

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF PLANNING POLICY COMMITTEE ON 6 OCTOBER 2021

REPORT

SUBJECT: Arun Local Plan Update
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DATE:	21 June 2021
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AREA:	Planning

EXECUTIVE SUMMARY:

This report updates members on the issues affecting the progress of the Local Plan update and progressing a Vision and Objectives while anticipating significant Government planning and regulatory reforms. There are consequently, a number of options members may wish to consider on the approach to take for the Local Plan update and supporting evidence work, in view of the pending national planning reforms and also emergent critical issues arising under the 'Duty To Cooperate' affecting plan making and particularly delivery of development to the West of Arun in the A27 corridor.

Following discussion and decision, there will need to be consequent further reports to the next meeting on an update to and adoption of the Local Development Scheme (LDS) which is the Council's formal plan making timetable and the approach to updating the Council's Statement of Community Involvement (SCI which sets out how Arun communities will be consulted (and both documents published on the Council's web site).

RECOMMENDATIONS:

That the Planning Policy Sub Committee recommends to Full Council one of options 1 to 3 below plus recommendation 4. Officers would recommend Option 1.

1. Option 1 - Continue with Full Plan Preparation as per previous resolutions.
2. Option 2 - Continue with Full Plan Preparation but with an Extended Timescale; or
3. Option 3 - Pause the preparation of a revised Local Plan until details of the new plan making system are agreed; and
4. That the LDS and SCI be reported back to the next meeting.

1. BACKGROUND:

- 1.1 The Planning Policy Sub-Committee (PPSC) on 23 February considered but did not agree a Vision and Objectives with which to steer the work on the Local Plan update, pending undertaking further work and discussion. In June Planning Policy Committee agreed that early engagement work could start on a list of Development Management policies.
- 1.2 A further progress report on the Local Plan Update is therefore necessary for this meeting - given the slippage in the timetable and need to consider a number of matters arising that are likely to have a material impact on the Council's approach to the Local Plan update.

Planning Reform

- 1.3 The Government signalled significant planning reforms last year in the 'Planning for the Future' consultation (6 August 2020) and in May 2021 indicated it is pushing forward on the Planning Bill (Queens' Speech 11 May 2021) which may be voted on in Parliament at the end of the summer. The reforms propose to fundamentally change the way plans are made, their format, scope and content being based on zoning all land (i.e. as either growth, renewal or protection areas), a 'top down' housing target (based on the Standard Housing Methodology) a raft of national development management policy standards (no longer to be locally derived), together with a national infrastructure levy. Should the reforms be enacted, they will also require secondary legislation. Transitional arrangements are considered as part of the reforms in order to protect progress on plans that achieve certain milestones (e.g. Regulation 19 publication or submission stage) ensuring a smooth transition and that existing permissions and any associated planning obligations can continue to be implemented as intended. However, the timescale for this is yet to be clarified but is anticipated reforms may be in place in 2024/25.
- 1.4 There has already been significant delay on the Arun Local Plan update timetable set out in the adopted Local Development Scheme (July 2020) which schedules the submission stage in summer 2023 when there is at least a 12-month slippage. Much of this delay relates to the Council not yet agreeing to the Vision & Objectives. Therefore, there is a significant risk that planning reforms will impact significantly on the Arun Local Plan update and miss any transitional safeguards. This scenario could result in abortive costs and need to comprehensively redo work under the new arrangements. The cost of preparing the Local Plan update is significant, involving the commissioning of evidence, public consultation and preparation stages including the Local Plan examination.
- 1.5 Given the significant risks and challenges going forward, it is an appropriate time to consider options for a more flexible approach to the update of the Arun Local Plan. This may realise efficiencies in resource use and help to minimise risks (e.g. scope for rationalising evidence commissioning costs and preparation stages over the next 18 months).
- 1.6 A budget has already been approved for the Local Plan update and a number of studies have been commissioned and are in the pipeline.

