

**Epsom & Ewell Borough Council**  
**Planning Policy Team**  
**Technical Consultation on Updates to National Planning Policy and**  
**Guidance – Draft Response**

**October 2018**

**1. Introduction**

- 1.1 The recent publication of new household growth projections, by the Office of National Statistics (ONS), has opened up the possibility of reductions in the housing requirements being generated through the government's standard method for objectively assessing need.
- 1.2 In response the government has published a consultation on proposals to update planning practice guidance. The consultation closes on 7 December 2018. The key purpose of the consultation is to seek views on proposals to make changes planning practice guidance relating to the standard method for assessing local housing need, so that it aligns with the government's objective of increasing housing delivery.
- 1.3 In addition to the above, the consultation also seeks views on proposals to clarify national planning policy on:
- Housing land supply
  - The definition of deliverable; and
  - Appropriate assessment
- 1.4 The timing of the publication of the government's consultation has meant that this report has been prepared as an addendum to another report to the Licensing & Planning Policy Committee. The Committee are asked to consider the proposals set out in the consultation and the draft responses, which are enclosed. Subject to the Committee's agreement it is proposed that the responses serve as the basis for the Borough Council's formal response to the consultation.

**2. The Proposed Changes to the Housing Need Assessment**

- 2.1 The government's standard method formula uses household growth projections as a baseline for its calculation. When household growth projections go down, it is reasonable to assume that the scale of Objectively Assessed Housing Need (OAHN) calculated through the standard method could also fall. Equally, should the growth projections rise, then the OAHN calculated through the standard method could also be expected to rise.
- 2.2 Following the publication of the latest household growth projections in September 2018, there have been calls for clarity on the government's approach to OAHN. In response, the government has published this consultation that reinforces their commitment to deliver more homes and therefore proposes changes to the NPPF and Planning Practice Guidance that reflect their aspirations. They clearly state that

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methodological changes are not a reason to change their policy approach or aspirations. They provide four reasons for this conclusion:

- Household projections are constrained by housing supply;
- Historic under-delivery means that there is a case for public policy supporting delivery that exceeds the household projections;
- A more responsive supply of new homes will help address the effects of increasing demand; and
- The above factors have led to declining affordability – which the government believes is good reason for them to not be less ambitious for housing supply.

2.3 As further justification for maintaining its approach, the government states that population changes are only one aspect of housing supply. They cite rising incomes, changing social preference, real interest rates and credit availability as all contributing towards demand for new housing. Furthermore, the government has quoted the ONS position on the recent household growth projections, which itself distances the projections from any possible consequential reduction in housing need or demand. In short, the government believes that lower household growth projections does not equate to a reduced housing requirement.

2.4 The government states that it will respond flexibly and maintain its aspiration of supporting a housing market that delivers 300,000 new homes per annum. In order to achieve this aspiration it will apply its principles of –

- Providing stability and certainty for local planning authorities and communities;
- Ensuring that the planning system responds not only to projected population growth but also price signals; and
- Ensuring that planning policy supports a housing market that works for everyone.

2.5 In order to meet these three principles the government have identified three changes –

- For the short-term (time unspecified), the 2014-based data will provide the demographic baseline for calculating OAHN. In short, this means that for the time being the government propose to disregard the recently published household growth projections;
- To clarify, the lower numbers that potentially emerge from the new household growth projections (the 2016-based projections) do not qualify as exceptional circumstances and do not constitute a justification to depart from the standard method. In short, local

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planning authorities are not to use the new projections to come up with their own OAHN.

- In the longer term (time unspecified), the government will review the formula used in the standard method – with a view to identifying a new standard method by the time the next projections are issued. This suggests a time line of between two – four years before a new/ revised standard method is consulted upon.

