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Chichester Local Plan Examination statement

Matter 5: Housing supply Policy 4

September 2014

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This statement has been produced as part of the examination of the Chichester Local Plan. It answers the Inspector's questions relating to matter 5.

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1. Is the evidence that has been used to determine the full, objectively assessed housing need for the district in accordance with paragraph 47 of the NPPF and with the methodology set out in the NPPG? (the evidence is largely to be found in CD17a and CD17b, the Coastal West Sussex Housing Market Assessment Update (SHMA) and SHMA Chichester Summary Report, CD87, the updated demographic projections for Sussex Coast HMA Authorities and CD10, April 2014 Assessment of Housing Development needs Study: Sussex Coast HMA))

- 1.1 Yes, the Council worked with adjoining authorities to prepare an SHMA for the Housing Market Area to comply with paragraphs 47 and 159 of the NPPF in 2012. The need for housing across the HMA was reviewed in the Housing Study (Duty to Cooperate) - Coastal West Sussex (CD-49a and CD-49a), with the Assessment of Housing Development Needs Study (CD10) then revising this to take account of the NPPG and new demographic data and projections set out in the Updated Demographic Projections for the Sussex Coast HMA (CD-87). The Council considers that the studies listed above (all of which were undertaken by consultants, GL Hearn) fully meet the requirements set out in the NPPF (paragraph 47) and the accompanying NPPG on 'Housing and Economic Development Needs Assessments'.
- 1.2 However, since the submission of the Plan, the Council has commissioned GL Hearn to provide a further updated assessment of objectively assessed need (OAN) taking account of the 2012-based subnational population projections (SNPP) published in May 2014. Appendix 5A presents the resulting report, 'Review of Objectively Assessed Housing Need in light of 2012-based Subnational Population Projections (August 2014)'. As set out in the response to Matter 5/2 below, the revised figures now represent the Council's updated assessment of OAN, which supersede the figures in the studies listed above.
- 1.3 Although the OAN figures presented in the previous studies have since been updated, parts of those studies remain relevant as part of the Local Plan evidence base. The Coastal West Sussex SHMA Update (CD17a and CD17b) fulfils the specific requirement in the NPPF (paragraph 159) to prepare a SHMA to assess the full housing needs of the area, working with neighbouring authorities where housing market areas cross administrative boundaries. The study preceded the publication of the NPPG, but followed the earlier CLG Practice Guidance published in 2007. Chapter 2 of the SHMA defines the Sussex Coast housing market area (HMA), based on migration flows; commuting patterns; geographical differences in house prices by type; together with a number of key socio-economic indicators.

The SHMA also sets the context for understanding the key local housing market characteristics and drivers which influence the OAN.

- 1.4 The other studies listed above were undertaken subsequent to the SHMA, to update the information on future housing need. They take account of more recently published sources of demographic data, and also bring the methodology directly in line with the NPPG. The Updated Demographic Projections for the Sussex Coast HMA presents updated population and household projections for the HMA and its constituent districts, incorporating data from the 2011 Census, 2011-based Interim Sub-National Population Projections and Revised Mid-Year Population Estimates and Components of Change for the 2002-11 period. The Assessment of Housing Development Needs Study combines these updated demographic projections with information relating to economic projections, affordable housing need, housing market signals and past housing delivery, and adjusts the OAN assessment accordingly based on the approach set out in the NPPG. Chapter 2 of the Updated Housing Development Needs report specifically details GL Hearn's methodology for assessing OAN, setting out how it meets the NPPF requirements.
- 1.5 GL Hearn's recent report presented in Appendix 5A updates the OAN assessment again and further refines some aspects of the methodology. This is explained in the response to Matter 5/2 below.

2 For clarity, what is the Council's estimation of OAN? (based on the SHMA estimation of an annual need for 438 – 497 homes per year, the requirement of 529 homes per year which flows from CD87 and the range of 530 – 650 which is calculated in CD10?)

- 2.1 The Council's current assessment of OAN for the District is based on the recent update report prepared by GL Hearn, 'Review of Objectively Assessed Housing Need in light of 2012-based Subnational Population Projections', which is presented in Appendix 5A. Based on this updated evidence, the Council now considers that the OAN figure for Chichester District (including the South Downs National Park) shows a need for between 560 – 575 homes per year.
- 2.2 The latest GL Hearn work updates the OAN to take account of the 2012-based subnational population projections (SNPP) which were published in May 2014. The analysis takes account of projected changes in the age/sex breakdown over time and applies household formation (headship) rates to estimate the likely level of housing need (including an allowance for empty and second homes). Analysis has been carried out for the 2013-29 period – the start point being chosen to fit with the date for which good baseline data

is available (from ONS midyear population estimates) and the end date to fit in with the Council's emerging Local Plan (which will cover the 2014-29 period).

2.3 The report presents four scenarios for projected dwelling requirements based on different headship scenarios.

- **Scenario 1** – Projects forward the headship rates from the 2011-based CLG household projections. These figures reflect recent levels of household formation, giving a projected requirement of 515 homes per year.
- **Scenario 2** - Projects forward the headship rates from the 2008-based CLG household projections. These figures reflect longer term trends in household formation, giving a projected requirement of 607 homes per year.
- **Scenario 3** – Projects forward the midpoint trend between Scenarios 1 and 2.¹ This represents GL Hearn's best estimate of likely future household formation (headship) rates, giving a projected requirement of 561 homes per year.
- **Scenario 4** – 'Market signals' uplift. Adjusts Scenario 3 upwards to enable household formation rates for the 25-34 age group to return to 2001 levels by 2029. This responds to evidence that the local housing market currently may be constraining household formation rates for younger households. It gives a projected requirement of 574 homes per year.

2.4 The OAN range provided by Scenarios 1 and 2 (515 to 607 homes per year) directly updates the range of 530 – 650 homes per year as previously set out in the Assessment of Housing Development Needs Study (CD-10), based on alternative projections of future household formation. Scenario 3 (561 homes per year) is based on the midpoint trend in household formation levels and is considered by GL Hearn to represent the most robust demographic-based projection of OAN. Scenario 4 (574 homes per year) provides for a slight upward adjustment to Scenario 3, taking account of evidence of affordable housing need and market signals, which would allow for an increase in formation rates for younger households.

¹ This approach follows recent analysis of trends in household formation rates carried out by the Cambridge Centre for Housing and Planning Research (CCHPR) in a study for Town and Country Planning Association (TCPA) in September 2013. Their research suggests that roughly half of the reduction in the long term growth in rates of household indicated in the 2011 CLG figures (Scenario 1) is likely to be due to short term housing market conditions resulting from the post-2008 housing market recession. The other half is attributable to longer term structural changes in the population caused by factors such as international migration. On this basis, rates of household formation are expected to revert to somewhere closer to the long term trend seen in the 2008 CLG figures (Scenario 2). Therefore, GL Hearn considers that a midpoint trend between the 2011- and 2008-based trends (Scenario 3) represents the most robust basis for projecting forward household growth.

2.5 GL Hearn considers that the latest evidence would support identification of an objectively assessed need for between 560-575 homes per year in the District. This represents the Council's current and most up-to-date assessment of OAN, superseding the figures set out in the previous studies referred to in the question. To meet the requirements in the NPPG, the assessment of OAN takes no account of development constraints.

2.6 However, the latest OAN figures do not alter the Council's view that the Local Plan provision of 410 homes per year represents the highest level of growth that is sustainable and deliverable for the Plan area taking account of all the NPPF policy requirements.

3 Can the Council demonstrate that it has taken all reasonable steps, through co-operation with adjacent authorities, to meet housing need that it contends cannot be met in the Plan area?

3.1 The Duty to Cooperate Statement (CD-14) summarises the strategic planning activities of the Council and the outcomes in terms of the Local Plan. The DtC Statement sets out the activities that have been carried out on a joint basis with other Local Planning Authorities in the Coastal West Sussex and Greater Brighton (CWS&GB) area, as part of the Coastal West Sussex Strategic Planning Board. It covers on-going work between the CWS&GB authorities and those in the wider area to support strategic priorities, in particular housing. The DtC Statement also focuses on strategic planning activities which are more specifically related to Chichester District Council and have not been part of the CWS&GB work programme.

3.2 The Housing Study (Duty to Cooperate - Coastal West Sussex) (CD-49a and CD-49b) undertaken on behalf of the CWS&GB authorities concluded that the area is highly constrained due to the fact that it is tightly bound by the English Channel and the South Downs National Park, and meeting the housing needs of the area will become increasingly challenging. This is recognised in the Coastal West Sussex and Greater Brighton Local Strategic Statement (CD-13), and the CWS&GB authorities are working together through their own local plans and strategies to meet their objectively assessed needs as far as possible in the short to medium term. The CWS&GB authorities are also working closely with neighbouring authorities in the wider sub-region to consider what the longer term options are for meeting development needs. This work is on-going and is governed by a clear commitment from all relevant authorities through an agreed Memorandum of Understanding².

² [CWS&GB Strategic Planning Board Memorandum of Understanding](#)

3.3 Annex 7 of the DtC Statement sets out a summary of strategic cooperation with neighbouring authorities. Each authority has stated that they are unable to assist with meeting any unmet housing need in the Chichester Local Plan Area, with the exception of Horsham District Council, which has some capacity to assist neighbouring authorities with unmet housing need. Horsham District Council has stated that Chichester District Council would need to demonstrate where the unmet need was derived from, and articulate how Horsham could help meet those needs, in terms of the type and location of housing.

4 Has the Council taken a rigorous approach to reach an agreement with the SDNPA on the appropriate level of the district's housing need that can be accommodated in the SDNP?

4.1 The Council has had regular meetings with the South Downs National Park Authority to discuss the extent to which development needs can be met in the SDNP. Housing delivery over the past decade has averaged around 70 dwellings per annum (dpa) in the part of Chichester District within the National Park. At a meeting on 5 February 2013 the SDNPA considered the assumption of housing delivery at 70 dpa within the National Park to be a reasonable estimate³. At that time it was too early for the SDNPA to say what its housing requirement would be in the part of Chichester District within the National Park, as the SDNPA was at a very early stage of plan preparation.

4.2 The SDNPA made representations on the Local Plan: Key Policies Pre-submission stating that the shortfall in objectively assessed need will not be able to be made up within the SDNP.

4.3 At a DtC meeting on 12 March 2014, the SDNPA stated that the assumption made in the emerging Chichester Local Plan: Key Policies (CD-01) of 70 dpa being delivered in the SDNPA did not seem unreasonable⁴. However, the SDNPA could not sign up to this figure as it would require testing through their local plan process. Until the SDNPA plan is further advanced it is not possible to identify a more specific housing figure for delivery within the Chichester District part of the National Park.

5 What options has the Council considered in seeking to accommodate the OAN? What opportunities/ sites have been considered and dismissed and why have they been dismissed?

³ [Duty to Cooperate Statement](#) (CD-14): Annex 7, Page 43

⁴ [Duty to Cooperate Statement](#) (CD-14): Annex 7, Page 43

5.1 As set out in the Local Plan and explained in detail in the background paper, A Balanced Approach to Housing Provision (CD-09), the Plan housing target represents the level of housing that the Council believes can be accommodated sustainably within the Plan area. During the preparation of the Plan, the Council has explored a number of options to accommodate higher levels of housing provision. These options have included:

- (i) Alternative locations for strategic housing development
- (ii) Higher levels of housing at the strategic development locations included in the Plan
- (iii) Higher levels of housing at the settlement hubs
- (iv) Higher levels of housing in other settlements (parish housing numbers).

(i) Alternative locations for strategic housing development

5.2 As part of the Focus on Strategic Growth Options (FoSGO) consultation (CD-41), the Council consulted on potential strategic development locations South West of Chichester and at Fishbourne. These locations were not carried forward into the subsequent Housing Numbers and Locations consultation (CD-97). As indicated in the Sustainability Appraisal (SA) (CD-03), this reflected the lack of capacity at the Apuldram waste water treatment works and consequent impacts on Chichester Harbour Special Protection Area (SPA) and secondly recreational disturbance impacts on the SPA. The lack of facilities and infrastructure at Fishbourne was also highlighted as an issue.

