

**AGENDA ITEM NO.**

**ARUN DISTRICT COUNCIL**

**REPORT TO AND DECISION OF PLANNING POLICY SUB-COMMITTEE ON 27 FEBRUARY 2019**

**PART A : REPORT**

**SUBJECT: Chichester Local Plan Regulation 18 (Preferred Approach) Public Consultation**

**REPORT AUTHOR:** Kevin Owen, Planning Policy Team Leader

**DATE:** 29 January 2019

**EXTN:** X 37853

**PORTFOLIO AREA:** Planning

**EXECUTIVE SUMMARY:**

This report sets out a proposed response to the emerging Chichester District Council Local Plan 2016 – 2035. This consultation is Regulation 18 draft plan ('Preferred Approach') stage and follows an 'Issues and Options' consultation in June 2017.

The public consultation runs from 13 December 2018 to 7 February 2019 and because of the closing date, a provisional response has been sent in consultation with the portfolio holder and will subsequently be confirmed by the committee with any amendments if necessary.

The draft plan proposes to meet a target housing figure of 12,350 dwellings over the plan period of 19 years. This figure is derived from an OAN based on the government's 2017 published Standard Housing Methodology (SHM). For Chichester District (excluding areas falling within the South Downs National Park (SDNP)) the SHM requires 775 dwellings per annum (dpa) circa 14,700 dwellings over the plan period in order to address "market signals" (i.e. housing affordability pressures). However, this minimum local housing need figure is then capped to 609 dpa in accordance with the SHM. Chichester have nonetheless, subsequently uplifted the housing target to 650 dwellings per annum (i.e. 12,350 dwellings over the plan period) in order to accommodate unmet housing needs from SDNP.

To support housing growth, 146,000 sqm of B1, B2 and B8 employment floorspace is to be provided and circa 61 ha of B class land allocated both to attract inward investment and foster identified local growth sectors (accommodating 1,428 to 3,700 B class jobs). An additional 86,000 sqm of B class floorspace will be provided to claw back existing and future losses of B2 manufacturing employment land and allow some market flexibility. The strategy aims would support the delivery of 8,900 to 14,900 jobs across all employment sectors over the plan period.

No unmet needs from other areas are provided for on the basis that the 'Duty to Cooperate' and strategic cross boundary issues including assessing and distributing unmet housing need, is anticipated to be resolve via the update to the Local Strategic Statement 2 to LSS3 which provides and will update a non statutory planning framework for the West Sussex and Greater Brighton Area. However, to date this work has made

insufficient progress and in the absence of an agreed strategy CDC should be making some provision for the unmet housing needs of other areas within the sub-regional grouping and possibly other areas beyond.

#### **RECOMMENDATIONS:**

1. That the Conclusions set out in paragraphs 1.27 to 1.29 (inclusive) to this report be agreed as Arun District councils' formal response to the Chichester draft Local Plan Regulation 18 Consultation.
2. Arun District Council conditionally supports Chichester's draft plan at this stage but would strongly encourage Chichester to consider doing more with regard to its capped housing target (as it has done for SDNP) to address unmet housing needs and to further clarify the plan's supporting evidence prior to submission, in order to minimise any potential risks posed to 'soundness under the 'Duty to Cooperate' in accommodating unmet housing need within the West Sussex and Greater Brighton Area.

#### **1. BACKGROUND:**

- 1.1 Chichester District Council (Chichester) are progressing a draft 'Chichester Local Plan' which will cover the planning authority area (i.e. the whole district but excluding that area covered by the South Downs National Park authority) for the plan period 2016 to 2035 (19 years).
- 1.2 The early review of Chichester's adopted Local Plan (July 2015) is necessitated because the examining Inspector recognised that Chichester was unable to meet all of its Objectively Assessed Need (OAN) not least because of uncertainty over infrastructure delivery such as the A27 Chichester bypass and waste water treatment capacity.
- 1.3 An 'Issues and Options' consultation subsequently took place in 2017. This looked at a development strategy focussing strategic scale development (above 500 dwellings) on 10 broad locations distributed on an east – west A27/A259 transport corridor. This corridor includes locations at east and west of Chichester the sub-regional town, and further locations at the key settlements at Wittering and Selsey in the south. In addition 33 non-strategic locations (i.e. between 100 and 500 dwellings) were also assessed. The current Regulation 18 consultation stage is the draft plan (i.e. Preferred Approach) and is drafted in response to comments previously submitted on 'Issues and Options'.
- 1.4 Arun District Council (Arun) provided a draft response by email to the earlier 'Issues and Options' on 1 August 2017 raising a number of cross boundary matters which acknowledged Chichester's support for Arun's own local plan preparation but requested that Chichester explore spatial options to the south and south east towards the Bognor Regis boundary and test more flexible development scales below 500 dwellings which would provide more opportunities to meet the OAN in full and to work with Arun closely on the transport evidence to test implications across the transport network and any cross boundary infrastructure implications.

