



# Lavant Housing Need Study

Raughmere Farm

LS4294

Berkeley Strategic Land Limited

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Prepared on behalf of WYG Environment Planning Transport Limited.



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## 1.0 Introduction

WYG Planning & Environment (“WYG”) are instructed by our client, Berkeley Strategic Land Limited, to provide an assessment of the housing need within the Lavant Neighbourhood Plan Area. This assessment also includes a critical evaluation of the proposed housing requirement set out within the Chichester Local Plan Review 2035: Preferred Approach consultation document (hereafter referred to as the Local Plan Review).

This response supports and should be read in conjunction with our wider comments upon the Local Plan Review. This study is particularly relevant to draft Policies S4: Meeting Housing Needs and Policy S5: Parish Housing Requirements 2016-2035.

Our client has an interest in land at Raughmere Farm, Lavant Road. The site is wholly within the Local Plan Review area as well as the adopted Lavant Neighbourhood Development Plan area. The Lavant Neighbourhood Development Plan straddles both the South Downs National Park (SDNP) Local Plan area and the Local Plan Review area.

Berkeley Strategic Land Limited consider that policies S4 and S5 of the Local Plan Review are, as drafted, unsound. In order to make the Local Plan Review sound it is strongly recommended that the Council make amendments to both policies prior to consultation upon its Submission Local Plan. The recommended changes are set out within section 5 of this report.

## 2.0 Policy Context

### 2.1 National Policy and Guidance

The National Planning Policy Framework (NPPF) provides the Government's planning policies for England and how these should be applied. The NPPF must be considered in preparing the development plan and is a material consideration in planning decisions. The NPPF is supported by a suite of Planning Practice Guidance (PPG), which provide greater detail and guidance upon how NPPF policies should be applied.

A revised version of the NPPF was published in July 2018 together with subsequent revisions to the PPG. The revised NPPF provides transitional arrangements. In relation to the examination of plans, paragraph 214 explains, those submitted for examination on or before 24<sup>th</sup> January 2019 will be subject to the policies contained in the previous NPPF. Those submitted after this date are subject to the policies contained in the revised version. The Council's Submission Local Plan will be subject to the policies contained within the revised NPPF and the associated PPG.

In relation to housing need, paragraph 60, explains;

*"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."*

The standard method referred to within paragraph 60 of the NPPF is outlined in section 2a of the PPG. The introduction to this section identifies the government has;

*"...published a consultation paper on Changes to planning policy and guidance including the standard method for assessing local housing need which sets out proposals to update planning practice guidance on housing need assessment to be consistent with increasing housing supply."*

This consultation ended on 7<sup>th</sup> December 2018, at the time of writing the Government has not published its response to the consultation. It is, however, anticipated that this will occur

within the near future. Further details and analysis of the standard method for calculating local housing need is included in section 3 of this report.

Paragraph 60 of the NPPF clearly refers to 'strategic policies'. A strategic policy must be set out within the local planning authority's development plan (para. 17, NPPF). In reference to Neighbourhood Plans it is clear that these must not promote less development than set out in the strategic policies for the area, or undermine those strategic policies (para. 29, NPPF).

The NPPF, paragraphs 65 and 66, provide further guidance upon how the local housing requirement figure should be applied to neighbourhood areas, covered by Neighbourhood Plans.

*"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. **Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.** Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement.*

*Where it is not possible to provide a requirement figure for a neighbourhood area, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body. **This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.**"* (Our emphasis NPPF, para. 65 and 66).

It is therefore clear that the housing requirement provided within Policy S4 of the Local Plan Review should take account of the assessment of local housing need, inclusive of any unmet needs from neighbouring authorities, and that the distribution of this requirement to neighbourhood areas should be based upon evidence of local housing need, population of the neighbourhood area and any relevant planning strategy.

## 2.2 Local Policy and Guidance

The planning framework for Lavant is covered by several documents, our clients' interests are within the area covered by the Chichester Local Plan. However, due to its proximity to

the SDNP and the fact the Lavant Neighbourhood Development Plan area straddles both the Local Plan Review and SDNP Local Plan areas it is important to consider housing need across both areas. The key documents for consideration are, therefore, the Chichester Local Plan: Key Policies, adopted July 2015 (hereafter referred to as the adopted Local Plan), the emerging South Downs Local Plan and the Lavant Neighbourhood Development Plan, adopted December 2016 (hereafter referred to as the Neighbourhood Plan).

The adopted Local Plan identifies a housing requirement of 7,388 dwellings over the period 2012-2029 (Policy 4: Housing Provision) or approximately 435 dwellings per annum (dpa). This housing requirement excludes the SDNP area.

This level of housing provision did not meet the objectively assessed need for housing across the plan area at the time of adoption. A housing need of 505dpa was considered a reasonable estimate for the plan area housing need, at the time of adoption (para. 7.4, adopted Local Plan). A further 70dpa were suggested to be required within the SDNP area. This is important as much of Lavant is within the National Park.

## **Local Plan Review**

The Council is currently undertaking a review of its housing requirement as part of the Local Plan Review. The proposed housing requirement is at least 12,350 dwellings over the plan period (2016-2035) or an average of 650dpa. This figure is stated to reflect the objectively assessed needs of the area and an allowance for unmet need from the SDNP. The derivation of the housing requirement figure utilises the standard method for assessing local housing need set out within the PPG. The Council's evidence set out within the 2018 Chichester Housing and Economic Needs Assessment (2018 HEDNA) identifies a requirement of 609dpa using the standard method. The additional 41dpa is to assist in meeting the unmet needs from the National Park. Our client has several concerns in relation to the derivation of the housing requirement which are set out within section 3 below.

The Local Plan Review (draft Policy S5) does not propose any housing growth within Lavant. This is not considered a sound approach, as discussed in section 4 of this report we consider there is a clear need for new housing within Lavant.

## **South Downs Local Plan**

The emerging South Downs Local Plan is currently in the final stages of examination with a consultation upon main modifications to the plan anticipated early in 2019. The submitted plan identified a housing need of 8,493 dwellings over the plan period (2014-2033) or approximately 447dpa. Due to the constrained nature of the national park just 4,750



dwellings of the overall need will be met (Strategic Policy SD26). A total shortfall of 3,743 dwellings is therefore anticipated over the plan period, or 197dpa. It must, however, be recognised that the Local Plan housing requirement, and shortfall, is being assessed under the previous iteration of the NPPF, due to the transitional arrangements.