5.3 Since the FoSGO consultation, further evidence has led to an identified mitigation strategy to address the potential recreational disturbance impacts, although the South West Chichester and Fishbourne locations are still considered likely to be too close to the Harbour for the strategic mitigation measures (identified through the Solent Disturbance and Mitigation Project (CD-77a-d)) alone to be effective. However, in addition to the lack of capacity at Apuldram WwTW, there are still considered to be significant reasons for not favouring strategic development at either location. At South West Chichester, a large part of the site falls within the Environment Agency flood zones 2 and 3, whilst the proximity of the site to the AONB would be likely to result in significant visual impact. At Fishbourne, there are concerns over the impact of strategic development on the character of the village, the location of the site in the open countryside and the visual impact from the SDNP and the surrounding landscape.

(ii) Higher levels of housing at the strategic development locations allocated in the Plan

- 5.4 West of Chichester – The FoSGO consultation identified the location as having potential for up to 2,000 homes. The SA assesses three options – 1,000 homes (the proposed Local Plan figure), Less than 1,000 (400-700 homes) and More than 1,000 (1,500+ homes) within the Plan period. The higher option is considered likely to result in benefits in terms of housing, employment and sustainable travel, but likely to create significant adverse impacts in terms of biodiversity loss, air pollution and traditional urban form. Overall, the SA indicates that 1,000 homes would bring significant benefits, but have fewer potentially severe adverse impacts compared to a larger development.
- 5.5 The Local Plan allocates sufficient land to deliver 1,600 homes in total. However, due to the current wastewater treatment constraints, development is not expected to come forward until 2019 following the expansion of the Tangmere WwTW. This allows only a ten year build period up to the end of the Plan and the Council considers that building more than 1,000 homes within this timespan would be difficult to achieve, particularly in view of the need to mitigate the adverse impacts identified in the SA and phase delivery of key infrastructure in conjunction with housing development.
- 5.6 Westhampnett/North East Chichester – Higher levels of development were consulted on in both FoSGO (up to 1,500 homes) and Housing Numbers and Locations (up to 1,100 homes). The SA assesses two options – 500 homes (the proposed Local Plan figure) and More than 1,000 homes. The higher option is considered likely to generate more significant benefits for a number of indicators, such as housing need, modal shift and low carbon energy, but is likely to lead to significant negative impacts in terms of landscape conservation, traditional urban form and quality of life (this being due to noise impacts on the development from the Goodwood Motor Circuit). Overall, the SA analysis reinforces the Council’s view that development should be limited to no more than 500 homes. The South Downs National Park Authority (SDNPA) has also indicated that it would be concerned if the scale of development at Westhampnett/North East Chichester were to increase above the current proposed level.⁵
- 5.7 Tangmere - Both the FoSGO and Housing Numbers and Locations consultations identified Tangmere as having potential for up to 1,500 homes. The SA assesses options of Up to 1,000 homes (broadly equivalent to the level proposed in the Local Plan) and More than 1,000 homes (up to 2,000 – 2,500 homes). The higher option is considered likely to generate

⁵ [Duty to Cooperate Statement](#) (CD-14): Annex 7, Pages 43-44

significant benefits in terms of addressing housing need and access to facilities, but overall shows slightly fewer positive impacts, with potentially negative effects in terms of resources and sustainable travel and consumption.

- 5.8 As at West of Chichester, a further consideration is that the current lack of wastewater capacity means that development is not expected to commence before 2019, and development of more than 1,000 homes over the following 10 years to 2029 is not considered likely to be deliverable.

(iii) Higher levels of housing at the settlement hubs

- 5.9 Southbourne - Options for higher levels of housing were included in the Housing Numbers and Locations consultation (up to 500 homes) and Parish Housing Numbers consultation (350-600 homes for the parish) (CD99a & CD99b). The SA (CD-03) assesses options of 250-500 homes (broadly equivalent to the Local Plan) and A lot more houses (700+ homes). The higher option shows significant positive benefits for a range of indicators, including housing need, sustainable transport and the economy, but also has potential to create severe adverse impacts on water and waste resources, biodiversity and urban form.

- 5.10 Selsey – Options for higher levels of housing were included in the Housing Numbers and Locations consultation (up to 200 homes) and Parish Housing Numbers consultation (150-250 homes for the parish). The SA assesses options of 150-200 homes (broadly equivalent to the Local Plan) and A lot more houses (350+ homes). Overall the SA shows potentially greater adverse compared to positive impacts for both options, but more severe for the higher housing option – mainly relating to adverse impacts related mainly to the environment (e.g. biodiversity loss, flood risk and adaption to climate change) and in terms of access to jobs and facilities.

- 5.11 East Wittering/Bracklesham – Options for higher levels of housing were included in the Housing Numbers and Locations consultation (up to 750 homes) and Parish Housing Numbers consultation (350-600 homes for the parish). The SA (CD-03) assesses three options – 50-100 homes (broadly equivalent to the Local Plan); 250-300 homes and Over 500 homes. The higher options, whilst having some positive impacts, generate significant negative impacts mainly relating to the environment, travel patterns and access to jobs.

(iv) Higher levels of housing for other settlements (parish housing numbers)

- 5.12 Local Plan Policy 5 provides for a total of 775 homes to be delivered through small scale housing sites identified in other settlements (including

on brownfield sites within Chichester city). During preparation of the Local Plan, higher levels of provision were considered. The Housing Numbers and Locations consultation considered options of up to 800 homes on non-strategic sites in the South of the Plan area and up to 330 homes in the North of the Plan area. The Parish Housing Numbers consultation considered up to 1,340 homes on non-strategic sites in the south of the Plan area (excluding Southbourne, Selsey and East Wittering/Bracklesham) and up to 375 homes in the north.

5.13 The SA of Policy 5 (Parish Housing Sites) considers two options – Lower numbers (equivalent to the Local Plan) and Higher numbers (equivalent to the upper end of the range proposed in the Parish Housing Numbers consultation). The higher option is considered likely to deliver greater benefit in terms of meeting housing need, achieving a sustainable mix of housing and assisting the rural economy, but leads to potential adverse impacts in terms of a wide range of criteria, including biodiversity, water resources, need to travel and traditional urban form.

5.14 Whilst accepting that there is potential in terms of land availability to identify additional land for housing in the smaller settlements, the Council strongly believes that the option of higher growth could not be achieved without having a significant impact on the environment and fundamentally altering the character of the Plan area and its settlements. The nature of the constraints affecting the Plan area is summarised in the Council's background paper, A Balanced Approach to Housing Provision (CD-09). Assessment of the development capacity and constraints affecting individual settlements within the Plan area is set out in the Settlement Capacity Profiles (CD-75).

6 How has the target of 6973 homes been arrived at as the number that can be provided over the Plan period?

6.1 The Council has derived the proposed housing target through an iterative process over the course of Local Plan preparation. This has included analysis of evidence on future housing requirements, potential development sites, development constraints and infrastructure requirements. The technical analysis of evidence has been refined through on-going liaison with site promoters, statutory agencies and key service providers, and feedback from public consultation. The key inputs have included :

- Assessment of future housing needs – drawn from the SHMA (CD-17a and CD-17b) and more recent housing studies covering the Sussex Coast HMA⁶;
- Consideration of sites potentially available and suitable for development – primarily drawn from the SHLAA (CD-16) and sites promoted in response to the Local Plan consultation;
- Consideration of the impact of development on the environment, countryside and character of the Plan area – based on background evidence and discussion with relevant statutory agencies and other key stakeholders;
- Assessment of infrastructure constraints, such as wastewater treatment capacity and transport – again based on background evidence and discussion with the relevant statutory agencies and key infrastructure providers;
- Phasing and delivery of development taking account of the local housing market and development industry – based on the SHMA, SHLAA and past housing development monitoring data.

6.2 During preparation of the Local Plan, the Council has undertaken public consultation on different levels of overall housing provision. The Housing Numbers and Locations consultation (CD-97) sought views on different levels of housing provision ranging from 305 to 415 homes/year in the South of the Plan area, and 12 to 20 homes/year in the North of the Plan area. The Parish Housing Numbers consultation (CD-99a & CD-99b) sought the views of the parish councils and key stakeholders on different levels of non-strategic housing for individual parishes. Based on these consultations and the evidence above, the Council has formed a view on the level of housing that can be delivered sustainably over the Plan period, taking account of the character of the local housing market, infrastructure constraints (in particular wastewater treatment) and the impact of development on the environment, character and local communities in the Plan area.

6.3 The proposed Plan housing target of 6,973 homes is made up from four main sources:

- (i) Existing planning permissions and identified housing sites at the Plan base date (1 April 2012);
- (ii) Large strategic development locations allocated in the Plan;
- (iii) Non-strategic housing sites (settlement hubs and parish housing) to be identified in neighbourhood plans and/or a Site Allocations DPD;
- (iv) A small sites windfall allowance.

⁶ [Housing Study \(Duty to Cooperate - Coastal West Sussex\)](#) (CD-49a & CD-49b); [Updated Demographic Projections for the Sussex Coast HMA Authorities](#) (CD-87) and [Assessment of Housing Development Needs – Sussex Coast HMA](#) (CD-10)

6.4 The contribution of each of these sources of housing supply is set out in table 7.1 in the Local Plan and is explained in more detail in Chapter 3 of the Housing Implementation Strategy (HIS) (CD-48).

(i) Existing planning permissions and identified housing sites

6.5 The figures were initially drawn from the Council's annual housing development monitoring assessment in 2012, when the figure totalled 1,984 net dwellings. This figure was included in the Local Plan: Preferred Approach document (CD-98). In the submission version of the Plan, the figures have been updated to take account of housing completed during the year 2012/13, and additional permissions granted up to October 2013. Where planning permissions have contributed to meeting the non-strategic housing provision set out in the Plan, the permitted sites have been offset against the Plan housing numbers as set out in paragraph 7.29 of the Local Plan,

(ii) Large strategic allocations

6.6 The Local Plan identifies a total of 3,000 dwellings to be delivered on four large strategic sites allocated in the Plan. As explained in the HIS, detailed analysis of the suitability, potential capacity and deliverability of each of the SDLs was undertaken as part of the Plan preparation process. This included public consultation undertaken through the Focus on Strategic Growth Options (FoSGO) and Housing Numbers and Locations consultations on the suitability of the locations for strategic development and the quantum of housing development. The feedback from those consultations has been supplemented by on-going liaison with the site promoters, statutory agencies and key service providers, and the conclusions of specific background studies (e.g. relating to wastewater capacity, transport/highways impacts and biodiversity).

(iii) Non-strategic housing (settlement hubs and parish housing numbers)

6.7 The Plan makes provision for 550 homes to be delivered at the settlement hubs of Southbourne, Selsey and East Wittering/Bracklesham and a further 775 homes on parish housing sites elsewhere. These housing numbers were based on a detailed assessment of the housing potential and capacity of individual settlements, taking account of their size and character, the availability of local services and facilities, levels of accessibility and public transport, and the potential availability of sites, drawing on the SHLAA (2013 version), and information on development constraints. As noted above, the housing numbers were informed by the Parish Housing Numbers consultation. A detailed explanation and justification for the parish housing numbers is presented in the Settlement Capacity Profiles (CD-75).

(iv) Small sites windfall allowance

6.8 The Plan housing target includes a windfall allowance for housing coming forward on small sites of less than 6 homes. Such sites fall below the threshold of 6+ dwellings used for identifying sites in the SHLAA and are considered too small to be likely candidates for allocation in neighbourhood plans. The allowance is based on historic trends for small site completions (excluding residential gardens) over the past decade (2003-2013), which average 47 net dwellings per year. Since there is no evidence that small site completions are increasing or reducing over time, it is considered justified to project this average completions figure forward (however adjustments have been made to avoid double counting with small site permissions already in the pipeline). The allowance is explained and justified in the HIS (paragraphs 3.15-3.20) and is considered to meet the requirements set out in the NPPF (paragraph 48).

6.9 At the Plan base date of 2012, the windfall allowance was estimated as 664 net dwellings (the figure included in the Local Plan: Preferred Approach document). In the submission version of the Plan, the housing figures have been updated to 2013 figures and consequently the windfall allowance has now been reduced to 618 net dwellings.

7 Have all opportunities to increase the supply of housing been explored?

7.1 Yes, the Council believes so. As set out in the response to Matter 5/5 above, over the course of the Local Plan process, the Council has explored a wide range of options for increasing the supply of housing, including considering allocating alternative locations for strategic housing, providing for higher levels of housing at the strategic sites included in the Plan, and seeking higher levels of non-strategic housing at the settlement hubs and smaller settlements. The reasons why these options have not been taken forward in the Plan are explained in detail in the Matter 5/5 response.

