

The Use of Local Housing Need in Plan Making and Decision Making

August 2021

Introduction

1. This paper has been prepared to aid understanding of what 'local housing need' is and how it is used within the planning system. It provides a background and justification to explain why and how local housing need is being used in the preparation of a new local plan for Lewes District (outside of the National Park) and for the determination of planning applications.
2. This paper reviews the National Planning Policy Framework (NPPF) as revised and published in July 2021, which is the Government's statement of planning policy for England and guides the preparation of local plans ('plan-making') and the determination of planning applications ('decision making'). It also makes reference to Planning Practice Guidance (PPG), which is supplementary guidance to assist the interpretation of the NPPF. Sections of the PPG are amended and added to on a regular basis to allow the guidance to be responsive and flexible to changing circumstances. This paper quotes sections of the NPPF and PPG in *italics*, and on occasion the author adds emphasis via **bold and underline**.
3. This paper identifies what local housing need is and how it is calculated, and provides context to the operation of the planning system in England to assist in the understanding and explanation of how local housing need is applied in the context of plan making and decision making. Whilst it identifies how local housing need is used and influences the decision-making process, it does not determine what the decision should be as ultimately those decisions are a matter of planning judgment for the decision-maker.
4. A key consideration impacting the application of local housing need in Lewes District is that approximately half of the local authority area is within the South Downs National Park (SDNP). The South Downs National Park Authority is the local planning authority for the area of the District within the National Park, whilst Lewes District Council is the local planning authority for the remaining part of the District. This has a significant influence on how local housing need is used by Lewes District Council as the local planning authority for the area of the District outside of the National Park.

Context

5. The use of Local Housing Need must be considered within the context of how the planning system operates. The English planning system is a plan-led system, which means that the development plan (which includes local plans and neighbourhood plans) is at the heart of the planning system.

6. In the context of determining planning applications in a plan-led system, planning law¹ requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise.
7. This means that the development plan policies are the starting point for determining a planning application, but that material considerations may justify a decision that it is contrary to those policies.
8. A material planning consideration is a relevant matter that should be taken into account in reaching a decision on a planning application. This can cover a wide range of considerations but would usually exclude the protection of purely private interests. Whether something is a material consideration depends on circumstances and is ultimately a decision for the courts.
9. If something is a material consideration, further consideration needs to be given to the weight it should have in making a decision. It is for the decision maker to use planning judgement to determine how much weight to give to a material consideration in making a decision.
10. PPG² confirms that the NPPF is a material consideration that must be taken into account in determining a planning application. This includes the NPPF's presumption in favour of sustainable development (NPPF, para 11), which is at the heart of the NPPF to enable '*sustainable development to be pursued in a positive way*' (NPPF, para 10).
11. To enable a plan-led system, planning law³ requires that each local planning authority must identify their strategic priorities and have policies to address these in their development plan documents. However, it should be noted that there is no statutory requirement for a local plan to be kept up-to-date.
12. The current local plan for Lewes District (outside of the National Park) consists of: Lewes Local Plan Part 1: Joint Core Strategy with the South Downs National Park 2010-2030 (adopted in 2016), which provides the strategic policies that set the overall strategy for the scale and distribution of development, and; Lewes Local Plan Part 2: Site Allocations and Development Management Policies (adopted in 2020), which contains the non-strategic policies that set out more detail for specific types of development.
13. Local Plan Part 1 (LPP1) is the local plan document that sets out the strategic priorities and the strategic policies to address these priorities, in accordance with planning law⁴. Local Plan Part 2 (LPP2) is a non-strategic plan as the purpose of the plan is to enable the effective delivery of LPP1 and strategic provisions are outside of its scope, as confirmed by the Inspectors report⁵ into the examination.

¹ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990

² PPG: Determining a planning application, Paragraph: 006 Reference ID: 21b-006-20190315

³ Section 19(1B) - (1E) of the Planning and Compulsory Purchase Act 2004

⁴ Section 19(1B) - (1E) of the Planning and Compulsory Purchase Act 2004

⁵ <https://www.lewes-eastbourne.gov.uk/planning-policy/local-plan-part-2-examination/>

14. The housing requirement (or housing target) is set out in Local Plan Part 1 (LPP1). This plan covered the whole of Lewes District, including the South Downs National Park, and set a housing requirement for the whole District of 345 homes per year.
15. However, as a result of a legal challenge to LPP1 that partially succeeded, the housing requirement as it applied to the part of the District within the South Downs National Park was quashed. As a result, the housing target of 345 homes per year was disaggregated, resulting in a housing requirement for Lewes District outside of the National Park of 275 homes per year.
16. Once a local plan reaches its fifth anniversary of adoption, it is a legal requirement⁶ that a local plan be reviewed to determine whether it is still up-to-date. The NPPF (para 33) confirms that:

Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy.