The SDNP straddles several local authority and Housing Market Area (HMA) areas. The associated Duty to Cooperate Statement (SDNP, 2017) identifies how this unmet need should be addressed by the various local authorities and HMAs. Chichester sits within the Sussex Coast HMA, as defined by the SDNP Housing and Economic Development Needs Assessment, 2017 (2017 SDNP HEDNA). Table 1 of the Duty to Cooperate Statement suggests a housing need of 125dpa in the Chichester part of the SDNP. The SDNP Local Plan is seeking to provide approximately half of this need (62dpa). There is, therefore, an unmet need for 63dpa arising from the Chichester element of the SDNP.

The SDNP Local Plan seeks to deliver just 20 additional homes in Lavant over the plan period. This is over and above extant permissions granted prior to 1<sup>st</sup> April 2015 and windfalls.

## **Lavant Neighbourhood Development Plan**

The Lavant Neighbourhood Development Plan was made in August 2017. Policy LNDP4: Delivering New Homes makes provision for 75 new dwellings through allocations within Lavant over the 15-year period of the Neighbourhood Plan (2016-2031). As previously noted, Lavant straddles the local plan areas of the emerging SDNP Local Plan and Chichester Local Plan Review. The 75 dwellings proposed within the neighbourhood plan is greater than the combined requirement for Lavant from these two plans. However, it must be noted that neither of these documents have yet been adopted. Our client has concerns with the Chichester Local Plan Review which indicates a proposed housing requirement of zero for Lavant. These concerns are fully addressed within parts 3 and 4 of this report.

It should also be noted that the Lavant Neighbourhood Plan does not cover the full period of the Chichester Local Plan Review, being four years shorter.

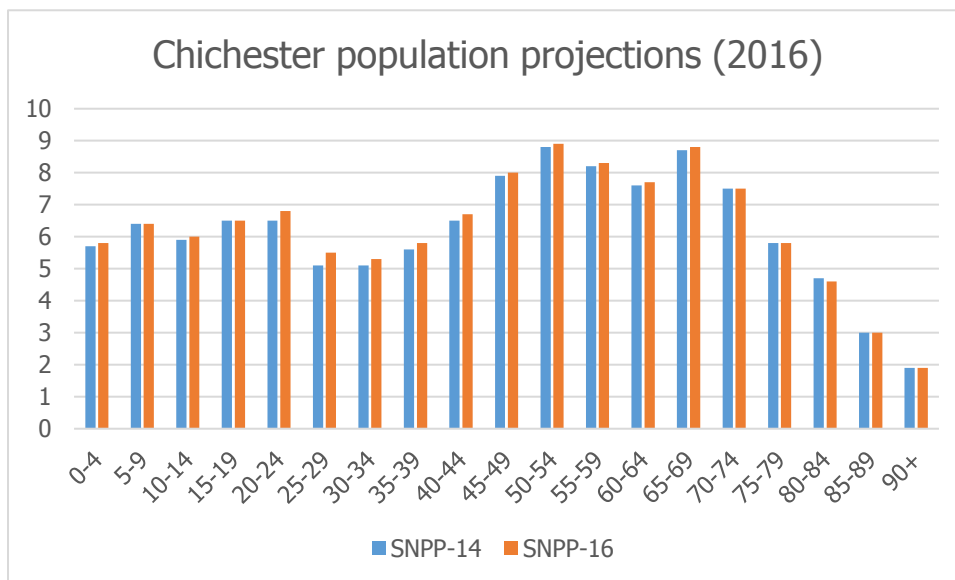


### 3.0 Demographic and household growth

#### 3.1 Sub-national population and household projections

The most up to date sub-national population and household projections are the 2016-based projections. However, the recent Government consultation upon the standard method for determining local housing need (see section 2.1 above) provides a clear indication that the 2014-based household projections should be used in favour of their 2016-based counterparts. The reason for this is that generally the 2016-based household projections are incompatible with the aim to boost housing growth. Given this context it is worth considering both sets of projections.

**Figure 3.1: Chichester district population profile in 2016**

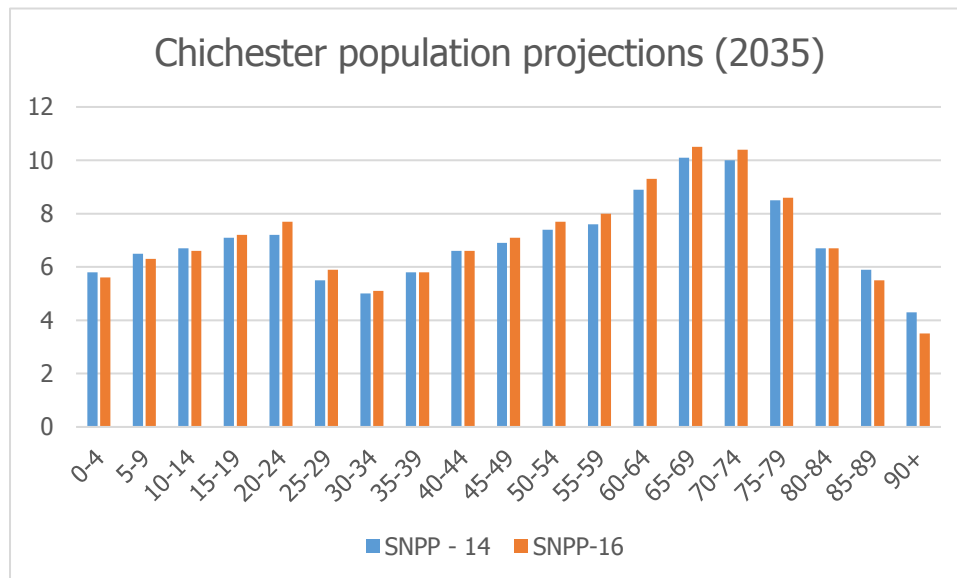


Source: ONS

Both the 2014 and 2016-based population projections provide a similar profile although the overall population is higher in the 2016 projections, 119,100 persons compared to 117,300 persons in the 2014-based projections. There is a deficit in those in the early working age groups (25-45). Comparison to the end of the Local Plan Review plan period, 2035, indicates an increase in population of approximately 15,000 persons in both sets of projections, albeit the 2014-based projections are marginally higher. It is, however, clear that there is a

significant aging of the population and a reduction in the working age population with a significant number having moved into retirement.