7.2 As noted in the response to Matter 5/5, there is potential to deliver higher housing numbers up to 1,600 homes at the West of Chichester SDL, however delivery of the site is likely to be constrained by wastewater considerations in the period to 2019 and the Council considers that no more than 1,000 homes are likely to be achievable within the remainder of the Plan period.

7.3 The Housing Implementation Strategy (HIS) (CD-48) at paragraph 5.8 identifies scope for additional housing to come forward from other sources, in addition to that identified in the Plan. Potential additional sources include:

- Neighbourhood plans allocating land for more housing than the indicative numbers included in the Local Plan. Also allocations in the neighbourhood plans have tended to be expressed in terms of minimum housing numbers, which may be exceeded;
- Housing opportunities from future ‘windfall’ sites of 6+ dwellings not currently identified in the SHLAA or not currently available;
- Additional housing potential through redevelopment opportunities in Chichester City (though this is dependent on overcoming the current wastewater capacity restrictions at the Apuldram WwTW);
- Small scale rural exception housing outside the identified settlement hubs and service villages.

7.4 As stated in the HIS, the Local Plan does not rely on these additional sources since there is uncertainty as to how much additional housing will come forward. However, the Council considers it almost certain that additional opportunities for housing will arise, and therefore the Local Plan housing target represents a cautious estimate of future housing supply.

8 In the context of the NPPF, but particularly paragraph 47, does the evidence demonstrate that the effects of meeting the OAN would significantly outweigh the benefits?

8.1 Yes, the Council strongly believes that the adverse effects of meeting OAN in full would significantly outweigh the benefits. NPPF paragraph 47 requires that the Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework. NPPF paragraph 14 further sets out that local plans should meet OAN unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the NPPF policies taken as a whole, or specific NPPF policies indicates that development should be restricted. The accompanying Footnote 9 states that this includes policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion.

8.2 The Council has presented its justification for the proposed Plan target of 410 homes per year in the background paper, A Balanced Approach to Housing Provision (CD-09). This summarises the various constraints affecting development in the Plan area, drawing on the Local Plan evidence base and with reference to relevant sections of the NPPF. The background paper

highlights that a large proportion of the Plan area comprises locations where NPPF policies indicate that development should be restricted. This includes areas:

- Within or close to the Chichester Harbour AONB and/or close to the National Park boundary;
- Close to Chichester Harbour, Pagham Harbour and the Medmerry realignment, which are all designated or candidate sites of international importance for nature conservation;
- At risk of flooding – this includes much of the Manhood Peninsula, and extensive areas to the east and south of Chichester city, as well as many sites close to smaller settlements elsewhere;
- At risk of coastal erosion – including most of the Plan area coastline;

8.3 Elsewhere, as explained in the Balanced Approach paper, there are many other locations where allowing significant levels of development would be harmful to the landscape, character and identity of settlements, and/or heritage of the area; or would be unsustainable in terms of access to services and facilities and travel patterns. Further limitations are imposed by infrastructure constraints, particularly the environmental/water quality restrictions at Apuldram WwTW.

8.4 During the Plan preparation process, the Council has assessed options for higher levels of housing development, as detailed in the response to Matter 5/5 above. However, as indicated by the Sustainability Appraisal (CD-03) accompanying the Plan, higher housing numbers would be likely to generate substantial adverse impacts relating to the environment, biodiversity, resources, pollution, landscape, sustainable travel and settlement form. Mitigating such impacts would be extremely difficult, especially given considerations of development viability and the need for early housing delivery.

8.5 The many and various development constraints highlight the sensitivity of the Plan area in terms of accommodating further development and place particular importance on ensuring that it is planned sensitively, with appropriate mitigation and timely provision of infrastructure. Failure to do this risks causing irreversible harm to the unique character, environment and heritage of the Plan area, which is the only remaining 'rural' area on the South coast between Southampton and Brighton.

8.6 However, as emphasised in both the Local Plan and the Balanced Approach paper, the Plan overall presents a positive strategy for growth. Whilst seeking to restrict development in the most sensitive locations, it provides for new development well above recent house building rates, including major expansion at Chichester city and Tangmere (and to a lesser degree Westhampnett and

Southbourne). On this basis, the Council believes that the Plan strategy for housing delivery represents a sustainable balance that fully meets the NPPF requirements.

9 Does the delivery of an annual average of below 350 completions in the Plan area in the period 2001-12 represent persistent under delivery as referred to in NPPF paragraph 47, leading to a requirement for a 20% buffer when calculating the five year supply?

9.1 Yes, the Council accepts that the level of housing completions in the Plan area over the period 2001-12 has averaged well below the proposed Plan target of 410 net homes per year and that this must be regarded as 'persistent under delivery' in terms of NPPF paragraph 47. Therefore, the Council considers that it is appropriate to include a 20% buffer when calculating five year supply.

9.2 However, the Council considers that the start date for calculating housing shortfall against the Plan target should be 1 April 2012. The estimated OAN for Chichester District has been calculated to take account of past under supply of housing⁷. However, the Council believes that the scale and significance of development constraints across the Plan area make it unsustainable to set a Plan housing target greater than 410 homes per year. The Council accepts that this will result in a shortfall which it is not possible to accommodate within the Plan area. This applies both to projected future housing needs and the previously unmet backlog of under-supply.

10 Is the Plan supported by an identified and up to date five year supply of sites?

10.1 Yes, the Council considers that the current assessment of housing delivery and phasing which is presented in this response demonstrates that there is now an up-to-date five year supply of housing land. This takes account of expected housing delivery from sites with existing planning permission, plus additional sites identified in emerging neighbourhood plans that are likely to come forward during the coming five year period.

10.2 The housing figures in the submission version of the Local Plan (Table 7.1 and the housing trajectory in Appendix D) and in the accompanying Housing Implementation Strategy (HIS) (CD-48) are based on annual monitoring survey data relating to a base date of 1 April 2013 (but include sites added to the housing supply up to 8 October 2013). The figures are consistent with the annual housing development monitoring figures which were published by the

⁷ [Assessment of Housing Development Needs Study - Sussex Coast HMA](#) (CD-10) paragraph 2.4

Council in autumn 2013 in its Five Year Housing Land Supply⁸ report and Authority's Monitoring Report⁹ (both of which currently cover the whole district including the South Downs National Park).

- 10.3 The HIS presents the five year housing land supply position for the Plan area based on the proposed Plan target of 410 net homes per year. Table 2 in the HIS indicates that, taking account only of existing sources of housing supply (including a small site windfall allowance), there is a potential shortfall of 812 net dwellings. However, Table 6 indicates that when potential additional housing to be identified in the Local Plan is added, the potential shortfall reduces to only 51 net dwellings. The HIS (paragraph 5.5) states that it is considered likely that additional housing beyond the identified parish targets will come forward from planning applications yet to be determined and/or outstanding planning appeals and that this additional supply is expected to be sufficient to overcome the identified shortfall.
- 10.4 Since October 2013, the housing supply position has improved as a result of additional housing sites gaining planning permission. Since that date, a total of 502 net additional dwellings have been added to the 5-year housing supply figures from sites of 6 or more homes granted planning permission (including sites allowed on appeal). In addition, a number of parishes have made progress with identifying sites in neighbourhood plans, several of which have passed (or are close to reaching) the publication (Regulation 16) stage.
- 10.5 Appendix 5B presents a table showing the latest progress on Local Plan housing delivery at the proposed strategic development locations and parishes where housing is identified in LP Policy 5. For each area, the table indicates how much housing has already been granted permission (since 1 April 2012) and how much additional housing is expected to come forward in the 5-year period (2014-2019). The additional housing comprises sites identified in emerging neighbourhood plans that have reached the Regulation 16 stage (or will have reached that stage by the time of the Local Plan examination hearings). As with planning permissions, the neighbourhood plan sites are only included in the 5-year supply where they meet the NPPF criteria of availability, suitability and deliverability. This takes account of any development phasing policies included in the relevant neighbourhood plans.
- 10.6 Based on this analysis, Appendix 5C presents the Council's updated assessment of the five year housing supply position for the Plan area. This shows that there is currently expected to be a small five year housing supply surplus of 8 dwellings for the period 2014-2019. This assessment updates and

⁸ [Five Year Housing Land Supply 2014-2019](#)

⁹ [Authority's Monitoring Report 2012-2013](#)

supersedes Table 6 in the HIS. Appendix 5D presents an updated housing trajectory which supersedes the trajectory presented in Appendix 4 of the submission version of the Local Plan.

10.7 It should be noted that the Council is currently updating its housing data as part of the annual monitoring process, incorporating information from the West Sussex County Council housing land survey. The updated figures will enable the Council to prepare an updated five year housing land supply assessment covering the period 2015-2020, based on survey information for a 1 April 2014 base date. The Council expects to finalise the updated housing figures in September, prior to the Local Plan examination.

10.8 Although the data for 2015-2020 is not yet available, the updated housing trajectory indicates that the 5-year supply position is expected to improve compared to 2014-2019. This is largely because the planned expansion of the Tangmere WwTW in 2019 is expected to enable development to commence on the Strategic Development Locations at West of Chichester, Westhampnett/North East Chichester and Tangmere.

11 Have all the risks to delivering these sites within the required time frame been explored, including wastewater treatment capacity and reliance on adoption of neighbourhood plans or a DPD (Local Plan)?

11.1 Yes, potential risks to housing delivery are identified in Chapter 6 of the HIS (CD-48). Appendix 5E presents updated information on these identified risks, identifying where further action(s) have been taken since the HIS was published in October 2013.

11.2 Wastewater treatment capacity continues to be a significant constraint affecting housing delivery. However, through the phasing of housing development in the Plan, the Council has sought to make best use of the available wastewater headroom. The strategic development locations at West of Chichester, Westhampnett/North East Chichester and Tangmere are considered dependent on the planned expansion of the Tangmere WwTW and are therefore not phased to deliver housing until 2019. This places importance on achieving early housing delivery at the settlement hubs of Southbourne, Selsey and East Wittering/Bracklesham and through parish housing sites.

11.3 The Council is continuing to work with the Environment Agency and Southern Water to investigate the potential to accommodate wastewater treatment from additional development at the various treatment works serving development in the Plan area. The results of this analysis are set out in Appendix 1 of the Council's background paper, A Balanced Approach to Housing Provision (CD-09). In addition, the Council is working with Southern Water to monitor available

wastewater headroom. The Council has published a Position Statement on Wastewater and Delivering Development in the Local Plan (CD-15) which sets out the available headroom at the treatment works in the Plan area. This identifies that there is sufficient existing capacity (including the remaining available headroom at Apuldram WwTW) to accommodate all the housing development identified in the Local Plan, except for the large strategic allocations mentioned above.

- 11.4 With regard to reliance on sites being identified in neighbourhood plans or a DPD, most parishes where housing is proposed are progressing their neighbourhood plans and have reached or are close to the submission (Reg 16) stage. In addition, a significant quantity of housing has already gained planning permission ahead of neighbourhood plans. The majority of parishes identified for housing in the Local Plan now have one or more sites with planning permission, and several parishes have already met or exceeded their Local Plan housing targets.
- 11.5 The Council is committed to preparing a Site Allocations DPD which will allocate housing sites if required in parishes where housing sites have not come forward and neighbourhood planning work has not progressed. The Council's timetable, set out in the Local Development Scheme (LDS) (CD-94), indicates that work on the Site Allocations DPD will commence in May 2015, reaching the submission stage by September 2016.