Commissioned Studies

- Arun Active Travel Study (Phase 1 complete)
- Arun Arun Transport Model (A259 – District Wide) (underway)
- Arun Tourism & Visitor Accommodation Study (inception/early evidence gathering)
- Biodiversity Net Gain study (inception/early evidence gathering)
- Masterplanning
- Climate Change/Sustainable Design Study (currently being put to 'Invitation To Tender')

Pending Studies

- Sustainability Appraisal/SEA/HRA (including early scoping Objectives)
- Placemaking Study (20 minute communities)
- Housing Economic Development Needs Assessment (HEDNA) Study
- Arun Transport model Phase 2
- Strategic Flood Risk Assessment (SFRA)
- Active Travel Study Phase 2
- Retail Study
- Landscape Study
- Green Infrastructure Study
- Heritage and Conservation Area studies
- Infrastructure Development Plan
- Viability Study

Local plan Update Options

- 1.7 The total budget of circa £830k for the Local Plan update includes £145.6k currently committed up to this year (2021/22) and further £30k imminently to be commissioned this year (i.e. Climate Change - Sustainable Design) totalling circa £175.6.
- 1.8 The Pending Studies above therefore, account for £654.6k uncommitted spend. Officers propose that there are consequently, three broad options that members may wish to consider based on the potential benefits and risks which are summarised below (but further amplified in Appendix 1: Table 1):-

Option 1 Full Plan Preparation (12-month slippage)

1. Full Plan preparation which would entail committing the full £830k budget to plan evidence commissioning, consultation, submission, and examination through to adoption under the current planning system. However, based on the current timetable slippage (including that the plan Vision and Objectives still need member agreement) at the earliest, publication and submission may be possible by summer/autumn 2024. The main risks would be abandonment of the Local Plan, wasted expenditure and having to start again with a similar budget, should transitional arrangements be missed due to any further slippage:-
- 2021/22=£80.6k
 - 2022/23=£282k
 - 2023/24=£292k

Option 2 Full Plan Preparation Extended Timescale (24 months)

2. Full plan preparation by committing the full £830k budget but over an extended revised timetable. This approach may provide room for flexibility to amend the format of the Local Plan and spend profile (if feasible) to accommodate the new planning system. However, there remain significant risks in terms of the prolonged plan making timetable, the shelf life of the commissioned evidence studies, the need to top up or significantly fix studies already programmed and this approach may still be subject to additional contingent budget growth to implement the new planning reforms and new evidence requirements:-

- 2021/22=£80.6k
- 2022/23=£0k
- 2023/24= £0k
- 2024/25= £282k + Unknown
- 2025/26= £292k + Unknown

Option 3 Pause Plan Making

3. Pause plan making at the current committed studies circa £175.6k of the budget (paragraph 1.7 above). This would result in an underspend of £654.6k allocated to the Pending Studies which would not be progressed. The underspend could be a potential saving in the short to intermediate term. The evidence already commissioned would still need to be progressed and could potentially help to form the basis for a resumption of plan making activity in 2023/24 focussing on the new planning system together with delivering the Council's current priorities e.g. the challenges arising from the Climate Change Emergency; carbon reduction; post Covid-19 regeneration; transport and water quality infrastructure including flood risk; and implementing 'Biodiversity Net Gain'. The resumption of plan making in 2023/24 can recast the budget and timetable at that time to fit the new plan making requirements:-

- 2021/22=£0k
- 2022/23=£0k
- 2023/24=£Unknown

1.9 There are advantages and disadvantages with each of the options as set out in Appendix 1: Table 1. Members will need to weigh up the need for speedy plan making progress to enable sustainable local decision making with that of demonstrating prudent use of public resources. Not least, that a plan is fit for purpose and future proof if subjected to further slippage, and any new plan making requirements. Officers recommend continuing with the current plan update because of national policy expectations on making plan progress although it is recognised that this now entails significant risks because of the existing and likely slippage. Members are also advised that whichever option is preferred, there will be a need to ensure that other background work is progressed alongside the committed evidence studies. For example, high level topic papers will be needed to scope the strategic issues and options that should be addressed as part of normal plan making but also emergent issues arising under the 'Duty to Cooperate'. This will also steer any subsequent evidence commissioning when plan making resumes, including evidence needed based on the requirements of the new planning system. Some of this work could clearly entail a call on budget provision, impacting on any assumed £654.6k underspend under option 3.

