BUILDEAST
THE FUTURE OF HOUSING

LICHFIELDS

BuildEast Housing Market Research

BuildEast's role in solving the housing crisis in the East of England

November 2022

CONTENTS

EXECUTIVE SUMMARY

The housing crisis is a national problem. It has been the focus of successive Government responses and it is clear from national policy and guidance that the delivery of homes – including affordable homes specifically – is of significant importance.

This research – produced by Lichfields, a planning and development consultancy – focuses on the current and prospective role of BuildEast, a partnership of 15 Housing Associations, in solving the housing crisis in the East of England. It seeks to understand the current position in relation to growth in the region, and how BuildEast members and other key partners might best work to address affordable housing need in the future.

What do we know?

- Affordability is a big problem in the East of England, with the ratio of entry-level house prices to earnings in the region now 30% higher than the national average.
- Recent supply of new homes (both overall and affordable) has been far below that required, resulting in an annual shortfall of around 7,000 affordable homes.
- Delays in local plan-making, and therefore limited opportunities for new development, are a barrier to housing delivery in many parts of the region.
- Affordable housing underpins the economic and social objectives of sustainable development, yet few strategic employment growth proposals in the region recognise this – a striking absence when revitalising the economy and addressing the cost of living crisis is at the top of the government agenda.

Looking forward...

- Current local plans do not make sufficient provision for the number of market and affordable homes that are needed; allocated sites currently make collective provision for around 23,500 homes a year compared to a need for 35,000 homes.
- There is a potential mismatch between the size and distribution of large-scale strategic housing allocations and the capacity of housing associations to purchase and deliver them.
- BuildEast members play a key role in affordable housing delivery, but are least active in those areas with the most affordability pressures due to a lack of development opportunities.
- Overwhelmingly, Registered Providers (RPs) see the planning system and securing permissions as a key barrier to affordable housing delivery, but this view is not shared by local planning authorities – a dissonance that could make the problem more difficult to resolve.
- Opportunities to increase affordable housing delivery lie in greater collaboration, better engagement with the plan-making process and expanded activity via new delivery methods.

EXECUTIVE SUMMARY

Our initial recommendations are that BuildEast should....

1. Engage with planning reform to ensure that national-level policy is aligned with BuildEast's aspirations and to help reduce wider barriers to affordable housing delivery. For example, ideas might include promoting a presumption in favour of affordable housing where affordable housing delivery has not met the identified level of need.

2. Work more collaboratively and strategically, especially with Local Authorities and other public bodies, to identify suitable sites and bring these through the planning process, ultimately unlocking more affordable housing delivery.

3. Increase its engagement in the plan-making process to ensure that future local plan policies and sites align with members' capacity and development programmes.

4. Consider expanding activity in Hertfordshire, Essex and other areas where there are few/no members active, to help improve social impact by delivering affordable homes where they are most needed – albeit recognising the barriers to supply in those areas.

5. Members who are currently working with for-profit organisations or with other RPs should monitor and report on progress to establish if this is a model others can/should replicate.

6. Work more closely with Homes England to secure greater levels of investment and financial security, particularly in light of the recent extension of the preferred Strategic Partnership route to for-profit providers.

BuildEast: A commitment to action

Following this research, BuildEast will:

- Develop a positive and proactive role in influencing local planning policies that relate to the provision of housing, including opportunities that will be presented through a review of the National Planning Policy Framework (NPPF) and other planning reforms.
- Widen our collaboration to other organisations active in the provision of affordable housing in the region, including (but not limited to) other housing associations, local authorities, Homes England and for-profit providers.
- Consider opportunities for working in partnership to address affordable housing need across the whole region, including areas where affordability is most acute.


A
B
C

01

INTRODUCTION

01 | INTRODUCTION

The East of England is a diverse and successful region containing historic cities with world renowned universities, highly valuable landscapes and coastlines, desirable London commuter towns and areas of international economic importance. But despite its many positives, the region faces big housing challenges; it contains some of the most deprived neighbourhoods and least affordable housing markets in the country. New housing supply is lagging behind, with local plan-making – the primary vehicle for identifying new land for homes – bogged down in many areas, meaning housing needs have gone unmet. With a population of 6.3 million in 2020 set to grow by 5% to 6.6 million by 2030, these challenges will lead to sustained and worsening housing shortages and affordability pressures, unless the delivery of housing – and particularly affordable housing – increases.

BuildEast is a partnership of the 15 largest Housing Associations[1] ('HAs' also referred to as Registered Providers ('RPs') which operate throughout the East of England, covering Norfolk, Suffolk, Essex, Cambridgeshire, Hertfordshire, Bedfordshire and Peterborough. Together, BuildEast makes a significant contribution towards the provision of affordable homes that meet the needs of people and communities across this area, and has ambitions to become an even bigger player in helping solve the region's housing crisis.

This research – prepared by Lichfields, a planning and development consultancy - provides the context for the strategies of BuildEast's members and other stakeholders in the region, including local planning and housing authorities, growth partnerships and Homes England, by establishing current housing need and planned future growth in the East of England[2].

The purpose of this report- is two-fold:

1. Understanding the context for affordable housing need in the region, by reviewing current need and planned affordable housing growth; and

2. Providing an insight into the capacity of BuildEast members and other key players to meet planned affordable housing growth.

In addition to drawing upon existing data, Lichfields undertook surveys and workshops with BuildEast's members and other organisations[3]. Taken together, this research provides a baseline for understanding the challenges and opportunities in addressing the region's housing crisis.

[1]BuildEast Members include: B3Living, BPHA, Broadland, CHP, Eastlight, Estuary, Flagship, Freebridge, Grand Union, Havebury, Hightown, Orwell, Saffron, Settle and Watford Community Housing

[2]Refer to the Appendix for a full list of the local authorities included within the study area for this report

Cambridge

St Albans

Stansted Airport © BAA

Southend-on-Sea

Historic Towns & Cities

1. Cambridge
2. Colchester
3. Ely
4. Ipswich
5. Kings Lynn
6. Letchworth Garden City
7. Newmarket
8. Norwich
9. Peterborough

Highly valuable landscapes & coastlines

10. Chiltern Hills AONB
11. Dedham Vale AONB
12. Norfolk Coast AONB
13. Southend-on-Sea
14. Suffolk Coast & Heaths AONB
15. The Broads National Park
16. Thetford Forest

Desirable Commuter Towns

17. Basildon
18. Brentwood
19. Harpenden
20. Hemel Hempstead
21. Hertford
22. Potters Bar
23. St Albans
24. Watford
25. Welwyn Garden City

Areas of national/ international economic importance

26. Bacton Gas Terminal
27. Cambridge Biomedical Campus
28. Cambridge Norwich Tech Corridor
29. Cambridge University
30. Felixstowe Port
31. Harwich Port
32. Luton Airport
33. Norwich Airport
34. Port of Tilbury
35. Sizewell Nuclear Power Plant
36. Southend Airport
37. Stansted Airport

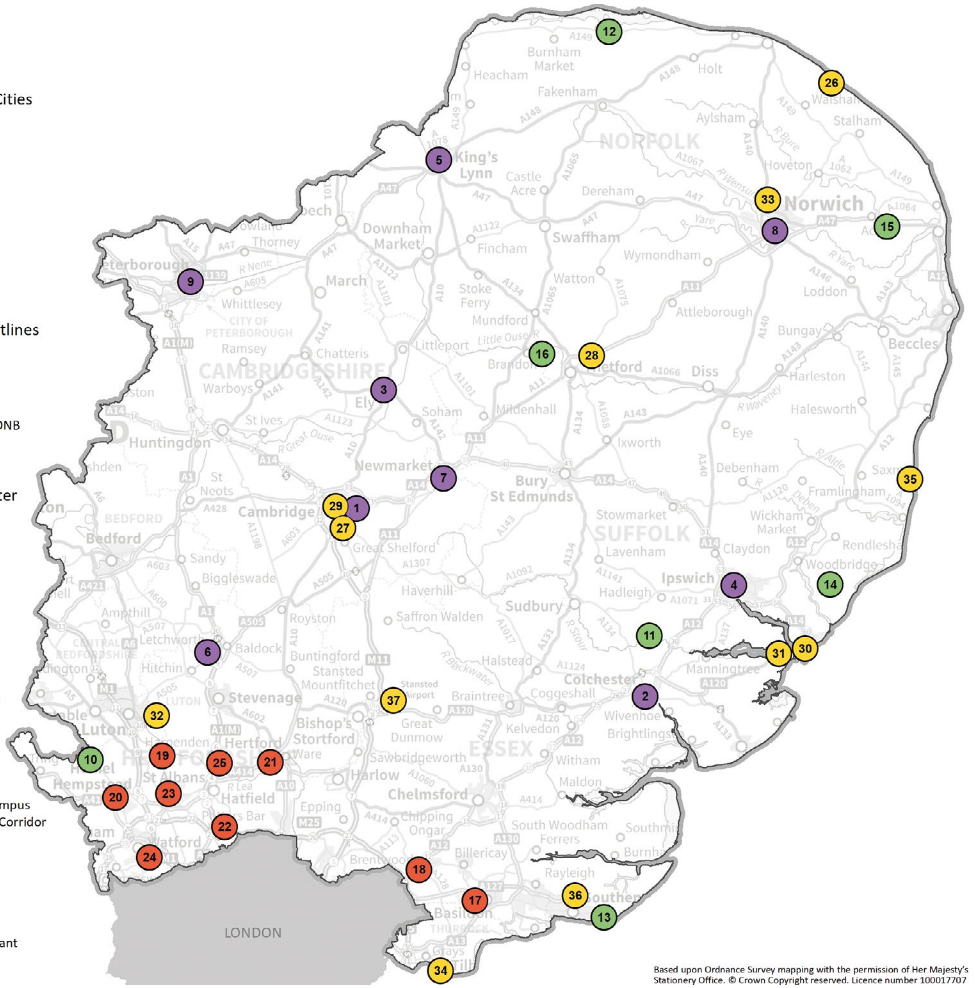

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Figure 1.1 The East of England – Local Context
Source: Lichfields

Newmarket

Welwyn Garden City

Norwich

³All survey and workshop results referred to in the report have been summarised in a non-attributable fashion, and reflect views of those respondents involved in the process (and may not, therefore, represent the views of all stakeholders)

PART 1:

WHAT DO WE KNOW?


PARK PARADE

02

HOUSING NEED AND AFFORDABILITY

02 | HOUSING NEED AND AFFORDABILITY

The national housing crisis

Not enough homes are being built in England – and particularly not enough affordable homes for people who cannot rent or buy in the open market. Over the last 20 years, a range of independent and government commissioned evidence has sought to understand how many homes are needed in England in order to stem house price growth, and in 2017, the Government announced its ambition to build 300,000 homes per year by the mid-2020's[4].

While recent political debates on the housing crisis and planning reform have called this ambition into question[5], it has remained a committed goal of the Government with various supply and demand measures introduced to try and boost housing delivery across the country. Nevertheless, the closest the country has come to hitting this target since 1977 was in 2019-20, when 243,770 additional homes were delivered (falling by 11% to 216,490 homes in 2020-21)[6]. This is still over 56,000 homes a year short of the 300,000 target, and reflects the long-term trend of supply lagging behind demand.

At a national level, the cumulative extent of the shortfall in housing delivery in England is staggering – and growing. Whilst precise local targets are debated, the broad quantum of new housing sought by policy is not arbitrary; it reflects a real need and, even if delivered, would still be generally lower than what is built in comparable European countries each year. As delivery continues to fall well behind both need and demand, the undersupply only accentuates poor and worsening affordability – and with every year of sustained demand, the problem becomes harder to address.

How affordable is housing in the East?

The East of England is no exception to the national housing crisis. In fact, the region contains some of the least affordable housing markets in the country – where the gap between local income and house prices is the greatest and where people have the greatest difficulty accessing housing.

As of September 2021, the average entry-level (i.e. lower quartile) house price across the East of England was £240,000 – ranging from £160,000 in Great Yarmouth to £425,000 in St Albans, with typical prices well over £300,000 in most parts of Hertfordshire and Essex. This regional average is almost 30% higher than the average entry-level house price of £185,000 for England.

Figure 2.1 shows that not only are house prices significantly higher in the Eastern region, but that they have also risen faster than most other regions. Over the last 10 years, the average entry-level house price in the East of England has increased by 70% compared to an increase of 48% across the whole of England – and the gap in price is growing over time.

£240,000
average lower-quartile house price in the region

70%
increase in the last 10 years

[4]300,000 homes per year target first announced in Government's Autumn Budget (November 2017) available here. Even if the precise target is debated, no one credibly argues that there does not need to be a big increase in the supply of homes, and the figure is broadly aligned to the findings of Barker (2004)

[5]Planning Resource articles available here (August 2022) and here (May 2022)

02 | HOUSING NEED AND AFFORDABILITY

10.5x
annual salary required to purchase entry-level homes in the region

+30%
higher spend required to purchase entry-level homes than across the country

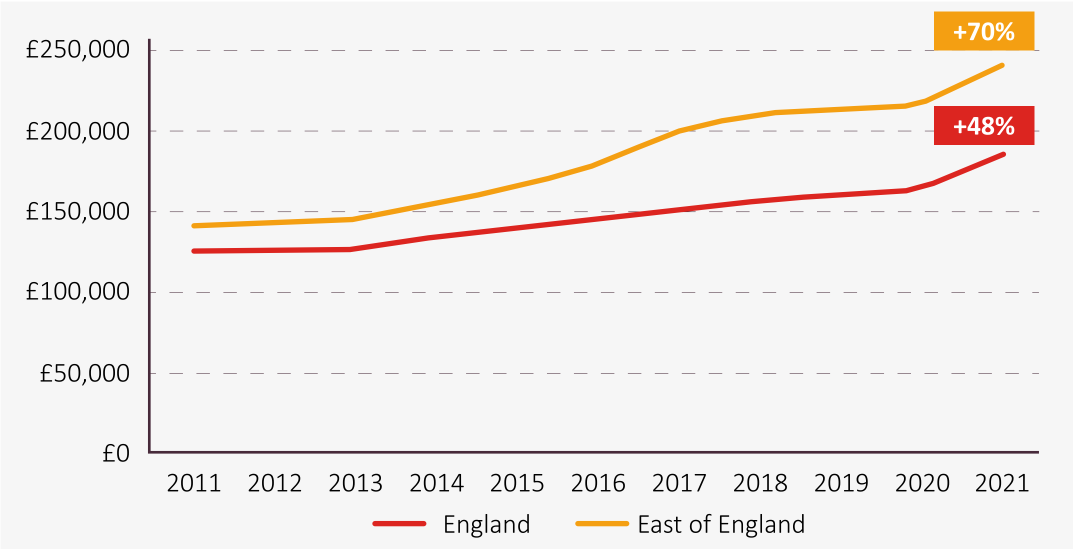


Figure 2.1 Average (lower quartile) house prices from September 2011 to September 2021
Source: ONS House Price Statistics (HPSSA Dataset 15)

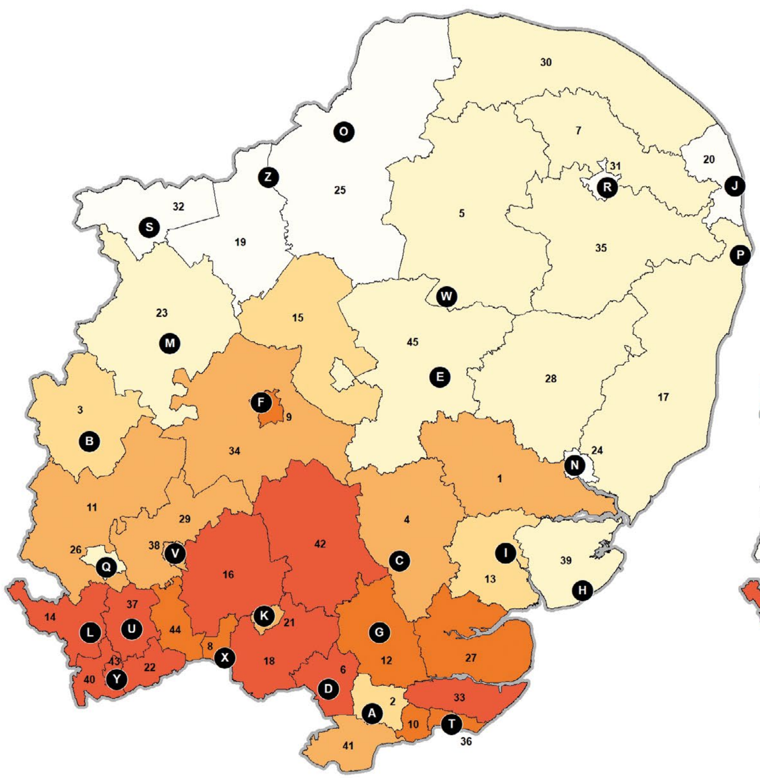
Reflecting its position in the wider South East of England and proximity to London, housing affordability in almost all parts of the region is worse than the national average. The ratio of entry-level house prices to earnings[7] for the East of England is currently 10.4, compared to 8.0 for England. This means that, currently, workers in the region can typically expect to spend almost 10.5 times their annual salary on purchasing their first home in the region; 30% more than the national average.

Poor affordability at the lower end of the housing market makes it especially difficult for first-time buyers and those on lower incomes to access the housing market and these areas are similarly associated with high private market rents, making rental affordability equally poor. This, in turn, places pressure on affordable housing in those locations as households are unable to afford housing costs, or are forced to live in overcrowded or sub-standard housing in the rental market in order to make ends meet. The ongoing cost of living crisis will inevitably place further pressure on affordable housing where housing affordability is poor, as people have dwindling flexibility within their household finances to afford high and rising rents and meet all their other needs.

However, there are clear differences in affordability across the region. Figure 2.2 highlights that the southern part of the region contains areas of particularly poor housing affordability, with those authorities closest to London – especially Brentwood, St Albans and Hertsmere – having notably higher affordability ratios (typically 13+) compared with the more coastal and rural areas (around 9 to 10). This is not surprising, as an under-supply of housing combined with high demand has led to rising house prices and rents in areas that are well connected to the capital – particularly in the context of the post-pandemic ‘race for space’ where the rise in people moving out of London in search of more space, often with greater purchasing power than locals, has effectively enlarged the London commuter belt and driven-up house prices and rents.

[6] Housing supply: indicators of new supply statistics available here

[7] Calculated by dividing lower-quartile house prices by lower-quartile gross annual work-place based earnings (ONS, 2021)

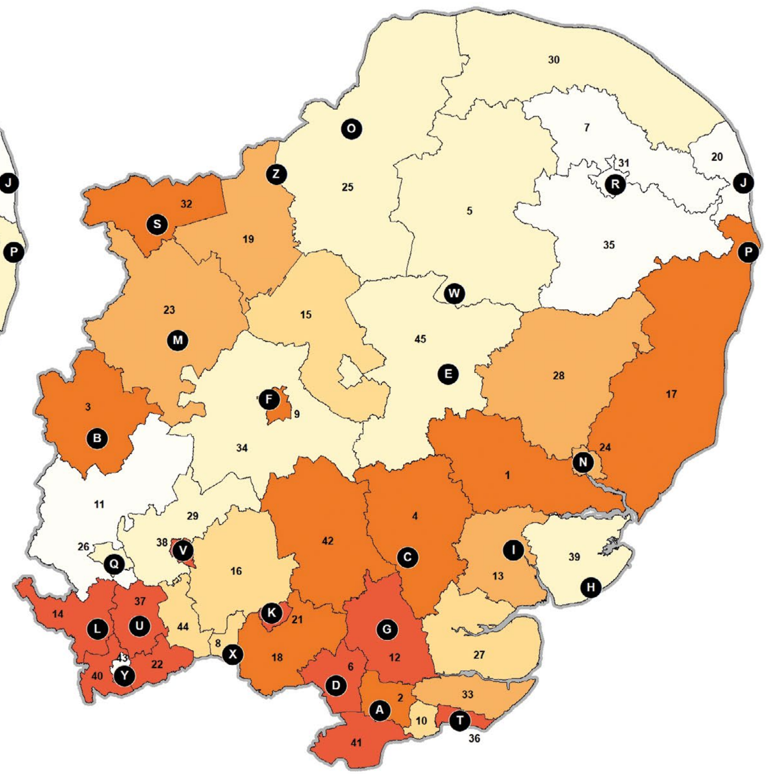


Affordability (Lower Quartile, Workplace-based, 2021)

by local authority

<9.00	9.00 - 9.99	10.00 - 10.99	11.00 - 11.99	12.00 - 12.99	13.00+

Source: ONS



Affordability (Lower Quartile, Workplace-based) - 2011-2021

by local authority

<25.0%	25.0% - 29.9%	30.0% - 34.9%	35.0% - 39.9%	40.0% - 44.9%	45.0%+

Source: ONS

LOCAL AUTHORITIES...

1. Babergh
2. Basildon
3. Bedford
4. Braintree
5. Breckland
6. Brentwood
7. Broadland
8. Broxbourne
9. Cambridge
10. Castle Point
11. Central Beds.
12. Chelmsford
13. Colchester
14. Dacorum
15. East Cambs.
16. East Herts.
17. East Suffolk
18. Epping Forest
19. Fenland
20. Great Yarmouth
21. Harlow
22. Hertsmere
23. Huntingdonshire
24. Ipswich
25. King's Lynn & West Norfolk
26. Luton
27. Maldon
28. Mid Suffolk
29. North Herts.
30. North Norfolk
31. Norwich
32. Peterborough
33. Rochford
34. South Cambs.
35. South Norfolk
36. Southend-on-Sea
37. St. Albans
38. Stevenage
39. Tendring
40. Three Rivers
41. Thurrock
42. Uttlesford
43. Watford
44. Welwyn Hatfield
45. West Suffolk

SETTLEMENTS...