## REPORT

- 1.5 Chichester's 'Preferred Approach' sets out a vision to deliver sustainable growth including securing: a range of affordable housing to meet varying needs; economic diversification and innovation to satisfy and boost skill levels; sustainable transport, and safe and healthy lifestyles; community identity; and supporting infrastructure while protecting the environment and heritage. The vision is supported by 32 objectives devised around economy, housing, and neighbourhoods, environment, health and wellbeing, strategic infrastructure, waste water treatment and water supply, water resources and flood risk management.
- 1.6 Based on a Sustainability Appraisal (SA) and other evidence, the spatial strategy for future development remains broadly similar to that consulted on at the 'Issues and Options' stage i.e. based on a settlement hierarchy, focussed on 10 broad locations distributed on an east – west A27/A259 transport corridor including locations east and west of Chichester the major "sub-regional" town. However, an additional strategic option of the Southern Gateway (350 dwellings) at Chichester is included while strategic option Oving/Drayton is dropped for sustainability reasons.
- 1.7 Further allocations focus on the lower tier 'settlements hubs' at Southbourne and at Tangmere (the latter is considered to provide additional bus services and cycle ways for improved connectivity between Chichester and east to Barnham and 'the five villages' in Arun) and Wittering and Selsey (in the south/Manhood peninsula) and other 'Service Villages' lower in the settlement hierarchy. Neighbourhood Plans are also anticipated to deliver an 'indicative' target of 500 dwellings.
- 1.8 To deliver the east-west axis for development, the strategy will be supported by, and help to deliver, transport improvements including to the A27 and selected junctions (including the A259 and Bognor Regis roundabout) and on the wider Chichester network. The Chichester Transport Study December 2018 adds cross boundary commitments (i.e. planning permissions for housing and employment) to the 'reference case' which includes the Strategic Allocations within Arun factored within the TEMPRO model growth assumptions, in order to test the Chichester Local Plan development scenarios against the 'reference case' at 2035/6.
- 1.9 Chichester's 'Preferred Approach' proposes to meet 650 dpa (i.e. 12,350 dwellings over the plan period) based on an OAN derived from the government's proposed Standard Housing Methodology (SHM) published in 2017 and with an added uplift provided in order to help meet unmet needs arising within SDNP. This level of housing growth is supported by provision of 61 ha of B class employment land.
- 1.10 The above 'Preferred Approach' figures therefore, show a substantial increase in development and housing numbers compared to circa 435 dpa (7,388 dwellings) and 25 ha of employment land in the adopted Chichester Local Plan Key Policies (July 2015) for the plan period 2014 to 2029 (the adopted plan will be replaced, although some land and sites will be carried forward). The step increase in Chichester's OAN is therefore, attributable to the fact that the adopted Local Plan does not meet its full OAN.

