15 May 2020

Dear Justin,

I am writing to thank you for your contribution to the debate on the Housing Delivery Test on the 18th March. In the course of the ensuing debate I undertook to write on the matter of affordable housing, and on the effectiveness of the Housing Delivery Test. I am sorry for the delay in replying.

I would like to reassure you that the Government keeps the test and its effectiveness under review as a matter of course. This remains true in the current context and the Government is always willing to discuss a local authority’s particular situation. As I mentioned in the debate, the Planning Advisory Service is also available to provide guidance to those authorities needing to produce Action Plans to identify the causes of reduced housing delivery.

Baroness Thornhill mentioned the Planning White Paper and its role here. Regarding housing delivery, I can confirm that the Planning White Paper will explore wider options to encourage planning permissions to be built out more quickly, recognising that homes should be built out as soon as possible once planning permission is granted.

You raised the issue of affordable housing. At budget 2020 the Government announced an investment of £12 billion to build affordable homes between 2021/22 - 2025/26. This will be the biggest cash investment in affordable housing for a decade. This new 5-year investment will deliver additional affordable housing, help people to own their own home, and build social rent homes to help families and those most at risk of homelessness in areas of the country where affordability pressure is most acute. The Government has also lifted the HRA cap at Autumn Budget (29 Oct 2018) which has given councils the tools they need to deliver a new generation of council housing – up to an estimated 10,000 additional homes a year. Whilst local authorities are best placed to determine how much affordable housing is appropriate in their areas, and what tenure these homes should be, I hope this response clarifies how the Government is driving affordable housing delivery nationally by giving local authorities and housing associations the support to deliver affordable housing in their areas.

I hope you find this letter helpful. I will also send a copy to those Peers who spoke to the question and place a copy in the House library.

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