**3. The Consultation Questions and Draft Answers**

- 3.1 The Consultation Paper poses six questions. The first two questions address the key issues that will be of interest to most local planning authorities – in that they relate to the base line data used by the standard method to set our housing requirement.
- 3.2 In preparing a draft response to these questions, the Borough Council has considered the soundness of the government’s proposed approach in the same way that a Planning Inspector would consider evidence presented at a Local Plan examination. In conclusion, the Borough Council considers that the government cannot build a sound housing strategy based on a combination of out of date evidence and supposition. If the Borough Council were to take such an approach with the Local Plan it would be found unsound.
- 3.3 The third question seeks comments on the proposal to provide further clarity on the application of the cap (to housing growth) when preparing spatial development strategies. This is an academic question for the Borough Council as the scale of objectively assessed housing need calculated through the standard method is so high that could not possibly be delivered within the Borough during the local plan period.
- 3.4 The fourth question is more relevant to the Borough Council as it relates to the potential application of “exceptional circumstances” to justify the use of alternative mechanisms (to the standard method) in calculating objectively assessed need.
- 3.5 The remaining questions primarily concern themselves with introducing further clarity to the national policy framework.
- 3.6 The following have been prepared as draft responses to the consultation questions:

**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?**

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*Whilst the Council appreciates the principles of providing certainty. No, it does not agree with this proposal. National planning policy requires that Local Plans be justified and based upon sound up-to-date evidence. It is therefore counterintuitive for the government to suggest that the latest evidence of population growth should effectively be discounted in the short. The government has failed to present a compelling case, in consultation documentation that supports the continued use of population growth projections that are now out of date old.*

*Furthermore, the government's calculation and justification for setting an arbitrary national housing delivery target of 300,000 new homes per annum is itself unclear. The Borough Council understands and accepts that population projections fluctuate and that consequently a target needs to take account of other factors. However, the consultation provides no metrics to justify the admitted disparity in 31,000 new homes per annum that falls out of the standard method when the 2014 projections are applied. The only justification provided is that delivery will exceed projections and "bridge the gap".*

*On that basis the government's proposed target cannot be considered sound – as it is not justified by evidence. This does not inspire confidence in the government's. If the 2014-based projections are to be used by the standard method then the national housing target can only be 269,000 new homes per annum. Any additional delivery should be considered as a windfall and counted against subsequent annual targets. That approach is consistent with housing monitoring methodologies used across the country.*

**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?**

*No, the Borough Council disagrees with this proposal. As set out above, national planning policy requires that local plans be justified and prepared using robust up-to-date evidence. The government's discounting of the 2016 population projections and the recent household growth projections appears counter intuitive and is not supported by robust evidence.*

*This consultation process does not add any clarity on the potential nature of scenarios where local planning authorities could demonstrate "exceptional circumstance". Indeed, if anything the government's latest proposals appear to severely restrict any potential consideration of "exceptional circumstances". In that respect it would be helpful for the government to provide further definition on the criteria that could help define the situations where "exceptional circumstances" could legitimately be deployed.*

*Whilst the Borough Council fully supports the objective of meeting housing need, in particular meeting the acute needs of the people of the Borough's*

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*Housing register, it cannot support a national housing strategy that is based on unsound evidence and supposition.*

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

*The Borough Council welcomes all attempts by the government to provide further clarity to the recently published national planning policy framework.*

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

*The Borough Council welcomes all attempts by the government to provide further clarity to the recently published national planning policy framework.*

*However, the Borough Council believes that the government needs to provide further clarity on the criteria that will be deployed to determine when “exceptional circumstances” are justified.*

*The Borough Council disagrees with the implication that “exceptional circumstances” can only occur within a strategic planning context. The government has provided no evidence to support this assumption. By their very nature “exceptional circumstances” may arise in unique and unlikely circumstances and clearly cannot be arbitrarily be restricted. If the government wishes the standard method to be the only mechanism for calculating objectively assessed need then it should say so – rather than providing phantom solutions that will ultimately be discounted through the local plan examination process.*

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

*The Borough Council welcomes all attempts by the government to provide further clarity to the recently published national planning policy framework. However, the Borough Council believes that the proposed wording is unclear and needs reviewing.*

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

*The Borough Council welcomes all attempts by the government to provide further clarity to the recently published national planning policy framework.*