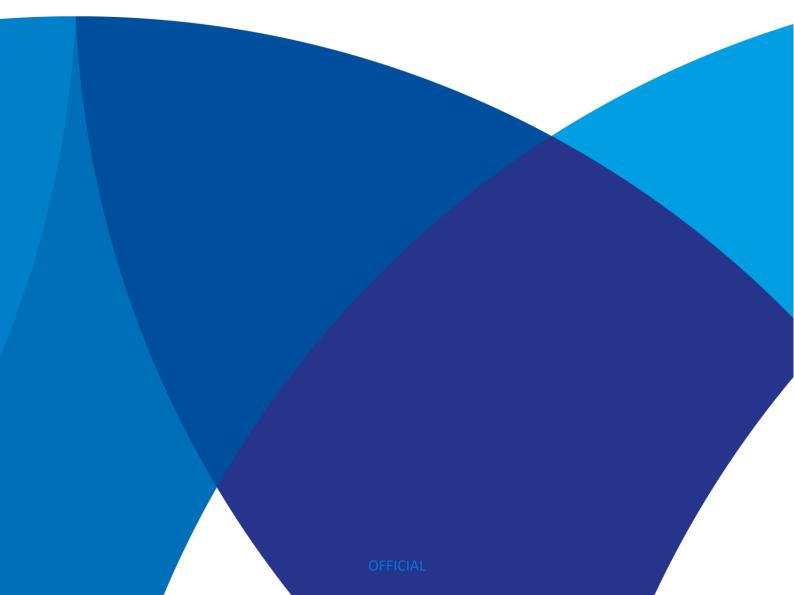


Making homes happen

Housing Statistics - Technical Notes

1 April 2022 – 30 September 2022

Published 1 December 2022



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1. National Statistics Status

The United Kingdom Statistics Authority designated these as National Statistics in February 2013, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the <u>Code of Practice for Statistics</u>.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods; and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

The Office for Statistics Regulation (OSR) conducted a compliance check of these statistics in 2021-22 and confirmed their continued designation as National Statistics on 25 March 2022.

2. Data Sources and Quality

- 2.1 Data for the following programmes have been produced using our Investment Management System (IMS), which contains information provided by investment partners in accordance with monitoring requirements for the payment of grant: Affordable Homes Guarantees, Affordable Homes Programme (AHP), AHP 2015-18, AHP 2021-26, Care and Support Specialised Housing, Empty Homes, Empty Homes Round Two, FirstBuy, Homelessness Change, Homelessness Change 2015-18, the Kickstart Housing Delivery Programme (HomeBuy Direct and National Affordable Housing Programme), the Local Authority New Build Programme, Mortgage Rescue, the National Affordable Housing Programme, Platform for Life, Rent to Buy, Right to Buy Replacement, Short Form Agreements, Shared Ownership and Affordable Homes Programme (SOAHP) 2016-21 and Traveller Pitch Funding.
- 2.2 Investment partners are responsible for self-certifying and validating any outputs funded through Homes England's affordable housing programmes based on the relevant guidance (Capital Funding Guide) and in accordance with the terms and conditions of their grant funding agreement. An annual compliance audit is undertaken by externally appointed auditors of a sample of randomly selected self-certified outputs (around 10% of all schemes which completed in the previous year are selected for auditing).
- 2.3 Data for the following programmes have been produced using our Project Control System (PCS), which is maintained by our own staff based on the best information currently available: Accelerated Land Disposal, Build to Rent, Builders Finance Fund, Economic Assets, Get Britain Building, Kickstart Housing Delivery (Investment Support), Levelling Up Home Building Fund, Local Authority Accelerated Construction, Property and Regeneration, Single Land and the Home Building Fund Short Term Fund programmes.
- 2.4 Data in PCS are validated by Homes England staff (project managers) and evidenced through documentation obtained from independent third parties such as progress reports and completion certificates from warranty providers and building control inspectors. Further data integrity checks are carried out by programme support teams who ensure that data are accurately and consistently recorded e.g. starts and completions match each other in terms of quantity and tenure etc.

