

Neighbourhood Planning and Planning Reform – what’s happening and what difference will it make?

Many parish councils and community groups will be wondering what the current barrage of planning reform – and proposals for planning reform – mean for neighbourhood plans and the process of neighbourhood planning.

This note produced by Steve Tilbury Consulting on behalf of WSALC and ESALC takes a look at what has happened so far and what we have been put on notice to expect over the next few months.

What changes to the planning system has the government introduced recently?

We are currently going through a period of considerable change in the way the planning system works – and what it is designed to achieve. The government is committed to making it more efficient and reducing the time taken to make important decisions. That includes achieving a house building target of 1.5 million across the country over the next 5 years. It has given all local planning authorities a new annual target following revisions to what is called the **standard method** for working this out. When that new target becomes ‘operational’ in a particular area depends on how far advanced they are with making a new local plan. There are many other important new or revised objectives around renewable energy, economic development and biodiversity.

The central mechanism to implement all of these, and therefore the focus for changes to the planning system, is the way in which local plans are drawn up and how quickly this is done. Many other detailed changes to planning policy and individual planning issues are also being made, but it is the changes which relate to plan making which are most important for our purposes.

The government has made very clear that, just like the previous government, it is committed to the 'plan led system' in which we decide what and where we will build through plan making, and then use the policies in those plans to make individual decisions.

The problem that this central and critical plan making process does not work very well. That is fairly broadly agreed across the political spectrum and amongst organisations and communities involved in the planning system. Successive governments have become frustrated at the amount of time it takes to get local plans drawn up, and therefore to make strategic decisions about where to deliver new development. Too many plans have not been reviewed recently, sometimes for many years. Many communities have found themselves with development they did not expect or decisions they have had little say in because a local plan is out of date. Responsible developers would much prefer to have the relative certainty of allocated sites and decent infrastructure planning than to rely on an appeal led system.

Whether you agree they will work or not, the intention behind the reform proposals is that the plan led system should move more efficiently to get local plans in place and kept up to date. Many of the new processes will be challenging or difficult to implement, as will the new housing targets they have to deliver. The government acknowledges that, somewhat ironically, the change to a new, streamlined, system, may delay plan making in some places.

An important first step was the **new version of the National Planning Policy Framework** ('NPPF') which was published on 12 December 2024. This is the version of the NPPF which is now to be used when considering planning applications and appeals (even those submitted before it was published). The NPPF helps to define the role and purpose of local plans and neighbourhood plans, along with the various detailed regulations which set out in detail how they are to be prepared.

The government updated some of the more specific **planning practice guidance** which explains in more detail how local plans are to be prepared and planning decisions made.

The focus on plan-making is important because neighbourhood plans are a part of the statutory development plan for an area, and they are therefore an integral part of the plan led system.

What changes have been made to the role and status of neighbourhood plans within the planning system?

In short, and perhaps slightly surprisingly; **none - so far**. The government has made no changes to the role neighbourhood plans play in the planning system or the process for making them. There are no changes in the new version of the NPPF which directly amend the function of neighbourhood plans, nor have any of the relevant regulations been updated.

In all of its announcements and the many discussions about the planning system over the last few weeks the government has said little or nothing about what it thinks about neighbourhood plans. But since it has left them untouched in the reforms announced so far we can only assume that it is either happy with the role they play or at least thinks that they are too embedded in the system to alter fundamentally. If it had wished to make or signal a major change in their status this would have been the obvious time to do so.

However, we have to be a little cautious and recognise that there are a lot of planning reforms still to come, and changes which will affect neighbourhood plans are likely to happen.

Parishes with a neighbourhood plan will continue to receive 25% of CIL funding, assuming that your local planning authority operates CIL, with no cap on the total

amount you can receive in any one year. The government has dropped the proposals put forward by the last government to replace CIL, but that does not mean of course that changes might not happen in the future.

What does the new NPPF say about neighbourhood plans?

In essence it says the same as the previous version. That includes Paragraph 14 of the NPPF which is important for those plans which allocate at least one site for development. Where such a plan is less than 5 years old (from the date it was 'made'), the provisions of Paragraph 14 mean that it will provide an additional layer of protection against planning permission being granted for housing on land which is not allocated for development, even if the local planning authority cannot demonstrate a 5 year supply of housing land.

So we can still produce a neighbourhood plan or review our neighbourhood plan in the same way as before?

Yes, the process for producing or reviewing a neighbourhood plan remains the same as it was. That is not quite the whole story though, because neighbourhood plans do not exist in a vacuum and other changes the government has made or is planning will make a difference to when you might want to start work, or what you might be able to say.

Are there any changes we already know about that will be relevant?

Yes, there are. In the Levelling Up and Regeneration Act 2023 (which was passed under the previous government) there are proposals to make changes to the wording which sets out the extent to which neighbourhood plans must conform or 'stay in line with' the most important policies in a local plan. The proposed change has not yet been brought into effect, and we do not know if it will be. If it is, it is unlikely to create many problems because the intention is to reinforce (rather than change) the requirement that neighbourhood plans cannot take an 'independent' approach to delivering new housing numbers in the area, something which most neighbourhood planning groups are well aware of. More important may be the implementation of national development management policies.

What are National Development Management Policies?

As part of its plans to speed up plan making, the previous government passed legislation to allow for the introduction of 'national development management policies'.

