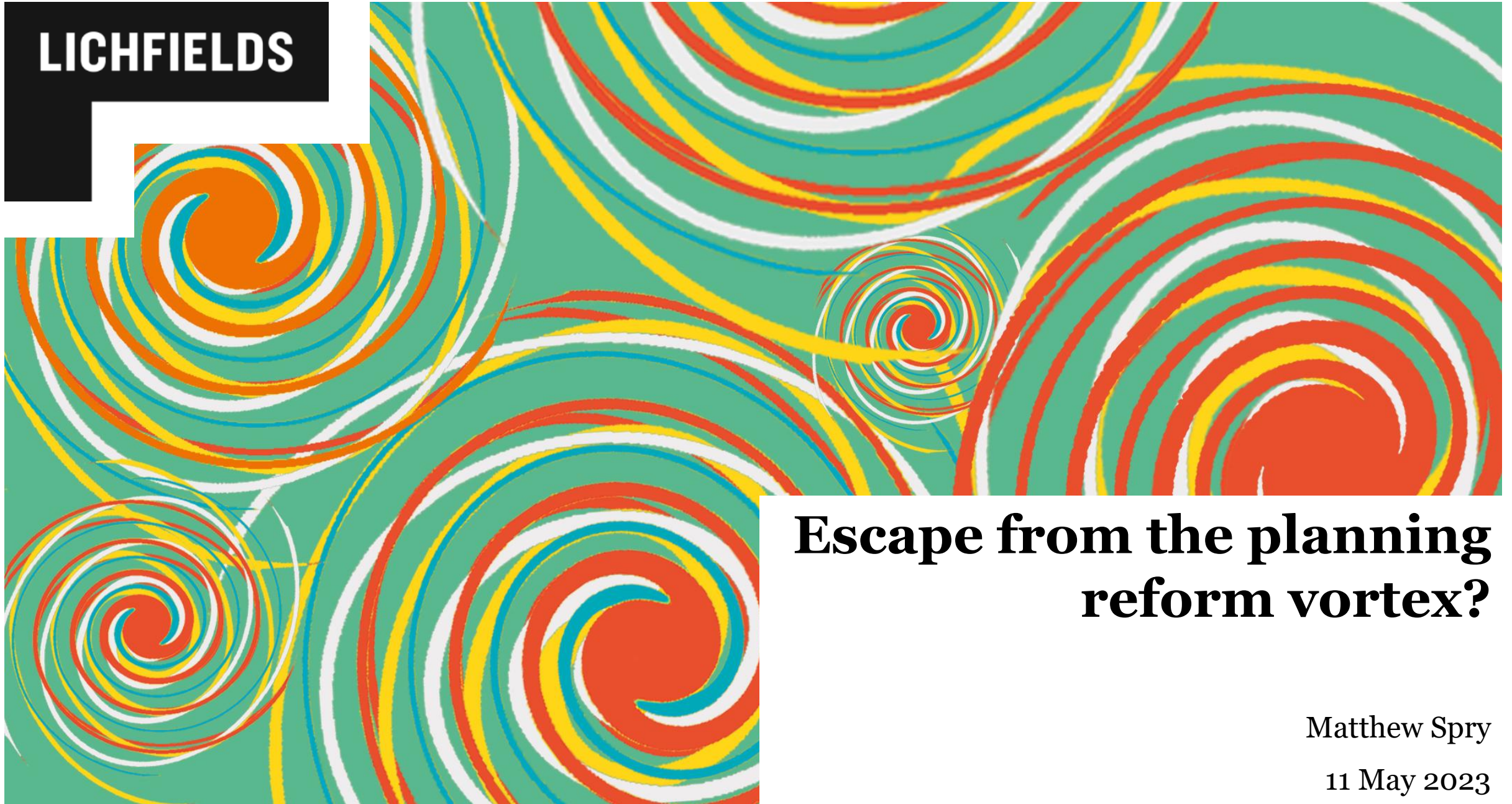


**LICHFIELDS**



# **Escape from the planning reform vortex?**

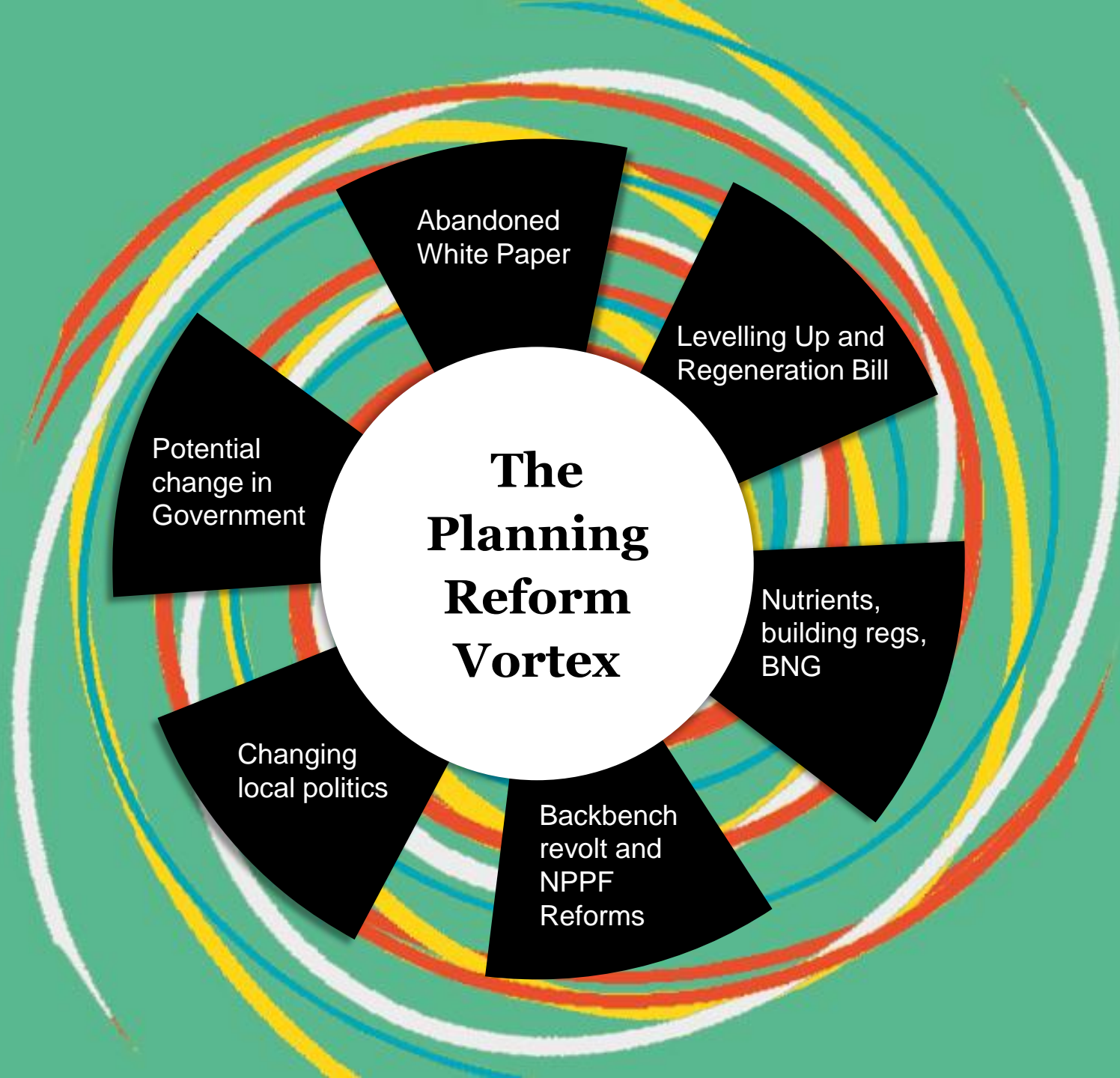
Matthew Spry

11 May 2023

# Agenda

1. The planning reform vortex
2. The current state of play
  - Local Plan housing targets
  - Plan making
  - Land supply and permissions
  - Resources
  - Politics of planning
  - Draft NPPF change
3. What lies ahead?
  - Rewiring of the planning system
  - National Policy
  - Change of Government?
4. Conclusions



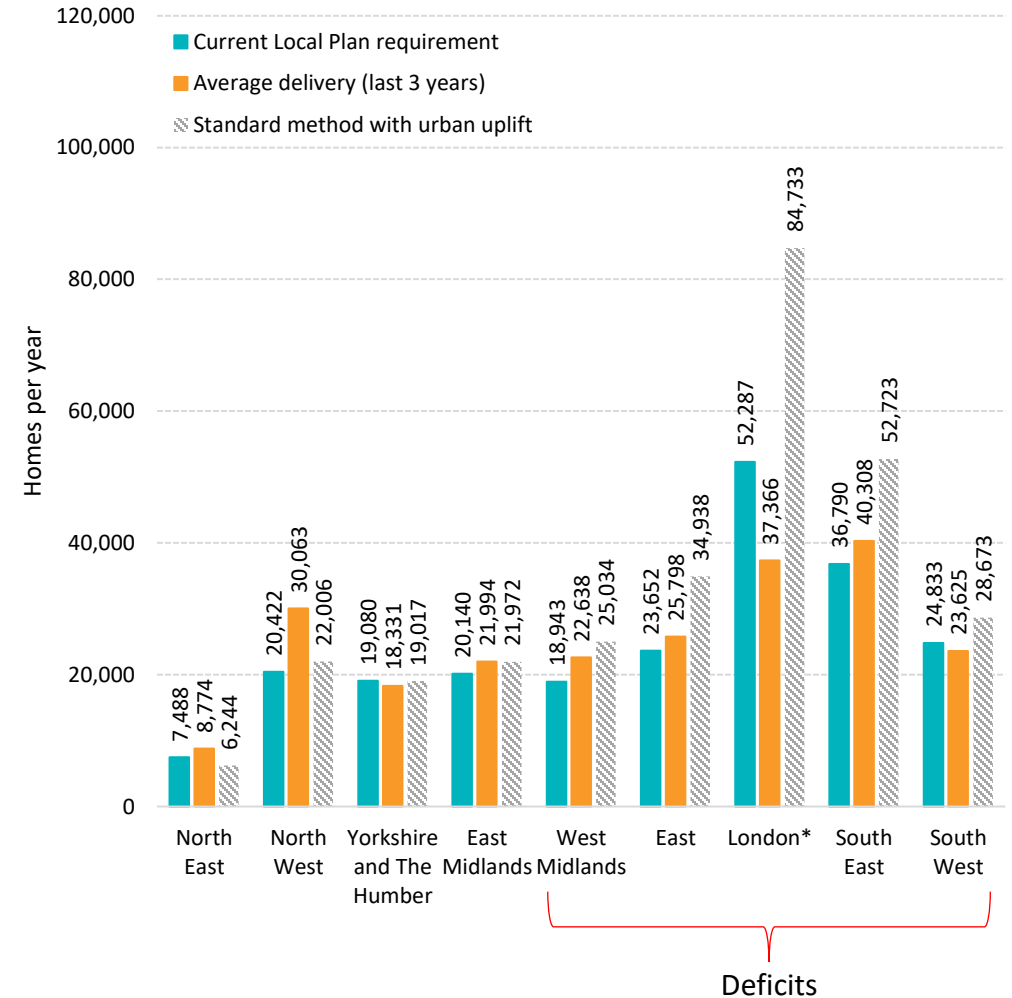




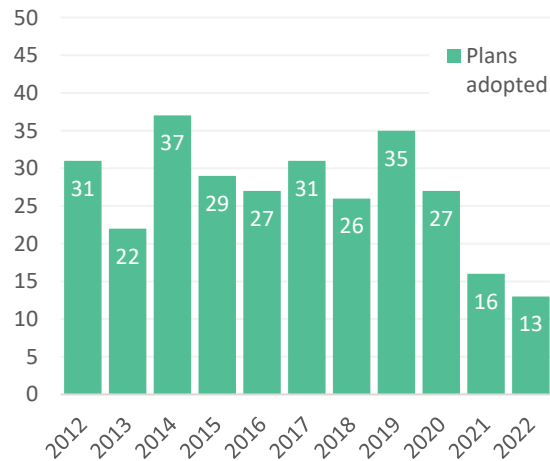
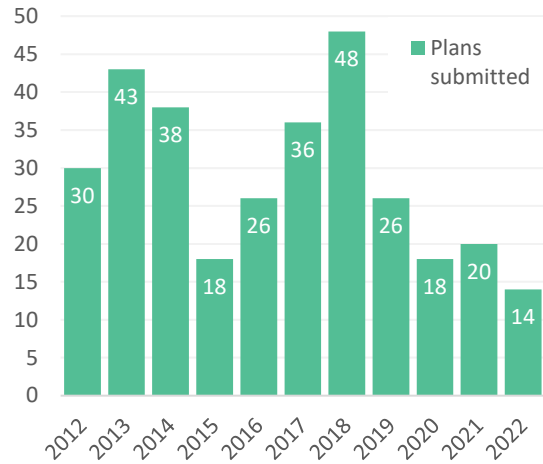
**The current  
state of play**

# Local plan targets at 220k vs delivery at 229k vs standard method at 295k

	Current Local Plan requirement	Average delivery (last 3 years)	Standard method with urban uplift
Urban with Major Conurbation	80,549	74,440	133,294
Urban with Minor Conurbation	6,421	7,757	8,432
Urban with City and Town	50,010	53,817	70,012
Urban with Significant Rural (rural including hub towns 26-49%)	30,217	34,268	31,336
Largely Rural (rural including hub towns 50-79%)	28,714	32,123	28,728
Mainly Rural (rural including hub towns >=80%)	24,202	26,492	23,537
<b>Total</b>	<b>220,114</b>	<b>228,896</b>	<b>295,340</b>