- 1.11 Chichester's 'Preferred Approach' consultation is accompanied by and based on numerous evidence studies including a Housing Employment Land Availability Study (HELAA) and a Housing and Employment Needs Assessment (HEDNA), Sustainability Appraisal and Habitats Regulation Assessment and Transport Study.
- 1.12 The HEDNA study clarifies that the OAN is based on the Government's September 2017 published SHM (based on 2014 population projections which are higher than the recently published ONS 2016 sub national population forecasts). The 10 year projection 2016-2026 generates 5,165 households and adjustment for market signals (i.e. affordability pressures measured by median house prices which are 12.22 times greater than median workplace wages in Chichester) equates to a 51% uplift resulting in an increased figure of 7,750 households (775 pa).
- 1.13 However, the SHM then applies a cap at 40% above each district's recently adopted housing target (i.e. adopted within the last 5 years from the date of the calculation) to ensure housing deliverability. The cap for Chichester equates to 609 dpa which is below the minimum local housing need 775 dpa. Nevertheless, the cap has been uplifted to 650 dpa to address unmet need only from SDNP.
- 1.14 No unmet need from other authorities is specifically allowed for on the basis that there has been no request from 'neighbouring authorities' under the 'Duty to Cooperate'. Any such strategic cross boundary issues including assessing and distributing unmet housing need, is anticipated to be resolve via the update to the Local Strategic Statement 2 to LSS3. The 'Preferred Approach' identifies cross boundary Strategic Objectives set out in the LSS2 for this area as:-
- **Spatial Priority 2:** Chichester City/Tangmere/Bognor Regis gives priority to the infrastructure improvements needed to support delivery of strategic employment and housing sites identified in the Chichester and Arun Local Plans.
- 1.15 The HEDNA recognises that Chichester shares both a Housing Market Area and a Functional Economic Market Area with the west of Arun. However, the 'Preferred Approach' consultation appears to rely on the LSS3 process to address issues of strategic significance such as unmet housing needs across the West Sussex and Greater Brighton Area.
- 1.16 The HELAA considered a 'call for sites' based for the 2017 'Issues and Options' stage and considered sites that were 6 units and above and not already allocated or having planning permission. The HELAA has not been updated to a 2018 position.
- 1.17 With regard to employment, the HEDNA examines demand from 8,900 to 14,900 jobs across all employment sectors over the plan period. Within this 1,428 to 3,700 B class jobs could be sustained requiring 146,000 sqm of B1, B2 and B8 employment floorspace to be allocated to provide local jobs, attract inward investment and foster identified local growth sectors. An additional 86,000 sqm of foorspace will be provided .to claw back anticipated future losses of B2 manufacturing employment land and to allow for market flexibility. The Horticultural sector has been allocated 32 ha for glasshouses to meet future needs.
- 1.18 There appears to have been no recent Employment Land Review (latest is 2013) or urban/employment land capacity assessment and whether this presents any

significant evidence on the development strategy to be adopted.

### **Key Issues**

- 1.19 Arun District Council has an adopted Local Plan for the planning authority area (i.e. excluding areas of Arun falling within the SDNP) which has already made provision under the 'Duty to Cooperate' to accommodate some of the need arising in Chichester (and Worthing) which when combined amounts to some 1,600 dwellings (Inspectors report July 2018 paragraph 19) with the recognition that other areas such as Adur, Worthing and Brighton face unmet need and the expectation that such authorities would undertake early reviews of adopted local plans informed by LSS3.
- 1.20 Chichester 'Preferred Approach' goes significantly towards shaping a sound plan in terms of strategy following on and responding to representations made on the Issues and Options stage and is to be commended. However, there are a number of identified technical and evidence challenges, which should be addressed to improve the soundness of the plan before submission (see further below) as well as to address a fundamental 'soundness' risk under the 'Duty to Cooperate'.
- 1.21 The key 'soundness' risk relates to unmet housing need across the wider area. Chichester is meeting its own needs under the SHM (i.e. not exporting any needs to Arun) as well as contributing towards unmet needs from SDNP. Nevertheless in reality, Chichester's overall housing target is capped below its minimum local housing need identified in the HEDNA and the target of 12,350 dwellings is short of a strategy aimed at accommodating 14,900 jobs.
- 1.22 Worthing Borough is currently not proposing to accommodate a significant unmet housing need on the eastern border with Arun. While Chichester does not share a boundary with Worthing, Chichester is, with Arun, included within the West Sussex and Greater Brighton Area (which includes Adur, Worthing Brighton and Lewes). Chichester and the west of Arun are also economically and demographically linked via a HMA and FEMA and as well as sharing key strategic infrastructure including the A27, A259 and Southern rail network linking the ports in the west, coastal towns in the east (including Worthing) and onwards north to Greater London. Chichester's development strategy is fundamentally, based on east-west transport accessibility and significant aspirations to drive economic growth by a margin above its capped OAN, that relies on strategic commuting capacity across this axis of the transport network.
- 1.23 Under the 'Duty to Cooperate' authorities must identify cross boundary matters and try to resolve these matters through cooperation leading to Statements of Common Ground or Memoranda of Understanding. This is a clear requirement of the revised National Planning Policy Framework 2018 and paragraph 35 states  
  
*"...c) Effective – deliverable over the plan period, and based on effective joint working on cross boundary strategic planning matters that have been dealt with rather than deferred , as evidenced by the statement of common ground; and..."*
- 1.24 Chichester's Local Plan will be examined under the requirement of the NPPF 2018. The LSS3 process has been delayed pending resource and governance

arrangements being adequately put in place in order to secure real outcomes on the future distribution of any unmet needs. Authorities within the sub region therefore, face significant risks should the LSS3 not deliver outcomes and delivery commitments in a timely manner. Consequently, there is a big risk to plan making within the sub-region with emerging plans potentially being found unsound or failing under the 'Duty to Cooperate' and requirements of the NPPF 2018 which requires a sequential approach to neighbouring authorities\areas with every effort to be made to accommodate development where need is generated, before approaching neighbours to consider whether need can be suitable/sustainably accommodated there.