Chichester Local Plan Examination: Matters & Issues

Appendix Contents Page

Matter 5

Appendix 5A – Page 1	Review of Objectively Assessed Housing Need in light of 2012-based Subnational Population Projections (report by GL Hearn, August 2014)
Appendix 5B – Page 34	Progress on Local Plan Housing Delivery (August 2014 update)
Appendix 5C – Page 37	Local Plan Five Year Housing Land Supply 2014-2019 (August 2014 update)
Appendix 5D – Page 38	Local Plan Housing Trajectory 2012-2029 (August 2014 update)
Appendix 5E – Page 40	Risks to Housing Delivery (August 2014 update)



GL Hearn

Review of Objectively Assessed Housing Need in light of 2012-based Subnational Population Projections

Chichester District Council

August 2014

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Contents

Section	Page
1 SUMMARY	7
2 INTRODUCTION	9
3 POPULATION GROWTH	11
4 CHANGES TO THE POPULATION OF WORKING AGE & IN EMPLOYMENT	17
5 HOUSEHOLD AND DWELLING PROJECTIONS	19

List of Figures

FIGURE 1: INDEXED POPULATION GROWTH (1981-2029)	11
FIGURE 2: PAST AND PROJECTED POPULATION GROWTH – CHICHESTER	12
FIGURE 3: COMPONENTS OF POPULATION CHANGE, MID-2001 TO MID-2029 (SUMMARY CHART) – CHICHESTER	13
FIGURE 4: DISTRIBUTION OF POPULATION 2013 AND 2029 – CHICHESTER	14
FIGURE 5: PROJECTED HOUSEHOLD FORMATION RATES FOR THOSE AGED 25-34	21
FIGURE 6: PAST AND PROJECTED TRENDS IN AVERAGE HOUSEHOLD SIZE – CHICHESTER	22
FIGURE 7: PROJECTED NUMBER OF HOUSEHOLDS UNDER DIFFERENT HEADSHIP SCENARIOS – CHICHESTER	23
FIGURE 8: PAST TRENDS AND PROJECTED CHANGE TO ECONOMIC ACTIVITY RATES (NATIONAL)	28
FIGURE 9: PROJECTED CHANGES TO EMPLOYMENT RATES (ENGLAND) – MALES	29
FIGURE 10: PROJECTED CHANGES TO EMPLOYMENT RATES (ENGLAND) – FEMALES	29
FIGURE 11: PAST TRENDS IN ECONOMIC ACTIVITY RATES – CHICHESTER	30
FIGURE 12: PROJECTED HOUSEHOLD FORMATION RATES BY AGE OF HEAD OF HOUSEHOLD – CHICHESTER	31

List of Tables

TABLE 1:	PROJECTED POPULATION GROWTH (2013-2029)	11
TABLE 2:	PROJECTED COMPONENTS OF CHANGE, MID-2013 TO MID-2029 – CHICHESTER	13
TABLE 3:	POPULATION CHANGE 2013 TO 2029 BY FIVE YEAR AGE BANDS – CHICHESTER	15
TABLE 4:	WORKING-AGE AND EMPLOYED POPULATION (2011-36) – CHICHESTER	18
TABLE 5:	PROJECTED HOUSEHOLD GROWTH UNDER DIFFERENT HEADSHIP SCENARIOS – CHICHESTER	22
TABLE 6:	HOUSEHOLD PROJECTIONS BY HOUSEHOLD TYPE (PART RETURN TO TREND HEADSHIP) – CHICHESTER	24
TABLE 7:	PROJECTED DWELLING REQUIREMENTS UNDER DIFFERENT HEADSHIP SCENARIOS – CHICHESTER	25
TABLE 8:	EMPLOYMENT RATES BY AGE AND SEX – CHICHESTER	30
TABLE 9:	DETAILED HOUSEHOLD TYPES (2013-29) – MIDPOINT HEADSHIP – CHICHESTER	33

Appendices

APPENDIX A:	EMPLOYMENT RATE ASSUMPTIONS	27
APPENDIX B:	HEADSHIP RATES BY AGE	31
APPENDIX C:	DETAILED HOUSEHOLD TYPE ESTIMATES	33

Quality Standards Control

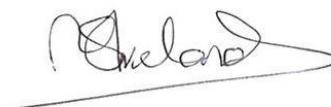
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This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE
August 2014

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A handwritten signature in black ink, appearing to read 'Nick Ireland', is written over a horizontal line. The signature is cursive and stylized.

Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 SUMMARY

- 1.1 This report has been prepared to update the findings of the *Assessment of Housing Development Need Study: Sussex Coast HMA*¹ relating to Chichester District, to reflect the release of new 2012-based sub-national population projections (SNPP) by the Office for National Statistics (ONS) in May 2014. It sets out revised findings regarding the Objectively Assessed Need (OAN) for housing in Chichester District to 2029.
- 1.2 This report models the level of housing need expected to arise in Chichester District. The 2012 SNPP are the first population projections to have been released by ONS which fully take account of the results of the 2011 Census and what this tells us about population trends. The analysis uses changes in the age/sex breakdown over time from the 2012 SNPP and applies household formation (headship) rates to estimate the likely level of housing need (including an allowance for empty and second homes). Analysis has been carried out for the 2013-29 period – the start point being chosen to fit with the date for which good baseline data is available (from ONS midyear population estimates) and the end date to fit in with the Council's emerging Local Plan (which will cover the 2014-29 period).
- 1.3 Between 2013 and 2029 the population of Chichester District is expected to increase by around 12.6%, this is slightly higher than is expected across the South East region (12.3%) and nationally (11%). In total, the population of Chichester District is projected to increase by about 14,600 people over the 16-year period. Population growth in the District is driven by net in-migration, with a negative level of natural change (as deaths exceed births) expected over time. With population growth there is expected to be a significant ageing of the population; although this is consistent with national and regional trends.
- 1.4 Despite the ageing of the population there is expected to be an increase in the number of people of working-age – increasing by 6,400 people once account is taken of changes to pensionable age (over the 2013-29 period).
- 1.5 The number of homes necessary to support the growing population will depend on household formation rates in different age groups. Two initial projections have been run, based on the 2008- and 2011-based CLG household projections. A midpoint between these is shown.
- 1.6 The Planning Practice Guidance additionally recommends that consideration is given to increasing housing provision to take account of market signals, in order to improve affordability. The impact of doing so has also been modelled, considering what additional housing would be needed for

¹ GL Hearn (April 2014) Document Reference: CD-10

household formation rates amongst those aged 25-34 to move back towards the level seen in 2001 over the plan period.

- 1.7 The scenarios modelled suggested household growth of between 495 and 584 per annum in the 2013-29 period. The midpoint scenario, which we consider the most robust projection for household growth, suggests an increase of 539 households per annum. Modelling an improvement in affordability and household formation rates amongst those aged 25-34 increases this to 552 homes per annum. Household growth is particularly concentrated amongst single person households and to a lesser extent lone parents.
- 1.8 To convert households into dwellings a vacancy rate was applied to the household outputs – this rate was put at 4% of new housing stock. Focussing on the midpoint methodology the outputs suggest a housing need for 9,000 homes in Chichester (2013-29) – 561 per annum. This figure increases to 574 with the modelled improvement in housing affordability.
- 1.9 **We consider that the latest evidence would support identification of an objectively assessed housing need for between 560 – 575 homes per annum in Chichester District.** This updated and refines the assessment of housing need set out in the *Assessment of Housing Development Need Study: Sussex Coast HMA* (GL Hearn, April 2014).
- 1.10 This represents a policy-off assessment of housing need in the District which takes account of the Planning Practice Guidance on *Housing and Economic Development Needs Assessments*. It does not take account of any unmet needs from adjoining areas, not policy aspirations to support economic growth. These factors are however relevant, alongside issues regarding land availability, sustainability issues and infrastructure constraints, in translating the assessment of “need” for housing into policy targets for housing provision.

2 INTRODUCTION

- 2.1 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to project household growth). In this report headship rates from earlier (2008- and 2011-based) CLG household projections have therefore been utilised.
- 2.2 The SNPP are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.
- 2.3 This document seeks to take forward the 2012-based SNPP to study the likely implications for household growth and housing needs in Chichester District. Government Planning Practice Guidance on Housing and Economic Development Needs Assessment (NPPG) is clear that latest projections should be the start point for assessing overall housing need.
- 2.4 The analysis in this report uses the 2012-based projections to consider housing need, modelling a number of scenarios regarding household formation rates to provide a range of outputs for consideration. These scenarios are necessary to consider the implications of the 2012-based SNPP on housing need the District. An additional scenario has been developed to consider a potential uplift related to 'market signals' – this scenario studies the implications of seeking to improve affordability for younger households (aged 25-34).
- 2.5 The analysis uses a start date of 2013 which fits in with the latest data for which good baseline data exists (from ONS 2013 Mid-Year Population Estimates) whilst the end date (2029) has been designed to fit in with the Council's emerging Local Plan which covers a period from 2014 to 2029). Because data for 2013 has been input into a demographic model the population figures moving forward do not exactly match those in the 2012-based SNPP (for example ONS data suggests a population of 115,301 in mid-2013 whereas the 2012-based SNPP projected this to be 115,293). Differences are however clearly very slight.

Report Structure

2.6 The report is split into a number of sections considering a range of different outputs related to the new projections. These are summarised below:

- Section 3: Population Growth;
- Section 4: Changes to Population of Working Age and in Employment; and
- Section 5: Household and Dwelling Projections.

3 POPULATION GROWTH

Overall Population Growth

3.1 Table 1 shows projected population growth from 2013 to 2029 in each of Chichester, the South East and England in the SNPP. The data shows that the population of Chichester is expected to grow by around 14,600 people; this is a 13% increase – slightly above the expected increase in the region and nationally.

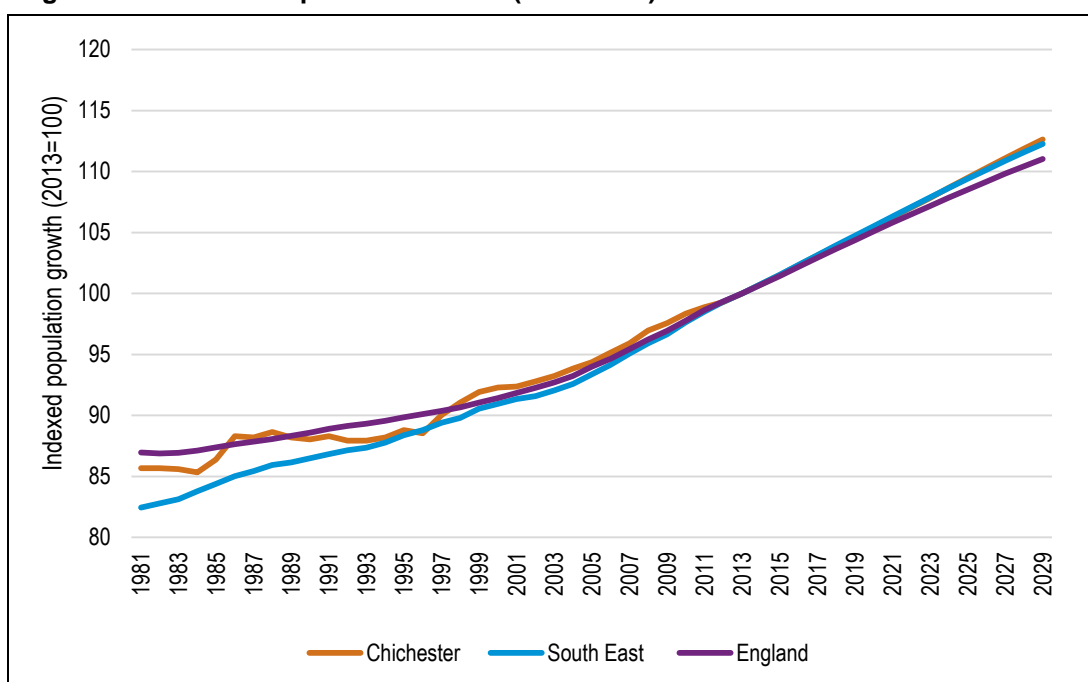
Table 1: **Projected population growth (2013-2029)**

	Population 2013	Population 2029	Change in population	% change
Chichester	115,301	129,869	14,568	12.6%
South East	8,784,800	9,862,200	1,077,400	12.3%
England	53,843,600	59,786,800	5,943,200	11.0%

Source: ONS

3.2 Figure 1 below shows past and projected population growth in the period 1981 to 2029; figures have been indexed to 100 for 2013. The data shows over the period from 1981 to 2001 that population growth in Chichester was relatively weak in comparison with the South East although stronger than seen nationally. Since 2001, the data shows growth broadly in line with national and regional comparisons. This is reflected in the similarities between levels of population growth shown in Chichester, the South East and England in the SNPP Projections (as shown in Table 1 below).

