

Consequences of Failing to Meet Affordable Housing Needs

Appendix AG8

- 8.1 The National Housing Strategy¹ sets out that a thriving housing market that offers choice, flexibility and affordable housing is critical to our social and economic wellbeing.
- 8.2 A debate took place in the House of Commons on 24 October 2013 concerning the issue of planning and housing supply. Despite the debate taking place almost a decade ago the issues remain, and the commentary is sadly still highly pertinent to the issues surrounding affordable housing in St Albans.
- 8.3 The former Planning Minister, Nick Boles, provided a comprehensive and robust response to the diverse concerns raised, emphasising the pressing need for more housing, and in particular affordable housing across the country. He opened by stating:
- “I need not start by underlining the scale of the housing crisis faced by this country, the extent of the need for housing or the grief and hardship that the crisis is visiting on millions of our fellow citizens.”*
- 8.4 When asked to clarify the word “*crisis*” by the Member for Tewkesbury, Nick Boles commented that in the past year the percentage of first-time buyers in England who were able to buy a home without their parents’ help had fallen to the lowest level ever, under one third. He also commented that the first-time buyer age had crept up and up and was now nudging 40 in many parts of the country. He stated that the crisis “*is intense within the south-east and the south, but there are also pockets in parts of Yorkshire*”.
- 8.5 In response to questions, Nick Boles reaffirmed that:
- “Housing need is intense. I accept that my hon. Friend the Member for Tewkesbury (Mr Robertson) does not share my view, but many hon. Members do, and there are a lot of statistics to prove it”.*

¹ Laying the Foundations: A Housing Strategy for England (November 2011)

- 8.6 He went on to say: *“It is not unreasonable, however, for the Government to tell an authority, which is representing the people and has a duty to serve them, “Work out what’s needed, and make plans to provide it”. That is what we do with schools. We do not tell local authorities, “You can provide as many school places as you feel like”; we say, “Provide as many school places as are needed”. We do not tell the NHS, “Provide as many GPs as you feel you can afford right now”; we say, “Work out how many GPs are needed.” The same is true of housing sites: we tell local authorities, “Work out how many houses will be needed in your area over the next 15 years, and then make plans to provide them.”*
- 8.7 Mr Boles’ full response highlighted the Government’s recognition of the depth of the housing crisis and continued commitment to addressing, in particular, affordable, housing needs. The final quote above also emphasised the importance of properly assessing and understanding the needs; and planning to provide for them.
- 8.8 Mr Boles indicates that there are *“a lot of statistics to prove it”*. My evidence in subsequent sections sets out an array of statistics, which I consider demonstrates that the crisis remains as prominent now as it did in 2013.

Consequences of Failing to Meet Affordable Housing Need

- 8.9 This section highlights some of the evidence gathered in recent years demonstrating the significant consequences of failing to meet affordable housing needs.
- 8.10 In August 2019 the Children’s Commissioner produced a report titled *“Bleak Houses: Tackling the Crisis of Family Homelessness in England”* to investigate the impact of homelessness and in particular the effect of this upon children.
- 8.11 The report identified that family homelessness in England today is primarily a result of structural factors, including the lack of affordable housing and recent welfare reforms².
- 8.12 It stated that the social housing sector has been in decline for many years and that between the early 1980s and early 2010s, the proportion of Britons living in social housing halved, because of losses to stock through the Right to Buy and a drop in the amount of social housing being built.
- 8.13 The research found that the decline in social housing has forced many households, including families, into the private rented sector. High rents are a major problem:

² The Children’s Commissioner Report references a National Audit Office Report titled ‘Homelessness’ (2017) which concludes that government welfare reforms since 2011 have contributed towards homelessness, notably capping, and freezing Local Housing Allowance.

between 2011 and 2017 rents in England grew 60% quicker than wages. It stated that *“Simply put, many families cannot afford their rent. It is telling that over half of homeless families in England are in work”*.