Commissioned Evidence Base

- 1.10 There are long lead times between evidence commissioning, preparation, and study outputs. The commissioned evidence studies listed in paragraph 1.6 above, will continue as they will best reflect the Council's priorities including the declared 'Climate Change Emergency' (January 2020) and help deliver momentum on addressing carbon reduction and energy efficiency (e.g. Climate Change and Sustainable Design study), including enabling work on the need for post Covid-19 economic regeneration (e.g. Tourism and Visitor Accommodation Study). In addition, this work will support local implementation (e.g. developing an Arun Biodiversity Action Plan) of national measures being introduced this year to protect and enhance biodiversity through a Biodiversity Net Gain metric which will need a significant amount of local data capture on habitats and species.
- 1.11 The A259 Corridor – Arun Transport Model Study has already been commissioned jointly with West Sussex County Council. This work will evidence the A259 corridor improvements as well as establish a District-wide Arun Transport Model (ATM). The ATM can be used for testing development scenarios for the Local Plan update. Under options 2 and 3 the scenario testing phase (and costs) will be put on hold, pending the resumption of the Local Plan Update.
- 1.12 Similarly, the Arun Active Travel Study (ATS) Phase 1 has been completed and was agreed as a material consideration at the PPC meeting of 1 June 2021. Phase 2 of the study (and costs) to test local plan development scenarios, will be put on hold under options 2 and 3 pending the resumption of the Local Plan Update.

Topic Papers

- 1.13 There will be a need to prepare Topic Papers as part of scoping the Issues and Options for any local plan update. These would cover the main key topics – for example (this list is non-exhaustive):-
- **Standard Housing Methodology** - components of population and household change - demographics of an ageing population etc.
 - **Affordable Housing** - average incomes and house prices ratio
 - **Economy and Employment Land:** - post covid recovery, role of employment land and new 'E use class' and 'green economy'
 - **Transport:** - Modal shift, Electrical Vehicles, Road Infrastructure
 - **WasteWater Capacity and water quality and efficiency:** to serve development while ensuring discharge consents and pollution meet standards and avoid harm to aquatic habitats
 - **Greenspace and Leisure and Health and Wellbeing:** There is increasing emphasis on the importance of and need to integrate Health and Wellbeing objectives within place making at the local and national level, through plan making and decision making. West Sussex County Council and Public Health England issued recent guidance on this in 2020 (Background Paper 2).
 - **Housing Market Absorption Study:** Similar to work published by Horsham District Council (i.e. Housing Delivery Study), examining the ability of the local housing market to sustain high levels of housebuilding and the downward effect on house prices (in terms of supply and demand) and willingness of developers to

build out consents as profit margins are squeezed, impacting on local housing delivery and performance. Such evidence can be used to shape housing trajectories and housing target numbers that can be realistically accommodated by the market in an emerging Local Plan.

1.14 In addition through consultations on emerging plans in neighbouring authorities and under the 'Duty to Cooperate', a number of other critical issues are being identified that have implications that may equally apply in Arun District – particularly affecting the West of the district. These matters will need to be addressed in updating the Local Plan and may pose similar soundness and timetable implications for Arun - whichever option is chosen. These are described below and will form the basis for Topic Papers aimed at scoping high level issues from existing evidence (but also identify whether additional evidence may need commissioning):-

- **A27 Infrastructure Improvements – Capacity and Viability:** Chichester District Council (CDC) consulted on their Regulation 18 Local Plan (Preferred Approach) in 2018. CDC have since, been progressing further evidence work to support the 'preferred approach' with a view to publishing their Local Plan (Regulation 19) at the end of 2021. In particular, under the 'Duty to Cooperate', liaising with Highways England, transport consultants and other stakeholders, CDC have been working on an A27 mitigation scheme. The cost would be upwards of £65m and the full mitigation package is currently unviable without public sector funding. CDC have looked at securing external funding from a number of sources and so far have been unsuccessful, with no anticipated funding accessible before the plan is submitted. These A27 improvements are critical to delivering CDC's proposed spatial development strategy, housing numbers and strategic housing allocations around Chichester. A special meeting of CDC members (Background paper 1) considered a report on this issue (29 July 2021). The report identified that unless external funding was secured, the required A27 improvements would be unviable and therefore undeliverable. The implications being that the housing numbers could not be supported and potentially a lower number may be included in the plan. This figure could be reviewed in 5 years should a national scheme of A27 improvements materialise. The CDC Regulation 18 Local Plan (Preferred Approach) in 2018 factored in Arun's adopted Local Plan Strategic Allocations material to their transport modelling work and the necessary A27 improvements (e.g. mitigations identified within the Arun Transport Study and Arun Infrastructure Capacity Study Development Plan). The implications of CDC's recent work on the viability of A27 junction improvements is not yet fully understood for Arun. For example, does this work raise similar A27 junction improvement viability and deliverability issues for Arun's existing strategic allocations around the Bognor Regis, Bersted and Barnham areas which share and connect to the A27 in the West of the district, particularly if CDC plan for lower housing numbers. This will also need to be understood for the Local Plan update because of the particular impact on development and infrastructure capacity, on the west side of Arun.
- **Water Quality Standards:** CDC have had further extensive engagement with Southern Water and the Environment Agency on waste water infrastructure capacity because of the impact of pollutants such as nitrates from housing developments discharging waste water which enters Chichester Harbour (e.g