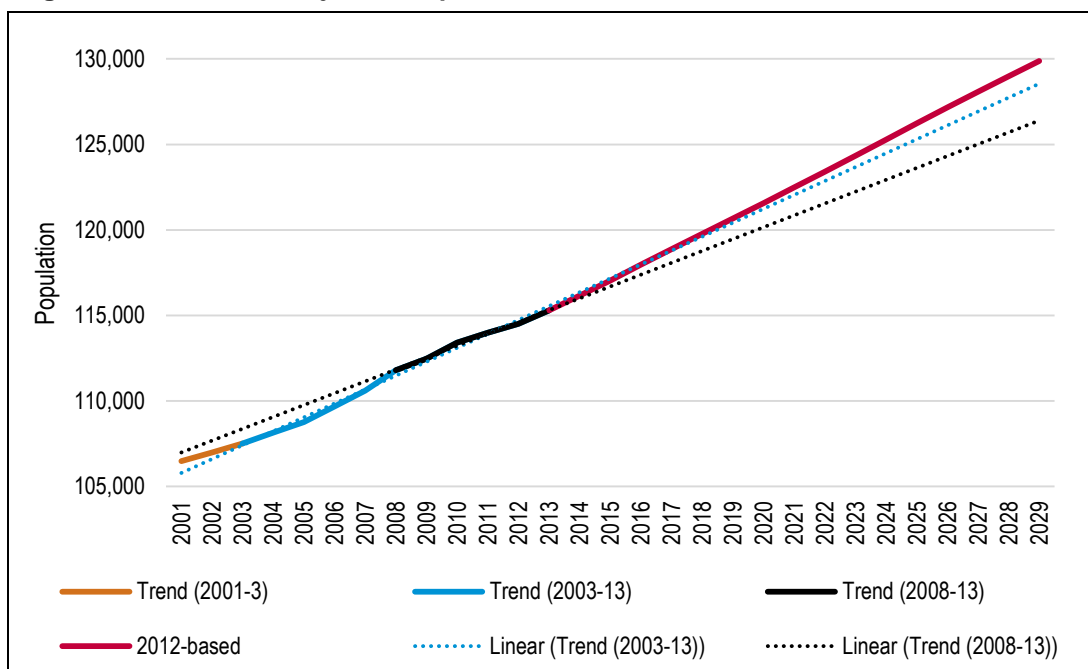
Figure 1: **Indexed Population Growth (1981-2029)**



Source: ONS

3.3 It is also worthwhile to focus this data on the more recent period (from 2001). Figure 2 shows this and plots a linear trend line for the 2008-13 period (the past five years) and also 2003-13. The data shows that the population is expected to increase at a rate which is above either of these trends and suggests that the ONS data is not suppressing population growth when compared with what has happened in the past. The increasing rate of population growth changes in the population structure, whereby a growing older population reduces levels of out-migration in comparative terms².

Figure 2: Past and Projected Population Growth – Chichester



Source: ONS

Components of Population Growth

3.4 Of the 14,600 projected increase in the population over the 2013-29 period, around 4,000 population loss is a result of projected net natural increase (fewer births than deaths) whilst around 18,700 is the projected net number of migrants³. On a per annum basis, the level of natural change is expected to decrease over time (become more negative) whilst net migration is expected to increase.

² Older persons are less likely than younger age groups to move home

³ It will be noted that these figures do not exactly tally; this is due to ONS consolidating local area projections to ensure consistency with national projections – in Chichester this has an impact of 95 over the whole projection period (6 per annum).

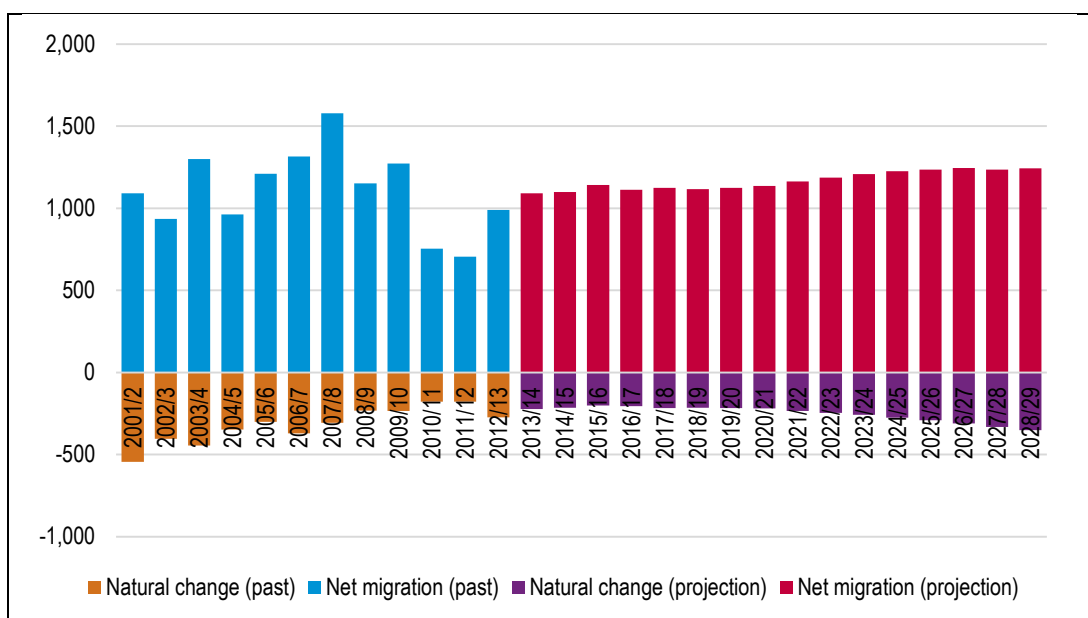
Table 2: **Projected components of change, mid-2013 to mid-2029 – Chichester**

	2013-16	2016-21	2021-26	2026-29	TOTAL
Population at start	115,301	117,974	122,482	127,161	-
Births	3,284	5,538	5,568	3,341	17,731
Deaths	3,924	6,613	6,875	4,337	21,749
Natural Change	-640	-1,075	-1,308	-996	-4,019
Net migration	3,331	5,613	6,016	3,722	18,682
Total change	2,691	4,538	4,708	2,726	14,663
Population at end	117,974	122,482	127,161	129,869	-

Source: ONS

3.5 Figure 3 below shows a summary of the components of population change along with past trends back to mid-2001. The data does suggest in the early part of the projection period that there is clear consistency between the past trends and the projection with regard to levels of natural change. For net migration the past levels have been recorded as being quite variable over time (as is the case for many areas). However, the start point of the projection (with net in-migration of 1,091 persons in 2013/14) is consistent with the average seen in the 2007-12 period. As shown in the table above, natural change is expected to decrease over time whereas net migration is expected to increase. In both cases this is expected to reflect changes in the age structure of the population.

Figure 3: **Components of population change, mid-2001 to mid-2029 (summary chart) – Chichester**



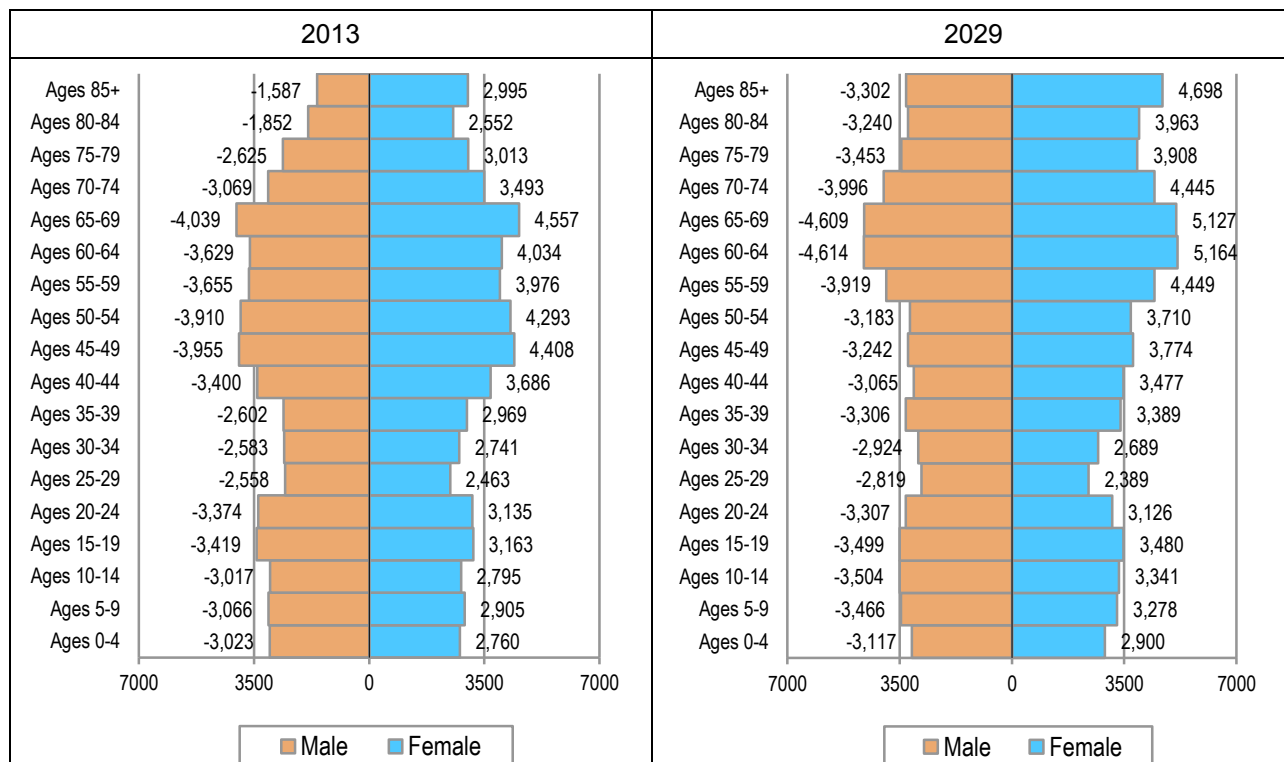
Source: ONS

Age Structure Changes

3.6 The SNPP projections consider how the age structure of the population will change over time, taking account of the ageing of the existing population, births and deaths, and the profile of in- and out-migration of people of different ages. With the overall change in the population will come changes to the age profile. Figure 4 below shows population pyramids for 2013 and 2029. The 'pyramids' clearly show the growth in population overall and highlight the ageing of the population, with a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase from 4,600 people to 8,000 (driven by increasing life expectancy).

3.7 The table on the following page, Table 3, also summarises the findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2029 it is estimated that there will be 40,700 people aged 65 and over. This is an increase of 11,000 from 2013, representing growth of 37%. The population aged 85 and over is projected to increase by an even greater proportion, 75%. Looking at the other end of the age spectrum the data shows that there are projected to be around 12% more people aged under 15 with increases (and some decreases) shown for other age groups.

Figure 4: Distribution of Population 2013 and 2029 – Chichester



Source: ONS

Table 3: **Population change 2013 to 2029 by five year age bands – Chichester**

Age group	Population 2013	Population 2029	Change in population	% change from 2013
Under 5	5,783	6,016	233	4.0%
5-9	5,971	6,743	772	12.9%
10-14	5,812	6,845	1,033	17.8%
15-19	6,582	6,979	397	6.0%
20-24	6,509	6,433	-76	-1.2%
25-29	5,021	5,208	187	3.7%
30-34	5,324	5,613	289	5.4%
35-39	5,571	6,695	1,124	20.2%
40-44	7,086	6,542	-544	-7.7%
45-49	8,363	7,017	-1,346	-16.1%
50-54	8,203	6,893	-1,310	-16.0%
55-59	7,631	8,367	736	9.6%
60-64	7,663	9,778	2,115	27.6%
65-69	8,596	9,735	1,139	13.3%
70-74	6,562	8,441	1,879	28.6%
75-79	5,638	7,361	1,723	30.6%
80-84	4,404	7,203	2,799	63.6%
85+	4,582	8,000	3,418	74.6%
Total	115,301	129,869	14,568	12.6%

Source: ONS

4 CHANGES TO THE POPULATION OF WORKING AGE & IN EMPLOYMENT

4.1 The analysis above has suggested that there will be an ageing of the population moving forward with a greater proportion of the population being in age groups 65 and over. This may have an impact on the available labour force supply. Understanding likely growth in the labour force is an important part of the NPPG which says that:

'Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population'.

4.2 Guidance talks about the working age population and also the numbers who are economically active. Changes in the population in employment can be compared with job forecasts.

4.3 This document itself does not provide projections or a trend based analysis of job numbers but is able to use data about the population age structure to calculate the working age population and how this will change over time. The working age population is impacted not only by the age structure but also by changes to pensionable age. The box below summarises these changes.

