



Local Authority (Housing Allocation) Bill [HL]

HL Bill 9 of 2022–23

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The [Local Authority \(Housing Allocation\) Bill \[HL\]](#) is a private member's bill introduced by Lord Mann (non-affiliated). The bill is due to have its second reading in the House of Lords on 8 July 2022. The bill would require local planning authorities to establish targets for the allocation of land for new housing in England in consultation with their local communities. The timescales for meeting these targets would be set by the secretary of state.

1. Purpose of the bill

Speaking to the purpose of the bill, Lord Mann said:

Housing allocations are set nationally, requiring local authorities to allocate land for development to meet these targets and to do so in a deliverable way. At the same time neighbourhood development plans have been created and are working very successfully to give local communities control of the development process including localised housing allocation. This local control has increased the number of houses built. This bill gives the power to the local authority responsible for planning to establish their own overall local housing targets in cooperation with the community, without compromising existing neighbourhood development planning, shifting power from national government to locally elected representatives, but within the context of other national government planning objectives and priorities.¹

¹ Text provided by Lord Mann to the House of Lords Library.

2. Bill provisions

The Local Authority (Housing Allocation) Bill [HL] contains one substantive clause. Clause 1 would amend section 19 of the Planning and Compulsory Purchase Act 2004 concerning the preparation of local development documents.

Under section 19(1B) of the Planning and Compulsory Purchase Act 2004, local planning authorities are required to identify the strategic priorities for the development and use of land in the authority's area.² This requirement was added to the 2004 act by section 8(1) of the Neighbourhood Planning Act 2017.³

Clause 1(2) of the bill would add new subsection (1F) to section 19 of the 2004 act. This would require that, for the purposes of subsection (1B), local planning authorities would establish targets for local housing allocations in England in consultation with local communities. The timescales for these targets would be set by the secretary of state.

Clause 2 states that the territorial extent of the bill is England and Wales only. The bill applies to England only. It also states that the bill's provisions would come into force on the day it is passed.

3. Previous bills introduced by Lord Mann

Lord Mann is the former Labour MP for Bassetlaw. During the 2017–19 session, while he was still a member of the House of Commons, Lord Mann introduced the Housing and Planning (Local Decision-Making) Bill.⁴ This was a presentation bill, a type of private member's bill introduced without debate in the House of Commons. The full text of the bill was not published. However, the long title of the bill described its purpose as being:

² Neighbourhood Planning Act 2017, s8(1).

³ Further information on the background to the Neighbourhood Planning Bill is provided in the House of Lords Library briefing, '[Neighbourhood Planning Bill: Briefing for Lords stages](#)', 5 January 2017. This was prepared ahead of the bill's second reading in the House of Lords.

⁴ UK Parliament, '[Housing and Planning \(Local Decision-Making\) Bill](#)', accessed 17 June 2022.

[...] to remove powers of the secretary of state in relation to the location of and planning permission for new housing developments; to give local authorities powers to establish requirements on such developments in their area, including requirements on the proportion of affordable and social housing; and for connected purposes.⁵

Lord Mann said his intention in introducing the bill was to “challenge the government to put communities first so we can get the affordable and social housing we need”.⁶ It received its first reading on 13 March 2018. However, it did not receive a second reading.

4. Policy background

4.1 Local housing allocation in England

Local planning authorities are required to prepare development plans for their area in consultation with their local community.⁷ Decisions by local planning authorities in England concerning local housing allocation for the purpose of local planning are currently made using the local housing need formula. This provides an assessment of the minimum number of houses needed in an area.⁸ The local housing need formula is also known as the “standard method”.⁹ This is not set out in legislation but forms part of the government’s national planning policy framework.¹⁰ Local planning authorities must have regard to the national planning policy framework when preparing development plans.¹¹

The standard method was introduced in 2018 by the government under Theresa May as part of its revisions to the national planning policy

⁵ UK Parliament, ‘[Housing and Planning \(Local Decision-Making\) Bill](#)’, accessed 17 June 2022.

⁶ Lord Mann, ‘[Personal Twitter account](#)’, 13 March 2018.

⁷ Department for Levelling Up, Housing and Communities, ‘[Guidance: Plan-making](#)’, 4 October 2021.

⁸ Department for Levelling Up, Housing and Communities, ‘[Guidance: Housing and economic needs assessment](#)’, 16 December 2020.

⁹ For consistency, the term ‘standard method’ is used in the rest of this briefing.

¹⁰ Ministry of Housing, Communities and Local Government, ‘[National planning policy framework](#)’, 27 March 2012, p 20.