A. Basildon
B. Bedford
C. Braintree
D. Brentwood
E. Bury St Edmunds
F. Cambridge
G. Chelmsford
H. Clacton-on-Sea
I. Colchester
J. Great Yarmouth
K. Harlow
L. Hemel Hempstead
M. Huntingdon
N. Ipswich
O. Kings Lynn
P. Lowestoft
Q. Luton
R. Norwich
S. Peterborough
T. Southend-on-Sea
U. St Albans
V. Stevenage
W. Thetford
X. Waltham Cross
Y. Watford
Z. Wisbech

36%
average worsening affordability in the East of England over the last 10 years

Figure 2.2 Affordability across the East of England (2021 left, and 2011-21 right)
Source: ONS ratio of house price to workplace-based earnings (2021)

02 | HOUSING NEED AND AFFORDABILITY

£695
the average monthly entry-level (private) rent across the region

+39%
increase in monthly rents since 2014, compared to +26% nationally

As with house prices, the latest data also reveals that housing affordability has worsened in all parts of the region over the last 10 years, with the average ratio of entry-level house prices to earnings across the region increasing by 36% between 2011 and 2021 (from 7.6 to 10.4). This has arisen as growth in earnings has failed to keep pace with growth in house prices. In particular, local authorities in the south of the region have seen affordability worsen at an alarming rate. This includes Dacorum, Harlow and Three Rivers, where the ratio has increased by over 57% since 2011. The more affordable areas to the north of the region, including the settlements of Great Yarmouth and Norwich, have seen a much slower worsening in affordability. This is shown in Figure 2.2.

Similarly, the average entry-level rent across all types and sizes in the private sector across the eastern region is currently £695 per month, compared to a national average of £585. To afford this, an income of nearly £28,000 would be required, which is well above average regional earnings of £23,000. Private sector rents in southern areas (Three Rivers, Hertsmere and Epping Forest) are particularly high, reaching £1,000 per month, and in many local authorities rents are in excess of 40% of local earnings.

While entry-level (private sector) rents have increased by 26% nationally over the last seven years, the East of England has also seen a larger hike in prices – the average monthly rent is up 39% (or £195) since 2014. Prices in some parts of the region have increased at a much higher rate, including Cambridge (+71%), Ipswich (+59%) and West Suffolk (+72%).

Housing in Peterborough

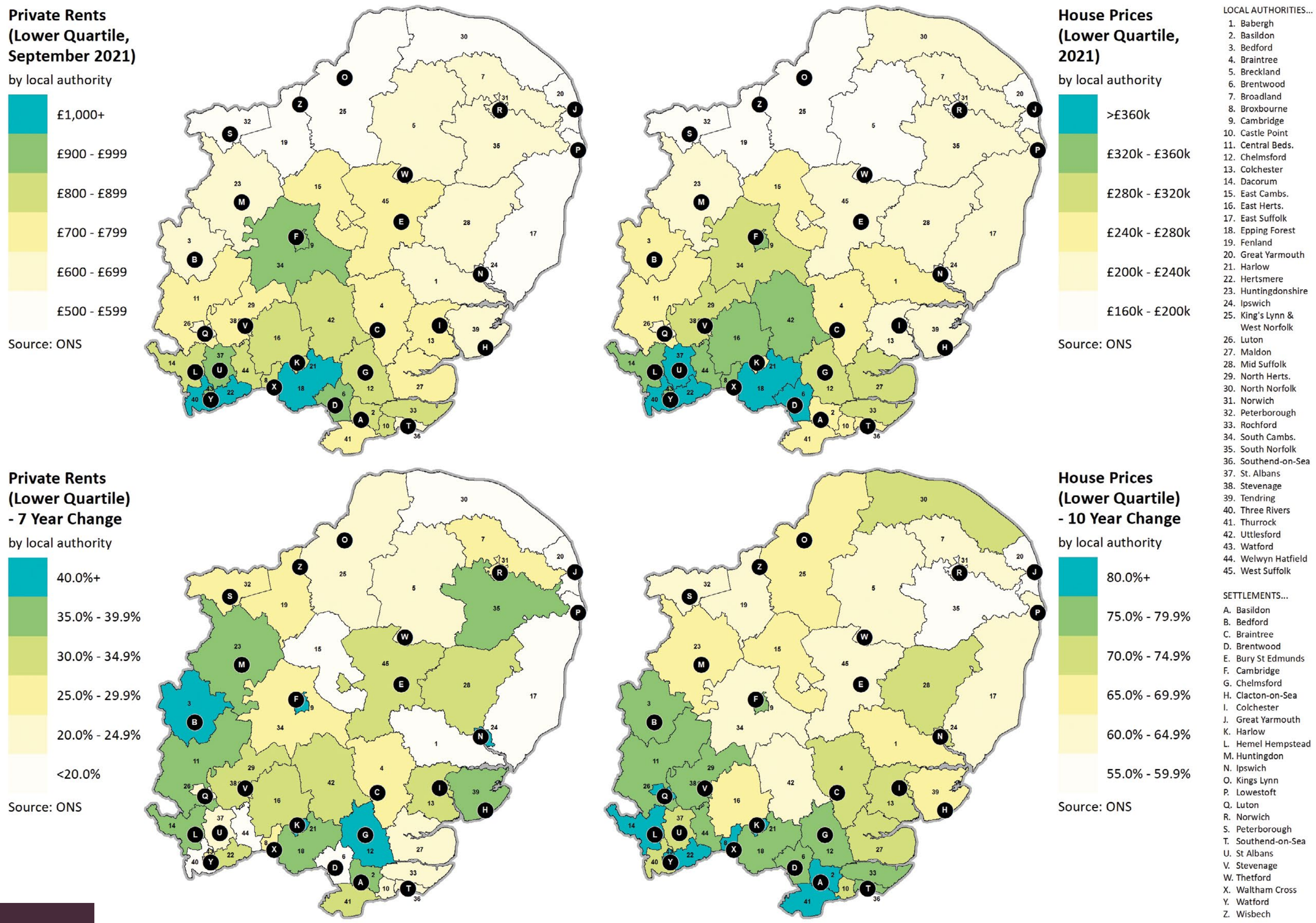


Figure 2.3 Average monthly (lower quartile) rental and housing prices – East of England
Source: ONS Private Rental Market Statistics (September 2021)

02 | HOUSING NEED AND AFFORDABILITY

> "There is a wider urban dimension to affordability; many low-income groups have sought affordable homes in high-density towns and cities across the region"

What are the urban, rural and coastal dimensions of housing need in the region?

While the housing market analysis above demonstrates the scale of the housing crisis in the East of England, it is equally important to understand the nature of affordability issues in different parts of the region. The East of England is a diverse region with a mixture of urban, rural and coastal areas and housing affordability is driven by a wide range of factors, including:

- connectivity to London and the rest of the UK;
- demand from employment growth;
- rates of housing growth (including constraints to development); and
- competition between housing land and other uses (such as commercial, industrial, education or open space).

Experian Mosaic[8] information shows that large parts of the region – typically those areas which are less populated – are characterised by 'Country Living' and 'Rural Reality' groups (see Figure 2.4). These households comprise homeowners enjoying the benefits of country life, or those living in low-cost homes in village communities.

At a regional level, denser, urban areas largely in the south contain a higher proportion of families living affluent lifestyles in upmarket homes, situated in sought after residential neighbourhoods, especially in areas on the outskirts of London ('Domestic Success' and 'Prestige Position' households). There is also a high prevalence of 'Senior Security' groups (elderly homeowners enjoying comfortable retirement in their own homes) in many coastal areas.

Groups on lower incomes who are likely to face the most acute affordability challenges include the 'Family Basics' groups (families on low incomes who can struggle to make ends meet, often in areas with few employment options) and 'Municipal Challenge' groups (long-term social renters living in low-value, urban locations). As shown in Figure 2.4, these groups are present in many towns and cities across the region including in Peterborough, Norwich and Luton. These areas also contain 'Transient Renters' (single person households renting low-cost homes for short lengths of time), 'Aspiring Homemakers' (younger households who have bought value homes to fit their budget), and 'Rental Hubs' (predominantly young, single people privately renting homes while in the early stages of their careers).

While the south of the region is far less affordable as a whole (see Figure 2.2), this shows that there is a wider, urban dimension to affordability; many groups who are on lower incomes have sought out affordable homes in high-density locations, often in challenged neighbourhoods. In rural areas, finding housing which is more affordable might come at a different cost, for example access to services and opportunities for work.

[8] A tool that uses a wide range of data to allocate households into one of fifteen summary groups; the individuals within these groups are similar in specific ways, such as age, interests, household income and life-stage (available here)

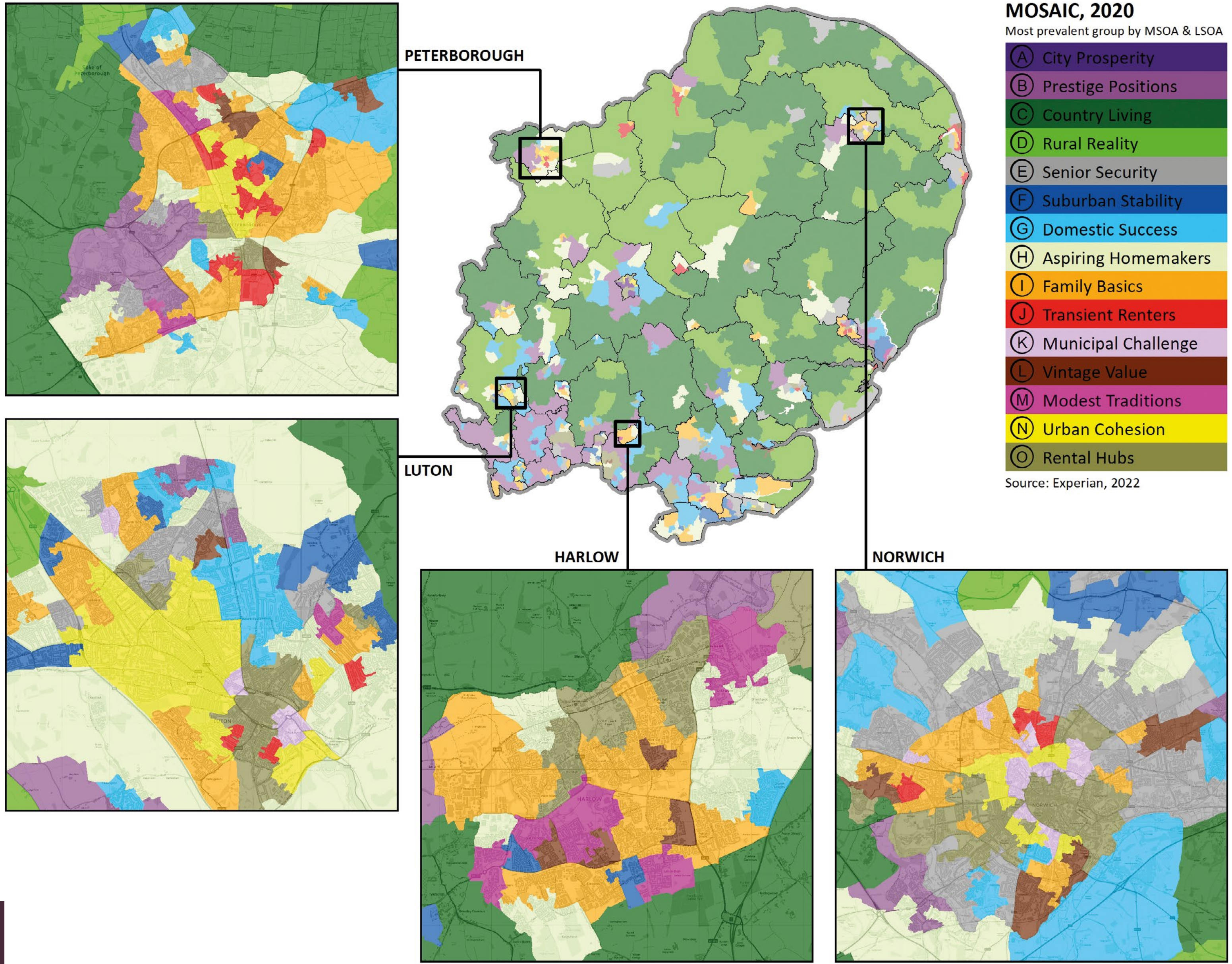


Figure 2.4 MOSAIC Summary Groups – East of England
Source: Lichfields based on Experian Mosaic data (2022)

02 | HOUSING NEED AND AFFORDABILITY

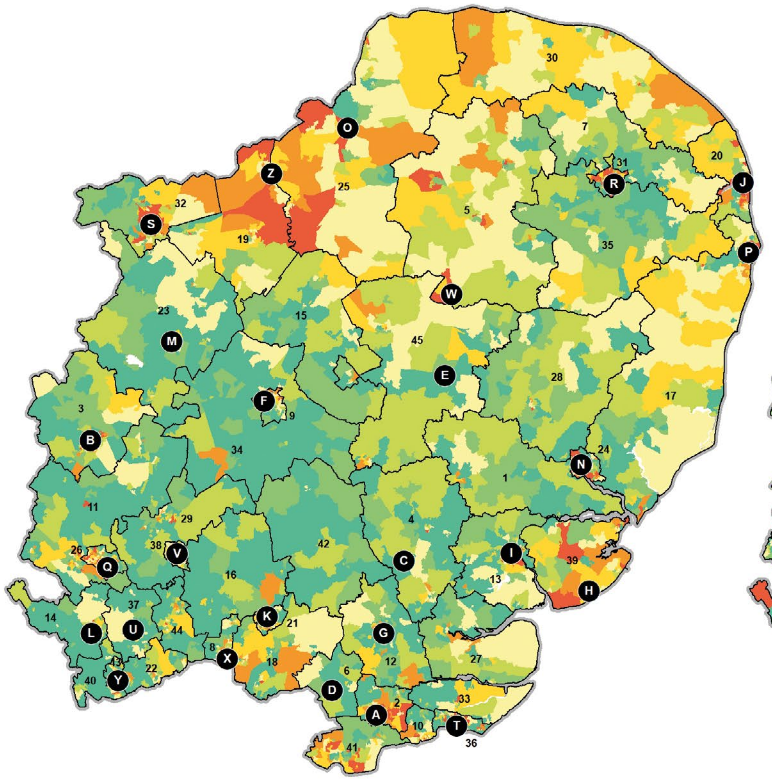
> “While the northern half of the region is more affordable, wider barriers to housing persist across the region”

Figure 2.5 further serves to highlight the wide variation in the socio-economic profile across the region, based on deprivation. At the neighbourhood level, deprivation is measured by the Indices of Multiple Deprivation (IMD), which uses several factors to rank areas across seven distinct domains of deprivation, including income, employment, education, health, crime, living environment and barriers to housing and services.

The latest overall deprivation rank[9] shows that while the overall level of deprivation across the East of England is relatively low and the majority of the southern half of the region sits within the least deprived areas of the country, there are some serious pockets of deprivation, as shown in Figure 2.5. Specifically, it is the more urban, northern and coastal areas where most variability – and higher rates of deprivation – are seen, with Peterborough, Wisbech, Kings Lynn, Great Yarmouth and Clacton-on-Sea among the most deprived areas within both the region and nationally.

However, looking solely at the housing domain of deprivation, it is clear that the overall deprivation rank conceals wide variation across each domain (Figure 2.5). Many rural parts of the region rank amongst the top 5% most deprived areas nationally in terms of ‘Barriers to Housing and Services’, which measures the physical and financial accessibility of housing and local services. This again suggests that while the northern half of the region is more affordable (see Figure 2.2), wider barriers including the quality, type and location of housing (ensuring access to work and community facilities) persist across the whole of the region – and that housing deprivation is particularly high in the East of England. Better affordability does not necessarily therefore equal lesser affordable housing need, since there are often qualitative issues in housing supply which need to be addressed.

[9] English Indices of Deprivation (2019), Department for Levelling up, Housing and Communities (DLUHC), formerly Ministry of Housing, Communities and Local Government (MHCLG), available here



Indices of Multiple Deprivation (IMD), 2019 - Rank %
by LSOA

Top **20%** Ranked within England	Top **30%** Ranked within England	Top **40%** Ranked within England	Top **50%** Ranked within England	Top **60%** Ranked within England	Top **70%** Ranked within England	Above **70%**

MOST DEPRIVED Source: MHCLG, 2019 LEAST DEPRIVED

IMD, 2019 - Barriers to Housing and Services - Rank %
by LSOA

Top **5%** Ranked within England	Top **10%** Ranked within England	Top **20%** Ranked within England	Top **30%** Ranked within England	Top **40%** Ranked within England	Top **50%** Ranked within England	Above **50%**

MOST DEPRIVED Source: MHCLG, 2019 LEAST DEPRIVED

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U. St Albans
V. Stevenage
W. Thetford
X. Waltham Cross
Y. Watford
Z. Wisbech

Figure 2.5 Indices of Multiple Deprivation – East of England
Source: Lichfields based on IMD (2019)

> “Higher rates of overall deprivation are seen in the urban, northern and coastal areas of the region, although housing deprivation specifically is more widespread”

02 | HOUSING NEED AND AFFORDABILITY

Whilst house prices alone would broadly suggest a north/south divide in housing issues in the East of England, this analysis serves to highlight that issues are far more complex, and the East of England is a diverse and immensely unequal region, where some of England's most deprived neighbourhoods sit alongside its most affluent. In the southern urban areas, and wider rural areas, there are many wealthy households with high levels of financial security living in upmarket neighbourhoods; yet in less well-connected urban centres, there are many lower-income households who are facing an array of housing challenges.

Summary

Housing affordability is a key issue across most of the East of England region, like many parts of the south of England. House prices and rents are significantly higher than national averages and are increasing at a faster rate, leading to worsening affordability and additional pressure on affordable housing delivery.

Nevertheless, the nature of affordability issues varies in different parts of the region, and places with better affordability are not immune from housing deprivation. In some areas – such as suburban locations on the edge of London – the simple cost of housing itself relative to local earnings is the key issue, while in other parts – such as rural and coastal areas – it is more about the geographical accessibility of housing and local services.

03

HOUSING GROWTH

03 | HOUSING GROWTH

How much housing is needed in the region?

Current government guidance sets out that assessments of housing need should be based on the 'standard method' – which assesses need based on projected household growth, combined with an uplift for affordability[10]. Of this need, authorities should separately assess how much is for affordable housing; this is often high in relation to overall need[11]. The current standard method suggests that over 35,000 homes are needed overall per year in the East of England. Of this figure, the latest evidence prepared by authorities[12] estimates that 13,000 affordable homes are needed per year in the region – equating to 37% of overall need.

However, since 2011 the East of England has seen average delivery of just 23,000 homes per year (227,000 homes in total over the last decade). Figure 3.1 shows that while delivery has noticeably increased in recent years, with around 28,000 homes per year built between 2019 and 2021, this still remains over 7,000 homes short of meeting the minimum standard method figure of around 35,500. This is reflective of wider trends, however; the region has seen an average overall housing growth of around 1% per year (i.e. the total number of homes available has increased by 1% every year), which is broadly in line with the national average.

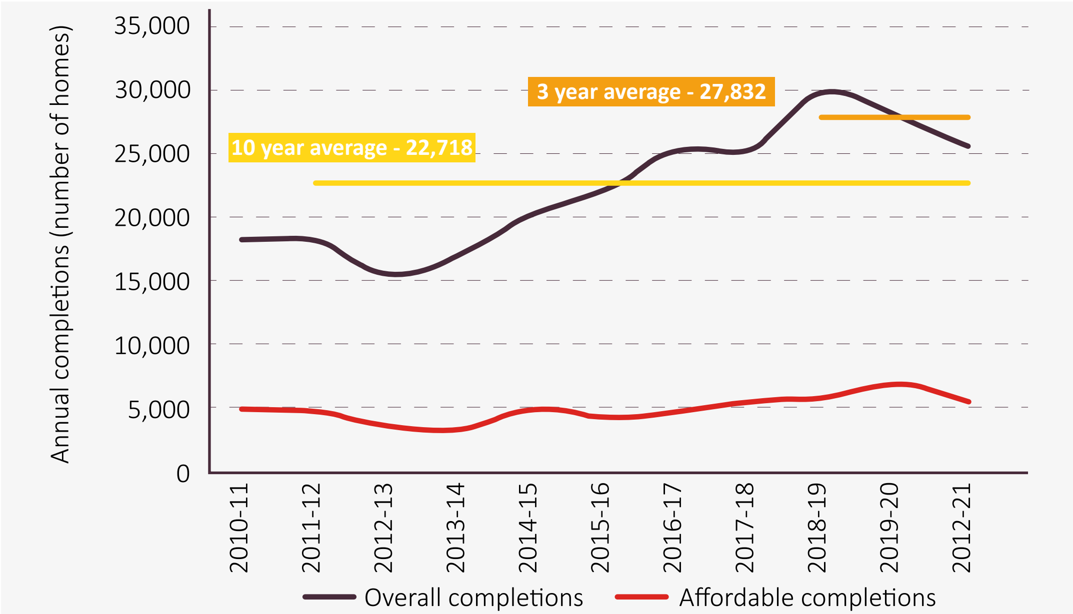


Figure 3.1 Trends in housing supply: East of England
Source: Lichfields based on DLUHC data (LT118, LT1008c) and AMRs

	Recent delivery (10-year average)	Recent delivery (3-year average)	Current need (SM or SHMA)	Shortfall to need
All housing	22,718	27,832	35,469	7,637 – 12,751
Affordable housing	4,937 (22%)	6,112 (22%)	13,082 (37%)	6,970 – 8,145

Table 3.1 Recent housing delivery vs need
Source: Lichfields analysis

[10] Set out in National Planning Practice Guidance (PPG) here. Whilst the future of the Standard Method is debated, at the time of writing it remains the official starting point for assessing need in local authority areas in England.

[11] This is because the standard method, which assesses overall housing need, is based on net change in households in a local authority, whereas affordable housing need is a gross figure because it is based on all households in need in the local authority (existing and newly forming). Separate guidance on assessing affordable housing need is set out in the PPG

03 | HOUSING GROWTH

6,000 per year
the average number of affordable homes delivered in the region in the last three years

7-8,000 per year
the shortfall in the number of affordable homes being delivered and the number of affordable homes needed per year

The delivery of affordable housing has not fared much better. In comparison to the 13,000 affordable homes per year that are estimated to be needed in the region, less than half has been delivered (see Table 3.1). In the last 10 years, an average of 5,000 affordable homes per year have been delivered in the region, increasing to 6,000 per year more recently. Whilst trends have to date been heading in the right direction, this suggests that there is still a shortfall of between 7,000 and 8,000 affordable homes being delivered across the East of England each year. In total, around 50,000 affordable homes have been delivered in the last 10 years – comprising just 22% of all homes, in comparison to the 37% that is estimated to be needed.