**Figure 3.2: Chichester district population profile in 2016**



Source: ONS

Unfortunately, the population projections are not available at a parish level and as such direct comparisons for Lavant are not possible. It is, however, possible to consider the 2017 mid-year population estimates. These suggest a similar population structure within Lavant compared to the district, albeit with a greater proportion of the current Lavant population approaching or entering retirement over the plan period. This suggests that without changes to the Lavant population via migration the number of economically active residents will decline significantly.

In terms of population growth, since the last census (2011), the population of Lavant has grown slightly quicker than the Chichester district average, 1.51% per annum compared to 0.89% per annum. This is encouraging in terms of economic activity but is unlikely to be sufficient to counter-balance the significant aging of the population.

**Table 3.1: Age Distribution – 2017 Mid-year Population Estimates**

Age	Lavant		Chichester	
	Number	%	Number	%
0-9	190	10.4	12,451	10.4
10-19	188	10.3	12,502	10.4
20-29	154	8.5	12,382	10.3
30-39	169	9.3	11,088	9.2
40-49	211	11.6	14,289	11.9
50-59	321	17.6	17,487	14.5
60-69	269	14.8	16,303	13.6
70-79	217	11.9	14,174	11.8
80+	100	5.5	9,570	8.0

Source: ONS

The sub-national household projections are also not available below local authority levels and as such a direct comparison with Lavant cannot be made. Whilst we consider both the 2014 and 2016-based sub-national household projections the 2014-based projections are considered the most appropriate indicator (see section 2.1 above).

The 2016-based projections (0.9%) suggest a lower annual growth rate than their 2014 counterparts (1%) over the lifetime of the Local Plan Review. This is, at least in part, due to the effects of previous under-delivery and changes in the calculation of household formation rates. The 2014-based projections suggest a slightly higher housing growth rate within Chichester compared to the national average (0.9%) but below the regional average (1.2%) over the same period.

**Table 3.2: Chichester Sub-National Household Projections**

	2014-based	2016-based
<b>Households 2016</b>	51,787	52,234
<b>Households 2035</b>	61,805	61,086
<b>Change</b>	10,018	8,852
<b>Annual change (rounded)</b>	527	466
<b>Average growth rate (rounded)</b>	1%	0.9%

Source: ONS, MHCLG, WYG Analysis

**Table 3.3: Average projected household growth rates 2016 to 2035 (2014-based projections)**

	Chichester	West Sussex	England
<b>Average growth rate (rounded)</b>	1%	1.2%	0.9%

Source: ONS, MHCLG, WYG Analysis

### 3.2 Chichester Local Housing Need

The Chichester Local Plan Review identifies a total housing requirement of at least 12,350 dwellings over the period 2016 to 2035. This equates to an average supply of 650dpa and relates solely to the area outside of the SDNP.

The proposed housing requirement is based upon a requirement of 609 dwellings, derived using the standard method identified in the PPG (para. 2.35, 2018 HEDNA). A further 41 dwellings are added to accommodate unmet need arising from the Chichester District part of the SDNP (para. 2.22, Local Plan Review).

Whilst it is agreed that the standard method should be used to identify the housing needs of the area, it is considered it has been incorrectly applied. Furthermore, the inclusion of 41 dwellings for the SDNP is not sufficient to meet the unmet needs from this area. The 2018



HEDNA (para. 2.20 to 2.37) clearly explains the three steps identified within the PPG. Each step is considered in turn below.

**Step 1: Setting the baseline**

The 2018 HEDNA utilises the 2014-based sub-national household projections, as previously explained these are considered the most appropriate (see section 2.1). The HEDNA utilises a 10-year period of 2016 to 2026. In-line with the PPG this should be updated to 10-years starting with the current year (2019). The effect is a slight increase of 16 dwellings in step 1.

**Table 3.4: 2014-based household projections**

	2018 HEDNA (2016-26)	WYG (2019-29)
Household change	5164	5326
Average per year	517	533

Source: MHCLG, 2018 HEDNA, WYG Analysis

**Step 2: An adjustment to take account of affordability**

The PPG identifies a prescribed adjustment factor to take account of affordability, this is based upon the median work-place based affordability ratio (the ratio of house prices to earnings) (PPG ID 2a-004). These ratios are published and updated annually by ONS. The 2018 HEDNA applies a ratio of 12.22, based upon 2016 rates. Since publication of the 2018 HEDNA these have been updated and the ratio is now 13.49. Indicating a worsening of housing affordability across Chichester.

The impact of applying the adjustment factor is a further increase in the housing need assessment, 848dpa compared to the 775dpa identified in the 2018 HEDNA. This is an overall difference of 73dpa.



**Table 3.5: Applying the affordability ratio**

	2018 HEDNA (2016-26)	WYG (2019-29)
Step 1 Baseline	517	533
Affordability Ratio	12.22	13.49
Step 2: Housing Need (dpa)	775	848

Source: ONS, 2018 HEDNA, WYG Analysis

### Step 3: Capping the level of any increase

The PPG places a limit on the amount of increase in the minimum annual housing need figure an individual local authority can face. Where there is an up to date local plan, i.e. less than 5-years old, this is set at 40% above the average plan requirement. If there is no up to date local plan it is set at the higher of 40% above step 1 or the most recent plan requirement, whichever is the greater.

In terms of Chichester the extant local plan is less than 5-years old, being adopted in December 2016. This identified an average annual housing requirement of just 435 dwellings. The 2018 HEDNA utilises this requirement to identify a need for 609dpa over the period of the Local Plan Review.

However, this figure was acknowledged as not meeting the full housing needs of the area and only related to the area of the local authority outside of the SDNP. Whilst the PPG makes no reference to plan requirements which do not meet housing needs of the area the local housing need calculation is for the local authority area. The methodology clearly states that plan-makers should (PPG ID 2a-004);

*"Set the baseline using national household growth projections for the **area of the local authority...**"* and;

*"...A cap may then be applied which limits the increase in the minimum annual housing need figure an **individual local authority** can face..."* (our emphasis).

These references clearly refer to the local authority area rather than local plan area. In the case of Chichester this includes the areas both within and outside of the SDNP. The Council's extant plan recognises this and suggests a need of 575dpa of which 70dpa is attributed to

the SDNP (para. 7.3 and 7.4). It is, therefore, recommended that the calculation of local need be based upon the full plan area, not just the area outside of the SDNP.