the risk of Eutrophication adversely affecting aquatic plants and species). These discussions (Background paper 1) have concluded that while engineering solutions exist and are feasible to accommodate future housing growth “environmental limitations are a constraint particularly in the western part of the plan area”. While a ‘Statement of Common Ground’ is being progressed, Southern Water have been unable to clarify how or when Waste Water Treatment Works can be upgraded or provided with the necessary infrastructure to support the CDC Local Plan, leading to significant uncertainty on housing delivery and plan formulation. Southern Water will not conclude this work until consultation and adoption of a District Water Management Plan (DWMP) in 2023. Arun has similar, potential issues that may arise with respect to Pagham Harbour which may affect developments within Chichester and Arun District that need to connect to the Waste Water Treatment Works discharging to that area.

Local Development Scheme

- 1.15 Which ever option is preferred, there will be a consequent need to update the Council’s Local Development Scheme (LDS) adopted in July 2020. The LDS sets out the Councils’ plan making timetable and needs to be kept up to date because it is subject to Local Plan examination and is monitored by the Planning Inspectorate, developers, and the local communities within Arun. A revised LDS based on the Committees decision, can be brought to the 30 November meeting and for subsequent adoption by Full Council on 12 January 2022.

Statement of Community Involvement

- 1.16 The Statement of Community Involvement (SCI) 2018 (adopted by Full Council in January 2019) sets out how the Council consults residents, businesses, and organisations in Arun, can help to shape plan making and decision making. The SCI must be prepared in accordance with the plan making regulations (Town and Country Planning (Local Planning) (England) Regulations 2012) and needs to be kept up to date (also being subject to the examination of the plan).
- 1.17 Whichever option is selected as the preferred option by members, a further report will be presented to the next meeting on the appropriate approach to an SCI update.

2. PROPOSAL(S):

To agree on a preferred option for taking forward plan making and the prudent allocation of public finance for Local Plan evidence preparation and commissioning; agree that subject to the preferred option chosen, the LDS timetable will be updated and brought to the next meeting prior to adoption at Full Council in January 2022; should option 1 or 2 be chosen a further report will be made to the next meeting to update the SCI.

The following options are available to Members:

1. To agree the report;
2. Not to agree the report.

4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		x
Relevant District Ward Councillors		x
Other groups/persons (please specify)		x
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	x	
Legal	x	
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability	x	
Asset Management/Property/Land		x
Technology		x
Other (please explain)		x
6. IMPLICATIONS: The options all have advantages and disadvantages as describe in the report section 1.7 - 1.9 and Appendix 1: Table 1. Each option involves rescheduling the plan making timetable which will make best use of public finances and benefit from commissioned studies and proposed topic papers. This will also aid local decision making and ensure that development is sustainable and meets the Council's aspirations, including securing the steps necessary to address the Climate Change Emergency. The commissioning of evidence has a financial impact on the authority however, this has been budgeted for.		

7. REASON FOR THE DECISION: To ensure that ensure the Local Plan update is fit for purpose, uses resources and finances, efficiently and ensures that progress can be maintained on delivering the adopted Arun Local Plan.