# A collapse in Plan making



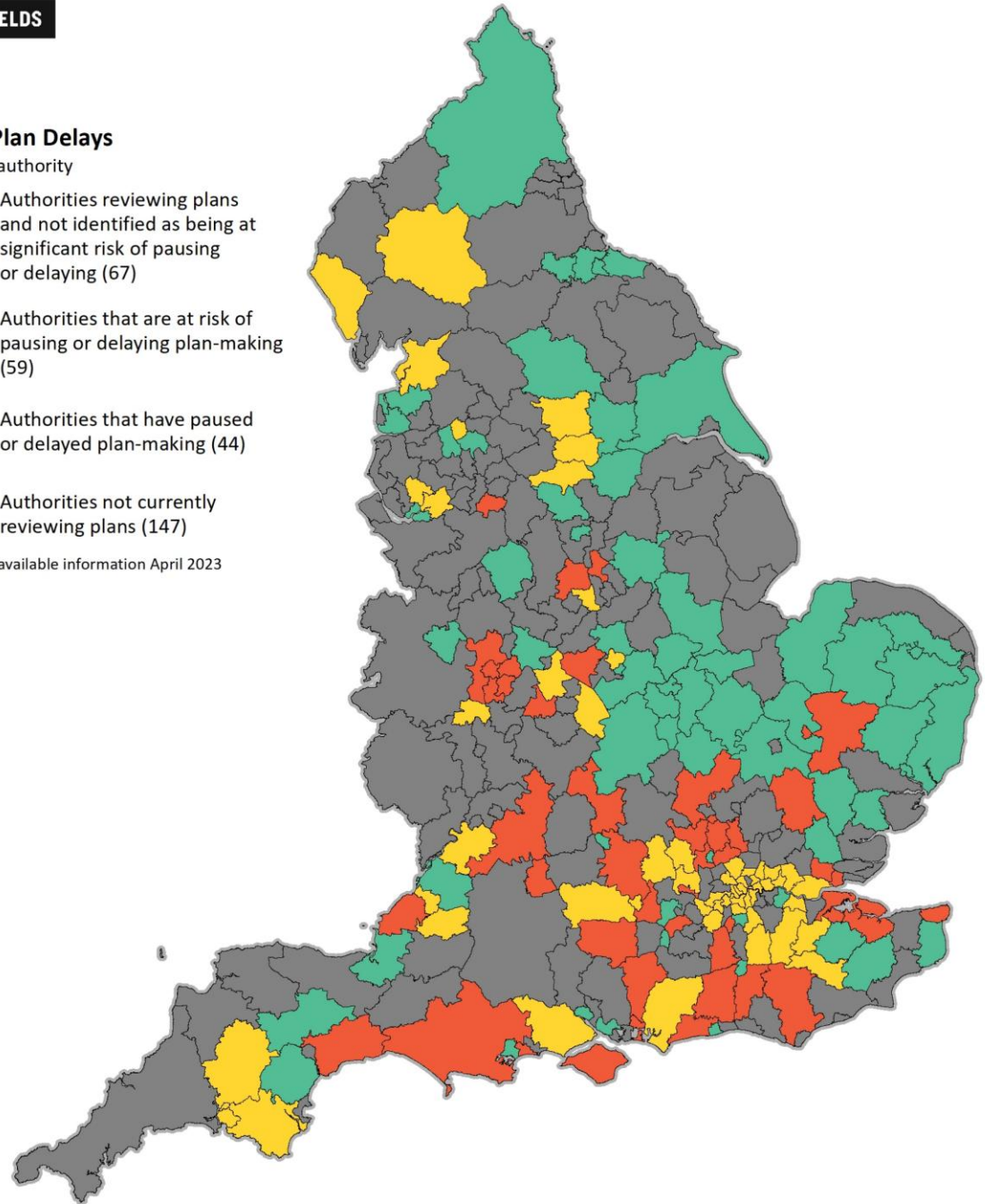
Source: PINS, 2022. Lichfields analysis

## Local Plan Delays

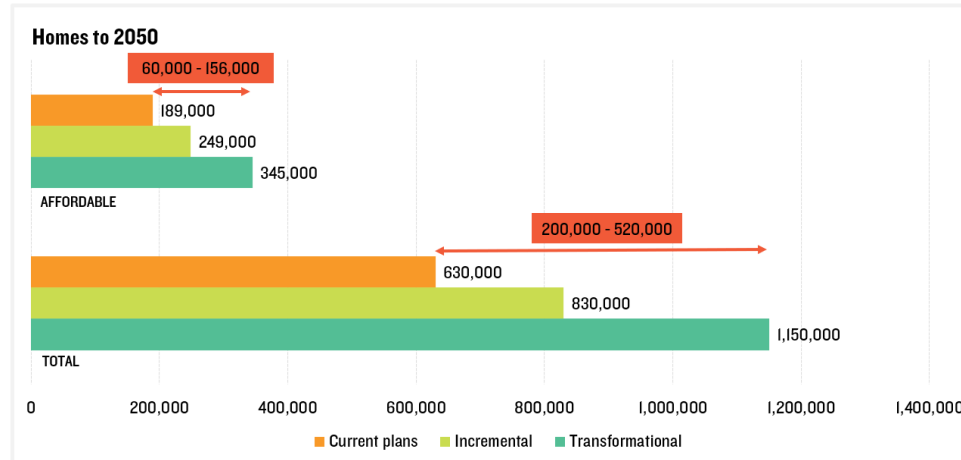
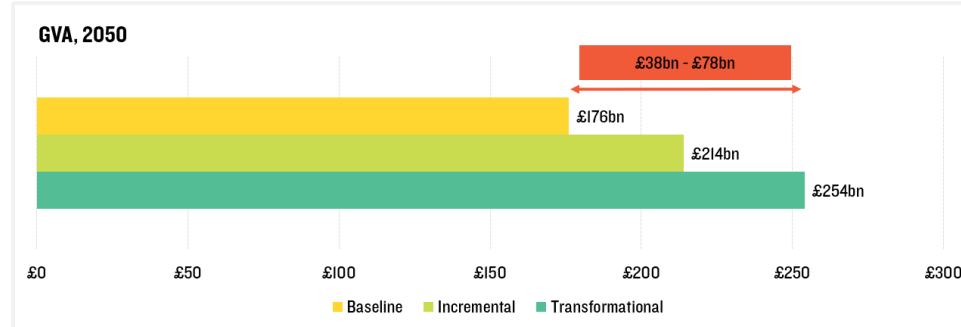
by local authority

- Authorities reviewing plans and not identified as being at significant risk of pausing or delaying (67)
- Authorities that are at risk of pausing or delaying plan-making (59)
- Authorities that have paused or delayed plan-making (44)
- Authorities not currently reviewing plans (147)

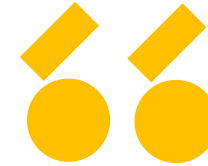
Based on available information April 2023



