

More housing for Sussex: Government ambition collides with local deliverability

The new Government intends to solve the housing crisis facing the country by building 1,500,000 new homes during the life of this Parliament: 300,000 annually starting last summer. Everyone needs a decent home, so most of us can relate to the Government's ambition to tackle what is a real problem.

Though some of us would say that, whilst the Government has diagnosed the disease correctly, it is prescribing the same wrong medicine of planning system reform as its predecessor, one which failed to cure the problem despite the Conservatives' similar aspirations to build 300,000 homes a year.

The scale of the challenge that the Government has set itself is illustrated at a national level by the fact that there has not been a single year over at least the last 30 years in which even 250,000 new homes have been built, even though the majority of planning applications received are granted.

In my view the real challenge is less about housing numbers than about their affordability. The most urgent need is to secure homes for first time buyers and less well-off that they can afford to buy or rent. They are vital members of a healthy community. And to divert more money from rental subsidy into supporting the building by housing associations, local authorities, whoever, of social and affordable homes. The Government's failure to mandate specific housing targets for the building of affordable housing and to create a more realistic definition of 'affordable', is a glaring gap, one that leaves the private sector free to focus on delivering mainly larger market housing, and often not in the right place.

But we are where we are. HM Government has announced for each planning authority in England a minimum of new houses that it must ensure are built within its district or borough every year from now on, and how its Local Plan must identify where they are going to be built.

New housing is, of course, delivered locally, and it is illuminating to look at the implications for Sussex's 13 local planning districts (even if these end up getting amalgamated if Government proposals for local government consolidation and reform come to fruition at some point).

So let me try to deconstruct the table below to illustrate the challenges ahead at local level.

1	2	3	4	5
Local Planning Authority	Average annual number of new homes built (2021/22-2023/24)	New annual Standard Method Local Housing Need (LHN) requirement	% increase in new LHN requirement over previous standard method requirement	% of planning applications granted 2023/24 (Nationally 71%)
Adur	108	558	24%	71%
Arun	865	1,476	10%	67%
Brighton/Hove	1,117	2,498	8%	70%
Chichester	793	1,305	72%	66%
Crawley	229	654	37%	38%
Eastbourne	182	702	-4%	96%
Hastings	142	710	45%	75%
Horsham	512	1,357	48%	64%
Lewes	490	853	10%	73%
Mid Sussex	1,140	1,356	31%	80%
Rother	266	932	28%	74%
Wealden	936	1,433	21%	71%
Worthing	285	871	170%	58%
All Sussex	7,065	14,705	48%	69%*

Column 1 lists out all Sussex's district and borough planning authorities (LPAs). Column 2 records the average number of homes that have been built in each district annually (averaged over the last 3 years) – 7,065 a year across Sussex.

The numbers in column 3 are the MINIMUM numbers of new homes that the Government has told each Sussex planning authority that it must get built every year from now on as its divvied-up share of the Government's national 300,000 new homes target. (In planning-speak, that individual local level contribution is arrived at by an algorithm system known as the 'standard method'. Do not ask me to explain how that algorithm arrives at its output)).

As already explained, LPAs have for some time been subject to (minimum house building targets (supposedly advisory ones and supposedly reflecting the LPA's local new housing needs). Column 4 tells you, in percentage terms, by how much the new standard method minimum housing target increases (or, in the case of Eastbourne, decreases, the housing delivery obligation of each of Sussex's LPAs. Column 5 just reports the average percentage of planning applications granted by each LPA (the national average in 2023/4 was 71%).

Let's start by looking at current actual new homes delivery (column 2) compared to the Government's new minimum requirement (column 3). **Across Sussex as a whole over the last three years we have managed to build fewer than half of the houses that the Government is now demanding of us (7,065 compared to 14,705).** And it is not for want of trying.

The picture at individual Sussex planning authority level is surprisingly different on all the metrics referred to in our table. But every Sussex district will be required to up its game significantly. Some by quite extraordinary margins: Adur will be expected to deliver 558 new homes annually, despite having only been able to deliver an average of 108 homes a year. Rother 932 required v 266 delivered. Mid Sussex is the only district remotely close to the new target.