Between 2012 and 2018, State Pension age will change from 65 years for men and 61 years for women, to 65 years for both sexes. Then between 2019 and 2020, State Pension age will change from 65 years to 66 years for both men and women. Between 2034 and 2046, State Pension age will increase in two stages from 66 years to 68 years for both sexes.

4.4 Drawing on information published by ONS⁴ it is possible to calculate the number of people aged over 15 who have not yet reached retirement age (the working age population). It is also useful to consider the numbers likely to be working. Assumptions have been made on the basis of studying national trends in economic activity rates between 2001 and 2011 (from the Census) and interrogation of national economic forecasts.

4.5 The analysis in this report considers potential growth in residence-based employment with a baseline taken from 2011 Census data. Our analysis of past trends does however look at economic activity, with a small downward adjustment to economic activity rates made to take account of those who are economically active but not working (e.g. people who are unemployed) to calculate employment rates. The Census definition of unemployment is as follows:

'A person is defined as unemployed if he or she is not in employment, is available to start work in the next 2 weeks and has either looked for work in the last 4 weeks or is waiting to start a new job'

⁴ see:http://www.ons.gov.uk/ons/dcp171776_330483.pdf

4.6 An explanation of the method used to project employment rates is provided in Appendix B. For the purposes of analysis, the employed population is taken to include people who are self-employed as well as employees.

4.7 By applying assumptions about working age and employment rate changes to the population projections, it is possible to calculate the working-age and working (employed) population. This is shown in Table 4 below along with figures for the total population aged 16 and over and the proportion of the population aged 16 and over. The data shows over the 16-year period that the population of working-age is expected to increase by around 6,400 people (a 10% increase). As a proportion of the total population aged 16 and over however the number of people of working-age is expected to decline from 66.2% in 2013 to 64.5% in 2029. The working (employed) population is expected to increase by around 6,100 people, with again a reduction in the employment rate (when based on the population aged 16 and over) linked to age structure changes over the period to 2029.

Table 4: **Working-age and employed population (2011-36) – Chichester**

Year	Woking-age population	Employed population	Total population (aged 16 and over)	% of population (16+) of working-age	% of population (16+) who are employed
2013	63,901	54,440	96,482	66.2%	56.4%
2014	64,532	54,960	97,267	66.3%	56.5%
2015	65,149	55,536	98,010	66.5%	56.7%
2016	65,774	56,133	98,721	66.6%	56.9%
2017	66,525	56,574	99,396	66.9%	56.9%
2018	67,192	56,943	100,031	67.2%	56.9%
2019	68,144	57,313	100,705	67.7%	56.9%
2020	69,066	57,686	101,399	68.1%	56.9%
2021	69,327	58,023	102,085	67.9%	56.8%
2022	69,494	58,214	102,858	67.6%	56.6%
2023	69,689	58,491	103,698	67.2%	56.4%
2024	69,854	58,805	104,580	66.8%	56.2%
2025	69,992	59,182	105,475	66.4%	56.1%
2026	70,123	59,550	106,334	65.9%	56.0%
2027	70,249	59,913	107,205	65.5%	55.9%
2028	70,312	60,270	108,117	65.0%	55.7%
2029	70,258	60,571	108,948	64.5%	55.6%
Change 2011-36	6,357	6,131	12,466	-	-

Source: Derived from ONS data

5 HOUSEHOLD AND DWELLING PROJECTIONS

Household Growth

- 5.1 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)). Four different scenarios for headship rates have been developed to provide a range of outputs.

Scenario 1 - Extending the 2011-based household projection headship rates

- 5.2 For the purposes of this analysis the start point is data contained in the 2011-based CLG household projections about the relationship between the total population in an age group and the number of household reference persons (HRPs) in that age group. Because the 2011-based CLG household projections only go up to 2021, it has been necessary to make assumptions for the remainder of the projection period. To do this changes have been projected on a linear basis based on the last five years of data in the CLG projections (i.e. covering the 2016-21 period). This approach is consistent with that used in the August 2013 Report, Updated Demographic Projections for Sussex Coast HMA Authorities⁵, which were used as the 'starting point' for considering housing need in the April 2014 Assessment of Housing Development Needs Study⁶.

Scenario 2 - Tracking 2008-based household formation rates

- 5.3 Whilst the 2011-based CLG household projections contain headship rates based on trends from 2001 to 2011 it is also necessary to consider the extent to which household formation may have been constrained by housing market factors such as the difficulty in obtaining mortgage finance. Such a check is required by the NPPG which says:

'local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained'

- 5.4 A second scenario has therefore been developed which draws on headship rates in the earlier (2008-based) CLG household projections. These are based principally on long-term trends shown between the 1971-2001 Censuses.

⁵ Reference CD-87

⁶ Reference CD-10

- 5.5 This scenario assumes that household formation rates do not continue to diverge from the previous trend but that the long term trend tracks the 2008-based trend taking account of the extent that the headship rates in the 2011-based projections were above or below the 2008-based projection at the start of the projection period. In effect, this scenario assumes that there is a permanent correction moving forwards and that the factors that have driven changes in household formation rates in the past re-assert themselves in the future.

Scenario 3 – Midpoint between 2011-based and 2008-based (tracking)

- 5.6 The third scenario considers the midpoint trend between Scenarios 1 and 2 above. The methodology recognises work carried out by the Cambridge Centre for Housing and Planning Research (CCHPR) in a September 2013 study for the Town and Country Planning Association (TCPA) – *new estimates of housing demand and need in England, 2011 to 2031*. In particular this notes:

“The central question for the household projection is whether what happened in 2001 – 11 was a structural break from a 40-year trend; or whether household formation was forced downwards by economic and housing market pressures that are likely to ease with time. At the time of the 2011 Census, the British economy was still in recession and the housing market was depressed. The working assumption in this study is that a considerable part but not all of the 375,000 shortfall of households relative to trend was due to the state of the economy and the housing market. 200,000 is attributed to over-projection of households due to the much larger proportion of recent immigrants in the population, whose household formation rates are lower than for the population as a whole. This effect will not be reversed. The other 175,000 is attributed to the economy and the state of the housing market and is assumed to gradually reverse.”

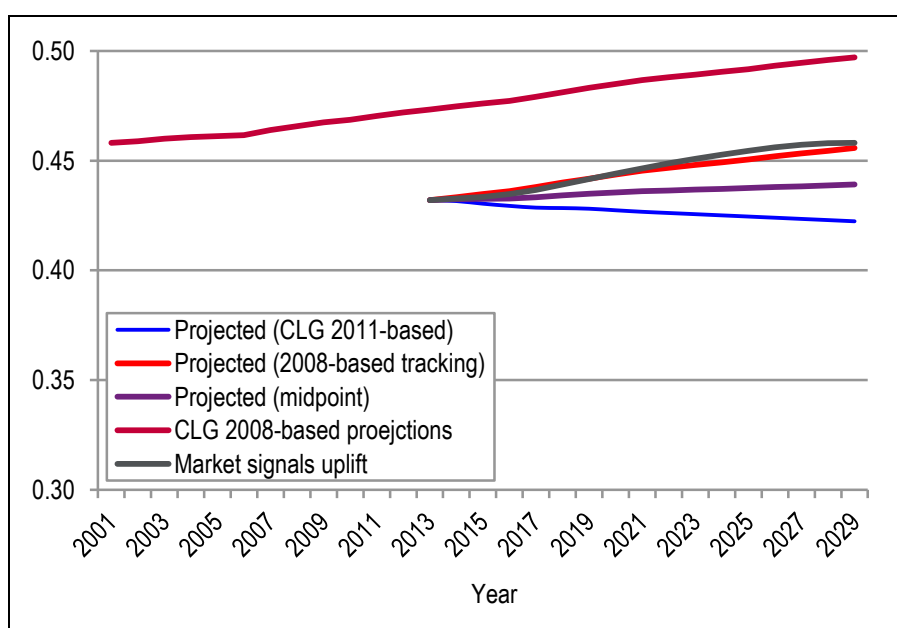
- 5.7 On the basis of this analysis it can broadly be suggested that half of the lack of expected households is due to market factors with roughly half attributable to other issues (notably international migration) and hence a midpoint between 2011- and 2008-based trends is reasonable. This methodology is consistent with that accepted by a number of inspectors at Local Plan Inquiries (e.g. South Worcestershire, Derbyshire Dales).

Scenario 4 - A ‘Market Signals’ Uplift

- 5.8 The final analysis considers age specific data about the extent to which there has been constrained household formation of younger households in the District. When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that even under our midpoint methodology (Scenario 3), the improvement moving forward still sees the rate in 2029 to be below the figure for 2001. We have therefore considered the implication of returning the household formation rates of the 25-34 age group back to the 2001 level by 2029.

5.9 Figure 5 below shows headship rates for people aged 25-34 under a range of different scenarios. The data clearly shows that in the 2011-based projection there was expected to be a continued decrease in formation rates, the core (midpoint) projection sees a moderate improvement moving forward whilst our market signals uplift shows a notable improvement and is actually projected to see an increase in headship rates slightly above the 'tracking' trend taken from the 2008-based projections.

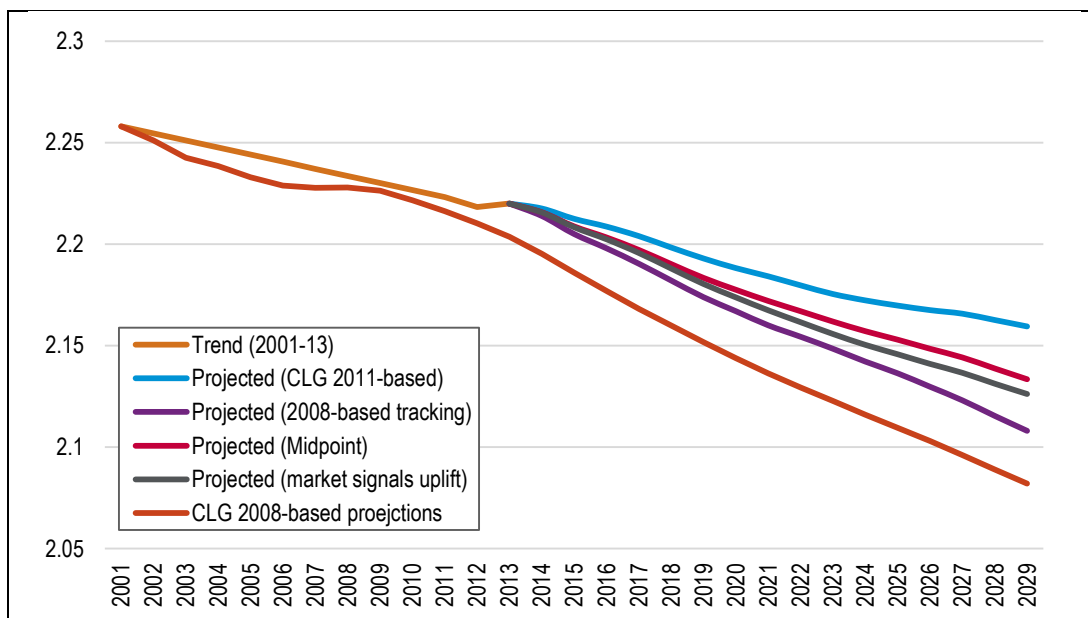
Figure 5: Projected household formation rates for those aged 25-34



5.10 A key part of this fourth scenario is that all modelling is done on an age specific basis and Appendix C shows how headship rates are assumed to change for key age groups. The appendix also shows the age specific figures for other scenarios.

5.11 To get a simple comparison of the four scenarios the figure below, Figure 6, shows how these will pan out in terms of average household size estimates. The figures are also compared with data from the 2008-based projections although some caution should be exercised on this comparison as the population bases do not match and this can have an impact on household sizes.