Recent housing growth – both overall and affordable – has therefore been far below that required, with no indication that this trend will change in the near future.

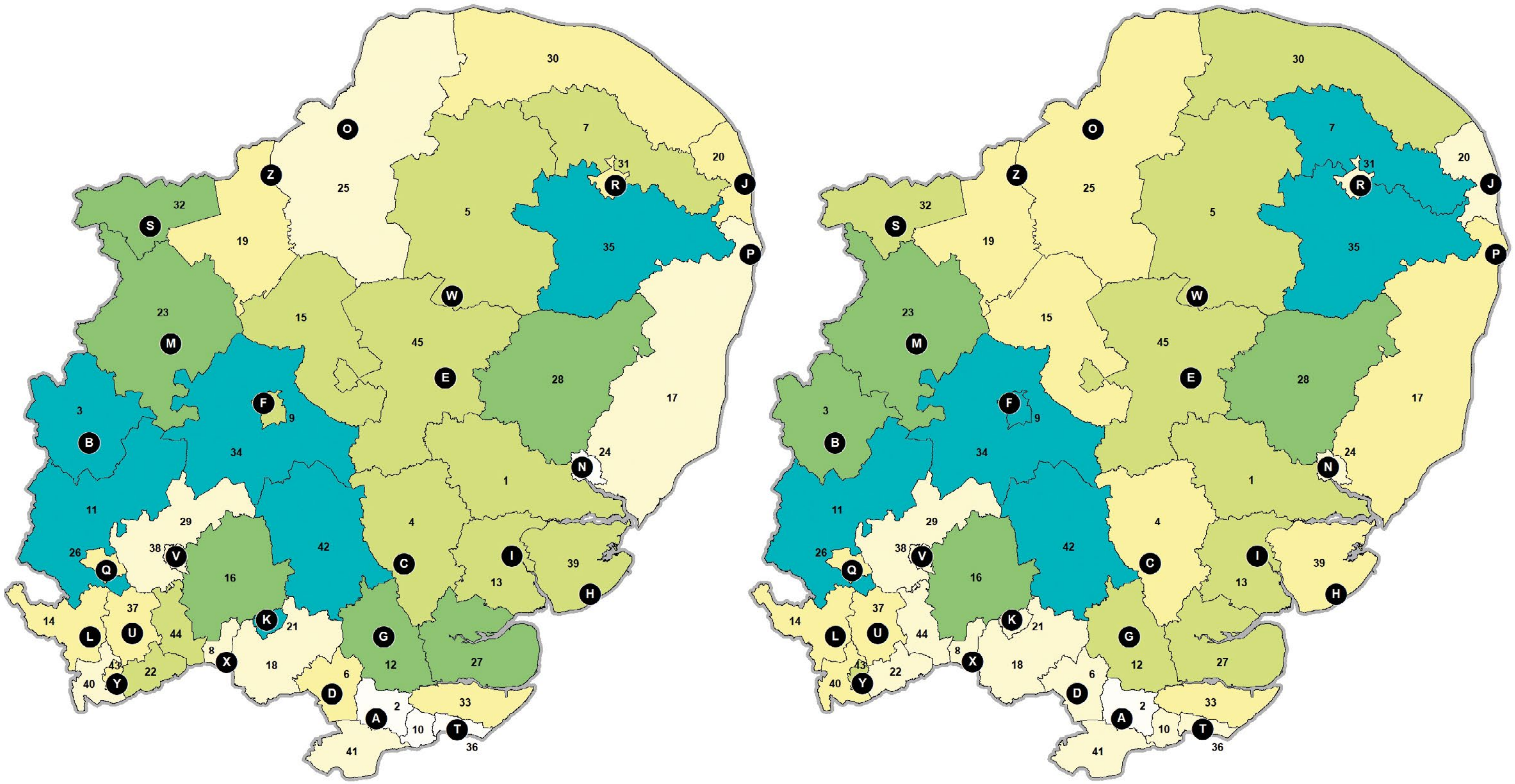
What is the scale of new housing supply across the region?

There are clear variations in housing delivery throughout the region. Figure 3.2 shows that the key authorities driving increased housing growth have been Bedford, Central Bedfordshire, South Cambridgeshire, Uttlesford and Harlow. In 2011, these areas delivered around 3,800 homes collectively, but in 2021 this had increased to over 5,500 homes.

In comparison, the coastal areas of Norfolk and Suffolk, as well as the more urban areas of Essex and Hertfordshire, have seen the lowest rates of delivery. This highlights that some of the least affordable authorities (see Figure 2.2) are experiencing the lowest rates of overall housing delivery. This reflects the constrained nature of these areas and, in some areas, the lack of plan-making progress (which we discuss further in the next section of this report).

Similarly, affordable housing delivery is also lowest in the least affordable parts of the region – i.e. the southern areas of Essex and Hertfordshire closest to London. In comparison to an average regional affordable housing growth of 1.3% per year over the last decade, most of these areas have not seen delivery rates reach higher than 0.7%. The areas with the highest affordable housing delivery are those with the highest overall growth, illustrating the importance of housing supply overall in delivering new affordable housing. This is shown in Figure 3.2 and includes South Norfolk, Bedfordshire and Cambridgeshire where strategic plans are in place to deliver significant amounts of new housing through new settlements and urban extensions.

[12]The most up-to-date Strategic Housing Market Assessment (SHMA) for each Local Planning Authority (LPA)



Rate of Housing Delivery (3 year average)
by local authority

<0.50%	0.50% - 0.74%	0.75% - 0.99%	1.00% - 1.24%	1.25% - 1.49%	1.50%+

Affordable housing completions - the rate of affordable housing delivery (10 year average)
by local authority

0.1% - 0.4%	0.5% - 0.9%	1.0% - 1.4%	1.5% - 1.9%	2.0% - 2.4%	2.5%+

LOCAL AUTHORITIES...

1. Babergh
2. Basildon
3. Bedford
4. Braintree
5. Breckland
6. Brentwood
7. Broadland
8. Broxbourne
9. Cambridge
10. Castle Point
11. Central Beds.
12. Chelmsford
13. Colchester
14. Dacorum
15. East Cambs.
16. East Herts.
17. East Suffolk
18. Epping Forest
19. Fenland
20. Great Yarmouth
21. Harlow
22. Hertsmere
23. Huntingdonshire
24. Ipswich
25. King's Lynn & West Norfolk
26. Luton
27. Maldon
28. Mid Suffolk
29. North Herts.
30. North Norfolk
31. Norwich
32. Peterborough
33. Rochford
34. South Cambs.
35. South Norfolk
36. Southend-on-Sea
37. St. Albans
38. Stevenage
39. Tendring
40. Three Rivers
41. Thurrock
42. Uttlesford
43. Watford
44. Welwyn Hatfield
45. West Suffolk

SETTLEMENTS...

A. Basildon
B. Bedford
C. Braintree
D. Brentwood
E. Bury St Edmunds
F. Cambridge
G. Chelmsford
H. Clacton-on-Sea
I. Colchester
J. Great Yarmouth
K. Harlow
L. Hemel Hempstead
M. Huntingdon
N. Ipswich
O. Kings Lynn
P. Lowestoft
Q. Luton
R. Norwich
S. Peterborough
T. Southend-on-Sea
U. St Albans
V. Stevenage
W. Thetford
X. Waltham Cross
Y. Watford
Z. Wisbech

Figure 3.2 Average rate of housing delivery across the East of England, 2011 to 2021
Source: Lichfields based on DLUHC data (LT122)

" South Norfolk, Bedfordshire and Cambridge: the areas with the highest overall growth and highest levels of affordable housing delivery "

03 | HOUSING GROWTH

Are affordable housing policies meeting need?

The affordable need in some areas of the region is very high in proportion to overall need. Clearly there is a balance to be struck between ensuring that plans are viable overall, that authorities make best use of existing land, that schemes are able to make provision for other infrastructure and that affordable housing needs are met as far as possible. The National Planning Policy Framework (NPPF) itself (para 64) makes clear that it is acceptable to reduce affordable housing provision if this is necessary to develop brownfield land viably:

"To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount."

While the latest evidence indicates that almost 40% of all homes delivered in the East of England need to be affordable, this is simply unviable in many areas. As shown in Figure 3.3, only 10 out of 47 local authorities (21%) within the region have an affordable housing policy requirement of 40% or above. With the exception of North Norfolk, these authorities are primarily focused to the south and west of the region.

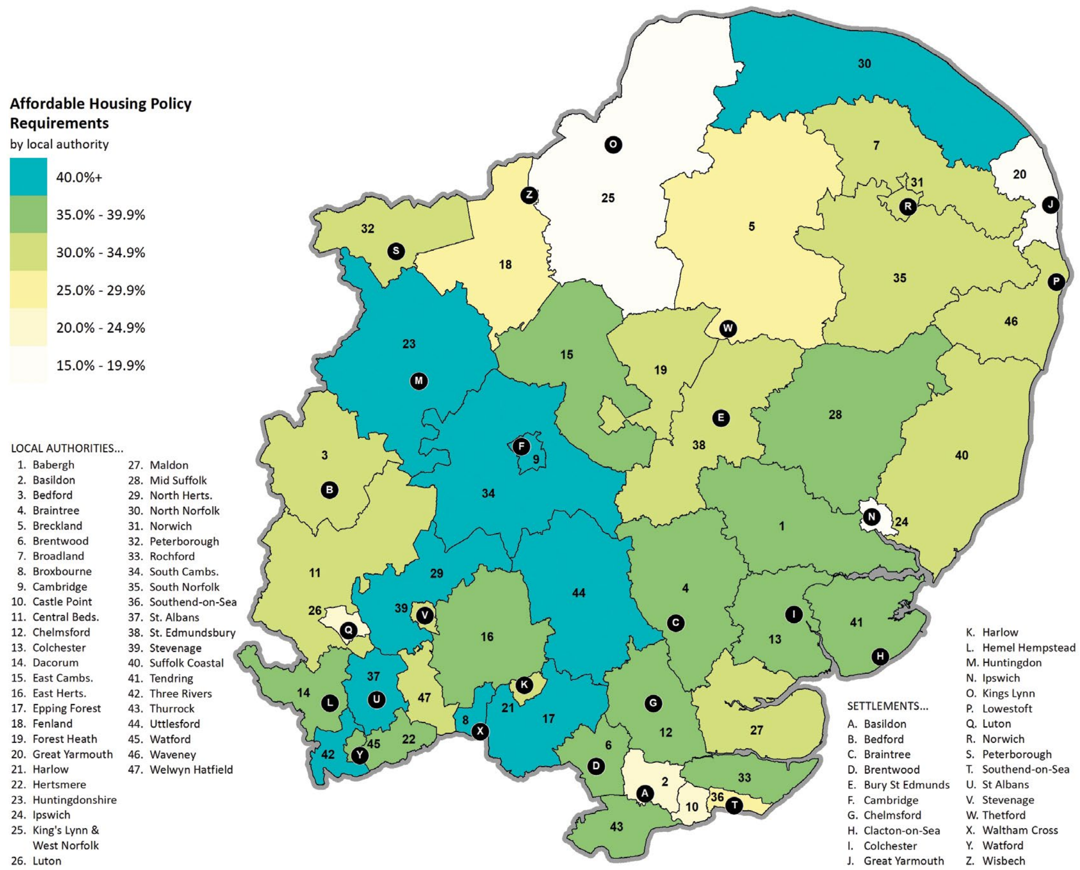


Figure 3.3 Affordable housing policy requirements - East of England
Source: Lichfields analysis of local plans

03 | HOUSING GROWTH

In fact, while affordable housing policy requirements vary in terms of site threshold and location, 32% of authorities have a requirement that is no higher than 30%, and in many authorities, the requirement for affordable housing is even less in some areas such as town centres and brownfield sites. This already means that – on paper, and before any non-compliant schemes are taken into account – developments coming forward in the East of England are unlikely to deliver the level of affordable housing that is genuinely needed.

Yet research[13] has indicated that schemes with more affordable housing (more than 30%) built out at close to twice the rate as those with lower levels of affordable housing as a percentage of all units on site. There is therefore an opportunity for local plans to reflect that – where viable – higher rates of affordable housing support greater rates of delivery. This principle is also likely to apply to other tenures and types that complement market housing for sale (e.g. build-to-rent or self-build where there is a demand for these products).

Policy requirements are important, as affordable housing policies form the starting point by which all proposals for residential development are both designed and then considered. Inevitably, overall affordable housing delivery on some sites will be lower than policy requirements, leading to a shortfall of affordable homes. The issue of viability is reflected by the stark contrast between recent affordable housing delivery (22% of all homes), affordable housing policy requirements (on average, 33% across the region) and estimated affordable housing need (37% of all homes). The mismatch between need and supply is also borne out by the fact that some areas in the region with the highest affordable housing policy requirements (upwards of 40%) are among those areas with some of the lowest affordable (and overall) housing delivery rates.

Summary

In most parts of the region, there is a serious mismatch between affordable housing need and supply. Recent delivery levels over the last three years suggest that there is an overall shortfall of homes in the region of at least 7,000 per year, and just 22% of all homes being delivered are affordable – equating to around 5,000–6,000 affordable homes per year, compared to 13,000 affordable homes per year needed.

The most acute mismatch between housing delivery – both overall and affordable – and need is seen in the southern, more urban areas of Essex and Hertfordshire, where development is highly constrained by the Green Belt and/or the capacity (and viability) of brownfield land.

[13]Start to Finish (second edition) February 2020 (Lichfields) available here

04

PLAN-MAKING

04 | PLAN-MAKING

At the heart of national planning policy is a presumption in favour of sustainable development. This is set out in paragraph 11 of the NPPF, which states that:

"Plans and decisions should apply a presumption in favour of sustainable development. For plan-making this means that… strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole."

Footnote 7 to Paragraph 11 confirms that 'the policies in this Framework' include, but are not limited to, those relating to an Area of Outstanding Natural

Beauty (AONB), Green Belt land, a National Park or Heritage Coast. In doing so, the NPPF acknowledges that there will be situations where the presence of such planning or environmental designations will – in order to avoid harm to those designations – restrict authorities in meeting their housing needs. Alongside this, the provisions of the 'duty to cooperate' – as captured in both law and policy – provide a basis by which local authorities preparing plans are supposed to engage with other local authorities in the area to ensure that housing needs that cannot be met in one area (for example due to constraints) are addressed in neighbouring areas.

What is the 'local plan picture' in the East?

With this in mind, a number of local authorities in the south of the region – i.e. those surrounding London – have extremely limited amounts of unconstrained land, owing to the Metropolitan Green Belt (MGB) which extends across the East and South East of England. For example, the MGB covers 94% of land in Epping Forest, 90% of land in Brentwood and 82% of land in St Albans[14].

Some of these authorities are facing real – and long-term – difficulties in progressing local plans, largely due to the issue of meeting housing needs within the context of their Green Belt constraints. This is shown in Table 4.1 and Figure 4.1; out of the 10 local authorities in the region with the highest proportion of Green Belt land, eight do not have an up-to-date local plan (i.e. adopted over 10 years ago prior to the introduction of the 2012 NPPF, or they have no adopted plan at all). A number of draft plans in these highly constrained MGB areas have been repeatedly withdrawn, severely delayed or found unsound. In March 2022, Basildon Council – on the heels of Hertsmere, Castle Point and St Albans and others who have delayed or abandoned emerging plans – became the latest Local Planning Authority ('LPA') to withdraw its Local Plan, which had been submitted for examination three years prior.

10
authorities in the region with more than half of their area covered by the MGB

[14]DLUHC Local authority green belt statistics for England: 2020 to 2021, available here

04 | PLAN-MAKING

8 out of 10
Green Belt authorities in the region do not have an up-to-date local plan

The concern, presently, is that the Government's proposed Levelling Up and Regeneration Bill – which heralds future reforms to the Local Plan system, scheduled to be in place from 2024 – and expected changes to the NPPF and estimates of local housing need, in combination means there is little incentive for LPAs to invest in preparing a local plan under a legal and policy framework that is likely to change. Unfortunately, this implies a hiatus in plan making until at least 2024, if not later, and the outturn (by way of new, adopted local plans) with sites that can be developed, is unlikely before 2027.

In total, 14 authorities in the region have not adopted a plan since the 2012 NPPF was produced, meaning plans in almost a third of the region are still based on the now long-revoked Regional Strategies, and not based on any up-to-date assessment of housing need. The slow plan-making progress in these areas means there is no sign of a solution to housing delivery and consequently housing needs have – and continue to – go unmet, with limited opportunities to deliver new development. When local plans are not being progressed, this also tends to mean that the duty to cooperate process is not applied to ensure unmet housing needs are addressed in neighbouring areas.

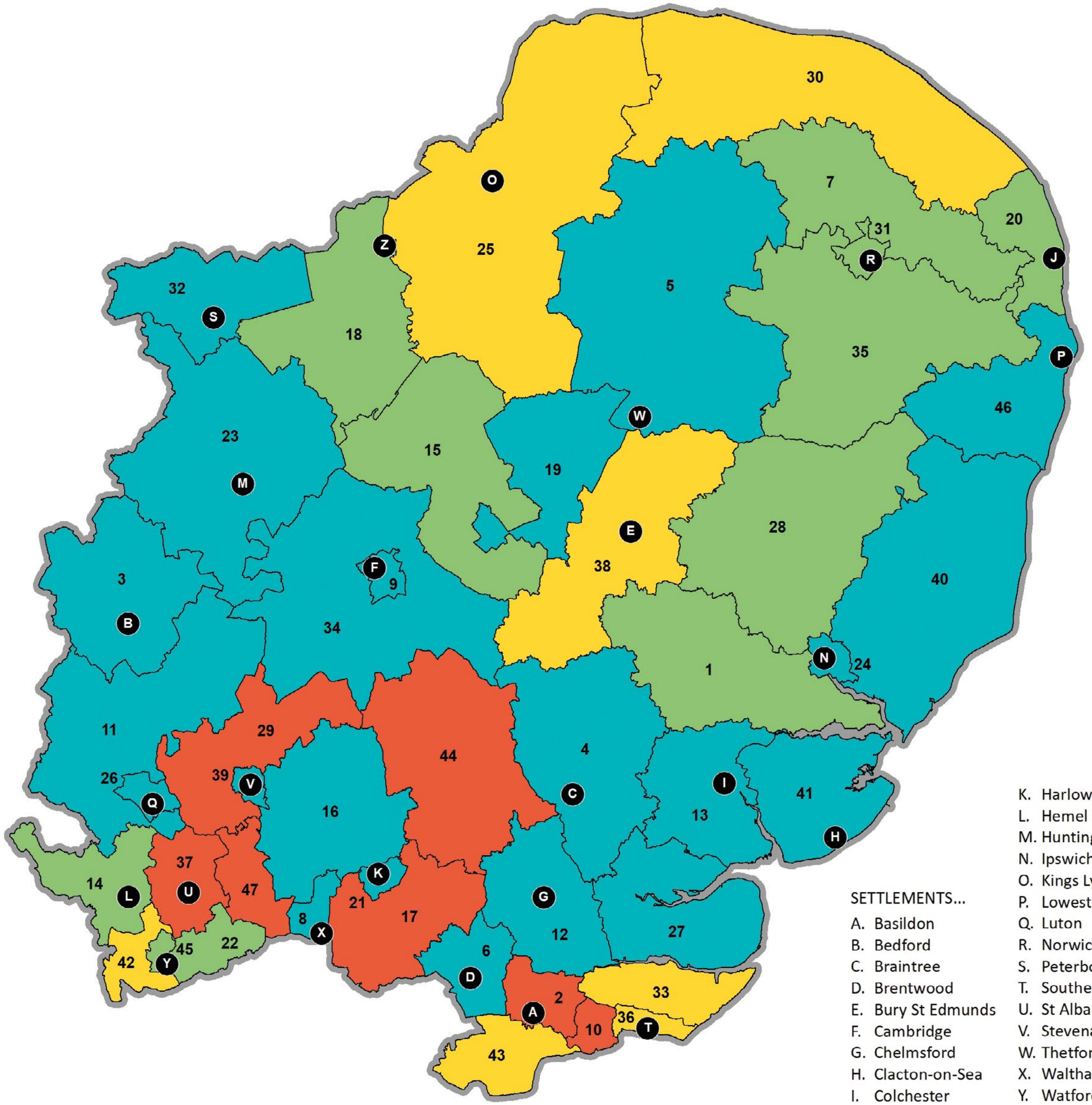
Local authority	Proportion (%) of total land area designated as Green Belt	Local Plan status
Epping Forest	93.5%	No plan
Brentwood	89.7%	Under 5 years old
St Albans	81.6%	No plan
Welwyn Hatfield	79.2%	No plan
Hertsmere	79.0%	5-10 years old
Three Rivers	757%	10+ years old
Thurrock	71.2%	10+ years old
Rochford	70.7%	10+ years old
Basildon	62.7%	No plan
Castle Point	55.9%	No plan

Table 4.1 Plan-making progress in the top 10 Green Belt authorities; Source: Lichfields based on DLUHC green belt statistics (2021)

Plan Status:
Age (1st April 2022)
by local authority

- Under 5 years old
- 5-10 years old
- 10+ years old
- No plan

Source: Lichfields



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15. East Cambs.
16. East Herts.
17. Epping Forest
18. Fenland
19. Forest Heath
20. Great Yarmouth
21. Harlow
22. Hertsmere
23. Huntingdonshire
24. Ipswich
25. King's Lynn & West Norfolk
26. Luton
27. Maldon
28. Mid Suffolk
29. North Herts.
30. North Norfolk
31. Norwich
32. Peterborough
33. Rochford
34. South Cambs.
35. South Norfolk
36. Southend-on-Sea
37. St. Albans
38. St. Edmundsbury
39. Stevenage
40. Suffolk Coastal
41. Tendring
42. Three Rivers
43. Thurrock
44. Uttlesford
45. Watford
46. Waveney
47. Welwyn Hatfield

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W. Thetford
X. Waltham Cross
Y. Watford
Z. Wisbech

Figure 4.1 Adopted local plan progress in the East of England as of April 2022; Source: Lichfields analysis

47%
of all local authorities in the region have a local plan adopted within the last 5 years

04 | PLAN-MAKING

> "Registered providers in the region can 'fill any home they build 10 times over'"

Notwithstanding, as shown in Figure 4.1 nearly half – 22 (out of 47) – of all authorities in the region do have a local plan adopted within the last five years[15]. A further 11 authorities have a plan which is more than five years old but post-dates the 2012 NPPF. These plans make provision for a significant number of homes in the region, and as required by the NPPF (Paragraphs 62 and 63), will seek to address affordable housing needs as part of this provision. However, there is not necessarily a national policy requirement to meet affordable housing needs in full. The PPG on 'housing needs of different groups' clarifies that:

"Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account… the anticipated deliverability of different forms of provision, having regard to viability."

