



# Public Document Pack

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Committee Manager Andrew Bishop (Ext. 37984)

9 February 2023

## **SPECIAL PLANNING POLICY COMMITTEE**

A Special meeting of the Planning Policy Committee will be held in the **Council Chamber at the Arun Civic Centre, Maltravers Road, Littlehampton, BN17 5LF** on **Tuesday 21 February 2023 at 6.00 pm** and you are requested to attend.

Members: Councillors Bower (Chair), Hughes (Vice-Chair), Chapman, Coster, Edwards, Elkins, Goodheart, Jones, Lury, McAuliffe and Yeates

**PLEASE NOTE:** Where public meetings are being held at the Arun Civic Centre, to best manage safe space available, members of the public are encouraged to watch the meeting online via the [Committee's webpage](#).

1. Where a member of the public wishes to attend the meeting or has registered a request to take part in Public Question Time, they will be invited to submit the question in advance of the meeting to be read out by an Officer, but of course can attend the meeting in person.
2. We request members of the public do not attend any face to face meeting if they have Covid-19 symptoms.

Any members of the public wishing to address the Committee meeting during Public Question Time, will need to email [Committees@arun.gov.uk](mailto:Committees@arun.gov.uk) by 5.15 pm on **Monday 13 February 2023** in line with current Committee Meeting Procedure Rules.

It will be at the Chief Executive's/Chair's discretion if any questions received after this deadline are considered.

For further information on the items to be discussed, please contact [Committees@arun.gov.uk](mailto:Committees@arun.gov.uk).

## AGENDA

1. APOLOGIES

2. DECLARATIONS OF INTEREST

Members and Officers are invited to make any declaration of pecuniary, personal and/or prejudicial interests that they may have in relation to items on this agenda, and are reminded that they should re-declare their interest before consideration of the items or as soon as the interest becomes apparent.

Members and Officers should make their declaration by stating:

- a) the item they have the interest in
- b) whether it is a pecuniary/personal interest and/or prejudicial interest
- c) the nature of the interest

3. MINUTES

(Pages 1 - 6)

The Committee will be asked to approve as a correct record the Minutes of the Planning Policy Committee held on 26 January 2023.

4. ITEMS NOT ON THE AGENDA THAT THE CHAIR OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

5. PUBLIC QUESTION TIME

To receive questions from the public (for a period of up to 15 minutes).

6. NATIONAL PLANNING POLICY FRAMEWORK (NPPF) CONSULTATION

(Pages 7 - 16)

This report presents the proposed changes to the National Planning Policy Framework (NPPF) that are being consulted on and seeks the Committee to agree the Council's response to this consultation.

7. CHICHESTER LOCAL PLAN REGULATION 19 (PUBLICATION OF A LOCAL PLAN) CONSULTATION

(Pages 17 - 28)

The report seeks the Committee's agreement that representations be made to Chichester District Council's Regulation 19 (Publication of a Local Plan) consultation.

8. ARUN HOUSING MARKET ABSORPTION STUDY

(Pages 29 - 36)

The report seeks the Committee to note that the evidence in the Arun Housing Market Absorption Study be used for the Local Plan Update (when it resumes) and be uploaded to the Council's evidence base website.

Note: If Members have any detailed questions, they are reminded that they need to inform the Chair and relevant Director in advance of the meeting.

Note: Filming, Photography and Recording at Council Meetings – The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. This meeting may therefore be recorded, filmed or broadcast by video or audio, by third parties. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and as available via the following link [PART 8 - CP - Section 5 Filming Photographic Protocol](#)

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## PLANNING POLICY COMMITTEE

26 January 2023 at 6.00 pm

Present: Councillors Bower (Chair), Hughes (Vice-Chair), Coster, Edwards, Elkins, Lury, McAuliffe and Yeates

### 619. WELCOME

The Chair welcomed Councillor McAuliffe as a new Member to Planning Policy Committee and extended thanks to departing Committee Member Councillor Thurston for her service to the Committee.

### 620. DECLARATIONS OF INTEREST

No declarations of interest were made.

### 621. MINUTES

The Minutes of the previous meeting held on 24 November 2022 and the Minutes of the Special meeting on 7 December 2022 were approved by the Committee and signed by the Chair.

### 622. ITEMS NOT ON THE AGENDA THAT THE CHAIR OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there were no urgent items.

### 623. PUBLIC QUESTION TIME

The Chair confirmed that there had been no questions from the public submitted for this meeting.

### 624. COMMITTEE REVENUE AND CAPITAL BUDGETS 2023/24 - PLANNING POLICY

Upon the invitation of the Chair, the Interim Group Head of Finance and Section 151 Officer presented the report which asked the Committee to consider and recommend its revenue budget for inclusion in the Council's 2023/24 revenue budget for 2023/24. This would then be submitted to Policy and Finance Committee on 9 February 2023 when it considered the overall revenue and capital budgets for 2023/24 so recommendations could be made to a Special Meeting of the Council on 1 March 2023 on the budgets to be set and level of Council Tax for the District for 2023/24. It was noted that this was the second year of preparing the budget under the committee style governance system and that the budget had been prepared against a backdrop of a significant budget gap for 2023/24. The main budget changes from 2022/23 were highlighted - the full year cost of the proposed planning restructure being reflected in the establishment budget, £293k having been included for the Local Plan (£123k in the

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previous year), and the budget anticipating an increase in development control fees of £400k with a budget of £1.6m for 2023/24.

The Chair noted that this Committee was the budget holder for the entire Planning Service, with responsibility for both its own budget and statutory Development Control (Planning Committee). Members then took part in a full debate on the item where a number of points were raised. Clarification was sought on whether the figure quoted for 'Employees' was for a full compliment of staff given recent recruitment problems and whether there was any contingency within the budget to deal with additional pressures. The continued use and cost of agency staff was also raised. Further information was sought on the assumptions made on 'Other Income', as well as the figures for Local Plan expenditure and statutory fees in paragraph 3.8 of the Officer report [on page 3 of the supplementary pack].

It was confirmed that a full compliment of staff had been budgeted for and that there was some contingency in the budget before the need for requests of supplementary estimates to be made to Full Council. It was explained that expenditure could be earmarked at the end of the previous year in order to meet agency costs for example. If no funding was earmarked then the Planning Service would have to stay within its funding envelope, though through the Establishment budget held corporately there was the possibility of virement from elsewhere. It was further explained that due to the cost of living crisis assumptions for income were broadly flat, that though the Local Plan was paused some studies were ongoing hence the expenditure, and that statutory fees were set by statute over which the Council had no control.

As this was the final Planning Policy Committee meeting the Interim Group Head of Finance and Section 151 Officer would attend before leaving Arun, the Chair and Members thanked her for her services to this Committee and to the Council and wished her well in her future role.

The Committee

**RESOLVED**

That 2023/24 Revenue Budget as illustrated in Appendix A of the Officer report be agreed.

The Committee

**RECOMMEND TO POLICY AND FINANCE COMMITTEE**

That the Revenue Budget for this Committee be included in the overall General Fund Budget when considering the overall budgets on 9 February 2023.

625. LOCAL DEVELOPMENT SCHEME (LDS) UPDATE

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which sought Committee agreement to recommend to Full Council the adoption of an updated Local Development Scheme (LDS 2023), which was a legal document that set out an Authority's plan making programme and in particular set out the recommenced work programme for progressing the Gypsy & Traveller and Traveller Showmen Site Allocation Development Plan Document following consultation. One Member commended Officers on overcoming West Sussex County Council's (WSSC) previous objection to one of the proposed traveller sites. The Planning Policy Team Leader explained that negotiations had been undertaken to agree with WSSC that in principle it was possible to amend the terms of restrictive covenants on certain sites to allow for intensification of use subject to safeguards and protecting WSSC interests in the land. The recommendations were then proposed by Councillor Lury and seconded by Councillor Hughes.

The Committee

RECOMMEND TO FULL COUNCIL

That the draft Local Development Scheme January 2023 for the period 2023-2025 as amended be adopted.

The Committee

RESOLVED

That authority be delegated to the Group Head of Planning, in consultation with the Chair of Planning Policy Committee, to undertake minor updating and drafting of any amendments required to the LDS prior to publication on the Council's website.

626. INFRASTRUCTURE INVESTMENT PLAN (IIP) UPDATE

*[During the discussion, Councillor Elkins declared a Personal Interest as both a Member of Ferring Parish Council and a Member for West Sussex County Council.]*

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which updated the Committee on the Infrastructure Investment Plan (IIP) 2022-2024 and work scheduled for 2023 before the IIP was updated fully in 2024. It was explained that the Council's governance procedures allowed for a 'light touch' update in 2023 to existing projects on the IIP including any potential new projects that might be added and assessed.

Members then took part in a debate on the item where a number of points were raised. The liaising with and sharing information with Parish Councils was commended. The bringing forward of the Littlehampton Waste Centre project following the downgrading by West Sussex County Council of the Westhampnett Waste Transfer

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project was also discussed and concerns were raised for the impacts this might have on provision in Bognor Regis, for example whether expanded provision at both Chichester and Littlehampton could lead to the site in Bognor Regis being closed. The recommendation was then proposed by Councillor Elkins and seconded by Councillor Yeates.

