

# PAS NPPF Housing Numbers Webinar

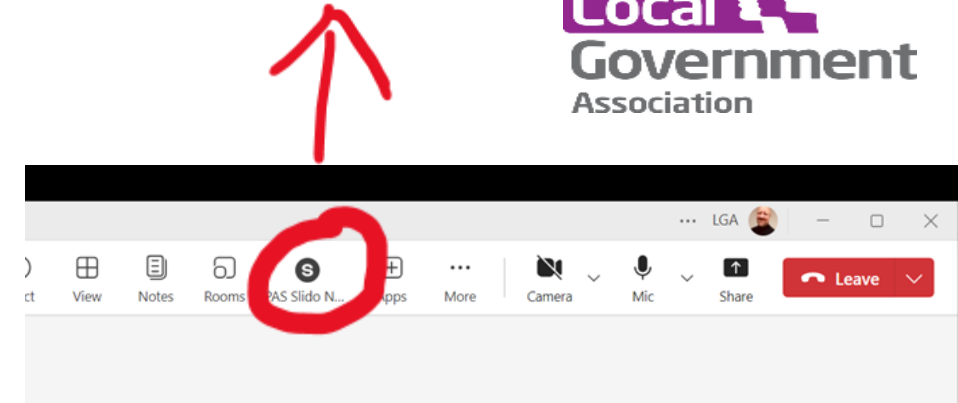
Online: Thursday 23<sup>rd</sup> January 2025

We start at 1pm

**Please login to Slido to ask questions / answer polls through the session.**



- **Remember to ask questions via Slido** (either logged in via QR code or via the “PAS Slido: NPPF Overview” button in the Teams meeting) *and vote up others for ones you like*
- **Presentation on NPPF Housing Numbers**  
from MHCLG
- **Question and Answer Session**
- **Slido Poll** – reflections
- **Thanks** and close





# The New National Planning Policy Framework

Planning for Housing  
January 2025



- Local Housing Need
- 5 Year Housing Land Supply
- Housing Delivery Test



# Local Housing Need

*Overview and drivers for change*

## What is local housing need and the standard method?

- Local housing need is an unconstrained assessment of the minimum number of homes needed in an area (policy off)
- Gives councils a 'starting point' for how many homes they should plan for through their local plan (the housing requirement – policy on)
- LHN is usually calculated through the 'standard method'

## Drivers for change – why a new method / approach?

- 1.5 million new homes – Manifesto commitment 'Plan for Change'
- A more balanced distribution of homes – with a strong emphasis on affordability
- Certainty and stability – more predictable, consistent outcomes, avoid complexity





## December 2024 changes – key changes

- A new standard method – based on **housing stock** (0.8%) and **housing affordability** (0.95% multiplier using 5 year average affordability, multiplier kicks in where affordability ratio is 5+)
- Removal of urban uplift, cap
- Increase in national figure – c300k to c370k
- Policy changes - removal of exceptional circumstances for use of an alternative approach - strong expectation the standard method is used (NPPF para 62)
- Revised NPPF and Housing Needs PPG

## What we changed as a result of the consultation

- Proposed method revised to respond further to local affordability pressures
- the final method incorporates a higher affordability adjustment (from 0.6 to 0.95) + other changes
- increases LHN in areas with strongest affordability pressures, reducing in more affordable areas
- While remaining c370k nationally



## Key themes from consultation

- General comments on need for certainty and clarity – in policy and the standard method formula
- Further guidance on implementing local housing need and on how constraints should be considered
- Local authority call for more discretion on planning for housing, concerns over top down targets
- Urban uplift – urban areas should continue to be a focus for housing but uplift not effective
- Broad range of views on use of housing stock v household projections
- Support for continued use of affordability in method but some concerns over spatial distribution
- Support for consideration of rental affordability as well as house price affordability
- Range of views on the outcomes and deliverability