# A lack of effective strategic planning holding back economic growth potential by £78bn in OxCam Arc alone

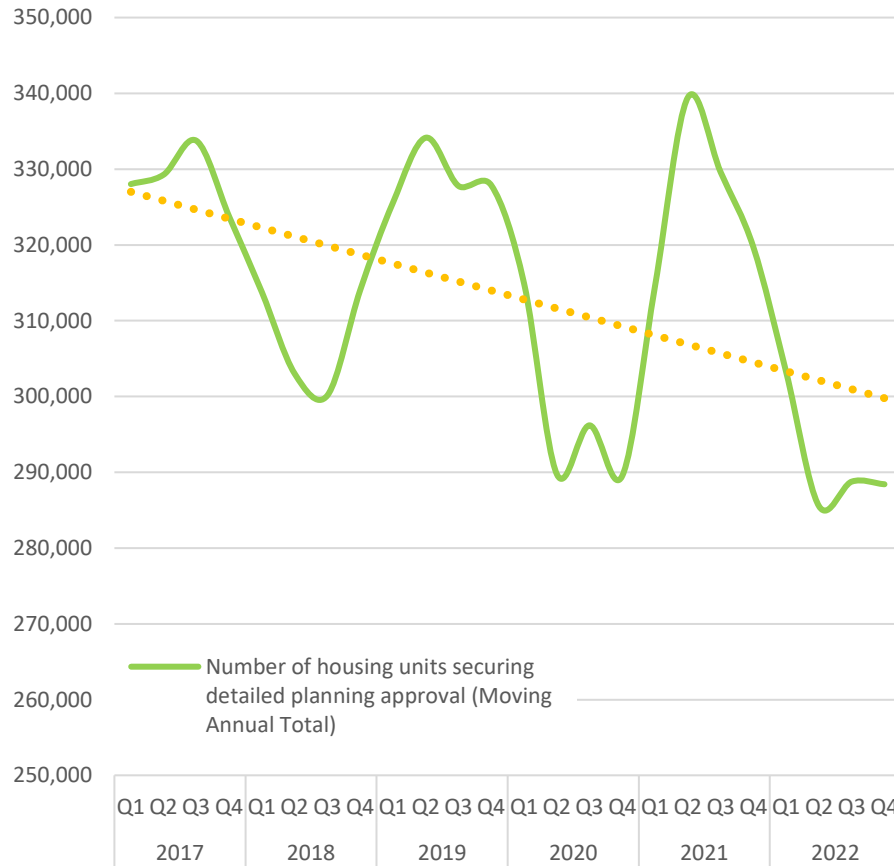


Source: Lichfields analysis based on SQW/Cambridge Econometrics



*it became clear that the government does not wish to see the Ox Cam Arc as a project driven by central government.... discussions with DLUHC officials have indicated that ministers believe that while they support the continuation of the project, it should be locally led, focusing on things that local leaders believe are priorities*

# Worsening land supply and falling permissions...

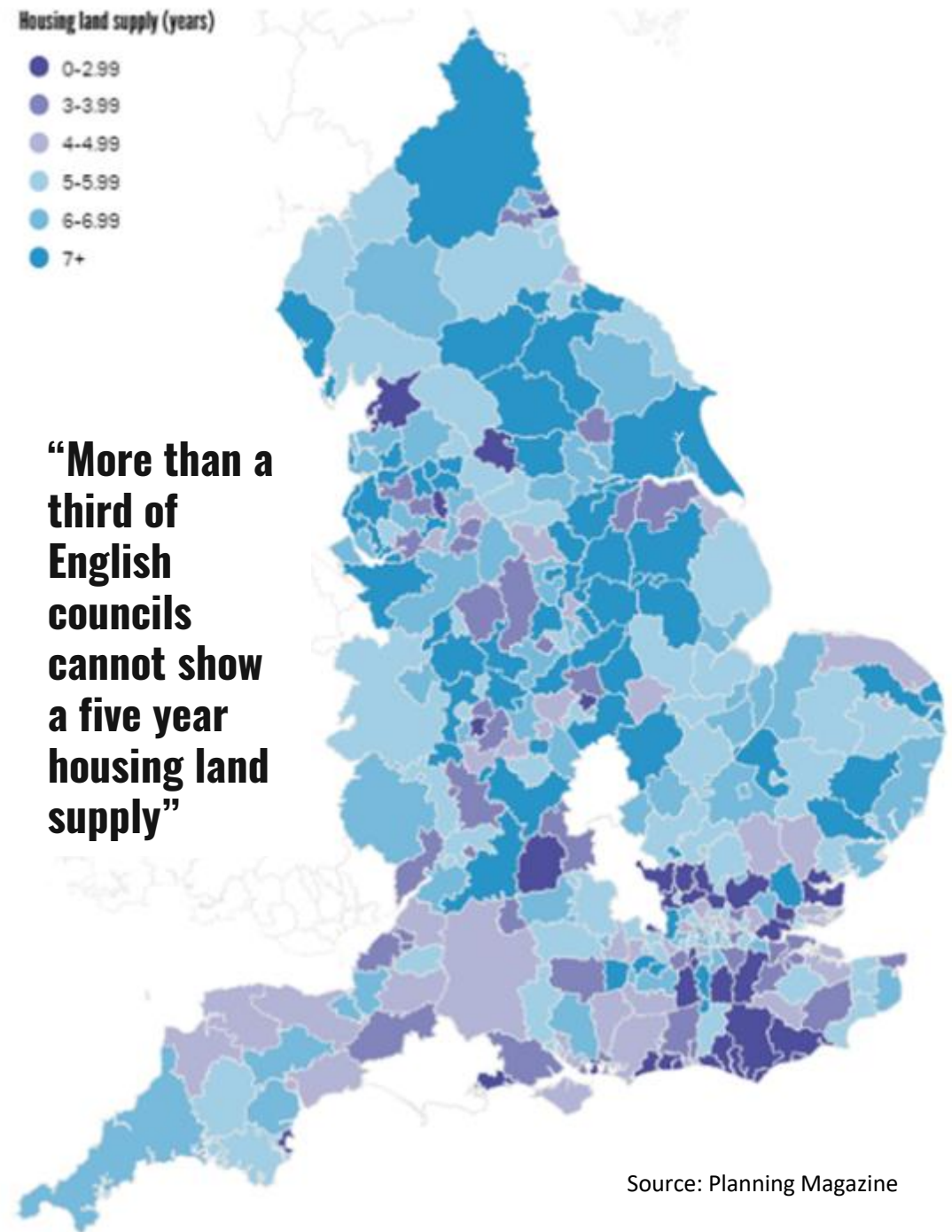


Source: Glenigan / HBF / Lichfields analysis

Housing land supply (years)