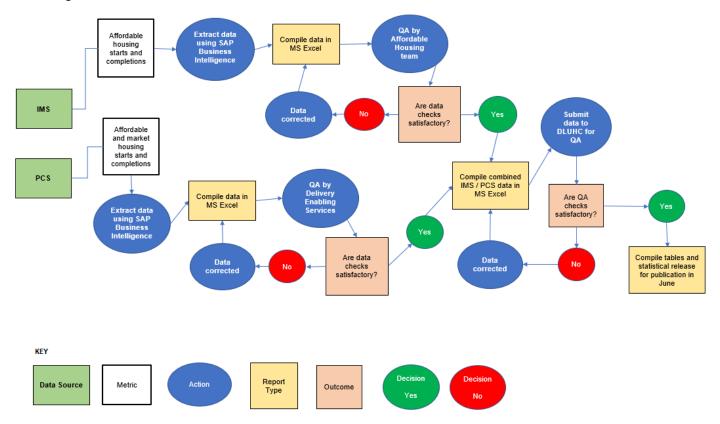
3. Assessment of Data Quality

- 3.1 In 2015 the United Kingdom Statistics Authority (UKSA) published a <u>regulatory standard for the quality assurance</u> of administrative data. To assess the quality of the data provided for this release Homes England has followed that standard.
- 3.2 The standard is supported with an Administrative Data Quality Assurance Toolkit (available on the linked website in the paragraph above) which provides useful guidance on the practices that can be adopted to assure the quality of the data they utilise.
- 3.3 The Housing Statistics release is produced using data from two of Homes England's systems IMS and PCS. An assessment of the level of risk based on the Quality Assurance Toolkit is as follows:

Risk/Profile Matrix Statistical Series	Administrative Source	Data Quality Concern	Public Interest	Matrix Classification
Homes England Housing Statistics	Homes England data systems	Low	High	Medium Risk – A2

- 3.4 The Homes England Housing Statistics publication can be considered as high public interest as the agency has the remit of being the government's housing accelerator and therefore there is significant media interest and high political sensitivity as well as economic importance.
- 3.5 The Data Quality Concern is considered to be low as all data come from systems within Homes England. Those systems have robust measures in place to ensure that data is checked and validated as described under 'Data Sources and Quality' above.

Figure 1: Quality assurance flow diagram Operational context and administrative data collection.



Homes England - Statistics Data Flow

The main data sources for Homes England Housing statistics are the Investment Management System (IMS) and Project Control System (PCS) utilised by the organisation to manage Homes England's programmes.

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4. Revisions

Revisions policy

4.1 Homes England has adopted the revisions policy developed by DLUHC¹. This policy covers two types of revisions.

Scheduled revisions

- 4.2 These statistics are drawn from funding and project administration systems and, therefore, updated information can be provided by funding recipients and developers after the official statistics have been extracted and compiled from these systems. This is particularly the case during the financial year and figures for the first six months of the year, as reported in the November/December release, are subject to scheduled revision in the release of financial year data in May/June. It is also possible for revisions to be made for earlier periods, although procedures are in place to minimise the scale of these.
- 4.3 As notified in our release of official statistics published on 11 June 2013, we will make scheduled revisions once a year in May/June. These revisions will cover the first six months of the full year being reported together with revisions for the previous two financial years. Data for earlier years will be regarded as final and there will be no further changes.

Non-scheduled revisions

- 4.4 If a substantial error occurs as a result of the production process, the statistical release and accompanying tables will be updated with a correction notice as soon as is practical.
- 4.5 If, as a result of new information, there are significant or noteworthy changes to the figures in years outside of the scheduled revisions period, that information will be revised in the May/June release together with scheduled revisions.