17. PPG⁷ confirms that ‘most plans are likely to require updating in whole or in part at least every 5 years’, and also sets out the considerations that local planning authorities should take into account when determining whether a plan should be updated⁸.
18. Due to the fifth anniversary of the adoption of LPP1 falling in May 2021, a review of LPP1 was undertaken. This review determined that LPP1 could not reasonably be considered to be up-to-date when considered against the guidance in the NPPF and PPG. The main reasons for the review considering that LPP1 was not up-to-date were:
 - Changes to national policy since LPP1 was adopted following the publication of a revised NPPF in 2018, including the introduction of the standard method for calculating local housing need
 - A significant increase in the district’s housing need as calculated via the standard method, compared to the level of housing need considered at the LPP1 examination
 - The adoption of a new Council Corporate Plan and the declaration of a climate emergency, including the target of achieving net-zero carbon emissions and being climate-resilient by 2030
 - The adoption of the South Downs Local Plan in July 2019, which superseded parts of LPP1 (which itself was a joint plan covering the whole District including the National Park)

⁶ Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012

⁷ PPG: Plan Making, Paragraph: 062 Reference ID: 61-062-20190315

⁸ PPG: Plan Making, Paragraph: 065 Reference ID: 61-065-20190723

19. The review was influenced by the NPPF (para 33), which states that:

*Relevant strategic policies will need updating at least once every five years if their applicable **local housing need figure has changed significantly**.*

20. PPG⁹ goes on to confirm that:

*Local housing need will be considered to have changed significantly where a plan has been **adopted prior to the standard method being implemented**, on the basis of a number that is **significantly below** the number generated using the standard method, or has been subject to a cap where the plan has been adopted using the standard method.*

21. LPP1, which contains the relevant strategic policies, was adopted in 2016, prior to the introduction of the standard method in 2018. LPP1 was adopted on the basis of an 'Objectively Assessed Housing Need' of 520 homes per year across the District, which is significant below the housing need number generated using the standard method.

22. The review was critically assessed by a former Senior Planning Inspector on behalf of the Planning Advisory Service, who concluded that the review was "comprehensive and robust".

What is 'Local Housing Need'?

23. The National Planning Policy Framework (NPPF) seeks 'to support the Government's objective of significantly boosting the supply of homes' (para 60). This means that local planning authorities should prepare plans that 'meet the development needs of their area' and 'as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas', unless doing so would be inconsistent with the NPPF (para 11a and b).

24. Planning Practice Guidance (PPG)¹⁰ identifies that:

Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.

25. The term 'Local Housing Need' was introduced through the revisions to the NPPF that were published in 2018 to describe housing need that has been calculated in a specific way.

26. Local Housing Need is defined in the NPPF (Annex 2) as:

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic

⁹ PPG: Plan Making, Paragraph: 062 Reference ID: 61-062-20190315

¹⁰ PPG: Housing and economic development needs assessments, Paragraph: 001 Reference ID: 2a-001-20190220

policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework).

27. Therefore, 'Local Housing Need' is the measure of housing need in an area, expressed as the minimum number of homes needed per year, as calculated via a standard method (or a justified alternative approach). It is important to note that this number is generated without taking into account the ability of the area of accommodate that number of homes.
28. Prior to the revisions to the NPPF in 2018, housing need was referred to by the specific term 'Objectively Assessed Housing Need' (OAN) in the 2012 NPPF and associated Planning Practice Guidance (PPG) since superseded. The term 'Objectively Assessed Housing Need' has now been replaced by the term 'Local Housing Need'. Housing need that is 'objectively assessed' means that constraints that might impact the ability of that number of homes to be delivered are not considered. It is also sometimes known as a 'policy-off' assessment, as policies that may provide a constraint to delivery are not taken into account at this point.
29. 'Local Housing Need' is the need as objectively assessed for housing in isolation because it does not consider any constraints that may impact whether that number can be delivered.
30. The NPPF definition of 'Local Housing Need' does allow an alternative approach rather than the standard method to calculate 'local housing need', and this will be discussed later.