- 0-2.99
- 3-3.99
- 4-4.99
- 5-5.99
- 6-6.99
- 7+

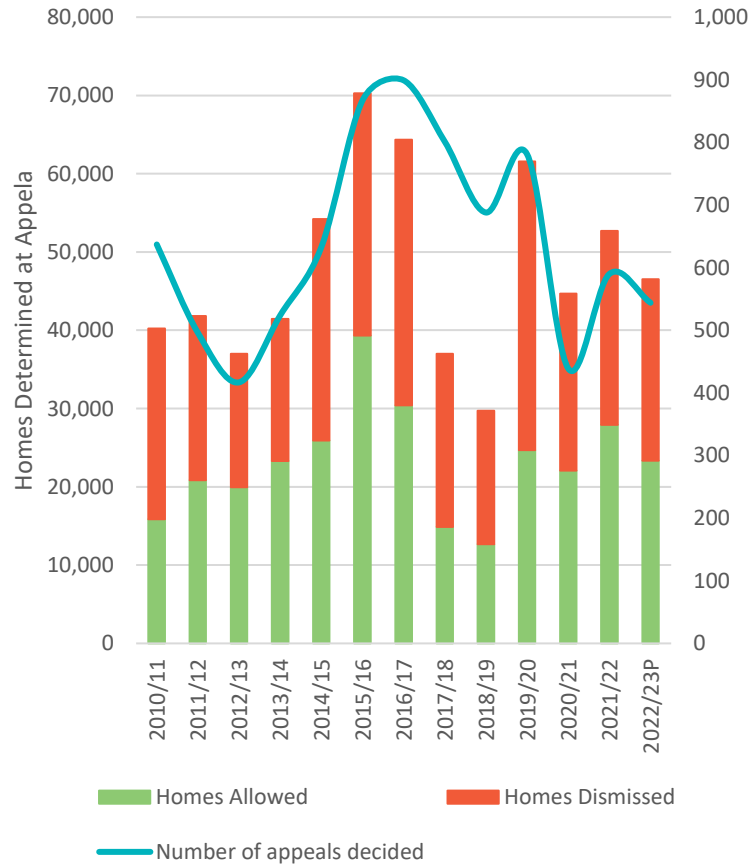
**“More than a third of English councils cannot show a five year housing land supply”**