Therefore, even where plans are put in place, there is likely still a gap between real affordable housing needs and the level of affordable housing that is being planned for. For instance, the emerging Three Rivers Local Plan[16] acknowledges that the Council is unable to meet the scale of need for affordable housing for rent in its entirety (60% of the district's total housing requirement), but concludes that it is balancing the requirement for affordable housing with the potential for it to be delivered and the authority's environmental constraints (resulting in a proposed policy option requiring just 40% of all homes to be provided as affordable housing for rent, acknowledging that this is the maximum amount viably possible).

In areas where local plans are out-of-date and authorities are unable to demonstrate a five-year supply of housing land, it is unsurprising that – within our stakeholder workshops – some RPs in the region have stated that they are currently approaching certain authorities with a 'developer's perspective'. That is, taking advantage of the NPPF presumption in favour of sustainable development where it is likely that proposals for affordable or even mixed tenure housing schemes will be favoured, granted permission quickly and/or successful at appeal.

However, there are not easy solutions in terms of being able to bypass the local plan system in this way and such opportunities for quick, positive planning decisions are limited:

In areas where housing supply is constrained by Green Belt, development on Green Belt sites is typically only permitted in specific limited circumstances, and in many cases requires a justification that is 'very special.' This means the chances of securing permission are often perceived to be low, even when the land in question might be suitable for housing and the local need is acute. This is not an encouraging environment for risking investment in a speculative planning application. Nor is it an incentive for local authorities in these locations to prepare a local plan.

1. In neighbouring areas not constrained by Green Belt or equivalent constraints, LPAs are only required to measure their housing delivery against their own need, and not required to address the unmet housing need from neighbouring areas unless that need is crystallised in an adopted local plan. This means some LPAs will conclude they have a five-year supply of housing and not consider it necessary to grant permission for more homes, even though a neighbouring area in the same housing market area has a major shortfall that is unlikely to be addressed.

   The combination of 1 and 2 above, means that unmet housing need in many parts of the region is in a state of limbo; it cannot be realistically met in constrained areas with no local plan, and yet it does not get taken fully into account in planning decisions elsewhere.

[15] As of 1st April 2022

[16] Three Rivers District Council Local Plan Regulation 18 Preferred Policy Options and Sites for Potential Allocation June 2021

04 | PLAN-MAKING

2. In other areas, the development management system is poorly resourced and slow, with it being difficult for applicants to have their planning proposals considered at pre-application and application stage. In the eastern region, the issue is typified by the Government stripping Uttlesford District Council of its powers to determine major planning applications in February 2022, due to its continued poor decision-making over major planning issues[17]. With no local plan in place, Uttlesford is currently drafting its third attempt to replace the current development plan adopted in 2005 and has just made a further delay to its first scheduled consultation.

3. Finally, some parts of the region (areas of Norfolk) are constrained by water neutrality issues linked to Natural England advice which places an effective embargo on granting approval on housing schemes pending mitigation.

Even where there is, on paper, national policy support for development on land not allocated in Local Plans, there are concerns about the practicality of achieving that in practice. For example, while NPPF Paragraph 149(f) does provide the potential for development of 'limited affordable housing' in the Green Belt, this is only under the local authority's development plan policies including for 'rural exception sites' (i.e. small sites outside settlement boundaries or in rural areas used for affordable housing where they would not normally be used for housing).

Most local authorities – around 70% – in the region have a policy within their local plan (adopted, or emerging where sufficiently advanced) that is supportive of affordable housing on 'rural exception sites' outside of settlement boundaries. However, these policies require applicants to demonstrate – and in some cases, provide clear evidence – that there is an identified local need for the affordable housing proposed that cannot be met on sites within the defined urban area, among other requirements.

Participants in the workshop sessions pointed out that this requirement to demonstrate need is seemingly restrictive and presents an unnecessary 'hurdle' in attempting to bring forward sites for affordable housing. Given that local authorities have significant waiting lists for affordable housing and that RPs can *"fill any home they build 10 times over"*, it was felt that any discussion with authorities should only be about the type and tenure of affordable housing being built, and not whether there is a need for it to be built at all.

In some areas, it is also possible that households have moved away from unaffordable areas where there is as lack of affordable housing available over a longer period of time, meaning assessments of local need based purely on current waiting lists may be artificially supressed, and not show the true extent of need in an area. In these cases, it may be necessary to consider other factors, like local jobs/earnings, migration trends and historic housing delivery, to understand the true scale of affordable housing needs in an area. Waiting lists may also show people in need across a local authority without a preference for a specific town or village and if 'local' need is interpreted too restrictively this might limit affordable delivery even where a wider need exists. However, such assessments can be complex, costly and difficult to complete, and create yet another hurdle in the plan-making process.

[17]Section 62A of the Town and Country Planning Act

04 | PLAN-MAKING

Summary

Greater progress with plan-making would help deliver more affordable housing by allocating land for development in areas where it is most needed. Currently, many of these locations have no up-to-date local plan and there is little evidence of progress being made to prepare them. Without local plans, the question of how areas constrained by Green Belt or other environmental constraints have their housing needs met does not get adequately addressed.

In areas without local plans, there is scope – at least in theory – to submit planning applications for housing development on unallocated sites and take advantage of the presumption in favour of sustainable development. However, the prospect of securing permission is strictly limited in areas with Green Belt and other constraints, which itself provides no incentive for those areas to prepare local plans. Further, there is no automatic mechanism for less constrained areas to have their neighbours' unmet need properly taken into account when assessing whether more housing is necessary in their areas.

In combination, the situation with plan-making – which appears to be slowing rather than accelerating due to the legal and policy changes underway – is maintaining major barriers to housing delivery in areas where the scale of affordable housing need is greatest.

There is clear scope for plans to be more supportive of affordable housing developments, especially in constrained Green Belt areas in the south of the region. Addressing the plan making hiatus is among the single biggest measures that could address housing delivery in the region.


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05

SUSTAINABLE DEVELOPMENT: THE ROLE OF AFFORDABLE HOUSING

05 | SUSTAINABLE DEVELOPMENT

Given the housing crisis, the supply of new homes to meet affordable housing need is an end in itself, but it is also a crucial underpinning to the delivery of holistic sustainable development. When effectively planned for, the provision of affordable housing:

- allows people to live to close to where they work, reducing the need for unsustainable commuting (which carries far-reaching environmental, personal and societal benefits);
- ensures low-paid and key workers – upon which the much of the economy and society relies – are able to access housing (which ensures businesses can retain the workforce they need). This labour mobility is a fundamental driver of productive economies, and supports agglomeration benefits in economic sectors where the UK has competitive advantage;
- helps support mixed communities where people from a variety of backgrounds can meet and interact, supporting social cohesion and personal well being; and
- makes best use of infrastructure, such as supporting the ongoing viability of public transport, supports local schools and services which might otherwise see falls in demand due to an ageing population.

How does housing growth support economic growth proposals?

With the objectives of sustainable development in mind, it is difficult to overstate the importance of delivering sufficient new housing alongside economic and related employment growth. House building is vital to local and national economies, bringing local employment and economic growth – it directly supports economic growth during construction, by creating investment (which creates construction jobs and economic output)[18], it houses the labour force needed to support job growth and a growing population creates more local spending (supporting high streets and local economies) and yields fiscal revenue for local authorities to spend on local services.

Ensuring an integrated and strategic approach to housing and jobs is recognised by the government and national planning policy. The NPPF states that the three overarching objectives of sustainable development – economic, social and environmental – need to be pursued in mutually supportive ways, so that opportunities can be taken to secure net gains across each different objective. This includes ensuring that sufficient land of the right types is available in the right places and at the right time to support economic growth, and ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations.

The Planning Practice Guidance (PPG) also makes clear that the standard method for calculating local housing need provides a minimum starting point, and states that local authorities should consider delivering more homes where appropriate in order to support ambitious plans for growth (albeit there are no real checks or incentives in place to ensure this actually happens where it is needed).

However, the key role of affordable housing in supporting all three strands of sustainable development is not always recognised in plan-making. As shown in Figure 5.1, the East of England has a number of economic growth strategies of regional and national importance either already underway or proposed in the future. These range from general business/ industrial parks strategically located along key transport corridors (such as Gateway Peterborough and Maylands Business Park) to technological and research innovation centres (clustered around Cambridge – one of the UK's genuinely world class global hubs for innovation) and significant infrastructure projects (including the Sundon Rail Freight Interchange, airport expansions at London Luton and London Southend, and regeneration of the region's ports). Yet there is remarkably little recognition within the relevant local plans – where they exist – as to how the delivery of housing can specifically support and facilitate these economic development opportunities.

> "A commensurate increase in homes and jobs are needed for economies to grow sustainably"

[18]See, for example, the 2018 assessment of the Economic Footprint of House Building in England and Wales available here

> “The strategic nature of several economic growth proposals in the region will have far-reaching impacts beyond any single local authority”

Large-scale economic growth proposals

Business Park/General Employment

1. Beacon Business Park extension
2. Brentwood Enterprise Park
3. Centennial Park, Elstree
4. East of Baldock
5. Eastlink 120 business park
6. Gateway Peterborough
7. Harlow Business Park (The Pinnacles)
8. Hemel Hempstead and Maylands Business Park
9. Holme Farm, Biggleswade
10. Lakeside Basin regional centre
11. Lancaster Way business park
12. Marston Gate expansion
13. New Norwich Airport business park
14. Stratton Business Park, Biggleswade
15. Suffolk Business Park extension
16. Wyboston Lakes

Education and/or Technology/Research

17. Alconbury Enterprise Zone
18. Babraham Institute, Cambridge
19. Brightwell Lakes (formerly Adastral Park)
20. Butterfield Technology Park
21. Cambridge Biomedical Campus and Addenbrooke Hospital North West Cambridge
22. Ford Research and Development Centre expansion
23. Granta Park, Cambridge
24. Harlow Enterprise Zone (London Road)
25. Hatfield Aerodrome (and new University of Hertfordshire campus)
26. Stevenage GSK and Bioscience Catalyst Campus
27. University of East Anglia/Norwich Research Park expansion
28. Watford Health Campus
29. Wellcome Trust Genome Campus and Cambridge Research Park

Transport and Infrastructure

30. Eastern Gateway Enterprise Park (Former Sproughton sugar factory)
31. Great Yarmouth Port & Harbour Area
32. Leigh Port regeneration
33. London Gateway
34. London Luton Airport Expansion
35. London Southend Airport
36. Lowestoft PowerPark and Inner Harbour Port
37. Port of Felixstowe
38. Sundon Rail Freight Interchange
39. Tilbury Ports
40. Watford Junction
41. Whittlesey Regional Freight Interchange
42. East Anglia Offshore Wind Farms

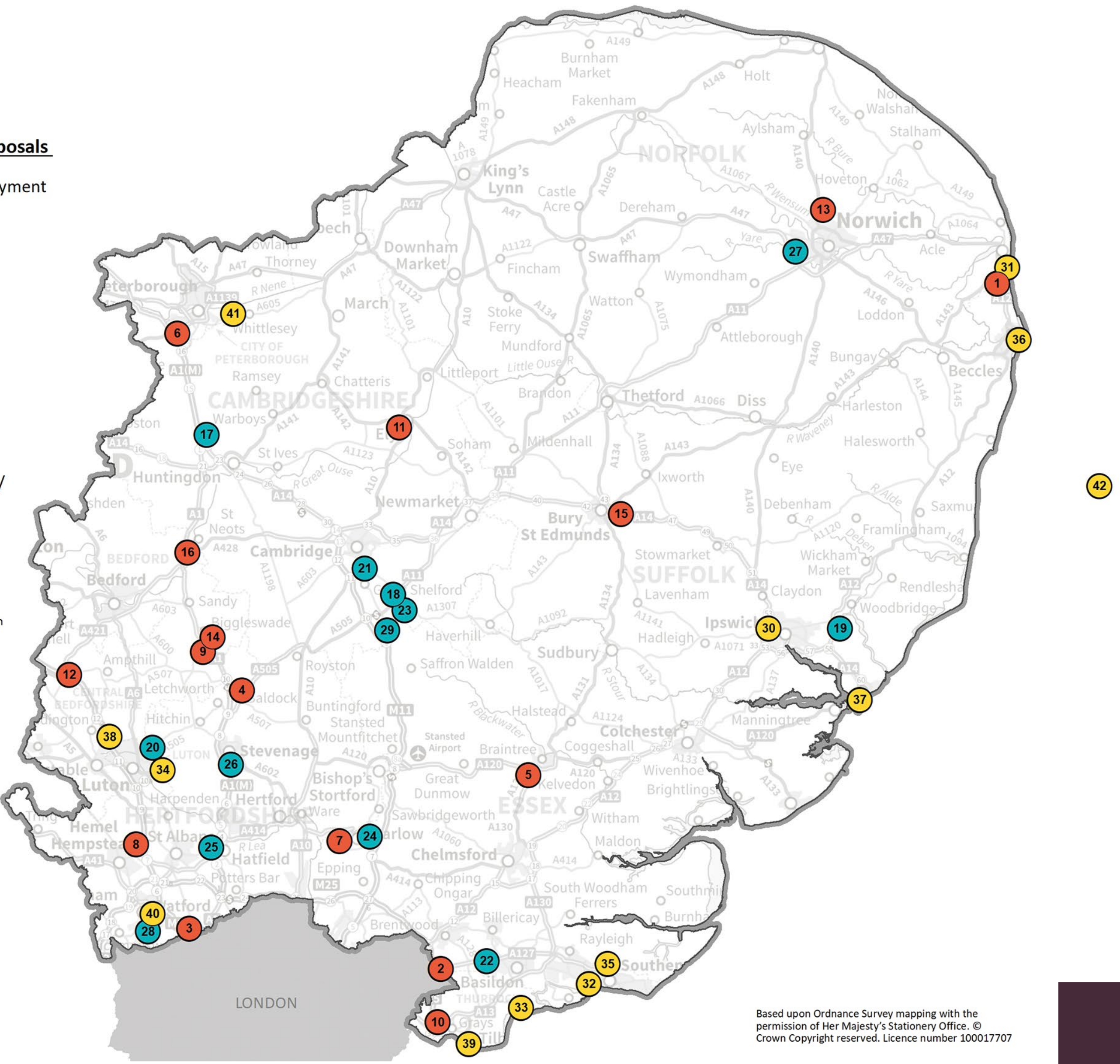


Figure 5.1 National and regional economic growth strategies in the East of England
Source: Lichfields analysis

05 | SUSTAINABLE DEVELOPMENT

This is particularly important given the strategic nature of several economic growth proposals in the region, which have far-reaching impacts beyond any single local authority. Any ambitious economic strategy must be aligned with – or at least supported by – an equally ambitious housing strategy. Economic growth relies upon a mobile labour force who can readily access housing and can feel secure in their tenure. In the absence of an appropriate planning strategy which requires the delivery of a commensurate level of homes to directly support job growth, the success of these proposals is at risk and sustainable economic growth may not be achieved.

In turn, this can lead to undesirable outcomes in affordability terms; some of the proposals identified in Figure 5.1 are located in those areas with the greatest gaps between affordable housing need and supply, including the urban areas of Essex and Hertfordshire. A lack of provision of affordable housing – in the context of an already existing shortfall – to ensure people can live close to these proposals could therefore undermine economic growth.

© London Southend Airport

Cambridge Science Park

University of East Anglia

Felixstowe Port

£87m
the amount of funding secured for the region in the first LUF round

£92
the per-capita spend allocated to the East of England, half the national average

05 | SUSTAINABLE DEVELOPMENT

What does 'Levelling Up' mean for the region?

The 'levelling up' mission driven by the Government aims to rebalance the country's economy and redirect wealth to 'forgotten communities'. The Government recently unveiled its plans for growth[19] and introduced the Levelling Up and Regeneration Bill, to try and turn the phrase into firm action and address the longstanding problem of geographical economic disparities. The agenda also promises a 'devolution revolution' with every part of England gaining access to 'London-style' powers.

Four local authorities in the region were successful in securing aid from the first round of the Levelling Up Fund ('LUF'), including Luton, Peterborough, Central Bedfordshire and Southend-on-Sea. The initial funding received through the LUF totalled £87 million – but funding allocations were weighted towards northern parts of the country, and the East of England received the second lowest level of funding of all regions in England after London[20]. Analysis of the Chancellor's 2021 Spending Review also found that the East of England received the lowest per-capita spend of any region excluding London (£92 per person, compared to the UK average of £184 per person and £359 per person for Yorkshire and the Humber)[21].

The rebalancing debate has typically focused on a North-South divide, and as it stands, the 'levelling up' agenda might be perceived as leaving certain communities in the East of England in danger of falling further behind. This includes areas geographically remote from economic powerhouses like London and Greater Cambridge, including Great Yarmouth, Tendring, Ipswich, Kings Lynn and Norwich. However, as shown in Figure 5.1, the region's market towns and coastal communities (many of which include relatively deprived areas) have an important role in driving the regional and national economy forward – with proposals such as the Felixstowe & Harwich Freeport. The need for 'levelling up' in rural and coastal areas as well as city and urban populations must therefore be recognised.

Ultimately, places with established institutions/leaders appear to be those best placed to strategically deliver 'levelling up' and most likely to be able to action change in their local areas[22]. While the established Cambridgeshire and Peterborough Combined Authority is a notable achievement in this regard, and both Norfolk and Suffolk are among the first of nine areas to be invited to agree a Mayoral Combined Authority deal as part of the government's levelling up plan, the region currently has no other devolution deals in place.

Indeed, 2022 saw the shelving of the Government's proposals for a strategic growth framework up to 2050 for the Oxford-Cambridge Arc, which had the potential to unlock economic growth of a global scale in the area. With local authorities now left to deal with economic and housing growth at a local scale, it will likely be more difficult to realise the economic development potential that could have arisen from having a bold and ambitious sub-regional level framework in place. The Government had explained its reasoning in promoting a spatial framework in its initial consultation in July 2021[23] when it said: *"we think a joined-up, long-term approach to planning for growth is the best way to realise our ambitions for economy and sustainability in the Oxford-Cambridge Arc."*

Without that spatial framework, it will be important that authorities in the East of England work together and seek to progress proposed devolution deals with the Government, as these are likely to increase the prospects for securing local powers and access to funding[24]. But this will also need to address challenges over the contested logic of the agreed area, the extent of powers on offer, and limited engagement with new structures and political arrangements.

[19]Levelling Up the United Kingdom White Paper (February 2022) available here

[20]Levelling up in the East of England: House of Commons Research Briefing (2022) available here

[21]EELGA – 2021 Budget and Spending Review Analysis (2021) available here

[22]The Levelling Up White Paper identifies variable levels of Institutional capital - local leadership, capacity and capability - is one of the six drivers of spatial disparity

[23]Creating a vision for the Oxford-Cambridge Arc July 2021 available here

[24]Levelling up: the routes to growth (2022) – Lichfields insight available here

05 | SUSTAINABLE DEVELOPMENT

Housing growth – including affordable housing growth – is an essential ingredient to wider economic growth and can support the 'levelling up' ambition, but it does not automatically follow that increasing housebuilding in less productive parts of the country undermines the need to secure sufficient housing supply in currently more productive areas. A thriving economy is not a zero-sum game. Addressing housing need in productive areas and thereby securing sustainable economic growth in these locations does not come at the expense of what is needed to deliver economic growth in areas requiring levelling up; indeed, it can and will support it. The current level of need in the East of England is such that there will remain an urgent and significant demand for new housing even if levelling up goals begin to be achieved.

Summary

There is a need to align housing supply with economic growth to ensure that it is sustainable. The provision of affordable homes allows people (in particular those who are lower-paid and key workers) to access secure forms of housing closer to their place of work, which ensures businesses can retain and grow their workforce while delivering associated environmental and social benefits.

Progress is needed at the regional level in recognising the significant role that affordable and other market housing plays in supporting economic growth, as well as in progressing strategic devolution deals to 'level up' deprived market towns and coastal communities. More homes need to be provided where more jobs will be created, and this should be better reflected in local and national planning policy. At present, there is an opportunity to better align economic growth in the East of England with the provision of affordable homes where it is needed most.

PART 2:

LOOKING FORWARD

06

FUTURE SUPPLY VS NEED

06 | FUTURE SUPPLY VS NEED

Will the planned number of homes meet identified needs?

In combination, adopted local plans in the region currently make provision for approximately 23,500 homes a year; 12,000 homes short of the level of housing indicated by the standard method (around 35,500), partially owing to the absence of a housing requirement in those seven local authorities[25] who presently have no local plan in place.

As discussed earlier in this report, there is not necessarily a national policy requirement to meet affordable housing needs in full, primarily owing to viability and deliverability constraints. As a result, affordable housing policy requirements are often lower than the scale of need. The average affordable housing policy requirement across the region is 33% – assuming that this level was achieved in full (representing a best-case scenario), the number of affordable homes currently planned for through local plans in the region could therefore be up to 7,750 per year. However, this compares to the identified need for 13,000 affordable homes per year, and recent delivery levels of around 6,000 affordable homes per year (see Table 3.1).

	Identified provision in Local Plans	Current need (SM or SHMA)	Shortfall to need
Overall homes	23,500 homes	35,500 homes	12,000 homes
Affordable homes	8,000 homes	13,000 homes	5,000 homes

Table 6.1 Planned housing growth vs need
Source: Lichfields analysis

While recent delivery levels of market and affordable homes – at 28,000 homes per year – appear to be higher than current plan requirements (owing to supply coming forward in some areas without local plans), local plans currently still have a significant shortfall in overall and affordable housing terms against need. In other words, the planned number of homes will not meet identified needs. Even if 100% plan coverage were theoretically achieved, there would – under current planning policy arrangements – likely continue to be a shortfall due to the way in which constraints like Green Belt can be cited as a reason for not meeting need, combined with the ineffective nature of the duty to cooperate as a mechanism for channelling any unmet need from constrained areas to areas with more available land for development.

