

Board/Committee:	Policy and Organisation Board
Date of meeting:	30 th September 2024
Title:	Government consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system
Author:	Manager of Planning Policy
Status:	For Decision

PURPOSE

To brief Members regarding the content of the Government’s consultation document *‘Proposed reforms to the National Planning Policy Framework (NPPF) and other changes to the planning system’*¹ and set out key matters to form the basis of the Council’s formal response to Government.

RECOMMENDATION

That this Board:

- Agrees the responses to the Government’s consultation questions as set out in Appendix 1 of this report.

1 Background

1.1 The Government’s consultation on its proposed changes to the National Planning Policy Framework (NPPF) and other changes to the planning system was published on 30th July 2024. The consultation is accompanied by a tracked changes version of the NPPF where suggested amendments have been specifically cited.

1.2 This 2024 consultation follows a number of other proposed reforms announced by the previous Government, most recently in December 2023. This had introduced changes to the NPPF that would require the standard method for determining housing requirements for each local authority to be a starting point rather than a mandatory figure. Previous to this, more wholesale changes were proposed including: those announced on 25th July 2023 as part of the Levelling-Up and Regeneration Bill following earlier consultation published on 22nd December 2022 (and reported in a Members Information Bulletin in April 2023); and the earlier publication of the *‘Changes to the Current Planning System’* consultation and *‘Planning for the Future’* White Paper in August 2020 which was reported to the Economic Development Board (23/9/2020).

¹ www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system

1.3 This latest consultation focuses primarily on amendments to the NPPF. Comments are required to reach the Government by 24th September 2024 however MHCLG has accepted the Council's need to report these comments to this Board and has confirmed they will accept the submission of the Council's response after this Board meeting. The Government is also seeking views on increasing planning fees, local plan intervention criteria and appropriate thresholds for Nationally Significant Infrastructure projects which are also outlined later in this report.

1.4 This report focuses on the main reforms and matters where there are particular implications for Gosport Borough and the operation of the Council's Planning and Regeneration service. The proposed response to the latest Government's consultation questions are set out in Appendix 1 to this report. These focus primarily on areas of particular relevance to the Borough as well as some wider strategic matters. Responses have not been provided for all questions for example in relation to very detailed matters relating to the Green Belt or the Government's proposals for Nationally Significant infrastructure Projects.

2 Key proposed changes

2.1 Each of the Government's main proposed changes are summarised separately below followed by an officer comment. The proposed responses in full to the consultation are set out in Appendix 1 of this report.

Key objectives

2.2 The proposed changes to the NPPF are envisaged to stimulate economic growth with an increased supply of housing and a commitment to build 1.5 million new homes across England over the next five years.

2.3 Key objectives of the reforms include:

- Brownfield first for development and the release of low quality 'grey belt' land in the Green Belt;
- Deliver affordable homes;
- Extract more public value from development and where necessary to strengthen use of compulsory purchase powers;
- Ensure communities shape housebuilding proposals with universal coverage of local plans across the country and the use of Government intervention powers where this is not achieved;
- Promote a more strategic approach to planning by strengthening cross-boundary collaboration, ahead of legislation to introduce mandatory mechanisms for strategic planning;
- Support development needed for a modern economy; and
- Unlock new sources of clean energy.

Proposed changes to the standard method to determine housing

figures for each local authority and the weight given to them

- 2.4 The previous Government introduced the standard method in 2018 for determining housing numbers for each district in England. This was primarily to provide certainty for local planning authorities, developers and Local Plan Inspectors at Examination and distribute the Government's national target of 300,000 new homes per year. This was based on a formula based on projected household growth over the next 10 years and an affordability ratio.
- 2.5 In December 2023 the previous Government amended the wording of the NPPF to make it clear that the standard method was only an advisory starting point for determining housing numbers and therefore this gave local authorities more scope to demonstrate that the overall figure was not appropriate for its area. Importantly the latest proposed changes (2024) clearly sets out that the standard method figures for each local authority will be **mandatory** in order to achieve the Government's housing commitments, rolling back the change made in December 2023. Various opt outs to deviate from the standard method figures are also being deleted. This will have implications for the progress of the current emerging Local Plan.
- 2.6 Authorities will be able to justify a lower housing requirement than the standard method figure if it can be demonstrated that there are 'hard constraints' on land and delivery, such as existing National Parks, protected habitats and flood risk areas, but would (as now) have to evidence and justify their approach through local plan consultation and examination. All local planning authorities will need to demonstrate they have taken all possible steps, including optimising density, sharing need with neighbouring authorities and reviewing Green Belt boundaries (where applicable), before a lower housing requirement will be considered.
- 2.7 **Officer comment:** The Council considers that the provisions in the NPPF of December 2023 should be retained with regard to the standard method. It is considered the figures should be an advisory starting point and that any such deviation from the standard method would be a matter scrutinised at an Examination of the Local Plan. The 'advisory starting point' has had little time to be used in practice. If a standard method approach is to be retained the Council prefers the principle of the existing standard method formula which is based on projected household growth and adjusted by an affordability factor. However the existing standard method should use the latest population projections not the outdated 2014 projections.
- 2.8 The Council's key concern with the standard method to date has been that the Government required the use of 2014 projections when it was clear that the later 2016 and 2018 projections, and demonstrated by the actual

results in the 2021 Census, would give Gosport Borough a much more realistic housing need figure. This has been highlighted to the Government at each previous consultation on this matter. The latest Government also considers that the 2014 projections are out of date and no longer fit for purpose but instead of using the latest projections it is proposing a very different methodology as it considers that basing the standard method on household projections over a rolling 10 year period creates too much volatility with the numbers.

