

# New Standard Method for Housing Need – further analysis by City and Region

## Briefing Note

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On 16 December 2020 the Government announced a new Standard Method for calculating local housing need. The updated Standard Method has been introduced in recognition that the previous method would fail to achieve the Government’s long established national housebuilding target of 300,000 dwellings per year.

Whilst the previous Standard Method calculation was based solely on population growth and housing affordability, the new Standard Method adds an additional uplift of 35% to focus more homes to be built in the 20 most populated cities and urban centres. As of December 2020, the list of local authorities which these changes apply to are: Birmingham, Bradford, Brighton and Hove, Bristol, Coventry, Derby, Kingston upon Hull, Leeds, Leicester, Liverpool, Manchester, Newcastle upon Tyne, Nottingham, Plymouth, Reading, Sheffield, Southampton, Stoke-on-Trent, Wolverhampton, and all of the London Authorities.

	Adopted Plan Requirement	New Standard method
Birmingham	2,555	4,829
Bradford	2,476	2,300
Brighton and Hove	660	1,247
Bristol	1,320	3,196
Coventry	1,230	2,325
Derby	647	1,189
Kingston upon Hull	620	536
Leeds	3,247	3,763
Leicester	1,280	2,341
Liverpool	-	2,103
Manchester	3,333	3,527
Newcastle upon Tyne	850	1,399
Nottingham	1,009	1,551
Plymouth	445	1517 (Plymouth, South Hams, West Devon)
Reading	689	876
Sheffield	1,425	2,877
Southampton	815	1,353
Stoke on Trent	570	675
Wolverhampton	671	1,013
Barking & Dagenham	1,236	2,983
Barnet	2,349	5,361
Bexley	446	2,394
Brent	1,525	3,574
Bromley	641	1,211
Camden	1,120	2,117
City of London	141	154
Croydon	1,649	3,109
Ealing	1,297	3,188
Enfield	798	4,397
Greenwich	2,685	4,408

Hackney	1,750	2,514
Hammersmith and Fulham	1,031	1,736
Haringey	1,320	2,495
Harrow	593	2,538
Havering	1,170	2,579
Hillingdon	559	3,651
Hounslow	822	1,554
Islington	1,264	3,117
Kensington and Chelsea	733	1,347
Kingston upon Thames	642	2,038
Lambeth	1,559	2,259
Lewisham	1,385	4,178
Merton	411	2,051
Newham	2,867	4,882
Redbridge	1,123	2,122
Richmond Upon Thames	315	595
Southwark	2,736	4,453
Sutton	427	807
Tower Hamlets	3,931	6,190
Waltham Forest	862	3,206
Wandsworth	1,847	3,425
Westminster	1,068	2,946
<b>Total</b>	<b>67,205</b>	<b>130,679</b>

Overall there is an increase in housing requirement for the top 20 cities and urban areas from their adopted Local Plans, however in some instances the requirement figure is set to decrease.

### Where will these be built?

The 19 local planning authorities outside of London are predominantly located in the Midlands and North of England, with the exception of five areas: Brighton and Hove, Bristol, Plymouth, Reading and Southampton.

As a group these 19 LPAs account for around only 28% of the total number of dwellings identified in the urban uplift areas, the rest is identified in London. As we already know through the recent hearings for the new London Plan, achieving these new housing requirements will not be possible unless land is released from the Green Belt or needs are met by authorities in the adjoining counties.

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## How can these targets be achieved?

The new requirements will not come into force for several months, due to transition period for the implementation of these policies, even then it will take some time, usually several years, for new Local Plans to be prepared which will make use of the new requirements. But this will be under a backdrop of possible changes to the planning system as a whole in England, which has the potential to cause delays to the plan making process.

The new requirements for the 20 urban areas are ambitious and rightly so, they will have to be to address the long-term issue of under delivery of housing in England. But is making significant increases in a relatively small number of areas going to make the difference? As we explored in our previous briefing note on this issue, mathematically the Government's target of 300,000 dwellings per annum will still not be met with the new standard method (297,195).

### Outside of London

Focusing on the 19 areas outside of London, the table below looks at how the new standard method compares to current Local Plan requirements and recent delivery rates.

All areas will see an increase in housing requirements, apart from Bradford and Hull where the new standard method actually decreases from current adopted plans.

Only five areas have seen recent delivery rates exceed the new standard method requirement: Hull, Liverpool, Newcastle and Southampton, with Plymouth and Reading being very close.

