



Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities & Local Government
2 Marsham Street
London
SW1P 4DF
United Kingdom

29th July 2026

Dear Secretary of State,

Re: Housing Requirement for Cotswold District

ISSUE

In an area of the highest workplace-based affordability ratio in the South West Region the consequences of the standard method are inappropriate, to the detriment of residents and the local economy, almost certainly undeliverable at a time of impending local government reorganisation and unsustainable in the longer term.

Request

Take account of the issues outlined below and respond to this letter with a view to supporting the reasoning and suggested solutions; in particular:

- **Delay requiring Local Plans to be progressed until local government restructuring arrangements (including new Unitary and combined Strategic authorities) are confirmed and appropriate Spatial Development Strategies for the new areas are established;**
- **Agree that the application of the 'standard formula' for housing requirement is inappropriate for Cotswold District in the meantime.**

Introduction

We are writing as leaders/representatives of our small communities (Parish/Town Councils which are all/mostly non party political) to express our concern at the way the Government's 'standard method' for determining housing requirements, which we believe to be flawed for reasons explained below, is being applied in respect of Cotswold District. In addition to its current effect on planning decisions and appeals, this is extremely damaging to our local environment, on which the wellbeing of our residents and the local economy depends, while doing virtually nothing to alleviate the real problem of housing affordability for local people.

We are particularly concerned about the attempt to re-allocate the housing requirement attributable to the roughly 50% of the population living within the 80% of the Cotswold National Landscape area, constrained by National policy on the natural

environment and already scaled up by the formula, to the remaining 20% of the District, which is mostly constrained in other ways including flood risk and inadequate roads and water/sewage infrastructure capacity. We also suggest what needs to be done to enable the actual housing affordability issue here to be addressed in a sustainable way.

Key issues are:

- Cotswold District is not an appropriate boundary for the 'Housing Market Area' in the context of the likely different spatial development strategy which will result from impending Local Government Reorganisation as well as other considerations;
- It has a complex housing market with features of an expensive 'outer commuter belt' area (for multiple economic areas) as well as a retirement and holiday area, which would be expected to have relatively higher prices within the actual 'functional housing market area';
- Given the proportion of people living in the District regularly working from home (39% from 2021 Census) or commuting to higher paid jobs in major employment centres outside the District, together with the financial resources of people moving into the District, we don't believe the workplace-based earnings measure in the affordability ratio is a reasonable reflection of purchasing power in the local housing market overall;
- The key housing categories for local affordability (in a supposedly rural/service economy), i.e. affordable/social rent, are not taken into account in the 'affordability' measure;
- If building more houses in the numbers suggested were actually feasible, the houses actually built to satisfy market 'demand' would be likely to push up the affordability ratio rather than reduce it (Ref ONS, Housing affordability in England and Wales: 2025);
- The geographical size of the District and other constraints such as flood risk and inadequate road and public transport connections, water supply and sewage treatment capacity is likely to mean that the costs of the necessary infrastructure improvements make the delivery (including sale) of a sufficient proportion of genuinely affordable homes uneconomic for developers (or the relevant authorities), so that the Plan is almost certainly unachievable;
- Committing to a plan based on crude numbers for a wrongly defined housing market area in advance of LGR would likely result in a great many houses planned in the wrong places for the future Spatial Development Strategy and unlikely to be consistent with its associated infrastructure priorities, so not deliverable.

In detail:

1. Cotswold District has, by some margin, the highest 'workplace-based affordability ratio' in the South West Region. The colour Affordability map shows it as an 'outlier' – the question is 'why?' We believe this is due to the coincidence of a number of demographic and housing market factors which make the assumptions on which the 'standard method' is implicitly based, and therefore its consequences, inappropriate.
 - a) The validity of using the workplace-based affordability measure depends on its application to functional housing market areas (HMAs), usually defined by the strength of migration and commuting flows, not administrative areas (Ref Meen and Whitehead, 2020). Within these (or labour market areas) prices would be expected to vary between the urban 'centre', suburban and rural areas, according to facilities, travelling costs etc. (Ref Meen, 2001). There are significant amounts of out-commuting from Cotswold District to higher-paid employment outside (which explains why the workplace-based affordability ratio is significantly higher than the residence-based one). There are also considerable uncertainties about where the residence and employment locations of those with second homes, and often working from home, in the Cotswolds are accounted for in the statistics. Gloucestershire's Economic Strategy characterises the economy of the Cotswold District as being largely 'rural' and based on agriculture and tourism/hospitality, together with an ageing population needing care services, all of which typically have low wage rates. The workplace-based affordability ratio is therefore an unreliable basis for setting a specific housing requirement, even if it is accepted that the formula is to some extent arbitrary by intent.
 - b) In reality, the situation in Cotswold District is complex, with a number of different housing markets – some covering much wider areas – overlapping and interacting. These include out-commuting to other employment centres (including Gloucester, Cheltenham, Evesham, Birmingham, Oxford, Swindon, Reading, Bristol and (often on a weekly commuting basis) London), second and holiday homes (part of a 'national' market), migration/retirement particularly from London and SE England, buy-to-let (both long- and short-term) and international property investment (Ref e.g. Gapper, 2026). This is an even wider range than other 'expensive' areas such as the outer London commuter belt and the far South West. These overlapping markets compete differently for different segments of the housing stock. For example, demand for smaller homes (e.g. for short-term holiday letting) clearly crowds out or pushes up prices for those in local need. On the other hand, those seeking a 'character' second or retirement home in the Cotswolds (which is now an international brand and where supply is restricted by National policy) are unlikely to buy a modern house on a new estate in a town on the fringe of the District and outside the CNL area.
 - c) The large geographical extent of Cotswold District and relatively poor public transport connections and road infrastructure across it also mean that building more affordable homes elsewhere to meet the needs of service jobs within the CNL area is not a sustainable solution.

