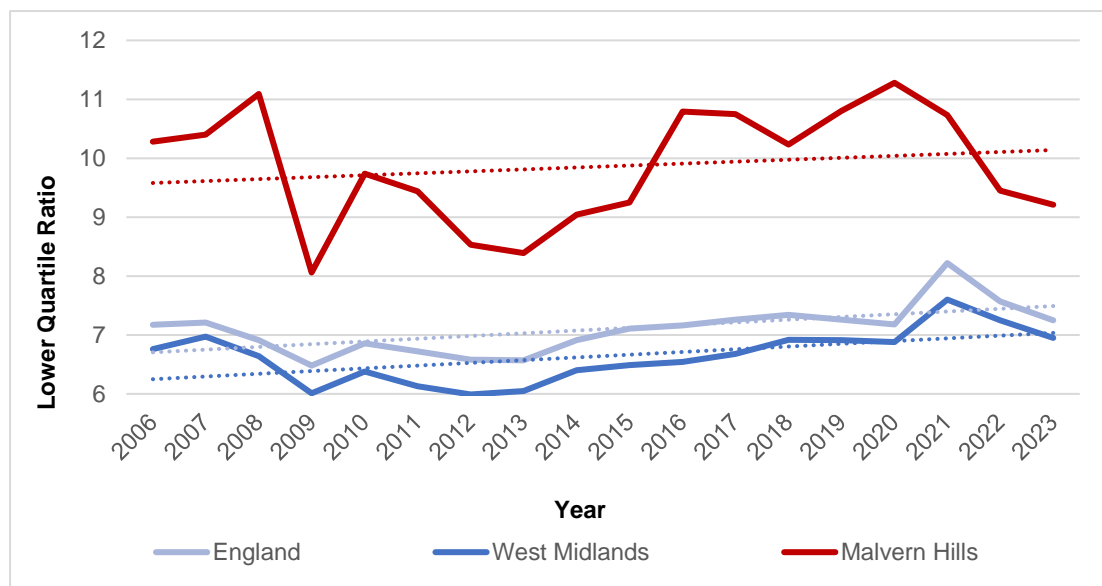
### Lower Quartile House Prices

6.41 For those seeking a lower quartile priced property (typically considered to be the 'more affordable' segment of the housing market), the ratio of lower quartile house price to incomes in Malvern Hills in 2023 stood at **9.21**.

6.42 This means that those on lower quartile incomes in Malvern Hills, seeking to purchase a median priced property, now need to find more than 9 times their annual income to do so.

- 6.43 As demonstrated by Figure 6.9 below, there is no clear trend of improvement in the affordability ratio, with the linear lines for each area clearly trending upwards.
- 6.44 Once again it remains the case that the ratio in 9.21 stands substantially above the national average of 7.25 (+27 %) and also substantially above the regional average of 6.95 (+33%). It follows that housing in this area is significantly unaffordable for a significant part of the local population.

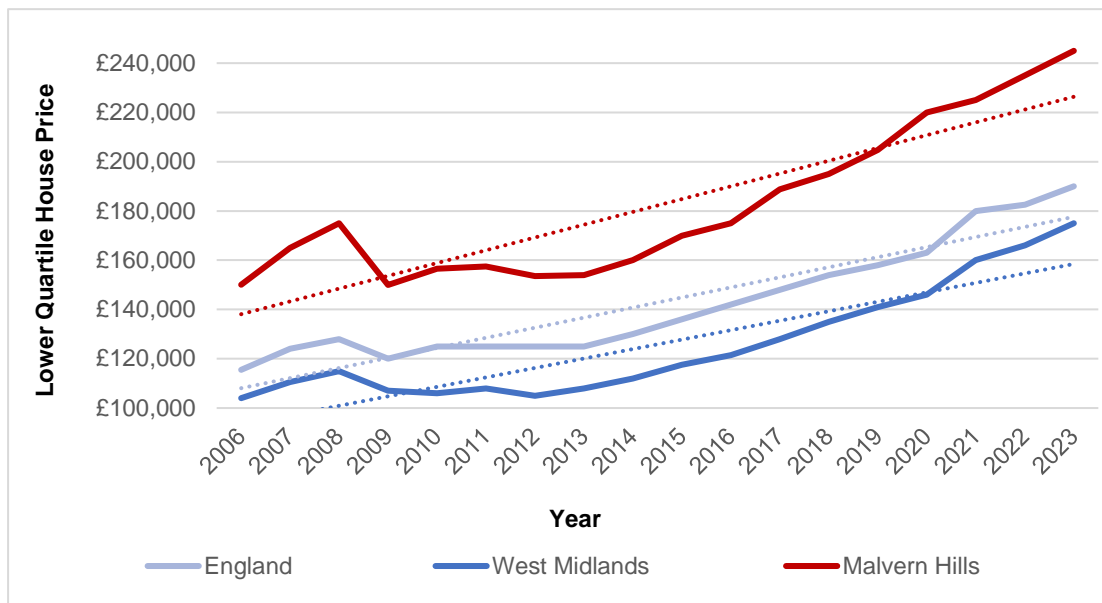
*Figure 6.9: Lower Quartile Workplace-Based Affordability Ratio comparison, 2006 to 2023*



Source: ONS.

