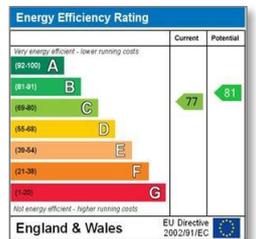




West London Strategic Housing Market Assessment

Addendum Report

November 2018





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Addendum Report

Overview of the Addendum Report scope and purpose

1. The West London SHMA 2018 was completed in October 2018. The report established a full objectively assessed need for the West London boroughs using the CLG's 2014 based household projections as a starting point, adjusted to take account of the GLA's 2016 based household projections.
2. The West London report also considered the Government's standard method for calculating Local Housing Need, which had been introduced by MHCLG in July 2018 as part of the update to the National Planning Policy Framework. The NPPF requires the housing need calculation to take account of the most up to date projections. The ONS published new 2016 based household projections in September 2018. Figure 5, Figure 9 and Figure 35, which all included the Local Housing Needs figures for West London, are underwritten by these new 2016 based ONS household projections.
3. At paragraphs 1.36 and 1.37 of the main sub-regional report it was noted that.

1.36. However, we would also note that the NPPF 2018 came with the following statement:

- » Your attention is drawn to the following wording within the government response document to the revised National Planning Policy Framework:
- » "A number of responses to this question provided comment on the proposed local housing need method. The government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically, it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September 2018.
- » In the housing white paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.
- » It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s."

1.37 Therefore, while the NPPF 2018 places a clear duty upon local authorities to use the standard methodology housing assessment number for their area unless they have good reasons not to do so, it is also clear that MHCLG are seeking to revise those figures before it is even formally introduced. At this stage there is no indication of how the methodology will be changed by MHCLG.

4. On October 26th 2018, MHCLG clarified their intention to change the standard method for Local Housing Need. At paragraphs 19 of the document, "Technical consultation on updates to national planning policy and guidance October 2018", MHCLG set out their planned changes to the standard method.

- » 19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:
 - » 1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.
 - » 2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and
 - » 3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.

5. The purpose of this Addendum Report is to report on the Local Housing Need figures for West London if the MHCLG consultation proposals for Local Housing Need were to be adopted. Therefore, we have taken the standard method as outlined in July 2018 and replaced the 2016 based ONS household projections with the equivalent figures from the 2014 based CLG projections. Figure 1 below is therefore identical to Figure 5 in the West London SHMA, but with the addition of the column entitled, *MHCLG Consultation Standard Methodology (October 2018)*.
6. If the consultation proposals were to be adopted the Local Housing Need for London as a whole would rise to an annual figure of 72,535 dwellings, which is very similar to the level found in the September 2017 consultation. However, West London’s annual dwelling need figure would rise to 16,372, which is over 2,000 dwellings per annum more than in the September 2017 consultation. This is predominantly due to Hillingdon’s Local Plan now being more than 5 years old and therefore no longer subject to a maximum cap.

Figure 1: Summary of Housing Needs and Supply Figures for West London

Local Authority	GLA London SHLAA 2017	Draft Standard Methodology (September 2017)	Standard Methodology (September 2018)	MHCLG Consultation Standard Methodology (October 2018)	WL SHMA Oct 2018 (London Plan compliant)	WL SHMA Oct 2018 alternative based on household types
Barnet	3,134	4,126	2,683	4,048	3,059	1,999
Brent	2,915	2,855	1,376	2,746	1,919	1,223
Ealing	2,807	2,432	992	2,398	2,003	1,164
Hammersmith and Fulham	1,648	980	375	1,377	761	582
Harrow	1,392	1,959	734	1,922	1,477	868
Hillingdon	1,553	595	1,682	2,730	1,879	1,249
Hounslow	2,182	1,151	1,151	1,151	1,781	1,052
West London	16,988^[1]	14,098	8,993	16,372	12,879	8,137
London	65,878	72,408	49,535	72,535	-	-

7. For clarification, the implications of each set of figures in the above table are as follows:
- » **GLA London SHLAA 2017:** These figures consider the capacity of each London Borough and Development Corporation to deliver net additional dwellings and are often referred to as the GLA’s Housing Targets;

^[1] The separate supply figures of 1,367 dwellings per annum for OPDC are not included in the borough figures

- » **Draft Standard Methodology September 2017:** – These figures show the outputs from the September 2017 consultation on the standard methodology and are included for comparison purposes;
- » **Standard Methodology September 2018:** – These figures are the ones which comply with paragraph 60 of the NPPF July 2018 until such time as the guidance is changed following the consultation launched in October 2018 by MHCLG;
- » **MHCLG Consultation Standard Methodology October 2018:** These figures are taken from the proposed stop gap which would come in to effect from January 24th 2019 and run until a new methodology is outlined before the 2018 based household projections are produced in 2020;
- » **West London SHMA London Plan Compliant:** -These figures are derived from the GLA's 2016 based Central Trend overall household projections with an associated market signal uplift and are broadly consistent with the overall housing needs set out in the Greater London SHMA 2017, but with a different size and tenure mix; and
- » **West London SHMA Alternative Based on Household Types:** –These figures are derived from the GLA's 2016 based Central Trend household type projections with an associated market signal uplift and show the number of dwellings needed if the household type and population projections are assumed to be correct.