In addition, the extant Local Plan did not provide for the full need of 505dpa due to several constraints including infrastructure capacity and the quantification of need within the SDNP (para. 7.9). The plan goes on to state that;

*"...For this reason the Council will review the Local Plan within five years to aim **to ensure that OAN is met...**"*(our emphasis, para. 7.9).

The PPG is clear that the cap is applied;

*"...to help ensure that the minimum local housing need figure calculated using the standard method is as deliverable as possible.*

*The cap reduces the minimum number generated by the standard method, but does not reduce housing need itself. Therefore **strategic policies adopted with a cap applied may require an early review and updating to ensure that any housing need above the capped level is planned for as soon as is reasonably possible.*** (our emphasis, PPG ID 2a-007).

Given that the Council is already not meeting its previously identified needs it appears contrary to the ethos of the NPPF and PPG to use this figure to limit future need.

The SDNP is progressing its own plan which identifies a need for 125dpa within the Chichester element of the SDNP. Of this 125dpa, the emerging South Downs Local Plan makes allowance for approximately half (62dpa) leaving an unmet need for 63dpa (Table 1, 2018 South Downs National Park Duty to co-operate statement). The method used to calculate the unmet need varies from the standard method. This is appropriate on two accounts, firstly transitional arrangements are in place for plans submitted prior to 24<sup>th</sup> January 2019, NPPF paragraph 214, and secondly the PPG is clear;

*"Where strategic policy-making authorities do not align with local authority boundaries, such as National Parks and the Broads Authority, available data does not allow local housing need to be calculated using the standard method set out above. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need*



*to consider the best available information on anticipated changes in households as well as local affordability levels.”(2a-013).*

In terms of unmet need from SDNP the PPG is clear this is additional to the above three steps, stating it;

*“...should be added to the need already calculated for that authority to form a new minimum housing need figure.”(PPG ID 2a-014)*

Given these factors it is possible to identify three possible alternatives to the flawed need figure identified in the 2018 HEDNA. These are outlined below;

- a) Unconstrained household projections – this figure applies the cap to the household projections for rather than the 505dpa identified in the extant plan which is a constrained requirement for Chichester only. The 62 dwellings being planned within the SDNP are removed from this scenario.
- b) Unconstrained OAN – this figure applies the cap to the OAN identified in the plan for the whole area identified in the extant plan. The 62 dwellings being planned within the SDNP are removed from this scenario.
- c) Constrained Plan requirement – this figure applies the cap to the extant plan requirement and then adds the 63dpa identified as unmet need from SDNP.

**Table 3.6: Housing Need scenario figures**

Scenario	Annual housing need
a) Unconstrained household projections	685
b) Unconstrained OAN	743
c) Constrained Plan requirement	672

Source: WYG

All three scenarios suggest a higher housing requirement than identified by the Local Plan Review, ranging from 22 to 93 additional dwellings each year. This equates to between 418 and 1,767 additional dwellings over the plan period than currently suggested.

Given that the extant plan is up to date but based upon a constrained figure and the emerging SNDP is at a late stage of examination scenario a) is considered the most appropriate of the above scenarios. This is more consistent with the ethos of the NPPF and is





consistent with the standard method outlined in the PPG. Scenario 'a' suggests that the plan requirement set within the Local Plan Review should be 685dpa, 35dpa greater than currently stated or an additional 665 dwellings over the plan period.



## 4.0 Housing Need: Lavant Neighbourhood Plan Area

### 4.1 Introduction

This section considers the housing needs for the LNP area. The following analysis draws upon several sources of information including the household projections, 2011 census, 2018 Chichester HEDNA and 2017 SDNP HEDNA.

### 4.2 Housing need scenarios

To identify the number of additional homes required within Lavant over the Local Plan Review plan period several scenarios have been developed. These scenarios are based upon the NPPF which states that in relation to neighbourhood plan areas;

*"...This figure should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority..."* (2018 NPPF, para. 66).

#### i) Plan requirements

This scenario considers the Chichester Local Plan Review and the emerging SDNP Local Plan. As previously noted, the Local Plan Review suggests a need for 609dpa within the area of Chichester outside of the SDNP. The emerging SNDP Local Plan suggests a need for 125dpa for the area of the National Park within Chichester. Combined this provides a requirement for 734dpa. A 'fair share' approach to distributing this need is applied. This takes account of the population and households within Lavant and what percentage of the overall Chichester district total this represents.

**Table 4.1: Percentage of population/households in Lavant as a proportion of Chichester**

2011 Census	Lavant	Chichester district	Lavant as percentage of Chichester district
Population	1,656	113,794	1.5%
Households	734	49,849	1.5%

Source: ONS, WYG Analysis

Using the 2011 census as a reliable baseline position the following table demonstrates that Lavant made up approximately 1.5% of the population and households within Chichester



district. This figure is further supported by the 2017 mid-year population estimates which suggests a population of 1,819 persons within Lavant and 120,192 in Chichester district (ONS). Once again this represents a 1.5% share of the population.

Applying a 1.5% share of the combined plan requirements indicates a need of 11dpa within the LNP area, or 209dpa over the plan period under this scenario.

**ii) Household projections**

Using the 2014-based household projections as the basis for this scenario provides a baseline position over the plan period, this suggests growth of 10,018 dwellings over the Local Plan Review plan period or 527 per annum.

**Table 4.2: 2014-based Household projections 2016 to 2035 (Chichester district)**

2016	2035	Change in households
51,787	61,805	10,018

Source: ONS, WYG Analysis

Unfortunately, the household projections are not available below local authority level and as such the 'fair share' approach identified above is used to indicate the proportion of this growth which should be allocated to the LNP area. The 'fair share' approach indicates a baseline need for 10 additional homes per annum or 150 dwellings over the period 2016 to 2035.

**iii) Lavant Neighbourhood Plan**

This scenario builds upon the LNP. Policy LNDP4 of the LNP identifies approximately 75 new dwellings will be provided on allocated land over the period 2016 to 2031, an average of just 5 additional dwellings per annum. The policy does not place a limit upon the amount of development within Lavant but rather seeks to provide allocations for 75 dwellings. The supporting evidence, the 2014 Lavant Parish Rural Housing Needs Survey Report (2014 HNS), identified need of between 55 and 89 dwellings over 10 years. Extrapolating this figure over the 15 years of the LNP plan period would suggest a housing requirement of between 83 and 134 dwellings.

