

Report to HPC Neighbourhood Plan Committee on Proposed Changes to the National Planning Policy Framework

Introduction

In August 2020 Government launched its White Paper ‘Planning for the Future’ which contained proposals for a radical shake-up of the planning system. Some of those ideas, such as zoning, have been quietly shelved but others made their way into the draft Levelling Up and Regeneration Bill which is currently going through Parliament and expected to get Royal Assent in the Spring of 2023. Alongside the Bill the Department for Levelling Up, Housing, and Communities has been promising a ‘NPPF Prospectus’ to explain the planning policy changes that would accompany the legislative changes in the Bill. It is now consulting on that Prospectus.

The consultation includes:

- Short Term Changes to the National Planning Policy Framework (NPPF), including a tracked changes version [here](#) which it intends to launch in Spring 2023; and
- Longer Term Changes intended to accompany the enactment of the Levelling Up and Regeneration Bill.

This report focuses on those changes that could directly impact on Hassocks Parish Council and in Appendix A identifies relevant consultation questions and recommends responses.

The full consultation can be accessed at [Levelling-up and Regeneration Bill: reforms to national planning policy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy)

It closes on **2 March 2023**.

Short Term Changes to the NPPF - Housing

The introduction of a ‘standard method’ formula for calculating housing need in 2018 resulted in significant increases to housing numbers in the South East. This consultation does not propose any changes to this standard method, but states that it will be reviewed once the 2021 Census based household projections are published in 2024.

During the passage of the Bill through the House of Commons a large number of amendments were proposed including some from a group of 59 MPs led by Theresa Villiers. These amendments were intended to reduce the influence of the housing numbers generated by the standard method and have led to many of the proposed changes to the NPPF and the Government emphasising that these numbers are only advisory.

Strictly speaking this has always been the case – the standard method figures are a ‘starting point’ and Local Planning Authorities can justify planning for lower numbers if their area is particularly constrained, for instance by areas of flood risk or tight urban boundaries with limited development sites. They can also be expected to take more than the standard method figure for their area under the ‘Duty to Cooperate’ if neighbouring local authorities cannot accommodate all their own need.

Many local authorities have assumed that the standard method figure is a hard target that must be met or exceeded because Local Plan Inspectors have treated it in this way and many Local Plan examinations have failed or been significantly delayed due to Inspectors ruling that they are not planning for high enough housing numbers.

The recent Mid Sussex District Plan Review consultation states on p120:

“The Local Housing Need (LHN) for housing is 20,142 dwellings (an average of 1,119 dwellings per annum). This figure has been calculated using the standard method and there are no exceptional circumstances to justify an alternative approach”. It is also working with neighbouring authorities on a ‘Local Strategic Statement’ to agree how to deal with the unmet housing needs of Crawley, Brighton and the coastal conurbations. These pressures have resulted in the current DPR strategy which includes significant growth at Hurstpierpoint / Sayers Common and west of Burgess Hill.

As well as the Local Plan implications of the standard method, this is also the default number for measuring housing land supply if a Local Plan is more than five years old. At present local authorities must continually defend their housing land supply and housing delivery in order to prevent speculative development on unallocated sites. This can be difficult where allocated sites have not come forward as quickly as was predicted, which has led to accusations of deliberate ‘land-banking’ by developers to undermine an authority’s land supply and delivery situation to justify bringing forward additional sites.

Proposed Changes to the NPPF Include:

- Removing the requirement for local authorities with an up-to-date plan, (i.e. less than 5 years old) to demonstrate continually a deliverable 5-year housing land supply;
- Removing the need for local authorities to include any "buffers" in their 5-year housing land supply calculations;
- Extending the protections in para 14 of the NPPF to neighbourhood plans that are up to 5 years old, instead of the current 2 years, and removing the requirement for local planning authorities to demonstrate a minimum housing land supply and have delivered a minimum amount in the Housing Delivery Test for these protections to apply.
- Making it clear that the standard method’s 35% uplift for major urban conurbations, should be provided for within the affected boroughs themselves, not passed on to neighbouring rural authorities;
- Amending the Housing Delivery Test so that it is disapplied if a Council has granted deliverable planning permissions for 115% of their local housing requirement (to discourage land-banking);
- Making the tests for 'soundness' of a local plan less stringent by removing the requirement for plans to be 'justified';
- Changing the text of the NPPF to make it clear that a) councils do not necessarily have to meet their housing need in full if it would require building at densities that would change the character of an area; and b) are not required to review green belt boundaries in order to meet housing need (although they still can if they want to).