If you would like to comment on our revisions policy please contact Mike Shone by email at <u>housing.statistics@homesengland.gov.uk</u>.

¹ <u>https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy</u>

5. Definitions

Affordable housing

Affordable Housing is the sum of Affordable Rent, Social Rent, Intermediate Rent and Affordable Home Ownership (Shared Ownership and Rent to Buy). Affordable homes are defined in line with the National Planning Policy Framework², published 27 March 2012 and updated 20 July 2021, as housing units (or traveller pitches and bed spaces when describing a shared dwelling such as a hostel) provided to specified eligible households whose needs are not met by the market. Eligibility may be determined with regard to local authority allocations policies, local incomes and local house prices depending on the type of affordable housing. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. The term 'affordable housing' is equivalent to 'social housing' as defined in Section 68 of the Housing and Regeneration Act 2008³.

Affordable rented housing

Affordable rented housing is a form of social housing, introduced in 2011. It may only be delivered with grant through the AHP 2011-15 and other associated and subsequent programmes or without grant by local authority and other providers, where a contract or confirmation of the ability to charge an Affordable Rent is in place. Affordable rented homes are let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of up to 80 per cent of the local market rent (including service charges, where applicable).

Social rented housing

Social rented housing is rented housing owned and managed by local authorities and private registered providers, for which target rents are determined through the national rent regime. It may also include rented housing managed by other persons and provided under equivalent rental arrangements to the above.

Intermediate affordable housing

Intermediate affordable housing is housing at prices and rents above those of Social Rent but below market price or rents, and which meet the criteria as set out in the definition for affordable housing. These can include Shared Ownership, equity loan products, Rent to Buy and Intermediate Rent. Intermediate rented housing was eligible for funding under the now closed NAHP.

Equity loan scheme

Under an **equity loan scheme** for affordable housing, the majority of the cost (usually at least 70 per cent) is funded by the purchaser through a mortgage and savings (deposit). The remaining cost of the home is paid for by the government and the house builder through an equity loan. The property title is held by the home owner who can therefore sell their home at any time and upon sale should provide the government and the house builder the value of the same equity share of the property when it is sold. In the historical series covered by this release, equity loan was available under FirstBuy, Kickstart and the NAHP (HomeBuy Direct). There are a small number of equity loan cases in the current series.

Shared Ownership scheme

Shared Ownership allows a household to buy a share of a home from an affordable housing provider, with the provider owning the remaining share. Rent is paid by the purchaser on the share owned by the provider. The purchaser has the option of buying additional shares up to 100% through a process known as 'staircasing'. There are exceptions to this for some Shared Ownership homes in rural areas and homes developed for older persons.

From 1 April 2021 there are two Homes England funding programmes running concurrently and delivering Shared Ownership products. First, the legacy Shared Ownership Affordable Homes Programme (SOAHP) 2016 to 2021 (see <u>SOAHP 2016-21</u> for a summary of this programme) where Shared Ownership completions will continue until the end of March 2023. Second, the Affordable Homes Programme (AHP) 2021 to 2026 which began on 1 April 2021 with completions to be achieved by the end of March 2026.

² https://www.gov.uk/government/publications/national-planning-policy-framework--2

³ <u>http://www.legislation.gov.uk/ukpga/2008/17/pdfs/ukpga_20080017_en.pdf</u>

For Shared Ownership homes funded through the SOAHP 2016 to 2021 the households are able to purchase a share between 25 per cent and 75 per cent and can only staircase in minimum increments of 10 per cent. For Shared Ownership homes funded through the AHP 2021 to 2026 households can purchase between 10 per cent and 75 per cent and can staircase by as little as 1 per cent per year in the first 15 years.

The Government introduced other changes to the Shared Ownership product from 1 April 2021 through the AHP 2021 to 2026. For more information and detail on these changes please refer to the Government's <u>New model for Shared</u> <u>Ownership: technical consultation - summary of responses</u> and Homes England's <u>Capital Funding Guide – Shared</u> <u>Ownership</u>.

