

## Current Development Plan Issues: Housing Need



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## NPPG- refresher

- SM- formula- identification of minimum number of homes
- 3 steps
  - Baseline/national household growth projections
  - Affordability adjustment
  - Cap
- Closer scrutiny at Examination if alternative approach used
- Expectation SM will be used unless exceptional circumstances
- Can plan for a higher number
- Planning for a lower number requires exceptional local circumstances- will be tested at Examination.

## Recent example: London Legacy Development Corporation

- LLDC Local Plan review- Inspector agreed exceptional circumstances existed to justify using an alternative approach to the SM
- GLA demographic projections for London are for the Boroughs and not the development corporations
- LLDC no nationally available data for its area; not possible to use the SM
- Emerging London Plan housing needs figure- 2160 dpa; LLDC OAN- 619dpa
- Identified capacity limited in LLDC's area, especially when considered alongside the need as part of the Olympic legacy to prioritise land to provide an effective employment base for the plan area

## Concerns about the standard method

- Deallocation of land from the GB- particularly in the Home Counties- to ensure the required number of new homes can be planned for.
- A different approach?
- A move away from use of household growth projections- focus on the scale of an area's housing market activity and the size of its housing stock rather than on household formation.

## *Potential change afoot*

- Government paper 'Planning for the Future' detailed a range of fresh changes to the planning system, alongside details on what will be included in the forthcoming planning White Paper.
- Includes: a plan to review the formula for calculating housing need in order to encourage "greater building in urban areas". One of the "new tools to support communities to densify and make best use of their underutilised brownfield land".
- Robert Jenrick said: "We'll be reviewing our approach to planning to ensure our system enables more homes to come forward in the places that people most want to live, with jobs, with transport links and other amenities on their doorstep. This means making the best use of land and existing transport infrastructure. To that end, I'm announcing that we will review the formula for calculating local housing need, taking a fresh approach, which means building more homes, but encouraging greater building in urban areas."
- "We will introduce a new approach which encourages greater building within and near to urban areas and makes sure the country is planning for the delivery of 300,000 new homes a year."

## contd

- Second major change to the standard method since its introduction.
  - MHCLG said when 2018 NPPF published would revise the SM in expectation of forthcoming ONS household projections that were anticipated to show a substantial drop in growth rates.
  - The revised 2016-based projections published in Sept 2018 produced large drops in local housing need in many areas.
  - MHCLG announcement October 2018 that planners should ignore the latest figures when assessing their local housing need and instead use the 2014-based figures published two years earlier. With a promise for the longer term, to "review the formula with a view to establishing a new method...by the time the next projections are issued". It said the review should meet principles including "providing stability and certainty" for local authorities and "ensuring that planning responds not only to movements in projected households but also to price signals".
- Comment that a plan for local housing need "is only as good as the results it delivers"; "we will introduce new changes to ensure that land, sites and homes come forward on time and incentivise authorities to deliver more homes"
- Include- the deadline for all local authorities to have an up to date local plan (Dec 2023), continuing to drive supply through the HDT (presumption from Nov 2020 will apply to all authorities that have delivered less than 75% of identified needs) and reforming the New Homes Bonus to reward delivery.

## Potential point of challenge

- SM only to be departed from in *exceptional circumstances*; NPPF 60

*“60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance- unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”*

## Exceptional circumstances?

- Exceptional *local* circumstances needed to justify planning for a lower figure than that produced by the SM; NPPG para 2a-015
- Need for something unusual about the local area which could not be repeated anywhere else around the country
- Something relevantly unusual such that in order to reflect current and future demographic trends and market signals something should be done other than following the result of the application of the SM
- SM very much the 'safe zone'; stepping outside effectively means demonstrating SM not doing what it is meant to ie identifying the need
- Representations- local green groups?- alleging ELC
- Need to distinguish extent to which constitute criticism of SM itself, EiP not the forum for that



# Thank you for listening

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