

Housing Supply: The Government wants your views



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As some readers may be aware, the Government is midway through another consultation on proposed changes to the planning system, following the publication of the White Paper, “Fixing Our Broken Housing Market”, in March this year. In that White Paper, the Prime Minister said that Britain’s “broken” housing market is one of the greatest barriers to progress today.

The current consultation relates to England only and covers a range of issues, but most relevant to the reader is likely to be the Government’s proposals to introduce a standard method of measuring local housing need.

LOCAL HOUSING NEED

At present, the calculation of local housing need across England is carried out inconsistently, often resulting in protracted debate and delays to the local plan process. To streamline this, the Government is proposing a uniform approach that all local authorities should follow if they submit their local plans to the Secretary of State after 31 March 2018. This approach will also be the basis for the calculation of the five year housing land supply.

The new approach can be summarised thus:

- The starting point remains projections of future household growth in each local authority area;
- This is then “adjusted” to reflect average house prices in the local authority area, which essentially increases identified housing need in areas with higher house prices;

- However, any increase is then capped to prevent need rising more than 40% above:
 - the annual housing need figure in an “up to date” local plan, or
 - where the most recent local plan is not “up to date”, projected household growth or the latest local plan housing requirement figure (whichever is higher).

Although any attempts to simplify the emerging policy process will be welcomed by many in the industry, the introduction of a cap seems to undermine the process to some degree. Further, the focus in adjusting need upwards in areas with high property values could see significant increases of identified need in parts of London, the South-East and affluent areas elsewhere in England, with decreases in areas that might be argued as needing housing growth and investment the most.

PREMATURITY OF PLANNING APPLICATIONS

Almost hidden away towards the back of the consultation, there is an indication that the Government also intends to strengthen the ability of local authorities to refuse planning permission during the local plan making

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process. At present, in areas where local authorities struggle to adopt local plans, planning applications that are promoted in parallel to the emerging local plan process are often the only significant contributors to housing supply – this could potentially close that off.

The consultation expires on 9 November. If you would like to discuss the consultation further or have any views you would like us to put to Government on your behalf (even on points where views haven't been invited) please do not hesitate to contact us.

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It is unclear what the Government seeks to achieve with such measures and indeed, what they would mean in the context of the presumption in favour of sustainable development and the 'tilted balance'. If the Government's attempts to streamline the planning policy process work, any measures of this type would be unnecessary. If they do not work, this would effectively hand local authorities an extra tool to refuse development, which would in all likelihood exacerbate housing shortages - the opposite of what the Government seems to want. Although this initiative is announced in the context of a consultation, interestingly no views are invited at this stage on this particular point.