

Statement made by

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Written Statement 16<sup>th</sup> December 2020

Today the Government is publishing the response to the consultation on the standard method for assessing Local Housing Need and setting out further steps in our plan to increase housing delivery as we recover from the COVID-19 pandemic.

Our manifesto set out that we would deliver a million homes over the course of this Parliament and that we would seek to increase housebuilding towards 300,000 new homes a year. We have made strong progress towards this goal – with more homes built in the last year than at any time since 1987, taking the total delivered since 2010 to over 1.8 million. We want to build more homes as a matter of social justice, of inter-generational fairness and as one of the best proven ways of creating jobs and economic growth.

The government's Planning for the Future White Paper published on 6 August outlined a set of reforms that are intended to lay the foundations for future housebuilding and economic development, whilst meeting our commitments to the environment and climate. These reforms will create a planning system that is simpler and more certain that supports more homes to be built and drives a more diverse and competitive housing sector. As more homes are delivered under the new system, they will be built to higher standards, putting an emphasis on design, beauty, heritage and sustainability at the heart of the planning system. And that system will be a digital one that is more accessible and understandable for citizens and developers alike. We are currently analysing the 40,000 consultation responses and will publish a response in the Spring which will setting out our decisions on the proposed way forward, including to prepare for legislation, should we so decide, in the Autumn.

In August, we also set out a proposal for a new standard method for assessing Local Housing Need to ensure that all local authorities were planning to build enough new homes.

There were many consultation responses which did not fully recognise that the standard method does not present a 'target' in plan-making, but instead provides a starting point for determining the level of need demand for housing in for an area, and it is only after consideration of this, alongside what constraints areas face, such as the Green Belt, and the land that is actually available for development, that the decision on how many homes should be planned for is made. It is crucial that planning is more certain and more transparent, so we will explore how we can make this clearer through our longer-term planning reforms, including considering the right name for this approach.

There is widespread support for ensuring enough homes are built across England to ensure the needs of our communities are met. We heard clearly through the consultation that the building of these homes should not come at expense of harming our precious green spaces. We also heard views that this need can be better met in existing urban areas.

There are good reasons for this. First, our urban centres are the best-served by existing infrastructure – with schools, shops and medical facilities.

Second, building more homes in our cities and urban centres will mean making the best use of brownfield land, of which many cities and urban centres continue to have large quantities, and protecting our countryside as much as possible.

Third, building homes around our transport hubs will help us to deliver our ambition to tackle climate change by offering greater access to more sustainable forms of transport and reducing unnecessary journeys.

In the months since we consulted, the profound impact of COVID-19 on our towns and cities has become even clearer. It has magnified and accelerated patterns that already existed and while it is too soon to know for certain the scale of the long-term impact, it is very likely to present a generational challenge and opportunity to repurpose more commercial centres, offices and retail spaces into housing and mixed uses.

We recognised these changes in the summer when we brought forward reforms to the Use Classes Order and new permitted development rights to regenerate vacant buildings, to provide the greatest flexibility possible to meet this moment and to repurpose and recycle buildings for public good. These significant changes were enacted at pace and are now available for use by individuals and businesses.

This government was elected on a pledge to level up all parts of the country. It was clear from the responses that people supported this ambition and wanted to see housing delivery play a significant part in achieving this goal. We want to see more public and, in particular, private sector investment in housing in our nations great cities, regenerating these areas, improving the quality of housing stock and driving up living standards. This is vital for ensuring a better quality of life for existing residents and for attracting and retaining aspirational families.

We want to play our part in realising these goals by building more homes in cities and urban centres, encouraging interest by developers and institutional investors in these places, setting them on a path to greater prosperity and more economically balanced country and providing the certainty that is needed to support areas to recover after COVID-19.

For this reason, we plan to leave the standard method as it was created in 2017 for the majority of the country. We have seen that these levels are beginning to create ambitious plans in many parts of the country, which we expect to drive housing delivery beyond its current near record levels. It is also clear that the standard method does not act as a ceiling for the ambitions of some local authorities, with some planning to exceed their local figures to meet the needs of their residents, create jobs and drive economic growth in their areas. We strongly welcome this ambition and will support these local authorities to achieve their goals, including through specifically directing public investment to them through the £7.1 billion National Homebuilding Fund we are establishing.

We recognise that we need to go further than the previous standard method to achieve the ambition to build more in urban areas. So we will be increasing Local Housing Need above current levels by 35 per cent for authorities which contain the largest proportion of the 20 most populated cities and urban centres in England.

Many of these places are already delivering or have a plan to deliver at or around this level. For example, Nottingham, Hull, Liverpool, Newcastle and Stoke have all delivered more homes on average across the last three years than the revised standard method assesses their annual need to be. But others will need to go further than they do today.

They will not be alone in this task. To help support our cities and urban centres we are announcing several measures. First, we are establishing an Urban Centres Recovery Taskforce, which will bring together the 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 they recover from COVID-19.

Second, we intend to revise the current “80:20” rule which guides how much government housing infrastructure funding is available in all parts of the country, so that it is at the service of the most ambitious local authorities and those who want to tackle unaffordability. This will establish a new principle that helps to better support our levelling up and home building objectives.

Third, we will invest public funds to support areas to regenerate brownfield land. We are establishing a £7.1 billion National Homebuilding Fund – brownfield remediation, urban regeneration and infrastructure for housing will be the significant components of its mission. 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, helping to breathe new life into sites such as Longbridge in Birmingham. And we have launched a new £100 million Brownfield Land Release fund for local authorities to encourage similar ambitions.

We recognise that to meet the housing needs of the country, London needs to build more homes. Delivery in the capital remains far too low, creating acute affordability changes for its residents, as well as putting severe pressure on the wider South East.

In the short-term we expect to agree the London Plan with the Mayor early in the new year which will set his plan for, amongst other things, meeting London’s housing need. This will support greater ambition in London, but alone won’t go nearly far enough to meet need in London. We now need to focus on the medium and long term and create a plan to better address 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 London Boroughs for the first time. 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. A new role for Homes England will ensure robust bids are prepared for the National Homebuilding Fund and the right types of homes are built in the right places.

We hope that this approach will find broad support. We want to make sure that all areas of the country take seriously the need to build more homes and we will focus public funding on supporting our aspirations for home-building, whilst also supporting a renewed national effort to regenerate and level up by increasing housing delivery and private sector investment in our cities. There is now an opportunity for a new trajectory for our great cities. We hope that these changes will mark the first step along the path to forging a new country beyond COVID-19, which is healthier, more beautiful, more sustainable and more neighbourly – and one in which more of our fellow citizens, regardless of age or wealth enjoy the dignity and security of a home of their own.

<https://questions-statements.parliament.uk/written-statements/detail/2020-12-16/hcws660>