



South East Lincolnshire
Joint Strategic Planning Committee

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| Report To: | South East Lincolnshire Joint Strategic Planning Committee |
| Date: | 24 th February 2025 |
| Subject: | Government Reform of the Planning System |
| Purpose: | To provide an update on the Government Planning Reforms and impacts to both South Holland District Council and Boston Borough Council and the review of the South East Lincolnshire Local Plan |
| Key Decision: | N/A |
| Report Of: | Phil Norman, Assistant Director - Planning and Strategic Infrastructure |
| Report Author: | Greg Macrdechian, Interim Local Plan Lead |
| Ward(s) Affected: | All |
| Exempt Report: | No |

Summary

In December 2024, the Government released a series of National Planning Reforms including an updated National Planning Policy Framework (NPPF).

An English Devolution White Paper was also published on 16 December 2024, which outlines the Government's strategy to decentralize powers from Westminster.

The Government has set out a clear message that planning reform is key to its strategy for delivering growth. A Planning and Infrastructure Bill is expected this year and a number of working papers are being published to inform this.

This report provides a simple review of the content of the reforms and their impacts on the South East Lincolnshire Local Plan (SELLP).

The Committee is being asked to note the contents of the report. It should be noted that there is large degree of uncertainty in the sector presently. Officers will keep the Committee updated on this and constantly review requirements, course correcting where necessary.

Recommendations

To note the contents of report, its implications and the outlined actions.

Reasons for Recommendations

To ensure any decisions made regarding the local plan review are informed with latest government guidance.

Other Options Considered

Given the published direction of travel by the Government, the timeframes involved and wider uncertainty within the sector it is not considered that there are any other reasonable options.

1. Background

- 1.1 One of the main reasons behind the Government's reform agenda is to provide mandatory housing targets for councils to help to deliver 370,000 new homes per year within the Government's current administration.
- 1.2 A new NPPF was published in December 2024, with the policies being applicable at publication in most cases.
- 1.3 The Government have also introduced a Devolution White Paper with the intention of empowering local governments in England, with the goal of harbouring regional growth and improving public services through increased local autonomy. The Government has made plain that two-tier local government areas, such as Lincolnshire, will be reorganised into unitary authorities to an ambitious timeframe.
- 1.4 This paper will review planning reform in general and impacts arising on the SELLP, especially in terms of housing delivery and its review.
- 1.5 It should also be noted that the Government has signalled further planning reform will take place with a Planning and Infrastructure Bill to be published this year. Legislation to inform a new local plan-making system is also expected. Transitional arrangements for current local plan-making are included in the new NPPF. Presently, there are significant unknowns in this regard.

2. Report

2.1 National Planning Policy Framework (NPPF) 2024

Housing Development and Targets

- 2.1.1 The government has set a goal to build 1.5 million homes over the next five years, using a revised Standard Method for calculating housing need. As was the case with the previous version of the NPPF, this is to be used when calculating Local Housing Need, itself the measure of housing need, which is used in the decision-

taking context when locally adopted housing requirements within local plans reach their fifth birthday since adoption. It is also the minimum local housing need figure to be used when plan-making.

- 2.1.2 Previously, the Standard Method required the identification of a baseline drawn from the annual average projected household growth in the local authority's area over the next ten years, taken from the 2014-based household projections; and multiplying that by an 'adjustment factor' based on the Affordability Ratio for the area. This latter number is the ratio between median earnings and median house prices in the area. Where that ratio is more than four (i.e. average house prices are more than four times average earnings), the formula uplifts the baseline figure accordingly. The government have now published data tables displaying the results of the Standard Method calculation in each Local Authority.
- 2.1.3 With regard to household projections (which previously took account of suppressed household growth as a result of constrained supply), the baseline now increases by 0.8% of the current housing stock in the area and is no longer based on household formation, or household projections, but on existing housing stock in the area.
- 2.1.4 In respect of 5YLS there is a re-instated requirement to continually demonstrate a 5YLS, regardless of whether there is an up-to-date local plan. As the SELLP is over 5 years old the 5YLS should be calculated based on the new local housing need. In addition the 5% buffer has been re-applied in all cases.
- 2.1.5 Furthermore, the Government has made clear that councils that obstruct housebuilding or fail to maintain up-to-date housing plans may face strict sanctions, including the loss of planning powers to central government.