¹¹ Planning and Compulsory Purchase Act 2004, s19(2)(a).

framework.¹² The government said that the purpose of using a standardised method for assessing local housing need would help to increase the supply of homes in a way that reflected local requirements.¹³ The standard method uses household projections calculated in 2014 as a guide for establishing the minimum local housing need in a particular area. These are based on projections for population changes between 2021 and 2031.

4.2 Changes to the standard method

The Conservative Party manifesto for the 2019 general election included a commitment to increase the number of homes being built, reaching 300,000 homes per year by the mid-2020s.¹⁴ It also included a commitment to build at least a million more homes over the course of the parliament. In December 2020, following a consultation on proposals to reform the planning system, the government said it would adjust the standard method by adding a 35% uplift for the 20 most populated urban areas in England.¹⁵ The government said this was necessary for it to achieve its annual house building targets. At the date of the announcement, the 20 most populated urban areas in England were identified as London, Birmingham, Liverpool, Bristol, Manchester, Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove.¹⁶

4.3 Changes to population projections

In September 2018, the Office for National Statistics (ONS) released new

¹² Ministry of Housing, Communities and Local Government, '[Revised national planning policy framework](#)', 24 July 2018. The most recent revisions to the national planning policy framework took place in July 2021.

¹³ Ministry of Housing, Communities and Local Government, '[Revised national planning policy framework](#)', 24 July 2018, p 17.

¹⁴ Conservative Party, '[Conservative Party manifesto](#)', November 2019, p 31.

¹⁵ Ministry of Housing, Communities and Local Government, '[Government response to the local housing need proposals in "Changes to the current planning system"](#)', 16 December 2020.

¹⁶ Ministry of Housing, Communities and Local Government, '[Government response to the local housing need proposals in "Changes to the current planning system"](#)', 16 December 2020. These 20 areas were identified by the Office for National Statistics in the 2019 mid-year estimates as the most populous urban areas.

household projections, based on population figures for 2016.¹⁷ These household projections were lower than those used for the standard method. In October 2018, the Ministry of Housing, Communities and Local Government published a consultation on updating the standard method in the light of these new projections.¹⁸ More than half of the respondents to this consultation said the standard method should be changed to reflect these new figures.¹⁹ However, following the consultation, the government decided to retain the 2014 household projections as the basis for the standard method, arguing this was necessary to provide stability and certainty to the planning system.²⁰

In January 2022, the ONS published national projections for population growth, based on 2020 population figures.²¹ It said UK population growth was likely to be slower than set out in its 2018 projections. In the same month as these new figures were published, Harriett Baldwin (Conservative MP for West Worcestershire) asked the government whether it planned to adjust the housing projections used for the standard method.²² In his response, Christopher Pincher, the then minister of state at the Department for Levelling Up, Housing and Communities, said the government would continue to base the standard method on the 2014 household projections. He said this was necessary to provide stability and certainty for local decision-making. He also said the standard method was consistent with the government's commitment to deliver an additional 300,000 homes a year.

4.4 Neighbourhood plans

Speaking in support of his bill, Lord Mann has argued the success of neighbourhood plans proved that more decisions about local housing

¹⁷ Office for National Statistics, '[Household projections in England: 2016-based](#)', 20 September 2018.

¹⁸ Ministry of Housing, Communities and Local Government, '[Technical consultation on updates to national planning policy and guidance](#)', October 2018.

¹⁹ Ministry of Housing, Communities and Local Government, '[Government response to the technical consultation on updates to national planning policy and guidance](#)', February 2019, p 7.

²⁰ Ministry of Housing, Communities and Local Government, '[Government response to the technical consultation on updates to national planning policy and guidance](#)', February 2019, p 6.

²¹ Office for National Statistics, '[National population projections: 2020-based interim](#)', 12 January 2022.

²² House of Commons, '[Written question: Housing: Construction](#)', 21 January 2022, 103540.

allocation should be made at a local level.²³

Neighbourhood plans were introduced by the coalition government. The Localism Act 2011 established a process by which parish and town councils or local 'neighbourhood forums' are able to affect development in a local area.²⁴ One means by which they are able to do this is through establishing neighbourhood plans. Under the 2011 act, neighbourhood plans must be endorsed by a referendum in order for them to have statutory effect. Once approved, the neighbourhood plan forms part of the statutory development plan used by the local authority in determining planning applications. The government has described the purpose of neighbourhood plans as follows:

Neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area. They are able to choose where they want new homes, shops and offices to be built, have their say on what those new buildings should look like and what infrastructure should be provided, and grant planning permission for the new buildings they want to see go ahead.²⁵

In May 2020, the University of Reading published an assessment of the impact of neighbourhood planning in England.²⁶ The study was commissioned by the Ministry of Housing, Communities and Local Government. It found neighbourhood planning had made a significant contribution to housing supply. It said those neighbourhood plans which included an allocation of new housing did so on average for an additional 39 units per plan. However, the study noted that those communities seeking to make new housing allocations encountered additional technical and political burdens, when compared to neighbourhood plans which did not include any new local housing allocations.²⁷

²³ Text provided by Lord Mann to the House of Lords Library.

