



## Planning and Infrastructure Bill – Amendment 122: ensuring onsite delivery of social housing

### SUMMARY

In 2023/24, **private developers built just 3,870 social rent homes – representing only 1.7% of all new homes delivered – while more than 131,000 households are trapped living in temporary accommodation.**<sup>1</sup>

Private developers should be building more social homes. **Amendment 122 to the Planning and Infrastructure Bill** ensures that when affordable housing is made a condition of planning permission, it is actually delivered onsite. **It requires that no less than 20% of all homes on relevant sites (10 homes and above) are for social rent, or a higher percentage if set out in the local authority's affordable housing policy.** This will ensure the planning process is quicker, clearer and new developments build the social rent homes that are desperately needed to end the housing emergency.

Shelter are supporting this amendment, tabled by Lord Best, which can be found [here](#) and is urging peers across the House of Lords to support Amendment 122 at Committee Stage.

### WHY CHANGE IS NEEDED

- 1.1 More than 1.3 million households are on social housing waiting lists and over 131,000 families are trapped in temporary accommodation, including 169,000 children – an increase of almost 50,000 in three years.**<sup>2</sup> Developments are currently failing to meet this need because local plan requirements for social rent housing are either too low, non-existent or not effectively enforced by councils. As a result, private developers only delivered 3,870 social rent homes in 2023/24 – only 1.7% of all homes delivered.<sup>3</sup>
- 1.2 Developers regularly secure planning permissions by agreeing to deliver affordable housing through a Section 106 agreement, only to later evade or reduce their commitments using “viability” loopholes.** Developers cite rising costs, interest rates, or unforeseen site issues to reduce or remove affordable housing commitments – yet still make significant profits. This has led to a system where private developers routinely

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<sup>1</sup> Shelter analysis of MHCLG: affordable housing supply (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>); Housing supply: net additional dwellings (<https://www.gov.uk/government/collections/net-supply-of-housing>)

<sup>2</sup> Rise in temporary accommodation numbers is calculated using MHCLG statutory homelessness data. Available at: MHCLG, [Statutory homelessness live tables](#), Table TA1.

<sup>3</sup> Shelter analysis of MHCLG: affordable housing supply (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>); Housing supply: net additional dwellings (<https://www.gov.uk/government/collections/net-supply-of-housing>)



underdeliver on commitments made to local authorities and communities without sufficient challenge, especially when it comes to social rent homes.

- 1.3 **Councils are unable to hold developers to account on their obligations** because they are severely under-resourced or lack the expertise to challenge developers' viability assessments. The result is often that local authorities are forced to accept developers renege on their obligations or risk the site being abandoned.
- 1.4 **Section 106 contributions made "in kind" (generally cash payments) by developers rather than onsite often do not materialise in a way that brings tangible benefit to local communities;** they do not cover the cost of building social rent homes on other sites and delays in using contributions, often due to a lack of council capacity, results in the money not being spent at all and returned to developers.
- 1.5 Communities and local authorities accept new housing on the premise of affordable housing. **When these obligations are not delivered upon by developers it erodes the confidence and trust of communities and local authorities in the planning system** and the ability to deliver the social homes and infrastructure that people desperately need.

## WHAT THIS AMENDMENT DOES

- 2.1 Requires onsite delivery of affordable housing where it is agreed under Section 106, ending the practice of developers negotiating out of obligations.
- 2.2 Establishes a baseline of 20% social rent homes in every relevant development, or the higher percentage set by the local authority.
- 2.3 Uses the Regulator of Social Housing definition of social rent, ensuring the homes delivered are genuinely affordable social homes.
- 2.4 Still allows for a mix of tenures (homeownership, shared ownership, affordable rent) to be delivered but crucially guarantees that social rent delivery cannot be diluted below a minimum baseline.