- 8.14 The report particularly focused on the effect on children. The report revealed that many families face the problem of poor temporary accommodation and have no choice but to move out of their local area, which can have a *“deeply disruptive impact on family life”*. This can include lack of support (from grandparents for example) and travel costs.
- 8.15 It found that a child’s education can suffer, even if they stay in the same school, because poor quality accommodation makes it difficult to do homework and that younger children’s educational development can also be delayed.
- 8.16 Temporary accommodation also presents serious risks to children’s health, wellbeing, and safety. This is particularly so for families in B&Bs where they are often forced to share facilities with adults engaged in crime, anti-social behaviour, or those with substance abuse issues.
- 8.17 Other effects include lack of space to play (particularly in cramped B&Bs where one family shares a room) and a lack of security and stability. The report found (page 12) that denying children their right to adequate housing has a *“significant impact on many aspects of their lives”*.
- 8.18 More recently, in May 2021, Shelter published its report *“Denied the Right to a Safe Home – Exposing the Housing Emergency”* which sets out in stark terms the impacts of the affordable housing crisis. The report affirms that affordability of housing is the main cause of homelessness (page 15) and that *“we will only end the housing emergency by building affordable, good quality social homes”* (page 10).
- 8.19 In surveying 13,000 people, the research found that one in seven had to cut down on essentials like food or heating to pay the rent or mortgage. In addition, over the last 50 years the average share of income young families spend on housing has trebled. The following statements on the impacts of being denied a suitable home are also made in the report:

“Priced out of owning a home and denied social housing, people are forced to take what they can afford – even if it’s damp, cramped, or away from jobs and support networks.” (Page 5)

“... people on low incomes have to make unacceptable sacrifices to keep a roof over their head. Their physical and mental health suffers because of the

conditions. But because of high costs, discrimination, a lack of support, and fear of eviction if they complain to their landlord, they are left with no other option.” (Page 5)

The high cost of housing means the private-rented sector has doubled in size over the last 20 years. [...] Most private rentals are let on tenancies of 6 to 12 months, and renters can be evicted for no reason because of section 21. This creates a permanent state of stress and instability. (Page 6)

If you live in an overcrowded home, you’re more likely to get coronavirus. If you live in a home with damp and black mould on the walls, your health will suffer. (Page 9)

“14% of people say they’ve had to make unacceptable compromises to find a home they can afford, such as living far away from work or family support or having to put up with poor conditions or overcrowding” (Page 12)

“Spending 30% of your income on housing is usually the maximum amount regarded as affordable. Private renters spend the most, with the average household paying 38% of their income on rent, compared to social renters (31%) and owner-occupiers (19%).” (Page 14)

“19% of people say their experiences of finding and keeping a home makes them worry about the likelihood they will find a suitable home in the future.” (Page 15)

“Families in temporary accommodation can spend years waiting for a settled home, not knowing when it might come, where it might be, or how much it will cost. It’s unsettling, destabilising, and demoralising. It’s common to be moved from one accommodation to another at short notice. Meaning new schools, long commutes, and being removed from support networks. Parents in temporary accommodation report their children are ‘often unhappy or depressed’, anxious and distressed, struggle to sleep, wet the bed, or become clingy and withdrawn.” (Page 25)

“Landlords and letting agents frequently advertise properties as ‘No DSS’, meaning they won’t let to anyone claiming benefits. This practice disproportionately hurts women, Black and Bangladeshi families, and disabled people.” (Page 29)

“The situation is dire. A lack of housing means landlords and letting agents can discriminate knowing there is excess demand for their housing.” (Page 30)

- 8.20 Shelter estimate that some 17.5 million people are denied the right to a safe home and face the effects of high housing costs, lack of security of tenure and discrimination in the housing market (Page 32).
- 8.21 The Report concludes (page 33) that for change to happen, “*we must demand better conditions, fight racism and discrimination, end unfair evictions, and reform housing benefit. But when it comes down to it, there’s only one way to end the housing emergency. **Build more social housing***” (emphasis in original).
- 8.22 In April 2022 Shelter published a further report titled “*Unlocking Social Housing: How to fix the rules that are holding back building*”. The first paragraph of the Executive Summary is clear that:
- “Our housing system is broken. Across the country, renters are stuck in damp, crumbling homes that are making them sick. Private renters are forced to spend more than 30% of their income on rent. As a result, nearly half have no savings. Desperate parents fighting to keep a roof over their heads are forced to choose between rent and food.”*
- 8.23 The Executive Summary goes on to state that “**An affordable and secure home is a fundamental human need**” (emphasis in original) noting that one in three of us don’t have a safe place to call home and that finding a good-quality home at a fair price is impossible for so many people.
- 8.24 At page 6 the report considers the impacts of the Government plans to scrap developer contributions (Section 106 – s106) and replace it with a flat tax called the ‘infrastructure levy’. It states that:
- “This would mean that developers no longer build social housing on site, in return for planning permission, but instead pay a tax to the local council when they sell a home. The unintended consequence could add yet more barriers to social housebuilding and spell the end of mixed developments where social tenants live alongside private owners.” (My emphasis).*
- 8.25 In considering the impact of the PRS the report highlights at page 7 that nearly half of private renters are now forced to rely on housing benefit to pay their rent – “*That’s taxpayer money subsidising private landlords providing insecure and often poor-quality homes.*” The paragraph goes on to note that:
- “The lack of social housing has not just pushed homeownership out of reach, it’s made it nearly impossible for working families to lead healthy lives and keep stable*

jobs. Poor housing can threaten the life chances and educational attainment of their kids. If we want to level up the country, we must start with home.”