Impact on SELLP – targets, 5YLS, HDT

- 2.1.6 The extant Local Plan housing target for South Holland is 11,681 with identified allocations meeting this figure. There are also eight reserve sites that total another 638 making a total of 12,319. The extant Local Plan target for Boston is 7,744 plus there are five reserve sites that total 185 making a total of 7,929.
- 2.1.7 The current SELLP figures for South Holland is 467 dwellings per year. The New Standard Method figure is 542 per year, an uplift of 75 dwellings per year.
- 2.1.8 The current SELLP figures for Boston is 310 dwellings per year. The New Standard Method figure is 356 per year, an uplift of 46 dwellings per year. These figures come into effect immediately.
- 2.1.9 There are twelve years remaining in the SELLP plan period, 2024/25 to 2035/36. Therefore, the new targets translate into an additional need for $75 \times 12 = 900$ dwellings in South Holland and $46 \times 12 = 552$ dwellings in Boston across the remaining plan period. Both requirements are above the reserve site capacity.
- 2.1.10 The NPPF has changed the way the five-year supply is calculated. MHCLG advise that a new position on 5-year land supply (5YLS) is prepared to reflect the revised NPPF and housing numbers.

- 2.1.11 A full review of the 5YLS based on the new targets will be prepared in the usual manner at the end of the monitoring year.
- 2.1.12 The Housing Delivery Test (HDT) is calculated over a three-year period and compares need with delivery. Owing to the changes to the Standard Method of assessing housing need the new figure will be included from 2024/25 onwards and will therefore affect any housing delivery calculation, including 2024/25.
- 2.1.13 Over the last 6 years South Holland has provided sufficient housing to meet the SELLP figure of 467 dwellings per year and has also provided housing to a level that would meet the new standard method figure of 542 for five of those years. Monitoring for the current 2024/25 year (up to the end of December 2024) shows South Holland has already achieved the SELLP figure of 467 and is very likely to achieve the new standard method figure of 542. (514 to December 2024). As a consequence, the Housing Delivery Test is likely to be met for the immediate future. However, South Holland have developed or in the process of developing the majority of their allocations.
- 2.1.14 Boston Borough's position is less positive. Over the last eight years the SELLP target has been achieved six times. It was not achieved during the Covid pandemic and again last year when Boston were 70 short of the 310 targets. Monitoring to December 2024 shows 217 completions and so achieving the SELLP target is unlikely this year. Over the plan period Boston has achieved the new Standard method figure of 356 twice with a further year when only 4 dwellings short.
- 2.1.15 In July 2024 the Joint Committee considered a report on the review of the plan. The Joint Committee agreed that the SELLP was still fit for purpose and did not require updating. Following the change to the Standard Assessment for housing need that is no longer the case. Next steps are considered later in this report.

Other notable points from the revised NPPF

- 2.1.16 Streamlined Planning Permissions: Reforms aim to expedite housing development by simplifying the planning process and reducing bureaucratic delays.
- 2.1.17 Mandatory Local Plans: Councils are required to maintain current local plans demonstrating a five-year housing supply, with penalties for non-compliance.
- 2.1.18 For plan-making, a three-month transition period (to 12 March 2025) for some (but not all) advanced plans to proceed under the former NPPF (December 2023).
- 2.1.19 Stronger emphasis on necessary infrastructure improvements including new or improved accessible green spaces.
- 2.1.20 Stronger emphasis on climate change and sustainability and planning's role in supporting the transition to net zero by 2050.
- 2.1.21 Councils now have the authority to ban new takeaways within walking distance of schools to promote children's health and combat obesity.

