

## **Statement**

This Government has inherited an acute and entrenched housing crisis. The average new home is out of reach for the average worker, housing costs consume a third of private renters' income, and the number of children in temporary accommodation now stands at a historic high of nearly 160,000. Yet just 220,000 new homes were built last year and the number of homes granted planning permission has fallen to its lowest in a decade.

That is why the Plan for Change committed to rebuild Britain, with the hugely ambitious goal of delivering 1.5 million new homes this Parliament, and the vital infrastructure needed to grow our economy and support public services.

The Government has responded with the urgency this demands. We published a consultation on a revised National Planning Policy Framework within a month of gaining office, proposing measures to reverse anti-supply changes introduced in December 2023 and in their place setting out pro-growth reforms. Since then, we have published proposals to prioritise and fast-track building on previously developed urban land through a 'brownfield passport' and for speeding up decision making through modernisation of planning committees. Next year, we will introduce a Planning and Infrastructure Bill to speed up and streamline the planning process, to build more homes of all tenures and accelerate the delivery of major infrastructure projects. At the Budget on 30 October, we committed an additional £50 million to boost capacity to deliver this ambitious planning reform agenda, alongside providing an additional £500 million in grant for affordable housing, and further £3 billion of additional support to the private housing market, to translate permissions into build out.

Today's publication marks the next step in delivering on our promise to radically reform the planning system. The measures set out below build on more than 10,000 consultation responses and extensive engagement with private housebuilders, affordable housing providers, local authorities and other organisations from the sector. Taken together, they reflect our commitment not to duck the hard choices that must be confronted in order to tackle the housing crisis – because the alternative is a future in which a decent, safe, secure and affordable home is a privilege enjoyed only by some rather than being the right of all working people.

## **RESTORING AND RAISING HOUSING TARGETS**

The plan-led approach is, and must remain, the cornerstone of our planning system. It is through local plans that communities shape decisions about how to deliver the housing and wider development their area needs. But we are clear that these decisions must be about how to meet those needs, not whether to do so at all. We are therefore restoring mandatory housing targets. This means that local authorities must use the standard method as the basis for determining housing requirements in their local plans.

As we set out in July, a mandatory method is insufficient if the method itself is not adequate to meet housing need. We consulted on an ambitious revision of the existing standard method, increasing the total annual national target from 300,000 to 370,000, ending the reliance on decade-old population projections, and removing the arbitrary 35 percent 'urban uplift' that resulted in a skewed national distribution, disproportionately focused on London to the detriment of the rest of the country. Instead, the new method relies on a baseline set at a percentage of existing housing stock levels, to better reflect housing pressures right across the country, and uses a stronger affordability multiplier to focus additional growth on those places facing the biggest affordability challenge.