- 6.45 It is also worth noting that mortgage lending is typically offered on the basis of up to 4.5 times earnings (subject to individual circumstances). Here, the affordability ratio is some 120% higher than that.
- 6.46 Figure 6.10 illustrates the lower quartile house sale prices for England, West Midlands, and Malvern Hills. It demonstrates that they have increased dramatically between the start of the SWDP period in 2006 and 2023.

Figure 6.10: Lower Quartile House Prices, 2006 to 2023

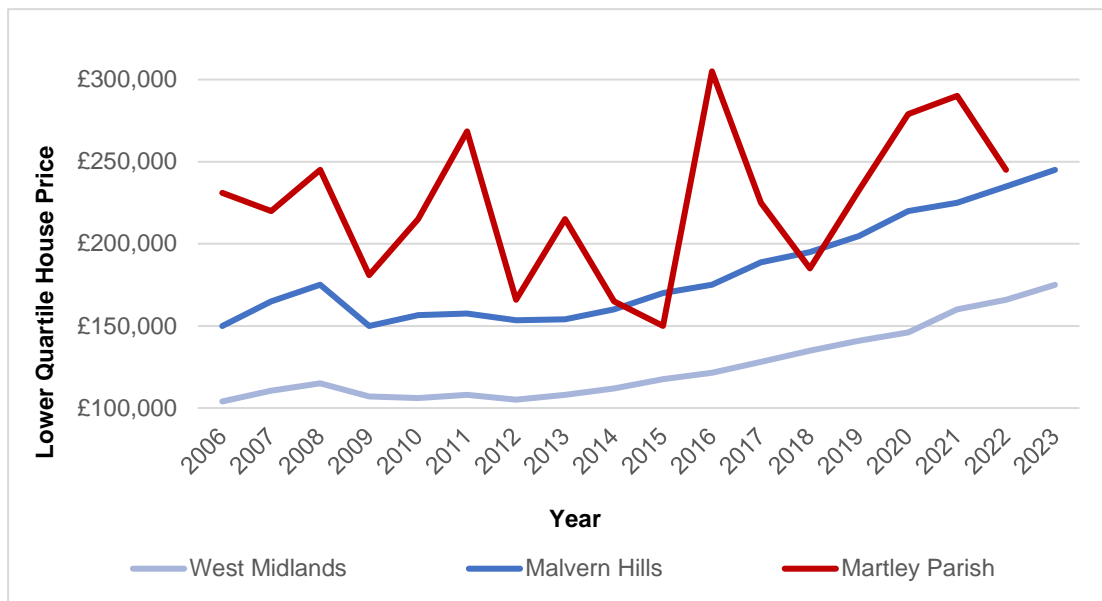


Source: ONS.

- 6.47 The lower quartile house price across Malvern Hills has risen by 63% from £150,000 in 2006 to £245,000 in 2023.
- 6.48 In 2023 lower quartile house prices in Malvern Hills (£245,000) were 40% higher than across the West Midlands (£175,000) and 29% higher than the national figure (£190,000). It should also be noted that since the start of the 2021 SHMA period lower quartile house prices in Malvern Hills have increased by 9%.
- 6.49 Figure 6.11 below compares the lower quartile house sale prices in Martley Parish with Malvern Hills and the West Midlands. Once again it demonstrates that they have increased dramatically between the start of the SWDP period in 2006 and 2022<sup>6</sup>.

<sup>6</sup> 2023 ONS Lower Quartile data for Wards been discontinued.

Figure 6.11: Lower Quartile House Price Comparison, 2006 to 2022



Source: ONS

- 6.50 The lower quartile house price across Martley Parish has risen by 6% from £231,000 in 2006 to £245,000 in 2022. This figure is 4% higher than the Malvern Hills figure of £235,000 in 2022 and 48% higher than the West Midlands figure of £175,000.