- 2.1.22 Introduction of the concept of nature recovery networks and emphasis on Biodiversity Net Gain and new developments protection of irreplaceable habitats, including ancient woodland and veteran trees.
- 2.1.23 Development is prioritized on previously used land to protect green spaces, though some Green Belt areas are designated for necessary development. This should be the starting point and focus on recycling previously developed land.
- 2.1.24 Nationally Significant Projects: The NPPF facilitates faster development of laboratories, data centres, and infrastructure projects by allowing ministers to designate them as nationally significant, thereby bypassing local councils.
- 2.1.25 Greater emphasis on high quality design and beauty in new development and encouragements of the use of design codes and guides and support for upward extensions and the use of airspace above existing buildings paragraph.
- 2.1.26 The NPPF contains a section on maintaining effective cooperation, updated in NPPF 2024. The Government has introduced changes to “strengthen the existing Duty to Cooperate requirement and introducing effective new mechanisms for cross-boundary strategic planning” ahead of formal strategic planning mechanisms that will be introduced through new legislation.
- 2.1.27 The NPPF places greater emphasis on effective strategy planning across authorities as playing a “vital and increasing role in how sustainable growth is delivered”. That guidance is given immediately before reference to the duty to co-operate (“DTC”) on strategic matters. This approach is a requirement that policy-making authorities ensure that plan policies are consistent with those of other bodies where a strategic relationship exists, and with the relevant plans of infrastructure providers, unless there is a clear justification to the contrary. It is fortified by three following requirements:
- a) a consistent approach to planning the delivery of major infrastructure;
 - b) that unmet development needs from neighbouring areas are “provided for” in accordance with para 11(b);(strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas);
 - c) any allocation of designation across boundary areas, or which has significant implications for neighbouring areas, is appropriately managed by all relevant authorities.
- 2.1.28 Transitional arrangements for local plan making are covered later in this report.

2.2 Devolution White Paper

- 2.2.1** The English Devolution White Paper, published on 16 December 2024, outlines the UK Government’s strategy to decentralize powers from Westminster to local authorities across England.

2.2.2 The key proposals include the following:

- a) **Expansion of Mayoral Powers:** The White Paper emphasizes strengthening and broadening the mayoral model of devolution. Mayors are recognised for their unique position to drive growth through decisive leadership and regional collaboration. To enhance their effectiveness the government plans to equip mayors with additional tools and responsibilities.
- b) **Structural Reforms:** A significant overhaul of local government structures is proposed, aiming to replace two-tier local authorities with larger, single-tier councils. These new unitary councils would serve a minimum of 500,000 residents, intended to improve efficiency, capacity, and financial stability.
- c) **Standardization of Devolution Processes:** The government intends to accelerate and standardize the processes by which powers, funding, and programs are transferred from Westminster to local areas. This approach aims to create a more uniform and efficient system of devolution across England.

2.2.3 It is difficult to gauge a true understanding of the impacts of the devolution reforms on Boston and South Holland in planning terms at the present time. Any new unitary authority would be expected to prepare a new local plan in short order. Extant plans would still apply to their geographies until such time as a new plan is adopted.

2.3 Review of Local Plan

- 2.3.1 In July 2024 this committee resolved that the 5-year review of the SELLP had been complete and that there was no need to review the plan at that time. It was caveated that a new Government and planning reform may necessitate that position to be reviewed.
- 2.3.2 The new NPPF puts in place transitional arrangements to support the progress of advanced plans. The latest date for plans to be submitted under the current regulations is December 2026.
- 2.3.3 MHCLG advise that a new plan-making system is expected to commence in Summer/Autumn 2025. A consultation on national policies for development management is expected in the Spring. Further details on the rollout of the new system will be forthcoming in due course.
- 2.3.4 The SELLP was adopted in 2019, and a review is yet to be formally embarked upon.
- 2.3.5 The new NPPF and its policies apply from 12 March 2025 with regard to any SELLP review. This is because the plan will not have reached Regulation 19 (pre-submission stage) on or before 12 March 2025.
- 2.3.6 Given that the formal review of the plan has not begun the ability to deliver a plan under the current legislative framework is highly likely to be unachievable, even with the injection of a significant amount of additional resource. It is therefore proposed to focus on the new plan-making system expected later this year. This does not preclude evidence gathering ahead of this and other preparatory work. The impact