Rent to Buy scheme

Under the **Rent to Buy scheme** for affordable housing, homes are let at an Intermediate Rent to tenants who plan to buy in the future but need a period of lower rents to help them to save for a deposit. After an initial rental period (at least the first five years of the life of the property) the tenant has the option to buy outright the home they are living in. Grant funded Intermediate Rent has to be set at no more than 80 per cent of the market rate.

First Homes

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. See <u>https://www.gov.uk/guidance/first-homes</u> for further details.

Market housing

Market housing is private housing (or bed spaces) for rent or for sale where the rental value or market price is set mainly in the open market.

Acquisitions (non-new build)

Acquisitions (non-new build) are additions to affordable or market housing supply that take place without building a new property. This can include the purchase of existing properties for use as affordable or market housing. It may also include empty properties brought back into use. These will normally be long term empty properties where rehabilitation works are required and which would not otherwise come back into use without intervention. Conversions of existing affordable or market properties are only included where there is substantial re-improvement works carried out to the fabric of the building (for example the conversion of bedsits to self-contained apartments). Repairs or simple refurbishment of properties are not included.

Housing starts on site

Housing starts on site are reported when the provider/developer and builder have entered into the house building contract, the building contractor has taken possession of the site and the start on site works have commenced. Starts on site are not applicable for Mortgage Rescue or for equity loan products delivered under FirstBuy.

Housing completions

Housing completions are reported when the units are fit for occupation or, in the case of Mortgage Rescue and equity loan products delivered under FirstBuy, the Kickstart Housing Delivery Programme, the AHP 2011-15 and the National Affordable Housing Programme, at the point of completion of the purchase.

Private registered providers

Private registered providers, under the terms of the 2008 Housing and Regeneration Act⁴, are organisations which provide social housing, either in a for-profit or not-for-profit capacity, and who are registered on the Statutory Register of Providers of Social Housing maintained by Homes England. Most private registered providers are housing associations. The term excludes local authorities, who also provide social housing. Any private provider wishing to deliver Affordable Rent homes, who has not contracted with Homes England through a Grant Agreement, must contract with Homes England through a Short Form Agreement to deliver Affordable Rent without grant. The definition of private registered providers is not affected by the Office for National Statistics' decision to classify them to the private sector for National Accounts and statistical purposes (16 November 2017)⁵.

⁴ http://www.legislation.gov.uk/ukpga/2008/17/pdfs/ukpga_20080017_en.pdf

⁵ Statement on classification of English housing associations, November 2017 - Office for National Statistics

6. Related statistics

Affordable housing starts on site and completions funded by Homes England and the GLA

- 6.1 Since April 2012, the Mayor of London has had oversight of strategic housing, regeneration and economic development in London. This means that Homes England no longer publishes affordable housing starts on site and completions for London, except for delivery in London under the Builders Finance Fund (now called the Home Building Fund Short Term Fund), the Get Britain Building programme and the Levelling Up Home Building Fund (LU-HBF) which are administered by Homes England on behalf of the GLA. Responsibility for publication of other London delivery has been taken over by the GLA. In addition to its annual release, DLUHC combines half-year data from Homes England and the GLA to publish six monthly affordable housing starts on site and completions delivered nationally under the affordable housing programmes of Homes England and the GLA.
- 6.2 The combined statistics published by DLUHC are available from the DLUHC website⁶ and housing statistics published by the GLA are available from the GLA website⁷. DLUHC has combined the affordable housing statistics in this release with the GLA's affordable housing statistics to produce Table 1012 showing total affordable housing starts on site and completions delivered nationally under the affordable housing programmes of Homes England and the GLA⁸.
- 6.3 Delivery of affordable homes forms part of the DLUHC business plan. Homes England is responsible for the administration of the programmes that deliver affordable housing (as described in section 2 of the statistics release document⁹) and report on progress in their annual report¹⁰.

