



Department for Levelling Up,
Housing & Communities

Marcus Jones MP
Minister of State for Housing

**Department for Levelling up, Housing and
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Miranda Dart
Working Group against Over Development
c/o Clerk to Chiddingly Parish Council,
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Cross in Hand
East Sussex
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Our Ref:18718815

5 September 2022

Dear Miranda,

Thank you for your letter of 16 June to the Rt Hon Stuart Andrew MP, on behalf of the Chiddingly led Working Group against Over Development, about the impact of the standard method for calculating local housing need in Wealden. I am replying as this matter falls within my ministerial portfolio. Please accept my apologies for the unacceptable delay in responding.

I am sorry that you feel our letter of 3 May did not fully address the issues that you raised in your original letter of 2 April. As Minister Andrew set out his earlier reply, we are unable to comment on specific plans or local issues, due to the quasi-judicial role of Ministers in the planning system. As Ministers are currently considering the Levelling Up and Regeneration Bill (LURB), and associated review of national planning policy, I hope you will also appreciate that I may not be able to address all your points as it would not be appropriate for me to comment in detail on these matters at this stage. I can, however, provide the following general comments, which I hope you will find useful.

I note your view that the manifesto commitment to deliver 300,000 homes per year should be reviewed in the light of recent ONS data. The Government has committed to deliver 1 million new homes by the end of this Parliament whilst continuing to work towards its ambition of delivering 300,000 new homes per year to create a more sustainable and affordable housing market. The House of Lords Select Committee on Economic Affairs 'Building More Homes' (2016) report concluded that to meet future demand and the backlog from previous years of undersupply, at least 300,000 homes a year need to be built for the foreseeable future to address the sharp rise in house prices.

The ONS has been clear that lower household projections do not mean fewer homes need to be built as, for example, this would not address the housing needs of existing households who have nowhere to live and it would prevent further the ability of new households to form. It is important to note that household projections are not a measure of how many homes are needed to meet demand, they simply show what would happen if past trends continue. That is why it important that we do not use projections alone. The affordability adjustment in the standard method allows the method to account for additional pressures on housing need as a result of evidenced affordability issues.

The standard method includes a cities and urban centres adjustment which puts more homes into our largest urban centres. This recognises the importance of renewal and the regeneration of brownfield sites, as well as our wider levelling up objectives. It should be noted that 14 of the 20 areas uplifted are in the North and Midlands.

Importantly, the standard method does not provide a housing target, rather it is used by councils to inform the preparation of their local plans. Councils decide their own housing requirement once they have considered their ability to meet their own needs in their area. This includes taking local circumstances and constraints, such as Areas of Outstanding Natural Beauty, into account and

working with neighbouring authorities if it would be more appropriate for needs to be met elsewhere. This recognises that not everywhere will be able to meet their housing need in full. In addition, the NPPF allows the use of an alternative method to assess housing needs where there are exceptional circumstances. The Housing and Economic Needs Assessment section of the Planning Practice Guidance (PPG) explains the circumstances in which this may apply.

This Government wants to see homes built faster and to higher standards. We recognise that while the Letwin review found no evidence of systematic land banking, it did find substantial scope to accelerate build out rates, particularly through diversification. Therefore, we have been examining ways to incentivise the prompt build-out of permitted housing sites and to support councils to act against those who fail to meet these commitments. Through the LURB, housing developers will be required to formally notify local authorities, via a Development Commencement Notice (DCN), when they commence development and provide a trajectory setting out annual rates of housing delivery to completion.

Existing powers for local authorities to serve completion notices have also been streamlined and modernised through the LURB, making the process much more straightforward. Once a completion notice takes effect it will remove planning permission for unfinished parts of a site after a period specified in the notice lapses.

The Government considers that it is right to hold local planning authorities to account for supporting the delivery of the homes which they have planned for and granting enough permissions to meet their communities housing requirements. However, it also recognises that this should be done in a way which does not penalise them unfairly when slow build out delivery results from developer behaviour. That is why we are currently looking at measures to improve the build out of schemes and giving councils powers to address this when slow build out occurs.

It is important that the provision of infrastructure should keep pace with the increase in housing supply and be supported by adequate funding. The LURB gives the Government powers to create a new Infrastructure Levy. The Levy will aim to capture land value uplift at a higher level than the current developer contribution regime of CIL and S106, allowing local authorities to use the proceeds for providing the affordable housing and infrastructure that communities need. Alongside this, we are putting significant investment into brownfield redevelopment through, for example, the £4.3 billion Housing Infrastructure Fund and £550 million Brownfield Housing Fund to support brownfield development and enable housebuilders to develop brownfield sites, with £1.8 billion in new funding announced at the Spending Review.

The standard method for assessing housing need is set out in national planning policy, rather than legislation, and any future review of the policy will likely take place in the context of a wider review of national planning policies. This is why the standard method does not feature in the LURB itself. Ministers are considering how to best take forward proposals for changes to the planning system, and an announcement on next steps will be made in due course. An integral part of any changes will be considering how they align with and support the department's wider mission to level-up the country and regenerate left-behind places.

Thank you again for your letter. I hope you find this information helpful.

Yours sincerely,


MARCUS JONES MP