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Chichester Local Plan Examination statement

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## Matter 6: Other Housing Issues Policies 33/34/35/36

September 2014

# Chichester Local Plan Examination statement

## Matter 6: Other Housing Issues Policies 33/34/35/36

This statement has been produced as part of the examination of the Chichester Local Plan. It answers the Inspector's questions relating to matter 6.

Any queries about the report should be sent to the programme officer:

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## **1. Is the percentage and thresholds for contributions justified by viability evidence?**

1.1. Yes, although there is a high need for affordable homes to be provided within the plan area this needs to be balanced by an equally high need for new infrastructure to support the new housing. As explained in the Local Plan at paragraph 17.14, the Development Viability Assessment Study (CD-37) has considered the total level of developer contributions available to meet both the Community Infrastructure Levy, affordable housing contributions and to ensure deliverability of the plan. The study has informed the level of affordable housing contributions set out in Policy 34. Paragraph 18.8 of the Development Viability Assessment Study suggests a total known cost of in excess of £66m is required in order to deliver the infrastructure to support the Local Plan. Even with the proposed CIL rates (and s106) in place this still leaves a large funding gap in excess of £22m.

1.2. The consultants who conducted the viability assessment tested the Policy overage for CIL at both 40% and 30% affordable housing. This concluded that the policy overage for CIL was significantly higher at 30%.

1.3. If the Council had chosen a 40% affordable housing target, the CIL rates would have to be significantly reduced, with the implication that the already large infrastructure funding gap would widen. Altering the affordable housing policy increases the CIL receipts as shown in Table 7.1 of the Development Viability Assessment Study<sup>1</sup>.

1.4. The study showed there was more overage for CIL and affordable housing in the north of the Plan area, so the Council could have adopted a policy of 40% affordable housing in this part of the plan area. However, the Council decided to keep a flat affordable housing target across the plan area, but with a higher CIL charge for residential development north of the National Park, and aimed to strike a balance between affordable housing and being able to fund the infrastructure in support of the growth of the area. It thus decided the appropriate balance was to set a 30% affordable housing target.

## **2. Does Policy 34 provide a clear basis for assessing viability of individual proposals?**

2.1 Yes, Policy 34 (point 3) provides a mechanism for testing the viability of individual proposals, where in exceptional cases it can be demonstrated that the affordable housing target is unviable. This mechanism requires a

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<sup>1</sup> [Development Viability Study \(CD-37\)](#): Table 7.1, Page 37

developer to provide the evidence that an individual proposal is unable to viably deliver the 30% affordable housing target. The Council will then appoint an independent valuer (at the developer's expense) to look at the evidence and provide an independent viability assessment. If the independent valuer agrees that the proposal is unviable, the Council will request the independent valuer's advice on alternative ways to make the scheme viable, for example through changing the tenure mix. If this is still unviable, the independent valuer's advice will be sought on the appropriate level of affordable housing that would make the scheme viable.

- 2.2 This approach has already been used in the district a recent example being the Strategic Development Location at Shopwyke Lakes, where the site had extensive abnormal costs and infrastructure requirements, and as a result a lower percentage of affordable housing was negotiated to enable a deliverable scheme.
- 2.3 The Council's approach is consistent with the National Planning Policy Framework (NPPF) (CD-62) paragraph 173. The Council's approach is based on viability evidence which ensures deliverability of developments across the district when taking account of Local Plan requirements, infrastructure contributions and the normal cost of development and provision of competitive returns to the landowner and developer. In accordance with NPPF paragraph 187, the Council will look to provide solutions to enable development to proceed.