Affordable housing supply

6.4 The annual Affordable Housing Supply release published by DLUHC (see paragraph 2.2 of the statistics release document), includes delivery of affordable housing, but not market housing. Starts information was only available from data provided by Homes England and the GLA in 2015-16. For 2016-17 data on starts was also collected from local authorities. However, the submission of starts data by local authorities is voluntary as some of them may be unable to provide figures. This means that starts funded directly by local authorities or by planning agreements that are not included in the Homes England or GLA statistics were not included in 2015-16 data and may be under reported in subsequent publications. Delivery through Homes England (and the GLA) accounts for the majority of Affordable Housing Supply, but the scope of the statistics reported by DLUHC is wider. It also includes delivery through other Homes England and GLA programmes not reported here as well as affordable housing not covered by Homes England and GLA programmes that is reported in local authority returns to the Department. The DLUHC publication provides less detail about the individual Homes England programmes and focuses more on the properties of the units delivered, such as tenure and whether they are new build or acquisitions. The 'Data sources' section of the DLUHC release provides more information about the coverage of the release⁶.

Help to Buy

6.5 The Help to Buy (Equity Loan scheme) release published by DLUHC details the number of home purchases and the value of equity loans under the Government's Help to Buy: Equity Loan scheme. Homes England is responsible for all Help to Buy (Equity Loan scheme) delivery including London. The number of home purchases delivered through Homes England is published by DLUHC together with information about the type and price of properties purchased, purchaser deposits and applicant incomes¹¹.

¹¹ https://www.gov.uk/government/collections/help-to-buy-equity-loan-and-newbuy-statistics

⁶ https://www.gov.uk/government/collections/affordable-housing-supply

⁷ <u>https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/affordable-housing-statistics</u>

⁸ https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply

⁹ <u>https://www.gov.uk/government/collections/housing-statistics</u>

¹⁰ https://www.gov.uk/government/publications/homes-england-annual-report-and-financial-statements-2021-to-2022

7. Statistics for other nations of the UK

Wales

The Welsh Government publishes an annual statistical release on additional affordable housing delivered across Wales. The data are based on direct returns from local authorities, National park authorities and registered social landlords. Affordable housing applies to housing where secure mechanisms are in place to ensure that it is accessible to those who cannot afford market housing, both on first and subsequent occupation as defined in <u>Technical Advice Note (TAN) 212</u> Planning and Affordable Housing (2006). The figures cover all additional affordable housing units, whether through new build, purchase, acquisition, leasing or conversion of existing dwellings. They do not take account of any loss of affordable housing stock through demolitions or sales during the year.

Affordable housing includes social rented housing that is provided by local authorities and registered social landlords as well as intermediate housing where prices or rents are above those of social rent but below market housing prices or rents. Figures include additional affordable housing units provided under schemes which may provide for stair-casing to full ownership as long as there are secure arrangements in place to ensure the recycling of capital receipts to provide replacement affordable housing. The additional affordable housing figures shown within this release include those housing units leased to provide accommodation for homeless families where the lease is for more than a year. It should be noted however that these units do not fully conform to the TAN 2 definition in relation to the subsequent occupation once the lease has expired.

The additional affordable housing figures will include any units that have been specifically delivered through planning obligations (section 106 agreements) or planning conditions either as a part of or as a result of market housing developments. The number of affordable homes provided on a particular site will be determined by the local authority's planning policy and negotiations with the developer. The agreed affordable housing contribution will be secured via a section 106 agreement which is a legally binding contract between a developer and a local planning authority that operates alongside a planning permission.

