

Q1: Do you agree that planning practice guidance should be amended to specify that 2014-based projections will provide the demographic baseline for the standard method for a time limited period?

The concerns over the use of the 2016 household projections for determining housing need are shared by the GLA. Nonetheless, to continue to use the 2014-based household projections in preference to the most recent data would appear to conflict with guidance from the UK Statistical Agency on the use of official statistics. While the GLA appreciates the importance of consistent evidence to inform long term planning, it considers the government's recent approach to have been inconsistent with that aim.

The current policy, linking local need to projected household growth via the standard formula, does not appear to be a robust approach. This is due to both an apparent lack of consideration as to how the results of projections might be expected to change over time, and to the lack of suitable mechanisms in the formula to appropriately account for such changes.

More broadly, the situation highlights inherent problems in the standard method, which needs to take better account of the accumulated impacts of previously constrained household formation. We suggest that MHCLG explore approaches that explicitly account for concealed households (including non-family households), as these may provide a more appropriate approach than applying what are inevitably somewhat arbitrary multipliers based on affordability measures.

The assumptions chosen by ONS for use in their household, and national and subnational population projections all have significant impact on the size and distribution of projected household growth. The GLA and others have also raised concerns (summarised in the 2017 London Strategic Housing Market Assessment report) around the ONS population projections, and any review of the household projections should also seek to address these.

As a starting point, the GLA recommends that the government explore the following minor changes to projection methodologies in order to provide a more stable and transparent basis for planning:

- Produce subnational population projections without the step of constraining the results to those from the national projections. This process, as applied in the current SNPP, can lead to significant distortions in the distribution of population at subnational level.
- Use a longer period of past migration estimates data to determine migration trends projected forward. Currently the ONS use the last five years of migration data as a basis for the subnational projections. Using a longer period, e.g. ten years, would give more stable projections that are more suitable as a basis for long term planning.
- Hold assumed household formation assumptions constant at 2011 levels. Lacking a better approach to addressing the constraints on household formation, this would at least simplify the process of accounting for it in need assessments.

Q2: Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?

Q3: Do you agree with the proposed approach to applying the cap to spatial development strategies?

Yes. We welcome this clarity. The draft London Plan is being examined against the 2012 NPPF, however, it is useful to note that if the cap were to be applied at the London wide level as proposed, then London's need figure based on the standard methodology would be capped at 58,800 units a year (applying the 40 per cent cap to the target in the current London Plan of 42,000 homes a year).

This raises a broader issue that also requires some clarity which is how the cap interplays with the requirement to review strategic policies if local housing need is expected to change significantly in the near future (see NPPF paragraph 33). When a new plan (the SDS in London or Local Plan outside of London) is adopted, then the housing figure in that plan becomes the basis for the cap in the standard need calculation. The PPG currently states that the rationale for applying the cap is "to help ensure that the minimum local housing need figure calculated using the standard method is as deliverable as possible". Yet it goes on to say "strategic policies adopted with a cap applied may require an early review and updating to ensure that any housing need above the capped level is planned for as soon as is reasonably possible". This seems to undermine the purpose of the cap and creates significant uncertainty as soon as a new plan is put in place. It is suggested that the guidance is updated to address this issue.

Q4: Do you agree with the proposed clarifications to footnote 37 and the glossary definition of local housing need?

For the sake of clarity, any update should be clear that the local housing need calculation is not applicable to individual local planning authorities in London due to the existence of the Spatial Development Strategy (London Plan). Instead, it should be clear that where a local plan is considered out of date, then it is the housing target figure for the relevant local planning authority in the London Plan that is used to determine an authority's five year housing supply. This is consistent with the approach set out in the Housing Delivery Test measurement rule book.

However, the GLA still have fundamental concerns with the Delivery Test and its potential to undermine the Plan led process and would welcome the opportunity to discuss this further with MHCLG.

Q5: Do you agree with the proposed clarification to the glossary definition of deliverable?

Mayor of London – copy of response

Q6: Do you agree with the proposed amendment to paragraph 177 of the National Planning Policy Framework?