This is exemplified by Figure 6.1, which shows that only a handful of local authorities currently have a local plan housing requirement that meets the minimum annual housing need figure calculated by the standard method. It also shows that the southern part of the region closest to London, where local authorities have particularly poor housing affordability, are also those areas with the largest gap between the number of homes needed and the number of homes currently planned for.

Without a step change in housing delivery, it will therefore be challenging to meet the need for 13,000 affordable homes per year in full. Taking into account the viability problems which are present in many parts of the region (identified earlier) and the absence of a sufficiently large publicly funded affordable housing programme, the overall scale of market housing planned for (with S106 provisions to deliver affordable housing in line with local policies) is a key driver of how many affordable homes can be provided. Figure 6.1 highlights this, showing the extent to which identified affordable housing need is being met across the region. While there are some differences, it paints a similar picture to overall need – that is, the number of affordable homes being delivered as a proportion of identified need is lowest where affordable housing is needed most.

12,000 per year
the number of homes needed in the region which are currently 'missing' from local plans

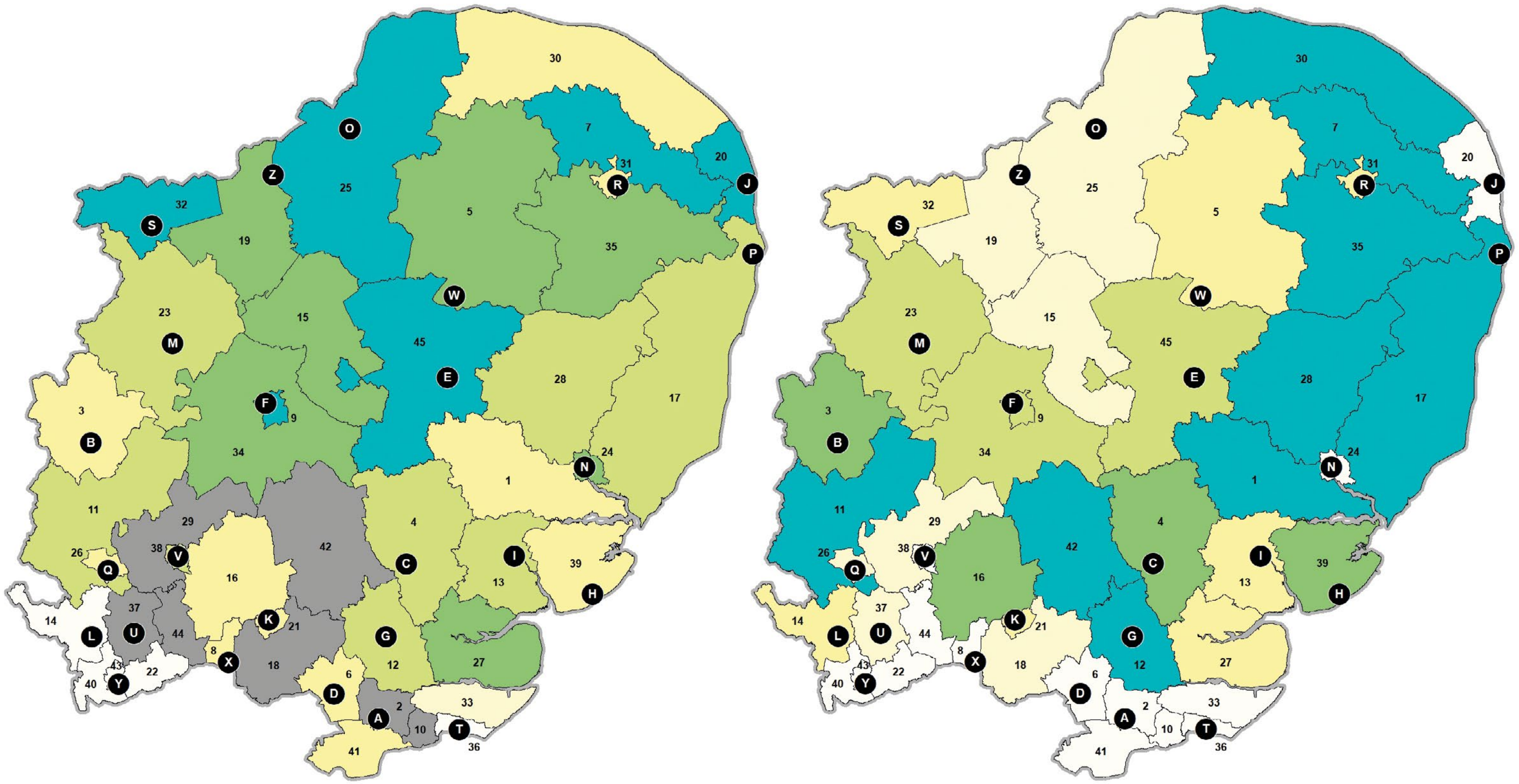
8,000 per year
likely maximum number of affordable homes which could be delivered through local plans, compared with a need for 13,000 per year

[25] Basildon, Castle Point, Epping Forest, North Hertfordshire, St Albans, Uttlesford and Welwyn Hatfield

> “Affordable housing delivery is lowest where it is needed the most”

LOCAL AUTHORITIES...
1. Babergh
2. Basildon
3. Bedford
4. Braintree
5. Breckland
6. Brentwood
7. Broadland
8. Broxbourne
9. Cambridge
10. Castle Point
11. Central Beds.
12. Chelmsford
13. Colchester
14. Dacorum
15. East Cambs.
16. East Herts.
17. East Suffolk
18. Epping Forest
19. Fenland
20. Great Yarmouth
21. Harlow
22. Hertsmere
23. Huntingdonshire
24. Ipswich
25. King's Lynn & West Norfolk
26. Luton
27. Maldon
28. Mid Suffolk
29. North Herts.
30. North Norfolk
31. Norwich
32. Peterborough
33. Rochford
34. South Cambs.
35. South Norfolk
36. Southend-on-Sea
37. St. Albans
38. Stevenage
39. Tendring
40. Three Rivers
41. Thurrock
42. Uttlesford
43. Watford
44. Welwyn Hatfield
45. West Suffolk

SETTLEMENTS...
A. Basildon
B. Bedford
C. Braintree
D. Brentwood
E. Bury St Edmunds
F. Cambridge
G. Chelmsford
H. Clacton-on-Sea
I. Colchester
J. Great Yarmouth
K. Harlow
L. Hemel Hempstead
M. Huntingdon
N. Ipswich
O. Kings Lynn
P. Lowestoft
Q. Luton
R. Norwich
S. Peterborough
T. Southend-on-Sea
U. St Albans
V. Stevenage
W. Thetford
X. Waltham Cross
Y. Watford
Z. Wisbech



Proportion of standard method housing need currently planned for by Local Plans
by local authority

<60.0% | 60.0% - 69.9% | 70.0% - 79.9% | 80.0% - 89.9% | 90.0% - 99.9% | 100.0%+
No Plan

Recent affordable housing delivery as a proportion of identified need
by local authority

0.0% - 19.9% | 20.0% - 39.9% | 40.0% - 59.9% | 60.0% - 79.9% | 80.0% - 99.9% | 100.0%+

Figure 6.1 The proportion of housing need currently being planned for and delivered
Source: Lichfields

Does the size and distribution of sites for housing support delivery of housing growth?

Large-scale new developments have a long-established role in helping to meet housing needs and five-year housing land supply requirements, and have received formal Government support in recent years. This is reflected by local plans in the region (adopted or emerging where this is sufficiently advanced[26]) many of which currently favour large-scale growth opportunities and future new settlement proposals to meet planned housing requirements. As summarised in Table 6.2, while small sites between 1 and 49 units comprise over half of all allocated sites[27] across the region, they are anticipated to deliver just 6% of the total number of allocated homes. Conversely, larger sites – those with an identified capacity of 100 units or more – comprise around 30% of the total number of allocated sites, but are expected to deliver the vast majority (87%) of all allocated homes in the region.

Whilst it is reasonable to assume that, in many areas, smaller sites (and rural exception sites) which are unallocated in plans will make a necessary contribution to delivery above that set out below, the reality is that larger sites make up the overwhelming majority of planned supply in the region.

	Small sites (1-49 units)		Medium sites (50-99 units)		Large sites (100+ units)*		All sites	
	No. of sites	No. of units	No. of sites	No. of units	No. of sites	No. of units	No. of sites	No. of units
Total	812	16,844	283	19,175	476	247,099	1,571	283,118
Proportion of all sites/units	52%	6%	18%	7%	30%	87%	100%	100%

*Table 6.2 The overall profile of allocated sites across the region – number of sites and number of units within the plan period(s). *Large sites include new settlements/urban extensions/garden villages Source: Lichfields analysis of local plans*

What are the implications for the delivery of affordable housing?

Many local plans in the region rely heavily on large-scale sites to sustain their housing requirements over their plan period. This is a sensible and balanced approach which has some clear benefits; large-scale growth and new settlements offer economies of scale in terms of infrastructure, and – if located away from existing settlements or concentrating development so that it impacts only a handful of existing communities – they can be more acceptable to local residents than a spatial strategy that distributes development across multiple locations. The often relatively low (or minimal) remedial costs associated with large-scale greenfield sites especially can also – if avoiding excessive costs for new transport infrastructure – support higher affordable housing delivery, which in turn supports higher build rates. Large-scale sites also lend themselves to simultaneous build-out of phases, which can further boost the velocity of delivery.

These benefits are highlighted within the NPPF, which states that *"the supply of a large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements or significant extensions to existing villages and towns"* (Paragraph 73).

However, large sites – particularly new settlements and garden villages – are often subject to higher levels of planning risk and necessarily can take a long time to begin delivering.

87% of all homes allocated in the region are on large sites of 100 units or more

[26]'Sufficiently advanced' includes those Local Plans that are near adoption (e.g. North Hertfordshire)

[27]Does not include all local authorities, or all sites within certain local authorities; some LPAs do not have any adopted allocations (Thurrock, Watford, Epping Forest) and some sites, while allocated, do not have an identified capacity/yield within the Local Plan (including sites in Bedford, Babergh, Castle Point, St Albans and Southend-on-Sea)

06 | FUTURE SUPPLY VS NEED

“In many areas, the delivery of affordable housing is dependent on the successful implementation of new settlements or garden villages”

Indeed, the NPPF emphasises the importance of having a realistic expectation of delivery on large-scale housing sites and notes that their delivery *“may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset.”*

This is especially true of Garden Village proposals, a number of which have experienced delays following their designation in 2017 by government for funding and support, often due to local plan Inspectors concluding that there is insufficient evidence that the schemes are viable, well-conceived or deliverable (e.g. West of Braintree Garden Community and North Uttlesford). Such delays can undermine the plan-led system and confidence that local authorities have in bringing forward ambitious plans.

As shown in Figure 6.2, there are several large-scale schemes of regional importance that are planned for within the East of England and these are heavily skewed towards the west of the region, in Cambridgeshire, Bedfordshire and Peterborough. This comprises proposed Garden Communities (including Tendring Colchester Borders, Harlow and Gilston, North East Chelmsford, Dunton Hills) as well as proposed new settlements and urban extensions (including Wixams, Attleborough SUE, Marston Vale, North of Luton, Alconbury Weald, Great Haddon and Northstowe).

While some of these schemes have progressed considerably more than others through the planning system and are already delivering homes, the risk factors associated with large strategic sites comprising a large proportion of local planned growth may have tangible implications for the delivery of affordable housing, especially in the short term.

Primarily, the ability to deliver affordable housing can be overwhelmingly dependent on successful implementation of the new settlement/garden village/urban extension.

For example:

- Dunton Hills Garden Village will deliver around 1,650 homes in Brentwood over the plan period, representing 21% of overall growth (7,750 homes);
- The East Harlow community in Harlow and Gilston Garden Town will deliver 2,600 homes in Harlow over the plan period, representing 28% of overall growth (9,200 homes); and
- New settlements across Greater Cambridge – including Northstowe, Waterbeach and Bourn Airfield – will deliver 23% of overall growth over the plan period.

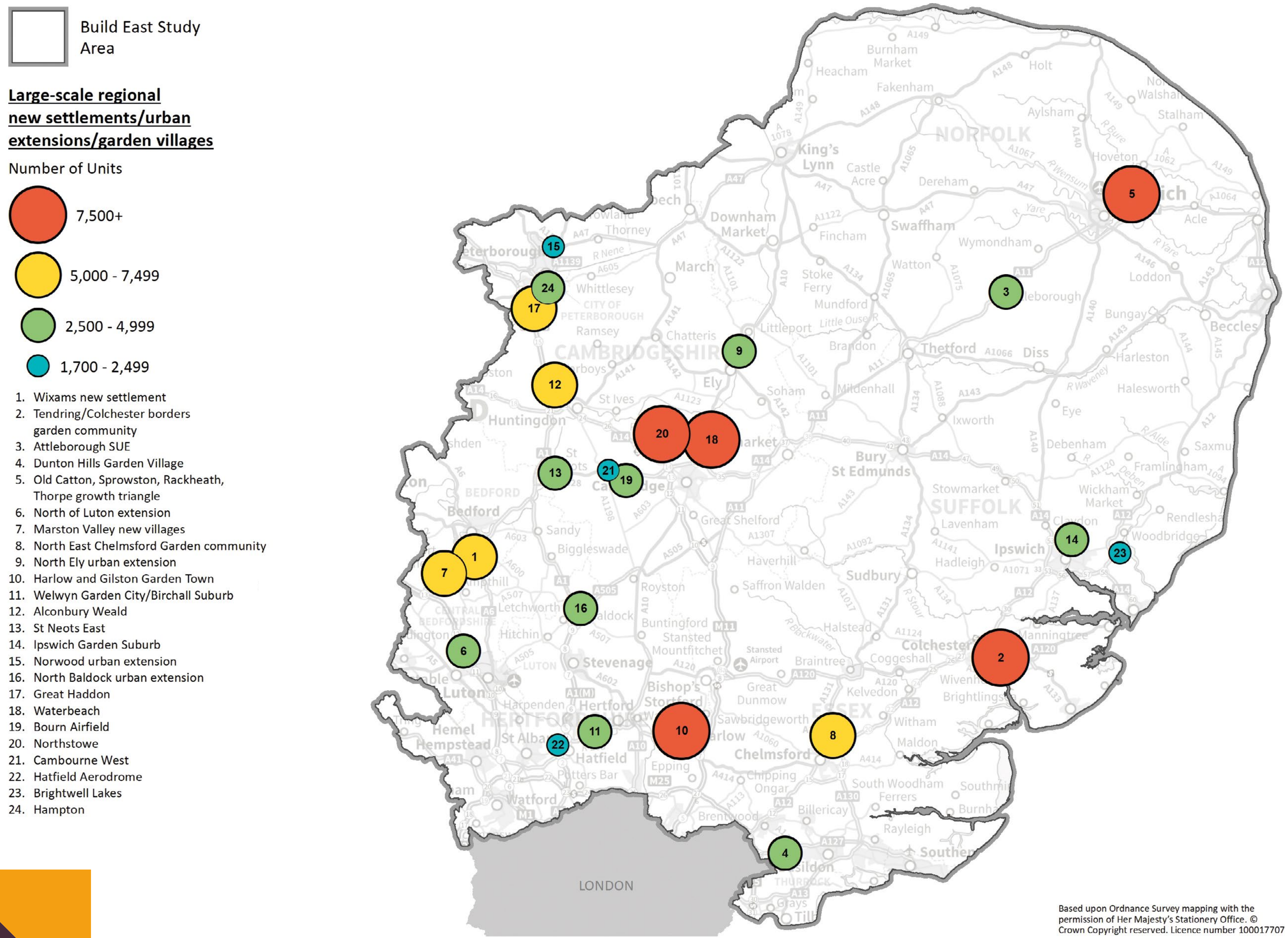


Figure 6.2 The planned distribution of large-scale growth in the East of England
Source: Lichfields analysis

25 - 100 affordable units
the size of sites most registered providers in the region have capacity to deliver on

06 | FUTURE SUPPLY VS NEED

c.50%
of registered providers have the capacity to deliver on sites comprising 100 or more affordable units

This dependence on large sites, while forming a necessary and beneficial part of any spatial strategy, can lead to wider issues. With new settlements sometimes encountering practical obstacles to their delivery, often due to reliance on key infrastructure or funding – which can be fundamental to the delivery of the scheme – this can lead to a reduction in the provision of affordable housing to make the scheme viable, especially in the earlier phases. This was highlighted during workshop sessions where RPs felt that when it comes to large-scale strategic sites, *"affordable housing inevitably falls as a result of other costs such as upfront infrastructure."*

The approach towards focusing a large proportion of housing growth in new settlements can also focus housing delivery in specific locations and risk leaving other areas (particularly villages) behind. It means that some areas continually 'miss out' in the spatial strategy of local plans, despite there being real pockets of need and demand for affordable housing, driven by income levels that are well below regional standards. For the East of England, participants in the workshop session pointed this out, stating that:

"Rural does not mean green and pleasant… in the East we are talking about isolated rural communities that include some quite large settlements [e.g. Wisbech, Fenland] which are intrinsically deprived and lack a whole range of social infrastructure, not just affordable housing."

This highlights the political dimension to urban/rural geographies across the region, where RPs perceive those urban parts of the region, particularly Hertfordshire, Essex and urban centres, to be more aligned with residential development compared to some rural areas where authorities and elected members are perceived as seeking to minimise the provision of housing, even if it is affordable.

In addition, our survey found that the majority of RPs in the region have the greatest capacity to deliver – either via land-led delivery or through S106 purchase – on sites that comprise between 25–100 affordable homes. This is shown in

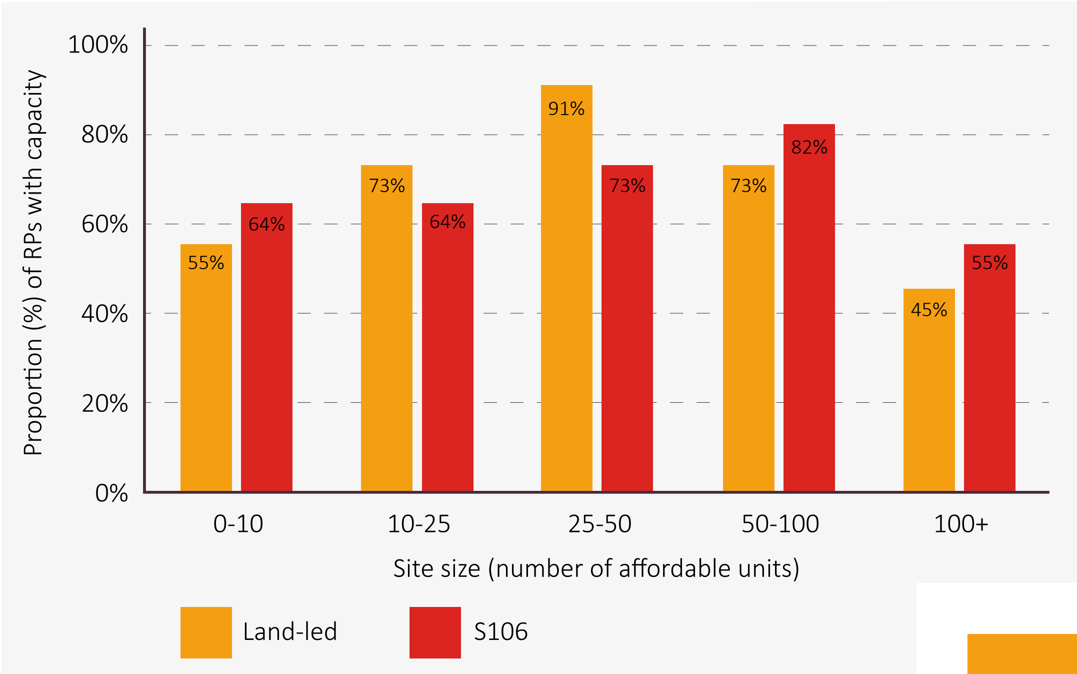


Figure 6.3 Capacity of registered providers in delivering affordable homes by site size
Source: Lichfields analysis of survey responses

06 | FUTURE SUPPLY VS NEED

Figure 6.3, where the greatest capacity of RPs in the region is for land-led delivery (i.e. optioning/purchasing land and building affordable homes directly) on sites of between 25-50 units, or for delivery through S106 purchase (i.e. contracting on and managing affordable homes built by others, typically major housebuilders) on mixed market/affordable sites of between 50-100 units.

If, as discussed earlier, the average affordable housing requirement across the region is 33% (acknowledging that this does not take into account the scale and distribution of housing across the region), this suggests that RPs in the region are best able to deliver on:

- Market-led sites with an indicative capacity of 150–300 total homes (through S106 purchase); or
- Land-led affordable sites with an indicative capacity of 25-50 affordable homes.

There is therefore a potential mismatch between the size of allocated sites across the region and large-scale growth opportunities, with RPs having limited access to large-scale growth opportunities (see Figure 6.3) as part of their land-led programmes. This does not mean that RPs cannot deliver affordable housing on large-scale settlement proposals – these will be delivered over many years, typically by a range of housebuilders, and affordable housing is often brought forward in phases either as part of a market housing led S106 package or as individual land parcels of a modest size. However, RPs do need to work collaboratively and strategically to maximise the potential of these larger sites, seeking involvement early on and parcelling them up in such a way that the affordable housing proposed can be delivered efficiently by multiple RPs in different phases.

These findings also suggest that there are lower levels of interest in sites comprising less than 25 affordable homes which, given the rural context of much of the region, is something worthy of further consideration.

Summary

There is a clear gap, both overall and in specific local authorities, between the number of homes planned for and the number that are needed. This is heightened by the fact that some local authorities have no local plan (and therefore no allocated sites) at all. Without local plans, many areas will not see provision of sufficient housing.