Whilst some areas are meeting their current Local Plan requirements, to achieve the new requirements it will be necessary to increase the number of new homes delivered. Birmingham and Brighton and Hove will have to more than double their current delivery rates to achieve their new requirements.

	Adopted Plan Requirement	New Standard Method	Previous 3 Year Average Delivery
Birmingham	2,555	4,829	3,162
Bradford	2,476	2,300	1,606
Brighton and Hove	660	1,247	457
Bristol	1,320	3,196	1,777
Coventry	1,230	2,325	1,241
Derby	647	1,189	769
Kingston upon Hull	620	536	883

Leeds	3,247	3,763	2,845
Leicester	1,280	2,341	1,650
Liverpool	-	2,103	2,701
Manchester	3,333	3,527	2,366
Newcastle upon Tyne	850	1,399	2,171
Nottingham	1,009	1,551	1,274
Plymouth	445	1517 (Plymouth, South Hams, West Devon)	818
Reading	689	876	872
Sheffield	1,425	2,877	2,176
Southampton	815	1,353	1,200
Stoke on Trent	570	675	822
Wolverhampton	671	1,013	700

For all these authorities, achieving the higher delivery rates will be a challenge, but there are further factors in play which may make the task more challenging for some.

As one would expect, the urban conurbations of England have Green Belt to prevent urban sprawl into their rural hinterlands. In addition, some of the 19 areas have AONB designations. Out of the 19 LPAs, only 3 do not have either designation; Brighton and Hove, Hull and Southampton. But as all 3 are coastal or estuary cities, flood risk and availability of land could impact delivery.

We know through the experience of the examination of the current Local Plans in these 19 areas, it has sometimes proven to be difficult to match housing supply, with the objectively assessed need for housing. This resulted in some Plans having lower housing requirements, with adjoining authorities being relied upon to meet those needs. The experience in the West Midlands has two good examples in Birmingham and Coventry. For Birmingham the issue of un-met housing need has never been resolved, which begs the question how will the new housing requirement be met this time around, what has changed which will encourage the shire districts in Staffordshire, Warwickshire and Worcestershire to help meet this need? Coventry did resolve their 'un-met' housing need question, but will the adjacent Warwickshire authorities be in a position to help again? With potential changes how strategic planning is carried out and the desire to remove the Duty to Co-operate a new process which is more robust needs to be put in place. Perhaps in the West Midlands, the Combined Authority will have a leading role to play, a return to Regional Planning? But they would be reliant upon their non-constituent members to deliver this increased housing requirement, something which has not yet been achieved.

In other areas like Sheffield, Newcastle and Stoke, it could require large scale Green Belt release and urban regeneration to come forward for residential development. Urban regeneration can take many years, the existing plans for areas of urban regeneration have only recently been realised in these cities, will subsequent urban regeneration even be possible?

### Regional Analysis

The consultation proposal for the new standard method increased the overall housing requirement for England up to 337,235 dwellings per annum, with big increases all over the country. However, the new standard method now shows big decreases across most of the regions, with the East and West Midlands, South East and South West showing the largest regional decreases, whereas only London and Yorkshire stay the same or have a very slight increase. Overall the North of England has decreased by 5%, how does address the imbalance of housing growth between the North and South which many though the consultation version addressed and how will this assist in 'levelling up' in the North of England?

Region	New Standard Method	August 2020 Consultation Proposals	Difference
East Midlands	20753	27950	-26%
East of England	35036	40453	-13%
London	93579	93532	0%
North East	6625	7288	-9%
North West	22057	24631	-10%
South East	50347	61276	-18%
South West	28397	36732	-23%
West Midlands	21960	27503	-20%
Yorkshire and The Humber	18851	17870	5%
<b>England</b>	<b>297605</b>	<b>337235</b>	<b>-12%</b>

### Conclusions

The new standard method, whilst almost achieving 300,000 new homes, will face significant challenges to delivery. Overall the Government will be reliant on some areas exceeding their requirements to deliver the 300,000 new homes a year from the mid 2020s onwards.

Now that the calculation looks right for Government, their next challenge will be how to implement delivery and overcome the failures to do so in last 10 years. We consider the key points to achieve this will be; effective strategic planning, revisions to Green Belt policy and how to accelerate delivery on brownfield sites.

### Further Information

If you would like further information or an informal discussion about the implications of the new standard method in terms of Local Plan making, or 5 Year Housing Land Supply, please get in touch.

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