- 8.26 Regarding the temporary accommodation (“TA”) the report notes on page 10 that number of households living in such accommodation has nearly doubled over the last decade and the cost to the taxpayer has gone through the roof. The page also notes that *“TA cost councils £1.45bn last year (2020/21). 80% of this money went to private letting agents, landlords or companies.”*
- 8.27 Page 11 goes on to highlight that *“Of the nearly 100,000 households living in TA, more than a quarter (26,110) of these households are accommodated outside the local authority area they previously lived in.”* This means that *“Families have been forced to endure successive lockdowns in cramped, unhygienic, and uncertain living conditions, away from jobs, family, and support networks.”*
- 8.28 The page goes on to conclude that *“As a result, the national housing benefit bill has grown. Tenants’ incomes and government money is flowing into the hands of private landlords, paying for poorer quality and less security. **There are now more private renters claiming housing benefit than ever before.**”* (emphasis in original).
- 8.29 Page 9 is also clear that *“Since 2011, freezes to Local Housing Allowance (housing benefit for private renters) and blunt policies like the benefit cap have been employed to limit the amount of support individuals and families can receive. As a result, many thousands of renters’ housing benefit simply doesn’t meet the cost of paying the rent.”*
- 8.30 In considering the consequences of this page 12 notes that *“With fast growing rents, mounting food and energy bills, and a dire shortage of genuinely affordable social housing, these policies have failed to curb the rising benefits bill. Instead, they have tipped people into poverty, destitution and homelessness.”*
- 8.31 Finally, page 21 is clear that:

“For the over 1 million households on housing waitlists across England, who in the current system may never live with the security, safety, and stability that a good quality social home can provide, reforms cannot come any faster. Access to good housing affects every aspect of one’s life and outcomes like health, education, and social mobility. More to the point, the outcomes and holistic wellbeing of an individual or an entire household is not only meaningful for their trajectory, but also contributes to the threads of society by helping people contribute to their communities.”

The evidence is clear, the financial requirements to own one's home are out of reach for many. And many will spend years stuck in a private rented sector that's not fit for purpose. The answer is clear: build many more, good quality social homes for the communities that so desperately need them.” (My emphasis).

The Cost of Living Crisis

8.32 On 21 November 2022, the House of Commons published its 'Rising Cost of living in the UK' briefing report which highlights that the annual rate of inflation reached 11.1% in October 2022, a 41-year high, affecting the affordability of goods and services for households.

8.33 The briefing report details at Section 5.1 that:

“91% of adults in Great Britain reported an increase in their cost of living in October-November 2022 since the same period in 2021”. Moreover, Section 5.1 further specifies that “65% of those who reported a rise in the cost of living between 26 October - 6 November 2022 say they are spending less on non-essentials as a result, while 63% report using less energy at home and 44% report cutting back on essentials like food shopping. 2% were being supported by a charity, including food banks.” (My emphasis).

8.34 Additionally, page 45 of the House of Commons report recognises that renting in the private sector is becoming more unaffordable to people receiving benefits. Shelter published a briefing report in September 2022 titled 'Briefing: Cost of Living Crisis and the Housing Emergency' which further explains the private rented sector problem on page one:

“LHA which determines the amount of housing benefit private renters receive has been frozen since March 2020 while private rents have risen 5% in England – and even more in some parts of the country. The freeze has left low-income private renters in an incredibly precarious position. 54% of private renters claiming housing benefit have a shortfall to their rent.” (My emphasis).

8.35 The Shelter briefing sets out that low-income households (including those at risk of homelessness) have no choice but to turn to the private rented sector due to a severe shortage of affordable housing, and concludes on page two that *“the only sustainable solution is to address the causes of the housing emergency by investing in truly affordable social homes”*.