- d) The 'affordability' measure doesn't take account of the accumulated equity or other income (including pensions) of the older people retiring or otherwise moving into the District, which clearly affects prices.
 - e) It might be reasonable to ask Cotswold District to make a contribution to housing provision for one of more of the other housing markets within which it effectively sits if their strategies require it, but not 'by default' under the authority area based system.
 - f) To the above issues must be added the uncertainty created by the announced Local Government Reorganisation (in Gloucestershire) and options for wider 'Devolution' including formation of Mayoral Strategic authorities. (We have argued that some fringe parts of Cotswold District would fit more rationally with other authority areas.) The strategic development strategies that these new authorities will eventually produce are likely to result in a quite different quantity and distribution of housing within what is currently Cotswold District, no doubt with a much more cost-effective and sustainable outcome overall. In the meantime there is a danger of committing to a sub-optimal spatial strategy and site allocations for which essential supporting infrastructure may never be delivered.
2. Other general issues (Refs Meen & Whitehead, 2020 and ONS):
- a) The 'affordability ratio' is based on parameters because they are easy to measure and have been done so on a consistent basis over time, rather than because they are particularly relevant to the real problem.
 - b) The price data isn't weighted to take account of the difference between the overall mix of housing in the authority area and the mix in the sale transaction data, and whether/how this relates to different segments of the market. The use of median values in the 'affordability' ratio means that it depends on the shape of the profiles and also means that doesn't relate to the section of the market where affordability is the most important issue.
 - c) The earnings parameter, apart from being based on only a small sample (1%) of locally based employers, does not include other sources of income or take account of accumulated equity which most purchasers in the market have.
 - d) The 'affordability' measure doesn't take any account of the private and social rental markets, which are the most important sectors for addressing genuine local housing need.
 - e) Planning more new homes will not reduce prices significantly, because developers with permissions will always drip-feed units into the market to avoid impacting prices and maximise profits. A similar motivation will apply to landowners. Expectations of future prices will always be a key factor.
 - f) It is past policy actions in response to changing economic circumstances and crises that have led to the significant increase in prices over the last 20 years, and this is essentially a 'ratchet' effect.
 - g) Planning and building new homes based solely on a numbers target is liable to (and does) push up the affordability ratio (Ref ONS, Housing affordability in England and Wales: 2025) unless the type of housing is specified to prevent this and provide what is really needed (i.e. smaller units to meet the needs of

younger people and down-sizers) rather than maximising profit for developers. This clearly shows the unsuitability of the 'affordability' measure on its own as any sort of 'control parameter'.

- h) Once plans and planning policies have been set, it is fundamentally unreasonable to penalise local authorities – or rather their communities, who suffer the impacts – for shortfalls in delivery, when it is entirely within the control of developers to produce compliant planning applications, the market is so dependent on wider economic circumstances and delivery is often dependent on infrastructure finance and provision which are outside the authorities' control, often with extended timescales. Applying a 'tilted balance' to decisions doesn't make unsustainable development sustainable. It often means that the wrong type of housing is delivered without the necessary supporting infrastructure and facilities. Regrettably, we understand this is also happening within the supposedly protected Cotswold National Landscape area. The impact of this is cumulative. Increasing the housing requirement further because of the natural effects of dynamic market forces and an arbitrary and flawed formula is simply 'bonkers'.

Impacts

- 3. A Local Plan based on the standard method based requirement is unsustainable and undeliverable for Cotswold District for the following reasons:
 - a) It won't help local people with genuine housing need (most 'affordable' housing is still not genuinely affordable), since it won't reduce local house prices significantly. The only real way to address this is by building more social rent housing where it is actually needed.
 - b) There doesn't appear to be any plan to create a significant number of higher value jobs in the area which would support the mortgage payments for the new market housing and help to reduce the amount of unsustainable out-commuting which does little/nothing for the local economy or to reduce the 'affordability' ratio.
 - c) It will put a further burden on inadequate/already overloaded services and infrastructure, particularly outside the CNL area – The costs of remedying this properly and in time may make the development non-viable.
 - d) There is considerable uncertainty about delivery of necessary water and sewerage infrastructure upgrading unless an enduring solution is implemented to the financial problems of Thames Water (which is the undertaker for the majority of the District). (There may be a similar issue with Severn Trent Water in the north of the District.)
 - e) A significant area in the south of the District is severely affected by noise disturbance from the USAF bomber base at RAF Fairford, so any new housing there will be very difficult to sell under present scenarios for the role of the base.
 - f) Pre-empting LGR by planning on the current District basis will potentially result in much housing being planned and committed to in numbers and locations that are unsustainable and ultimately undeliverable.