2.9 Instead it proposes to use a baseline set as a percentage of existing housing stock which is then adjusted using a stronger affordability multiplier to increase the baseline in proportion to price pressures. The proposed steps are set out below:

- **Step 1: Setting the baseline – ‘providing stability and certainty through housing stock’**
 - The Government proposes to use 0.8% of existing housing stock in each LPA as the baseline starting point. Using the annually published ‘Dwelling stock estimates by local authority districts’
 - 2023: 37,707 dwellings in Gosport Borough
 - 0.8% of this: 301.656 dwellings
- **Step 2: Adjusting for affordability**
 - the new method continues to use affordability to adjust the stock baseline, using the workplace-based median house price to median earnings ratio, but with two changes. First, increasing the significance of affordability by revising the adjustment.
 - Second, using the average affordability over the three most recent years rather than a single year.
 - Average Ratio 2021-2023 for Gosport: 7.6
 - The adjustment factor² is then calculated as follows and incorporated into the whole formula³ to provide a figure of 465 dwellings per annum.

$$LHN_t = Dwelling\ stock_{t-1} \times 0.8\% \times (1 + Adjustment\ Factor)$$

$$Adjustment\ Factor = \frac{(Three\ year\ average\ affordability\ ratio) - 4}{4} \times 0.6$$

2.10 Given the current estimated housing supply for the Borough is approaching 170 dwellings per annum, which is the same level as the adopted Local Plan, it is clear that this makes a significant difference to the Borough in progressing its Local Plan. Table 1 below demonstrates the difference between the previous standard method using the 2014

² Adjustment factor calculation: $7.6 - 4 = 3.6 / 4 = 0.9 \times 0.6 = 0.54$

³ Whole standard method calculation: $37,707 \times 0.8\% \times (1 + 0.54) = 464.9$ (rounded to 465 dwelling per annum).

projections (as currently required), the 2018 projections (if the current method used the latest ONS projections) and the proposed revised method and highlights the potential level of unmet need.

Table 1: Comparison of standard method results and the implications for unmet need

Standard method	Local Housing Need according to the standard method	Housing supply	Unmet need
Current standard method at August 2024 which requires the use of 2014 household projections (advisory starting-point)	339 per annum (5,424 between 2024 and 2040 Plan Period)	169 per annum (2,705 between 2024 and 2040)	2,719 between 2024 and 2040
Current standard method if using 2018 household projections	125 per annum (2,000 between 2024 and 2040)	169 per annum (2,705 between 2024 and 2040)	None – surplus of 705 homes between 2024 and 2040
Proposed revised standard method if implemented by Government (mandatory)	465 per annum (7,440 between 2024 and 2040)	169 per annum (2,705 between 2024 and 2040)	4,735 between 2024 and 2040

2.11 The proposed revised standard method would increase the annual requirement figure for Gosport from 339 dwellings per annum (dpa) to 465 dpa. This would give a potential unmet need over the proposed plan period to 2040 of 4,735 dwellings as opposed to the existing unmet need of 2,719 dwellings. Appendix 2 highlights how difficult it is to achieve these figures by identifying housing delivery in the Borough since 1982. This matter is exacerbated by the fact that other local authorities in the Partnership for South Hampshire (PfSH), except Southampton, have also seen significant increases in their standard method housing figure (see Appendix 3).

2.12 Consequently, this makes it more difficult to ask neighbouring authorities to take Gosport’s unmet need and undermines the previous work undertaken by PfSH with its Spatial Position Statement (SPS) (adopted in December 2023 and based on the current standard method using 2014 household projections). This provides a strong basis for each Council to

demonstrate that progress to address the issue of unmet need is being considered on a sub-regional basis as well as meeting each authority's statutory duty to cooperate. It had been envisaged that Inspectors for each authority's Local Plan would find this approach acceptable (although this had yet to be tested). The change in emphasis to the housing figures being mandatory will also make it more difficult to rely on the approach in the SPS.

- 2.13 The proposed NPPF does state that a lower figure can only be used where a local authority can demonstrate hard constraints and that they have exhausted all other options. However further clarity is required on what constitutes a hard constraint. The revised wording in the NPPF seems to only relate to environmental issues such as flood risk, landscape and heritage designations, and important habitats. It does not include factors such as the availability of land, viability or infrastructure limitations.
- 2.14 The consultation document states that the existing formula loads a third of the national need in London and states that this previous target is removed from reality and just shifts the numbers away from areas where they can be delivered. The same point can be made for the proposed standard method as the figure of 465 dwellings per annum in Gosport Borough is completely divorced from reality. The Council strongly supports the development of its brownfield sites for residential and economic development but it needs to be recognised that local plan housing figures need to be based on a realistic assessment. Overall this highlights that the crude formula based approach is a problem and that a completely different approach is required. The Government's longer term proposals for strategic planning over larger areas could assist in a sensible way of distributing housing numbers.
- 2.15 The Council's response to the Government's questions on this matter are covered in Questions 1-3 and 15-19 in Appendix 1.

Presumption in favour of sustainable development

- 2.16 The presumption in favour of sustainable development in the context of housing supply was introduced by the previous Government and is a fall back to encourage planning permission for new dwellings where plan policies are not up-to-date including where there is an insufficient supply of land (primarily through the demonstration of a five year housing supply). This could include allowing development on an edge of a settlement which has not been allocated in a local plan or allowing residential development on land allocated for other uses (such as employment). The Government recognises that this 'presumption in favour' criterion has been used by developers to argue that other policies such as those that, require a sustainable location for development, protect the environment or encourage good design are out of date too.
- 2.17 However the Government proposes to be explicit that the presumption in favour only relates to land supply and not other local plan policies. The

Government sets out that these safeguards will mean that schemes that rely on the presumption to secure approval will meet the high standards expected of all development such as location, design and environmental considerations.