The gap between expectation and delivered reality is almost as stark in a number of other districts: Brighton & Hove, Crawley, Eastbourne, Hastings, Horsham and Worthing have all been delivering fewer than half of what they are being told to get built in the next five years. And if you look for a moment at column 5, you will see that the percentage of planning applications received that they are approving mostly tracks (or in some cases exceeds (Eastbourne 96%!) the national average; so they are not laggards.

It is also interesting to compare the new so-called new per planning authority standard method required housing numbers (column 3) against the previous Government's 2023/24 imposed 'local housing need' per district target (their own much-criticised attempt to divvy-up their own 300,000 a year national target. The percentage change per planning authority between the last divvying-up exercise and the current one is recorded in column 4. It varies from a 4% decrease for Eastbourne and a 170% increase for Worthing. There is no obvious explanation for the large differentials between one authority and another. And I can see no correlation either in the % changes between old and new minimum new housing requirements on the one hand and the demonstrable ability of individual authorities actually to deliver new homes.

A couple of examples will illustrate this well: 83% of Rother District sits within the High Weald National Landscape, where the level of new housing is (quite rightly) constrained by national policy to conserve the country's most precious and beautiful landscapes. So the bulk of Rother's new housing has to be squeezed into the 17% of land outside the High Weald – much of that 17% being itself valuable countryside. The algorithms used by successive Government to impose minimum housing targets on individual authorities take no account at all of the reality of such environmental constraints as the presence of a National Landscape or in Horsham's case of the imperative of achieving water neutrality. It is not surprising that Rother has only been able to deliver an annual average of 266 new homes in recent years (beating the national average in terms of the percentage of applications that it approves). Now it is being told to deliver 932 new homes every year. Where?

Or take Chichester, another authority that is heavily constrained, which delivered just under 800 new homes a year over the last three years, well above its current requirement, but is expected to deliver 1,305 annually from now on. Again, where?

Or Crawley, whose current and last Local Plans – both approved by the Planning Inspectorate – are premised on their inability to build anything like enough homes even to meet their current Government-set minimum housing target; but now face a 37% increase in that already unachievable target. Maybe it makes the Government feel better to impose this undeliverable increase, but what does it achieve when the Council is bound to fail and there's no other neighbouring authority to take up the slack?

This story is repeated to a significant, if sometimes less stark, degree all across the county. Nor is Sussex the only county challenged in this degree to deliver the level of new housing now being demanded of it. As matters stand, the gulf between national ambition and local deliverability looks, dare I say it, unbridgeable.

This Government, like its predecessor, regards the planning system as the constipated blocker of new housing delivery. Largely unfairly: housing delivery and pricing is primarily driven by developer profit margin expectations and maintenance - builders control the rate at which they build and feed new property onto the market according to demand - and the availability and cost of mortgage finance to buyers who create that demand. Planning authorities (starved of funds to build or commission affordable public housing off their own bat) can only look at planning applications that come forward.

One can only tremble at the thought of the kind of changes that would be required to those planning rules that govern decisions as to what and where constitutes sustainable development if the Government is going to try to force through the delivery of Sussex's share of its national housebuilding ambitions. And at what cost to our environment and its biodiversity? Supposedly, all new development has to deliver at least a 10% improvement in local biodiversity. Fine words, but is it credible to believe that Sussex can more than double its new housing delivery, and improve our ecology by 10%+ at the same time?¹

And that still leaves unanswered the bigger question as to how they would tackle the principal blocking forces of stable low interest rates and high developer profit margin expectations. The private sector is simply not set up to deliver enough of the most needed types of housing.

In short, the Government's new homebuilding ambition has set a course that can't see it safely into port, and that, with the best will in the world, looks liable to founder on the rocks of local deliverability here in Sussex. Or come at a terrible cost to the Sussex we all know and cherish.

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Note: the views expressed in this article are the author's own opinions, which was not written at the request of CPRE Sussex.

¹ A recently published report, 'Lost Nature, are housing developers delivering their ecological commitments?', commissioned by Wild Justice and researched by Sheffield University, reveals that of the 42 completed new-build housing developments audited on-site by the researchers "only half of the commitments to mitigate harm to nature had been kept".