

Opposition Day Debate on planning

Planning White Paper: Threats to affordable housing

Last year, the Planning White Paper proposed to replace Section 106 and the Community Infrastructure Levy with a new Consolidated Infrastructure Levy. The government promised that reforms to the planning system will lead to the delivery of “at least” as much affordable housing. However, over the last five years social homebuilding has averaged less than 6,500 homes a year, which is less than 10% of the amount that is needed. Delivering “at least” as many social homes is simply not good enough.

Section 106

With grant levels for social housing so low, the planning system has taken the leading role in delivering social housing. Although far from perfect, Section 106 agreements between developers and local authorities have delivered more social housing over the last decade than any other route: in 2018/19, [ten times as many social homes were delivered through Section 106](#) agreements, compared to homes delivered with grants from Homes England or the GLA.

- Government statistics show that by 2018/19 almost half of the new affordable homes delivered were funded through Section 106 nil grant. This was up from 16% in 2007/08, at the previous market peak.
- Research commissioned by the government shows the total value of agreed Section 106 affordable housing obligations was £4.7 billion in 2018/19 alone. This is more than double the £1.7 billion spent by Homes England and the GLA on affordable housing grant in the same year, and higher than any level of direct government spending on new affordable homes for at least a generation.

There is scope to improve on Section 106 to make it more transparent, consistent and certain – and to get a larger share for social housing. However, it is also the most successful national policy tool for funding affordable homes through the planning system we have ever had.

The new consolidated infrastructure levy

In Shelter’s [response](#) to the Planning White Paper, we detailed how the new infrastructure levy could threaten existing social housing delivery and that any reforms must deliver much more social housing than the current system.

To our knowledge the government has not made any assessment of the impact that the new Infrastructure Levy will have on social housing delivery. It must undertake this urgently. **The government must produce detail on how the reforms will deliver social housing on the scale we need before the legislative process begins.** Shelter has called on the government should adopt a 'test and learn' approach, piloting these changes in certain parts of the country to understand the impact.

Increasing capital investment in social housing

The current reliance on Section 106 is a problem and Shelter is campaigning for government grants for social housing to be increased considerably. In order to tackle the housing emergency, we need to scale up social housing delivery across the country and provide decent, affordable homes to the millions who are either homeless or trapped in bad housing.

Reforms to the planning system alone cannot deliver enough social housing to meet the growing need across the country. **The government must also substantially increase capital investment in social housing.** [An investment of £12.8 billion a year over ten years would annually deliver 90,000 social rented homes](#), which are desperately needed to break the back of our housing emergency.

Suggested interventions and questions to the Minister

1. The new consolidated infrastructure levy is currently untested – and the government has made no assessment of the impact that it will have on the delivery of affordable housing. **Does my honourable friend agree with me that the government must provide information on how the levy will provide “at least” as many affordable homes as the current system?**
2. Over the last ten years, the planning system has had to take the leading role in delivering social housing – because grant levels are so woefully low. **Does my honourable friend agree that planning reforms alone cannot deliver the level of social homes that we urgently need across the country, and that grant levels for social housing must also be increased?**
3. The government’s White Paper commits to delivering “at least” as many affordable homes as the current planning system. But over the last five years social homebuilding has averaged less than 6,500 homes a year, a drop in the ocean for the scale that is needed. **Does my honourable friend agree with me that delivering “at least” as many affordable homes is simply not good enough?**
4. The housing charity Shelter has voiced concerns about the impact that the new infrastructure levy will have on the delivery of social housing. **Will the Minister commit to producing detail on how the reforms will deliver social housing on the scale we need before the legislative process begins?**