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Ministry of Housing,
Communities &
Local Government

Kit Malthouse MP
Minister of State for Housing

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 March 2019

Dear Cllr Sykes,

Thank you for your letter of 19 February to Rt Hon James Brokenshire MP about the Greater Manchester Spatial Framework. I am replying as Minister of State for Housing.

The revised National Planning Policy Framework published in July 2018 established in policy that strategic policies should be informed by a local housing need assessment conducted using the standard method.

The standard method uses Office for National Statistics (ONS) household projections as an input. The Office for National Statistics published the latest household projections on 20 September 2018. Those updated household projections are lower than previously projected by 53,000 households per year nationally between 2018 and 2028. This gives a household projection figure that is actually below the number of homes delivered last year.

However, the ONS themselves have been clear that lower household projections do not mean fewer homes need to be built, in fact they have said if new additional homes are not supplied then households cannot be formed as there would be nowhere for them to live. The 2018 projections build-in a period where many households could not be formed due to a range of factors including restrictions on credit availability and periods of low house building following the 2008 economic crash.

There are also other pressing factors at play, including the chronic affordability issues in many areas where demand for housing is high, as well as the historic under-delivery of new homes. The net result of this is that people are unable to form households due to a lack of adequate supply.

The Government is committed to delivering more and better-designed homes, and to do so faster. Local authorities have a critical role in planning for the right homes in the right places to meet the needs of the communities they serve.

The Government held a consultation during the Autumn of 2018 on using the 2014-based demographic projections until an amended version of the formula can be released. Following the consultation, the Government confirmed, (on the 19th February) that the 2014 projections should be used as the input to the standard method for determining local housing need. This will, in the short term, provide stability and certainty, ensure market signals are properly reflected and ensure we are being consistent with our commitment to delivering more homes.

The standard method does not represent a mandatory target for local authorities to plan for, but the starting point for the planning process. Local planning authorities may decide that exceptional circumstances justify the use of an alternative method of determining housing need, but they will need to evidence this justification and can expect them to be tested by the Planning Inspectorate during the examination of their plans.

Local authorities may also not be able to meet their identified housing need in full, for example because of land constraints (such as Green Belt) in their area and it may be that need is better met elsewhere. The proposed approach does not change this.

Over the next 18 months we will review the standard method formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.

Specifically, regarding the Government's commitment to protecting the Green Belt, I would like to highlight the changes we made to the National Planning Policy Framework (NPPF) in 2018. The NPPF is clear that only in exceptional circumstances can a strategic policy-making authority establish the need to alter a Green Belt boundary, through the plan making process and having consulted their communities. The authority must demonstrate that policies have made best use of brownfield land, optimised densities and determined if need can be met by neighbouring authorities. The revised NPPF strengthened this policy further by saying that local authorities should show a fully evidenced justification for a Green Belt boundary change

Any proposed approach taken by Greater Manchester through the Spatial Framework will need to be tested by planning Inspectors to ensure it is in line with national policy, this includes the Government's commitment to protecting Green Belt land.

A handwritten signature in blue ink, appearing to read 'Kit Malthouse', is positioned above the printed name.

KIT MALTHOUSE MP