The latest annual release is available at the following link: https://gov.wales/affordable-housing-provision

The full data set is available on Stats Wales at: <u>https://statswales.gov.wales/Catalogue/Housing/Affordable-Housing/Provision</u>

Information on related statistics for other UK countries is shown in the Quality report published alongside the annual release: <u>https://gov.wales/additional-affordable-housing-provision-quality-report</u>

Scotland

The Scottish Government publishes statistics on affordable housing supply in Scotland as part of the Housing Statistics Quarterly Updates, available at https://www.gov.scot/collections/housing-statistics/.

Excel tables on affordable housing supply in Scotland are available in a separate link to the publication at https://www.gov.scot/publications/housing-statistics-for-scotland-new-house-building/.

Figures are also published as open data on statistics.gov.scot, at https://statistics.gov.scot/resource?uri=http%3A%2F%2Fstatistics.gov.scot%2Fdata%2Faffordable-housing-supply-programme.

The affordable housing supply statistics are based on information held in the Scottish Government Affordable Housing Supply Programme administration system, which records activity on all affordable housing projects which receive some form of government support through loans, grant or guarantees, but which will exclude some units which are delivered without government support, such as some contributions by private sector developers which are agreed through the planning system. Information available includes the number of units which are approved, started and completed in each quarterly period. The approvals, starts and completions are also split by the type of affordable housing provided, and whether the units are classified as new build, off-the-shelf or rehabilitation. The affordable housing supply figures exclude demolitions and any sales of existing stock, and so should be treated as 'gross' estimates of supply.

¹² The private sector units leased for more than 1 year to house homeless families and included within the overall total do not fully conform to the (TAN)2 definition.
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Northern Ireland

For the purposes of the Strategic Planning Policy Statement for Northern Ireland (SPPS), 'affordable housing' is defined as:

- a) Social rented housing; or
- b) Intermediate housing for sale; or
- c) Intermediate housing for rent

that is provided outside of the general market, for those whose needs are not met by the market. Affordable housing which is funded by Government must remain affordable or alternatively there must be provision for the public subsidy to be repaid or recycled in the provision of new affordable housing.

Social Rented Housing is housing provided at an affordable rent by a Registered Housing Association; that is, one which is registered and regulated by the Department for Communities as a social housing provider. Social rented accommodation should be available to households in housing need and is offered in accordance with the Common Selection Scheme, administered by the Northern Ireland Housing Executive, which prioritises households who are living in unsuitable or insecure accommodation.

Intermediate Housing for sale consists of shared ownership housing provided through a Registered Housing Association (e.g. the Co Ownership Housing Association) and helps households who can afford a small mortgage, but that are not able to afford to buy a property outright. The property is split between part ownership by the householder and part social renting from the Registered Housing Association. The proportion of property ownership and renting can vary depending on householder circumstances and preferences.

Intermediate Housing for rent products are currently not available in Northern Ireland. However, the Department for Communities, as part of a programme of work to explore the development of new, good quality, secure and affordable rent products, has recently launched a public consultation seeking views on policy proposals for the introduction of an Intermediate Rent Model for the housing market in Northern Ireland. The consultation will close on 14 January 2022.

This definition of intermediate housing used for the purpose of this policy may change over time to incorporate other forms of housing tenure below open market rates.

Northern Ireland Statistics and Research Agency and the Department for Communities publish an annual compendium on housing statistics, which includes data tables relating to changes to social stock. This can be found via their web pages here: <u>https://www.communities-ni.gov.uk/topics/housing-statistics</u>

This includes tables on new build completions by housing associations and in the social rented sector and information on co-ownership sales (the equivalent of affordable home ownership HomeBuy schemes in Great Britain).

8. User consultation

Users' comments on any issues relating to this document are welcomed and encouraged. Responses should be sent to the "Statistical Enquiries" address given below:

Enquiries

Media Enquiries	Email: <u>media@homesengland.</u> Tel: 020 7874 8262	<u>gov.uk</u>
Statistical Enquiries	Mike Shone (c/o) Email: <u>housing.statistics@home</u> Tel: 01234 242537	sengland.gov.uk

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