The 2014 Lavant '2015 to 2024 Housing Needs Analysis (2014 HNA)' clearly identifies that the LNP allocations do not take any account of market need but anticipates small scale market housing to continue to be brought forward as windfall development. This is in excess of the allocated 75 dwellings and would represent up to 59 additional dwellings over the LNP

plan period. It is noted that the Inspector of the Neighbourhood Plan found policy LNDP4 to be justified.

The LNP plan period does not coincide with that of either the Local Plan Review (2016 to 2035) or the emerging South Downs Local Plan (2014 to 2033). Both of which are over a 19-year time frame. Utilising the range identified for both market and affordable housing within the HNS suggests that between 105 to 169 dwellings should be provided in Lavant over the Local Plan Review Period. Taking a mid-point this would suggest a need of 137 dwellings.

### **iv) Standard method**

This scenario takes a 'fair share' approach utilising the district wide (both within and outside the SDNP) local housing need, calculated by using the standard method within the PPG of 747dpa (685+62), identified in section 3.3 of this report. A 'fair share' of this figure would suggest a requirement for 11 new households each year (rounded), or 213 over the plan period (rounded).

### **v) Past Housing growth**

Between 2001 and 2011 the number of households in Lavant grew from 663 to 734, an increase of 10.7% or 71 households. If this rate of growth were extrapolated over the Local Plan Review plan period it would create a need for an additional 135 (absolute growth) to 149 (percentage growth) dwellings.

## **4.3 Market signals**

The former PPG relating to housing need referred to the importance of market signals when assessing housing need. This is because they provide an indication of the scale of any imbalance between demand and supply. The updated PPG which supports the revised NPPF provides a standard method for assessing housing need and looks solely at affordability in terms of market signals at a local authority level.

In terms of the housing needs of Lavant and the scenarios described above it is worth considering whether there are any issues which suggest an uplift to the baseline figures provided. This is particularly relevant to the following scenarios which do not include any consideration of market signals;

- Scenario ii: Household projections;
- Scenario iii: Lavant Neighbourhood Plan
- Scenario v: Housing Growth



## **Employment**

Local employment trends have a significant influence on housing needs as employment opportunities stimulate demand within an area. To assess the impact that this may have within Lavant it is important to consider the relevant opportunities available to residents within the parish.

Lavant is less than 4 miles and a 15-minute drive from the centre of Chichester and its many employment opportunities. It is also served by a regular bus service enabling access to Chichester within 20 minutes. Lavant is also within close proximity to other major employment centres, including Bognor Regis (approximately 11 miles), Littlehampton (approximately 15 miles), Portsmouth (approximately 20 miles) and Brighton (approximately 34 miles). This ease of access to employment opportunities will ensure that Lavant remains an area of high housing demand.

Chichester district also sits within the Coast to Capital Local Enterprise Partnership Area (LEP). This partnership will drive future employment growth through prioritised investment. The LEPs 2018 Strategic Economic Plan (SEP) seeks to prioritise investment through eight economic priorities across the LEP area. The SEP identifies that the towns of Bognor Regis and Littlehampton, have the potential to be future economic hubs with scope for growth and investment, supported by partners including the University of Chichester.

Chichester is identified as offering significant local attractions, with a growing tourism economy centred around the natural environment. The following table identifies that Lavant has a higher proportion of economically active people than the district or national average. It also has a lower proportion of retirees compared to the district average, although it is higher than the national average.

**Table 4.3: Economic activity**

Economic Category		Lavant	Chichester	England
Economically active	Total	72.0%	69.2%	69.9%
	Employee: Part-time	13.5%	14.0%	13.7%
	Employee: Full-time	38.9%	34.4%	38.6%
	Self-employed	13.2%	14.5%	9.8%
	Unemployed	3.5%	2.8%	4.4%
	Full-time student	2.9%	3.5%	3.4%
Economically Inactive	Total	28.0%	30.8%	30.1%
	Retired	17.0%	18.2%	13.7%
	Student	3.6%	4.4%	5.8%
	Looking after home or family	4.6%	4.2%	4.4%
	Long-term sick or disabled	2.1%	2.4%	4.1%
	Other	0.7%	1.5%	2.2%

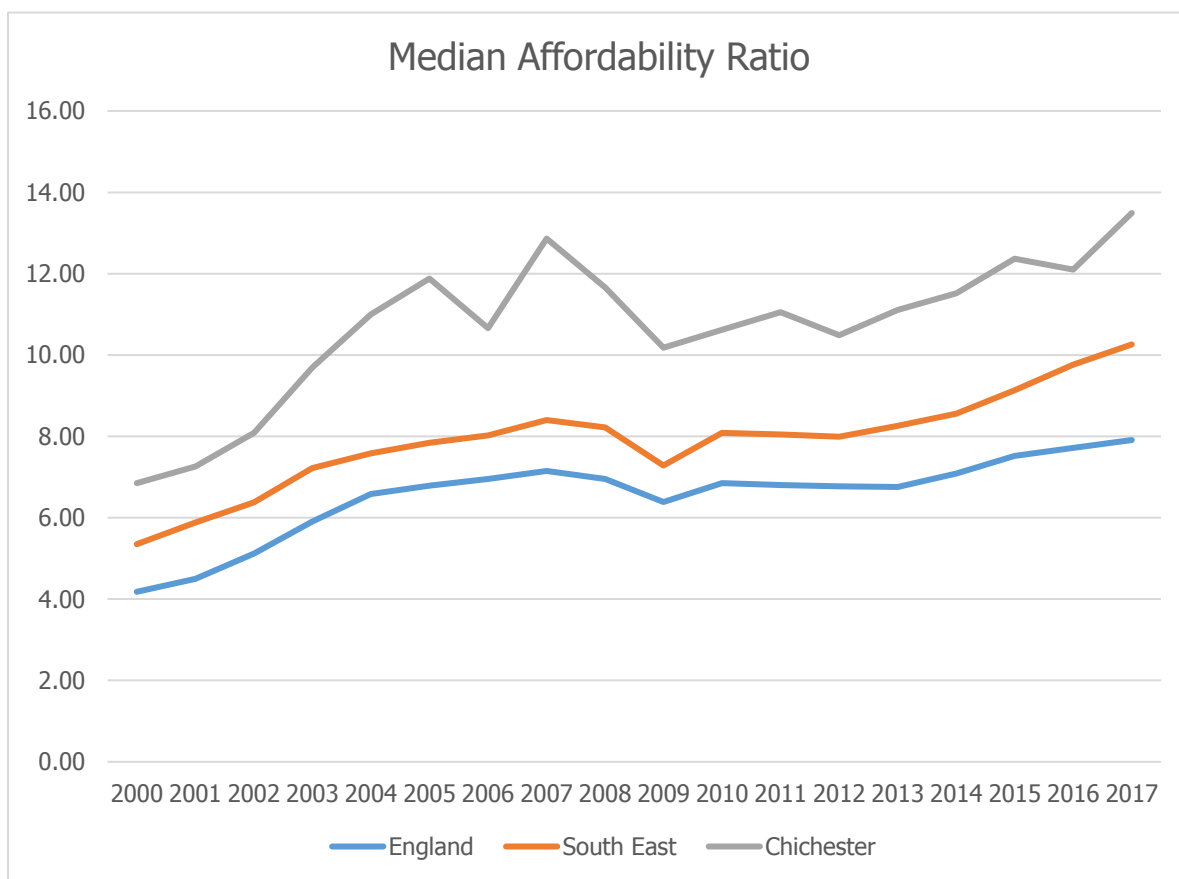
Source: 2011 Census (KS601EW), WYG analysis