# Local Housing Need

*The formula and calculation*

## The standard method formula – work through

- Housing stock – 62,500
- 0.8% of stock = 500
- 5 year average workplace-based affordability ratio = 9
- Affordability adjustment  $(9-5)/5 \times 0.95 + 1 = 1.76$
- local housing need =  $500 \times 1.76 = 880$

$$\text{Adjustment factor} = \left( \frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

$$\text{Adjustment factor} = \left( \frac{9 - 5}{5} \right) \times 0.95 + 1 = \left( \frac{4}{5} \right) \times 0.95 + 1 = 0.8 \times 0.95 + 1 = 1.76$$



See PPG - [Housing and economic needs assessment - GOV.UK](#)



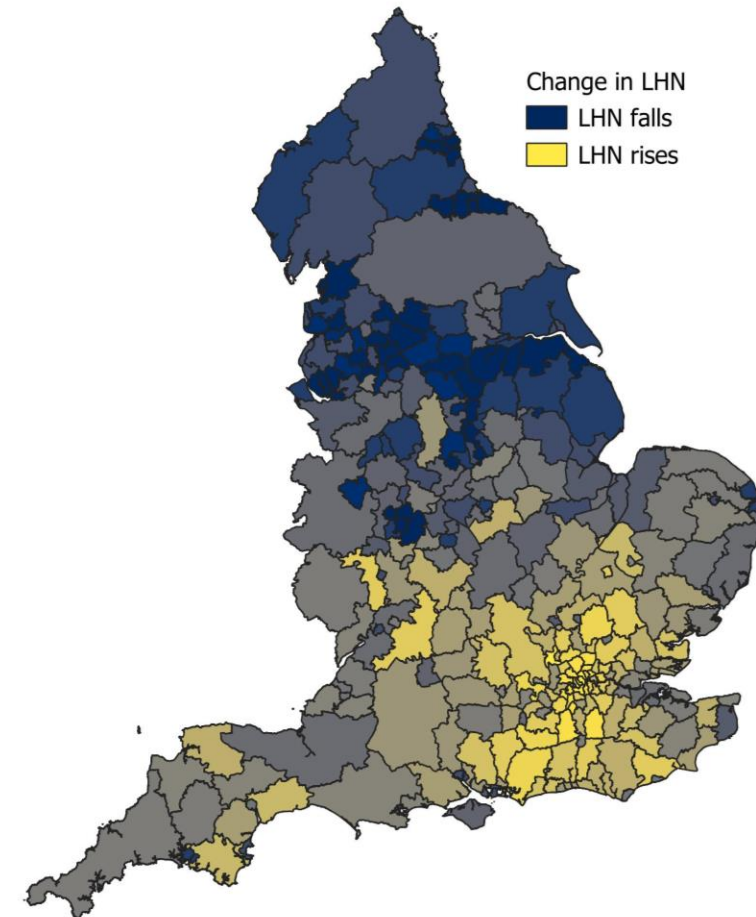
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# Local Housing Need

*The outcome of the new method*

	Previous Standard Method (Mar 2024)	Method consulted on (July 2024)	New Standard Method (Dec 2024)
<b>East Midlands</b>	20,793	27,382	25,764
<b>East of England</b>	35,101	44,858	45,429
<b>London</b>	98,822	80,693	87,992
<b>North East</b>	6,123	12,202	10,976
<b>North West</b>	21,497	37,817	34,678
<b>South East</b>	51,251	69,060	70,681
<b>South West</b>	28,203	40,343	39,992
<b>West Midlands</b>	24,734	31,754	29,940
<b>Yorkshire and The Humber</b>	18,699	27,433	24,957
<b>England</b>	<b>305,223</b>	<b>371,541</b>	<b>370,408</b>

Difference between new LHN method and consultation method





# Housing Need and Requirement

*Establishing a housing requirement*

## What is the housing requirement?

- The housing requirement is the minimum number of homes that a plan seeks to provide during the plan period
- Once local housing need has been assessed authorities should make an assessment of the amount of new homes that can be provided in their area
- Justified by evidence on land availability, constraints on development and any other relevant matters. (Housing Needs PPG)
  - NPPF Para 11b) – Nationally important constraints – footnote 7
  - Not exhaustive – Could be other relevant factors/considerations that may constrain land and delivery – LPA to identify, evidence and justify
- Local authorities should explore all options to deliver the homes their communities need – maximising brownfield land, working with neighbouring authorities, and, where necessary, reviewing Green Belt
- NPPF para 61 – *‘The overall aim should be to meet an area’s identified housing need’*



