

The logo for Lichfields, featuring the word "LICHFIELDS" in white, uppercase, sans-serif font inside a black L-shaped graphic. The background of the slide is a solid teal color.

# How many homes? The new Standard Method

## A higher standard

The introduction of a standard method in 2018 intended to shift time, resources and debate at examination away from the 'numbers' question and towards the 'how' and 'where' of building new homes. But, simple as it was, the method was not without its' criticisms and almost as soon as the method was implemented, it was announced that it would be changing.

The Government's new method, announced in the document on Changes to the Current System, incorporates stock into the baseline (as well as household projections) to help achieve a 'fair share' approach; this helps boost numbers in areas with low projections. It also puts a greater emphasis on the uplift for affordability and removes the cap which exists under the current approach, stating it is '*not compatible*' with the aim of boosting housing supply quickly. These changes mean a new national total of 337,000 homes a year – far higher than the 270,000 under the current approach but no doubt intended to help plans 'stretch' for the 300,000 homes a year ambition, in light of some areas not being able to deliver.

The Government has confirmed it drew inspiration from ideas tabled by Lichfields (a summary of these appears in our [blog](#) which is referenced in the Government's paper) but it is a distinct approach that blends aspects together.

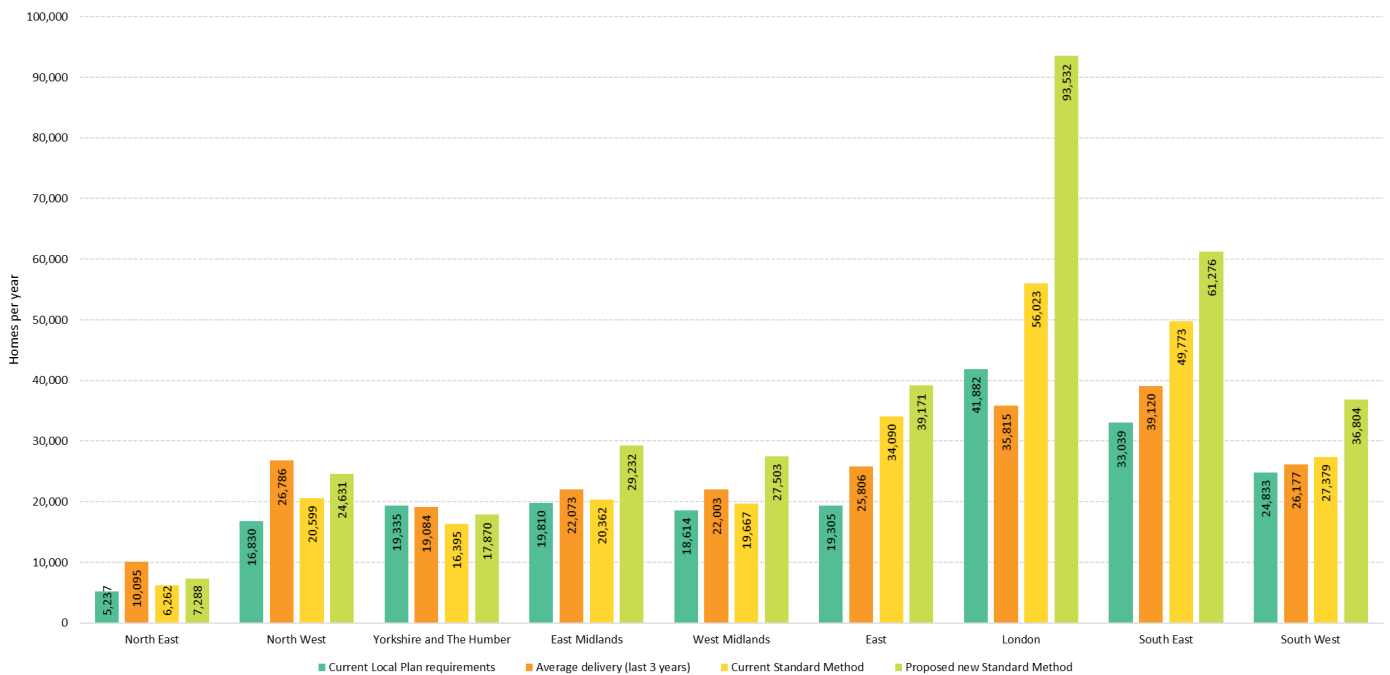
### **Starting to level up?**

These changes look set to be more compatible with the objective of 'levelling up' the midlands and north. While the current method meant that many of these regions would plan for fewer homes than they have delivered in recent years, the new method brings the number closer to (but not yet at) recent delivery in the north, and significantly above recent delivery in the midlands (see Figure 1). It also creates higher numbers across the south compared with the current method, but this will always be the case for a method with such a significant emphasis on affordability.