- 2.18 **Officer comment:** The Government's ambition to deliver new housing is recognised and the Council is supportive of new development and has a track record of successfully facilitating regeneration. The Council objects to the proposed standard method calculation for determining housing need for reasons set out within the consultation response. Consequently as this is the basis on whether a local authority meets its five year housing supply or not and therefore triggers the 'presumption in favour of development' the Council objects to the presumption in favour mechanism in the way it operates. If the presumption was triggered based on the requirement of a more appropriate standard method including the latest up to date household projections then this would be a more suitable basis to trigger the 'presumption in favour' if housing delivery requirements were not being met.
- 2.19 It is considered that the explicit reference in the revised NPPF which aims to ensure that other necessary planning requirements regarding location, design and the environment are not undermined when the 'presumption in favour of development' mechanism is triggered are supported.

Restoring the 5-year Housing Land Supply

- 2.20 Prior to December 2023, the 5-year housing land supply required local planning authorities to annually identify and update a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing. This was tested against the housing requirement in their local plan or, where no up-to-date plan was in place, local housing need determined by the standard method. Where local planning authorities could not demonstrate a 5-year housing land supply, they were subject to the presumption in favour of sustainable development, described above. The policy helped ensure that authorities maintained a future pipeline of housing.
- 2.21 In December 2023, several changes were made to 5-year housing land supply policy which weakened this as the fall back route to encourage planning permission to be granted where plan policies are not up-to-date. 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. From December 2023, where authorities are in the late stages of plan making, they need only demonstrate a 4-year housing land supply. This was to incentivise plan-making. However the Government does not consider this measure effective and proposes to reverse these changes and therefore it will be necessary to continually demonstrate 5 years of specific deliverable sites for housing. A further change is proposed whereby past over-supply will no longer be taken into

account as part of the calculations given the chronic need for housing in all areas.

- 2.22 **Officer comment:** As the Council has a local plan which has reached the first stage of consultation (known as the Regulation 18 stage), since December 2023 it has been able to use the four year housing supply measurement. However given the anticipated trajectory of house building and that the 5th year could not be included, this actually reduced our land supply figure compared to if we had used a five year period. Given that the Government has no intention of changing the five year housing supply test the Council is comfortable with the reversal of this particular change made in December 2023. However in relation to the over-supply change it is considered that allowing LPAs to use previous over-supply against upcoming supply, although complicated, introduced some fairness and recognition that housing delivery can vary significantly over time.

Restoring the 5% buffer

- 2.23 The NPPF currently requires local planning authorities to include a buffer of 20% on top of their 5-year housing land supply where there has been significant under delivery of housing over the previous 3 years, as measured through the Housing Delivery Test (HDT). Prior to December 2023, authorities were also required to include a buffer of 5% on top of their 5-year housing land supply, in order to account for fluctuations, or 10% where the authority wanted to confirm its 5-year housing land supply for a year through an Annual Position Statement or recently adopted plan.
- 2.24 **The Government is proposing to reverse this change and reintroduce the 5% buffer.** This will be added to all 5-year housing land supply calculations in decision making and plan making. The Government states that this will provide a buffer of sites and ensure competition and choice in the market. The 20% buffer remains a requirement for local authorities that under-deliver in relation to the HDT.
- 2.25 **Officer comment:** The Borough's Housing Delivery Test (HDT) result fluctuates significantly between one year and the next and consequently this impacts on whether the 20% buffer is required or not. As recently as 2021 the Borough met 100% of its HDT requirement whereas in 2023 it only met 36% of its HDT requirement and therefore at present the 20% buffer would apply.
- 2.26 The reintroduction of a 5% buffer on all local authorities supply regardless of whether they meet the Housing Delivery Test or not is considered unnecessarily complex. If the Government requires a five year housing supply that should be that rather than adding another 5% on top. It is considered that there are structural reforms that are needed for the construction industry to create more choice and competition and the 5% buffer does not seem the appropriate measure to achieve this.

Brownfield Land

- 2.27 The definition has been widened with a strengthened expectation that applications on brownfield land will be approved and should remain 'the first port of call' for development. The Government has introduced text in the NPPF (existing paragraph 124c) which states that planning policies and decisions should regard the use of brownfield land within settlements for homes and other identified needs as acceptable in principle. The Government recognises that additional land is required including the release of 'grey belt' land within the Green Belt, which is addressed later in this report.
- 2.28 **Officer comment:** The Council has always taken a positive approach to developing brownfield sites and this is the main source of sites coming forward in the Borough. Such sites will consequently be allocated in the Local Plan. The proposed change in the NPPF relating to brownfield land is acceptable in principle as it relates to development within settlements and consequently this would accord with existing and proposed Council policies of development having a presumption of favour of development when it is within the urban area boundary.
- 2.29 It is important for the Government to acknowledge the significant viability challenges on such sites relating to amongst other things contamination, neglected historic assets and unsuitable infrastructure. Consequently a strong commitment needs to be given by the Government to provide grant assistance to such sites to make them viable in order to deliver quality development. To explain these challenges it is proposed the Council offers a discussion with Ministers and officers from MHCLG to discuss these matters.

Greenbelt and 'grey belt'

- 2.30 The Government will identify 'grey belt' land within the Green Belt to be brought forward through the planning system. There will also be measures introduced to release additional Green Belt land for development through a set of 'golden rules' to ensure it delivers in the public interest whilst protecting key features of the Green Belt which preserves openness and prevents urban sprawl. 'Grey belt' is defined as Green Belt land which makes a limited contribution to the Green belt purposes as defined by the NPPF (Paragraph 140 of the NPPF).
- 2.31 **Officer comment:** The Borough does not have any designated Green Belt land. The potential for the use of 'grey belt' land within the Green Belt could be a useful source of supply however it is important that such sites are located in sustainable locations with good public access and active travel links with either on-site facilities and/or within a convenient and reasonable distance to key services. Otherwise these communities will endure a sense of isolation and be car dependent. Similarly such sites will need to ensure sensitive landscape and habitat issues are addressed.