### **3. Are the criteria for allowing affordable housing development outside settlement boundaries consistent with the NPPF paragraph 54?**

- 3.1 Yes, policy 35 of the Local Plan: Key Policies Pre-Submission (CD-01) has been drafted in line with paragraph 54 of the NPPF.
- 3.2 As a rural District exception site housing has been delivered over a number of years. The Policy encourages exception sites to be delivered in the more sustainable locations adjacent to a Settlement Boundary (criterion 1). Settlements with boundaries are those which are considered to be more sustainable as outlined in the Settlement Capacity Profiles report (CD-75). In the rest of the plan area, which is considered to be countryside (refer to Policy 2), schemes should be integrated with an existing settlement rather than isolated development.
- 3.3 Criterion 1 of the second section of the policy refers to 100% affordable housing unless a robust justification is provided in line with paragraph 17.28. Paragraph 17.28 of the Local Plan: Key Policies Pre-Submission (CD-01) allows for a small number of market units to be built on exception sites with

certain caveats. The Council has a long track record of delivering exception site housing and has adopted this approach as it would prefer to invest commuted sum funds received in lieu of affordable housing to aid the viability of a scheme and achieve 100% affordable housing rather than rely on market housing to finance a scheme. Only as an exception would market housing be encouraged to finance a scheme and then only the minimum market housing required in order for the scheme to be viable.

3.4 For clarity the proposed main modification **M124** amends the last sentence of paragraph 17.28 to refer to the scheme “must not generate excessive profit for the developer or landowner”<sup>2</sup>.

3.5 Many of the criteria within the second part of the policy reflects how the Council operates its current exception site delivery i.e. local connection, mix of dwelling size and using a Registered Provider or other Approved Body in order to keep the property affordable in perpetuity. The Council considers that the criteria have been drafted in line with paragraph 54 of the NPPF “...local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs...including through rural exception sites.

**4. Will the timescale for preparation of the Gypsy, Travellers and Travelling Showpeople Site Allocations Document, included in the May 2014 LDS, enable sites to be delivered to the timescales identified in Policy 36?**

4.1 Yes, officers are currently undertaking appraisals of potential Gypsy, Traveller and Travelling Showpeople in line with the Local Development Scheme 2014-2017 (CD-94). Work has commenced on site assessments and it is considered that the timescale is achievable.

4.2 The Gypsy and Traveller and Travelling Showpeople Accommodation Assessment Phase 1 (CD44a) identified a total need for 59 pitches for gypsies and travellers and 18 plots for travelling showpeople within the Plan area during the plan period, with a specific need for 37 gypsy and traveller sites before 2017. The Council has permitted a number of applications over recent months, this not only shows a commitment by the Council to providing sites for Gypsy, Travellers and Travelling Showpeople but they also provide a contribution to the Five Year Supply.

4.3 The existing need for pitches based on the Five Year Supply assessment is for 31 pitches (2012-19) see table below:

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<sup>2</sup> [Schedule of Proposed Main Modifications to the Pre-submission Local Plan](#): Page 18

## Five Year Land Supply 2014-2019 (updated 29-07-14)

### 1. Gypsy and Travellers

#### **Requirement for pitches 2014-2019**

(a) Identified need for pitches 2012-2017	37	Total G & T pitch requirement 2012-2017 identified in GTAA April 2013
(b) Pitches permitted & occupied since 2012	9	Sites listed in table
(c) Remaining requirement for additional pitches 2014-2017	28	(a) minus (b)
(d) Identified need for pitches 2018-2019	3	Total G & T pitch requirement 2018-2022 identified in GTAA April 2013 = 11 divided by 4 = 2.75 pitches to be provided in year 2018/19 (rounded up to 3)
<b>(e) Requirement for additional pitches 2014-2019</b>	<b>31</b>	(c) + (d)
(f) <i>Additional pitches required per year 2014-2019</i>	6.2	(e) divided by 5 years

#### **Supply of pitches 2014-2019**

(g) Current outstanding permissions not yet implemented	26	Sites listed in table
(h) <i>Identified years' supply of pitches</i>	4.2	(g) divided by (f)
<b>(i) Outstanding requirement for pitches not yet identified</b>	<b>5</b>	(g) minus (e)

4.4 Since September 2012 permission has been granted for 32 units to date, there is therefore a need for 5 pitches prior to 2019. Based on this the five year supply gives an identified supply of 4.2 years.

4.5 It is anticipated that the Council will achieve its 5 year supply by the end of 2014. In addition the Council has recently permitted a transit site at Chichester Depot in line with the recommendation within the GTAA to provide a site in Coastal West Sussex, all of which demonstrates the Council's commitment to delivering Gypsy, Traveller and Travelling Showpeople sites in the District.