Many current plan strategies favour large-scale growth – through new settlement, garden village or urban extension proposals – which can offer many benefits and have a sensible planning logic but can also bring disadvantages. A fundamental finding is that large-scale sites are outside the reach of many housing associations in the region, and as a result there is a need to work strategically with other RPs to engage with large-scale opportunities early on and realise the full potential for affordable housing delivery on these sites.

For local authorities to deliver housing in a manner which is truly plan-led, this is likely to mean allocating more sites rather than less, with a good mix of types and sizes, and being realistic about how fast they will deliver so as to maintain supply throughout the plan period.

07

REGISTERED PROVIDER ACTIVITY IN THE REGION

07 | REGISTERED PROVIDER ACTIVITY IN THE REGION

What is the impact of BuildEast members and other delivery partners in meeting affordable housing need?

In the last five financial years – from 2017/18 to 2021/2022 – BuildEast members have supported the delivery of around 13,500 affordable homes across the region. This equates to approximately 2,700 homes a year, which is around half of the total number of affordable homes delivered over recent years (see Figure 7.1). This compares with the aforementioned need for c.13,000 affordable homes per year – meaning BuildEast members are currently meeting 21% of affordable housing need in the region, with a shortfall of around 10,000 homes a year.

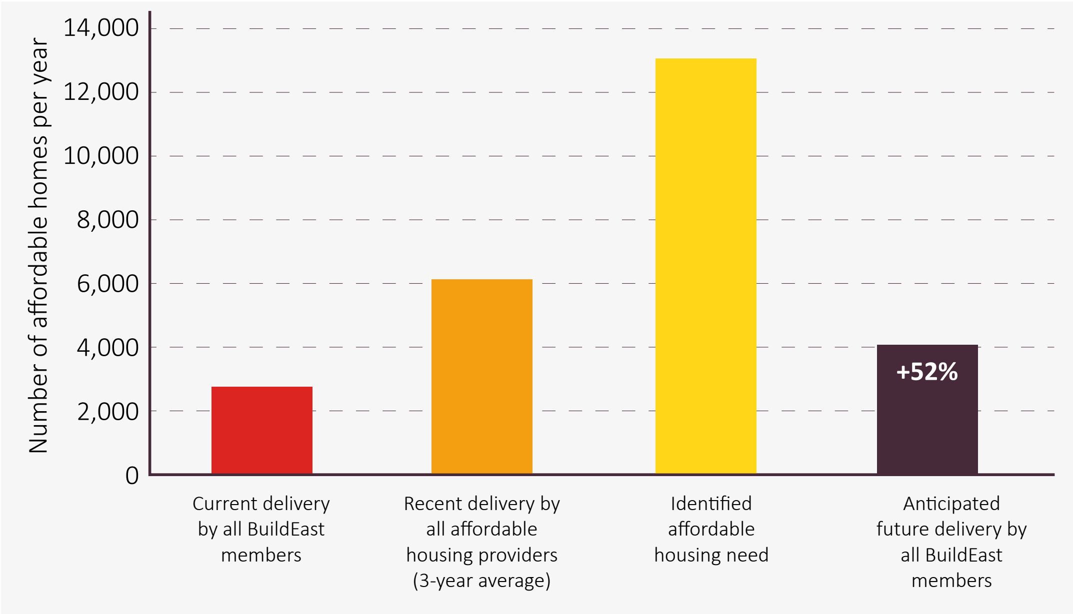


Figure 7.1 Annual affordable housing delivery and need in the East of England – current and future capacity; Source: Lichfields analysis

Our survey found that the vast majority of BuildEast's members[28] expect to deliver more affordable homes over the next 10 years with reasons being given primarily relating to increased availability of grant funding, new corporate growth strategies, or the take-up of new roles as Homes England Strategic Partners[29]. However, this projected growth was based on a position assumed by BuildEast members prior to the current economic instability and uncertainty – with soaring inflation and stagnant growth in the market further accelerated by recent political turmoil and planning policy maelstrom, the country faces an ongoing cost-of-living crisis and looming recession. Combined with the government's proposal to cap social rent rises over the coming year[30], this is likely to impact on the ability of affordable housing providers to invest in new homes in the future[31], with potential retrenchment from new development opportunities as affordable housing providers look to re-examine their business plans and capacity to deliver in a direct response to reduced incomes and higher borrowing costs.

Indeed, most RPs in the region are reliant on funding from Homes England to support their delivery programmes, with the amounts granted over the last financial year to each RP ranging from £280,000 to £16.5 million.

13,500 affordable homes delivered by BuildEast members over the last 5 years

[28]Results referred to in this section are based on the nine BuildEast members who responded to our survey

[29]See Homes England's Strategic Partnerships for the Affordable Homes Programme 2021-26, available here

07 | REGISTERED PROVIDER ACTIVITY IN THE REGION

c.45%
the proportion of affordable housing delivery in recent years being supported by BuildEast members

However, most of this funding was received through the usual Continuous Market Engagement (CME) route on a scheme-by-scheme basis, which is often seen as cumbersome and inefficient compared to the new Strategic Partnership route[32]. The latter gives partners long-term security over the agreed funding for the duration of the deal, and is seen as being a quicker and easier process.

Overall, while the capacity of RPs in delivering affordable housing growth in the region is anticipated to grow (with larger development ambitions and greater levels of investment and financial security from Homes England), and even assuming there is a flow of land to sustain this, there will still be a capacity gap – meaning housing needs will continue to go unmet. But it is not just the number of affordable homes being delivered that is important; where they are being delivered in the region is just as crucial to understanding how this capacity gap can be best filled.

[30]Government consultation – Rent cap on social housing to protect millions of tenants from rising living costs, available here

[31]See CEBR research – Housing association costs rising faster than inflation (August 2022) available here

[32]See DLUHC Guidance on 'how to apply for affordable housing funding' available here

07 | REGISTERED PROVIDER ACTIVITY IN THE REGION

Are BuildEast directing investment appropriately to make the biggest social impact?

Our analysis identifies that most LPAs currently benefit from affordable housing delivery from just two BuildEast members, albeit a number of LPAs have up to five BuildEast members active in their area (Babergh, East Suffolk, Hertsmere, Mid Suffolk and St Albans). There are also some LPAs in which no BuildEast members are active (Fenland [interestingly, containing some of the areas noted in one of the workshops as being 'intrinsically deprived'] and Peterborough), and some with very little activity (Basildon, Castle Point, Epping Forest, Harlow, Luton, Stevenage and Welwyn Hatfield).

While a higher number of BuildEast members active in the area does not necessarily translate into higher levels of affordable housing delivery, Figure 7.2 shows that as a whole, the areas in which BuildEast members are least active are also delivering some of the lowest levels of affordable housing. This includes areas with the most acute affordability problems such as Castle Point, Epping Forest, Brentwood and Welwyn Hatfield – but also includes some of the more affordable areas, such as Fenland, Peterborough, Ipswich, Great Yarmouth and King's Lynn.

Although some of these areas are – on paper – more relatively affordable than the regional average, they still have affordable housing needs which are not being met (as described in Part One). In addition, there are some pockets of lower delivery in relatively unconstrained areas where there is likely to be potential to increase delivery, including Huntingdonshire and Chelmsford.

To help improve social impact, by delivering affordable homes where they are most needed, there is an opportunity for BuildEast members to:

1. Strongly consider expanding activity in areas in Hertfordshire and Essex that are least affordable (as identified by Figure 7.3). Currently workers in these areas are fundamentally unable to access any type of housing in the private market affordably, and providing affordable housing will have far reaching personal, community-level and societal impacts. The nature of these areas means that sites might be more complex (such as brownfield sites, or sites within the Green Belt), but where delivery can be achieved there is clear potential for BuildEast members to have a significant social impact;

2. Explore how they can increase delivery in more remote parts of the region alongside social and community infrastructure, to help address issues of housing deprivation where people lack affordable housing which is within easy reach of local services; and

3. Given the overarching shortfall in affordable housing delivery across the region, members should explore opportunities to increase delivery in relatively unconstrained areas, especially where planning policies may be less restrictive or there is political appetite for more housing, and where affordable housing delivery may be already well-established.

> "While all registered providers expect to deliver more affordable housing over the next few years, there will still be a capacity gap"

> "BuildEast members are least active in areas with some of the most acute affordability problems"

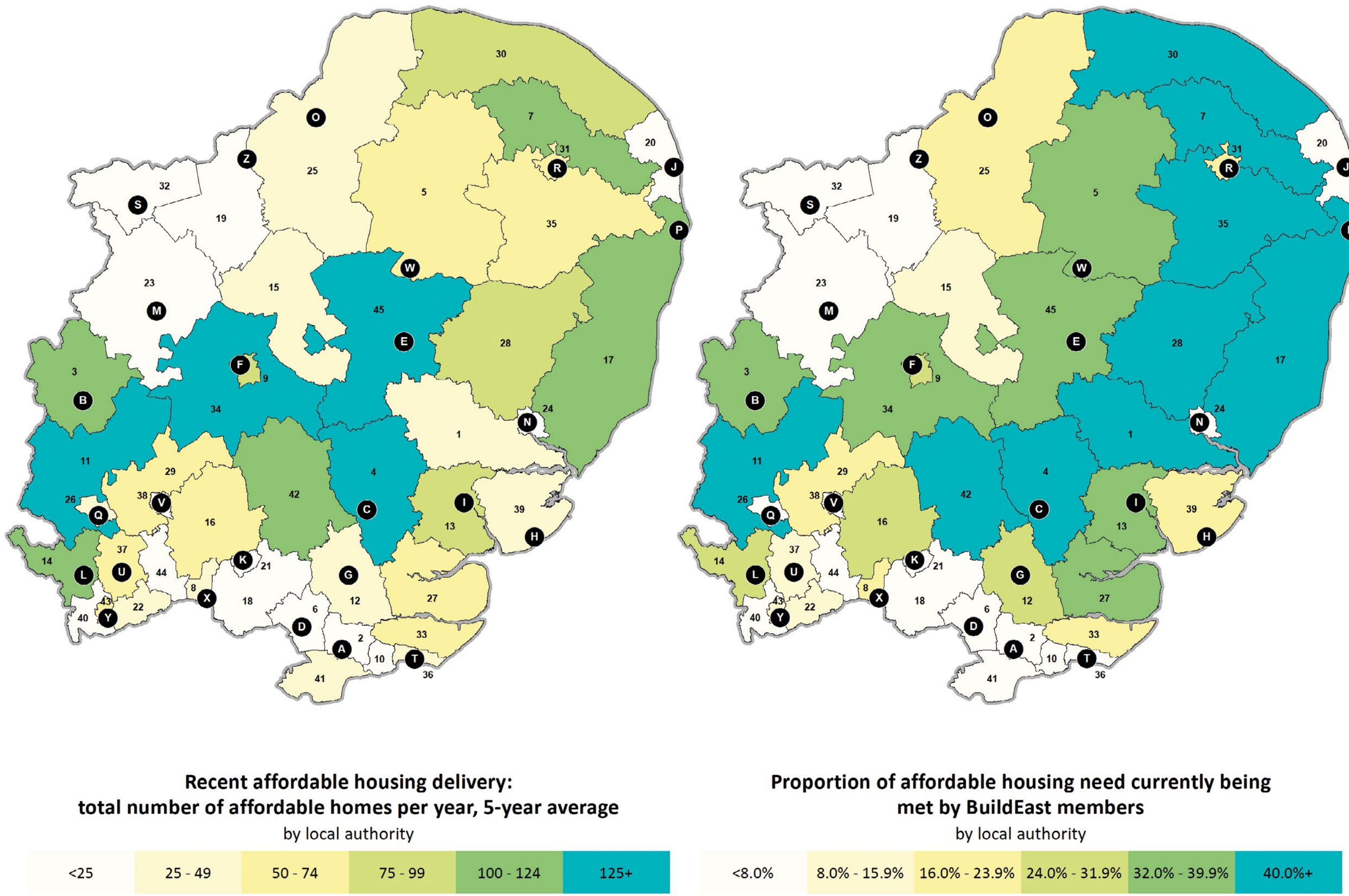


Figure 7.2 Affordable housing delivery by BuildEast members
Source: Lichfields analysis

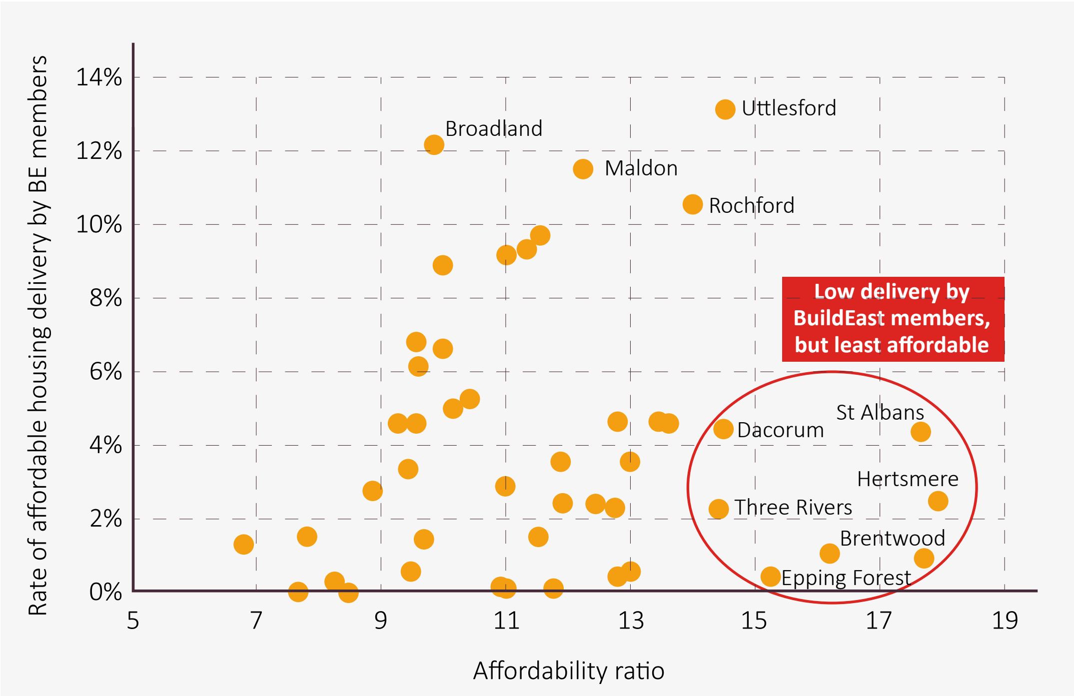


Figure 7.3 Affordability and rate of delivery by BuildEast members
Source: Lichfields analysis

How are RP programmes broken down – S106 vs land-led delivery?

All RPs in the region currently deliver affordable housing through both of the main routes – land-led delivery (i.e. purchasing land and building affordable homes directly) and delivery through S106 purchase (i.e. contracting on and managing affordable homes built by others). This is shown in Figure 7.4, which also indicates the extent to which RPs feel there is scope to increase the delivery of affordable homes through each mechanism.

While there are differences in how providers approach housing delivery, our analysis finds that in general, RPs are looking to 're-balance the programme' by reducing reliance on S106 delivery. Instead, RPs are concentrating efforts on land-led delivery and package deals/opportunities with developers – with a number of providers currently turning down S106 opportunities on this basis. There are several factors driving this change, including:

- Lack of flexibility and certainty in terms of timescales on S106 schemes;
- Lack of control over housing type and specification, as well as build quality and subsequent lettings/management issues;

07 | REGISTERED PROVIDER ACTIVITY IN THE REGION

- An increased desire and need to meet wider design and sustainability targets; and
- Perceived competition in the S106 market across the region.

Despite the S106 route to affordable housing delivery being unanimously considered as the most cost-effective mechanism in terms of initial capital investment, this is not always the case from a longer-term investment perspective. This is reflected by Figure 7.4, where RPs consider there to be greater scope to increase delivery through other mechanisms (Joint Ventures, land-led delivery, and delivery on affordable/rural exception sites).

However, the increased movement towards land-led delivery is not without its problems. RPs have highlighted that they are currently experiencing issues with the availability of SME contractors who are able to work with RPs on a competitive tender process, a lack of experience and skills within the sector to effectively carry out this process, and poor quality-control service resulting in homes that are no better or worse than S106 sites built by others.

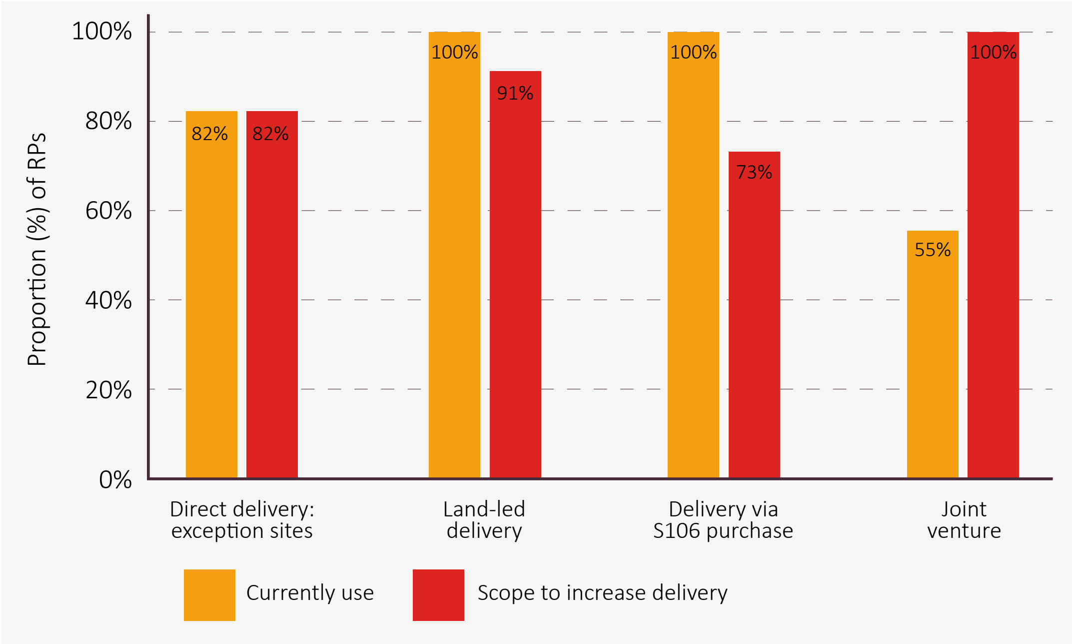


Figure 7.4 Mechanisms registered providers use to deliver affordable housing within the East of England
Source: Lichfields analysis of survey responses

07 | REGISTERED PROVIDER ACTIVITY IN THE REGION

This possible future change in the volume of affordable housing delivered via S106 obligations also has implications in terms of the planned scale and distribution of growth, as land-led delivery typically requires smaller sites. With 87% all planned homes in the region allocated on sites comprising 100+ units (see Table 6.2) and a lack of plan-led housing allocations in much of the region, there are likely to be issues related to the availability of land for such schemes – with more providers chasing a limited pool of land opportunities, thus driving-up the price of such schemes. It also raises the question over who will pick up the 'undesired' S106 schemes (though this is something we discuss later in this report, in relation to the potential role of for-profit organisations).

Summary

BuildEast members clearly play an important role in addressing the affordable housing need of the region, providing around half of all affordable homes across the region in recent years. Yet some parts of the region are experiencing lower levels of activity from BuildEast members as well as some of the lowest levels of affordable housing delivery – including those with the most acute affordability problems.

With an estimated increase of 52% in the financial capacity of BuildEast members to deliver affordable homes over the next decade, there is therefore a significant opportunity to expand activity geographically to target those areas where affordable homes are most needed. In view of changing preferences on delivery mechanisms, this will need careful consideration alongside wider issues such as the availability of skills/labour, plan-making progress and suitable land availability.

08

BARRIERS TO DELIVERY


DECK
10x4
DEN
8x8
LIVING ROOM
10x12
KITCHEN
5x9
LAUNDRY
5x6
STORAGE
CLOSET
3x2
ENSUITE
8x5
FOYER
5x8
STORAGE
ROOM
5x8

08 | BARRIERS TO DELIVERY

80%
the proportion of RPs who see viability, ability to secure planning permission and the overall planning system as barriers to affordable housing delivery

Building on future changes in the approach to housing delivery, there are a number of key factors and perceived barriers presently impacting on the ability of BuildEast members to meet affordable housing need in the region. These range from sector-specific issues, such as slow local plan progress and the ability to actually deliver planning permissions, through to wider issues related to nutrient neutrality, resourcing, and materials/labour. This section draws on our analysis of the surveys and workshops to identify and understand the nature of these challenges.

What are the challenges to affordable housing delivery?

Figure 8.1 shows – based on our survey analysis – the proportion of RPs and LPAs who currently cite identified factors as a barrier to their ability to increase affordable housing delivery in the East of England.

It suggests that RPs generally view the planning system as the most significant barrier to delivery, alongside viability and restrictive planning policies. Elaborating on this, a number of RPs highlighted the complexity and delay built into the system. In particular, they raised the challenge of LPAs meeting statutory timescales for deciding applications, primarily due to issues with obtaining key statutory consultee responses within the consultation period – meaning they now factor in up to a year for reserved matters applications within their programme, despite the principle of development having already been established (and the 13-week statutory determination period for major development). Such delays mean that the viability appraisals underpinning many schemes are overtaken by events, becoming unviable due to build cost inflation and ultimately resulting in the loss of potential affordable housing[33].

Although less than 20% of LPAs referred to internal resourcing as a barrier to affordable housing delivery, planning delay is intrinsically linked to under-resourcing in public sector planning teams. The planning system needs to be adequately resourced to enable LPAs to bring through implementable planning permissions in a timely manner – particularly in areas where there are the greatest mismatches between permissions, delivery and need. In the experience of many RPs, a lack of resourcing combined with high staff turnover in planning departments means that the progress of schemes can stall as new officers take over applications.