### Summary and Conclusions

- 6.51 As demonstrated through the analysis in this section, affordability across Malvern Hills District has been, and continues to be, in crisis.
- 6.52 House prices and rent levels in both the median and lower quartile segments of the market are increasing whilst at the same time the stock of affordable homes is failing to keep pace with the level of demand. This only serves to push buying or renting in Malvern Hills out of the reach of more and more people.
- 6.53 Analysis of market signals is critical in understanding the affordability of housing. It is my opinion that there is an acute housing crisis in Malvern Hills, with a lower quartile house price to average income ratio of 9.21.
- 6.54 Market signals indicate a worsening trend in affordability in Malvern Hills and continuously high house prices in Martley Parish. By any measure of affordability, this is an authority in the midst of an affordable housing crisis, and one through which urgent action must be taken to deliver more affordable homes.

# Future Supply of Affordable Housing

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## Section 7

### Introduction

- 7.1 This section of the evidence considers the future supply of affordable housing across Malvern Hills in comparison with identified needs.

### Addressing the Shortfall in Affordable Housing Delivery

- 7.2 This section of the evidence considers the future supply of affordable housing across Malvern Hills in comparison with identified needs. Addressing the Shortfall in Affordable Housing Delivery
- 7.3 The 2021 SHMA Update identifies an objectively assessed need for 331 net affordable homes per annum between 2021/22 and 2030/31. Over the 10-year period this equates to a total need for 3,310 net affordable homes.
- 7.4 In just the first two years of the 2021 SHMA Update period, the Council have overseen the delivery of 318 affordable homes (net of Right to Buy) against a need of 662 net new affordable homes, which has resulted in a shortfall of -344 affordable homes.
- 7.5 I consider that any shortfall in delivery should be dealt with within the next five years. This is also an approach set out within the PPG<sup>7</sup> and endorsed at appeal.
- 7.6 The critical importance of understanding the ability of the Council to meet future need was considered in a recent appeal at Sondes Place Farm, Dorking where I provided affordable housing evidence.
- 7.7 The Inspector accepted the findings of the ‘future supply of affordable housing’ evidence and endorsed the use of the Sedgefield approach to clear a previous backlog of affordable housing delivery (**CD5.12, p.16 [85-86]**):

*“Compared to the Core Strategy Policy CS4 target a shortfall of 234 affordable homes has arisen across the current development plan period. The most recent evidence of need points to an increased need for affordable homes (143 dpa).*

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<sup>7</sup> Paragraph: 031 Reference ID: 68-031-20190722

*However, in the last three years alone, there has been a shortfall of 396 affordable homes due to the delivery of only 33 dpa in those years.*

*To clear the backlog 222 affordable homes would need to be delivered each year for the next five years. The number of affordable homes coming forward looks to be substantially below that level of delivery. This will mean the existing shortfall will only become worse.* (my emphasis).

- 7.8 The Inspector went on to outline the consequences of not providing sufficient affordable housing (paragraph 88):

*“The consequences of not providing enough affordable homes affect people. Being able to access good housing has a bearing upon everyday life and there are socio-economic effects such as financial security and stability, physical and mental health, decreased social mobility and adverse effects on children’s education and development. In Mole Valley the number of people on the housing register has risen, there are increasing affordability ratios and people are paying significantly over 30% of their income on rent.”*

- 7.9 It is therefore imperative that the -344 dwelling affordable housing shortfall accumulated since 2021 is addressed as soon as possible and in any event within the next five years.

- 7.10 When the shortfall is factored into the 2021 SHMA Update identified need of 331 affordable homes per annum for the period 2021/22 and 2030/31, the number of affordable homes the Council will need to complete increases by 21% to 400 net affordable homes per annum over the period.

- 7.11 This would ensure that for the remainder of the 2021 SHMA Update period up to 2030/31 the annual affordable housing need reduces to 331 per annum to deal solely with newly arising needs. This is illustrated in Figures 8.1 and 8.2.

Figure 7.1: Annual Affordable Housing Need incorporating Backlog Needs since the 2021/22 base date of the 2021 SHMA

<b>A</b>	Affordable housing need per annum for the period 2021/22 to 2030/31 identified in the 2021 SHMA Update	<b>331</b>
<b>B</b>	Net Affordable housing need for the period 2021/22 to 2022/23 (A x 2)	<b>662</b>
<b>C</b>	Net of Right to Buy sales Affordable housing completions for the period 2021/22 to 2022/23	<b>318</b>
<b>D</b>	Shortfall/backlog of affordable housing need for the period 2021/22 to 2022/23 (B – C)	<b>344</b>
<b>E</b>	Backlog affordable housing need per annum required over the period 2023/24 to 2027/28 (D/5)	<b>69*</b>
<b>F</b>	Full affordable housing need per annum for the period 2023/24 to 2027/28 (A + E)	<b>400</b>
<b>G</b>	Full affordable housing need for the period 2023/24 to 2027/28 (F x 5)	<b>2,000</b>

\* Please note that figures account for rounding

- 7.12 Further indication of the severity of the situation can be seen in Figure 7.2 below which illustrates that the Council need to deliver 2,000 net affordable homes over the next five years to address backlog needs in line with the Sedgefield approach.