Test of soundness for Local Plan examinations

- 2.32 Local plans are required to meet four tests of soundness through the Examination in Public stage in order that an Inspector can find a local plan 'sound' and that it can proceed to be adopted by the Council. The Government is proposing to review the tests of soundness as there have been concerns that strategic scale proposals and associated infrastructure can require implementation over a long period making it more difficult to provide sufficient evidence of deliverability and viability. The Government wants the system to enable long term and ambitious planning whilst recognising that plans need to be grounded and realistic.
- 2.33 **Officer comment:** The Council would strongly support the Government's proposal to reconsider these aspects of the tests of soundness as the issues of deliverability and viability (as part of the 'effectiveness' test) are a particular issue for Gosport given the complex nature of key brownfield sites. It is considered that this review should not just be focussed on strategic sites but also complex brownfield sites.
- 2.34 Recent versions of the NPPF have required the Council to demonstrate the deliverability and viability of complex brownfield sites but this is difficult to demonstrate in the short term. In previous rounds of plan making the requirement to demonstrate viability and deliverability was less onerous and consequently the Council was able to allocate sites in previous local plans (such as Daedalus) and set out the primary policy requirements which have been used when considering relevant planning applications. This provided confidence to the market and Government agencies as it demonstrated the Council was supportive of significant development with a set of parameters even though it was not possible at that time to demonstrate how the site would be delivered and whether it was viable.
- 2.35 The stronger requirement for this round of plan making has caused delay in the plan making process as not all the information is available and viability is proving to be a challenge even though that may change through the economic cycle or there may be potential to attract outside Government funding. Consequently weakening the tests regarding deliverability and viability will assist in promoting sites over a long term and help provide a stronger coherent strategic vision for a particular area.
- 2.36 The Council consider that in order to deliver faster plan-making with a less onerous examination process and ensuring the evidence base to support local plans is more proportionate, it is necessary that the Government should review all the tests of soundness and establish whether they are fit for purpose.

Maintaining effective cooperation and the move to strategic planning

- 2.37 The Levelling-up and Regeneration Act 2023 will revoke the Duty to Cooperate in relation to the reformed plan making system. However, the Duty remains a legal requirement under the current local plans system and will continue to apply to local plans progressed within the current system.

Therefore, the Duty to Cooperate and requirement to address unmet housing need is a key matter to be addressed as part of the ongoing Local Plan review.

- 2.38 The Government recognises that housing need in England cannot be met without planning for growth on a larger than local scale, and that it will be necessary to introduce effective new mechanisms for cross-boundary strategic planning. Previously strategic planning was undertaken through Regional Spatial Strategies and this included provision for more detailed sub-regional arrangements (such as South Hampshire), but this mechanism was officially revoked in 2013. The Government states that new mechanisms for cross-boundary strategic planning will play a vital role in delivering sustainable growth and addressing key spatial issues – including meeting housing needs, delivering strategic infrastructure, growing the economy, and improving climate resilience. Strategic planning will also be important in the delivery of Local Growth Plans and Local Nature Recovery Strategies
- 2.39 Consequently the Government is proposing to introduce a formal strategic planning mechanism through new legislation which will have universal coverage covering functional economic areas within the next five years.
- 2.40 This approach will support elected Mayors in overseeing the development and agreement of Spatial Development Strategies (SDSs) for their areas. The Government will also explore the most effective arrangements for developing SDSs outside of mayoral areas, in order that it can achieve universal coverage in England, recognising that the need to consider both the appropriate geographies and the right democratic mechanisms for securing agreement.
- 2.41 The Government is proposing to work with local leaders and the wider sector to consult on, develop, and test these arrangements in the months ahead before legislation is introduced.
- 2.42 In the short term the Government is proposing to amend the ‘maintaining effective co-operation’ section of the NPPF to ensure that the right engagement is occurring on the sharing of unmet housing need and other strategic issues where plans are being progressed. This change will apply in conjunction with the existing Duty to Cooperate in the current plan making system.
- 2.43 **Officer comment:** In terms of strategic planning the Government are not asking any specific consultation questions on the details of the proposed strategic planning arrangements and at this stage it is just setting out its longer term intentions. Further consultation will be taking place over the coming months including working with local leaders and therefore it is important that this Council is engaged with this process with neighbouring authorities as there may be potentially significant implications in the future planning of the Borough and wider area.

- 2.44 In relation to the short term changes being made to the NPPF on cooperation, it would seem that the phrasing strengthens this particular section of the NPPF in relation to maintaining effective cooperation on infrastructure and the environment, and in particular that unmet development needs from neighbouring areas are accommodated; however the requirement to address unmet need is already set out in an earlier section of the existing NPPF.
- 2.45 A strategic form of planning across sub regions in England has the potential to provide a better, plan-led approach to deliver the country's much needed housing growth rather than the standard method approach which produces housing requirements for certain areas which are not possible to achieve due to the sheer lack of land available.