The Committee

RESOLVED

That all infrastructure providers be invited to provide any updated information on the status of existing projects on the IIP and whether there were any potential new projects that providers may like to be considered for assessment and prioritisation.

629. WATER RESOURCES MANAGEMENT PLAN (WRMP) CONSULTATIONS

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which briefed the Committee on the key messages from the consultations being held on the regional and individual water company Water Resources Management Plans (WRMP) and Arun's proposed responses. It was noted that the WRMPs relevant to Arun include Southern Water, Portsmouth Water and Icosa Water plans related to maintaining water supplies into the future.

Members then took part in a full debate on the item where a number of points were raised. There was concern that the presentations prepared by the Water Companies made little or no reference to Arun. The District's relationship with water was raised by a number of Members with some exasperation in discussing water scarcity when parts of the District were currently suffering from considerable flooding. The proposal for a desalination plant on the river Arun was raised and Members spoke both in favour and against. The combining of desalination and water recycling at Ford made sense for some, whereas other Members would need considerable safeguards before supporting such proposals over safety concerns given the reputation specifically of Southern Water with its lack of investment in new infrastructure to keep stormwater separate from sewage and the resultant discharges into the sea. The importance of tourism to the local economy and the impact of the lack of investment to the economy and the reputation of Arun's resorts was also noted. The inability of Portsmouth Water to meet current supply demands was raised. The need for clarity on the capacity of the network and whether too much stress was being put on the water system in Arun were discussed in response. Concerns were also raised around biodiversity and the need to consider wider solutions, the need for better engagement with landholders and the impacts of water neutrality in adjacent authorities.

Members and Officers concluded the discussion by recognising the challenges brought by climate change to water resource management. The recommendations were then proposed by Councillor Hughes and seconded by Councillor Bower.



The Committee

RESOLVED – That

1. The content of the draft Best Value Regional Plan, the Southern Water draft Water Resources Management Plan, the Portsmouth Water draft Water Resources Management Plan and Icosa Water, where they affect Arun District, be noted; and
2. The proposed responses to the draft Best Value Regional Plan (Appendix 2); the Southern Water draft Water Resources Management Plan (Appendix 3); the Portsmouth Water draft Water Resources Management Plan (Appendix 4) and the Icosa Water draft Water Resource Management Plan (Appendix 5) be agreed.

628. ARUN AUTHORITY MONITORING REPORT (AMR)

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which updated the Committee on the Council's Authority Monitoring Report for the monitoring year 2021-2022. It was noted that the 5-year housing land supply stood at 2.36 years and was slightly down on the previous year's figure of 2.42 years. Members that spoke spoke of their frustration with the 5-year housing land supply measure as it was out of Arun's control and was a symptom of a broken system weighted towards developers. The Chair highlighted an approximate figure of 6,500 unimplemented permissions to illustrate this (and clarified this was total supply, not for the 5 year period). Though developers shared some responsibility by not building out permissions, another Member suggested that blame should principally rest with the Government as developers were only responding to the market and central Government methodology and figures were created in isolation from this. The recommendations were then proposed by Councillor Elkins and seconded by Councillor Yeates.

The Committee

RESOLVED – That

1. The Authority Monitoring Report 2021/22 be noted; and
2. The Authority Monitoring Report 2021/22 be published on the Council's web site.

629. ARUN BROWNFIELD LAND REGISTER (BLR)

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which updated the Committee on Arun's' Brownfield Land Register 2022 and any changes to it since it was published in 2021 before being used as the basis for the annual BLR statistical return to Government required by national legislation. Members that spoke noted the difficulties in developing brownfield sites due to contamination

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issues and the particular issues in developing the Littlehampton West Bank LEGA site. The recommendations were then proposed by Councillor Hughes and seconded by Councillor Edwards.

The Committee

RESOLVED – That

1. The 2022 Brownfield Land Register (Part 1) be noted; and
2. The Brownfield Land Register be kept under review regarding preparation of a Part 2 register and ‘permission in principle’ (including the carrying out of consultation and publicity requirements) should any suitable sites be identified, in accordance with the Brownfield Land Register Regulations 2017.

630. QUARTER 3 KEY PERFORMANCE INDICATORS

Upon the invitation of the Chair, the Planning Policy Team Leader presented the report which set out the performance of the Key Performance Indicators at Quarter 3 for the period 1 April 2022 to 31 December 2022. This Committee had one KPI to note [CP36 – Number of new homes completed]. Not wanting to repeat the discussion in Minute 628 and the lack of control the Council had in achieving this KPI, it was suggested that resources could be better spent elsewhere rather than collating such an unhelpful metric. The Committee then noted the report.

631. OUTSIDE BODIES

A verbal report on the South Downs National Park Authority was given on Councillor Thurston’s behalf. It noted that the National Park Authority had finished its restructuring exercise in response to the reduction in real terms of its grant funding, and whilst inevitably some activity has been scaled back, the core issues of climate change, renaturing and a National Park for all were still at the fore of the work. The Authority was also reapplying for grant funding for the Lapwings and Landscape project in the Arun valley, and was hoping to re-convene the Local Access forum which had not met for a while.

632. WORK PROGRAMME

The Committee noted that there would be a Special meeting of the Committee on 21 February 2023 to which reports on the NPPF’s consultation, Chichester’s Local Plan Regulation 19 consultation and the results of the housing market absorption study would be brought.

(The meeting concluded at 7.36 pm)

<b>REPORT TO:</b>	<b>Special Planning Policy Committee - 21 February 2023</b>
<b>SUBJECT:</b>	<b>National Planning Policy Framework Consultation</b>
<b>LEAD OFFICER:</b>	<b>Neil Crowther, Group Head of Planning</b>
<b>LEAD MEMBER:</b>	Councillor Richard Bower
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b>	
<p>The recommendations supports:-</p> <ul style="list-style-type: none"> <li>• Improve the Wellbeing of Arun;</li> <li>• Delivering the right homes in the right places.</li> </ul>	
<b>DIRECTORATE POLICY CONTEXT:</b>	
<p>The proposals will help to enhance the quality of the natural and built environment, protect the district's natural and heritage assets and to promote economic growth in a sustainable manner, striking a balance between the need for development and the protection of scarce resources.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>The are no financial implications at this time.</p>	

## 1. PURPOSE OF REPORT

- 1.1. To present the proposed changes to the National Planning Policy Framework that are being consulted on and to agree the Council's response to this consultation.

## 2. RECOMMENDATIONS

To agree the response to the consultation attached at Appendix 1 [to be circulated separately ahead of the meeting].

(If members seek and agree minor changes, these can be delegated to the Group Head of Planning in consultation with the Chair or individual members (depending on the nature of the amendment.)

## 3. EXECUTIVE SUMMARY

- 3.1. This consultation seeks views on the Governments proposed approach to updating to the National Planning Policy Framework. They are also seeking views on our proposed approach to preparing National Development Management Policies, how they might develop policy to support levelling up, and how national planning policy is currently accessed by users.

- 3.2. These changes have long been trailed but are a significant distance away from what was promoted back in 2020 when the Government published its 'Planning for the Future' White Paper, which sought to drive up housing delivery through a new planning system. This consultation is a radically watered-down version of some of those proposals.
- 3.3. Appendix 1 to this report will be published before the meeting containing proposed responses to the consultation questions.

#### **4. DETAIL**

- 4.1 The Government are undertaking a consultation on proposed amendments to the National Planning Policy Framework as a result of wider changes to the planning system proposed through the Levelling Up & Regeneration Bill.
- 4.2 This report will outline some of the more significant changes relative to Arun District. It will not go through every proposed change as they are too extensive. A proposed response to the consultation is attached as an Appendix which responds to all relevant questions. There are 58 questions in total. A consultation response is required to be submitted by 2 March 2023.

##### **Housing Need**

- 4.3 The Government remains committed to 300,000 homes per year by the mid 2020s and no changes are proposed to the Standard Method formula through this consultation; this will be reviewed once the Census 2021 based household projections have been considered, which are planned to be published by the Office for National Statistics in 2024.
- 4.4 The proposed changes are intended to introduce flexibility to the requirements placed upon Local Planning Authorities (LPAs) to plan for objectively assessed housing need. However, the proposed amendment to paragraph 15 of the NPPF actually gives greater emphasis on meeting housing needs, not less.
- 4.5 In terms of the method calculating housing need, the current NPPF only allows departure from the Standard Method where exceptional circumstances justify an alternative approach. A proposed insertion of a new Paragraph 61 establishes the Standard Method as 'advisory' and 'a starting-point for establishing a housing requirement for the area'. This proposed change is not really different to what already exists within the National Planning Policy Guidance. There already exists a process by which LPA's may put forward a case for housing targets lower than the Standard Methodology and this figure has always been the 'starting point'.
- 4.6 It remains to be seen how genuinely 'advisory' these targets are and what Inspectors will or won't accept as 'exceptional circumstances'. In recent years, it has been virtually impossible for LPA's (including within West Sussex) to put forward 'exceptional circumstances' that have been accepted by Inspectors. Mid Sussex failed to do so. Chichester did so successfully but only to a minimal degree and their new Local Plan seeks to put forward circumstances around infrastructure as a reason for lower housing numbers.