Figure 7.2: Annual Affordable Housing Need 2023/24 to 2027/28 incorporating Backlog Needs Accrued from 2021/22 to 2022/23 when applying the Sedgefield Approach

<b>Monitoring Period</b>	<b>2021 SHMA Net Affordable Housing Need per annum</b>	<b>Net Affordable Housing Need per annum When Addressing Backlog Within Next Five Years</b>
2023/24	331	400
2024/25	331	400
2025/26	331	400
2026/27	331	400
2027/28	331	400
<b>Total</b>	<b>1,655</b>	<b>2,000</b>

- 7.13 It is clear that the backlog of affordable housing needs within Malvern Hills will continue to grow unless the Council takes urgent and drastic action to address needs and deliver more affordable homes.

## The Future Supply of Affordable Housing

- 7.14 The Council has published its latest Five-Year Housing Land Supply Statement (“5YHLS”) in December 2023 (with an amendment in April 2024) (**CD3.14**), covering the period 1 April 2023 to 31 March 2028.
- 7.15 If we were to generously assume that all 1,339 dwellings included in the 5YHLS will come forward on sites eligible for affordable housing; and that all of these sites would provide policy compliant levels of affordable housing (i.e. 40%) as a proportion of overall housing completions, this is likely to deliver only 536 affordable dwellings over the period, equating to just 107 new affordable dwellings per annum.
- 7.16 This figure falls substantially short of the 400 per annum figure required when back log needs are addressed in the first five years in line with the Sedgefield approach and significantly short of the 331 net affordable housing needs per annum identified in the 2021 SHMA Update.
- 7.17 As Figure 5.1 of this evidence highlights, gross affordable housing provision has slipped far below the policy compliant 40% since the start of the plan period in 2006 up to 2022/23. Average delivery on a per annum basis over the same period has been just 110 affordable homes which equates to 34% of market housing completions. If this 34% affordable housing delivery rate accumulated over the last 17-years is used as a benchmark against the Council’s identified supply of dwellings over the next five years, the Council would likely only deliver 455 affordable dwellings over the period, equivalent to just 91 affordable dwellings per annum. This figure is again significantly short of the 2021 SHMA Update target of 331 dwellings per annum, and substantially short of the 400 dwellings per annum required in line with the Sedgefield approach.
- 7.18 There have been two planning applications permitted within Martley that include affordable housing provision, these are at Land Adjacent to Sandyfields, Kingswood, Martley (application reference: 21/02245/OUT; appeal reference: 3306186) where up to 22 affordable dwellings have been allowed at appeal; and Land at Hollins Lane, Martley (application reference: M/23/00863/FUL) where 33 affordable dwellings have been permitted. Neither of these applications are included within the Councils current supply.
- 7.19 If it is assumed that the 55 affordable dwellings recently approved within these two applications come forward within the next five years, this would adjust the figures calculated above accordingly:

- 7.20 Assuming a policy compliant delivery of affordable housing on all sites within the Councils 5YHLS (40% of 1,339 dwellings), this results in 536 affordable dwellings being delivered in the next five years, or 107 dwellings per annum. If the 55 affordable dwellings recently allowed at Sandyfields and Hollins Lane are added, this results in the delivery of **591 affordable dwellings, or 118 dwellings per annum**. This remains significantly short of the 331 dwellings per annum required by the 2021 SHMA Update, and substantially short of the 400 dwellings per annum required in line with the Sedgefield approach.
- 7.21 Assuming affordable housing delivery in line with past gross affordable housing delivery (34% of 1,339 dwellings), this results in 455 affordable dwellings being delivered in the next five years, or 91 dwellings per annum. If the 55 affordable dwellings are added, this results in the delivery of **510 affordable dwellings, or 102 dwellings per annum**. Again, this remains significantly short of the 331 dwellings per annum required by the 2021 SHMA Update, and substantially short of the 400 dwellings per annum required in line with the Sedgefield approach.
- 7.22 Consequently, I have no confidence that the Council can see a sufficient step change in the delivery of affordable housing to meet annual needs. This makes it even more important that suitable sites, such as the appeal site, are granted planning permission now in order to boost the supply of affordable housing.