**Affordability**

The standard method for calculating housing needs, places significant emphasis upon affordability as an indicator of housing need. Chichester District Council is one of the least affordable local authority areas in England. Both the median and lower quartile ratio of

house price to workplace-based earnings, otherwise known as the affordability ratio, are significantly above national and regional averages.

**Figure 4.1: Median Affordability Ratio**

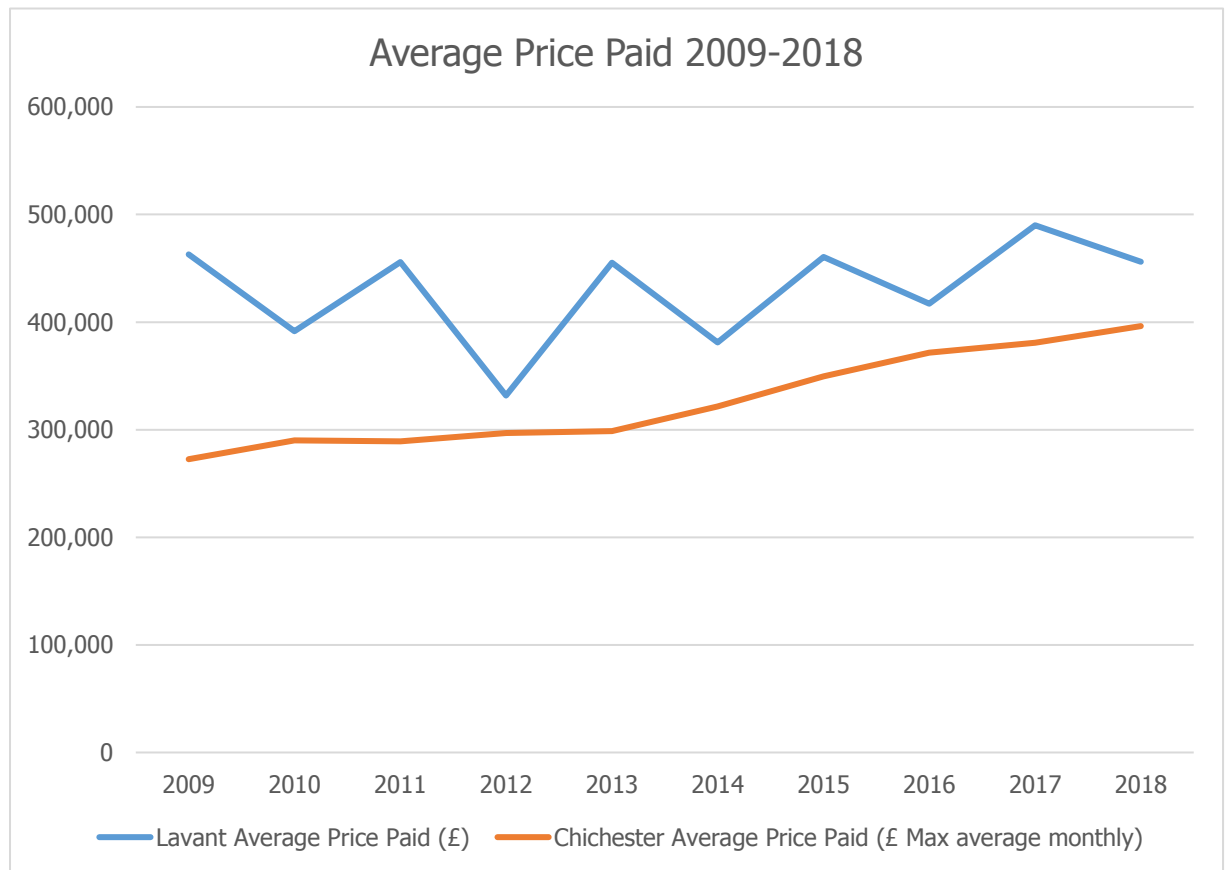


Source: ONS

In 2018 house prices within the district averaged nearly £400,000 this compares to a national average of just over £231,000. Over the last decade Lavant has been consistently more expensive than the district average. In 2018 the average price paid for a home in Lavant was approximately £456,000, 14% higher than the district average. Whilst, due to the number of transactions, the average price paid in Lavant is variable the overall picture

does suggest that prices have not only recovered since the financial crisis but have continued to rise.