- 4.7 The consultation does include some limited detail on what might be considered when assessing whether a plan can meet all of the housing need. The principal matters being where it is demonstrated that it can only be met by building at densities significantly out of character with the existing area. There is very little other guidance on what might be accepted as 'exceptional circumstances' and/or 'constraints'.
- 4.8 A LPA can propose a plan with a housing requirement that is below their local housing need figure, so long as proposals are evidenced, the plan makes appropriate and effective use of land, and where all other reasonable options to meet housing need have been considered. This could well result in endless debate at examinations, especially when the Government are proposing to change the test of soundness that a plan does not have to be justified.
- 4.9 The consultation again seeks to make defining housing requirements easier and quicker. However, this was also the aim when the Standard Housing Methodology was introduced.
- 4.10 For Arun, this proposed change may have some significant implications. Equally, it may be virtually no change at all. Far more detail is going to be required on what are going to be accepted as genuine constraints and what evidence is going to be accepted by examiners.

#### **Presumption in Favours and Up to Date Plans**

- 4.11 The Presumption in Favour of Sustainable Development remains but with some minor changes. An additional sub-point (iii) allows a new Plan to provide for less than the objectively assessed needs where there is 'clear evidence' of past over-delivery against the housing requirement in a previous Plan.
- 4.12 The main change is that there is no requirement to demonstrate a 5 year housing land supply if the LPA has an up to date Plan for a period of 5 years from the date of adoption. This would remove the requirement to demonstrate an adequate supply every year. It also proposes removing the requirement to include a buffer in any calculation of housing land supply.
- 4.13 Arun's Local Plan is also 5 years old in July 2023.
- 4.14 In addition, the 'presumption in favour' set out in Paragraph 11 now no longer applies if an adopted Neighbourhood Plan is in place and is less than 5 years old (previously it had to be less than 2 years old). This is potentially significant because it will mean that many Neighbourhood Plans will benefit from the full weight of a development plan document and be considered 'up to date' because the bar has been lowered on what would be considered to be 'up to date'. This is also now proposed to be the only criteria for a Neighbourhood Plan – previously there were also other criteria that related to housing land supply and Housing Delivery Test results which are proposed to be deleted.
- 4.15 Proposed amendments to the Housing Delivery Test triggers mean that the tilted balance would still apply when the measurement figure falls below 75%. However, the current requirement to apply a 20% buffer when calculating a five

year housing land supply if delivery over the past three years has fallen below 85% of the housing requirement has been removed.

- 4.16 There is also a caveat proposed at new Footnote 49 whereby the tilted balance is not applicable if permissions have been granted for homes in excess of 115% of the authority's housing requirement over the applicable Housing Delivery Test period. This is referred to as the 'permissions-based test' and may be beneficial to Arun in the future (when an up to date Plan is adopted) because of the substantial number of dwellings that have planning permission in the District.
- 4.17 The presumption in favour can be triggered through either the 5 year HLS or the HDT results, so LPA's need to satisfy both of these. For example, Arun may be able to satisfy the revised HDT results due to the high number of planning permissions granted but it would not (after July 2023) be able to demonstrate a 5 year HLS.
- 4.18 Generally, the proposed changes will go some way to ensuring that up to date Plans are afforded more weight and that, once produced, they are effective and deliverable. This has been a significant issue for the Plan adopted in 2018 with the current framework of national planning policies. These changes may result in LPA's being able to defend speculative applications and appeals that run counter to Plans when a future Local Plan is adopted.
- 4.19 For Arun, there are going to be limited changes as a result of this for the Local Plan because it will be more than 5 years old. However, there are many Neighbourhood Plans that are less than 5 years old where the weight of these will be increased. It remains to be seen whether Inspectors will give these Plans sufficient weight at appeals to dismiss appeals. This change is likely to result in more interest in the preparation of Neighbourhood Plans from the development industry and more evidence submitted in respect of Neighbourhood Plan housing numbers.

#### **Test of Soundness**

- 4.20 The 'justified' test of soundness for examining Local Plans is also to be removed (Para 35), which would reduce the amount of evidence required of LPAs during the plan-making process. Local Plans only need to meet the area's objectively assessed needs 'as far as possible'.
- 4.21 Instead, the examination would assess whether the local planning authority's proposed target meets need so far as possible, takes into account other policies in the Framework, and will be effective and deliverable. Although authorities would still need to produce evidence to inform and explain their plan, and to satisfy requirements for environmental assessment, removing the explicit test that plans are 'justified' is intended to allow a proportionate approach to their examination.
- 4.22 There is an emphasis on speeding up plan making in the changes. But there is also increased encouragement for consultation. The Bill includes measures to require locally prepared plans to be prepared to a swift two-year time frame whilst increasing the amount of community consultation undertaken within that process.

4.23 Again, far more detail is required on how high the bar will be compared to how high the bar for soundness currently is. It is impossible to come to a conclusion on this on the basis of what is being consulted upon.

#### **Build Out Rates**

4.24 The Government states ‘We are keen to explore whether past irresponsible planning behaviour should be taken into account when applying for planning permission. This would ensure bad developers cannot continue to play the planning system, helping to strengthen local communities’ trust in it. One potential option is to allow LPA’s to decline to determine applications submitted by developers who have a poor track record or where build out has been too slow (though there is no definition of what ‘too slow’ might be).

4.25 Housebuilders will be required to formally notify local authorities, via a Development Commencement Notice (DCN), when they commence development. Furthermore, housing developers will be required to report annually to local authorities on their actual delivery of housing against a proposed trajectory that they submit on commencing a scheme for which they have permission. Finally, local planning authorities will have discretion to decide whether to entertain future planning applications made by developers who fail to build out earlier permissions granted on the same land.

4.26 Three specific measures are included within the consultation.

- a) We (the Government) will publish data on developers of sites over a certain size in cases where they fail to build out according to their commitments.
- b) Developers will be required to explain how they propose to increase the diversity of housing tenures to maximise a development scheme’s absorption rate (which is the rate at which homes are sold or occupied).
- c) The National Planning Policy Framework will highlight that delivery can be a material consideration in planning applications. This could mean that applications with trajectories that propose a slow delivery rate may be refused in certain circumstances.

4.27 Build out rates has been a significant issue in Arun because it is not the number of dwellings that have permission that is the issue; it’s how fast they are being built. It is considered that these changes may potentially be positive if they come into force but there is a great deal of doubt on how practical some of these measures are and whether they will ultimately be taken forward.

#### **Older Persons Housing**

4.28 The proposed changes seek to ensure that there is a specific expectation that the needs of older people are met, particular regard is given to retirement housing, housing-with-care and care homes, which are important typologies of housing that can help support our ageing population. Members will be aware that Arun already has guidance on this matter, and it seeks to include such housing on larger scale development.

### **Climate Change**

- 4.29 On climate change, Chapter 14 proposes to attribute greater weight to energy efficiency improvements in existing buildings and there is also increased support for applications for the repowering and life-extension of existing renewable sites.
- 4.30 The proposed consultation does not add anything new in respect of protecting the natural environment. Further guidance on nature recovery strategies is said to be forthcoming. Further reviews of the NPPF on this subject are promised as part of the formulation of National Development Management Policies.
- 4.31 With respect to reducing the impact of the built environment on the climate, it is intended that a full review of the NPPF will be undertaken following the Royal Assent of the Net Zero Bill. This is likely to result in changes to the NPPF that will reflect the government's Transport Decarbonisation Plan and a proposed new suite of National Development Management Policies, as well as building on the work undertaken within the Future Homes and Future Buildings Standards.

### **Food Security**

- 4.32 The Government state that 'we are consulting on specific changes to make sure that the food production value of land is reflected in planning decisions that we propose will take effect from spring 2023'. They are also seeking 'initial views on increasing the consideration given to the highest value farmland used for food production, in the Framework for both plans and decision making.'
- 4.33 The only suggested change in the NPPF is to Footnote 67 below.

*67. Where significant development of agricultural land is demonstrated to be necessary, areas of poorer quality land should be preferred to those of a higher quality. The availability of agricultural land used for food production should be considered, alongside the other policies in this Framework, when deciding what sites are most appropriate for development.*

- 4.34 No additional comments or proposals are included within the consultation.

### **Duty to Co-operate**

- 4.35 Duty to co-operate is proposed to be removed and replaced with an "alignment policy" as part of a future revised NPPF. "*Further consultation on what should constitute the alignment policy will be undertaken. In some cases, there is good co-operation between such authorities, but we would like to hear views on how such adjoining authorities should consider their role in meeting the needs of the "core" town or city.*"
- 4.36 Again, it remains to be seen how high the alignment policy bar will be set relative to the Duty to Co-operate bar and far more details will be required.

### **National Development Management Policies**

- 4.37 These are intended to save plan-makers from having to repeat nationally important policies in their own plans, so that plans can be quicker to produce and focus on locally relevant policies. The Government are proposing that National Development Management Policies are set out separately from the National



Planning Policy Framework, which would be re-focused on principles for plan-making.

4.38 These would be given the same weight in certain planning decisions as policies in local plans, neighbourhood plans and other statutory plans.

4.39 These may be positive in making Plans more focussed. Equally, they may remove the ability for locally specific policies on certain topics.

#### **Transitional Arrangements**

4.40 The reformed system is due to be implemented in late 2024. There will be a requirement for local planning authorities to start work on new plans by, at the latest, 5 years after adoption of their previous plan, and to adopt that new plan within 30 months. Authorities that have prepared a local plan which is more than 5 years old when the new system goes live will be required to begin preparing a new style local plan, spatial development strategy or minerals and waste plan straight away.

4.41 Details of a specific date will be important because the consultation states ‘we also intend to set out that plans that will become more than 5 years old during the first 30 months of the new system (i.e. while the local planning authority is preparing their new plan), will continue to be considered ‘up-to-date’ for decision-making purposes for 30 months after the new system starts.’ The Arun Local Plan is 5 years old in July 2023 but there are many Neighbourhood Plans that are more recent.

#### **Conclusions**

4.42 The new proposed NPPF is not a significant re-draft but does contain certain focussed additions that represent a clear steer from the Government to align the NPPF with the Levelling Up and Regeneration Bill (LURB).

4.43 The Government consider that the amendments will ensure that ‘*Plans will be produced more quickly and the content of plans will be simplified. Plans will also enjoy greater weight in the decision-making process, limiting the circumstances when unplanned development could be approved.*’ It is difficult to conclude with certainty that this will be the case from what has been published. As always, the devil will be in the detail and members will recall how ‘Localism’ (when Councils were told that they could choose their own housing numbers) evolved into the current planning system where development plans are not afforded a great deal of protection and the presumption in favour results in substantial speculative developments that Council’s are unable to resist.

4.44 Further consultation is scheduled to take place on the rest of the NPPF and National Development Management Policies (once the LURB has been passed) from Spring 2023 with further updates to the NPPF to arrive later in the year.

## **5. CONSULTATION**

5.1. None

**6. OPTIONS / ALTERNATIVES CONSIDERED**

6.1. None

**7. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER**

7.1. No comments as there are no financial implications at this time.

**8. RISK ASSESSMENT CONSIDERATIONS**

8.1. n/a

**9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

9.1. There are no direct legal or governance implications associated with this report.

**10. HUMAN RESOURCES IMPACT**

10.1. n/a

**11. HEALTH & SAFETY IMPACT**

11.1. n/a

**12. PROPERTY & ESTATES IMPACT**

12.1. n/a

**13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

13.1. n/a

**14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

14.1. In order to protect the environment within Arun and reduce impacts on climate change it will be imperative to ensure any changes within the NPPF/National Development Management Policies are followed and adhered to

**15. CRIME AND DISORDER REDUCTION IMPACT**

15.1. n/a

**16. HUMAN RIGHTS IMPACT**

16.1. n/a

**17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1. n/a

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**CONTACT OFFICER:**

Name: Neil Crowther  
Job Title: Group Head of Planning  
Contact Number: 01903 737839

**BACKGROUND DOCUMENTS:**

[www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy](http://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy)

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<b>REPORT TO:</b>	<b>Special Planning Policy Committee - 21 February 2023</b>
<b>SUBJECT:</b>	<b>Chichester Local Plan Regulation 19 (Publication of a Local Plan) Consultation</b>
<b>LEAD OFFICER:</b>	<b>Neil Crowther, Group Head of Planning</b>
<b>LEAD MEMBER:</b>	Councillor Richard Bower
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b>	
<p>The recommendations supports:-</p> <ul style="list-style-type: none"> <li>• Improve the Wellbeing of Arun;</li> <li>• Delivering the right homes in the right places.</li> </ul>	
<b>DIRECTORATE POLICY CONTEXT:</b>	
<p>The proposals will help to enhance the quality of the natural and built environment, protect the district's natural and heritage assets and to promote economic growth in a sustainable manner, striking a balance between the need for development and the protection of scarce resources.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>There are no financial implications arising from Chichester District Council's Local Plan 2021-2039 Regulation 19 Publication consultation.</p>	

## 1. PURPOSE OF REPORT

- 1.1. The report seeks the Planning Policy Committee's agreement that representations be made (via delegated authority for officer representations) to Chichester District Council's Regulation 19 (Publication Local Plan) consultation. This is because the Planning policy Committee will next meet in June 2023 beyond the 6-week consultation period which runs from 3 February – 17 March 2023.

## 2. RECOMMENDATIONS

That Planning Policy Committee resolve:

- i. Due to the significant level of concerns that remain outstanding, that officers and the Group Head of Planning in consultation with the Chairman of the Planning Policy Committee, submit necessary 'soundness' representations on Chichester's Regulation 19 Publication Local Plan as identified in the conclusions to this report;
- ii. That these 'soundness' representations be withdrawn should continued engagement with Chichester under the 'Duty to Cooperate', resolve these concerns.

### **3. EXECUTIVE SUMMARY**

- 3.1. Chichester District Council (CDC) are preparing their Local Plan for the period 2021 to 2039 (18 years) which has now achieved Regulation 19 stage (Publication of a Local Plan) under the 'Town and Country Planning (Local Planning) (England) Regulations 2012'. This involves a public consultation on the Publication Local Plan (R19 PLP) prior to submitting the plan to the secretary of state for examination. This stage invites representations that relate to only to legal and 'soundness' issues with the R19 PLP (Appendix 1 Lists NPPF soundness matters). The R19 PLP (see Background Paper 1) sets out a constrained strategy to deliver a level of housing growth that is less than the identified local need for the planning authority area - based on the Government's Standard Housing Methodology (SHM). The reason for this constrained approach is because the district is unable to support or deliver the necessary enabling and mitigation infrastructure to support this level of growth - particularly the capacity of the A27 and waste water treatment capacity.

### **4. DETAIL**

#### **Background**

- 4.1. The early review of Chichester's adopted Local Plan (July 2015) was necessitated because the examining Inspector recognised that Chichester's currently adopted Local Plan 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.
- 4.2. Chichester's Regulation 18 'Preferred Approach' Local Plan (covering the period 2016 – 2035) was consulted on in December 2018. The plan aimed to accommodate a requirement of 650 dwellings per annum (i.e. 12,350 dwellings across the plan area) including unmet need arising from the South Downs National Park (SDNP) where it falls into Chichester District. However, no unmet need from other areas was accommodated to be as it was anticipated to be resolved through the Local Strategic Statement (LSS3) update under the 'Duty to Cooperate' (See Background Paper 2 which includes this Committee's previous response).

#### **Regulation 19 Publication Plan**

- 4.3. Following the Regulation 18 consultation in 2019 Chichester District Council (CDC) undertook further plan evidence preparation over 2020-2022 and, considered infrastructure delivery and viability, informed by sustainability appraisal. This work was also informed by extensive meetings under the 'Duty to Cooperate' with infrastructure providers (e.g. National Highways and Southern Water) and adjacent local authorities. Subsequently, the Regulation 19 Publication Local Plan, now proposes an 'infrastructure constrained' development strategy to accommodate lower housing numbers:-
- 575 dpa from 2021 – 2039 (i.e. 10,350 dwellings):-
  - 535 dpa in the southern plan area; and
  - a further 40 dpa in the northern plan area

- over half of the requirement is sourced from known completions and existing commitments.
- 4.4. This translates into a potential shortfall of 1,134 dwellings over the plan period compared to the Governments SHM metric for CDC (i.e. 11,484 dwellings).
- 4.5. As a result, CDC is now unable to accommodate any unmet need from that part of the South Downs National Park within Chichester District or indeed from elsewhere. In fact, the plan generates unmet need that will need to be considered either in other authority plan making or as is anticipated by CDC, to be addressed via the Local Strategic Statement update being coordinated by the West Sussex and Greater Brighton Strategic Planning Board.
- 4.6. The reasons for the CDC R19 PLP accommodating lower housing numbers is supported by evidence on infrastructure constrains and a sustainability appraisal which examined 'reasonable alternatives':-
- 7 growth scenarios testing to the south - identified scope for growth at some location choices (e.g. Southbourne) but there are delivery limitations due to timing of Waste water meaning the constrained scenario in the plan is a 'justified approach'
  - 3 growth scenarios tested to the north of Chichester) which is constrained by small, remote character villages, available services and Nutrient Neutrality issues.
- 4.7. The most significant constraint on numbers is posed by the required A27 junction improvements and current unaffordability of the Stockbridge Link Road (see 3.8 below). The scheme cannot be afforded by development while alternative funding is not currently available, yet it is needed to support higher numbers.
- 4.8. The estimated cost of the remaining A27 junction improvements are also significant and the plan proposes that because of the viability and funding uncertainties for these improvements, they be implemented and funded following a 'monitor and manage' process based on identifying a package of potential highway improvements (including enhanced walking, cycling and public transport) that will define the actual demand on the network and the requirement for the following schemes:-
- Fishbourne Roundabout with the Terminus Road Link between £9.5 and £12.9 million
  - Bognor Road Roundabout (4 arm 'hamburger' signalised roundabout) with the diverted Vinnetrow Road Link between £19.4 and £30.4 million
  - Stockbridge Roundabout and Whyke Roundabout signalised junctions banning right turns (with Stockbridge Link Road) between £57.23 and £82.79 million
- 4.9. The infrastructure constrained spatial strategy consequently focuses most of the growth on the areas around the A27 close to Chichester as a sustainable strategic hub, with the key strategic development locations at:-

### **Carried forward from the existing Local Plan 2015**

- Land West of Chichester (1,600 dwellings)
- Land at Westhampnett/North East Chichester (500 dwellings)
- Tangmere Strategic Development location (1,300 dwellings)
- Land at Shopwhyke carried forward from the 2015 Local Plan (585 dwellings)

### **New allocations**

- Land East of Chichester – a new allocation (680 dwellings)
- Land at Highgrove Farm Bosham (245 dwellings)
- Land at Maudlin Farm (265 dwellings)
- Southern Gateway (180 dwellings)
- Broad location at Southbourne A259 (1,050 dwellings)

4.10. The reduced number has adjusted some of the housing within these allocations (and for Parishes) with increases east of Chichester and new site at Maudlin Farm while reductions include Southern Gateway and deletions of allocations Land to south west of Chichester and at Selsey.

4.11. The remainder smaller scale/non-strategic Parish numbers are distributed east-west along A259 and limited but also some necessary development contributions to the north beyond the SDNP within Chichester District and within Chichester City.

4.12. The R19 PLP plans positively for sustainable economic growth over the plan period identifying and meeting the anticipated employment needs with an allowance for flexibility for:-

- Between 108,000 and 115,000 sqm of employment floorspace is provided comprised of
- Between 36,500 and 43,000sqm of office space, 50,500sqm of industrial space and 21,000sqm of warehousing;

4.13. This provision comprises a mix of completions and pipeline supply as well as unimplemented allocations being carried forward into the plan although a new allocation of Land South of Bognor Road is to provide 28,000 sqm (15 ha – see Appendix 2) which partly compensates for lost employment provision (33 ha) in deleted allocation ‘Land to the south west of Chichester’.

### **Transport model evidence**

4.14. The Chichester Transport Study 2023 (CTS 23) shows that most of the network is operating at or close to design capacity. It goes on to say that mitigation is required to increase the capacity of the A27. The modelled impact from the Reg 19 ALP strategic allocations points to individual sites impacting on the A27 traffic growth within the range of up to 28% for individual allocations but of more significance, is level of background growth impacting on the A27 particularly, with key cross boundary destinations and origins from the north and north west (Surrey, Horsham etc).

4.15. The cost of the junction improvements is estimated at approximately £90 – £135 million and cannot be met through developer contributions alone because



developments will not be viable. This generates the need for a 'monitor and manage' approach but also demand management through policies seeking sustainable transport alternatives to reduce emissions and improve road capacity.

4.16. The Chichester Area Transport Model (CATM) used by the CTS 23 work includes network links and local plan assumptions from surrounding authorities, including the Arun Local Plan 2018 developments (Background Paper 1 CTS 23 paragraph 10.1.1.). In the Regulation 18 version of the Chichester's plan – cross boundary mitigation was identified as necessary affecting:-

- The A27 Bognor Road Roundabout;
- A27 Whyke Roundabout;
- Including A259 junctions

4.17. This was based on delivering the Reg 18 plan full housing target (12,350 dwellings). However, in contrast, the CTS 2023 and R19 PLP tests an 'infrastructure constrained' approach with emphasis on the monitor and manage process and demand management, such that only the following A27 junction improvements are included for the plan period to be provided via developer contributions arising from housing growth, subject to the monitor and manage process :-

- Fishbourne Road roundabout and Terminus Road Link (A259)
- Bognor Road Roundabout and Vinnetrow Road Link (A259)
- Above two schemes £43.32m (less receipts of £15.877m) requires developer contributions towards £27.442m for 3,551 dwellings = £7,728 per dwelling

4.18. The R19 PLP also makes reference to other local transport schemes identified in West Sussex County Councils Local Transport Plan LTP.

4.19. Given the funding constraints, delivering the two A27 schemes above and local improvements within the plan period are considered to give certainty to provide sufficient interim capacity for safety of residential and employment developments with the infrastructure constrained approach. However, the CTS 23 considers that the lower cost A27 Fishbourne improvements can be afforded to be delivered first by 2026 to allow ongoing development to proceed (delivering earlier benefits) with funding funded by 2028 (Background Paper 1 paragraphs 10.4.1 and 4.4.4), followed by the higher cost A27 Bognor improvements by 2031 (which may not be fully funded until 2036), but subject to the monitor and manage process to 2031 to assess any additional scope for development and mitigation.

4.20. To oversee the delivery of the monitor and manage process a Traffic and Infrastructure Management Group (TIMG) will be set up, consisting of representatives from Chichester District Council, West Sussex County Council and National Highways.

### **Duty to Cooperate**

4.21. Under the requirements of the 'Duty to Cooperate' in 2021 and 2022 CDC approached Arun and neighbouring authorities to see whether any authorities may

be able assist with Chichester's unmet housing needs but most are unable to assist because of similar constraints or are too remote. Arun has paused its plan update and does not yet have a housing need to test capacity and so cannot provide assistance at this time.

4.22. CDC comment that at the same time, they have attempted to address unmet need though the West Sussex and Greater Brighton Planning Board via the LSS 3 update. *"A draft SoCG was circulated earlier this year for officer comment. However, despite chasing for details about a timeline for completion of the SoCG and formal signing off, this remains outstanding. Whilst this would have been a beneficial statement to have progressed, any risks of not having an agreed SoCG is reduced through the production of the bi-lateral SoCG with neighbouring authorities"*. While preparation of content has been discussed in principle, Arun officers are yet to see and agree any draft or indeed see any other published SCG from other bodies other than the LSS3 draft SoCG.

4.23. Arun have, on several occasions in response to CDC's requests for assistance, asked for clarification that the emerging transport model evidence and development strategy behind the R19 PLP will not constrain Arun's currently planned housing delivery or indeed future scope to update its local plan (See Background Paper 3 Arun Duty to Cooperate Web page):-

- Arun response 11 January 2022 to CDC letter 10 December 2021 seeking assistance with an indicative 1,900 dwelling unmet need;
- Arun response 25 March CDFC letter seeking a response to an Infrastructure Development Plan;
- Arun coordination meeting with WSCC, National Highways and CDC 31 March 2022 on 'Cross Boundary Transport Matters';
- Arun response 26 September 2022 CDC letter 6 July 2022 – requesting to progress a joint Statement of Common Ground;
- The notes of a Duty to Cooperate meeting on meeting on 28 October 2022;
- Arun response 16 January 2023 to CDC letter 12 December 2022 seeking assistance with an indicative 1,134 dwelling unmet need.

4.24. Based on the evidence prepared and shared with ADC to date, we are unable to confirm whether the proposed R19 PLP will result in adverse impacts on Arun's ability to deliver growth and whether this growth would, as a result, be constrained.

4.25. CDC have in good faith promised to respond on these matters and have been apologetic but to date, Arun has received no clarifications or specific reassurances, presumably because CDCs plan timetable has been demanding. CDC however, acknowledge that when Arun lifts the current pause to its local plan update, and identifies an Arun housing need figure, it may address the matter of meeting unmet housing need but recognise that Arun will also faces similar issues with the capacity of the A27.

## **Conclusions**

4.26. Arun welcomes the opportunity to make legal and soundness representations on Chichester's R19 PLP consultation document. Arun is sympathetic with and understands the reasons for the proposed constrained infrastructure approach that

is being taken which is matching housing numbers to infrastructure that is deliverable and affordable, subject to a monitor and review process for numbers and infrastructure beyond 2026 for the plan period to 2039. However, this leaves a significant level of unmet need unresolved and potentially has significant cross boundary implications. Whilst it is true that Arun has paused its plan preparation which is not helpful to Chichester in this regard, it is the responsibility of that authority to do all it can on the matter in order to meet the soundness tests - for example via the LSS3 process – although it is also accepted that process is not within Chichester’s control and timescales.

4.27. Indeed, Arun may find itself in a similar position with respect to development and infrastructure viability and unmet need in its evidence preparation when its plan making resumes. Recent updates to the Arun Transport Apportionment Study attest to the significant impact of inflation and other factors driving up the cost of significant infrastructure projects. Arun also has relatively weaker land values than neighbouring areas.

4.28. However, Arun remains concerned and disappointed that while the supporting evidence base and draft R19 PLP states that the planned allocations (including in Arun and elsewhere) have been modelled, it does not explicitly clarify or give assurances that the development impact south east of Chichester around the A27 bypass and specifically at the Bognor Regis roundabout (serving the corridor that extends to West of Bersted joining the A259), will be mitigated sufficiently and in time, without impacting on Arun’s existing planned developments which are making cross boundary contributions towards this scheme (and indeed other schemes that now appear not to proceed). It also does not make any broad assumption for growth within Arun up to 2039.

4.29. Arun’s key concerns are therefore, set out as follows:-

- That promised answers and reassurances to questions raised by Arun officers on a number of occasions since 2021 have not been provided by Chichester District Council in advance of issuing its proposed Publication Local Plan and, unless these are adequately addressed, Arun will have no choice but to raise ‘soundness’ objections;

#### **Up to 2026 and to 2031**

- Within the ‘constrained infrastructure’ approach delivering only the two scheme improvements on the A27 at Stockbridge Roundabout and Bognor Regis Roundabout (with local LTP schemes), will Chichester’s ‘constrained infrastructure’ approach for the A27 delivering their reduced housing numbers, result in the need for additional mitigation scheme costs and a consequent uplift from Arun planned and committed developments in order for Arun developments to proceed (e.g. West of Bersted)?
- Given the Arun developments are also contributing towards Whyke Roundabout improvements it is unclear whether the omission of this improvement (because of the prohibitive cost of associated Stockbridge link road) will impact on Arun developments (e.g. West of Bersted and at Pagham North and South).

### **Beyond 2031 to 2039**

- a) What assumptions or allowances have been made regarding Arun's future growth and A27 capacity?
- b) will the 'constrained infrastructure' approach only serve Chichester's Developments for this period and therefore, cap the A27 capacity and any scope for Arun's future plan making for additional growth?
- c) or indeed make developments in Arun unviable because of the need for additional mitigation improvements?

4.30. Arun seeks specific clarification of the following schemes which Arun developments are contribution towards in particular:-

- A27/A257 Bognor Road Roundabout (West of Bersted £12m)
- A27 Whyke Road roundabout (West of Bersted £2.073m; Pagham South £0.395m; Pagham North £0.493m)
- A27/B2233 Nyton road (Barnham Eastergate/Westergate £0.327)

4.31. Arun would also like to understand whether the 'constrained infrastructure' approach means that there are no longer additional mitigation contributions needed from Chichester developments towards mitigation within Arun e.g. on the A259 or whether this will arise should the monitor and manage process realise increased housing numbers over the plan period?

4.32. Finally, only legal and soundness issues can be raised at this stage. Officers consider that the points identified above can be raised under 'soundness issues (i.e. not 'positively prepared' or 'effective') which may support appropriate modifications to the R19 ALP following examination. Under the 'Duty to Cooperate' which should be active and ongoing these points may still be resolved allowing representations to be withdrawn prior to examination.

## **5. CONSULTATION**

5.1. No consultations have been undertaken as this plan is being prepared by Chichester District Council.

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

6.1. The Council can choose submit representations or not to submit representations on the Regulation 19 Publication Local Plan.

## **7. COMMENTS BY THE GROUP HEAD OF CORPORATE SUPPORT/SECTION 151 OFFICER**

7.1. There are no direct financial implications arising from this report which seeks to make representation on a neighbouring plan. Any resource implications for under the 'Duty to Cooperate' have been budget for. However, there may be a need for additional resources in responding to the plan, where representations are not satisfactorily dealt with e.g. legal advice.

## **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1. Submitting representations will minimise the risk that a neighbouring Local Plan result in development proposals that adversely impact on Arun and its residents.

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1. Committee is being asked to agree that officers in consultation with Chairman of the Planning Policy Committee, submit necessary 'soundness' representations on Chichester's Regulation 19 Publication Local Plan as identified in the conclusions to this report; and (2) That these 'soundness' representations be withdrawn should continued engagement with Chichester under the 'Duty to Cooperate', resolve these concerns.
- 9.2. It is recommended that the outcome of the duty to cooperate discussions be reported to the June Planning Policy committee meeting.

## **10. HUMAN RESOURCES IMPACT**

- 10.1. There are no direct implications arising from making representations.

## **11. HEALTH & SAFETY IMPACT**

- 11.1. No direct health and safety impacts have been identified from the proposals. Submitting representations may help to improve Chichester's Local Plan and secure clarifications and assurances for Arun's interests - having a positive impact on health and wellbeing.

## **12. PROPERTY & ESTATES IMPACT**

- 12.1. There are no direct implications for Council property.

## **13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

- 13.1. Submitting representations may help to improve Chichester's Local Plan and secure clarifications and assurances for Arun's interests - having a positive impact on health and wellbeing.

## **14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

- 14.1. Submitting representations may help to improve Chichester's Local Plan and secure clarifications and assurances for Arun's interests - having a positive impact on sustainable development in and adjacent to Arun, its communities and environment and carbon emissions.

## **15. CRIME AND DISORDER REDUCTION IMPACT**

- 15.1. There are no direct adverse implications for crime and disorder.

## **16. HUMAN RIGHTS IMPACT**

16.1. There are no direct adverse implications for human rights.

## **17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1. There are no implications.

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### **CONTACT OFFICER:**

Name:	Kevin Owen
Job Title:	Planning Policy & Conservation Manager
Contact Number:	01903 787853

### **BACKGROUND DOCUMENTS:**

[Background Paper 1 Chichester Transport Study 2023](#)

[Background Paper 2: Chichester Local Plan Regulation 18 \(Preferred Approach\) public consultation - Report to Planning Policy Sub-Committee 27 February 2019](#)

[Background Paper 3 Arun Duty to Cooperate Web page](#)

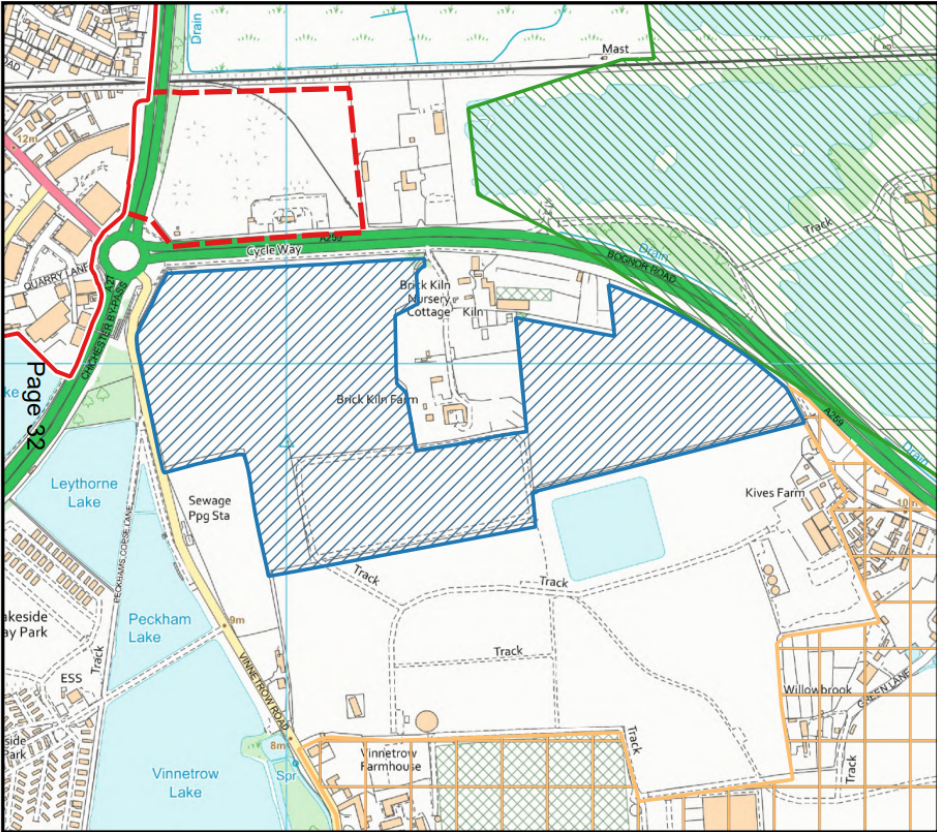
*Appendix 1 Soundness Matters:-*

*Paragraph 35 of the NPPF states:*

*“Local plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are ‘sound’ if they are:*

- a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;*
- b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;*
- c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and*
- d) Consistent with national policy – enabling the delivery of sustainable development in accordance with policies in this Framework and other statements of national planning policy, where relevant”.*

Appendix 2:








**CHICHESTER DISTRICT COUNCIL**

**Map A20a**


**Policy A20 Land South of Bognor Road**

**Legend**

-  Site Allocation
-  Amended settlement boundary
-  Existing settlement boundary
-  Strategic wildlife corridor
-  Horticultural development area

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<b>REPORT TO:</b>	<b>Special Planning Policy Committee - 21 February 2023</b>
<b>SUBJECT:</b>	<b>Arun Housing Absorption Study</b>
<b>LEAD OFFICER:</b>	<b>Neil Crowther, Group Head of Planning</b>
<b>LEAD MEMBER:</b>	Councillor Richard Bower
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b>	
<p>The recommendations supports:-</p> <ul style="list-style-type: none"> <li>• Improve the Wellbeing of Arun;</li> <li>• Delivering the right homes in the right places.</li> </ul>	
<b>DIRECTORATE POLICY CONTEXT:</b>	
<p>The proposals will help to enhance the quality of the natural and built environment, protect the district's natural and heritage assets and to promote economic growth in a sustainable manner, striking a balance between the need for development and the protection of scarce resources.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>There are no financial implications arising from this study.</p>	

## 1. PURPOSE OF REPORT

- 1.1. The report seeks the Planning Policy Committee to note that the evidence in the Arun Housing Market Absorption Study be used for the Local Plan Update (when it resumes) and be uploaded to the Council's evidence base website. A briefing for all members on this study was held on 6 February 2023.

## 2. RECOMMENDATIONS

- i. To note the Arun Housing Absorption Study as evidence to inform plan making and that it is uploaded to the Arun evidence pages.

## 3. EXECUTIVE SUMMARY

- 3.1. Icen Projects consultancy were commissioned by Arun District Council to prepare a Housing Market Absorption Study. This aims to consider the ability of Arun's housing market to deliver the current housing requirement set out in the adopted Local Plan, including as a basis for informing future plan making. The report concludes that the Arun housing market appears strong but structurally weak, fuelled by in migration a lower value economy and ageing demographic contributing to an affordability gap. It is too early to gauge the absorption rate for Strategic Allocations and there is a need to reassess absorption rates within the next 2 - 3 years as they come on stream.

## **4. DETAIL**

4.1. In May 2022 Icen Projects were commissioned to undertake a Housing Absorption Study in Arun district to inform housing delivery performance and the update of the Arun Local Plan housing policies. The main reason for this commission was because it was considered essential to understand whether the housing market was capable of delivering the housing numbers required at a national level that were included within the 2018 Local Plan. Officers consider that it is essential to understand whether there is a ceiling to house building that is unrelated to housing targets or the number of planning permissions and whether there is a point at which any housing target within a Local Plan or set by national standard methodology might not be relevant because the market might never deliver at these rates.

4.2. The study methodology analysed: -

- Arun's demographic and economic context
- Arun's housing Market
- Housing delivery Trends
- Arun's Housing Land Supply & Trajectory

### **Key Analysis**

#### **Arun's demographic and economic context**

4.3. The study's key analysis shows that Arun's housing market is principally being sustained by demand from older, more wealthy homeowners moving into the District from other areas (particularly from Horsham, Worthing and Chichester) where housing is substantially more expensive. This is reflected in Arun's older age group profile (36% of residents aged over 60 compared to other areas), although recently, there is evidence of in migration from younger families and middle-aged groups drawn in by relatively lower house prices who are seeking to release equity or make lifestyle choices (e.g. trading up or seeking larger space). At the same time Arun's economy is structurally weak (e.g. a greater level of lower paid/skilled jobs) so that younger resident households with the relatively low earnings, are unable to compete. This has a notable impact on affordability in the District with lower quartile and median affordability ratios higher in Arun than the wider South East and for some measures the county.

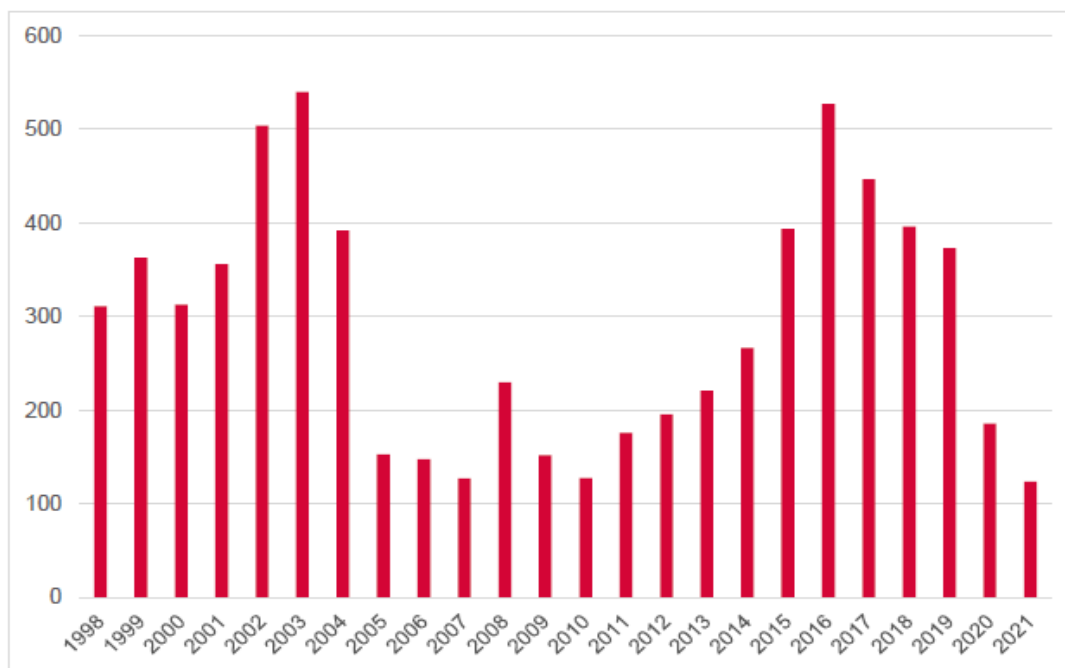
#### **Arun's Housing Market**

4.4. Arun's housing market shows that house prices are lower in Arun District when set against West Sussex and the South East, offering a more affordable area to move to in comparison to neighbouring authorities. Average house prices in Arun are £325,000 compared to £490,000 - £515,000 in London/Surrey. Values are also lower than Chichester, Mid-Sussex, Adur, Worthing & Horsham. This has resulted in in-migration of approx. 1,700/year coming to live in Arun from outside of Arun.

4.5. Arun's economy has been growing faster than West Sussex as a whole over the past 5 years but average wages are significantly lower than the average.

- 4.6. Arun has a higher than average rate of owner occupiers. Average sales per year have averaged 3,500 over the past 20 years with the rate being around 3,300/year at the moment. Significantly, new build sales as a proportion of total sales have significantly declined in recent years, though this is in line with national trends.
- 4.7. There are 8 major house builders in the District (Persimmon & Redrow are most active). There are notable omissions (Berkeley, Thakeham, Countryside, Crest and Bloor). There are several SME regional housebuilders.

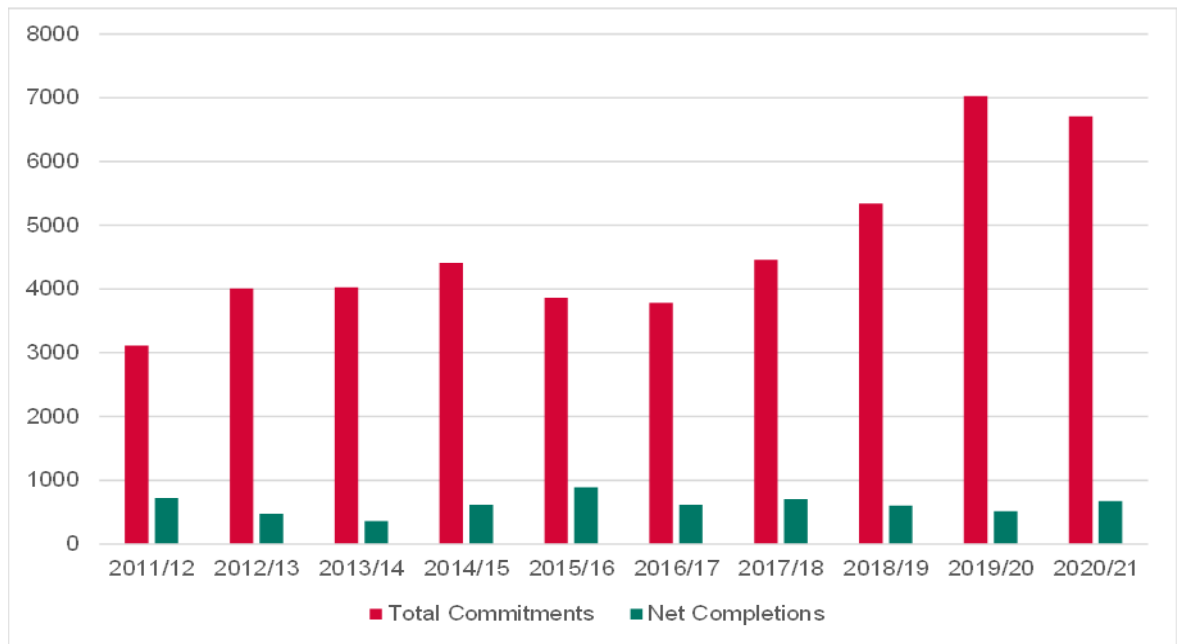
**Figure 3.11: New-Build Sales, 1998 to 2021, Arun District**



### Housing Delivery Trends

- 4.8. The study considers that Arun has a healthy housing market - yet delivery has been held back because of the over reliance on large Strategic Sites that have not delivered their share of the stepped housing trajectory because of the long lead times from allocation to gaining planning consent, having regard to all the barriers encountered that frustrate coordinating quality development schemes, joined up placemaking and necessary infrastructure delivery.
- 4.9. Historic delivery rates (i.e. housing completions) have been low (around 550 dwellings per annum over the last 20 years i.e. running at 50% of the annualised Local Plan requirement) and more recently, modest (rising to around 620 dpa since 2016 partly explained by delivery of older strategic sites in the past, and via enabling affordable housing delivery in some years). In only two of the past 20 years has delivery exceeded 700 dwellings/year.
- 4.10. Despite the identified planning inertia from the Strategic Allocations, monitoring shows that overall planning consents have been significantly high and rising compared to completions such that commitments exceed completions by many times (as tabled below).

Figure 5.4: Total Commitments vs Completions, Year-on-Year



4.11. The study points out that the average 550 dpa delivery rate is largely being sustained by sites of less than 300 units. For this reason, the study considers that Arun may be on the cusp of seeing a step change in housing delivery (setting aside the economic downturn) when the Strategic Allocations – most of which now benefit from planning permissions, begin to build out over the next 2 - 4 years.

4.12. However, delivery on strategic sites since 2016 (Angmering, Courtwick & North Littlehampton) has been between 50 – 70 dwellings/year/per site. Rates of over 120 dwelling/year/per site are required over the coming years if delivery is going to be achieved at over 1,000/year.

4.13. The study notes that, at March 2021, 2,500 dwellings should have come forward on strategic sites according the original assumptions presented by promoters at the Local Plan examination. However, none were delivered on the new allocations within the 2018 Local Plan by this time. A shortfall of 2,500 dwellings equates to nearly all of the shortfall in the 5 year land supply and it is clear that the time taken to bring forward these sites has massively impacted the housing land supply position in Arun. BEW and Bersted have only just been submitted over 4 years since adoption of the Plan and it is taking 3 years from outline permission to submit reserved matters on many other sites.

4.14. Because of these delays in granting permission, the study finds that it is too early to conclude on whether there is a market capacity issue in the context of housing absorption rates (i.e. ability to sell completed houses) in particular with regard to Strategic Developments.

## **The Local Plan Housing Trajectory**

4.15. The study comments that the Local Plan trajectory was informed by what promoters (and Statements of Common Ground) told the Council at the Local Plan examination. Yet as of April 2022 strategic allocations only recently benefit from planning permissions and are yet to start to deliver completions. The study states that the Local Plan Inspector has been shown to be right in his description of the trajectory as 'optimistic'. Average lead-in times for strategic sites of over 500 homes are 5 years or more to first completions.

## **Developing a New Local Plan**

4.16. Following the above study analysis, which finds that Arun's housing market is healthy and resilient, while the economy is weak leading to affordability issues and the market is held back by the planning delay (i.e. over reliance on Strategic Sites with long lead times), the study turns to consider what the appropriate growth rate might be to inform the Local Plan update (when this resumes).

4.17. Over the past 20 years, housing growth rates have been 0.8% (of total housing stock) in Arun. This rises to 0.9% over the past 8 years. This data highlights the scale of the issue in Arun because the national target is 1.1% and, to achieve 1,000 dwellings/year, a rate of 1.2% is required. To achieve the actual requirement in the Standard Housing Methodology, the rate rises to 1.6%. This rate would be significantly above the national rate as well as rates currently being seen in Mid-Sussex & Horsham. There are obviously some reservations about how realistic these rates of growth are in terms of achievability.

4.18. The study comments that a rate of 1.6% would be 'challenging' for Arun, even before the current weakening in the economy, and now looks very unrealistic with the current strategy.

4.19. The study considers, nevertheless, that there is clear potential for housing delivery rates over the next decade in Arun to be substantially stronger than the past. Recent planning progress on strategic sites indicates that Arun is potentially on the cusp of seeing an increase in housing delivery - although now, the weakening economy could see a reduction in build out rates with rising interest rates impacting on construction and infrastructure costs.

4.20. Therefore, comparatively, sustaining 1,000 dwellings/year would represent 1.2% per annum growth in the housing stock which the study considers to be more realistic over the economic cycle (with years of stronger and weaker delivery against this). Growth of up to 1.4% is 'less realistic'.

4.21. To maintain delivery rates of 1,000+ dwellings/year the Council will need to maintain 5-year housing land supply at least 4,800 deliverable dwellings (i.e. with detailed or reserved matters consent).

## **Actions to Support Housing Delivery**

4.22. Finally, to support higher housing delivery, the study makes number of recommendations for consideration which includes better resources (a national issue); better pre-app planning and screening at validation; a stronger intervention role for Strategic Development Team (to overcoming infrastructure delay liaising with developers and providers and finance sources e.g. Homes England, to boost Arun's attraction for national providers and improve residential values for the build out rate); greater diversity of smaller to medium sites; product differentiation (e.g. retirement housing, build-to-rent and affordable ownership, self- and custom-build) to encourage the SME and smaller specialist providers across Arun's sub areas (i.e. The two larger coastal towns, smaller inland settlements and those in the north of the District).

### **Officer Comment**

4.23. Officers welcome the report which provides a wealth of evidence on the character and nature of Arun's housing market and the role that planning has had in its operation. It is very much recognised that this report provides a market perspective and has tried to cover the spectrum of market and planning evidence. There are many positive recommendations and incites on how Arun can try to boost housing delivery and make it more relevant to addressing the needs of existing residents (i.e. not fuelling in migration), and some of these may also become part of the council's housing Delivery Test Action Plan and inform plan making.

4.24. However, the key hypothetical question concerning whether the natural housing absorption rate is different to any housing target (set locally or nationally) remains an area for debate. Officers agree with the study that the annualised growth rates of 1.6% and 1.4% (see paragraphs 4.15 to 4.20 above) are likely to be unrealistic challenges for any Local Plan update in Arun. At face value the study concludes that 1.2% (i.e. close to the current Local Plan target of 1,000 dpa) is more realistic across the economic cycle, through Strategic sites no longer being a barrier. What this means is that the current requirements in the Local Plan will not be achieved and the Council will not 'catch up'.

4.25. There are genuine and robust concerns (from officers and members) around what the housing requirements in Arun will ever be able to be sustained by the housing market in Arun. That was the purpose of this study. Whilst the study has not yet concluded on this matter (because the author considers that it is too early to do so), it does provide a large amount of useful evidence on the scale of the issue and what is required to change over the next 2 – 4 years in order to be able to conclude on this. Arun District Council has done a lot since the adoption of the Local Plan to boost delivery and planning permissions have significantly increased. We now need to see that translated into higher house building rates. Evidence over the coming years will inform the Council whether delivery growth rates are realistic or whether the number of permissions is not the key factor in housing delivery (because this will not be the issue constraining delivery).

## **Conclusion**

- 4.26. The Housing Absorption Study is valuable independent evidence and advice that the Council can choose to consider - together with other advice and expertise, for action to boost housing delivery rates and to address identified structural weaknesses via the Local Plan Update (when it resumes). There will be a need to ensure provision is made for continued monitoring and assessment of housing absorption rates as significant scale delivery is achieved on the Strategic Allocations over the next few years albeit, recognising that delivery in individual years will be influenced by the wider market/economic cycle.
- 4.27. Should the Council resolve to resume preparation of the Local Plan in summer 2023, this work would need to be revisited closer to examination so that further evidence on delivery can be considered before the Council conclude what the housing targets in a future Local Plan should be.

## **5. CONSULTATION**

- 5.1. No consultations have been undertaken.

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

- 6.1. The Council can choose to accept the study and its conclusions as part of the Local Plan evidence base and upload it to the web site or not to accept the Study - although this would significantly undermine the legal requirement for robust evidenced based future plan making.

## **7. COMMENTS BY THE GROUP HEAD OF CORPORATE SUPPORT/SECTION 151 OFFICER**

- 7.1. The implementation of the recommendations will require further budget resources to commissioned further absorption study work as Strategic Allocations rebuilt out.

## **8. RISK ASSESSMENT CONSIDERATIONS**

- 8.1. Implementing the recommendation will minimise the risk that the Local Plan update when it resumes will be found unsound at examination.

## **9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1. There are no Governance or legal implications arising from this Study.

## **10. HUMAN RESOURCES IMPACT**

- 10.1. There are no implications arising from the Study proposals.

## **11. HEALTH & SAFETY IMPACT**

- 11.1. The proposals may help to improve housing delivery through evidenced plan making, having a positive impact on health and wellbeing.

## **12. PROPERTY & ESTATES IMPACT**

12.1. There are no direct implications for the Councils general fund asset portfolio.

## **13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

13.1. The proposals may help to improve access to housing through plan making for all sections of the community, having a positive impact on health and wellbeing.

## **14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

14.1. This report as is will have no impact to climate change or sustainability. However, it will likely lead to projects and activities which do. Therefore, climate change and the environment will be seriously considered when housing locations are selected, and housing is developed to ensure as little impact as possible is inflicted. This is in line with the Council's vision document.

## **15. CRIME AND DISORDER REDUCTION IMPACT**

15.1. There are no direct adverse implications for crime and disorder.

## **16. HUMAN RIGHTS IMPACT**

16.1. There are no direct adverse implications for human rights.

## **17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1. There are no implications.

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### **BACKGROUND DOCUMENTS:**

Background Paper 1: "Housing Market Absorption Study"  
<https://www.arun.gov.uk/housing-planning-policy>