### **Summary and Conclusions**

- 7.23 It is imperative that the -344 dwelling affordable housing shortfall accumulated since 2021 is addressed as soon as possible and in any event within the next five years.
- 7.24 When the shortfall is factored into the 2021 SHMA identified need of 331 affordable homes per annum for the period 2021/22 and 2030/31, the number of affordable homes the Council will need to complete increases by 21% to 400 net affordable homes per annum over the period.
- 7.25 The above evidence demonstrates that Council is unlikely to be able to meet its affordable housing needs over the next five years. Generously assuming all sites in the in the 5YHLS would provide policy compliant levels of affordable housing there is a possible supply of just 107 new affordable dwellings per annum.
- 7.26 If past delivery rates in Malvern Hills are used as a predictive measure for the likely percentage of housing to come forward as affordable in the next five years, this supply falls to just 91 new affordable dwellings per annum.

- 7.27 When recent applications approved locally and at appeal are taken into consideration, the Councils anticipated affordable supply remains substantially below the required annual levels.
- 7.28 Consequently, there is a substantial need for more affordable housing now. In light of the Council's poor record of affordable housing delivery and the volatility of future affordable housing delivery there can be no doubt that the provision of up to 22 affordable dwellings on this site to address the District-wide needs of Malvern Hills should be afforded **very significant weight** in the determination of this appeal.

# Council's Assessment of the Application

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## Section 8

### Introduction

- 8.1 This section of the evidence considers the Council's Assessment of the appeal proposals during the course of the application and the appeal process.

### Committee/Officer Report

- 8.2 The application was refused on 11 April 2024 (**CD2.2**) under delegated powers. The Planning Officer's Report can be seen under **CD2.1** which recommended the application for refusal.
- 8.3 Affordable housing is first discussed in the Report on page six when outlining responses from the Malvern Hills District Council Housing Officer, who acknowledges the findings of the 2021 SHMA that 331 affordable dwellings are required within Malvern Hills, although they refer to a five-year period rather than the 10-year period the 2021 SHMA covers.
- 8.4 On page seven, the Report acknowledges that the proposal will provide policy compliant levels of affordable housing at 40%.
- 8.5 On page 23, the Report again acknowledges the benefit of the proposals provision of affordable housing, stating:
- "The proposal would provide a boost to housing supply and provide for a choice of houses including the affordable dwellings that would be added to the housing stock in terms of district need, although greatly in excess of such housing need that is locally identified".*
- 8.6 Ultimately, it is concluded that *"the public benefits of the development would not outweigh the less than substantial harm that would be caused to the listed building"*.

- 8.7 The Report does not attach any weighting to the provision of affordable housing, and I do not agree with their assessment that the affordable dwellings being proposed are “*greatly in excess of such housing need that is locally identified*”, as has been set out in detail within this Proof of Evidence, Malvern Hills has not met its affordable housing need against any of its relevant identified need figures. This has not been taken into account within the Officer’s Report.
- 8.8 It should also be noted that there is no national or local policy which required the affordable housing need figure to be disaggregated to a settlement or Parish level. Indeed, this would be contrary to the spatial strategy, which seeks to meet needs in the most sustainable settlements. In the case of the current appeal proposal, Martley is a Tier 1 settlement and therefore is a settlement which should deliver a significant proportion of the Local Authorities affordable housing requirement.

### **Summary and Conclusions**

- 8.9 I do not consider that the Council have sufficiently assessed the significant affordable housing benefits that the scheme would achieve.
- 8.10 The acute level of affordable housing need in the Malvern Hills area, coupled with a persistent lack of delivery and worsening affordability, both in the wider authority area and at a local level within Martley Parish, will detrimentally affect the ability of people to lead the best lives they can.
- 8.11 In my opinion, the Council have deliberately sought to downplay the provision of up to 22 affordable homes at the appeal site. It is my view that affordable housing is an individual benefit of the appeal proposals which should be afforded **very significant weight** in the determination of this appeal.

# Benefits of the Proposed Affordable Housing at the Appeal Site

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## Section 9

### Introduction

- 9.1 The Government attaches weight to achieving a turnaround in affordability to help meet affordable housing needs. The NPPF is clear that the Government seeks to significantly boost the supply of housing, which includes affordable housing.
- 9.2 As set out in the previous chapter there are significant social and economic consequences for failing to meet affordable housing needs at both national and local authority level. Malvern Hills is no exception to this.
- 9.3 The tenure split would be 25% First Homes tenure (up to 6 units) and 69% Social Rented tenure (up to 15 units) and 6% Shared ownership (up to 1 unit), in accordance with the 2021 SHMA update.
- 9.4 The wider social and economic benefits of affordable housing per se are commonly recognised.
- 9.5 As set out in Section 2 of this evidence, the benefit of affordable housing is a strong material consideration in support of development proposals.

### Benefits of Providing Affordable Housing

- 9.6 In February 2024 new research titled “The economic impact of building social housing” carried out by the Centre for Economics and Business Research (“CEBR”) on behalf of Shelter and the NHF (**CD7.10**) was published.
- 9.7 This research is the first to evidence the substantial economic and social benefits of building 90,000 new social rented homes – the figure that needs to be built each year to fix the housing crisis and help end homelessness.
- 9.8 The report demonstrated that building 90,000 social homes provides both immediate and long-term value for money for the government and the economy. It would directly support nearly 140,000 jobs in the first year alone.