# 5 Year Housing Land Supply

*The Key Changes*

## Reinstating 5YHLS

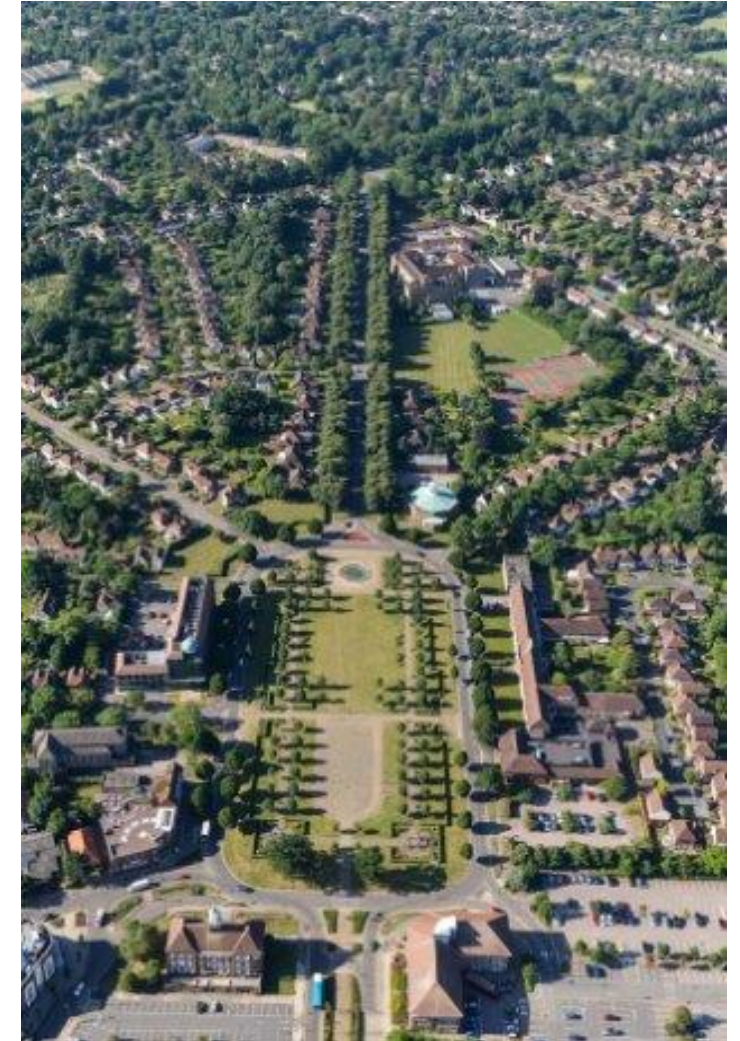
- We have re-instated the requirement for all LPAs to continually demonstrate a 5YHLS, regardless of whether there is an “up-to-date” local plan.
  - If the plan is less than 5 years old, this 5YHLS should be demonstrated against the housing requirement in the plan.
  - If the plan is more than 5 years old, this 5YHLS should be demonstrated against LHN.

## Buffers

- 5% buffer reinstated in all cases.
- New 20% buffer – applying from July 2026 where an LPA has a plan with a housing number <80% of LHN.

## APSs

- We have removed the ability to produce new APSs
- Extant APSs (only one!) will continue to apply for this year.





# Housing Delivery Test

*The Key Changes*

## 2023 HDT

- We published the 2023 HDT results alongside the updated NPPF in December 2023. We made no policy changes to how the HDT operates in December.

## 2024 HDT and beyond

- We are exploring options to return to a more regular HDT publication. We will share more details in due course.





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# Q and A

- Please complete the Slido polls for event input/feedback
- We are delivering other PAS topic focused NPPF Webinars –
  - places are still available:
    - Green Belt: 1-2pm, 18 Feb
    - Golden Rules: 1-2pm, 19 Feb
- Slides of this session will be posted shortly on the PAS website