How is Local Housing Need calculated?

31. The NPPF (para 61) confirms that:

*To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, **conducted using the standard method** in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.*

32. The standard method is set out in PPG¹¹. The basis of the standard method is to establish a baseline requirement using 2014-based household growth projections to calculate the projected average annual household growth over a 10-year period, and then applying an adjustment to that baseline to take account the affordability of the area using median workplace-based affordability ratios. Under certain circumstances, a cap can then be applied to limit the increase that an area can face.
33. The standard method was introduced via the revisions to the NPPF in 2018. Prior to the introduction of the standard method, there was no single agreed-upon approach for calculating housing need, and a review of the plan-making process¹² considered that the identification of housing need and the disagreements arising from this was one of the principal difficulties affecting the speed and resource required in the production of local plans.

¹¹ PPG: Housing and economic development needs assessments, Paragraph: 004 Reference ID: 2a-004-20201216

¹² Local Plans Expert Group: Local Plans report to the Communities Secretary and to the Minister of Housing and Planning

34. A recommendation for a shorter, simplified and standardised methodology for calculating housing need was endorsed in the Government's Housing White Paper 'Fixing the Broken Housing Market' in 2017¹³, which followed through to the revisions to the NPPF and PPG in 2018. These revisions introduced a 'standard method' for calculating housing need that was designed to output a 'homes per year' figure for each local authority, with the aim of meeting the Government's stated aim¹⁴ delivering 300,000 homes per year across the country.
35. In autumn 2018, concerns over the mandated use of 2014-based household projections in light of more recent lower projections led the Government to commit to a review of the standard method. A consultation on a revised standard method was undertaken in summer 2020, which proposed a new standard method that enabled the use of 2018-based household projections but was still consistent with the commitment to plan for the delivery of 300,000 homes a year. The proposed changes also included the use of current levels of housing stock within the baseline calculation, a change to how the affordability adjustment was calculated, a greater weighting on affordability as part of the calculation, and the removal of the potential to cap the level of increase.
36. As a result of responses to the consultation, including significant debate in parliament, the Government published an update to the standard method in December 2020. The updated standard method did not put in place any of the proposed amendments that were subject to consultation. Instead, the standard method has been retained in its existing form, with the addition of a 35% uplift for the 20 largest urban authorities in the country.
37. Lewes District is not one of the 20 largest urban authorities in the country, and therefore there was no change to the standard method as it applies to Lewes District.
38. The Local Housing Need for Lewes District calculated via the standard method is currently 782 homes per year. The calculation for Lewes District Local Housing Need is set out in Appendix A. It should also be noted that the Local Housing Need figure changes on a regular basis as the baseline year changes and data on affordability ratios is updated.
39. Critically for Lewes, the standard method only provides a figure for local housing need on a local authority basis. This means that it includes the part of the District that is within the South Downs National Park, for which Lewes District Council is not the local planning authority.
40. The standard method cannot be used to calculate a local housing need for the Lewes District Council local planning authority area only (i.e. the part of the District outside of the National Park) because the data inputs into standard method (household projections and median workplace-based affordability ratio) are only available for whole local authority areas and are not provided at disaggregated or lower-level geographies.
41. Paragraph 61 of the NPPF, which identifies that the minimum number of homes needed should be assessed using the standard method, enables an alternative approach to be used as part of the plan-making process where there are exceptional circumstances:

¹³ Fixing our broken housing market – Housing White Paper, 2017

¹⁴ Autumn Budget 2017 and 2019 Conservative Manifesto

*To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – **unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.***