Source: Planning Magazine

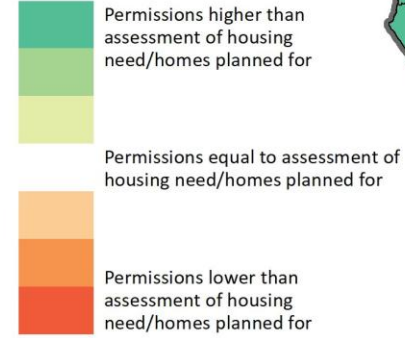


# ...so we are short of consents where they are most needed

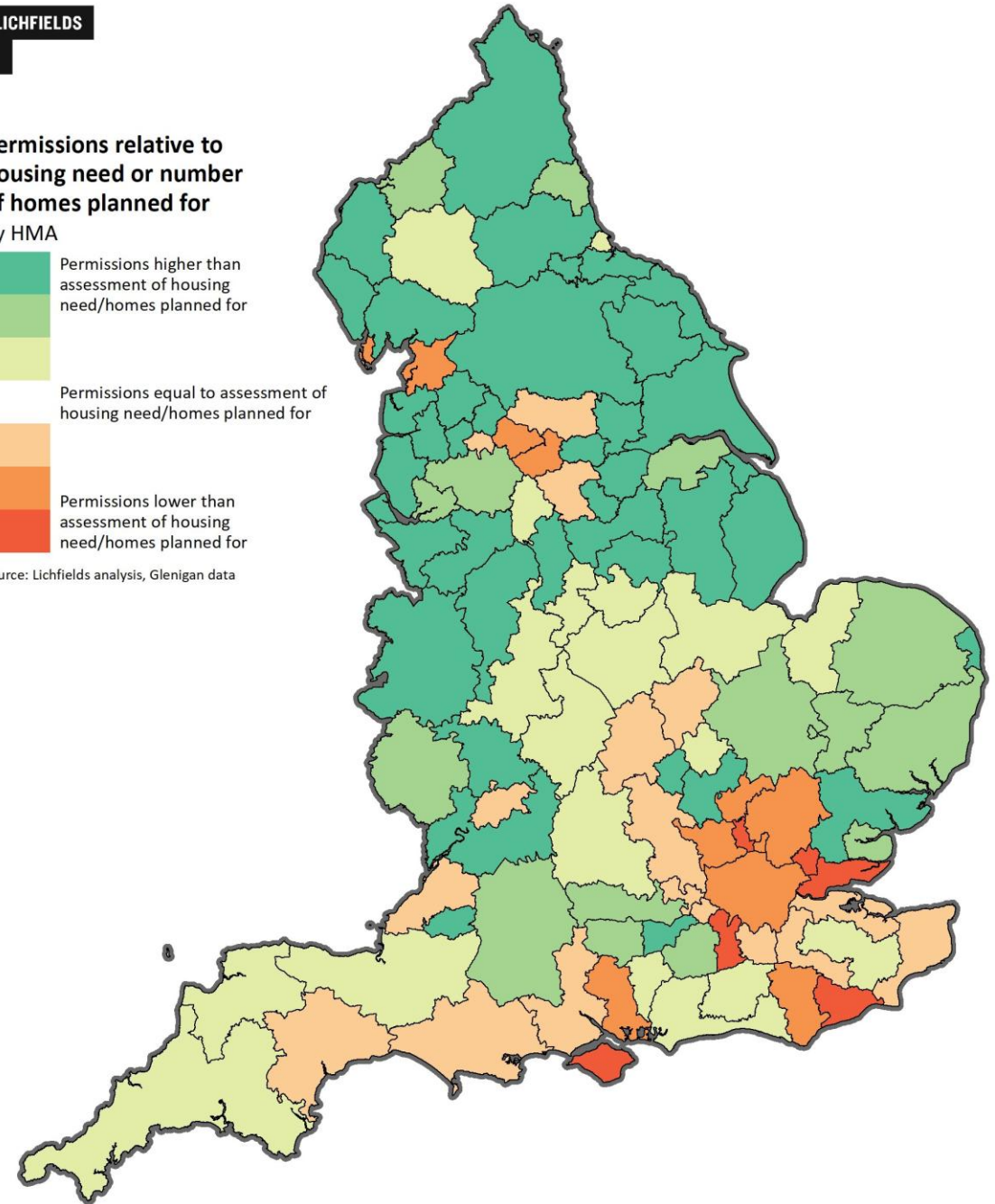


Source: PINS / Lichfields analysis

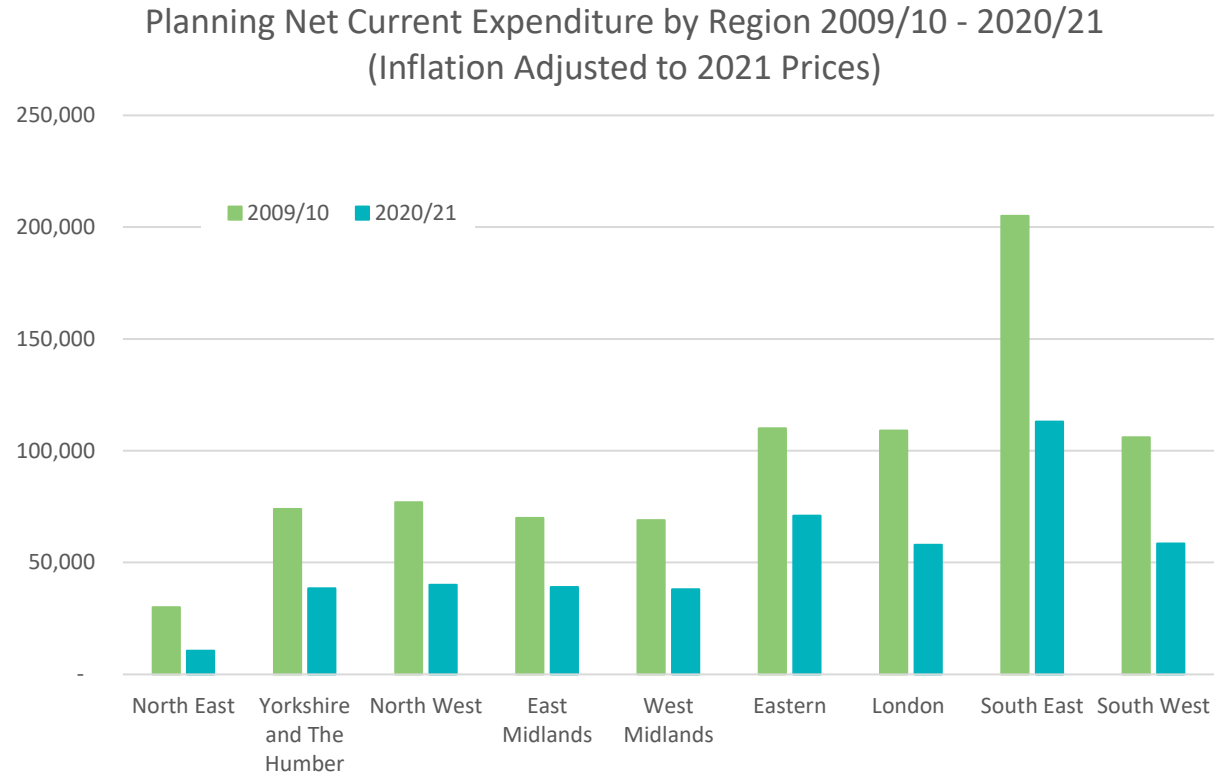
## Permissions relative to housing need or number of homes planned for by HMA



Source: Lichfields analysis, Glenigan data



# A system with falling budgets, under performance and recruitment struggles



Source: RTPi

## 17 councils threatened with 'special measures' designation by DLUHC for slow decision-making

20 January 2022 by Toby Porter and Sarabeth Eddford

The government has written to 17 councils threatening to strip them of their planning powers because of their poor performance in determining applications on time.

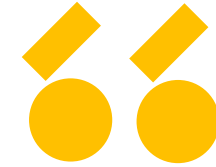
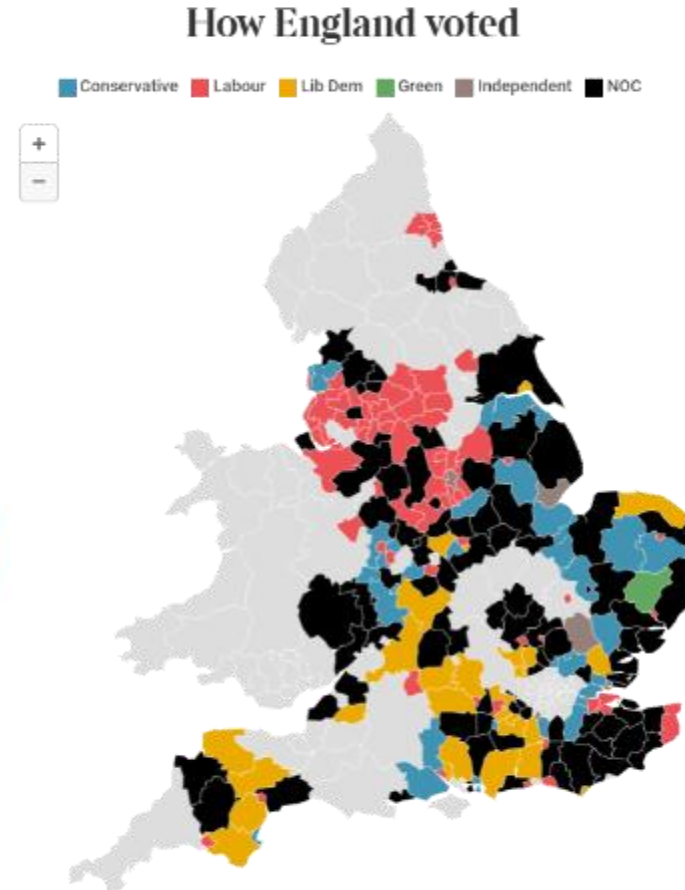
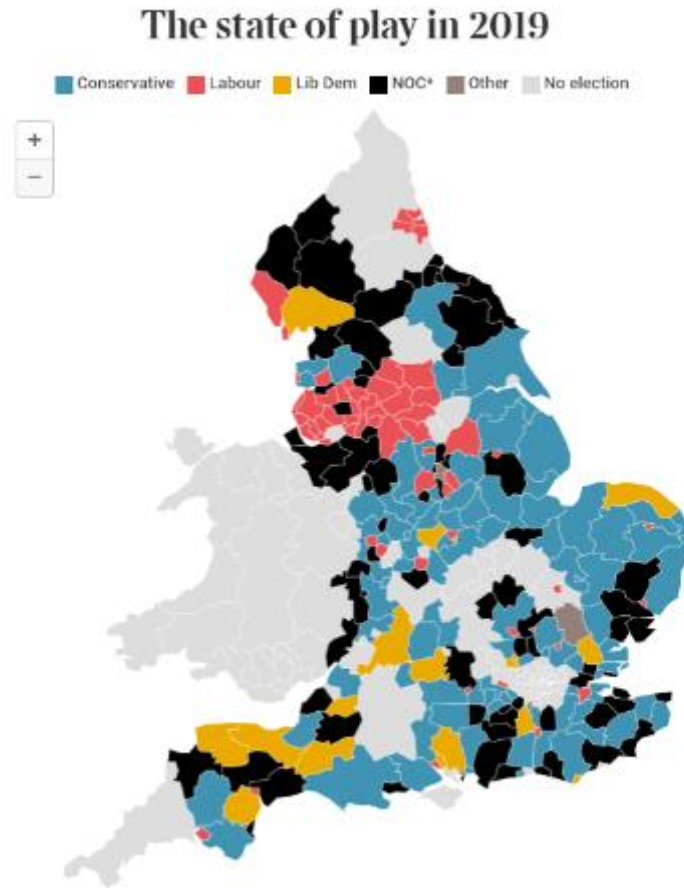


**PLANNING**

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Planning Practice Intelligence for planning professionals