Affordable housing

- 2.46 **Affordable housing mix:** The Government proposes to support more affordable housing, particularly as part of Green Belt releases. It will promote a more diverse tenure mix and sets out that local areas are best placed to decide the right mix of affordable housing for their communities, including the appropriate mix of affordable homes for ownership and rent. It wants to allow local authorities to prioritise social rented and affordable rented housing but this will not be prescriptive.
- 2.47 The Government is proposing to remove the prescriptive requirements relating to affordable home ownership products. Currently, home ownership products are prioritised over homes for affordable rent, with particular priority given to First Homes. The Government considers the prescriptive prioritisation of these particular types of affordable housing in existing policy is not the right approach. It can force unhelpful trade-offs, especially in areas where, for example, Social Rent and Affordable Rent are most needed. For this reason, the Government propose removing the requirement to deliver at least 10% of the total number of homes on major sites (10 or more dwellings) as affordable home ownership (generally 80% of market price). It is also proposing to remove the requirement that a minimum of 25% of affordable housing units secured through developer contributions should be First Homes⁴. These would remain a type of affordable housing and an option for delivery where local planning authorities judge this to be appropriate for local needs, including through First Homes exception sites and through Section 106 developer contributions.
- 2.48 **Officer comment:** The Council strongly supports the Government's proposals to prioritise other forms of affordable housing over affordable market housing as this is where the need is greatest. However in order to deliver this the Government needs to remove the requirement of whole plan viability reports which are used to determine the level of affordable

⁴ The First Homes requirement was originally introduced through the 'Affordable Homes Update' Written Ministerial Statement of 24 May 2021.

housing which is viable at a fixed point of time in the economic cycle (i.e. in the evidence collecting stage of the plan-making process). By requiring local planning authorities to adhere to the findings of a whole plan viability report at a point in time means that changes in the economic cycle over the plan period cannot be reflected in the amount of affordable housing sought, as this is fixed in the policy. For example, if the viability report was conducted at a particularly challenging time in the economic cycle and demonstrated 0% affordable housing could be viably delivered on certain sites, that figure is what has to be included in a local plan's affordable housing policy; however, if over time economic conditions improve and these sites become more viable and more affordable housing could be delivered, it would not be possible to require this higher figure because the local plan includes a policy based on a lower rate which is tied to the whole plan viability report.

- 2.49 Similarly if the economic situation got worse and there was a higher affordable housing figure in the local plan, then the site would be unviable and would not be developed. The Council strongly urges the Government to reintroduce the system, as used in the current Adopted Local Plan, whereby viability assessments are produced on a case by case basis at the time of the planning application. This has the benefit of taking into account all the relevant variables at the time close to delivery including the business case for the development, lending and funding arrangements, developer and landowner motivations and other factors.
- 2.50 The removal of the 10% requirement of market affordable housing in the NPPF will remove the only prescriptive requirement that local authorities can rely on if their viability evidence required at the plan-making stage shows 0% affordable housing is viable on particular sites.
- 2.51 **Other proposals relating to affordable housing:** the Government is also proposing to support the needs of housing designed for specific groups such as older people's housing, student accommodation, plots sold for custom build or self-build, accommodation for looked-after children and majority affordable housing developments.
- 2.52 **Officer comment:** These intentions are supported and reflect the approach taken in the emerging Local Plan.

Mandatory small site allocation

- 2.53 The Government recognises that small and medium sized builders are essential to meeting our housing expectations and supporting local economies. They also build out the majority of small sites. Their business models often rely on identifying and securing small sites and building them out quickly. The Government is concerned that SME house builders are not able to access the small sites that they need, and that local planning

authorities are not bringing forward small sites in their plans to the level set out in the NPPF.

2.54 Authorities preparing plans have been unable to identify enough small sites to reach the current 10% NPPF local plan allocation expectation, and the Government is concerned this is hindering local SMEs ability to identify sites to bring forward, build out, and for their businesses to grow. The Government would like local authority comments on the difficulties of achieving the 10% of housing on small sites.

2.55 **Officer comment:** A factor affecting the small site allocation can be the availability of small sites for development that are promoted by landowners. In Gosport, small sites make an important contribution to housing delivery. However the LPA does not directly control the ownership of land. In addition, the emphasis on deliverability in national policy and guidance means that LPAs may struggle to find sufficient small sites which can be evidentially deliverable. It should be for the local authority through engagement with landowners, including through the 'call for sites', to determine which sites are allocated. In addition councils produce Strategic Housing Land Availability Assessments (SHLAA) which provides a comprehensive list of potential small sites and gives an indication of any issues that may need to be overcome, if any. This resource could be more widely used by small and medium sized builders.

Requiring well-designed sites

2.56 The NPPF includes a number of references to the term 'beauty' and 'beautiful' when relating to well-designed development. The Government recognises the importance of beauty in the built environment as an important objective of well-designed places. However, as recognised by previous consultees, including further references to 'beauty' and 'beautiful' may result in inconsistency in how it is applied in decision-making, as many find the term subjective and difficult to define. These references will be removed.

2.57 **Officer comment:** The Council agrees with this change and indeed has previously objected to the use of the word 'beautiful' in this context. Buildings can be well-designed and functional but not necessarily beautiful.

Design coding

2.58 The Government is no longer proposing district-wide design coding and instead proposes to allow local planning authorities to concentrate their efforts on the preparation of localised design codes, masterplans and guides for areas of most change and most potential including regeneration sites and urban extensions.

- 2.59 **Officer comment:** The Council agrees to this proposed change and this very much aligns with previously submitted comments on design coding where it was considered that limited resources should be concentrated on key areas of change rather than detailed Borough-wide design codes.