This resourcing crisis is emphasised in the RTPI's new report[34] which found that there has been a national decline in local authority planning funding by 43% from 2009/10 to 2020/21, leading to recruitment, skills and performance challenges for public sector planning. It also found that less than half (49%) of planning applications were decided within statutory time limits in 2021. RPs in the East currently see the planning system as *"fundamentally flawed in terms of how it operates"* and consider there to be *"no sense of commerciality in planning departments."*

By contrast, Figure 8.1 shows that LPAs view the overall planning system as one of the least significant barriers to increasing affordable housing delivery in the region – and just 40% or less referred to restrictive planning policies, local plan progress or the ability to deliver planning permissions (either on rural exception sites or on mixed affordable/market sites) as a barrier. Instead, almost all (80%) LPAs said that politics, viability, housebuilder practices and the availability of materials/labour represent key barriers to their ability to increase affordable housing delivery. For instance, central government's decision to 'drop' the Oxford-Cambridge Arc project cast doubt over the ability of local authorities to meet economic and housing needs without any top-down dictation. In one sense, the decision to 'drop' the framework is part of the planning system that RPs cite as a problem, as it had the potential to help local authorities in the area plan strategically to meet needs.

[33] See RICS 'Construction materials cost increases reach 40-year high' (2021) available here

[34] RTPI 'Planning Agencies: Empowering Public Sector Planning' (September 2022) available here

08 | BARRIERS TO DELIVERY

There is therefore a clear and likely unhelpful dissonance between the views of RP and LPAs when it comes to the perceived barriers to affordable housing delivery. Aside from planning, one of the most notable discrepancies is whether the availability of grant funding is seen as a barrier; 75% of LPAs view this as a significant barrier, yet the majority (55%) of RPs do not think that it impacts their ability to deliver affordable homes. Nevertheless, there is an alignment in the views of LPAs and RPs on the problems caused by the cost and availability of materials and labour, local politics, and viability, which – in the absence of a step-change in the existing model of supply – are likely to continue to impact on the delivery of affordable housing in the region.

Interestingly, it is also worth noting that competition for S106 sites received no clear positive or negative response from RPs – with only around half considering it to represent a barrier to their ability to increase affordable housing delivery. This may be a direct result of RPs looking to 're-balance the programme' from S106 delivery to land-led development. Indeed, having multiple RPs operate in the same area inevitably carries some benefits too, because where an RP might pass on a S106 site (e.g. if it cannot support homes in that specific location or the type of home provided is not in line with its strategy) it is likely that the site will be picked up by another RP.

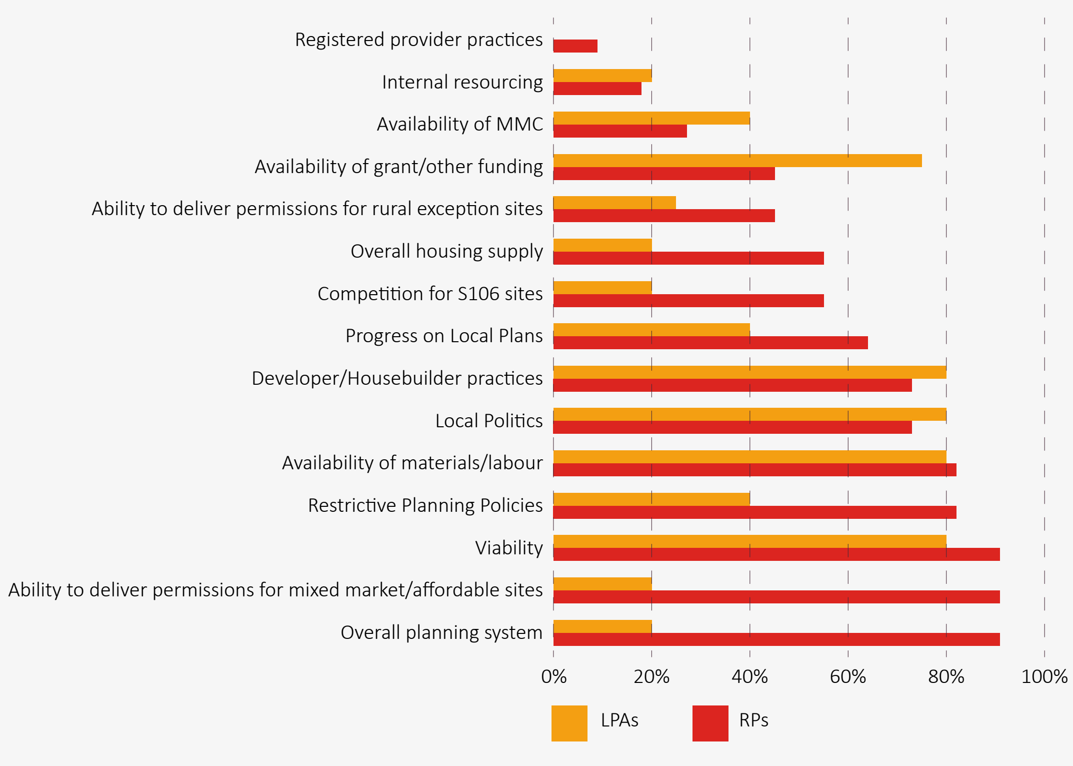


Figure 8.1 The proportion of RPs/LPAs and perceived barriers
Source: Lichfields analysis

43%
decrease in local authority planning funding over the last decade

49%
the number of planning applications decided within statutory time limits in 2021

08 | BARRIERS TO DELIVERY

80%
of LPAs surveyed said that other strategic priorities - such as climate change or biodiversity- are more important than affordable housing delivery

"RPs feel that in the face of viability, affordable housing is 'the first thing to go'"

What are the wider issues affecting affordable housing delivery?

In addition to those factors identified in Figure 8.1, both RPs and LPAs noted that while affordable housing is a key national and local policy objective, competing pressures often take precedence. Specifically, LPAs said that they experience difficulties managing internal expectations and targets around delivering affordable housing against other pressing targets, from achieving 'carbon net zero' to net biodiversity gains and other health and active travel priorities. This is mirrored by RP responses, which said that other strategic priorities – in particular, community and strategic infrastructure, economic growth and climate change – are generally seen as more important than affordable housing delivery. Indeed, only 20% of LPAs said they do not consider any other strategic priorities to be more important than affordable housing.

This raises questions around the priority and short term viability of other targets such as net-zero within a housing market where costs are increasing – will the proportion of affordable homes be reduced in order, for example, to deliver truly carbon-neutral homes ahead of Building Regulations standards on developments at a time when the costs of doing so are high? Can affordable

Goldsmith Street, Norwich

08 | BARRIERS TO DELIVERY

housing delivery be increased while the sector is facing obstacles such as retrofitting existing homes for decarbonisation? Whilst there have been specific examples where truly innovative and energy-efficient design and affordable housing meet – such as the 2019 Stirling Prize winning scheme Goldsmith Street in Norwich[35] – such schemes are not yet widespread.

The prioritisation of other objectives can also lead to other demands being placed on developers over affordable housing. There is a clear balance to be struck here, given that sustainable development relies on the delivery of a range of services and infrastructure, especially community infrastructure, to be delivered alongside homes, and is often required to make development acceptable in planning terms to mitigate impacts. Workshop participants explained that when viability is called into question, *"the default position is to sacrifice affordable housing"* to ensure that obligations and contributions towards local infrastructure, schools, health, libraries, transport, and other community facilities can be delivered instead. However, both RPs and LPAs felt that other S106 obligations should be considered equally to help improve viability, by reducing other contributions accordingly. This faces challenges under the current planning law and policy framework for S106 agreements, whereby obligations can only constitute a reason for granting planning permission if they meet three tests including that they are necessary to make the development acceptable in planning terms[36]. If obligations were discretionary and capable of being traded off against affordable housing, it would lead one to conclude it was not justified to be imposed in the first instance. Further, the provision of infrastructure to support development is a key factor in the acceptability of development to local people[37].

RPs also highlighted the reluctance of LPAs to treat fully affordable schemes any differently from the private development market, despite the intrinsic value of an affordable home and the wider social and community benefits over that of general market housing. They pointed out that there is a clear lack of recognition that affordable housing – in and of itself – is a very substantial benefit and this should be given significant weight by decision makers and not taken for granted.

While the overall delivery of affordable housing is important, LPAs noted that it is also about the type and quality of affordable homes; they report experiencing difficulties in negotiating the delivery of the right types of affordable tenures in the right places. Almost all LPAs (80%) said that there is an insufficient quantity in the existing stock of social rented and affordable rented homes in their area, while less than half (40%) said the same of shared ownership housing and affordable home ownership homes (i.e. first homes, rent to buy). This is driven by high demand from homeless and temporary households, as well as the limited efficacy of discount market sale schemes in high value areas such as Brentwood, Hertsmere and St Albans. LPAs also raised the issue of securing affordable homes that meet nationally described space standards (NDSS) where this is not present in local plans, given it is not a legal requirement.

[35] A 100% affordable housing development for Norwich City Council, comprising 93 Passivhaus homes and in 2019 was the largest Passivhaus certified scheme in the UK. See here

[36] S106 obligations must be: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development. These tests are set out as statutory tests in regulation 122 (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework

[37] This is a regular finding in opinion polling on attitudes to development. For example, see here

08 | BARRIERS TO DELIVERY

In addition, the nutrient neutrality issue – and the ongoing uncertainty surrounding it – is seen as a key issue across the East of England, with specific problems in Norfolk, Hertfordshire and Bedfordshire. This issue was highlighted earlier in this report, and RPs recounted how the nutrient neutrality advice, which means residential schemes can only be given planning permission if they will not cause any additional pollution to the affected area, has stalled the delivery of a significant number of affordable homes. These areas are in need of a comprehensive solution and with routes to development narrowed, the issue has resulted in an adverse effect on land and other development costs as RPs find themselves competing against private developers who are now considering smaller sites to deliver open market homes. Amongst a range of other barriers and in the absence of a way forward, affordable housing providers are therefore also faced with trying to understand where their delivery programmes should be directed over the next few years.

Summary

There are several barriers affecting the delivery of affordable housing, many of which are likely to persist including viability, resourcing in the public sector and the cost and availability of materials/labour. However, there is also a clear difference in opinion between RPs and LPAs in terms of which barriers are more significant, with divergent views over the impact of planning on housing delivery between LPAs (who operate the planning system) and RPs (who use that system). This points to a need for more effective communication to build a shared understanding.

Our findings also indicate that, in the face of competing pressures, affordable housing – and its significant social and community benefits – must be seen as a strategic priority and a benefit that is properly reflected in the weight it attracts in the planning balance when planning applications and local plan policies are considered. This will however need to be balanced with the need for supporting infrastructure, to ensure that development schemes are acceptable in planning terms, and to help developments better command local support.

Norfolk Broads, © Andrew Banner

09

OPPORTUNITIES TO INCREASE DELIVERY

09 | OPPORTUNITIES TO INCREASE DELIVERY

While RPs are clearly facing strong headwinds to affordable housing delivery, our analysis also points to several key opportunities that may help to increase capacity and deliver a step-change in supply.

Are there opportunities for collaboration?

There are several potential opportunities for RPs to explore collaborative models which could bring substantial new resources for affordable housing delivery. In our survey, increased working between RPs and LPAs was strongly supported to help increase delivery, and opening up this dialogue can clearly help all parties better understand the constraints and opportunities faced.

Increasing collaboration between RPs and LPAs, potentially through partnerships and contract arrangements, could therefore help to enable fully affordable council-owned (or other publicly owned) sites to come forward in a viable manner. This will likely require joint working to help identify sites and conduct site appraisals, identifying and procuring funding and identifying other delivery partners (such as other RPs, or other public/ private bodies).

Bringing forward sites in this way might also help to unlock other uses alongside affordable housing, such as services, community infrastructure and commercial space, helping contribute to high quality place-making, helping reduce deprivation and achieving sustainable development.

Increased collaboration could also simply take the form of RPs becoming more active in plan-making; while a high proportion of RPs see the overall planning system as a barrier to affordable housing delivery, further workshop discussions suggested that few were actively engaged in the local plan process. Working more closely together throughout the plan-making process could help create the policy environment which many RPs seek, and ensure that site allocations align with the development capacity of RPs.

In addition, there is an opportunity to better link planned housing growth with economic growth, with the creation of strategic organisations to support this objective (such as the Greater Cambridge Partnership). Adopting a more joined-up approach of delivering new homes alongside the regeneration of market towns and development of forthcoming infrastructure projects would also assist in delivering affordable housing on a strategic scale – something that appears to be missing across the region. This will be of increasing importance in and around Cambridgeshire, due to the recent cessation of work on the OxCam Arc Spatial Framework which would have otherwise provided an overarching framework for growth in this part of the region.

> "A more strategic and collaborative approach between RPs and LPAs could open up more opportunities, particularly on larger sites"

09 | OPPORTUNITIES TO INCREASE DELIVERY

Almost all RPs (over 90%) said that increased collaboration with Homes England would help increase affordable housing delivery, particularly given the high availability of public land in Homes England ownership. This follows on from the broadening of the Strategic Partnership model in early 2021, which has allowed RPs and for-profit organisations with the ambition and capacity to deliver affordable housing at scale to access longer-term funding for development programmes.

However, few RPs and BuildEast members feel that working with each other more will unlock additional delivery, with a general preference to work individually within their own organisations – meaning there is an opportunity to better share information and knowledge across the sector, although a small number of providers are already exploring this. Given the planned scale of sites in the region, with the majority coming forward in large strategic sites and new settlement proposals, working together could open up opportunities for more homes to be delivered on larger sites where there may be a capacity issue, or even barriers in terms of the types of housing that needs to be delivered. An increase in this collaborative approach could also allow smaller RPs with more limited delivery capacity to access broader opportunities – increasing development capacity overall.

09 | OPPORTUNITIES TO INCREASE DELIVERY

What is the potential role of 'for profit' and other providers?

There has been a rise in for-profit providers over the last few years; recent market analysis shows that for-profits have almost doubled their stock every year since 2015, and that the level of private investment could grow to £23bn, funding 130,000 new affordable homes by 2026[38].

Yet, our research has found that RPs in the East of England remain somewhat hesitant when it comes to new entrants to the affordable housing sector – less than half (40%) think collaboration with for-profits will increase delivery, and less than 20% are currently working with these organisations (such as Legal and General Affordable Homes, Octopus Real Estate and Sage Housing). Workshop participants generally shared a conception that for-profits are *"hoovering-up S106 opportunities, willing to pay over the odds to secure these*." This cautionary approach from affordable housing providers towards for-profits may be extended in the short-term, due to the current economic and political turmoil, as these organisations are driven by investment returns and are therefore more sensitive to the market.

Nevertheless, there may be some merit in the growth of for-profits, by way of these organisations filling the S106 delivery gap so that RPs can focus on delivering land-led schemes, increasing capacity overall. The emergence of for-profits therefore potentially correlates well with the re-balancing of RP strategies away from S106 and towards land-led strategies.

Of those RPs in the region that are currently working with for-profit providers, all said that they will continue to do so and that they envisage expanding their current management capacity in this way significantly over the next five years (for example, in one case managing 1,250 homes compared to a current capacity of 350 homes). This is telling – it demonstrates a positive first-hand experience and that these partnerships bring in additional institutional capital to the sector, which combined with the local knowledge and practical expertise of RPs, supports the delivery of more affordable homes. The potential to create or work with for-profits therefore appears to present a strong opportunity to boost spending power and increase the sector's overall capacity.

As RPs grow more comfortable working with for-profits, joint ventures represent another partnership opportunity. Our research found that all RPs think they could increase delivery of affordable housing via joint ventures, despite the fact that only half currently participate in this delivery model. This may therefore be the area with the greatest potential to increase delivery; joint ventures can take many forms, and there is plenty of scope to structure a partnership to fit the needs of the organisations involved – from developers to RPs, Homes England, local authorities, other public sector landowners (County Councils, NHS, MoD, etc) and investors.

Looking ahead, these models provide an innovative opportunity for greater sharing of skills and resources to support RP capacity. While such models are still in their early stages and need to be developed further, done well, partnerships can unlock more land and development, allowing RPs to take on more risk and be more active in land-led delivery.

£23bn
the level of investment for-profits are expected to spend on delivering 130,000 new affordable homes over the next five years

20%
the proportion of RPs in the region currently working with for-profit providers

[38]Private capital in affordable housing, Savills (2021) available here

09 | OPPORTUNITIES TO INCREASE DELIVERY

What is the changing picture?

These opportunities should also be considered in the wider context, where imminent planning reform will undoubtedly impact on affordable housing delivery.

While the government's longer-term and more significant changes to the planning system (via the Levelling Up and Regeneration Bill and forthcoming changes to the NPPF) are yet to fully materialise, one of the more tangible, short-term examples of change is the introduction of First Homes. First Homes are a relatively new tenure and the take-up is still to be proven – but if it becomes a more established tenure it is likely to change the dynamic of RP delivery, reducing the number of affordable rented homes coming forward on S106 schemes. In the East of England, RPs have thus far not engaged with the tenure and share differing views on its efficacy. Some consider that First Homes do not have a role to play in their strategies (which remain focused on affordable rented and shared ownership products) and the delivery of homes at a discount market rate is better left to private developers; meanwhile others thought that engaging with this new tenure will enable the provision of much needed choice on larger sites or fully affordable sites.

The Levelling Up and Regeneration Bill published in May 2022 provides some greater indication as to the shape and extent of other reforms[39], but further changes to national policy and detailed regulations are awaited. Among the current proposals are revisions to the NPPF and changes to how local housing need is calculated and enshrined within local plans, resulting in uncertainty for local authorities in terms of the framework against which their local plan strategies will be assessed. As it stands, the Government's December 2023 deadline is unlikely to be met by most of the local authorities lacking local plans and for reasons already set out earlier in this report, there are limited practical consequences for many of the local authorities that do not bring forward plans.

Other proposed changes suggested by Government include the potential removal of the five-year housing land supply requirement (provided the local plan is kept up to date), the introduction of 'supplementary plans' and Joint Spatial Development Strategies. In short, future planning reform could provide additional flexibility as to how new policies are brought forward and grant additional strategic powers where groups of LPAs consider this expedient.

Planning for the Future White Paper, 2020

Levelling Up Agenda, May 2022

[39]See 'Plan-making for the future- a shorter, simpler process?' Lichfields blog (May 2022) available here

09 | OPPORTUNITIES TO INCREASE DELIVERY

At face value, there are merits to these proposals that could help make the planning system more effective, but the reforms remain at early stages and their impact will depend on how the legislation evolves in its passage through parliament, on the formulation of secondary legislation, on the changes to national planning policy, and on how the reforms are received and implemented by local and central government. In truth, it will not be until 2027 that the efficacy of the reforms can be properly judged, and homes that are the genuine product of the reformed system are unlikely to be completed before 2029/30.

At the time of writing, the more recent – and hastily launched – expression of interest process for the creation of Investment Zones was a further introduction by government to try and encourage housebuilding across the county. Advertised as areas that would benefit from a less regulated planning regime, reduced environmental protections, and scaled-back affordable housing requirements in order to bring forward additional development, Investment Zones have been subject to widespread critique – with some already choosing not to be involved, stating that the strategy is incompatible with net-zero aspirations and commitments to protect and enhance biodiversity and environmental quality[40]. Yet much detail is still to be confirmed about how Investment Zones will operate in practice, including in relation to streamlined planning measures, and they may well be scaled-back due to recent changes in Government[41].

Until further detail is known, what this all means for the future provision of affordable housing is uncertain, and in the interim, there are concerns that the hiatus before the new system is in place will undermine delivery.

The delay in local plan making has already been identified, but nationally there is now a reduction in the flow of planning permissions, with just 280,000 homes granted permission in the 12 months to June 2022, compared to 334,000 in the preceding year, a 16% decrease. There is a strong basis for BuildEast members to work with local authorities, central Government and other parties to identify how supply can be maintained during the period of transition from the current system to what will replace it in 2024, whilst monitoring and engaging with planning reform.

Summary

Opportunities to increasing the delivery of affordable housing lie in greater collaboration between delivery partners, greater engagement with the plan-making process and expanded activity via new delivery models. RPs and BuildEast members should look to explore these identified opportunities, as they could go some way to increasing development capacity and helping to deliver the required step-change in affordable housing supply.

[40]For example, statement by Oxfordshire County Council, 12 October 2022

[41]See Turbo charging growth: what role for Investment Zones? Lichfields blog (October 2022) available here

10

OUR INITIAL RECOMMENDATIONS

10 | OUR INITIAL RECOMMENDATIONS

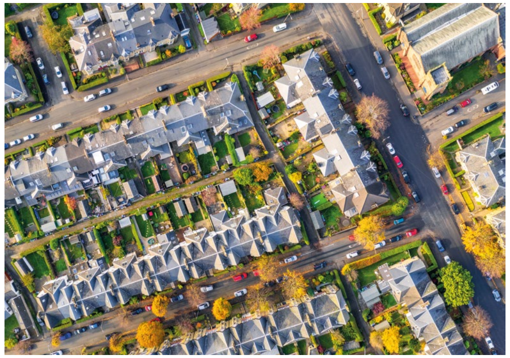
Drawing this analysis together with the identified opportunities has informed a number of initial recommendations, which are set out below. These are – at this stage – purposely brief and are intended to help inform both BuildEast and other key stakeholders in terms of how to close the gap between affordable housing need and supply across the region. They provide a starting point upon which housing delivery partners in the East of England should seek to explore to best meet affordable housing need in the future, and have informed BuildEast's 'commitment to action' which is presented in the executive summary to this report.

1. **Engage with planning reform** – To ensure that national-level policy is aligned with BuildEast's aspirations and help reduce wider barriers to affordable housing delivery. For example, ideas might include promoting a presumption in favour of affordable housing, via Ministerial Statement or inclusion in a reformed NPPF, so that where affordable housing delivery has not met the identified level of need, any policy barriers are removed or minimised and there is no obligation for individual proposals to be required to demonstrate a local affordable housing in order to be granted. This would reduce the 'policy hurdles' RPs are often required to jump in order to support their applications and would help recognise the intrinsic social and community value associated with affordable housing schemes. This is the kind of change that could be introduced quickly, without legislation.

2. **Collaborative working** – Local authorities, BuildEast members and other providers should work together more closely together to identify suitable sites and bring these through the planning process, ultimately unlocking more affordable housing delivery. Only half of BuildEast members are currently working on joint ventures, but all stated there was scope to increase delivery through this model. BuildEast should work strategically to identify partners which might yield effective strategic delivery across the region.