**Figure 4.2: Average Price Paid**



Source: HM Land Registry, WYG Analysis

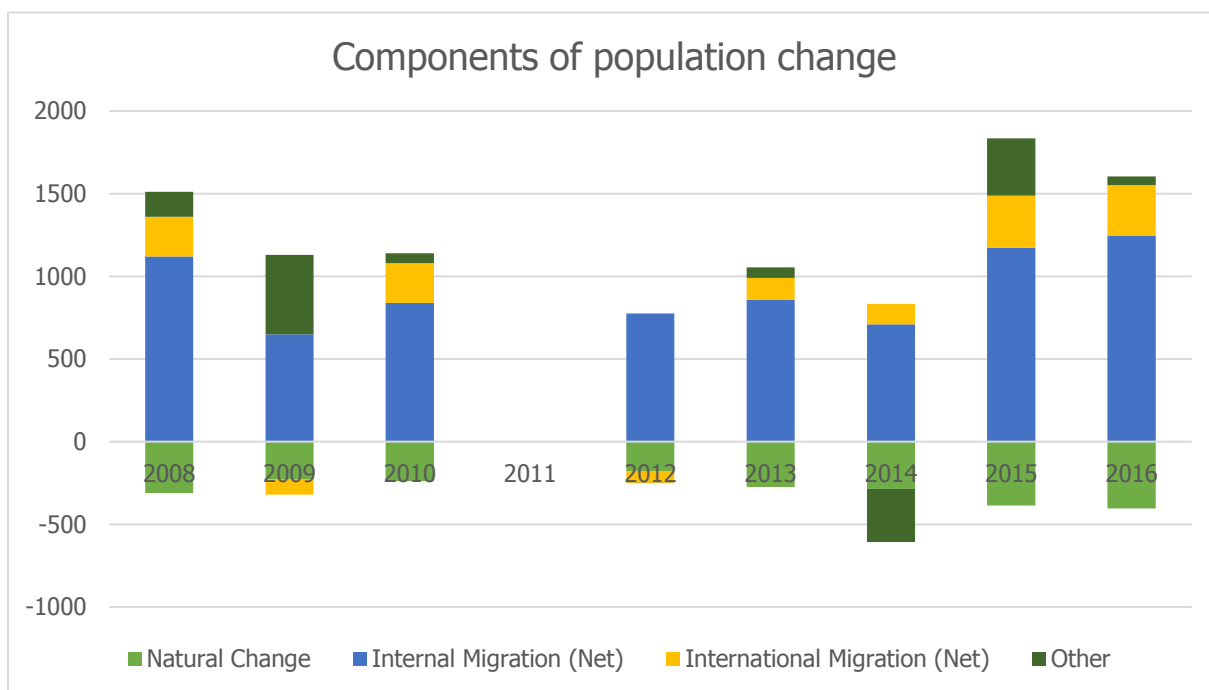
**Migration**

The following figure, from the 2018 HEDNA, identifies that the majority of demographic change within Chichester is due to net migration. Natural change, the number of births and deaths, has been consistently negative due to the aging nature of the population. The



continued growth and success of the district is likely to be heavily influenced by migration as opposed to natural change.

**Figure 4.3: Chichester Components of Population Change**



Source: ONS (Note: No data for 2011)

In contrast the 2014 Lavant Parish Rural Housing Needs Survey Report indicates that there are very few migrants into the parish with just 19% of respondents to the survey indicating they had moved to the area in the last 5 years. The average length of residency from respondents was 23 years. This is likely to be largely related to a lack of new housing delivery within the Parish over recent years.

**Overcrowding**

A further indicator of demand in the housing market is shown by the prevalence of overcrowding. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock as increased demand does not always result in an increase in supply as this is relatively inelastic.

The amount of households which are considered to be over-occupied has increased at both the parish and district levels between 2001 and 2011, albeit the rate of increase within



Lavant is higher. Indicating that households may be more likely to seek larger accommodation were to it become available, thus increasing demand for housing.

The 2014 Lavant Parish Rural Housing Needs Survey Report ratifies this fact, indicating (table 15a) that 23.5% of respondents require larger accommodation and 15.7% wish to leave the family home.

**Table 4.4: Overcrowding**

Year	Lavant	Chichester
2001	4.4%	4.3%
2011	6.0%	5.1%

Source: 2001 and 2011 census

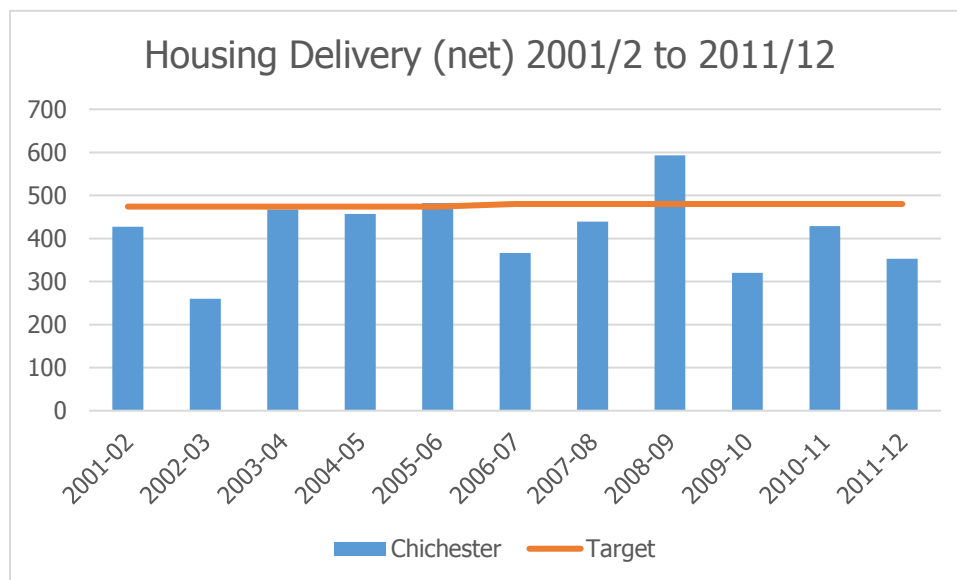
### Rate of development

The household projections are built, in part, upon past trends of housing delivery within an area. Therefore, poor performance in the past will be projected forward and vice-versa. Between 2001 and 2011, there was under-delivery against the Chichester plan targets in every year except two (2005/6 and 2008/9). A total of 530 dwellings less than the appropriate targets were delivered over this period.

Following 2012 data is not accurately available via relevant AMRs for the Chichester district element of the SDNP. The 2016-17 Chichester AMR highlights that since 2012 the element of the district outside of the SDNP has continued to under-deliver. A further cumulative total of 369 fewer dwellings was accrued in the area of the district outside of the SDNP. In terms of Lavant there has been little development over recent years with an average rate of only 7

dwellings per year between 2001 and 2011. This very limited scale of development will create significant pent-up demand for new dwellings within the parish.

**Figure 4.4: Net Housing Delivery (Chichester District)**



Source: Chichester AMR, WYG analysis

**Market factors overview**

The above analysis of a range of market signals indicates stresses in the wider Chichester district housing market and within Lavant itself. Given these factors there is a clear need to respond to these factors in scenarios ii,iii and iv. The following table provides WYGs professional judgement on the impact of each signal on a scale from neutral (0) to impact (+) to significant impact (++). As can be seen from the summary table all of the market signals are considered to have some impact with the majority being significant.