- 9.9 Within three years, the wider economic benefits of building the homes would break even and return an impressive £37.8bn back to the economy, largely by boosting the construction industry.
- 9.10 Alongside this, the new social homes would generate huge savings for the taxpayer across multiple departments. These breakdown as follows:
- £4.5bn savings on housing benefit
  - £2.5bn income from construction taxes
  - £3.8bn income from employment taxes
  - £5.2bn savings to the NHS
  - £4.5bn savings from reduction in homelessness
  - £3.3bn savings to Universal Credit
- 9.11 The report demonstrates that there are tangible solutions to the housing crisis and homelessness that not only benefit individuals and communities but also provide significant economic advantages to Councils and the wider economy.
- 9.12 By investing in the construction of 90,000 new social rented homes annually, policymakers could address pressing social issues while simultaneously stimulating job growth, bolstering tax revenues, and reducing the strain on public services. This comprehensive approach not only addresses immediate housing needs but also lays the foundation for long-term economic resilience and prosperity.

#### **Benefits of the proposed Affordable Housing at the appeal site**

- 9.13 The offer meets the requirements of adopted Policy SWDP 15 (40%) of the South Worcestershire Development Plan. It should be noted that these policies were drafted to capture a benefit rather than to ward off harm or be needed in mitigation. This is discussed in a recent High Court Judgement by Vistry Homes Limited (**CD 6.13**), where Mr Justice Holgate found at paragraph 157 that:

*“If a decision-maker were to reduce the weight which he would otherwise give to a 40% provision of affordable housing because the development plan will provide the level of housing required by the development plan, which would also be objectionable, certainly in the absence of any logical explanation. The decision-maker should be assessing how the developer’s contribution of affordable housing stands in relation to inter alia the justification in the*

*development plan for the level of affordable housing required by the policy. Key considerations could include the need for affordable housing in the district and any shortfall in delivery”. (Emphasis in original).*

9.14 It is clear that the expectation is that the weight afforded to policy compliant levels of affordable housing should not be diminished simply as a result of it being policy compliant, but rather should be judged as a benefit in line with the need it is addressing.

9.15 The delivery of 22 affordable homes should be seen as a separate benefit of the proposal, in addition to the benefit of providing market housing. This is because they will meet an extant need for affordable housing in the district, a need which is not borne out of the market housing the proposal would also deliver.

9.16 This fact was also acknowledged by the Inspector presiding over two appeals on land to the west of Langton Road, Norton (**CD5.8, p.14, [72]**) in September 2018 who was clear at paragraph 72 of their decision that:

*“[I]n the light of the Council’s track record, the proposals’ full compliance with policy on the supply of affordable housing would be beneficial. Some might say that if all it is doing is complying with policy, it should not be counted as a benefit but the policy is designed to produce a benefit, not ward off a harm and so, in my view, compliance with policy is beneficial and full compliance as here, when others have only achieved partial compliance, would be a considerable benefit” (my emphasis).*

9.17 Similarly, as recognised in a recent appeal decision at Coombebury Cottage, Dunsfold (**CD5.13, p.8, [48]**) *“the benefit of providing affordable homes is clearly different from that of providing market housing as they each respond to related yet discrete needs.”* The benefits of the proposed affordable homes at the appeal site should therefore be independently weighed within the planning balance to ensure that its distinct contribution in addressing housing needs is fully appreciated.

9.18 Finally, this is acknowledged by the Inspector in an appeal decision at Coalpit Heath, South Gloucestershire (**CD5.18, p.13, [61]**):