3. **Engaging in plan-making** – BuildEast members should consider increasing their role in the plan-making process in order to ensure a supply of sites which aligns with their capacity, particularly where LPAs favour larger sites and to shape affordable housing policies to ensure they can effectively meet needs, for example in relation to economic growth proposals. RPs have an important voice that is distinct to that of others in the development sector and could generate powerful advocacy in favour of choices that local authorities may struggle with in their local plans. This may mean BuildEast members engaging on policies in the plan even before they have specific sites identified in the local area; this is something they could do in partnership under the banner of BuildEast to spread the burden/ cost of participation.

10 | OUR INITIAL RECOMMENDATIONS



5. **Reporting on progress** – BuildEast members who are currently working with for-profit organisations with other RPs should monitor and report on progress to establish if this is a model others can/should replicate. These models have an important and innovative role for greater sharing of skills and resources, but they are still in their early stages and RPs will need to be sure that any reliance on this model corresponds with the risk.

6. **Homes England** – With most RPs in the region reliant on grant funding to support delivery programmes, providers should seek to work more closely with Homes England to secure greater levels of investment and financial security – particularly in light of the recent extension of the preferred Strategic Partnership route to for-profit providers, which offers additional opportunities to increase development capacity.

4. **Areas of operation** – To help improve social impact, by delivering affordable homes where they are most needed, BuildEast members active in Hertfordshire/Essex should consider expanding activity in those authorities and identifying how they can overcome any barriers to doing so. Members should also consider expanding into areas where there are currently few/no BuildEast members active and consider the specific needs of each area to maximise social impact. This may clash with current planning barriers to housing delivery in those areas, but this links to recommendation 3.

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APPENDIX 1:
DETAILED DATA SHEET
BY LOCAL AUTHORITY

Indicator	Population						Households			
Year	2020 Total	2020 18-64	2020 % 18-64	2030 Projected	2020-30 change	2020-30 Change (%)	2020	2030 Projected	2020-30 change	2020-30 Change (%)
Source	ONS	ONS	ONS	ONS	ONS	ONS	ONS	ONS	ONS	ONS
LPA										
Babergh	92,735	50,588	54.6%	97,239	4,504	4.9%	40,718	44,143	3,425	8%
Basildon	187,558	111,069	59.2%	196,333	8,775	4.7%	76,950	81,069	4,119	5%
Bedford	174,687	102,092	58.4%	186,453	11,766	6.7%	71,189	77,420	6,231	9%
Braintree	153,091	88,857	58.0%	156,216	3,125	2.0%	64,629	68,275	3,646	6%
Breckland	141,255	78,348	55.5%	153,210	11,955	8.5%	59,931	66,194	6,263	10%
Brentwood	77,242	45,298	58.6%	76,635	-607	-0.8%	31,460	31,854	394	1%
Broadland	131,931	73,490	55.7%	141,336	9,405	7.1%	56,796	61,982	5,186	9%
Broxbourne	97,592	57,984	59.4%	96,955	-637	-0.7%	39,297	40,038	741	2%
Cambridge	125,063	83,861	67.1%	126,763	1,700	1.4%	44,055	44,387	332	1%
Castle Point	90,524	49,871	55.1%	92,693	2,169	2.4%	37,306	38,669	1,363	4%
Central Bedfordshire	294,096	176,267	59.9%	311,651	17,555	6.0%	119,285	131,894	12,609	11%
Chelmsford	179,549	106,451	59.3%	192,324	12,775	7.1%	74,588	80,996	6,408	9%
Colchester	197,200	122,214	62.0%	214,094	16,894	8.6%	81,181	88,925	7,744	10%
Dacorum	155,457	92,742	59.7%	161,082	5,625	3.6%	64,811	68,365	3,554	5%
East Cambridgeshire	90,172	51,920	57.6%	94,666	4,494	5.0%	37,788	40,367	2,579	7%
East Hertfordshire	151,786	90,485	59.6%	156,602	4,816	3.2%	62,605	67,242	4,637	7%
East Suffolk	250,373	133,837	53.5%	266,375	16,002	6.4%	111,347	121,509	10,162	9%
Epping Forest	132,175	78,083	59.1%	137,022	4,847	3.7%	54,566	57,579	3,013	6%
Fenland	102,080	57,967	56.8%	111,535	9,455	9.3%	44,139	48,560	4,421	10%
Great Yarmouth	99,198	54,887	55.3%	103,102	3,904	3.9%	43,886	46,540	2,654	6%
Harlow	87,280	51,995	59.6%	89,990	2,710	3.1%	35,637	36,989	1,352	4%
Hertsmere	105,471	60,920	57.8%	106,684	1,213	1.1%	41,576	43,591	2,015	5%
Huntingdonshire	178,985	105,573	59.0%	184,699	5,714	3.2%	75,084	80,054	4,970	7%
Ipswich	135,979	81,882	60.2%	135,122	-857	-0.6%	59,001	59,576	575	1%
King's Lynn & West Norfolk	151,245	81,724	54.0%	155,954	4,709	3.1%	64,890	67,736	2,846	4%
Luton	213,528	128,482	60.2%	205,356	-8,172	-3.8%	77,427	77,663	236	0%
Maldon	65,401	36,667	56.1%	69,412	4,011	6.1%	27,816	30,281	2,465	9%
Mid Suffolk	104,857	59,164	56.4%	110,281	5,424	5.2%	44,998	49,560	4,562	10%
North Hertfordshire	133,463	78,472	58.8%	136,928	3,465	2.6%	56,430	59,389	2,959	5%
North Norfolk	105,167	53,750	51.1%	111,792	6,625	6.3%	48,810	53,100	4,290	9%
Norwich	142,177	94,675	66.6%	147,476	5,299	3.7%	63,247	66,116	2,869	5%
Peterborough	202,626	119,605	59.0%	221,063	18,437	9.1%	79,958	88,228	8,270	10%
Rochford	87,627	50,222	57.3%	93,533	5,906	6.7%	35,298	38,170	2,872	8%
South Cambridgeshire	160,904	92,986	57.8%	163,123	2,219	1.4%	64,596	68,208	3,612	6%
South Norfolk	143,066	79,640	55.7%	161,428	18,362	12.8%	61,226	70,652	9,426	15%
Southend-on-Sea	182,773	107,376	58.7%	195,024	12,251	6.7%	77,863	83,903	6,040	8%
St Albans	149,317	86,587	58.0%	148,114	-1,203	-0.8%	58,304	60,508	2,204	4%
Stevenage	88,104	54,079	61.4%	89,496	1,392	1.6%	36,816	38,053	1,237	3%
Tendring	147,353	76,222	51.7%	161,447	14,094	9.6%	67,342	74,464	7,122	11%
Three Rivers	93,966	55,249	58.8%	93,346	-620	-0.7%	37,745	39,161	1,416	4%
Thurrock	175,531	106,052	60.4%	191,662	16,131	9.2%	67,471	74,506	7,035	10%
Uttlesford	92,759	53,855	58.1%	100,921	8,162	8.8%	36,297	41,084	4,787	13%
Watford	96,623	59,847	61.9%	97,042	419	0.4%	39,526	40,627	1,101	3%
Welwyn Hatfield	123,893	78,778	63.6%	130,593	6,700	5.4%	48,304	51,377	3,073	6%
West Suffolk	177,302	101,414	57.2%	185,821	8,519	4.8%	74,724	78,046	3,322	4%
Total	**6,269,161**	**3,661,527**	**58.4%**	**6,558,594**	**289,433**	**4.6%**	**2,596,913**	**2,777,050**	**180,137**	**7%**

Indicator	Affordability (LQ workplace)			House Prices and Rents (Lower Quartile)					
Year	2021	Change 2011-21	Change 2011-21 (%)	2011	2021	10 year change	Rent (Mar 2014)	Rent (Sep 2021)	7 year change
Source	ONS	ONS	ONS	ONS	ONS	ONS	VOA	ONS	ONS
LPA									
Babergh	11.88	3.67	45%	£146,250	£245,000	68%	£550	£625	14%
Basildon	10.9	3.27	43%	£143,000	£270,000	89%	£600	£825	38%
Bedford	10.43	2.99	40%	£137,000	£240,000	75%	£475	£675	42%
Braintree	11.54	3.53	44%	£145,000	£250,000	72%	£575	£725	26%
Breckland	9.26	1.88	25%	£121,000	£195,000	61%	£495	£600	21%
Brentwood	16.18	5.43	51%	£211,500	£380,000	80%	£775	£925	19%
Broadland	9.82	1.47	18%	£140,000	£225,000	61%	£525	£675	29%
Broxbourne	12.82	3.27	34%	£175,000	£324,000	85%	£700	£895	28%
Cambridge	12.99	3.83	42%	£199,950	£350,000	75%	£563	£960	71%
Castle Point	12.98	3.04	31%	£158,000	£272,000	72%	£650	£800	23%
Central Bedfordshire	11.01	2.17	25%	£147,500	£261,000	77%	£550	£760	38%
Chelmsford	12.74	4.19	49%	£170,000	£305,000	79%	£580	£825	42%
Colchester	10.13	2.87	40%	£135,000	£231,000	71%	£525	£700	33%
Dacorum	14.49	5.26	57%	£180,000	£335,000	86%	£650	£885	36%
East Cambridgeshire	10.97	2.82	35%	£145,000	£243,000	68%	£595	£700	18%
East Hertfordshire	13.47	3.17	31%	£198,000	£330,000	67%	£675	£895	33%
East Suffolk	9.53	2.86	43%	£125,000	£200,000	60%	£445	£500	12%
Epping Forest	15.25	4.65	44%	£212,000	£371,500	75%	£725	£1,000	38%
Fenland	8.48	2.2	35%	£104,000	£168,000	62%	£450	£575	28%
Great Yarmouth	6.8	1.05	18%	£103,000	£160,000	55%	£425	£500	18%
Harlow	11.75	4.61	65%	£142,050	£264,000	86%	£595	£875	47%
Hertsmere	17.93	5.84	48%	£218,995	£411,175	88%	£785	£1,050	34%
Huntingdonshire	9.44	2.48	36%	£135,000	£225,500	67%	£500	£690	38%
Ipswich	8.23	2.13	35%	£105,000	£180,000	71%	£375	£595	59%
King's Lynn & West Norfolk	8.84	1.94	28%	£117,000	£195,000	67%	£490	£595	21%
Luton	9.66	1.98	26%	£125,000	£225,000	80%	£550	£675	23%
Maldon	12.24	3.06	33%	£163,750	£283,000	73%	£575	£715	24%
Mid Suffolk	9.99	2.71	37%	£135,000	£233,000	73%	£495	£650	31%
North Hertfordshire	11.88	2.5	27%	£170,000	£300,000	76%	£595	£795	34%
North Norfolk	9.96	2.26	29%	£125,000	£215,500	72%	£495	£550	11%
Norwich	7.79	1.34	21%	£112,000	£175,000	56%	£510	£650	27%
Peterborough	7.66	2.35	44%	£105,000	£170,000	62%	£475	£595	25%
Rochford	13.99	3.67	36%	£176,000	£310,000	76%	£650	£800	23%
South Cambridgeshire	11.3	2.48	28%	£185,000	£300,500	62%	£693	£900	30%
South Norfolk	9.58	1.74	22%	£140,000	£223,000	59%	£495	£675	36%
Southend-on-Sea	12.41	4.62	59%	£137,000	£245,000	79%	£550	£675	23%
St Albans	17.69	5.64	47%	£250,000	£425,000	70%	£825	£995	21%
Stevenage	11.01	3.98	57%	£147,950	£265,000	79%	£590	£750	27%
Tendring	9.41	2.02	27%	£121,000	£200,000	65%	£500	£675	35%
Three Rivers	14.42	5.29	58%	£225,000	£385,000	71%	£900	£1,000	11%
Thurrock	11.54	3.91	51%	£139,995	£270,000	93%	£600	£795	33%
Uttlesford	14.54	4.34	43%	£207,500	£335,000	61%	£650	£875	35%
Watford	13.62	2.7	25%	£177,500	£322,250	82%	£750	£950	27%
Welwyn Hatfield	12.77	2.96	30%	£185,000	£330,000	78%	£750	£850	13%
West Suffolk	9.54	2.02	27%	£132,000	£215,000	63%	£435	£750	72%
Total	**10.4**	**2.8**	**36%**	**£ 141,000**	**£240,000**	**70%**	**£500**	**£695**	**39%**

Indicator	Local Plans					Housing Delivery				
Year	Adopted	Age (1st April 2022)	Plan requirement	Standard method figure	Affordable need (Latest SHMA)	Stock (2020)	3 year average	3 year rate	10 year average	10 year rate
Source	Lichfields	Lichfields	Lichfields	Lichfields	Lichfields	DLUHC	DLUHC	DLUHC	DLUHC	DLUHC
LPA										
Babergh	25/02/2014	8.1	300	417	73	41,537	466	1.1%	305	0.7%
Basildon	~	No plan	~	1,041	391	78,608	372	0.5%	478	0.6%
Bedford	15/01/2020	2.2	970	1,355	278	76,685	1,195	1.6%	1,055	1.4%
Braintree	22/02/2021	1.1	716	852	212	66,496	755	1.1%	464	0.7%
Breckland	28/11/2019	2.3	612	672	210	62,294	630	1.0%	542	0.9%
Brentwood	23/03/2022	0.0	456	580	107	33,757	258	0.8%	186	0.6%
Broadland	10/01/2014	8.2	706	511	96	59,525	601	1.0%	516	0.9%
Broxbourne	23/06/2020	1.8	454	604	291	41,166	270	0.7%	218	0.5%
Cambridge	18/10/2018	3.5	700	685	314	55,671	587	1.1%	780	1.4%
Castle Point	~	No plan	~	352	353	38,902	149	0.4%	139	0.4%
Central Bedfordshire	22/07/2021	0.7	1,968	2,369	405	123,969	2,286	1.8%	1,741	1.4%
Chelmsford	27/05/2020	1.8	805	945	175	77,895	972	1.2%	748	1.0%
Colchester	01/02/2021	1.2	920	1,100	267	82,527	900	1.1%	873	1.1%
Dacorum	25/09/2013	8.5	430	1,018	363	66,239	599	0.9%	505	0.8%
East Cambridgeshire	21/04/2015	7.0	575	600	215	38,305	416	1.1%	296	0.8%
East Hertfordshire	23/10/2018	3.4	839	1,135	217	63,966	892	1.4%	643	1.0%
East Suffolk	19/09/2019	2.5	853	951	176	118,861	805	0.7%	669	0.6%
Epping Forest	~	No plan	~	973	168	56,988	282	0.5%	278	0.5%
Fenland	08/05/2014	7.9	550	556	289	45,642	437	1.0%	391	0.9%
Great Yarmouth	21/12/2015	6.3	420	361	438	46,405	382	0.8%	249	0.5%
Harlow	10/12/2020	1.3	418	528	182	38,823	645	1.7%	364	0.9%
Hertsmere	16/01/2013	9.2	266	724	356	44,784	534	1.2%	425	0.9%
Huntingdonshire	15/05/2019	2.9	804	950	404	77,902	1,030	1.3%	754	1.0%
Ipswich	23/03/2022	0.0	460	475	239	61,854	296	0.5%	280	0.5%
King's Lynn & West Norfolk	28/07/2011	10.7	660	576	202	77,874	454	0.6%	425	0.5%
Luton	07/11/2017	4.4	425	595	430	80,592	631	0.8%	528	0.7%
Maldon	21/07/2017	4.7	310	315	174	29,026	403	1.4%	224	0.8%
Mid Suffolk	20/12/2012	9.3	430	529	97	45,750	662	1.4%	468	1.0%
North Hertfordshire	~	No plan	~	978	215	57,904	416	0.7%	354	0.6%
North Norfolk	24/09/2008	13.5	400	562	95	57,031	468	0.8%	427	0.7%
Norwich	10/01/2014	8.2	477	609	278	66,940	526	0.8%	379	0.6%
Peterborough	24/07/2019	2.7	971	950	559	85,542	1,161	1.4%	1,003	1.2%
Rochford	13/12/2011	10.3	250	360	296	36,327	319	0.9%	223	0.6%
South Cambridgeshire	27/09/2018	3.5	975	1,084	435	68,718	1,186	1.7%	829	1.2%
South Norfolk	10/01/2014	8.2	863	864	152	62,843	1,000	1.6%	910	1.4%
Southend-on-Sea	13/12/2007	14.3	325	1,177	726	81,291	316	0.4%	305	0.4%
St Albans	~	No plan	~	890	443	61,484	526	0.9%	411	0.7%
Stevenage	22/05/2019	2.9	380	469	168	37,687	249	0.7%	226	0.6%
Tendring	26/01/2021	1.2	550	770	151	71,042	782	1.1%	476	0.7%
Three Rivers	17/10/2011	10.5	180	633	350	38,129	219	0.6%	207	0.5%
Thurrock	21/12/2011	10.3	925	1,181	472	68,292	486	0.7%	492	0.7%
Uttlesford	~	No plan	~	692	127	38,493	603	1.6%	597	1.6%
Watford	30/01/2013	9.2	260	781	482	40,439	309	0.8%	343	0.8%
Welwyn Hatfield	~	No plan	~	888	603	48,529	493	1.0%	335	0.7%
West Suffolk	23/09/2020	1.5	916	811	409	80,449	863	1.1%	660	0.8%
Total	**~**	**~**	**23,519**	**35,469**	**13,082**	**2,733,183**	**27,832**	**1.0%**	**22,718**	**0.8%**

Indicator	Affordable Housing						BuildEast		Housing Delivery Test	
Year	HH (2011)	SR (2011)	SR (2011) (%)	Delivery (3 year average)	Delivery (10 year average)	10 year rate	Delivery (2017/18 - 2021/22)	Rate of delivery	Measurement (2021)	Consequence (2021)
Source	Census	Census	Census	Census	AMRs	Census	BuildEast	Lichfields	DLUHC	DLUHC
LPA										
Babergh	37,522	4,912	13%	85	72	1.5%	172	3.5%	141%	None
Basildon	72,746	15,976	22%	29	43	0.3%	24	0.2%	41%	Presumption
Bedford	63,812	10,252	16%	273	244	2.4%	535	5.2%	144%	None
Braintree	61,043	10,055	16%	179	113	1.1%	970	9.6%	125%	None
Breckland	54,519	7,511	14%	112	106	1.4%	345	4.6%	120%	None
Brentwood	30,646	3,586	12%	14	21	0.6%	39	1.1%	66%	Presumption
Broadland	53,336	4,567	9%	193	129	2.8%	556	12.2%	132%	None
Broxbourne	37,658	5,297	14%	45	36	0.7%	244	4.6%	72%	Presumption
Cambridge	46,714	11,023	24%	198	272	2.5%	389	3.5%	133%	None
Castle Point	36,440	1,949	5%	5	15	0.8%	11	0.6%	49%	Presumption
Central Bedfordshire	104,399	13,981	13%	597	392	2.8%	1283	9.2%	137%	None
Chelmsford	69,667	9,120	13%	246	148	1.6%	213	2.3%	140%	None
Colchester	71,634	9,669	13%	117	156	1.6%	484	5.0%	134%	None
Dacorum	59,938	13,045	22%	160	134	1.0%	578	4.4%	87%	Action plan
East Cambridgeshire	34,614	4,944	14%	62	55	1.1%	143	2.9%	95%	None
East Hertfordshire	56,577	7,185	13%	197	152	2.1%	336	4.7%	130%	None
East Suffolk	104,441	13,214	13%	189	151	1.1%	599	4.5%	107%	None
Epping Forest	51,991	7,803	15%	62	49	0.6%	26	0.3%	35%	Presumption
Fenland	40,620	5,054	12%	58	58	1.1%	0	0.0%	95%	None
Great Yarmouth	42,079	7,255	17%	47	44	0.6%	92	1.3%	141%	None
Harlow	34,620	10,808	31%	94	66	0.6%	2	0.0%	208%	None
Hertsmere	39,778	6,932	17%	47	46	0.7%	173	2.5%	88%	Action plan
Huntingdonshire	69,333	8,939	13%	285	197	2.2%	52	0.6%	152%	None
Ipswich	57,298	12,371	22%	15	67	0.5%	38	0.3%	82%	Buffer
King's Lynn & West Norfolk	62,977	8,393	13%	61	77	0.9%	232	2.8%	96%	None
Luton	74,293	11,715	16%	165	132	1.1%	170	1.5%	337%	None
Maldon	25,817	2,685	10%	93	40	1.5%	310	11.5%	154%	None
Mid Suffolk	40,306	4,544	11%	146	97	2.1%	404	8.9%	137%	None
North Hertfordshire	53,426	10,304	19%	80	75	0.7%	249	2.4%	49%	Presumption
North Norfolk	46,046	5,904	13%	109	85	1.4%	390	6.6%	100%	None
Norwich	60,319	19,702	33%	114	89	0.5%	295	1.5%	132%	None
Peterborough	74,023	14,434	19%	245	229	1.6%	0	0.0%	145%	None
Rochford	33,564	2,547	8%	58	34	1.4%	269	10.6%	103%	None
South Cambridgeshire	59,960	8,546	14%	344	216	2.5%	794	9.3%	145%	None
South Norfolk	52,809	5,965	11%	261	187	3.1%	367	6.2%	132%	None
Southend-on-Sea	74,678	8,597	12%	91	58	0.7%	205	2.4%	31%	Presumption
St Albans	56,140	6,832	12%	94	74	1.1%	296	4.3%	69%	Presumption
Stevenage	34,898	9,902	28%	25	47	0.5%	12	0.1%	79%	Buffer
Tendring	62,105	5,243	8%	133	62	1.2%	175	3.3%	165%	None
Three Rivers	35,108	5,318	15%	65	57	1.1%	120	2.3%	46%	Presumption
Thurrock	62,353	11,503	18%	43	85	0.7%	177	1.5%	49%	Presumption
Uttlesford	31,316	3,961	13%	259	173	4.4%	520	13.1%	99%	None
Watford	36,681	5,987	16%	82	103	1.7%	276	4.6%	48%	Presumption
Welwyn Hatfield	43,613	11,741	27%	60	58	0.5%	51	0.4%	66%	Presumption
West Suffolk	71,178	11,060	16%	282	200	1.8%	756	6.8%	128%	None
Total	**2,423,035**	**380,331**	**16%**	**6120**	**4,943**	**1.3%**	**13372**	**3.5%**	110%	~

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