42. PPG¹⁵ elaborates on NPPF paragraph 61 and confirms that any alternative method should be used only in exceptional circumstances and authorities can expect this to be scrutinised more closely at examination.
43. The fact that around half of Lewes District is within the South Downs National Park is seen as an exceptional circumstance that would justify an alternative approach. This is confirmed by PPG¹⁶, which identifies that an alternative approach to assessing local housing need would need to be used in situations where strategic policy-making authority boundaries do not align with local authority boundaries. However, PPG goes on to say that, in using a locally determined method, it will be necessary to '*consider the best available information on anticipated changes in households as well as local affordability levels*'.
44. PPG¹⁷ further states that when testing different methods of calculating local housing need at examination, consideration will be given to '*whether it provides the basis for a plan that is positively prepared, taking into account the information available on household formation and affordability*', and that '*the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method*'. It also confirms that any alternative method uses household projections more recently published than the 2014-based household projections would not be appropriate.
45. The NPPF (para 61) is clear that an alternative approach must be based on demographic trends and market signals. The 2014-based household projections are only available at a local authority level, and other data on anticipated changes in households and local affordability levels are not readily available for lower-level geographies. In addition, the South Downs National Park boundary was defined on landscape considerations and therefore does not align with statistical or administrative geographies. This means that the data required to calculate housing need for the District outside of the National Park 'from the bottom up' is not available at this time.
46. Therefore, the most realistic approach to calculating housing need for the District outside of the National Park is to attempt to identify how much of the Local Housing Need for the whole District originates from the part of the District outside of the National Park.
47. The Government's consultation on proposed changes to the standard method introduced the concept of using existing housing stock in the baseline calculation. Although this was not incorporated into the eventual changes to the standard method, it does provide a method of

¹⁵ PPG: Housing and economic development needs assessments, Paragraph: 003 Reference ID: 2a-003-20190220

¹⁶ PPG: Housing and economic development needs assessments, Paragraph: 014 Reference ID: 2a-014-20190220

¹⁷ PPG: Housing and economic development needs assessments, Paragraph: 015 Reference ID: 2a-015-20190220

calculating how much of the Local Housing Need for the District originates from the District outside of the National Park, based on how the total number of dwellings in the District is split between inside and outside the National Park.

48. Of the 45,180 dwellings in Lewes District. 10,487 dwellings are located within the National Park, and 34,693 dwellings are located outside of the National Park, meaning 77% of the District's total housing stock is located outside of the National Park. Therefore, the locally derived method of calculating housing need is to apply 77% to the Local Housing Need for the District, resulting in a housing need for the District outside of the National Park of 602 homes per year. The report detailing this approach is published on the Council's website¹⁸. As the alternative approach does not take into account constraints, it is still considered to be 'objectively assessed'.
49. This approach was critically assessed by a former Senior Planning Inspector on behalf of the Planning Advisory Service, who described it as "logical" and confirmed that it has not been possible to identify any authority that has approached the matter in a more sophisticated manner. The approach was also subject to consultation with Town and Parish Council and local agents and applicants in January 2021.

How is Local Housing Need used in Plan-Making?

50. There are statutory stages for plan-making set out in Town & Country Planning (Local Planning) Regulations 2012 (as amended) that need to be undertaken in preparing a local plan. These include: consultation and engagement on what a local plan should contain (Regulation 18); publication of the local plan that is proposed for submission to enable representations to be made (Regulation 19); submission of the local plan to the Secretary of State (Regulation 22); independent examination of the local plan by a Planning Inspector (Regulation 24); the publication of the recommendations of the Planning Inspector (Regulation 25); and finally, once the local plan has passed examination, the adoption of the local plan by the local planning authority to enable its use in determining planning applications (Regulation 26).
51. The NPPF sets out the Government's planning policy for England, including the requirements around what a local plan should contain, which is tested at the independent examination stage (regulation 24). In the context of preparing a local plan, housing need is referred to in the NPPF on a number of occasions, and it is clear that, as a starting point, local plans should seek to meet housing needs in full.
52. The NPPF (para 11) identifies that plans and decisions should apply a 'presumption in favour of sustainable development'. In relation to plan-making, this means that:

*a) all plans should promote a sustainable pattern of development that seeks to: **meet the development needs of their area**; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;*

¹⁸ <https://www.lewes-eastbourne.gov.uk/planning-policy/strategic-housing-and-economic-land-availability-assessment/housing-land-supply/>

*b) strategic policies should, as a minimum, provide for **objectively assessed needs for housing and other uses**, as well as any needs that cannot be met within neighbouring areas, unless: ...*

...the benefits are 'significantly and demonstrably' outweighed by the adverse impacts; or where the NPPF specifically protects areas or assets of particular importance¹⁹.

53. In addition, NPPF (para 15) identifies that:

*Succinct and up-to-date plans should provide a positive vision for the future of each area; **a framework for addressing housing needs** and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.*

54. Also, NPPF (Para 23) confirms that:

*Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to **address objectively assessed needs over the plan period**, in line with the presumption in favour of sustainable development.*

55. In this context, the 'objective assessed needs' for housing is the local housing need as calculated by the standard method (or justified alternative approach).