The idea is that there are some policies which appear in every local plan, and essentially requires the same thing – such as to conserve historic assets or promote high design standards. That's not to say that what constitutes good design is the same in every area, it will vary by location of course. But good design as a requirement in principle for a proposed development is always important. So instead

of 300 or more local plans having their own policy wording to say essentially the same thing, the government proposes that there will in future be just one nationally prepared set of policies covering at least some of these 'always needed' issues. The aim is to make local plans shorter and save time because there will be no need to draw these policies up and consult on them locally.

Once they are introduced, it will no longer be possible to say anything which is inconsistent with or duplicates these policies in a local plan or a neighbourhood plan. Such policies in existing documents will probably be 'switched off' at some point, and they will not feature in new documents.

This will be important because it might make a considerable difference to what detailed policies a neighbourhood plan can contain and how they are tested at examination.

We can only wait for more details, but the introduction of national development management policies is a very significant change in the planning system and one which might have more impact on neighbourhood plans than anything else announced so far. We expect consultation on these during 2025.

What impact will new housing numbers have on neighbourhood plans and planning?

All of the 'parished' local planning authorities in Sussex, with the exception of the South Downs National Park Authority, will have to produce a local plan which at least tries to deliver a higher number of houses than they previously assumed. In some cases the figure has almost doubled.

The government has said that those authorities which are at the early stages of producing a new plan will have to use the new housing numbers straight away. That will mean that they may have to pause and reconsider how they can do this before restarting their consultation process. Those which have recently submitted a plan for examination, or have just completed an examination, like Chichester or Mid Sussex, will be allowed to adopt that plan (assuming it is found sound), but will have to start work on a new plan, with the higher number, almost immediately. This does not affect the South Downs National Park Authority because national parks are not required to meet a specific 'top down' housing requirement for their area.

Neighbourhood plans do not have to allocate sites for development, that job can be left to the local planning authority. But if a neighbourhood plan group does wish to make allocations, they will need to know what the housing requirement is for their area. In some places the local planning authority may not be able to do that for a while whilst it reconsiders its strategy, or it may just have done so, and will now need to reconsider its approach.

That could have a knock on effect on neighbourhood plan groups which need to know what the impact of large scale housing development will be in their area, or what number of houses the area is being asked to provide for.

Will the government's proposals for devolution and local government reorganisation have any impact on neighbourhood plans?

Also in December 2024 (it was a busy month) the government published its white paper on devolution and the structure of local government in England. Although it has not made specific county by county proposals, the clear intention is that over the next few years, district and county councils (where they still exist) will be replaced by all purpose, unitary councils. So district councils like Arun, Lewes, Wealden and so on would disappear, as would East and West Sussex County Council, to be replaced by single tier authorities each covering a larger area and around 500,000 people. There will be groupings of these new unitary councils, called 'strategic authorities' to provide leadership on some issues, and this will include the reintroduction of sub-regional strategic planning (in addition to but not replacing local plans). The South Downs National Park Authority will not be affected directly but of course it has relationships with existing local planning authorities and it will have to manage new relationships like everyone else.

Parish councils will not be reorganised, and the devolution white paper makes only a passing reference to them as an important element of community representation. Devolution and reorganisation will not have a direct effect on the process of making neighbourhood plans, but it always causes upheaval and absorbs time and energy. Political and practical debate has already started and there will be a great deal of jockeying for position as political leaders try to map out (literally) the shape of local government in Sussex. We can expect a great deal of change and challenge, which in itself will affect timetables and decision making regardless of the 'substance' of a particular issue. Most planning staff will continue to be required as the area to be covered is the same, but there are bound to be consequences as new teams are established. At a political level planning policy might change over time as those elected to these larger authorities establish their priorities and plans for all of the services they are responsible for.

On top of everything else they are dealing with, local authority elected members and staff will be uncertain about government intentions, relationships and finances – so expect this to impact on their ability to give you clear or quick answers or support your work.

Do we know anything more about the reintroduction of sub-regional strategic planning and is it going to be relevant to neighbourhood plans?

The government proposes that new 'strategic authorities' (or an interim grouping of local authorities whilst reorganisation is sorted out) will be responsible for drawing up an overarching strategic framework, which individual local plans must conform with. How that is done and what the practicalities are we do will be worked out over the next few months.

It seems unlikely that a neighbourhood plan would have a direct relationship with the strategic plan. It will probably retain the same relationship as it has now with the policies in the local plan – but the local plan itself will have a 'parent' plan which will, for instance, indicate where large scale areas of growth should be located. That's a return to a version of a system which existed up until 2011 so it is nothing new in itself. Local plans will still need to be drawn up and these will remain (it would appear) the key planning policy document for communities to engage with.

Is funding still available for neighbourhood plan work?

As most of you know, the government provides financial support for the production of neighbourhood plans (as well as lots of very good guidance and advice) through Locality, a charity which supports community organisation and engagement. This is announced annually and there are no details yet of what funding, if any, will be available in 2025/26 or beyond. That is normal because funding is usually only announced just before the start of each new financial year but there is always a worry that the funding will dry up.

Is this the right time to be starting on a new neighbourhood plan or neighbourhood plan review?

As you probably expect, there is no generic answer to this question. Everything depends on what your plan is designed to achieve, whether you need or want to allocate sites for development and what stage your local planning authority has reached in its own local plan process. It also depends on what view you take about the national reforms and the risk that some of the work you do might need to be redone or even put aside at a later date. It is important to talk to officers at the local planning authority if you can. The likelihood is that they are going to be very uncertain themselves about many of the key issues, but they should be able to give some guidance about where a neighbourhood plan for your area fits into the bigger picture.