

Government to U-turn on housing formula

Joey Gardiner

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The government is planning to rethink its proposed formula to determine housing need in local authorities across England, following a huge backlash from backbench Conservative MPs.

Reports in weekend newspapers quoting housing ministry sources said a “rebalanced” formula would now be brought forward, which will tilt development towards urban areas in the Midlands and north of England and away from greenfield sites in the south.

Analysis of the government’s “standard method for calculating housing need”, published in the summer alongside the planning white paper, had demonstrated that it would lead to a huge increase in housing targets in many leafy shire authorities, while many cities – outside London – would actually see targets fall.

The Sunday Telegraph said it had been told by a housing ministry source that it had been listening to concerned MPs. The source said: “We are working on a fairer formula, which still meets our housing targets but is rebalanced so that more homes are built in urban areas, particularly in the Midlands and the North.”

The revisiting of the formula has been on the cards ever since a debate in the House of Commons saw Conservative backbenchers lining up to slate the proposals, with senior Tories such as former prime minister Theresa May and former health secretary Jeremy Hunt among more than 30 to speak out.

At the time the housing minister Christopher Pincher (pictured, right), hinted that the government was already rethinking its plans, saying the government was “listening to feedback” and committed to addressing any “supposed imbalances” in the policy.

He said: “I am especially mindful that honourable members are concerned about geographic imbalance, concerned about too many homes in the South, and not enough in the Midlands and the North.”

However, the story comes as speculation grows over whether the government will also concede ground on its wider planning reforms laid out in the August white paper, given the departure on Friday of Downing Street special advisor Dominic Cummings, who was widely seen as having provided the impetus for the radical reform package.

The Times reported today that the government “is said to be prepared to look at other aspects of the plans”, albeit it is determined that its target of 300,000 new homes every year is met.

Conservative Isle of Wight MP Bob Seely MP (pictured, left), who secured the House of Commons debate on the algorithm, told the newspaper that “a wider rethink” was still needed if the government wanted to avert rebellion.

“Concreting over large parts of rural and suburban England, with no democratic right of communities to appeal, as the algorithm and white paper suggest, will undermine much of the good we are intending to do.”

Last week Housing Today reported that the planning Bill stemming from the white paper was facing significant delays, amid opposition from some parts of the Conservative Party. Paul Bartlett, Conservative deputy leader of Ashford council, told Housing Today that the system proposed undermined local democracy and was “more akin to something you’d find in North Korea”.

Economist Ryan Bourne, chair for the public understanding of economics at the Cato Institute, said on Twitter that Cummings had “understood the importance of planning reform”.

He added: “For all the talk about the implications of his departure, I suspect the lack of his voice in that debate will have the greatest economic consequence.”