

## Shelter Briefing: Levelling Up and Regeneration Bill

Last week Shelter released a new report, [Still Living in Limbo](#), which illustrated that temporary accommodation is now housing over 100,000 households, including over 125,000 children. This is a number that is on the rise; it has doubled in the last decade. Local authority housing waiting lists now sit at over 1.2 million households.

Over the same period, the number of social rented homes in England has fallen by 100,000. This isn't a coincidence. The housing emergency is a symptom of our broken housing system not delivering the social homes that we desperately need.

The Levelling Up and Regeneration Bill represents an opportunity to change the rules around planning and land to re-prioritise delivering social rent housing.

Shelter and our supporters are asking the House of Lords and the Government to support the following amendments:

1. Amendments 322 and 323 tabled by Baroness Armstrong of Hill Top and Baroness Hayman of Ullock redefines 'affordable' housing to mean genuinely affordable social rent housing.
1. Amendment 359 tabled by Lord Best ensures that social rent housing is a requirement of new housing developments for private developers.
2. Amendment 414 tabled by Baroness Taylor of Stevenage increases the powers of councils to acquire land to build social rent homes and the needed infrastructure.

### The housing emergency

Over the last decade, the number of social rented homes in England has fallen by more than 100,000. Into this void has emerged 1.2 million households on housing waiting lists, 100,000 households in temporary accommodation, more people being forced to rely on the increasingly unaffordable and under-regulated private rental sector.

Last week, Shelter released a new report, [Still Living in Limbo](#), showing that we currently pay £1.6 billion per year to house 125,000 children in temporary accommodation. The word 'temporary' is beginning to lose all meaning with more than two thirds (68%) of families living in TA for more than a year, for some it's more than a decade in accommodation that includes converted office blocks and B&Bs.

Living in temporary accommodation entrenches poverty and housing insecurity; is terrible for health and wellbeing; and devastates children's lives.

One respondent told us: "The sewer pipe burst carrying all the waste from the above flats. I spend days bleaching my kitchen. Sometimes I feel scared if I go out or [if I'm] at work I am going to come home to find my belongings under water or damaged."

Another: "It means that my son and I would be sharing a room while he's going through changes in puberty. I believe this will have a mental impact on my son. I think a mother [shouldn't] share a room with their son and have to in a way sleep together."



## The planning system must deliver social rent homes

To end this housing emergency, the planning reforms must prioritise delivering social rent homes. The current planning system does the opposite.

### 1. **'Affordable' homes are far from genuinely affordable for those on low incomes. We need social rent homes that are affordable by design.**

Currently, the definition of 'affordable housing' includes social rent housing, affordable rent housing, and affordable home ownership housing (e.g., shared ownership). Last year, only 9% of the homes delivered through the Affordable Homes Programme were genuinely affordable social homes (Shared Ownership 37%/Affordable Rent 52%).

Put simply, low cost homeownership is not going to help the 1.2 million households on waiting lists or the 100,000 households in temporary accommodation. It simply is not genuinely affordable for those on low to middle incomes. Equally, affordable rents are set at up to 80% of an increasingly unaffordable private rental market.

If we want to address the housing emergency, we need 'affordable' housing to actually be affordable for communities. This means redefining it to mean social rents – the only tenure that is affordable by design because it is linked to local incomes.

You can support **amendments 322 and 323** tabled by Baroness Armstrong of Hill Top and Baroness Hayman of Ullock to redefine affordable housing as social rented housing within the Infrastructure Levy.

### 2. **New housing developments don't truly meet local need, especially housing need; the planning system currently fails to hold developers to account to build social rent homes.**

The current system doesn't truly incentivise the delivery of genuinely affordable homes or the right infrastructure for local people because planning rules don't offer robust enough tools for councils to hold developers to account. The result is that delivering social rent homes isn't taken seriously by developers when it should be the first priority of any new housing development. Last year, developer contributions only delivered 2,878 social rent homes, when housing waiting list sit at over 1.2 million.

Planning reforms need to focus on ensuring the delivery of social rent housing to meet housing need if it is to truly deliver for communities. This can be done by making social rent housing an onsite requirement of new housing developments, providing the developer with certainty and the local authority with right homes. Without a requirement to build social rent homes within our planning system in current proposals, we risk losing the small number of social homes delivered.

You can support **amendment 359** tabled by Lord Best to make social rent housing a clear onsite requirement for new housing developments.

### 3. **Social rent housing is currently priced out of developments by the way that land is valued ('hope value'). We need to reform 'hope value' to ensure that the money we spend gets more quality social rent homes built.**



In 1961, the Government passed the Land Compensation Act which ruled that, in the event of a compulsory purchase, landowners should be paid not just for the value of their land as it stood but for its potential value if it were used for something else in the future, say a luxury development. This has driven up the price of land hugely for councils trying to build social homes.

The price that landowners can currently demand often makes social housebuilding unviable. In many parts of the country, it is almost impossible to fund building homes that are actually affordable for local people because the price of land makes it far too expensive. This means that to cover the total cost, a social housing provider has to find alternative sources of money or compromise on development ambition.

This has a direct impact on housing quality and social housing supply. With the lion's share of development costs spent on land, there's not enough money left to maintain housing stock and to deliver sub-market tenures like social housing that communities desperately need.

Work from Civitas has estimated reforming 'hope value' could slash 38% off the total development costs of a new scaled up programme of social housebuilding across England. This would make social housebuilding much more viable, allow investment to go further and for local authorities to begin to build the social homes they need.

You can support **amendment 414** tabled by Baroness Taylor of Stevenage that reforms how land is valued when it comes to delivering social rent homes and the required infrastructure on housing developments.

If you have any questions or queries, please contact [public\\_affairs@shelter.org.uk](mailto:public_affairs@shelter.org.uk)