However, the new method still continues to concentrate growth in London. Its figure of 93,532 looks unrealistic, given long term delivery rates in the capital of 30-40,000 per annum. Without a duty to cooperate, the excess need (50-60,000 homes) will fall between the cracks, meaning 300,000 may still be beyond reach.

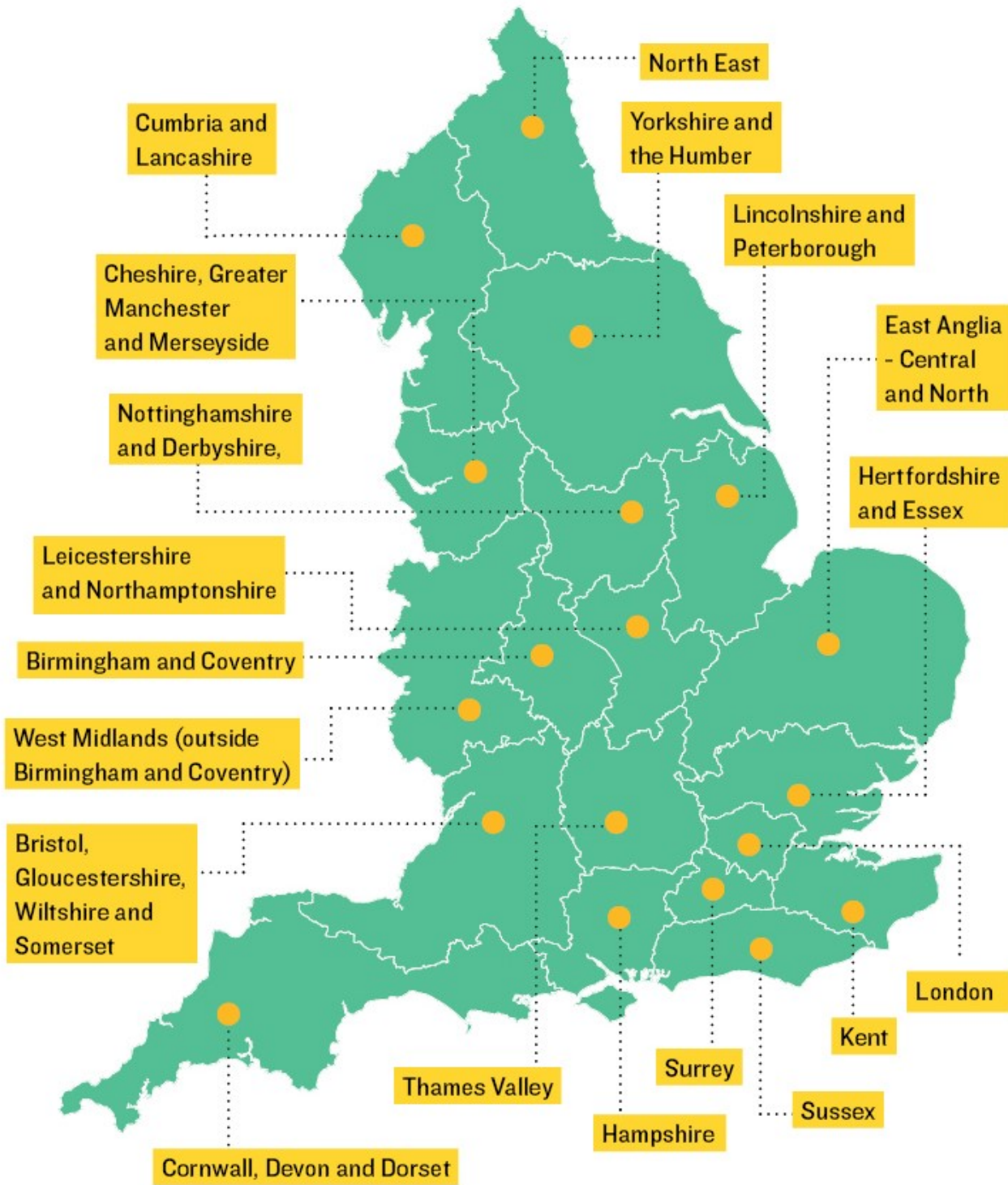
### **Figure 1: Current local plan requirements, recent housing delivery, current standard**