Figure 6: Past and projected trends in Average Household Size – Chichester



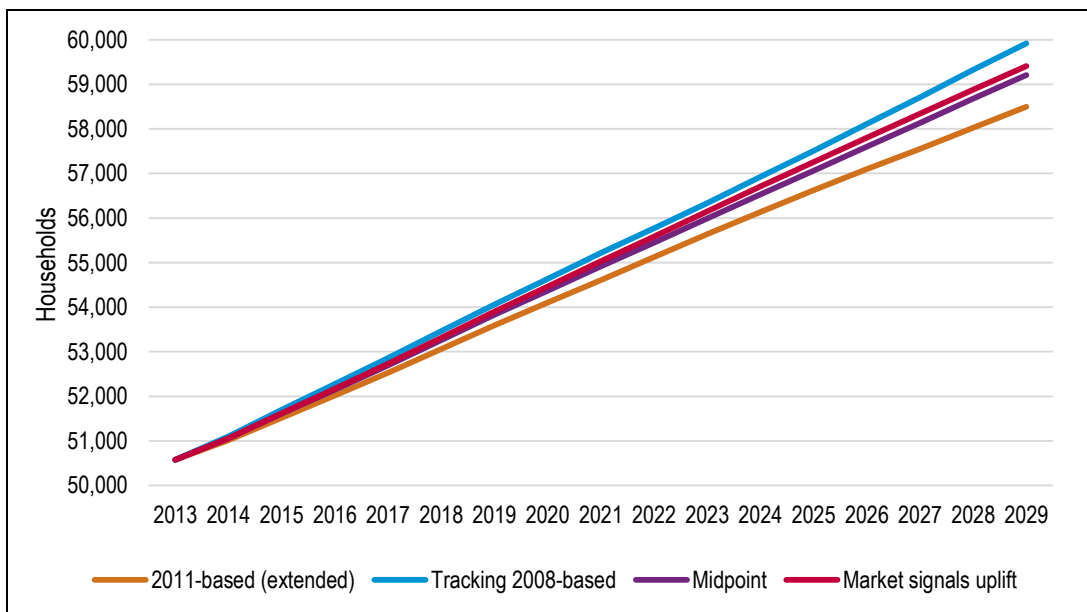
Source: Derived from ONS and CLG data

5.12 Table 5 and Figure 7 below show estimated household growth linked to the 2012-based SNPP for each of the headship scenarios described above. The analysis shows an increase in households of between 7,900 and 9,300 depending on the scenario studied – this is annual growth of between 495 and 584. The data shows that the increase in the number of households is expected to be fairly consistent over time although there are some differences between the scenarios.

Table 5: Projected household growth under different headship scenarios – Chichester

		2011-based (extended)	Tracking 2008-based	Midpoint	Market signals uplift
Households	2013	50,578	50,578	50,578	50,578
	2016	52,022	52,275	52,148	52,169
	2021	54,605	55,215	54,910	55,027
	2026	57,096	58,108	57,602	57,802
	2029	58,494	59,922	59,208	59,410
Annual household growth	2013-16	481	565	523	530
	2016-21	517	588	552	572
	2021-26	498	578	538	555
	2026-29	466	605	535	536
Total growth		7,916	9,343	8,630	8,832
Per annum		495	584	539	552

Figure 7: Projected number of households under different headship scenarios – Chichester



Household Types

- 5.13 As well as looking at overall household growth the outputs from the analysis can be used to study the projected change in household types. Whilst this output could be provided for any of the scenarios developed, the data below has been based on the ‘midpoint’ methodology.
- 5.14 Over half (54%) of the growth is accounted for by one person households which are projected to rise by 4,800 from 2013 to 2029, or 297 per year on average. This drives a decrease in the average size of households from 2.22 persons per household in 2011 to 2.13 persons per household in 2029. By 2029, 17% of the private household population in Chichester is projected to live alone compared with 15% in 2013.
- 5.15 Collectively, couple households (with or without other adults) are projected to grow by 222 per year on average, equating to 40% of the increase in total households between 2013 and 2029. Lone parent households are projected to increase by 39 per annum, which amounts to a 26% increase in this type of household between 2013 and 2029.
- 5.16 The data in this section has been summarised from a longer list of household types used by CLG. More detailed tables about household type changes can be found in Appendix D at the end of the document.

Table 6: **Household projections by household type (part return to trend headship) – Chichester**

	2013	2029	Average annual change	As % of total	Total change (%)
One person households	16,667	21,424	297	53.9%	28.5%
A couple with no other adults	23,821	27,783	248	44.9%	16.6%
A couple with one or more other adults	4,715	4,292	-26	-4.8%	-9.0%
A lone parent (with or without other adults)	2,392	3,014	39	7.0%	26.0%
Other households	2,983	2,896	-5	-1.0%	-2.9%
All households	50,578	59,410	552	100.0%	17.5%
Private household population	112,281	126,316	877	-	12.5%
Average household size (persons/household)	2.22	2.13	-	-	-

Dwelling Requirements

- 5.17 As well as providing estimates of household growth under different scenarios it is also possible to make estimates of the number of additional homes this might equate to. To do this a vacancy allowance is included in the data. A range of sources have been studied to consider what level of vacant homes in the new housing stock would be reasonable to assume.
- 5.18 Firstly, analysis of 2011 Census data about unoccupied household spaces shows 4,028 vacant homes along with 49,848 households. This would imply a vacancy rate of about 8%. However, many of the unoccupied homes are likely to be second/holiday homes, with data from CLG live tables (for 2013) suggesting a vacancy rate of just 2% once long-term vacants are excluded. Long-term vacants are excluded as it is not expected that new stock will become long-term vacants in the period to 2029. Additionally the number of long-term vacant homes has generally been decreasing over time.
- 5.19 Hence a start point for vacant homes of 2% has been used. However, it does need to be recognised that some of the new stock will become second/holiday homes and an additional 2% has been assumed to take account of this. Hence in converting household growth into dwelling requirements a vacancy rate of 4% has been applied. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.
- 5.20 Table 7 below therefore shows estimates of the likely housing need (for dwellings) under each of the scenarios developed. The analysis suggests a housing need for between about 8,200 and 9,700 dwellings over the 2013-29 period (515 to 607 per annum). The midpoint headship scenario shows a need for 561 homes; this rises to 574 with an adjustment to headship rates for the 25-34 age group (the market signals uplift).

Table 7: **Projected dwelling requirements under different headship scenarios – Chichester**

		2011-based (extended)	Tracking 2008-based	Midpoint	Market signals uplift
Dwelling growth	2013-16	1,501	1,764	1,633	1,654
	2016-21	2,687	3,058	2,873	2,972
	2021-26	2,590	3,008	2,799	2,887
	2026-29	1,455	1,887	1,671	1,672
Annual dwelling growth	2013-16	500	588	544	551
	2016-21	537	612	575	594
	2021-26	518	602	560	577
	2026-29	485	629	557	557
Total growth		8,233	9,717	8,975	9,185
Per annum		515	607	561	574

Implications

- 5.21 The number of homes necessary to support the growing population projected in the 2012 SNPP will depend on household formation rates in different age groups. Two initial projections have been run, based on 'tracking' trends in household formation rates in the 2008- and 2011-based CLG household projections. These two scenarios suggest a need for housing between 515 – 607 homes per annum.
- 5.22 A midpoint between these is shown which suggests a need for 561 homes per annum. Whilst trends in household formation rates in recent years have changed, and any projections are somewhat uncertain, we consider that this represents a robust assessment of demographically-based need for housing based on the current available evidence.
- 5.23 The Planning Practice Guidance however additionally recommends that consideration is given to increasing housing provision to take account of market signals, in order to improve affordability. The impact of doing so has also been modelled, considering what additional housing would be needed for household formation rates amongst those aged 25-34 to move back towards the level seen in 2001 over the plan period. Modelling this suggests a need for 574 homes per annum.
- 5.24 Based on the scenarios developed, we consider that the latest evidence would support identification of an objectively assessed housing need for between 560 – 575 homes per annum in Chichester District. This updated and refines the assessment of housing need set out in the *Assessment of Housing Development Need Study: Sussex Coast HMA* (GL Hearn, April 2014). These scenarios model an improvement in household formation rates as the economy recovers, and at the upper end of this range model an adjustment to housing need based on improving affordability over time.

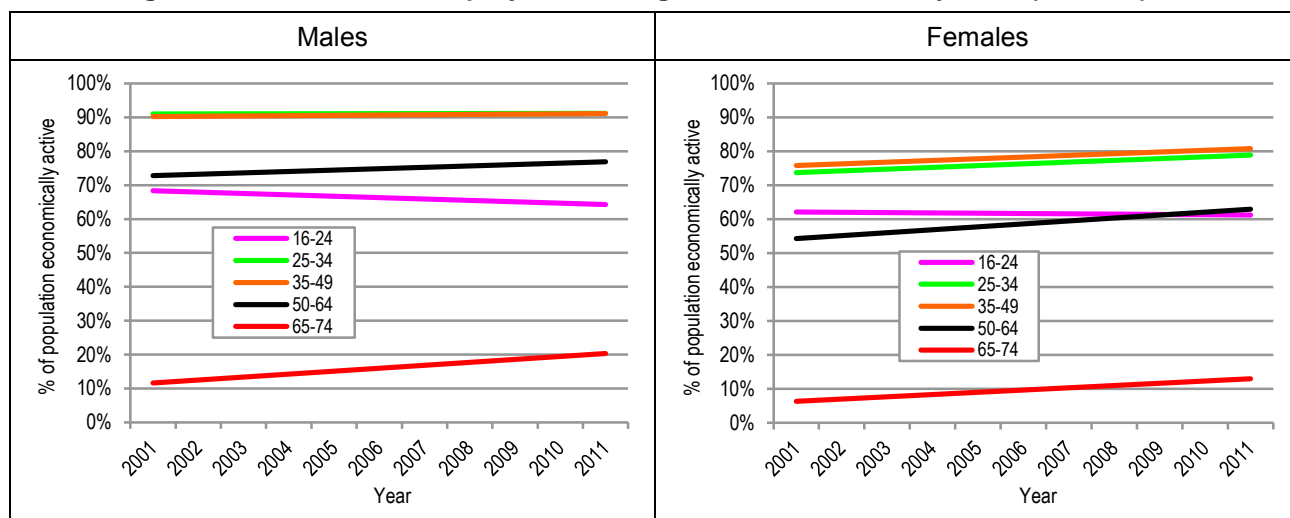
- 5.25 This represents a policy-off assessment of housing need in the District which takes account of the Planning Practice Guidance on *Housing and Economic Development Needs Assessments*. It does not take account of any unmet needs from adjoining areas, not policy aspirations to support economic growth. These factors are however relevant, alongside issues regarding land availability, sustainability issues and infrastructure constraints, in translating the assessment of “need” for housing into policy targets for housing provision.

Appendices

APPENDIX A: Employment Rate Assumptions

- A.1 With the change in demographic structure will come changes in the number of people who are working (as the population of people of working age changes). It is not however a simple task to convert population data into estimates of the number of people who will be working as employment rates are likely to change in the future for three main reasons:
- Changes to pensionable age will potentially see people working for longer and increase the proportion of older age groups who are in employment
 - Moving out of recession there is likely to be a reduction in unemployment which would increase employment rates
 - The general trend over the past decade has been for increased economic activity for many age groups (notably older people (both sexes) and females aged 25 and over). This trend may be expected to continue into the future
- A.2 To study how employment rates might change in the future the analysis starts by looking at past trends in economic activity over the 2001-11 period from Census data. This analysis has been carried out at a national level (for England). The data shows the following key trends:
- Reducing economic activity rates for those aged 16-24 (particularly for males)
 - No particular change in rates for males aged 25-49
 - Increasing economic participation for males aged 50 and over
 - Increasing participation rates for all female age groups from age 25 and upwards
- A.3 The trends studied below are for economic activity rates although in this report the analysis is based on employment rates (which is the economically active population minus those who are unemployed). Ideally trends in employment rates would have been studied but this has proved difficult due to different definitions used in the 2001 and 2011 Census (relating to how students are recorded). For the purposes of analysis it is assumed that employment rate trends follow a similar pattern to economic activity rate trends.