56. As part of the examination, local plans are assessed as to whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. The tests of soundness are set out in the NPPF (para 35). Failure to convince an Inspector that a local plan is sound would mean that the local plan could not pass examination and therefore could not be adopted.

57. As part of the 'Positively prepared' test of soundness, local plans are required to:

*... provide a strategy which, as a minimum, seeks to meet the area's **objectively assessed needs**; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development.*

58. Footnote 21 to paragraph 35 of the NPPF confirms that where objectively assessed need relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 61 of the NPPF. This means the standard method (or a justified alternative approach).

59. As discussed previously, housing need, particularly in the context of NPPF paragraphs 11, 15, 23 and 35, is the local housing need as calculated by the standard method (or a justified alternative approach), as confirmed by NPPF paragraph 61.

¹⁹ This includes European designated habitat sites; Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park or defined as Heritage Coast; irreplaceable habitats; designated heritage; and areas at risk of flooding or coastal change.

60. NPPF (para 66) requires that local plans '*establish a housing requirement figure for their whole area which shows the extent to which the identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period*'. The housing requirement figure is the number of homes that the local plan plans to deliver over the plan period, taking into account strategic constraints. This is sometimes known as the 'policy-on' assessment, as policies that may provide a constraint to delivery are considered.
61. In the context of plan-making, PPG²⁰ confirms that local housing need is **not** the housing requirement. Local housing need is the starting point for determining how many homes the local plan should seek to plan for. It is then for the plan-making process to test whether there are reasons why it may be appropriate to plan for a different level of housing provision, for example where there are significant strategic constraints to development that would justify a lower level of provision.
62. There is an important distinction between the assessment of housing need as the first stage of the process, and the second stage process of determining if and how this need can be met. The assessment of land availability and strategic constraints such as environmental and infrastructure capacity may influence how much of the local housing need can be met.
63. PPG²¹ confirms that if there are strategic constraints that means that the housing requirement does not meet local housing need in full, the reasons for this will need to be clearly demonstrated as part of the local plan examination and will be heavily scrutinised by the Planning Inspector. Also, in this case, it would be necessary to establish how needs might be met in adjoining areas through the process of preparing statements of common ground in accordance with the duty to cooperate.
64. Once the local plan has been adopted, the housing requirement figure set out in the local plan becomes the area's housing target and it is against this number that housing delivery is measured.
65. As previously discussed, the NPPF (para 61) confirms that strategic policies can be informed by an alternative approach to calculating housing need where this is justified by exceptional circumstances.
66. PPG²² elaborates on NPPF paragraph 61 and confirms that the use of the standard method is not mandatory for strategic policy-making purposes, but that any other alternative method should be used only in exceptional circumstances and authorities can expect this to be scrutinised more closely at examination. The requirements that an alternative approach '*consider the best available information on anticipated changes in households as well as local affordability levels*'²³ still apply.
67. As a starting point for establishing housing need for the local plan, the alternative approach that produces a result of 602 homes per year is currently being used. However, as part of the process of gathering evidence for the local plan, a Housing Needs Assessment will be

²⁰ PPG: Housing and economic development needs assessments, Paragraph: 002 Reference ID: 2a-002-20190220

²¹ PPG: Housing and economic land availability assessment, Paragraph: 025 Reference ID: 3-025-20190722

²² PPG: Housing and economic development needs assessments, Paragraph: 003 Reference ID: 2a-003-20190220

²³ PPG: Housing and economic development needs assessments, Paragraph: 014 Reference ID: 2a-014-20190220

prepared, which alongside assessing the need for specific types of housing for different groups in the community such as affordable housing, older people and people with disabilities, will consider if there are any other alternative approaches to assessing local housing need for plan-making purposes. In addition, further discussions around the issue will be required with the South Downs National Park Authority under the Duty to Co-operate.

68. It should be noted that the local plan is still in the relatively early stages of its preparations, and there is a significant work to be undertaken before a housing requirement figure for the local plan and whether local housing need can be met is established.

How is Local Housing Need used in Decision-Making?

69. Local housing need has limited application in relation to decision-making, and is mainly used in the context of determining the five-year housing land supply position.

70. The NPPF (para 74) states that:

Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.

