



Ministry of Housing,
Communities &
Local Government

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**Ministry of Housing, Communities and Local
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To: all MPs in England

Dear colleague,

Today, the government has published its response to the consultation on the standard method for assessing Local Housing Need and has outlined a broader strategy to increase housing delivery as we recover from the Covid-19 pandemic. This means building more homes that people can afford and making the most of existing assets to help regenerate our urban centres and protect cherished green spaces. Increasing the national housing supply is a priority for this Government, not least because we know that housing supply will be a major driver for jobs and our economic recovery - every 100,000 homes built has on average contributed to 1% of GDP.

Local Housing Need

Local housing need was introduced in the revised National Planning Policy Framework to provide a standard method for assessing local housing need. This is the first stage for Local Authorities in identifying the housing need in a local area. Local housing need does not set a target for the number of homes to be built – local planning authorities take into account land supply considerations and environmental constraints before determining the number of homes likely to be delivered in the area. Nor does local housing need dictate where those homes are built – the location of new homes is also determined by the local planning authority.

The *Changes to the Current Planning System* consultation, published on 6 August 2020, proposed updating the formula. Our objective is to ensure we are planning for the 300,000 homes a year by the mid-2020s committed to in our Manifesto, whilst continuing to protect the Green Belt and make the best use of brownfield and urban centre land.

We have today published a [response](#) to the local housing need proposals. The responses showed that people wanted to build more homes, but there was a strong desire that this need should be met in existing urban areas, where possible.

There are good reasons for this. Our urban centres are the best-served by existing infrastructure – with public transport links, schools, shops and medical facilities. Building more homes in our cities and urban centres will also mean making the best use of brownfield land and protecting our countryside as much practicable.

For these reasons, we plan to leave the Local Housing Need method created in 2017 the same for the majority of local authorities. We have seen that this method has already helped create ambitious plans in many parts of England. It is also clear that it has not acted as a ceiling for the ambitions of local authorities, with many already choosing or planning to choose to exceed their local figures to

meet the needs of their residents and create jobs in their areas. We will work with these places to support their efforts.

Yet, we recognise that we need to go further than the previous Local Housing Need to achieve the ambition shown in the response to the consultation to build more in urban areas. We will be increasing the local housing need number from the standard method by 35 per cent for authorities which contain the largest proportion of the 20 most populated cities and urban centres in England. In order of size, beginning with the largest, these places are: London, Birmingham, Liverpool, Bristol, Manchester, Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove. Many of these places are already delivering or have a plan to deliver at or around this level.

The standard method will, as now, remain a starting point for plan making. This recognises that not everywhere will be able to meet their housing need in full – for example, where available land is constrained due to the Green Belt and an area therefore has to plan for fewer new homes. Furthermore, areas which want to be more ambitious in planning for more homes should continue this where appropriate. I would also like to clarify that although Local Plans should cover a minimum period of 15 years, councils are able to review their plans for housing during this period. Plans must be reviewed at least once every five years to take into account changes in circumstances and to ensure policies remain effective.

We are also announcing that local authorities delivering the additional uplift who are already at the second stage of consultation on an existing plan (regulation 19) will have 6 months to submit a plan to the Planning Inspectorate under the existing method, and those at the first stage (regulation 18) will have up to 9 months. All authorities should have an up-to-date plan. Where relevant, a transitional period of 6 months for decision making will also apply.

London

In order to meet the housing needs of the country, London needs to deliver more homes. Delivery in the capital remains too low, creating acute affordability changes which are affecting people in London, as well as putting pressure on the South East.

In the short-term, we expect to agree the London Plan with the Mayor early in the new year which will set London's local housing need for the next 5 years. This will support greater ambition in London, but alone won't go far enough to meet need in London. To protect the character of existing communities in outer London, the Secretary of State has directed the Mayor as part of the new London Plan to introduce a policy ensuring that boroughs will be able to define what a tall building is, and that they are only brought forward in areas defined by the boroughs in their Local Plans. We now need to focus on the medium and long term to create a plan to better meet London's housing needs, whilst protecting the character of London's communities, particularly in outer London, and London as a place for families.

We will consider how Homes England can play an active role in London, working with the GLA and directly with ambitious boroughs. There are clear areas for development in London, including Nine Elms, Old Oak Common and more broadly in inner East London where there is significant brownfield land for development. We will work with these areas to develop a long term plan to scale up building in London.

Announcements to support economic growth and housing delivery

To assist areas in meeting the national challenge of delivering the right homes in the right places, we are announcing a series of initiatives.

First, we are establishing an Urban Centre Recovery Taskforce, which will bring together leading experts in the field, like Sir Howard Bernstein, Sir George Iacobescu and Dame Alison Nimmo, to consider what actions the government could take to support urban centres as the Covid restrictions are lifted.

Second, we intend to revise the current 80:20 rules on how government funding is allocated, to ensure that housing infrastructure funding is available to all parts of England and is at the service of the most ambitious councils and those who want to tackle unaffordability.

Third, we will invest more in areas to regenerate their brownfield land as part of our National Housebuilding Fund. Today we are announcing £67 million of funding from this to help the West Midlands and Greater Manchester Mayoral Combined Authorities to deliver new homes on brownfield land, such as the Longbridge site in Birmingham. And we have launched a new £100 million Brownfield Land Release fund for local authorities to encourage similar ambitions.

Next steps for planning reform

The *Planning for the Future* White Paper set out our plans for reform of the planning system and we have received more than 40,000 responses. We are currently considering these and will provide a full response in due course. We will deliver a simpler, faster and more certain planning system to increase housebuilding, create jobs, encourage a more diverse industry and improve outcomes.

As well as consulting on the local housing need methodology, the *Changes to the Current Planning System* consultation sought views on a number of other matters, and we are carefully considering the consultation responses in the context of our proposals for wider reform. Within this consultation we sought views on securing First Homes through developer contributions in the short term and we will respond to this part of the consultation in the new year.

I hope that this letter reassures you of the Government's commitment to levelling up and delivering the homes that people need.



RT HON CHRISTOPHER PINCHER MP