²⁴ Ministry of Housing, Communities and Local Government, '[Guidance: Neighbourhood planning](#)', 25 September 2020.

²⁵ Ministry of Housing, Communities and Local Government, '[Guidance: Neighbourhood planning](#)', 25 September 2020.

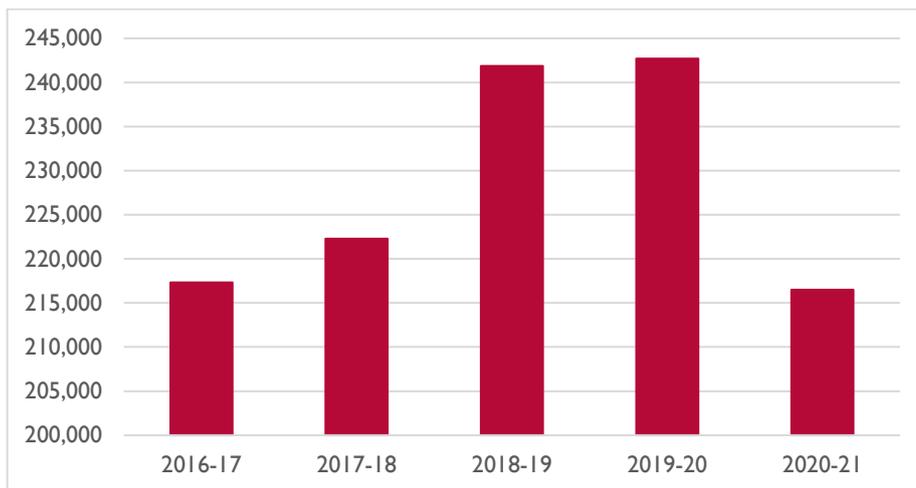
²⁶ University of Reading, '[Impacts of neighbourhood planning in England: Final report to the Ministry of Housing, Communities and Local Government](#)', May 2020.

²⁷ Further information on neighbourhood plans is provided in the House of Commons Library briefing, '[Neighbourhood planning](#)', 12 October 2018.

5. Housing supply and demand in England: Recent statistics

There were 216,490 net additional dwellings in England in 2020–21.²⁸ The majority of this figure was new build completions (194,060). This was down 11% compared with the previous year and is the lowest level for the last five years. The Department for Levelling Up, Housing and Communities has concluded this decrease may have been due, in part, to the restrictions introduced during spring 2020 in response to the Covid-19 pandemic.

Graph 1: Annual net additional dwellings in England, last five years²⁹



The Department for Levelling Up, Housing and Communities identified the following trends across different parts of England:

There are relatively high rates of net additional dwellings in local authorities stretching from west of the London commuter belt across the midlands to East Anglia. Aside from the City of London (which has a low level of residential stock), Tower Hamlets, Salford and Harborough have the top three net addition rates per 1000 dwellings in the country.

²⁸ Department for Levelling Up, Housing and Communities, '[Housing supply: Net additional dwellings, England: 2020–21](#)', 25 November 2021, p 1.

²⁹ Department for Levelling Up, Housing and Communities, '[Live tables on housing supply: Net additional dwellings](#)', 25 November 2021, Table 118: 'Annual net additional dwellings and components, England and the regions'.

Other notable areas with high rates of net additions per 1000 dwellings are Redbridge, South Derbyshire and Ashford. London presents a mixed picture, with nine of the top 50 net addition rates per 1000 dwellings and four of the lowest 50 net addition rates. Areas with low levels of net additions per 1000 dwellings are geographically varied. Aside from the Isles of Scilly (which has a low level of residential dwelling stock), the lowest three net additions rates per 1000 of the stock were in Walsall, Lewisham and Halton.³⁰

6. Read more

- House of Lords Library. [‘Queen’s Speech 2022: Levelling up, housing and communities’](#), 4 May 2022
- House of Commons Library, [‘Housebuilding targets’](#), 10 June 2019
- House of Commons Library, [‘Planning for the future: Planning policy changes in England in 2020 and future reforms’](#), 11 February 2022
- House of Commons Library, [‘Tackling the under-supply of housing in England’](#), 4 February 2022.

³⁰ Department for Levelling Up, Housing and Communities, [‘Housing supply: Net additional dwellings, England: 2020–21’](#) 25 November 2021, pp 8–9.

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