Implications for Hassocks and Wider Area:

The draft Mid Sussex District Plan Review consultation included only two sites in Hassocks – the 25-home proposal off London Road and the older persons’ accommodation at Byanda. However, large allocations can come along late in the local plan process, even whilst it is at examination, as in the case of the 500 homes at Ockley Park. Therefore, the potential for reducing the number of homes that the District Plan Review needs to cater for has significant implications for the parish as well as the rest of Mid Sussex. However, even if the standard method is applied more flexibly, MSDC would still need to explain why it should not be met or exceeded. Alternatively, it could wait until the standard method is revised in 2024 in the hope that this will reduce the housing figure.

In the meantime, whilst Mid Sussex can currently demonstrate a five-year supply of housing land and a healthy housing delivery, this may not remain the case particularly if delivery slows as expected due to the current economic circumstances. The Mid Sussex District Plan was adopted in March 2018 and therefore will become technically ‘out of date’ this March. However, the Hassocks Neighbourhood Plan was made part of the Development Plan in July 2020 and allocated sites to meet its housing need as then identified. The proposed amendments would protect the parish from speculative housing sites until July 2025 even if Mid Sussex cannot demonstrate a five-year supply or meet the Housing Delivery Test.

In addition, since Mid Sussex has published its Regulation 18 consultation on the District Plan Review, it will benefit from the transitional arrangements in paragraph 226 of the amended NPPF which says:

“From the date of publication of this revision of the NPPF, for the purposes of changes to paragraph 61, for decision-taking, where emerging local plans have been submitted for examination or where they have been subject to a Regulation 18 or Regulation 19 (Town and Country Planning (Local Planning) (England) Regulations 2012) consultation which included both a policies map and proposed allocations towards meeting housing need, and the housing requirement as set out in strategic policies has become more than five years old in the extant plan, local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of four years’ worth of housing against their local housing need instead of a minimum of five years as set out in paragraph 75 of this document. These arrangements will apply for a period of two years from the publication date of this version”.

This drop to a four-year rather than a five-year housing land supply requirement will benefit those parishes in Mid Sussex which have neighbourhood plans that are over five years old or did not allocate housing sites. It should provide the whole District with a bit of a breathing space to get its District Plan Review adopted ahead of the wider changes proposed under the Levelling Up and Regeneration Bill.

Part of the parish falls within the South Downs National Park Authority, which has its own Local Plan adopted in July 2019. This will remain fully in force until July 2024 and the SDNPA can currently demonstrate a five-year housing land supply (it is not subject to the Housing Delivery Test). A revised programme for the review of this Plan was agreed in December and sees a Regulation 18 consultation taking place in early 2025 and Regulation 19 / submission

for examination in summer 2026. Given this timetable it seems likely that this review will take place under the new plan-making system.

Longer Term Changes

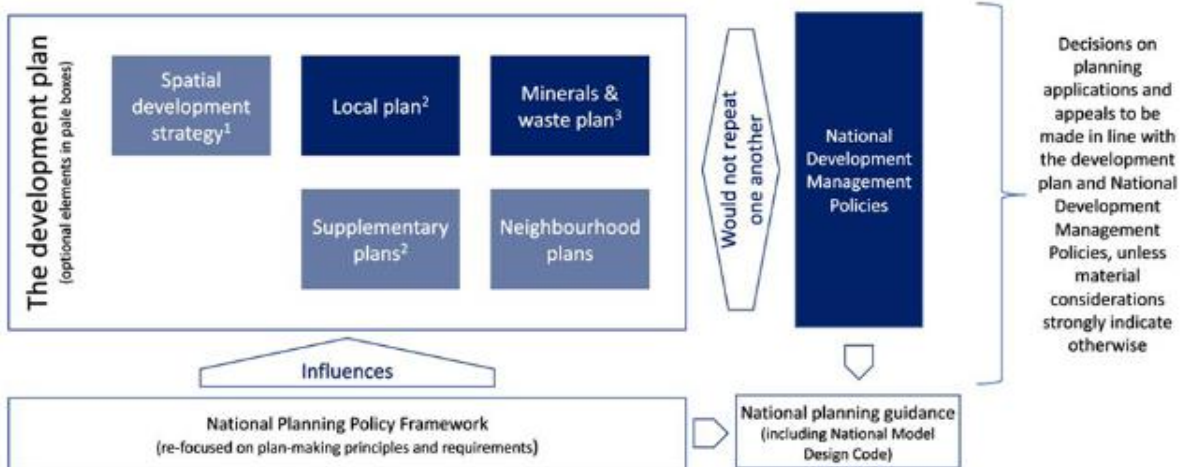
The legislative changes to the plan-making system in the Levelling Up and Regeneration Bill are intended to be introduced in late 2024. However, the Government is keen that Local Plans continue to progress in the meantime. It is proposing that plan makers will have until 30 June 2025 to submit their local plans and neighbourhood plans for examination under the existing legal framework; this will mean that existing legal requirements and duties, for example the Duty to Cooperate, will still apply.