The Cost of Temporary Accommodation

- 8.36 In my opinion the cost of temporary accommodation is an important material consideration in the determination of this appeal.
- 8.37 BBC News reported on 13 October 2023 that English Councils spent more than £1.7bn on temporary accommodation for homeless people in the 2022/23 financial year. In my opinion this is a significant cost arising primarily as a consequence of a lack of affordable housing to adequately house people in need.
- 8.38 The article highlighted that the figure, published by the Department for Levelling Up, Housing and Communities (“DLUHC”), has increased by around 9% from the previous year. B&B accommodation alone in 2022/23 accounted for almost £500m in gross costs, increasing by a third on the previous year.
- 8.39 Shelter's chief executive Polly Neate was quoted in the article, stating that the amount spent on temporary accommodation was not only *"outrageous, but it's also illogical"*. She went on to say that:
- "We simply can't keep throwing money at grim B&Bs and hostels instead of focusing on helping families into a home. [..]*
- This decision combined with the decades of failure to build enough social homes has meant that families can't find anywhere affordable to live and as a result are forced into homelessness in cramped and unsuitable temporary accommodation, often miles away from their children's schools and support networks."* (Emphasis added)
- 8.40 Inside Housing reported in October 2023 that homelessness in England is continuing to increase, with figures published in July 2023 showing the number of people in temporary accommodation was at a record high and that the number of children in this situation is also at the highest level since records began in 2004.
- 8.41 The Inside Housing article also highlighted that the growing cost of temporary accommodation is putting local authorities' budgets under strain. It noted that that Hastings Borough Council recently faced bankruptcy, partly due to its large expenditure on temporary accommodation, which had risen to £5.6m per year, compared with £730,000 in 2019.
- 8.42 The report added that London councils are expected to overspend on temporary accommodation by £90m this year.

- 8.43 In December 2023, ITV News reported that almost one in five council leaders in England expect to issue Section 114 notices³ in 2024.
- 8.44 On the 23 January 2024, ITV News reported that the increasing cost of housing homeless people in temporary accommodation is putting local authorities on the brink of financial ruin.
- 8.45 The ITV News article added that according to homelessness charity Crisis, some 298,430 households approached their local council for homelessness support in the past year. Jasmine Basran, head of policy and campaigns at Crisis, said:
- "Crippling financial pressures from rising living costs, unaffordable rents and a severe lack of social homes is forcing more and more people into homelessness."*
(Emphasis added)
- 8.46 The ITV News article continued, adding that Eastbourne Borough Council ("EBC") is currently spending 49p of every £1 on temporary accommodation for homeless people. Stephen Holt, the leader of EBC said ministers must "recognise the gravity of this situation" and work out how to resolve it "before it is too late", adding that:
- "Simply put, without government intervention to tackle the tremendous cost of temporary accommodation and homelessness, the next step for many councils of all stripes is emergency budgets and section 114 notices."*
- 8.47 A further article from Inside Housing on 24 January 2024 reported that the surge in spending on temporary accommodation could spell the "end of local government".
- 8.48 The article highlighted that Councillors from across the political spectrum had expressed serious concerns over temporary accommodation spending at an emergency meeting in Westminster on 23 January 2024 where more than 50 local leaders met to discuss the "national crisis" caused by the cost of temporary accommodation.
- 8.49 I agree that the cost of housing people in affordable housing is spiralling out of control. I also agree with Polly Neate that, "*We simply can't keep throwing money at grim B&Bs and hostels instead of focusing on helping families into a home.*"

³ A section 114 notice means the council cannot make new spending commitments and must meet within 21 days to discuss what to do next.

Conclusions

8.50 Evidently, the consequences of failing to meet affordable housing needs in any local authority are significant. Some of the main consequences of households being denied a suitable affordable home have been identified as follows:

- A lack of financial security and stability;
- Poor impacts on physical and mental health;
- Decreased social mobility;
- Negative impacts on children's education and development;
- Reduced safety with households forced to share facilities with those engaged in crime, anti-social behaviour or those with substance abuse issues;
- Being housed outside social support networks;
- Having to prioritise paying an unaffordable rent or mortgage over basic human needs such as food (heating or eating); and
- An increasing national housing benefit bill.

8.51 These harsh consequences fall upon real households, and unequivocally highlight the importance of meeting affordable housing needs. These are real people in real need. An affordable and secure home is a fundamental human need, yet households on lower incomes are being forced to make unacceptable sacrifices for their housing.

8.52 I am strongly of the opinion that a step change in the delivery of affordable housing is needed now.

8.53 The acute level of affordable housing need in St Albans coupled with worsening affordability, will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so.