# Local politics of planning about to become (even more) complicated



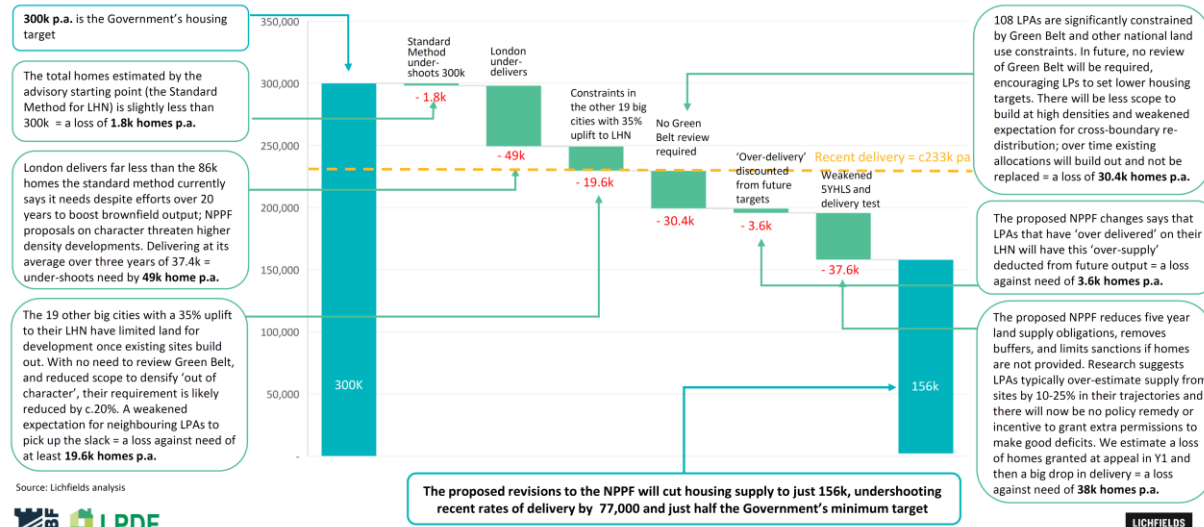
*“... there are a number of things like being clearer about housing targets; excessive housing requirements that are unpopular locally. A really big issue here is access to GP provision.”*

Outgoing Leader of Medway Council

# Draft NPPF reforms of December 2022 set the standard for major fall in house building

Unmet housing need diluted in duty to cooperate; Green Belt review voluntary; higher density threatened by character provisions; offset past 'over-delivery'; five year land supply and delivery test weakened

Proposed NPPF policy revisions on local plans and housing land will result in c.77k fewer new homes per year, dropping to just half the Government's 300k ambition, even before accounting for homes held back by water and nutrient restrictions. By 2030, this means over a million fewer homes than the national target



Source: Lichfields analysis

## Cabinet backlash over fall in new homes in England

Ministers join backbench Tories in backlash as report suggests new homes in England may fall by third



The fall in housebuilding may cost the economy £34 billion and mean the loss of 386,000 jobs



*“we are working through some of the granular details and trying to dig into Lichfields’ analysis so that we can come up with perhaps a more detailed rebuttal to give people confidence”*

Rachel Maclean MP, Minister of State (Housing and Planning)



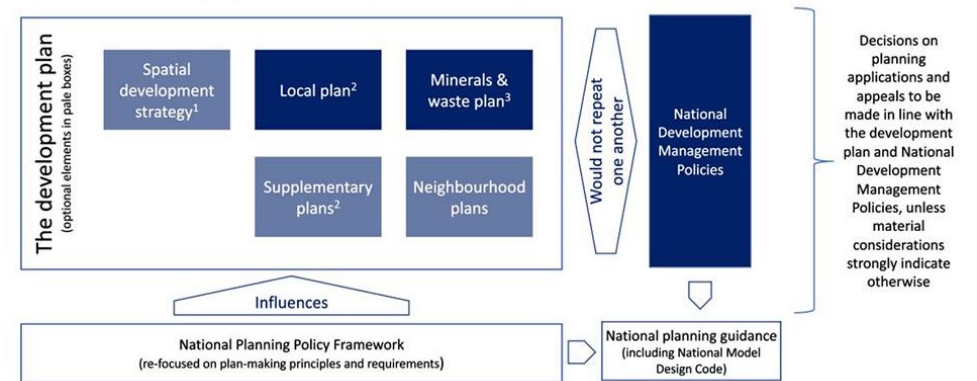
**What lies  
ahead?**

# The LURB will re-wire substantial parts of the planning system from Autumn 2024

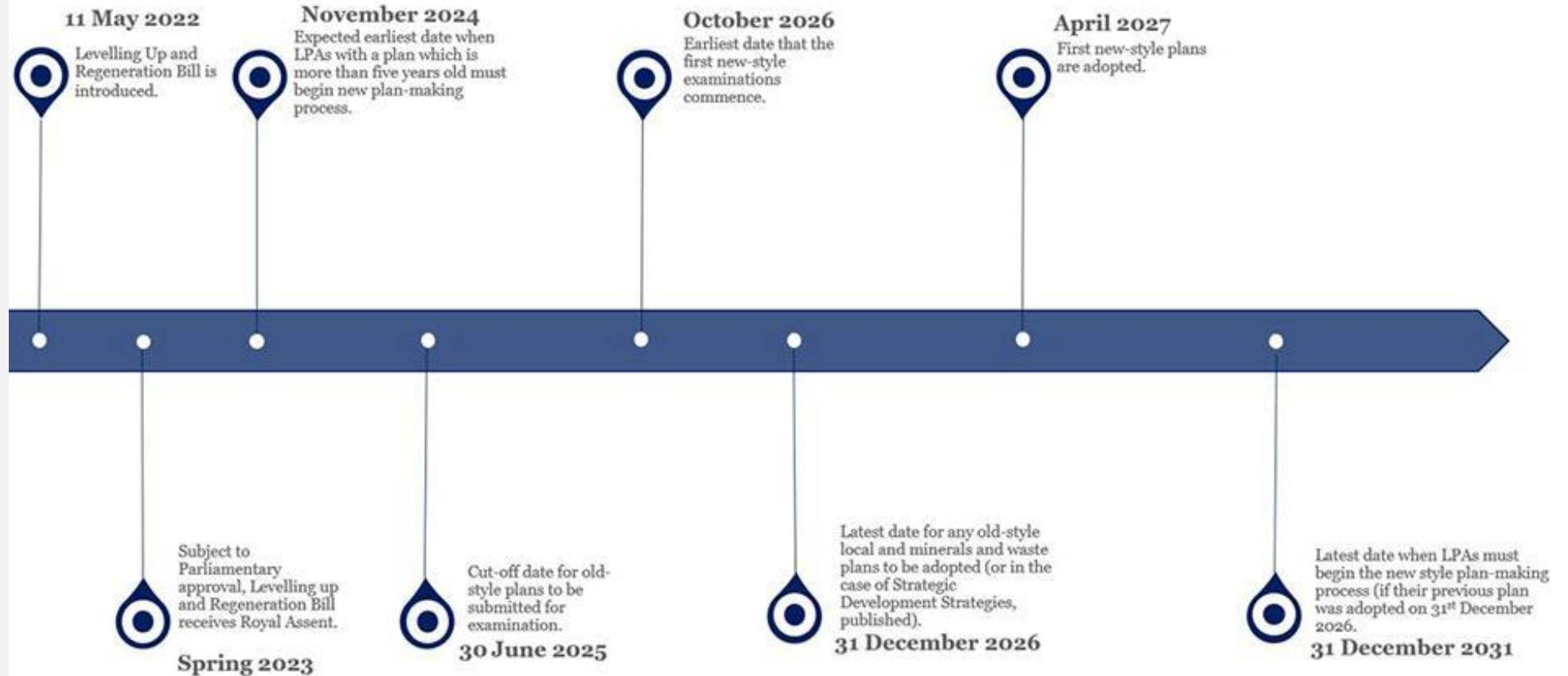
- New-style Digital Local Plans
  - New methodologies for plan making
- Re-focused NPPF
- CPO and removing 'hope value'
- Measures on build out
- Amending permissions (s.73B)
- Consultations
  - Fees
  - Infrastructure Levy
  - Environmental Outcome Reports
  - Financial penalties on build out
  - National Development Management Policies