Authorities that have prepared a local plan which is more than five years old when the new system goes live (and are not proactively working towards the 30 June 2025 submission deadline under the current system), will be required to begin preparing a new style local plan straight away. Authorities that do not meet the 30 June 2025 submission deadline for 'old-style' plans will need to prepare plans under the new plan-making system.

Neighbourhood plans submitted for examination after 30 June 2025 will be required to comply with the new legal framework. 'Made' neighbourhood plans prepared under the current system will continue to remain in force under the reformed system until they are replaced.

The consultation also flags the further, more extensive, changes to the NPPF that will be needed to accompany the introduction of the new plan-making system. Key to this will be the division of national policy into the residual parts of the NPPF (guiding plan-making) and the new National Development Management Policies. The latter will become part of the statutory Development Plan giving them more weight in planning decisions than the current NPPF. The diagram below shows how the different parts of the planning system will fit together.

The role of plans and national policy in the reformed system
(elements with full statutory weight in decisions on applications shown in blue)



- 1 Mandatory where SDS powers have been conferred on Mayoral/combined authorities; voluntary elsewhere.
- 2 A **district-wide design code** must form part of the local plan, or else be contained in a supplementary plan. The local plan will also be informed by an **Infrastructure Delivery Strategy**, to be produced by the local planning authority, and by any **Neighbourhood Priorities Statements** produced by neighbourhood planning groups in the area.
- 3 Minerals and waste can be covered in separate documents, and can be combined with the local plan where an authority has powers over both.

Implications for Hassocks and Wider Area:

The current timetable for the Mid Sussex District Plan Review is to carry out its Regulation 19 consultation in the second half of 2023 before submission to the Planning Inspectorate. If it sticks to this then the Plan will be examined under the current legal framework; meaning that existing legal requirements and duties, for example the Duty to Cooperate, will still apply but presumably the amended NPPF will also apply. It is possible that a lower standard method figure would be produced in 2024 but this would need to be done in time to still enable submission for examination prior to 30 June 2025.

Alternatively, the District Council could decide to stop work on its current Plan and begin preparing one under the new planning system coming in under the Levelling Up and Regeneration Bill. This would result in a significant delay as there is currently insufficient information about how this would work – in particular the scope of the new National Development Management Policies (and therefore the flexibility for Local Plans to have their own local policies).

The letter from the Leader of Mid Sussex District Council issued on 21st December (Appendix B) is not clear on which option they will take. On the one hand it says that the intention is to stick to the existing timetable, but on the other hand that the “goal is for Mid Sussex to be one of the first Councils in the country to adopt a District Plan under a reformed planning system”. Given that this letter was written before the Government’s consultation was published it is likely that this position will be reviewed in the light of the information now available.

The other main implication for Hassocks is the proposals for Neighbourhood Plans and Neighbourhood Priorities Statements. The latter remain part of the Levelling Up and Regeneration Bill and the diagram above confirms that local plans will also be informed by any Neighbourhood Priorities Statements produced by neighbourhood planning groups in the area. The Parish Council’s decision to produce one of these documents rather than immediately reviewing its Neighbourhood Plan will put it in a good position to influence the area’s local plans, whichever system they progress under.

As stated above, the current Hassocks Neighbourhood Plan will retain full weight until July 2025, therefore it makes sense to prepare any review under the new planning system for submission after 30 June 2025. Work should commence on this Review in 2024 once the national and local planning context is clearer.

Conclusion

The proposed changes to the NPPF and the longer-term proposals would have a significant impact on planning in Hassocks and the wider area. Unsurprisingly the proposals have prompted a substantial backlash from the development industry, and it is important that the community perspective is fed into the consultation response so that Government can consider both. Not all the consultation questions are relevant to this area, so I have selected those which are most critical and provided suggested responses in Appendix A.

Councillors are requested to consider these and confirm the wording of the Parish Council’s response to the consultation.

Appendix A Relevant Consultation questions and suggested Responses

Q.1: Do you agree that local planning authorities should not have to continually demonstrate a deliverable 5-year housing land supply (5YHLS) for as long as the housing requirement set out in its strategic policies is less than 5 years old?

