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GOVERNMENT'S PROPOSED REFORMS TO THE NPPF AND OTHER CHANGES TO THE PLANNING SYSTEM AND THE CONSEQUENCES FOR HORSHAM DISTRICT

The Government's Open consultation 'Proposed reforms to the National Planning Policy Framework and other changes to the planning system' opened 30th July, closing 24th September at 11.45pm.

Proposed changes and reforms would leave councils and communities with little or no control over development.

This consultation is an opportunity, the only opportunity, to question and challenge the Government's intent.

Details and consultation documents, and how to respond to the Consultation are accessible at:

<u>Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK (www.gov.uk)</u>

You will see there, three documents:

'National Planning Policy Framework draft text for consultation',

'Outcome of the proposed revised method', and

'Proposed reforms to the NPPF and other changes to the planning system'.

New Standard Method, New Housing Needs for Sussex planning authorities

1. Proposed changes to the planning system include a 'New Standard Method' for assessing housing needs which, in order achieve the government's ambition to build 1.5 million new homes over the next five

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years, "requires local authorities to plan for numbers of homes that are proportionate to the size of existing communities, by taking 0.8 per cent of existing stock as a floor", and "tops up this baseline by focusing on those areas that are facing the greatest affordability pressures, using a stronger affordability multiplier to increase this baseline in proportion to price pressures".

2. The accompanying pdf 'New Method New Assessed Housing Needs for Sussex LPAs' presents for comparison the housing need numbers assessed by both the proposed New Standard Method and current method, for each of Sussex's local planning authorities.

(The housing-need numbers were obtained from the consultation's 'Outcome of the proposed revised method' accessible via the link above)

- 3. The proposed New Standard Method with its 'mutant algorithm' would increase Horsham District's current assessed annual housing need from 917 dwellings pa to 1,294 pa, an increase of 41.1%.
- 3.1 Over the 17 years of Horsham District's local-plan 2023 to 2040, 1,294 dwellings pa x 17 would amount to 21,998 new homes to which, in consequence of the 'Duty to Cooperate', will be added around 50% Crawley's unmet housing need, and some of the unmet needs of other councils too, all of which will be inflated by the proposed New Standard Method: Worthing by 168%, Chichester by 58.7%, Crawley by 38.9%, Adur by 21.4% and Brighton & Hove by 5%.
- 3.2 Crawley Borough's current unmet need for the period 2024 to 2040 amounts to 7,050 dwellings.
- 4. The new mutant algorithm takes no account of local constraints including environmental and infrastructure capacity.
- 4.1 Although the consultation's 'Planning Policy Framework and other changes to the planning system' states at paragraph 6 that: 'Local planning authorities will be expected to make all efforts to allocate land in line with their housing need as per the standard method (e.g the New Standard Method). Authorities would be able to justify a lower housing requirement

than the figure the method sets on the basis of local constraints on land and delivery, such as existing National Park, protected habitats and flood risk areas, but would (as now) have to evidence and justify their approach through local plan consultation and examination', this important concession appears to have been omitted from the government's new proposed NPPF.

- 4.2 This omission may have consequences for Horsham's Regulation 19 local plan recently submitted to the Planning Inspectorate.
- 5. In addition, various other NPPF policies perceived by the Government to be obstacles to achieving their five-year requirement for 1.5 million new homes (350,000 pa) have been either removed or modified. Councils and communities will have little or no control over development, in consequence.
- 5.1 For example, the government's 'Proposed reforms to the National Planning Policy Framework and other changes to the planning system' document', referring to current NPPF paragraphs 76,77 and 78, states that "the NPPF currently states that where a local planning authority has an up-to-date plan which meets certain criteria, it is exempt from having to continually demonstrate a 5-year housing land supply while that plan remains up-to-date. Where authorities are in the late stages of plan making, they need only demonstrate a 4-year housing land supply" (Proposed reforms to the National Planning Policy Framework and other changes to the planning system, paragraph 19).
- 5.1.1 This is hugely important for councils and communities because developers/housebuilders decide build-rates and they will not build more houses than can be sold at an acceptable-to-them profit. In the event of reducing sales, as in an economic downturn, they will adjust completion rates downwards, resulting in undersupply against local-plan targets, and consequent loss of five-year requirements.

- 5.2 According to the Government: "We have heard concerns that these policies are undermining supply. The logic for making these changes was incentivising plan development to 'protect' authorities from the presumption where they have a well-developed or up-to-date plan. But this means that if circumstances change over the 5-year lifetime of an up-to-date plan, and allocations turn out not to be deliverable, it is harder for new development to come forward and there is no clear mechanism for making up the shortfall" (Proposed reforms to the National Planning Policy Framework and other changes to the planning system, paragraph 19).
- 5.3 The Government does not acknowledge that while councils allocate land for development in their local plans, build-rates are determined by developers/housebuilders who regardless of local plan targets will not build more houses than can be sold at an acceptable-to-them profit.
- 5.4 Forcing councils to allocate sites that are not included in the local plan will not increase build rates in a falling market and will result in piecemeal unplanned for development and overstretched infrastructure.

'NIMBYs' incorrectly blamed by the Government for housing shortfalls even though developers reduce build-rates to maintain profit margins, and a million homes approved since 2015 have yet to be built.

- 6. Barratt Developments reports in its trading update for the year ended 30th June 2024, published 10 July, that a "low order book and muted demand" has resulted in "a 28.5% decline in total completions", and that this is due to a "challenging macroeconomic backdrop".
- 6.2 This is a salutary reminder that to maintain profit margins in a falling market developers will reduce build-out rates irrespective of targets set by central government.
- 6.3 Note, too, the findings of TerraQuest, the operator of the Planning Portal, that more than a million homes approved since 2015 remain unbuilt. TerraQuest cites "high interest rates, skills shortages in the construction industry and materials shortages as 'possible culprits' for the disconnect between consents and completions" (Architects Journal, 28Jun24).

- 6.4 Meanwhile, Chancellor Rachel Reeves and Deputy Prime Minister and Secretary of State for Housing, Communities & Local Government Angela Rayner have chosen to side-step these realities by incorrectly blaming for housing shortfalls the NPPF and communities and people (denounced and cancelled by the ministers as NIMBYs) who object to inappropriate developerimposed development.
- 6.5 Unfortunately, the Government has apparently accepted without question the arguments of the development lobby, with consequent ramifications for communities and the environment.
- 7. Councils and communities will have little or no control over development, in consequence.

This consultation is the only opportunity to question and challenge the Government's intent and it's underlying mistaken assumptions about planning.

Please look at the Consultation documents, and at the very least object to the proposed New Standard Method.

Please write to your MP.

Please write to your District Councillors.

Dr Roger F Smith

Trustee CPRE Sussex and Horsham District Lead

20 August 2024