- g) Agreeing a development plan based on an unrealistically high housing requirement that cannot be delivered will result in failure to meet the Housing Delivery Test, application of a 'tilted balance' to planning decisions and more environmentally damaging development without adequate supporting infrastructure, as has happened here before. This is the antithesis of 'sustainable development'.

Potential Solution(s)

4. What is really needed?

- a) A Spatial Development Strategy for the anticipated new Unitary authority (and/or combined Strategic Authority) covering the current Cotswold District area needs to be produced so that appropriate housing requirement numbers can be allocated in appropriate and sustainable places for the future and the current local plan update(s) can be based on these.
- b) The needs/requirements of the various overlapping housing markets in the Cotswold District area need to be identified and addressed separately. For example, as a 'tourist' area the Cotswolds NL area needs a strategy which addresses differing accommodation needs for visitors, for local service workers (including appropriate genuinely affordable social rented housing) and for other groups, as well as infrastructure requirements such as car parking for visitors. These needs really need to be addressed within that area, because of access distances, infrastructure and public transport constraints and different factors and constraints affecting housing demand and supply.
- c) There is also a desperate need for a proper economic strategy for the areas outside the CNL, which takes account of their proximity to other employment centres in adjacent areas and associated cross-boundary infrastructure needs.
- d) A proper enduring solution to the problems of Thames Water needs to be put in place before a significant expansion of housing (or economic development) in the area is committed to. Otherwise, the necessary supporting water and sewerage capacity upgrades are unlikely to be delivered and unacceptable pollution of the river Thames and its tributaries will continue.
- e) The 'such as' in paragraph 02a-015 of the PPG needs to be applied to recognise additional constraints, such as large areas subject to risk of flooding or major aircraft noise and areas with a specific tourism function and allow a lower overall housing provision which doesn't give rise to the same problems of unsustainability and undeliverability.

In Conclusion

We have identified the reasons why we think the current 'standard method' for assessing housing affordability and housing requirement is inappropriate for Cotswold District as an entity about to be abolished under Local Government Reorganisation, as well as other fundamental issues with the methodology and data on which it is based and would request an urgent review of this.

We have identified the likely adverse impacts on the environment, local economies and communities if plans are pursued based on inappropriate housing market areas with this, and that simply planning more houses in the numbers it suggests will not only fail to address the problem it seeks to solve but actually make the apparent problem worse, which is simply 'bonkers'.

We have indicated the steps we believe need to be taken to address the actual problem of housing need for those at the bottom end of the housing ladder in the current Cotswold District, given the complex nature of the housing market(s) here, the infrastructure deficiencies that have been allowed to develop over recent decades and other constraints. The Parish/Town Councils listed below have all indicated their support for this.

We would welcome your response to enable our communities to believe their concerns have been addressed.

Yours sincerely

[signed]

Cllr Richard Harrison, Chair Planning Committee, Fairford Town Council

Also:

Ampney Crucis Parish Council
Preston Parish Council
Driffild & Harnhill Parish Council
Moreton-in-Marsh Town Council
Kemble & Ewen Parish Council
Down Ampney Parish Council
Quenington Parish Council
Mickleton Parish Council

Lechlade Town Council
Kempsford Parish Council
Chipping Campden Town Council
Bourton-on-the-Water Parish Council
Stow on the Wold Town Council
Siddington Parish Council

c.c. Sir Geoffrey Clifton Brown MP
Roz Savage MP
Cllr Mike Every, Leader, Cotswold District Council
Cllr Lisa Spivey, Leader, Gloucestershire County Council

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Meen, Geoffrey; Whitehead, Christine. Understanding Affordability: The Economics of Housing Markets . Bristol University Press. Kindle Edition. (2020)

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<https://blogs.uwe.ac.uk/sustainable-planning-and-environments/the-challenge-of-delivering-affordable-housing-in-the-south-west/>

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(Planning Practice Guidance) <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

(ONS)

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/latest>

<https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system#basic-information>

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<https://housingevidence.ac.uk/meeting-housing-demand-only-one-side-of-the-coin/>

<https://researchbriefings.files.parliament.uk/documents/CBP-7671/CBP-7671.pdf>

<https://committees.parliament.uk/oralevidence/2503/html/>

[Gloucestershire's Economic Strategy \(2024-2034\) | Gloucestershire County Council](#)

[Local Growth Plan | Gloucestershire County Council](#)