Economic development

- 2.60 The NPPF will support growth in key sectors aligned with the Government's industrial strategy and future local growth plans including laboratories, gigafactories, datacentres, the digital economy and freight and logistics. The wording changes reflect the need that such commercial development needs to be in suitable locations in relation to the characteristics of each sector. New wording is proposed to support the expansion or modernisation of other key growth industries by consulting on an expectation that additional commercial sites are identified in plans and positively considered in planning decisions, when they are of local, regional or national importance, and to further support economic growth and resilience.
- 2.61 **Officer comment:** The consideration of growth sectors in the economy is supported and the wording of the NPPF is appropriate to enable local authorities to set the relevant Local Plan policies to allocate such sites where appropriate. The Council is already proposing suitable policies to support growth sectors relevant to the Gosport economy, in particular the marine sector, by allocating land for such industries and protecting essential requirements for this sector such as retaining access to deep water.

Public Service Infrastructure

- 2.62 The NPPF proposes to include wording which gives significant weight on the importance of new expanded or upgraded public service infrastructure when considering proposals for development. The NPPF also adds specific reference to allowing the creation, expansion and alteration of early years and post-16 education provision within existing and new communities, alongside the existing text which only references schools.
- 2.63 **Office comment:** This proposal is supported but it should be noted complex brownfield sites may require additional Government support in order to make them deliverable and provide developer confidence; otherwise such facilities will be deemed to make a development unviable and will not be delivered.

Vision-led approach to transport planning

- 2.64 The Government states that at present, planning for travel too often follows a simplistic 'predict and provide' pattern, with insufficient regard for the quality of places being created or whether the transport infrastructure which is planned is fully justified. Challenging the default assumption of automatic traffic growth, where places are designed for a 'worst case' peak

hour scenario, can drive better outcomes for residents and the environment. It means working with residents, local planning authorities and developers to set a vision for how we want places to be, and designing the transport and behavioural interventions to help us achieve this vision. This approach is known as 'vision-led' transport planning and, unlike the traditional 'predict and provide' approach, it focuses on the outcomes desired, and planning for achieving them. Wording will be included in the NPPF to reflect this.

- 2.65 **Officer comment:** The principle of a 'vision-led' approach rather than a 'predict and provide' approach is supported from a transport perspective. Hampshire County Council's latest Local Transport Plan (LTP4) appears to reflect this approach. The Council would like further guidance on this matter, including within the Government's Planning Practice Guidance (PPG), on how this is achieved in reality and whether there are any good practice cases within the UK including within provisional towns with more limited public transport choices. There is a concern that in reality a 'business as usual' approach will be promoted by developers as alternative measures may be too expensive (and therefore impact overall viability), impractical, or not be desirable for prospective residents of the development which will discourage a developer to derive innovative solutions. Similarly the vision-led measures included by developers might not come to fruition once the development has commenced and the local authority is left to deal with congestion and insufficient parking arrangements. Consequently unless sufficient changes are made to funding public transport or encourage active travel, developers will insist in taking the convenient less risky car based development approach based on a predict and provide scenario. Whilst this may appear negative, without a step change in national policy it will be difficult for councils at a district and county level to insist on developers to focus more on public transport and active travel as part of vision-led approach'. Discussions on delivering a vision-led, less-car dependent approach have been discussed since at least the 1990s and in many ways it has become harder to deliver such schemes. This is compounded by the fact that the new standard method and housing figures will likely result in increased development pressure with numerous speculative applications through the presumption in favour of development on greenfield sites which will not be in the most suitable location, nor at sufficient densities, to support public transport and active travel. Developments which prioritise public transport and active travel are more likely to happen through a strategic planning approach which the Government proposes to introduce within this parliament.

Infrastructure Levy

- 2.66 The Government has confirmed that it will not be introducing the Infrastructure Levy as previously proposed by the former Government and instead will retain the current system of the Community Infrastructure Levy.
- 2.67 **Officer comment:** The Council responded to the original proposals to

introduce the Infrastructure Levy when first proposed in August 2020. While the Council considered there may have been merit in a simplified system, concerns were expressed about the potential for numerous unintended consequences. There was also concern that the proposed abolition of Section 106 legal agreements which offer the opportunity for negotiation and flexibility, could have led to local authorities being unable to secure benefits from a proposal through negotiation. At the time of proposing the Infrastructure Levy, the Government recognised that its introduction could take up to 10 years. Therefore, on balance the Council considers that the retention of the current system of the Community Infrastructure Levy and Section 106 legal agreements is appropriate and offers a firm basis upon which to continue to capture contributions for local communities and supporting infrastructure.

Healthy communities

- 2.68 The Government wants to consider ways in which the planning system can do more to support the creating of healthy communities, particularly supporting healthy childhoods. This includes tackling obesity, encouraging active travel and supporting a healthy childhood, such as through more consistent approaches to controlling hot food takeaways near schools. As part of this consultation, the Government is seeking views on whether and how national policy could provide greater direction and clarity on the promotion of health through local plans and planning decisions.
- 2.69 **Officer comment:** Gosport has one of the highest rates of excessive weight (obesity and overweight weight) in England. In terms of tackling obesity, including childhood obesity through the planning system, the Government needs to provide unequivocal guidance that local planning authorities can include policies to restrict takeaways with clear criteria that can be used. For example, the former Public Health England had undertaken and published a variety of research demonstrating how the 'food environment' can influence obesity and general health and has advocated planning policies restricting hot food takeaways near schools. The current situation in England seems to be rather inconsistent where certain local authorities have been able to include policies on such matters, others have not and similarly some appeals for takeaway are dismissed and some allowed even though there are local policies and guidance in place. A much clearer steer in the NPPF and PPG is required by the Government in order that local planning authorities can develop policies with confidence. The emerging Gosport Local Plan includes a policy for restricting hot food takeaways however this is limited in that a fast food restaurant (rather than solely a takeaway) could circumvent this because there is no separate definition of a fast food restaurant in the Use Classes Order.
- 2.70 The Government needs to do much more to invest in healthy local communities beyond the planning system including regulating the processed food industry and the advertising of products, investing in youth club provision and school clubs to support young people to live healthier

lives, and invest in community halls and local sports clubs to ensure facilities are appropriate for all ages and abilities. Additional investment is required for local authorities to improve their parks and open spaces and create new green infrastructure, walking and cycling routes which are pleasant and convenient, as well as NHS schemes to provide greater support for residents to lead active lives. More action is required to improve air quality and the water quality of our rivers and coasts to encourage people to walk, play, run and swim within their local environment. Measures to improve accessibility for disabled users is also required to assist with physical and mental health for all.