## method and new standard method by region. Source: Lichfields analysis based on MHCLG/ONS



More importantly, the Government's White Paper proposes to replace the Standard Method for Local Housing Need with a nationally-set method for setting local housing requirements in effect distributing 300,000 homes per annum across local authorities, taking into account constraints and other factors. So, whilst the current proposals will be of significant importance for emerging local plans coming forward over the next 2-3 years – and in five year land supply matters over that time horizon – they may ultimately have a short shelf-life.

Lichfields has crunched the numbers for individual local authorities, grouped by sub-regions. Please click on the links below to find your area, and compare how the new proposed method compares to current local plans, recent housing delivery, and the current method. For information on how we have calculated the figures, please [click here](#).



## Regions

LPA	Current Local Plan requirement	Average delivery (last 3 years)	Current Standard Method	Proposed new Standard Method
<b>London</b>	<b>41,882</b>	<b>35,815</b>	<b>56,023</b>	<b>93,532</b>
<b>Greater London</b>	<b>41,882</b>	<b>35,815</b>	<b>56,023</b>	<b>93,532</b>
Barking and Dagenham	1,236	638	1,730	1,657
Barnet	2,349	2,072	3,289	5,744
Bexley	446	509	624	1,797
Brent	1,525	1,266	2,135	2,695
Bromley	641	707	897	2,487
Camden	1,120	993	1,568	5,604
City of London	141	67	114	116
Croydon	1,649	2,167	2,309	2,205
Ealing	1,297	1,352	1,816	2,247
Enfield	798	595	1,117	2,213
Greenwich	2,685	1,932	3,265	4,289
Hackney	1,330	1,328	1,862	5,031
Hammersmith and Fulham	1,031	1,184	1,286	2,289
Haringey	1,320	836	1,848	2,786
Harrow	593	862	830	1,336
Havering	1,170	395	1,638	1,975
Hillingdon	559	854	783	2,026
Hounslow	822	857	1,151	1,338
Islington	1,264	652	1,770	2,218
Kensington and Chelsea	733	268	998	3,285
Kingston upon Thames	642	330	899	1,526
Lambeth	1,559	1,299	2,183	2,341
Lewisham	1,385	1,253	1,939	3,735
Merton	411	452	575	1,333

Newham	2,867	2,243	3,616	3,644
Redbridge	1,123	660	1,572	3,084
Richmond upon Thames	315	423	441	2,247
Southwark	2,736	2,146	3,299	3,547
Sutton	427	642	598	1,233
Tower Hamlets	3,931	2,785	4,585	6,121
Waltham Forest	862	786	1,207	2,574
Wandsworth	1,847	2,165	2,586	3,059
Westminster	1,068	1,096	1,495	5,750

Baseline figure is whichever is higher of 0.5% of stock (based on MHCLG Live Table 125, unrounded, for 2019, see para 26/footnote II of the guidance) or the latest household projections (2018-based, as per ONS Live Table 406 with the current year [2020] being used as the starting point and over a 10 year period [2020 to 2030] as per paras 23 and 27). Step 2 – Affordability uplift is based on formula in para 30 of the guidance, using ratio for the most recent year for which data is available (2019, as per para 29) and change over the last 10 years of published data (2009 to 2019, para 29). No cap is applied, in line with para 39 of the guidance.

**Disclaimer:** This publication has been written in general terms and cannot be relied on to cover specific situations. We recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Lichfields accepts no duty of care or liability for any loss occasioned to any person acting or refraining from acting as a result of any material in this publication. Lichfields is the trading name of Nathaniel Lichfield & Partners Limited. Registered in England, no.2778116



© Nathaniel Lichfield & Partners Ltd 2020

Registered office:  
The Minster Building  
21 Mincing Lane  
London  
EC3R 7AG

Website by: