

# **PLANNING POLICY COMMITTEE 18 MARCH 2025**

## **SUPPLEMENTARY UPDATE SHEET**

### **Agenda Item - Arun Local Plan Update (2023 – 2041) – Appointment of Lead Consultant following an Open Tender process**

#### **Background**

The Committee will recall that a report was presented to the meeting held on 28 January 2025, under agenda item 10, recommending the formal appointment of an external planning consultancy (now confirmed, following the expiry of the tender standstill period as 'Prior & Partners' based in London) to lead on the preparation of the Local Plan Update (2023 - 2041) in accordance with the provisions of the draft Statement of Works Contract and in collaboration with the council's Planning Policy & Conservation Team. Under the provisions of the tender, the contract is intended to cover a period of three years, with the possibility of a further six-month extension, should that be required.

At the January meeting, the Chairman invited the Group Head of Planning to provide a verbal update to the Committee. He referred to an email he had sent to the Committee on 16 January concerning the situation following the Government's proposals for Devolution and local government reorganisation. He noted that in light of the Government's recent Devolution and Local Government reorganisation announcement, officers had evaluated whether continuing the process at this time provided value for money and said there was too much uncertainty to proceed with the recommendation in the report to appoint a Lead Consultant at that time. The Group Head of Planning recommended deferral of the item to enable officers to obtain more information and further detail on the government's proposals so that the implications of this on the Local Plan preparation/timetable could be properly assessed and reported back to elected members.

The Committee resolved to defer the item to its next meeting on 18 March 2025.

The Interim Head of Planning Policy has subsequently met with Prior & Partners on 4 February 2025 to appraise them of the situation in respect to the tender to confirm that no formal decision whether or not to proceed with the commission would be taken until the matter has been reconsidered by the Planning Policy Committee. We are now in a period of inactivity as far as the contract is concerned, although the Planning Policy & Conservation Team is still progressing Local Plan work in respect to key evidence gathering.

#### **Update since January Committee meeting**

##### Devolution and Local Government Reorganisation

On 5 February 2025, we received official confirmation that Sussex and Brighton are part of the Devolution Priority Programme (DPP) and that the county elections which had been planned for May 2025, have been postponed. A consultation from the

Ministry for Housing, Communities and Local Government (MHCLG) commenced later in the month seeking views on proposals for a Mayoral Combined County Authority for the local government areas of East Sussex County Council, West Sussex County Council, and Brighton and Hove City Council. The first election for a new Mayor is intended to take place in May 2026.

At the same time, under proposals for local government reorganisation, Arun and other Sussex authorities have been asked by central government to consider the different options for unitarisation, including how the county might be divided into one or more unitary authorities, each having a population of at least 500,000. These initial options are due to be submitted to government by 21 March. Once that information has been submitted, full business cases for the options will be prepared before final proposals are submitted to government in September 2025. Elections for the shadow unitary authorities are due to follow in 2027 with the intention that the new unitary authorities will come into being in 2028, on what is known as Vesting Day.

There are still some unknowns at this point, but what is clear is that Arun District Council is unlikely to exist as a standalone entity in just over three years' time and this introduces a great deal of uncertainty in terms of developing and investing in a new Local Plan, which is still at a relatively early stage of production, having only delivered the Direction of Travel document last year.

#### Pending changes to the way Local Plans are prepared

The main legislation governing the production of local plans is set out in 'The Town and Country Planning (Local Planning) (England) Regulations 2012.' This is the legislation under which the current Arun Local Plan (2018) was prepared and adopted. However, the Levelling Up and Regeneration Act (LURA) 2023 identified the intention for future Plans to be produced under a new plan-making system that is expected to be implemented from summer or autumn 2025. Any Plans not subject to transitional arrangements must be submitted for examination under the existing system by December 2026 if they are to be considered under the existing regulations. Any Plans likely to be submitted after that time will need to be prepared and examined under LURA.

It is clear from the draft timetable set out in the updated Local Development Scheme (March 2025), due to be considered elsewhere on this Committee agenda that the updated Plan will need to be prepared under LURA. Whilst an outline of how the new plan-making system based on a 30 month timeframe might work, including three so-called gateway assessment stages, was included in the consultation undertaken between 25 July - 18 October 2023 by the previous government on the implementation of plan-making reforms through the Act, it is clear that this process will need to be the subject of secondary legislation setting out the exact procedures that local authorities must follow in producing a new Local Plan. On 27 February 2025, MHCLG published their reply to the 2023 consultation on plan-making reforms, which attracted almost 500 responses.

Whilst the reforms were proposed by the previous government, MHCLG acknowledge that although they recognise the challenges faced by authorities in preparing plans at pace, they remain committed to accelerating the process and broadly agree with the stated target to prepare and adopt Plans within a 30 month timescale.

The government believes that wide ranging plan-making reforms – such as the introduction of gateways; shorter, simpler and more standardised content focused on the core principles of plan-making; and a series of digital transformation initiatives – will support this aim. However, until the additional guidance and tools, together with the actual legislative changes governing the new plan-making process come forward, we are in somewhat of a vacuum.

#### National Development Management Policies

In addition, in November 2024, the Housing Minister revealed that the government plans to consult on proposals for new national development management policies (NDMPs) during 2025, after which it intends to publish a “slimmed down” version of the National Planning Policy Framework (NPPF) focused solely on plan-making. The suggestion is that the NDMPs will simplify the system and make it more rules-based, making it easier for councils to agree shorter and more locally-focused local plans, for developers to navigate the planning system, and for residents to have greater certainty about what is and isn’t allowed.

However, as yet the consultation on these national policies has not transpired and if the intention is that these would be subject to proper and widespread consultation, the likelihood is that we will not have an agreed suite of national development management policies until towards the end of the year, at the earliest. Knowing that the NDMPs are pending but having no details about what topics these new policies might cover, results in further uncertainty when deciding on the scope of a new Local Plan for Arun and creates risk of undertaking potentially abortive and costly work in developing updated/replacement planning policies for the district, which is a key focus of the work intended to be undertaken by the consultants under the terms of this tender.

#### **Implications of continuing with the appointment of an external consultant now**

As can be seen from the information above, in view of the significant unknowns surrounding:

- (a) local government reorganisation;
- (b) the new plan-making process under the Levelling Up and Regeneration Act 2023, which will be subject to secondary legislation; and
- (c) the scope and focus of pending National Development Management Policies,

the council is currently in a very difficult position. Proceeding to enter into a three-year (minimum) contract with an external consultancy to lead on the preparation of a new Local Plan at a cost of several hundred thousand pounds represents a significant risk.

The proposed appointment has gone through a robust and comprehensive tender process and officers have no concerns, whatsoever, with the ability of the successful bidder (Prior & Partners) to deliver a quality product, given their in-house expertise and experience of work of similar nature. Nevertheless, it is felt that, in the particular circumstances, to continue with this appointment at the current time would not be in the best interests of the council or our residents and, with regret, we feel that we have no option but to recommend that the council does not enter into a contract with the company at this time and that the procurement process is terminated.

The published tender documents made it clear that the council is not obliged to enter into a formal contract and that we reserved the right to terminate the procurement process at any time and for any reason, so there is no risk of compensation being payable in this situation.

**Proposed next steps should the Committee be minded not to appoint at this time**

In recommending that the council does not enter into a contract with an external consultancy at this stage, officers are certainly not suggesting that the Policy & Conservation Team should 'down tools' and does not progress the Local Plan update. On the contrary, the suggested pause will enable the council to use existing internal resource and budget already allocated to the Plan to progress up-to-date evidence gathering on key matters that not only will be essential in developing new local planning policies at the relevant time, but will also assist colleagues in Development Management in determining planning applications.

This includes, but is not limited to, the following topics where the current evidence base is becoming outdated or where additional information is needed. This work will be necessary whichever route the council ultimately takes in terms of progressing the new Local Plan.

- Strategic Flood Risk Assessment (SFRA) Part 1 – Since the last update, there have been new flood risk maps produced and the allowances for climate change have also altered. In addition, the government has very recently published the National Flood Risk Assessment 2 (NaFRA2) and the new NaFRA2 flood zone data on a 'flood map for planning' is due to be released on 25 March 2025. The proposed update to the SFRA is, therefore, considered timely and will be used by our Engineers as well as in planning decisions.
- District Landscape Assessment (sensitivity, gap analysis and environmental capacity to take new development) - The last assessment for West Sussex resulted in the identification of 42 unique areas and the production of land management guidelines for each character area. A further Arun-centric landscape study was produced in 2017 in connection with the Local Plan, but this focused solely on the landscape capacity of the proposed strategic sites to accommodate new development. An update is overdue.
- Settlement Sustainability Assessment – This will provide an update of services and facilities in each of the district's settlements, which, in turn, will help to inform the spatial strategy for Arun, following a previous study in 2007.
- Arun Transport Study (Stage 1 pre site allocations assessment) – To update modelling to provide a post-Covid baseline position against which we can assess the capacity of the strategic and local road network to support growth and to produce a transport vision for Arun. It will also consider opportunities to promote active travel and sustainable transport.

In addition, we intend to undertake a further 'Call for Sites' in the summer months and officers are currently in the process of developing new site selection criteria, which will put us in a strong position when we are in a position to move forward in earnest.

There are some areas of evidence gathering that the Planning Service had intended to take forward this year, but which it would make sense to place on pause for the time being, including the Housing and Economic Development Needs Assessment and the identification of new strategic sites for allocation. It would also not be prudent to commission other more detailed studies on specific topics prior to understanding what the National Development Management Policies will include, as these may not feature in the new Arun Local Plan.

We are in regular contact with our counterparts at neighbouring authorities and will continue to engage with them positively and proactively under the Duty to Cooperate. Furthermore, the local government reorganisation agenda may afford opportunities to benefit from economies of scale in terms of commissioning additional joint studies covering more than one district. This is something we are actively exploring through bodies such as the Planning Policy Officers Group and Transport Infrastructure Management Group and will become much clearer over the coming months as more information comes forward from central government.

Finally, once further concrete information around the formation of new unitary authorities is known, the council may decide to 'reframe' the scope and content of a commission and go back out to procurement through an appropriate route. This would, of course, be referred back to the Planning Policy Committee for approval at the relevant juncture.

### **Updated recommendation**

That the Planning Policy Committee resolves:

- i) To not appoint an external consultancy to lead on the preparation of the Local Plan Update (2023 to 2041) under the open tender published on 12 November 2024, and that the formal bidders be informed accordingly; and
- ii) That an updated progress report relating to the development of the Arun Local Plan (2023 to 2041) is brought before the Planning Policy Committee later in the year, once full business cases for the proposed new unitary authority have been submitted to central government and further details around the outcomes of local government reorganisation, national development management policies and the details of the Levelling Up & Regeneration Act are known.