- 2.71 The revised NPPF and PPG can reflect some of these measures although money will need to be secured through other means.

Renewable energy

- 2.72 The Government includes a number of measures relating to renewable energy and low carbon development. Proposals for onshore wind will be reintegrated into the Nationally Significant Infrastructure Project (NSIP) planning regime and stronger wording will be included in the NPPF to support planning applications for renewable and low carbon development recognising that other policy considerations needs to be taken into account including landscape, heritage, and design.

Climate change and environmental issues

- 2.73 The Government recognises the significant role that planning can make in mitigating and adapting to the effects of climate change and is keen to understand what further measures can be taken. The NPPF consultation also seeks local authority views on a number of wider issues including climate change, renewable energy, flood risk, agricultural land, and water infrastructure. The consultation also asks for view on the current state of technological readiness and availability of tools for accurate carbon accounting in plan-making and planning decisions. The consultation does not include detailed proposals at this stage.
- 2.74 **Officer comment:** The issue that has particular pertinence to the Council's emerging Local plan relates to flood risk. The latest round of plan-making appears to place a much higher bar on local authorities to demonstrate the detailed delivery of flood management measures in relation to new site allocations than previous rounds. This is borne out from the experience of other local authority examinations.
- 2.75 The Council agrees with the current arrangements, which are being retained, whereby the Local Plan should clearly set out its process for allocating sites in terms of the sequential and exceptions test. Consequently land is allocated to those sites where the risk of flood risk is lowest and if this is not possible for reasons of overriding sustainability, the provisions of the exceptions test are applied. Consequently policies for such sites should clearly set out risks and the broad interventions required

that the developer must satisfy at the planning application stage.

- 2.76 However more recent versions of the NPPF have required local authorities to demonstrate deliverability of sites at the local plan stage. This has meant much more work is required at this stage and in many cases it is difficult to obtain the level of detail required to ensure that a site is genuinely deliverable. This has had the consequence of delaying plan-making and in some cases it is making it very difficult for plans to progress without detailed survey work which would have been out of scope for previous local plans.
- 2.77 The Council considers that the Government should review the requirement of demonstrating deliverability at the Local Plan stage, recognising that allocations should be both aspirational and realistic but that it is not necessary to show the very detailed levels currently being asked for as part of the examination.
- 2.78 In relation to carbon accounting, the Council has previously expressed concerns that accurate carbon accounting in plan making could represent a significant piece of work which can be costly with limited benefits. It is considered that carbon accounting could be considered first at a national level, with local plans maintaining strong sustainable place making measures which can assist in reducing carbon emissions at a localised level, e.g. developing brownfield land within urban areas close to public transport routes or services with supporting green infrastructure.
- 2.79 The Council's proposed responses on this and other issues in this section are covered in Questions 78-86 of Appendix 1.

Local plan production and transitional arrangements

- 2.80 The Deputy Prime Minister has written to all local planning authorities making it clear that the Government expects universal coverage of local plans.
- 2.81 The Government is clear that local planning authorities should continue to progress their plans to adoption under the existing system without delay. Authorities without an up to date plan should not stop work on a plan with the intention of preparing a plan under the new system. The Government 'recognise the barriers to progress plan-makers have faced in recent years and consequently would like to re-affirm its commitment to supporting local planning authorities.'
- 2.82 The Government consultation sets out various transitional arrangements under which the new NPPF arrangements will apply based on the expectation that the latest version of the NPPF will be available by the end of 2024 once consultation responses have been assessed. These are summarised below.
- Plans at Examination can continue to be examined under the current

NPPF. However if the revised standard method figure for local housing need is more than 200 dwellings per annum greater than set out in the eventual adopted local plan the local planning authority will need to begin preparation of a new plan under the proposed new system as soon as possible.

- Plans that have reached the Regulation 19 formal consultation stage but not yet submitted can continue to use the current NPPF providing they reach this stage within one month of the new NPPF coming into force. However if the gap between the emerging local plan is over 200 dwellings per annum lower than the proposed standard method figure then it will be required to revise its local plan to take into account the new standard method figure **before** submitting.
- All plans at an earlier stage of preparation (i.e. those that have yet to reach Regulation 19 formal consultation) should be prepared against the revised version of the NPPF.

2.83 The Government recognises that additional work will be required and consequently local plans can be submitted by 31st December 2026 for examination rather than June 2025 as set out by the previous Government.

2.84 **Officer comment:** It is clear that the Government wants plans currently under preparation to be brought forward under the current local plan system rather than wait for the new local plan system. Details of the new local plan system are pending although it is likely that the new system will include National Development Management Policies and increased digitalisation (as suggested by the previous Government); and now likely to be linked to strategic planning at a sub-regional or regional level (as suggested by the new Government in this latest consultation although no details are set out at this stage).

2.85 In line with the transitional arrangements the Council will need to submit its Local Plan using the revised version of the NPPF. Due to the implications of the NPPF, particularly in relation to the standard method, the Council is in the process of seeking an advisory visit from the Planning Inspectorate to provide advice on how it can proceed in the light of these figures given the constraints within the Borough including the lack of available sites. This will help determine the timetable going forward to ensure the Council can meet the 31st December 2026 deadline. The Council considers that further details on plan-making reform in due course will be essential as this may require investment in new digital systems, staff training, and new burdens funding from the Government.