71. Footnote 39 to para 74 confirms that where strategic policies are more than five years old but have been reviewed and been found not to require updating, the housing requirement set out in adopted strategic policies can still be used.
72. LPP1 contains the adopted strategic policies that identify the housing requirement, and this plan is more than five years old. As described previously, LPP1 has been reviewed and cannot reasonably be found to be up-to-date. Therefore, the five-year housing land supply should be assessed against the local housing need figure in accordance with NPPF (para 74).
73. Footnote 39 identifies that where local housing need is used as the basis for assessing whether a five-year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance. This is further confirmed in PPG²⁴.
74. However, PPG²⁵ also identifies that where local authority boundaries overlap with National Parks, and plans are more than five years old, a locally derived housing requirement figure may be used to calculate the five-year housing land supply. This then refers to other guidance in the PPG²⁶ on alternative approaches to assessing local housing need for plan-making purposes, which makes reference to the use of best available information on anticipated changes in households as well as local affordability levels.

²⁴ PPG: Housing supply and delivery, Paragraph: 003 Reference ID: 68-003-20190722

²⁵ PPG: Housing supply and delivery, Paragraph: 023 Reference ID: 68-023-20190722

²⁶ PPG: Housing and economic development needs assessments, Paragraph: 014 Reference ID: 2a-014-20190220

75. The alternative approach described earlier that results in a housing need of 602 homes per year outside of the National Park is therefore used in the assessment of the five-year housing land supply.
76. Although a locally derived method for calculating local housing need can be used for the purposes of calculating the five-year housing land supply, there is no mechanism to apply land availability or strategic constraints to this as a second stage as there is in plan-making.
77. It is only once a new local plan is adopted that the housing requirement set out in the plan replaces local housing need as the figure against which the five-year housing land supply is assessed.
78. The five-year housing land supply for Lewes District outside of the National Park was updated to take into account national policy as a result of LPP1 reaching its fifth anniversary of adoption in May 2021. This assessed the land supply when considered against the local housing need as calculated using the alternative approach, plus the appropriate buffer²⁷, as being 2.9 years. The five-year housing land supply position note is published on the Council's website²⁸.
79. It should be noted that the Secretary of State in the appeal decision on Land at Mitchelswood Farm, Allington Road, Newick in February 2021²⁹ concluded that a five-year housing land supply could not be demonstrated at that time against the (disaggregated) LPP1 housing requirement of 275 homes per year.
80. Footnote 8 to paragraph 11 of the NPPF identifies that, for applications involving the provision of housing, policies which are most important for determining the application are out-of-date in situations where the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.
81. PPG³⁰ further confirms that:

In decision-taking, if an authority cannot demonstrate a 5-year housing land supply, including any appropriate buffer, the presumption in favour of sustainable development will apply, as set out in paragraph 11d of the National Planning Policy Framework.

82. NPPF para 11(d) is clear that where the policies which are most important for determining the application are out-of-date, permission should be granted, unless: the benefits are 'significantly and demonstrably' outweighed by the adverse impacts; or where the NPPF specifically protects areas or assets of particular importance³¹. The application of NPPF

²⁷ 5% buffer as required by paragraph 74 of the NPPF

²⁸ <https://www.lewes-eastbourne.gov.uk/planning-policy/strategic-housing-and-economic-land-availability-assessment/housing-land-supply/>

²⁹ Recovered appeal: Land at Mitchelswood Farm, Allington Road, Newick, East Sussex (ref: 3119171 - 16 February 2021)

³⁰ PPG: Housing supply and delivery, Paragraph: 008 Reference ID: 68-008-20190722

³¹ This includes European designated habitat sites; Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park or defined as Heritage Coast; irreplaceable habitats; designated heritage; and areas at risk of flooding or coastal change.

para 11(d) is known as the 'tilted balance' as it looks to 'tilt' the planning balance towards the granting of permission, and this is a material consideration that needs to be weighed in reaching a decision on whether to grant planning permission.