## THE CASE FOR ACTION

- 3.1 **The planning system is failing to deliver social rent homes.** Social housebuilding is at historically low levels. Decades of de-prioritisation and underinvestment has left the country with a severe shortage of social rent homes. Over 1.3 million households are on the housing waiting list. 169,000 children are homeless, growing up in temporary accommodation. **It is costing £6 million per day in temporary accommodation costs alone**



– **projected to cost £10.7 million per day in 2029**, if we see no significant increase in social rent delivery.<sup>4</sup>

- 3.2 **It is critical for the government to build much more social housing**; the sector consensus is to deliver 90,000 per year over 10 years to end the housing emergency.<sup>5</sup>
- 3.3 **Over the past decade, private developers have consistently under-delivered on social housing obligations.** In 2023/24, only 3,870 social rent homes were delivered by private developers, just 1.7% of all new homes.
- 3.4 **Viability loopholes and negotiation delays undermine delivery.** Time and time again, developers either refuse to build when social rent homes are required or use the “viability” system to negotiate down their obligations. This has result in developments that do not deliver for communities, leaving councils powerless when it comes to enforcement. Higher levels of social housing speed up development and crowd in more housing delivery.<sup>6</sup>
- 3.5 **The amendment closes loopholes.** By requiring that at least 20% of homes in any development are for social rent – or more where local requirements demand it – this amendment ensures that affordable housing requirements are not just agreed in principle but are delivered in practice, onsite, for the communities that need them.
- 3.6 **Developers need to build their fair share of social housing for a sustainable housing system.** The government has committed to grant-funding 18,000 social rent homes per year over the next decade through the Social and Affordable Homes Programme (SAHP). But to come closer to meeting the widely supported target of 90,000 social homes per year, private developer contributions will be needed.
- 3.7 **Analysis by Shelter and global planning consultancy Arup illustrates that private developers could deliver over 24,000 social rent homes each year** if a minimum threshold of 20% for social rent delivery was implemented on large sites.<sup>7</sup>

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<sup>4</sup> Shelter. (2025) Future trends in temporary accommodation. Available at: [https://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/future\\_trends\\_in\\_temporary\\_accommodation](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/future_trends_in_temporary_accommodation)

<sup>5</sup> Bramley, G. (2019) Housing supply requirements across Great Britain for low-income households and homeless people: Research for Crisis and the National Housing Federation; Main Technical Report, Heriot-Watt University. Available at: <https://researchportal.hw.ac.uk/en/publications/housing-supply-requirements-across-great-britain-for-low-income-h>; Bramley, G. (2024) Housing Requirements in England Revisited, Heriot-Watt University. Available from: <https://researchportal.hw.ac.uk/en/publications/housing-requirements-in-england-revisited>

<sup>6</sup> Bramley, G. (ed.) (2025) The crowding-in effects of social housing, (Safe as Houses), Shelter. Available at: [https://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/safe\\_as\\_houses\\_why\\_investment\\_in\\_social\\_housing\\_is\\_great\\_for\\_us\\_and\\_our\\_economy](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/safe_as_houses_why_investment_in_social_housing_is_great_for_us_and_our_economy)

<sup>7</sup> Arup. (2024) Council Housing Social Rent Delivery’.



- 3.8 **Embedding a clear requirement gives both councils and developers the clarity they need to plan and build.** In turn, the land price will reflect obligations for social rent housing. Developers are no longer able to pay over the odds for land and then plead an inability to deliver on community obligations.
- 3.9 **Councils should be empowered to hold developers to account to ensure new developments deliver for communities.** Establishing a baseline for social housing delivery guarantees councils that developments will contribute toward managing their housing waiting list and temporary accommodation needs, along with providing support and clarity for local authorities without large resource for planning negotiations.

## AMENDMENT TEXT

**Lead member:** Lord Best

**Sponsors:** Baroness Thornhill, Lord Young of Cookham

*After Clause 51 insert the following new Clause—*

### ***“Delivery of affordable housing***

*(1)The Secretary of State must by regulations make provision for ensuring that when planning permission is granted subject to requirements for the delivery of affordable housing schemes on the relevant site, such requirements are fully implemented.*

*(2)The requirements for the delivery of affordable housing schemes referred to in subsection (1) shall be satisfied only if the percentage of the total housing constructed let as social rent housing exceeds the percentage set out in the authority’s affordable housing threshold or twenty per cent, whichever is higher.*

*(3)In subsection (2) ‘social rent housing’ has the meaning given in paragraph 7 of the Direction on the Rent Standard 2019 together with paragraph 4 of the Direction on the Rent Standard 2023, as modified by paragraph 8 of the Direction on the Rent Standard 2023.”*