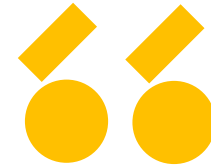
**The role of plans and national policy in the reformed system**  
(elements with full statutory weight in decisions on applications shown in blue)



# New plan making in abeyance until at least November 2024



# A fundamental re-write of the NPPF for the new system – whither the December 2022 reforms?



*“some of the things that we are consulting on now are not yet Government policy. Some consultations have closed. Some are still open. I think we have sent you a list of them and you will know that a lot of things are still open to consultation. When they have closed, we will have to work through them all, reach a policy position and agree it across government. Of course, the levelling-up Bill still has not returned to Parliament and there may well be some changes to that, which we will have to consider”*

Rachel Maclean MP, Minister of State (Housing and Planning)



# How settled is the future policy direction of current Government?

**Young people 'resent' Tories over failure to build homes, says Simon Clarke**  
Former levelling up secretary says PM's decision to drop house-building targets was a 'major mistake'  
**The Daily Telegraph**

**Tories spy fightback opportunity over Labour house-building plans**  
Rishi Sunak told he should take on Starmer over his plans to reintroduce property targets for local authorities after local election failure  
**The Daily Telegraph**

UK NEWS  
**Tory revolt over housebuilding targets revealed in WhatsApp messages**  
EXCLUSIVE  
  
**THE TIMES**

**Charles Walker: Less selfishness, more generosity. Let's build homes for our young heroes.**  
Sir Charles Walker is MP for Broxbourne.  
conservativehome  
May 9, 2022

# What happens with a possible change in Government?

- Restoring house building target
- Ambition for 70% home ownership
- National social housing target
- Carrot and stick for strategic planning by local authorities
- Approval for schemes that accord with the plan
- Reviewing Green Belt policy,
- National spatial planning initiatives for the OxCam Arc and new towns
- Abandon the Infrastructure Levy



PATRICK MAGUIRE

## Starmer's growth plan is built on houses

New planning rules would aim to encourage home ownership and stimulate the economy without vast public spending

Patrick Maguire | Monday May 01 2023, 5.00pm, The Times

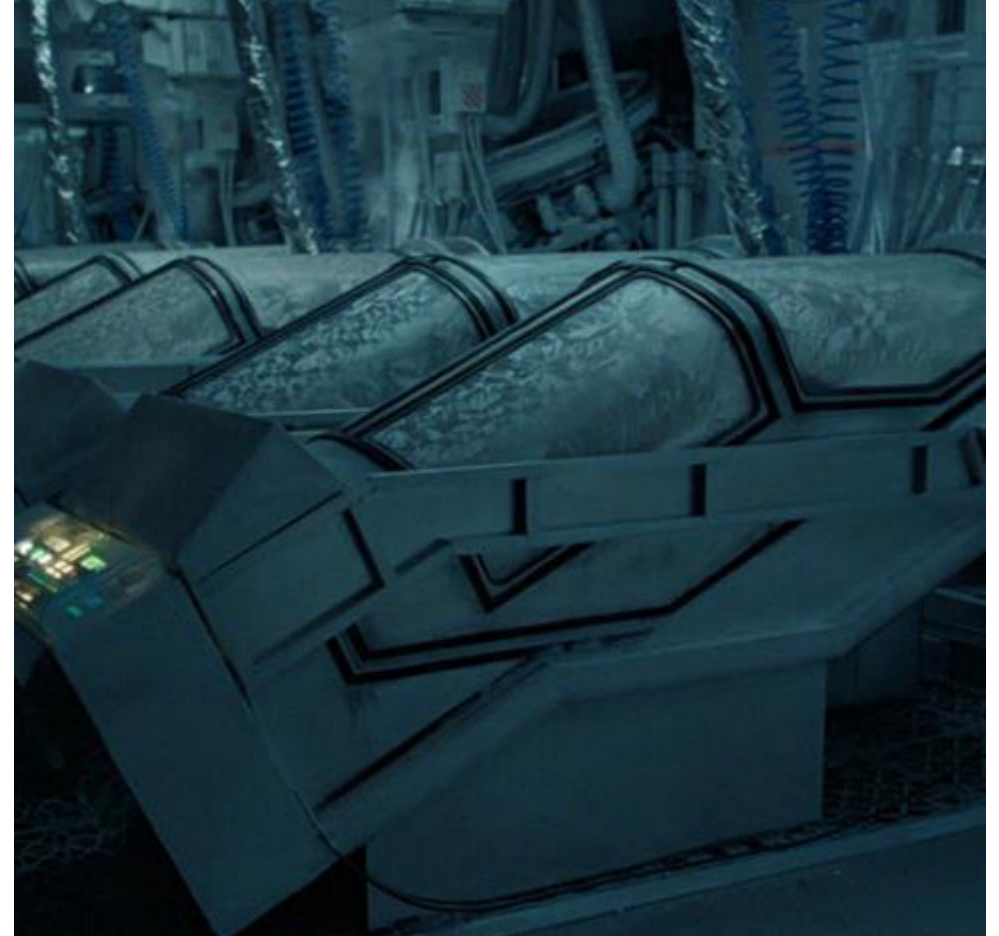




**Conclusions**

# No immediate escape from the vortex but an exit route could be emerging

1. System feels at its lowest ebb in modern times
2. A state of suspended animation until at least autumn 2024 (more likely 2025)
3. A re-wired and digitalised system could make the front end and mechanics of planning feel quite different
4. Policy picture unclear:
  - Current NPPF may be in play longer than we expected in December
  - A fundamental re-write of the NPPF and new standard method
    - Scheduled pre-election but realistic?
  - General election could herald further policy shift through to 2025



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