Given the identified market signals it is considered that an uplift should be applied to scenarios ii,iii and iv to take account of the pressures. The scale of the market pressures is considered significant and as such an uplift of at least 20% is considered appropriate.

**Table 4.5: Summary of market signals impact**

Signal	Impact upon housing need	Comment
Employment	+	Lavant well connected to Chichester and the wider economic area. It has a high number of persons in full-time employment, but yet a higher percentage of retirees than national averages. Demand for housing is therefore likely to be strong. However, it is noted that all areas peripheral to the urban centre will perform similarly to Lavant and as such a score of + has been applied.
Affordability	++	Chichester is one of the least affordable local authority areas within the country with a median workplace-based affordability ratio of 13.49 in 2017. Lavant has higher average house prices than the district average, indicating pressures are greater within this area. Affordability within Lavant is therefore a significant issue which can only be addressed through additional housing.
Migration	++	Migration is the primary driver of population and household growth within Chichester. However, within Lavant there have been very few opportunities to match this migration with 81% of residents having lived within the area for more than five years. This is largely due to limited new developments within the area. This will increase pressure upon the available stock and as such a score of ++ is provided.
Overcrowding	+	Overcrowding increased within Lavant between the inter-census period at a faster rate than the district total. This suggests a greater demand for housing if it were to become available. Whilst this has an impact the levels of overcrowding are not yet considered to be significant, therefore a score of + is identified.
Rate of development	++	The rate of development across the district has not met plan targets. Within Lavant there has been very limited new housing in recent years and as such there is likely to be a significant pent-up demand not only in Lavant but across the whole of Chichester.

Source: WYG analysis

## 4.4 Lavant housing need

The proceeding section provides an analysis of housing need scenarios for the area covered by the LNP. This includes the area both within and outside the SDNP. All of the tested scenarios suggest a higher housing need than any of the plans, including the LNP, are providing for within Lavant.

In total five different scenarios, plus one variant, have been considered. These are;

- i. Plan requirements
- ii. Household projections
- iii. Lavant Neighbourhood Plan
- iv. Standard Method
- v. Past Housing Growth (absolute)
- v. Past Housing Growth (percentage)

Scenarios ii, iii and v do not consider any adjustment for market signals. An analysis of market signals across Chichester District and Lavant reveals significant market pressures. In recognition of this an uplift of 30% is considered appropriate for these three scenarios. In comparison application of the affordability ratio outlined by the PPG would require a 59% uplift, uncapped (see section 3.2 above). The resultant housing need figures over the Local Plan Review period, 2016 to 2035, are illustrated below.

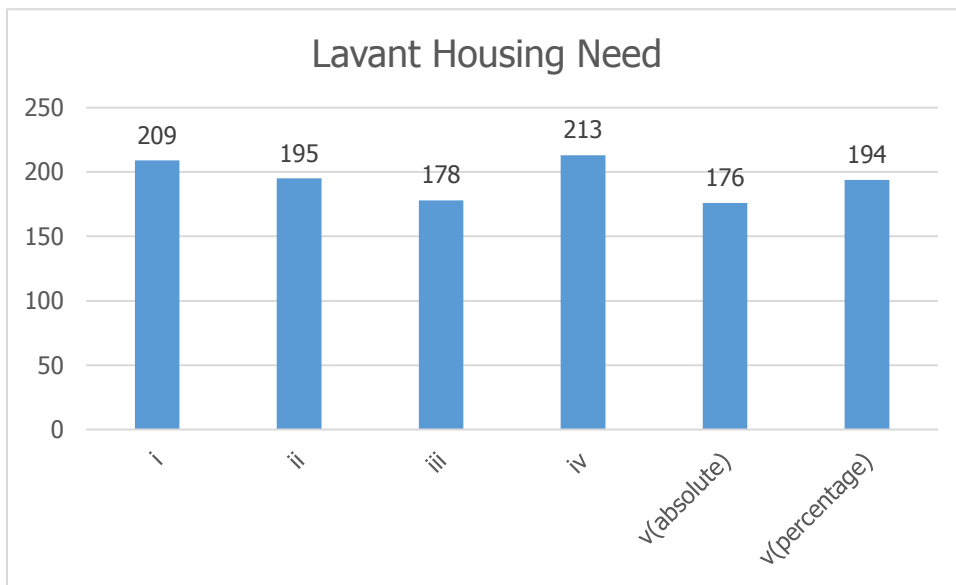
The analysis provides a housing need range for Lavant of between 176 and 213 dwellings over the Local Plan Review period. In terms of the validity of the scenarios it is considered that both elements of scenario v should be discounted. Whilst this scenario provides useful context it is wholly constrained by previous rates of supply. Given the limited housing supply within Lavant it is not surprising that this scenario provides the lowest requirement.

In terms of scenario iii the LNP is clear that it takes no account of the need for market housing (2014 HNA). Therefore, it cannot be considered a full assessment of housing need on this basis it is considered that this scenario should also be discounted.

The remaining scenarios are all considered to provide reasonable approximations of housing need within Lavant over the period 2016 to 2035. The range is 195 to 213 dwellings, an average across the three scenarios provides a figure of 206 dwellings. Therefore, taking a balanced approach it is considered that a housing need of at least 206 dwellings over the period 2016 to 2035 is a robust and justified housing need for the LNP area.



Table 4.5: Lavant Housing Need Scenarios



Source: WYG Analysis

## 5.0 Conclusions

Drawing upon the analysis and discussion in sections 1 to 4 above the following changes are required to make the plan sound.

### **Policy S4: Meeting Housing Needs**

The requirement of, at least 12,350 dwellings should be increased to 'at least 13,015 dwellings'. This is in accordance with our analysis of the relevant local housing need identified in section 3 of this report. The subsequent sources of supply will need to be reviewed to include an additional 665 dwellings plus appropriate buffer to provide flexibility. Given that 1,178 dwellings of this figure is required to meet the unmet needs of the SDNP it is recommended that a significant proportion be provided near to the SDNP boundary, in areas such as Lavant.

### **Policy S5: Parish Housing Requirements 2016-2035**

Based upon the information contained within our analysis (section 4 above) it is recommended that the housing figure for Lavant be amended from zero to circa 206 dwellings.