2.86 In relation to increase housing requirements across the PfSH area and the need to address unmet need, this could have significant implications and necessitate a future revision of the recently agreed PfSH Spatial Position Statement (December 2023) which is based on the current standard method. This will likely involve a significant amount of work at additional

cost and therefore the Council would welcome additional funding support.

- 2.87 **Local Plan intervention criteria:** The Government is seeking views on whether to update the local plan intervention policy criteria. It recognises that local plans are critical to ensure the delivery of homes, infrastructure and commercial development local communities need while protecting valued assets. The Government is committed to taking tough action to ensure authorities have up-to-date local plan in place. Where authorities fail, the law provides powers to take action to ensure that plans are progressed and are in place.
- 2.88 Currently decisions on intervention are made in line with relevant legal provisions and on the basis of intervention policy criteria set out in the Housing White Paper and have been used in a small number of occasions in the last 7 years. Similarly local plan intervention powers were included in Part 2 of the Planning and Compulsory Purchase Act 2004 without accompanying policy criteria.
- 2.89 The Government is looking to revise these to be swift and proportionate; justified by local circumstances. The Government wants the Secretary of State to have flexibility in a range of scenarios. It is proposed that criteria is included whereby local planning authorities that fail to produce a plan or keep it up to date would risk government intervention. A range of options exist from the issuing of plan-making directions through to the removal of plan-making powers whereby the Secretary of State would arrange the plan to be prepared in consultation with local people. This will have regard to local development needs, sub-regional, regional and national development needs or plan progress.
- 2.90 The Secretary of State will give planning authorities an opportunity to put forward any exceptional circumstances in relation to intervention action. Should these criteria be confirmed they will be applied flexibly.
- 2.91 **Officer comment:** Clarity and flexibility on the criteria is welcomed. Over the last five years there have been constant changes and proposals of the planning system including the potential for wholesale and radical reform. This creates an environment of uncertainty and risk. Local plan examinations and the evidence process is an expensive and time consuming activity and local authorities need more certainty on how the system will work going forward. These changes need to be taken into account when the Government is considering interventions. A less onerous examination system would assist in speeding up plan delivery.

National Development Management Policies

- 2.92 Members will recall that planning reforms proposed by the previous Government including the development of National Development Management Policies set nationally rather than determined by the local planning authority through the Local Plan process. The Council previously strongly objected to these proposals on a number of grounds including the

lack of scrutiny of national policies compared to local ones at examination and that national policies will not fully take into account particular local circumstances. Whilst not subject to consultation at this stage the new Government has confirmed that it will be continuing with National Development Management Policies and will be consulting on these in due course. The Council has set out in its response to the consultation that further details on National Development Management Policies would be welcomed including clarification on how these will be consulted upon and whether they will be subject to Examination in Public like Local Plans.

Nationally Significant Infrastructure Projects (NSIPs)

- 2.93 The Government is also proposing reforms to NSIPs in relation to onshore wind, solar, data centres, laboratories, gigafactories and water projects.

Planning Fees

- 2.94 The Government is proposing to increase some planning fees including householder applications, so local planning authorities are properly resourced to support increase development and improve performance.

- 2.95 The Government recognises that current planning fee levels do not generate enough income to cover the full cost of some planning applications. In December 2023 planning applications were increased by 35% for major applications and 25% for all other applications. Despite this increase it is estimated that there remains an overall funding shortfall for local planning authority development management services of £262 million nationally, based on the most recent local government spending data.

- 2.96 Consequently the Government is proposing to increase householder applications from £258 to £528 as this is shown to be the main area where costs are not covered.

- 2.97 **Officer comment:** The Council supports the proposal to increase householder application fees to meet cost recovery. However, there is concern regarding the possible impact of householders being put-off by the fee, leading to an increase in unauthorised developments. In relation to areas where current fees are inadequate, the Council notes that fees for most small-medium size developments (not those defined as major developments) do not cover the cost of dealing with these applications. A fee increase would support LPAs dealing with these applications with a reduced financial burden for doing so. Other questions on application fees are included in the consultation with responses included in Appendix 1, Questions 89 to 102.

3 Next steps

- 3.1 The comments in Appendix 1, subject to Board approval, will be submitted to the Government. It will respond to representations received and publish the NPPF revision before the end of the year, so that policy changes can

take effect as soon as possible.

4 Risk Assessment

4.1 It is important that the Council makes a representation to the Government on the planning reforms as its proposals have far-reaching consequences for the Planning and Regeneration Service and how the Council undertakes its role as Local Planning Authority for Gosport Borough.

Financial Services comments:	None
Legal Services comments:	None
Equality and Diversity:	NA – this is an external consultation and will be subject to the Government’s own internal processes.
Climate Change implications:	This is an external consultation and will be subject to the Government’s own internal processes.
Crime and Disorder:	This is an external consultation and will be subject to the Government’s own internal processes.
Council Plan:	The proposals have the potential to change the way in which Planning and Regeneration services are operated.
Risk Assessment:	See Section 4
Background Papers:	Government consultation: proposed reforms to the National Planning Policy Framework and other changes to the planning system. Ministry of Housing, Communities and Local Government, 30 July 2024: www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system
Appendices:	Appendix 1: Proposed GBC response to Government consultation ‘proposed reforms to the National Planning Policy Framework and other changes to the planning system.’ Appendix 2: Housing Completions Analysis Appendix 3: Outcome of the proposed revised standard method (July 2024) for PfSH local authority areas, other Hampshire local authority areas and the Isle of Wight
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