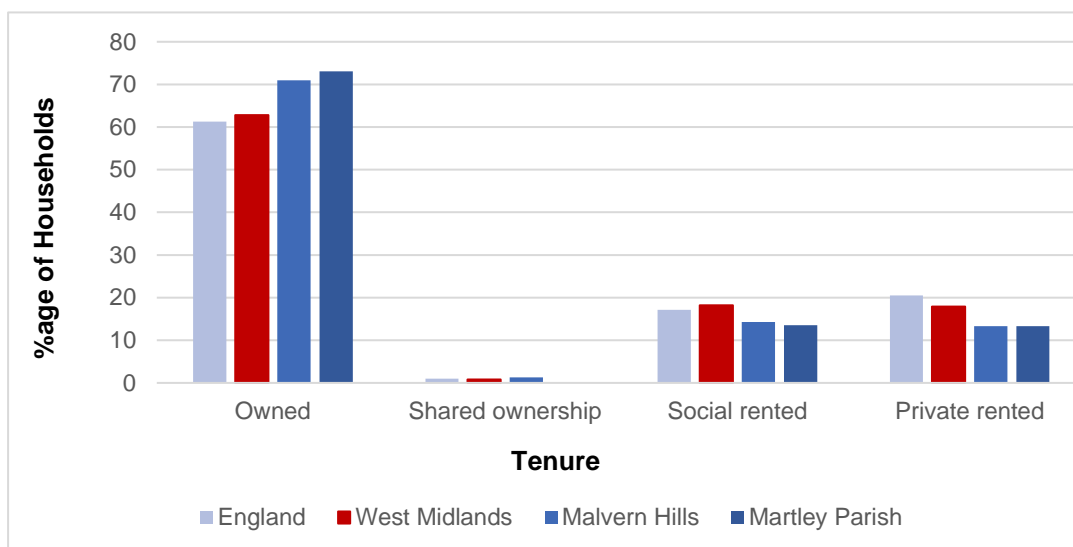
*“There are three different components of housing that would be delivered: market housing, affordable housing (AH) and custom-build housing (CBH). They are all important and substantial weight should be attached to each component for the reasons raised in evidence by the appellants, which was not substantively challenged by the Council, albeit they all form part of the overall housing requirement and supply. The fact that the much-needed AH and CBH are elements that are no more than required by policy is irrelevant – they would*

still comprise significant social benefits that merit substantial weight'. (My emphasis).

9.19 The decisions above all make clear that affordable housing should be allocated its own weighting as a benefit of the scheme, separate to that of the market housing provision, and should not be downplayed simply for being policy compliant.

9.20 Figure 9.1 below illustrates the breakdown of tenures within Martley Parish compared with that nationally and regionally at the time of the 2021 Census.

*Figure 9.1: Tenure comparison across Malvern Hills and Martley Parish, 2021, compared to national and regional levels.*



*Source: Census 2021. Chart excludes households 'living rent free' as this accounts for <0.2% of households at all geographic levels).*

9.21 Figure 9.1 clearly shows that at the time of the Census 2021, owner occupation was by far the most common tenure in Malvern Hills (71%), as well as Martley Parish (73%). These levels are slightly higher than the regional and national figures. It also shows lower levels of social and private rented tenures than the comparable regional and national figures.

9.22 When understanding the composition of the remaining housing stock in these areas, shared ownership properties are by far the most uncommon, representing just 1% at District level. Worse still, there is just one shared ownership dwelling in the Parish area.

- 9.23 The affordable housing benefits of the appeal scheme are therefore:
- i. Policy compliant offer of 40% (up to 22 dwellings) of the scheme provided as affordable housing;
  - ii. An addition of up to 15 social rented tenure homes;

- iii. An addition of up to 6 First Homes tenure;
  - iv. An additional (up to) one shared ownership home;
  - v. A deliverable scheme which provides much needed affordable homes;
  - vi. Addressing the polarised tenure profile of the District and Parish, delivering a broader mix of tenures to provide a more balanced community and to enhance its vitality;
  - vii. In a sustainable location;
  - viii. With the affordable homes managed by a Registered Provider;
  - ix. Which provide better quality affordable homes with benefits such as improved energy efficiency and insulation<sup>8</sup>; and
  - x. Greater security of tenure than the private rented sector.
- 9.24 In my opinion these benefits are substantial and a strong material consideration weighing heavily in favour of the proposal.

### **Summary and Conclusions**

- 9.25 I do not consider that the Council have sufficiently assessed the substantial affordable housing benefits that the scheme would achieve.
- 9.26 The acute level of affordable housing need in Malvern Hills, coupled with a persistent lack of delivery and worsening affordability, will detrimentally affect the ability of people to lead the best lives they can.
- 9.27 In my opinion, the Council have deliberately sought to downplay the provision of up to 22 affordable homes at the appeal site. It is my view that affordable housing is an individual benefit of the appeal proposals which should be afforded **very significant weight** in the determination of this appeal.

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<sup>8</sup> Watt a Save by HBF – October 2022.