8. BACKGROUND PAPERS: Backround paper 1: Chichester District Council All Member Session Thursday 29 July 2021 https://chichester.moderngov.co.uk/documents/b5230/Public%20Question%20and%20Answer%20Sheet%20-%20All%20Member%20Session%20-%2029%20July%202021%20Thursday%2029-Jul-2021%2009.30%20AI.pdf?T=9
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Background paper 2: WSCC and Public Health England: Creating Healthy Places - a public health and sustainability framework for West Sussex

<https://westsussex.moderngov.co.uk/documents/s21906/Agenda%20Item%209%20-%20Appendix.pdf>

Appendix 1: Table 1 Local Plan Options Comparison

Option 1: Full Plan Preparation (12-month slippage)		
Considerations	Advantages	Disadvantages
Budget	Allocated	May need to re-start plan making from beginning and allocate new plan making budget as no scope to fix the plan
Evidence Work	Commenced and programmed	
Flexibility		No. Timetable needs urgent updating - at least 12 months slippage – no guarantee on agreeing Vision and Objectives quickly
Future proof		No - based on the current planning system
National Policy	Meets Government policy expectations on maintaining progress on plan making	Substantial risk that the Plan will not achieve Reg 19 Publication consultation or Submission by transitional period and therefore, not meet the requirements of the signalled new planning system
Local decision making	Planning positively to try to address housing land supply	'Soundness' issues should the plan be overtaken by the new planning system requirements and examination be unable to fix the plan
Neighbourhood Development Plan	Provides a framework for NDP reviews/update	Risk to NDP preparation including abortive costs if slippage and plan is abandoned
Option 2 Full Plan Preparation Extended Timescale (24 months)		
Budget	Allocated	However, likely to require additional budget to correct evidence and/or the format of the Local Plan under the new planning system because of existing and 24-month slippage
Evidence Work	Commenced but more flexibility on timing of spend	Large scale expensive studies with long lead times, may no longer be fit for purpose with significant timetable delay 24 months+ 2 Risks to ability to fix evidence. Additional evidence likely to be needed under the new planning system
Flexibility	Yes some work may be slowed or paused	As above.
Future proof	Potentially	Depends on degree of slippage and how far existing technical studies can be topped up or fixed
National Policy	Maintains some progress on plan making meeting government policy expectations and also	Does not meet Government policy for timely progress on plan making. Need to amend plan format risks

	potentially the new plan making requirements	further delay plan adoption for decision making (including risk of intervention through Secretary of State default powers)
Local decision making	Maintaining some progress on positively addressing housing land supply	Delayed plan adoption would lead to uncertainty for decision making and significant reliance on Interim Housing Statement and HELAA
Neighbourhood Development Plan	NDP reviews work to adopted Arun Local Plan and Standard Housing Methodology	Greater evidence burden on NDP preparation and uncertainty on strategic matters with delayed Local Plan update, may risk to NDP preparation including additional evidence costs

Option 3 Pause Plan Making

Budget	Minimum committed spend. Underspend potential budget saving and efficient use of public finance/resources in the short and intermediate term as low risk of abortive work	New plan making system likely to require additional plan making budget at the appropriate time. Topic papers may generate need for evidence commissioning against budget underspend
Evidence Work	Committed evidence may serve earlier resumption of plan making and help to deliver Council priorities	
Flexibility	Flexibility to accommodate new plan making system	Some slippage
Future Proof	Yes – update commence in 2023 based on delivering a new format plan and evidence under the new planning system and as an integrated update (i.e. avoids two separate processes for strategic and DM policies updates)	Potential reputational damage through pausing plan making when unable to demonstrate a 5-year housing land supply (but faster resumption of plan making and fit for purpose)
National Policy	Prudent use of resources – faster resumption of plan making – fit for purpose under new planning system	Does not meet Government policy for timely progress on plan making (including risk of intervention through Secretary of State default powers)
Local decision making	Facilitates early resumption of plan making	Slippage not positively addressing housing land supply and reliance on Interim Housing Statement and HELAA in the short term
Neighbourhood Development Plan	NDP reviews work to adopted Arun Local Plan and Standard Housing Methodology – although, earlier resumption of Plan making likely to assist strategic matters	Greater evidence burden on NDP preparation and uncertainty on strategic matters in the short term