83. The NPPF (para 12) and case law confirms that the presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. This means that local plan policies should still be taken into account and should not be disregarded in determining an application. However, the weight attributable to policies that are 'out of date' is a matter of planning judgement for the decision-maker and will depend on the circumstances of each case.
84. In the case of the Mitchelswood Farm appeal decision, the Secretary of State considered that a five-year housing land supply could not be demonstrated, meaning that the 'tilted balance' applied. As a result, only moderate weight was given to Policy DM1 (Planning Boundaries), but substantial weight was given to Policies CP10 and EN1 as a result of the serious and substantial harm to the local landscape that would be caused. The Secretary of State also gave significant weight to the provision of open-market dwellings and substantial weight to the provision of affordable housing.
85. The Secretary of State concluded that the proposed development would have a '*seriously damaging impact on the character and appearance of the local landscape, and there would be substantial visual harm to the character and appearance of the landscape and village setting*', and therefore the adverse impacts significantly and demonstrably outweigh the sum total of the benefits, when assessed against the policies of the NPPF taken as a whole. As a result, the appeal was dismissed.

Appendix 1 – Calculating Local Housing Need using Standard Method

Calculated on 11th May 2021 using Standard Method as set out in PPG³²

Step 1 – Household Projections Baseline

The baseline is the projected average annual household growth over a ten-year period calculated using 2014-based household growth projections from the Office for National Statistics.

- 2021 Household Projection = 47,114
- 2031 Household Projection = 52,702

This is a total of 5,588 new households over the 10-year period, equivalent to an average household growth of 558.8 per year.

Step 2: Adjustment to take account of affordability

The affordability adjustment is applied in order to ensure that the standard method responds to price signals and is consistent with the national policy objective of significantly boosting the supply of homes.

The affordability adjustment is calculated using the most recent median workplace-based affordability ratios at local authority level, published by the Office for National Statistics. For each 1% the ratio is above 4, the average household growth should be increased by a quarter of a percent.

The median workplace-based affordability ratio (2020) for Lewes District is 11.50. The adjustment is calculated as:

$$\begin{aligned} \text{Adjustment factor} &= \left(\frac{11.50 - 4}{4} \right) \times 0.25 + 1 = \left(\frac{7.50}{4} \right) \times 0.25 + 1 \\ &= 1.875 \times 0.25 + 1 = 1.46875 \end{aligned}$$

The adjustment factor is therefore 1.46875 and is used to adjust the average annual household growth figure:

$$\begin{aligned} \text{Minimum annual local housing need figure} &= \text{adjustment factor} \times \text{projected household growth} \\ &= 1.46875 \times 558.8 = 820.7375 \end{aligned}$$

The resulting figure is 821 (rounded to a whole housing unit).

Step 3: Capping level of increase

Depending on the current status of the Local Plan, a cap can then be applied to limit the increases an individual local authority can face:

- (1) Where the Local Plan was adopted within the last 5 years, the local housing need figure is capped at 40% above the average annual housing requirement figure (i.e. the annual Local Plan target).
- (2) Where the Local Plan was adopted more than 5 years ago, the local housing need figure is capped at 40% above whichever is the higher of:

³² PPG: Housing and economic development needs assessments, Paragraph: 004 Reference ID: 2a-004-20201216

- a) the projected household growth for the area over the 10-year period identified in step 1; or
- b) the average annual housing requirement figure set out in the most recently adopted local plan (if a figure exists).

The Lewes Local Plan Part 1 was adopted in May 2016, so will be more than five years old from May 2021. Therefore capping under (1) above is not applicable.

The Lewes Local Plan Part 1 set an average annual housing requirement for the District of 345 homes per year. However, as a result of a legal challenge to the plan, the housing requirement was disaggregated between the parts of the District inside and outside of the National Park, which resulted a housing requirement for the District outside the National Park of 275 homes per year.

- The average annual housing requirement in LPP1 (outside of the National Park) is 275 per year.
- The average annual household growth over 10 years is 558.8 (as per step 1)
- The minimum annual local housing need figure is 811 (as per step 2)

The annual household growth (558.8) is higher than annual housing requirement figure (275). Therefore, the cap is set at 40% above the annual household growth figure:

$$Cap = 558.8 + (40\% \times 558.8) = 558.8 + 223.52 = 782.32$$

The capped figure is lower than the minimum annual local housing need figure and therefore limits the increase to the local authority's minimum annual housing need figure. Therefore the annual local housing need is capped at 782 per year.

Step 4: Cities and urban centres uplift

An urban local authority in the top 20 cities and urban centres list would uplift their figure generated by step 1-3 by 35%. Lewes District is not on this list, so Step 4 does not apply.

Result

As calculated by the standard method at May 2021, the minimum figure for whole of the Lewes District (including the SDNP) is **782 homes per year**.