Hassocks Parish Council agrees that local planning authorities should not have to continually demonstrate a 5YHLS when its Local Plan is less than 5 years old. This will provide a real incentive to keep Local Plans up to date and reduce the amount of public resources spent on defending appeals against speculative developments on unallocated sites. Local Plans are expensive and sometimes controversial to produce and at present they can be very short-lived through circumstances beyond the control of the local authority because delays in delivering allocated sites means that it cannot demonstrate a 5YHLS. This proposal would also incentivise developers to deliver allocated sites because they know slow delivery / land banking will not result in the release of additional sites and may result in de-allocation of their site in the next round of plan-making.

Q.5: Do you have any views about the potential changes to paragraph 14 of the existing Framework and increasing the protection given to neighbourhood plans?

Hassocks Parish Council supports the proposed changes to NPPF paragraph 14. It spent many years of volunteer effort and public money producing a Neighbourhood Plan which allocated sites to meet its identified housing need. This plan was made in July 2020 and the proposed changes to paragraph 14 means that it has sufficient time to review that Plan by July 2025 without developers hijacking the process by forcing through additional development on unsustainable sites. The proposed changes incentivise the review of the Neighbourhood Plan and for it to include allocations to meet the identified needs of the community into the future.

Q.7: What are your views on the implications these changes (on the application of the standard method) may have on plan-making and housing supply?

Hassocks Parish Council supports changes to the standard method but is disappointed that these will not take place until the Census 2021 population projections are released in 2024. The release of information from the Census has been far too slow generally and it is not just the population projections that need updating in the standard method. The main issue for the South East is the way that affordability ratios are used to inflate the figures. This is based on a false premise that building more houses will reduce house prices (something the development industry will never allow to happen). This myth has been completely debunked and yet it is still being used to significantly inflate housing figures in the South East compared to elsewhere in the country. The Government should amend the standard method so that it supports its 'Levelling Up' agenda to share growth more equally across the country rather than reinforcing past trends to concentrate it in London and the South East. This amendment should be done now, it does not need to wait for the updated Census figures.

Q.11: Do you agree with removing the explicit requirement for plans to be 'justified', on the basis of delivering a more proportionate approach to examination?

Hassocks Parish Council agrees that the soundness tests should be made less stringent to allow local planning authorities more control over the content of their Local Plans. It is taking too long to get Local Plans through examination at the moment and Inspectors are not being sufficiently pragmatic about some authorities doing things differently. An example would be PINS' appalling decision to remove net zero carbon targets from the proposed West Oxfordshire Area Action Plan in spite of local support for these aspirational targets.

Q.13: Do you agree that we should make a change to the Framework on the application of the urban uplift?

Hassocks Parish Council agrees that the urban uplift should be met within urban areas rather than passed on to surrounding rural areas. In this area Crawley, Brighton and the neighbouring coastal conurbations have consistently argued that they are unable to meet their housing needs (even before the uplift) and this has put pressure on the adjacent rural districts to accommodate this unmet need. The consequence of the uplift has therefore been to increase the pressure on the rural areas rather than its intended consequence of locating more development in urban areas.

Q.16: Do you agree with the proposed four-year rolling land supply requirement for emerging plans, where work is needed to revise the plan to take account of revised national policy on addressing constraints and reflecting any past over-supply? If no, what approach should be taken, if any?

Hassocks Parish Council supports the proposed four-year HLS requirement for emerging local plans. Most of the parish lies within Mid Sussex District Council's area, which has published a Regulation 18 consultation on its District Plan Review including potential housing sites to meet its identified need. It would therefore benefit from the reduced HLS requirement whilst it progressed its Review through to examination by 2025. This would be very helpful to the majority of communities in Mid Sussex which were early adopters of neighbourhood planning, and whose Neighbourhood Plans are now more than five years old.

Q.18: Do you support adding an additional permissions-based test that will 'switch off' the application of the presumption in favour of sustainable development where an authority can demonstrate sufficient permissions to meet its housing requirement?

Hassocks Parish Council supports the provision to switch off the presumption in cases where an authority fails the Housing Delivery Test but has granted planning permission for 115% of its annual housing requirement. Delivery of housing is not within the control of local authorities so they should not be penalised for slow delivery if they have been granting sufficient permissions.

Q.47: Do you agree with the proposed timeline for preparing neighbourhood plans under the future system? If no, what alternative timeline would you propose?

Hassocks Parish council agrees that the proposed timeline for preparing neighbourhood plans under the future system is reasonable. It is currently preparing a Neighbourhood Priorities Statement to influence emerging Local Plans and update its community engagement ahead of reviewing its Neighbourhood Plan under the new plan-making system in 2025.