# The Weight to be Attributed to the Proposed Affordable Housing Provision

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## Section 10

- 10.1 The NPPF is clear at paragraph 31 that policies should be underpinned by relevant up-to-date evidence which is adequate and proportionate and considers relevant market signals.
- 10.2 Paragraph 59 of the NPPF sets out the Governments clear objective of “*significantly boosting the supply of homes*” with paragraph 60 setting out that to “*determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment*”.
- 10.3 The NPPF requires local authorities at paragraph 61 to assess and reflect in planning policies the size, type and tenure of housing needed for different groups, “*including those who require affordable housing*”.
- 10.4 I also note the findings of Inspector Kevin Ward in July 2015 who considered (and subsequently allowed) an outline planning permission for the erection of up to 90 dwellings with vehicular access on to Hollybush Lane and associated public open space, landscaping, and drainage work on land at Firlands Farm, Hollybush Lane, Burghfield Common, Reading, Berkshire (**CD5.5, p.11, [58]**).
- 10.5 Mr Ward identified that the individual benefits of a scheme are not transferable, as each development should be considered on its own merits. Mr Ward indicated at paragraph 58 that:

*“Whilst it may be that similar economic and social benefits could be achieved from other sites including the preferred option sites, I do not consider that this is relevant to the assessment of whether the particular proposal before me represents sustainable development in its own right.”*

- 10.6 The context of this decision is in relation to a previously determined appeal at Mans Hill also located within Burghfield Common (**CD5.6, p.13, [70], p.14, [71]**). Mr Ward set out his comments in relation to the distinction between the two appeals at paragraphs 70 and 71, which I set out below:

*“70. I have given careful consideration to the decision of the Inspector who dealt with the appeal at Mans Hill. It is worth emphasising that in that case the Inspector was considering a noticeably larger proposal adjoining a different part of the village. Whilst I have approached the issue of housing land requirements and supply from a different perspective, I reach the same conclusion that Policy HSG.1 of the Local Plan should not be considered up to date and the proposal should be assessed in the light of Paragraph 14 of the NPPF.*

*71. As explained above I take a different view as to the weight to be given to the emerging HSADPD and do not consider that the particular proposal before me would undermine the plan making process. I have also taken a different view of the weight to be attached to social and economic benefits as I consider that the proposal should be assessed in its own right in terms of sustainable development. Notwithstanding this, it is clear that the Inspector in the Mans Hill case had significant concerns regarding the adverse effect on the character and appearance of the area. I do not share such concerns in relation to the proposal before me.”*

- 10.7 As can be seen, it is for each case to be considered on its individual merits.
- 10.8 Another appeal that considers the issue of benefits is the development for 71 dwellings, including affordable provision at 40%, equal to 28 affordable dwellings on site at Hawkhurst in Kent (**CD5.11, p.23, [118]**). In critiquing the Council’s views regarding the affordable housing benefits of the scheme, the Inspector made the following comments:

*“The Council are of the view that the housing benefits of the scheme are ‘generic’ and would apply to all similar schemes. However, in my view, this underplays the clear need in the NPPF to meet housing needs and the Council’s acceptance that greenfield sites in the AONB are likely to be needed to meet such needs. Further, I agree with the appellant that a lack of affordable housing impacts on the most vulnerable people in the borough, who are unlikely to describe their needs as generic.”* (Paragraph 118)

- 10.9 I agree, the recipients of 22 affordable homes here will not describe their needs as generic.

10.10 Considering the authority's past poor record of affordable housing delivery, high numbers of households on the housing register and the absence of an adopted or emerging policy seeking to deliver actual levels of affordable housing need in the district, there can be no doubt in my mind that the provision of up to 22 affordable dwellings on this site should be afforded **very significant weight** in the determination of this appeal.

#### **Relevant Secretary of State and Appeal Decisions**

10.11 The importance of affordable housing as a material consideration has been reflected in several Secretary of State ("SoS") and appeal decisions.

10.12 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. A collection of such SoS decisions can be viewed at **Appendix JS5**.

10.13 Brief summaries of appeal decisions relevant to this appeal are summarised at **Appendix JS6**.

10.14 Some of the key points I would highlight from these examples are that:

- Affordable housing is an important material consideration;
- The importance of unmet need for affordable housing being met immediately;
- Planning Inspectors and the Secretary of State have attached significant and very significant weight to the provision of affordable housing; and
- Even where there is a five-year housing land supply the benefit of a scheme's provision of affordable housing can weigh heavily in favour of development.

#### **Summary and Conclusion**

10.15 There is a wealth of evidence to demonstrate that there is a national housing crisis in the UK affecting many millions of people who are unable to access suitable accommodation to meet their housing needs.

10.16 What is clear is that a significant boost in the delivery of housing, and in particular affordable housing, in England is essential to arrest the housing crisis and prevent further worsening of the situation.

- 10.17 Market signals indicate a worsening trend in affordability across Malvern Hills and, by any measure of affordability, this is an authority amid an affordable housing emergency, and one through which urgent action must be taken to deliver more affordable homes.
- 10.18 Against the scale of unmet need and the lack of suitable alternatives in the private rented sector across Malvern Hills, there is no doubt in my mind that the provision of up to 22 affordable homes will make a substantial contribution. Considering all the evidence I consider that this contribution should be afforded **very significant weight** in the determination of this appeal.