- 1.25 Arun has objected to Worthing's local plan preparation on the basis that Worthing is not meeting it's OAN and is exporting a substantial level of unmet need that is likely to have significant implications for Arun's communities and infrastructure, as well as elsewhere. Arun, including other authorities within the West Sussex and Greater Brighton Area, must leave 'no stone unturned' in seeking strategies and solutions to this unmet need and potentially other unmet need when preparing development plans in order to comply with para 35 of the NPPF 2018. Unmet housing need is therefore, already a material issue for plan making - even for those nearing more advanced preparation stages and this will be under scrutiny at examination. Until the LSS3 process delivers, which remains uncertain; authorities will be expected to demonstrate what they have done now to address issues known about now.

### **Conclusions**

- 1.26 Chichester's emerging plan provides a clear and justified strategy to delivering growth requirements in meeting Chichester's capped OAN (which accords with the Government's SHM) but also addressing unmet needs for SDNP - which is to be commended.
- 1.27 However, Arun considers that its support for Chichester's 'Preferred Approach' draft Local Plan going forward is subject to progressing the following actions before publication stage. Chichester is encouraged to:-
- consider whether it can do more before publishing its Regulation 19 plan, with regard to addressing unmet need within the West Sussex and Greater Brighton Area (as it has done for SDNP)
  - consider the scope for introducing policy trigger mechanisms or building in housing contingency options that would help to exceed 12,350 dwellings and deliver supporting infrastructure in order to minimise any potential risks posed to 'soundness under the 'Duty to cooperate' should the LSS3 not deliver a timely and committed outputs on distribution unmet housing needs;
  - make the plan's supporting evidence clearer on whether there is any remaining capacity to deliver higher housing numbers e.g. via density and making the best use of accessible land including previously developed land or subsequent testing of 'indicative Parish housing requirements';
  - make the plan's supporting evidence clearer on the justification for the imbalance between households and jobs and consequent commuting implications, given the Transport Study 2018 modelled pressures across the east-west transport axis at 2035 - even with mitigation (e.g. junctions and links on A259, A27 and A29);
  - provide further clarification and cooperation on the potential mitigation for

resolving this given that the sub-region is facing unmet housing need and pressure to deliver further growth;

- The Statement of Common Ground (2017) between Arun and Chichester should be updated and will need to set out an understanding of these cross boundary issues and how they will be resolved.

1.28 Chichester is strongly urged to address these points to ensure that Arun can continue to support the plan at Publication stage (Regulation 19) based on robust evidence of housing need including the existing known unmet housing need within the West Sussex and Greater Brighton Area should the LSS3 process fail to deliver.

1.29 Chichester's proposed plan period runs from 2016 to 2035 (19 years). There may be advantages to consider rolling the plan to 2036 which may assist with meeting full plan needs, maximise the utility of its evidence base (which includes 2036 data) and assist with coordinating plan making to common cycles to assist with joint evidence preparation and strategic cross boundary planning.

## 2. PROPOSAL(S):

That the report is noted and the recommendation agreed as the Councils formal response to the Chichester 'Preferred Options' draft Local Plan Regulation 18 public consultation.

3. **OPTIONS:** To provide qualified support or to object to Chichester's draft Local Plan

## 4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify)		

## 5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)

Financial		X
Legal		X
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X
Asset Management/Property/Land		X
Technology		X

Other (please explain)		x
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**6. IMPLICATIONS:**

The potential impact on Arun's environment, infrastructure and communities arising from unmet needs from a neighbouring local authority and implications for the soundness of plan making including risks under the 'Duty to Cooperate' as well as coordination of plan making timetables.

**7. REASON FOR THE DECISION:**

To ensure that Arun can continue to ensure that development is plan led and consistent with sustainable development in addressing its own needs as well as ensuring that "neighbouring areas" meet their own needs including any unmet needs through an agreed strategic approach across the West Sussex and Greater Brighton Area.

**8. EFFECTIVE DATE OF THE DECISION:**

**9. BACKGROUND PAPERS:**

All relevant documents, including the evidence base and response form can be viewed on the Chichester District Council's website: [www.chichester.gov.uk/localplanreview](http://www.chichester.gov.uk/localplanreview)