of local government reorganisation will also need to be factored in as this progresses.

2.3.7 Local authorities have a statutory obligation to produce a local development scheme (LDS) and keep it up to date. The government wrote to authorities in December asking to receive an update on its timetable in light of the new NPPF. There is a requirement to notify government by 6th March in respect of this.

2.3.8 Further information on this was provided by MHCLG at a seminar in January. In cases where new plans are to look towards the new plan making system, they only require this confirmation and a commitment to embark on a new local plan in earnest upon publication of the new regulations. It is officer's intention to notify the government that this is the case in South East Lincolnshire and await their reply. Officers will update Committee on any reply received from Government in due course.

3. Conclusions

3.1 This report has attempted to provide both a generic summary of the planning reforms that will be implemented over the course of 2025 with the introduction of new legislation later in the year. It has also looked at impacts of the new Standard Method for calculating housing need, 5YLS and implications on the local plan review.

3.2 Evidence preparation for a review of the existing SELLP is not yet advanced enough to produce a Regulation 19 Plan so the only plausible route to review the plan is under the new NPPF and forthcoming new legislation, given the time constraints stipulated. Officers will notify Government of its intentions to await new legislation before formally publishing a timetable for review of the new plan.

3.3 It should be noted that there is a significant amount of change and uncertainty in respect of planning and more broadly across local government. Officers will continue to seek to keep members as up-to-date as possible as matters change and become clearer.

3.4 A new position on the 5YLS will be provided in due course based on the new housing targets.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

None

Staffing

None at this time

Workforce Capacity Implications

None

Constitutional and Legal Implications

As outlined in the report in terms of whether the plan is out of date and the presumption in favour of sustainable development applying.

Risk of government intervention in respect of plan-making

Data Protection

None

Financial

It is estimated that the costs of taking a plan from inception to adoption would be in the region of £1,000,000 however, this will depend on several factors such as existing evidence base, fluctuation in legal costs, additional consultation etc.

These costs are a rough estimation at this stage and a full audit of resourcing, IT, evidence base etc will need to be undertaken before budget setting can be fully undertaken.

Risk Management

There is a significant amount of uncertainty around plan-making presently. A full risk assessment strategy would be part of any Local Plan review, however, some critical risks can be found below:

- Failure to retain/recruit sufficiently experienced officers to implement required programme of work.
- Failure to secure funding to resource the process.
- Failure to demonstrate a 5 year supply of deliverable sites and the presumption in favour of sustainable development applying.
- Adverse appeal findings on other/non-Local Plan sites if progress on the Local Plan review is delayed or stalled; and
- Government intervention if inadequate progress is made upon Local Plan Review.

Officer's will keep up to date of forthcoming announcements and any response from Government and will respond/inform/course correct as necessary.

Stakeholder / Consultation / Timescales

Timetable to be produced in due course

Reputation

The plan being considered out of date or government intervention may have reputational consequences.

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environment Impact Assessment

None

Acronyms

None – in report

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report. Background papers used in the production of this report are listed below: -

Chronological History of this Report

A report on this item has not been previously considered by a Council body

Report Approval

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| Report author: | Greg Macrdechian – Interim Local Plan Lead |
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| Approved for publication: | Phil Norman, Assistant Director – Planning & Strategic Infrastructure pnorman@sholland.gov.uk |