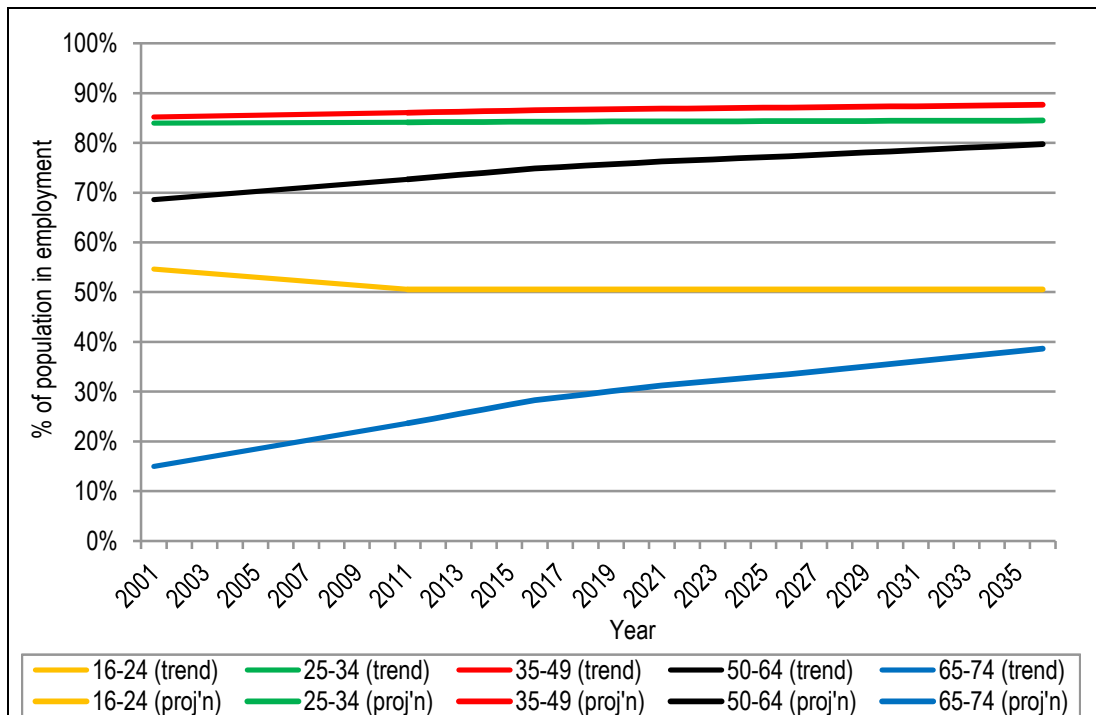
Figure 8: Past trends and projected change to economic activity rates (national)



Source: Census (2001 and 2011)

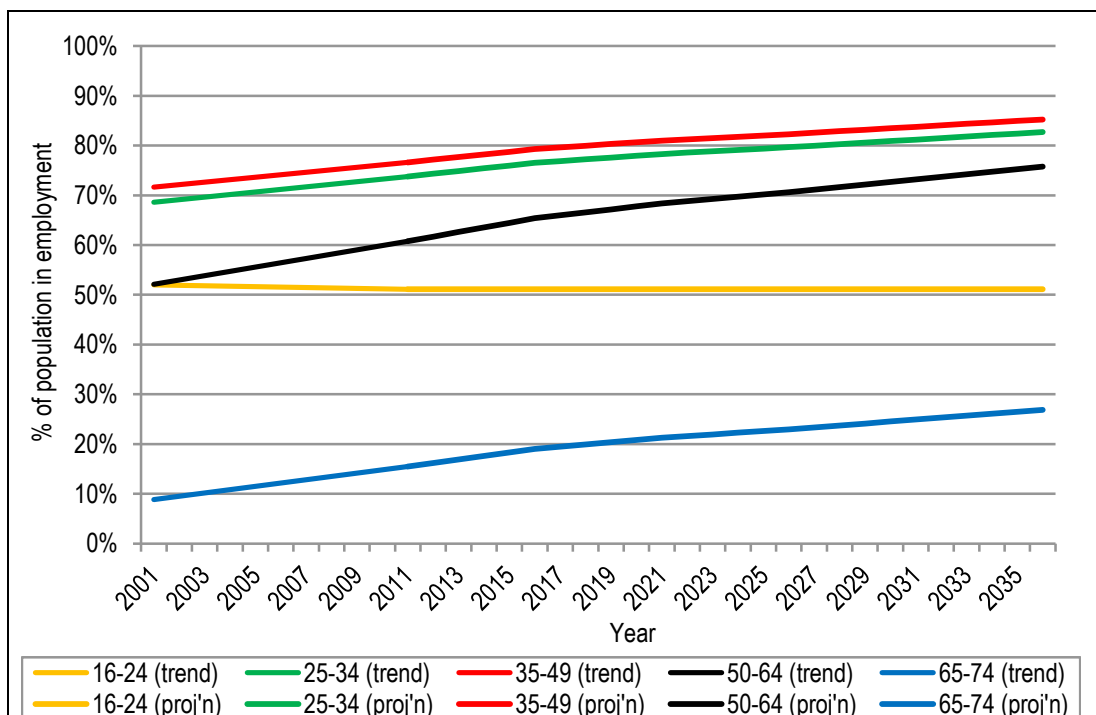
- A.4 To project these rates forward some of the reasons for these trends need to be considered. In particular the reduction in economic activity rates for people aged 16-24 is likely to some degree to be linked to an increase in students (which may not continue into the future) whilst some of the rapid increases for females are arguably unlikely to continue at the same rate as in the past.
- A.5 To try to get a realistic view about how employment rates might change in the future an analysis of a national economic forecast (from Experian) and also the national (2012-based) population projections has been undertaken. Essentially the method used works on the basis that both the Experian forecasts and the population projections are correct and then models what level of change to employment rates would be required for both the population and the number of jobs to pan-out.
- A.6 The figures below show the projected changes to employment rates for males and females through this modelling. It can be seen that for many age groups there are expected to continue to be increases in the future but that these improvements reduce over time. The figures in the charts are for employment rates (rather than economic activity as shown above) with the past trends being plotted in line with economic activity trends but to a different baseline in 2011 (which is informed by Census data).

Figure 9: Projected changes to employment rates (England) – males



Source: Derived from Census, Experian and ONS national population projections

Figure 10: Projected changes to employment rates (England) – females

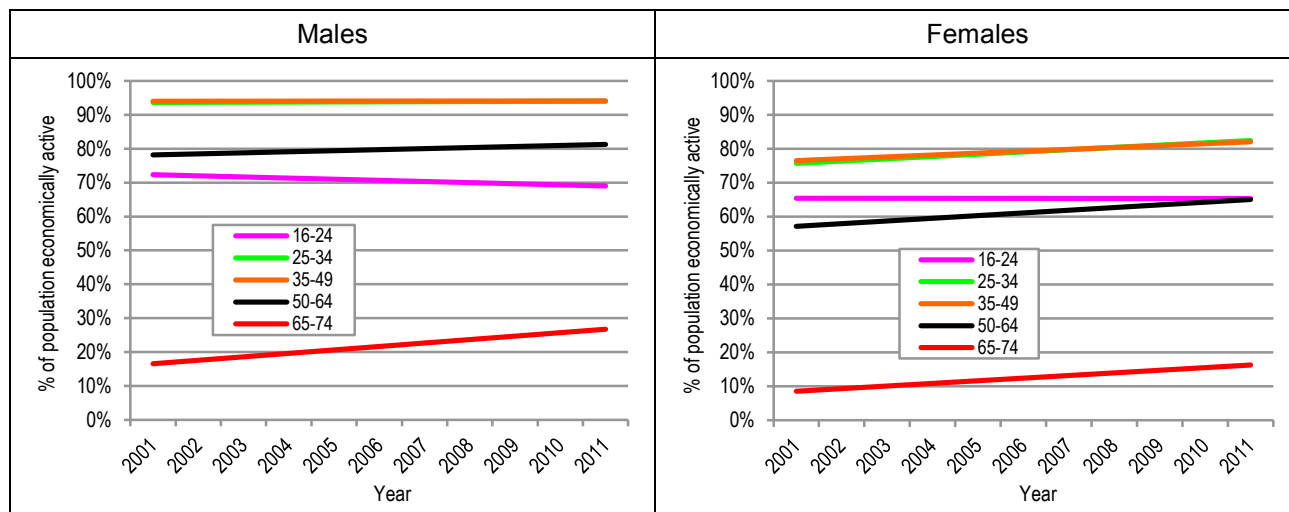


Source: Derived from Census, Experian and ONS national population projections

A.7 At the local area level the derived national data has been applied – using the incremental changes year-on-year and applied to a baseline 2011 position. The figure below shows (for Chichester) that

although actual employment rates in 2011 are different for some age/sex groups when compared with the national position the general trends seen over the past decade are quite similar. Hence it appears sound to use the national calculation for employment rates changes and apply this at the local level.

Figure 11: Past trends in economic activity rates – Chichester



Source: Census (2001 and 2011)

A.8 The table below shows the employment rates used for modelling from 2013 to 2029. From the population modelling exercise it was estimated in mid-2013 that there were 54,440 people in employment with an employment rate for those aged 16-64 of 75.5% - due to the modelled improvement in rates this figure rises to 79.4% by 2029. Looking at the employment rate based on the population aged 16-74 sees a change from 66.5% to 70.1% whilst the rate calculated as a proportion of the total population aged 16 or over would actually be expected to fall slightly.

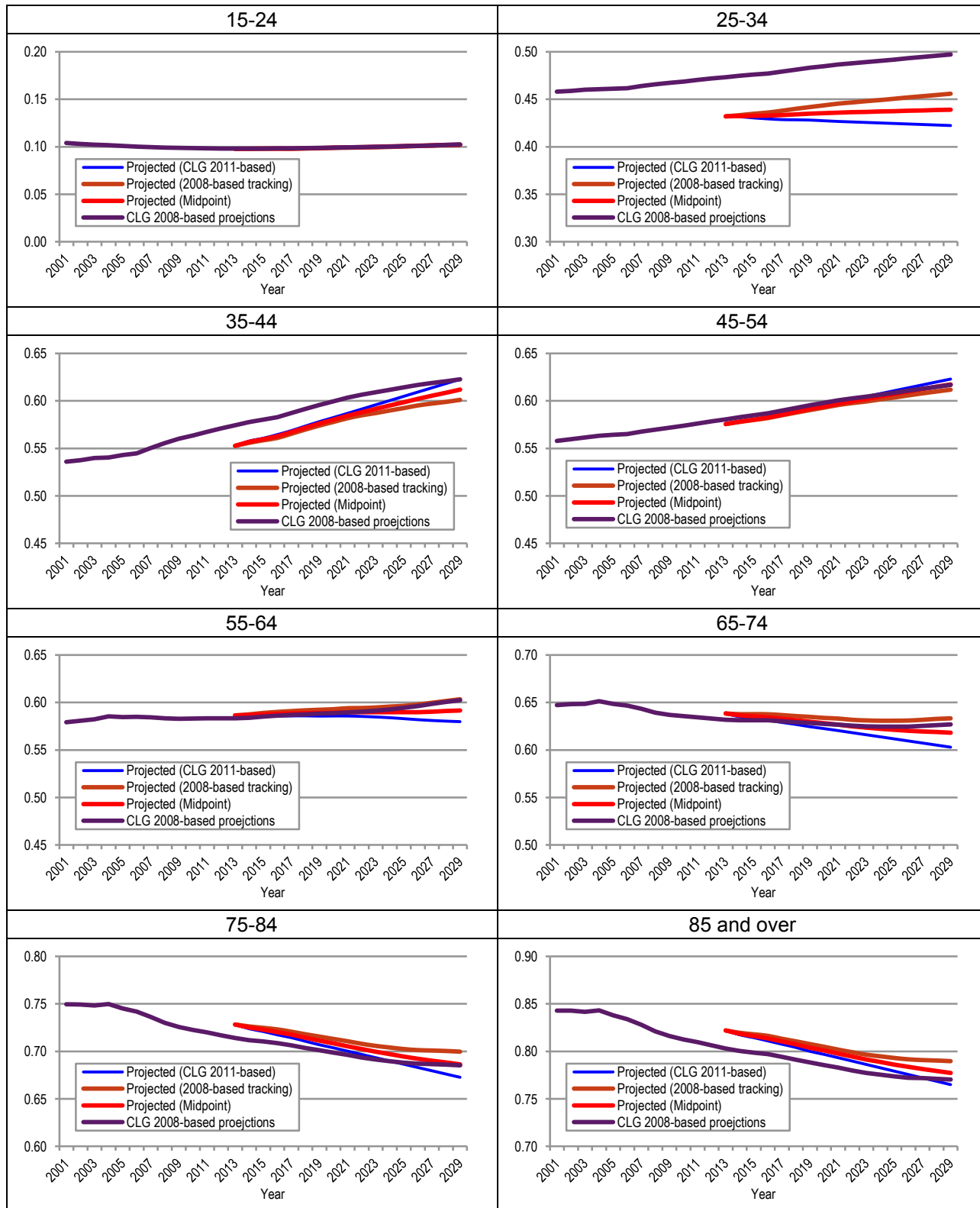
Table 8: Employment Rates by Age and Sex – Chichester

Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 to 74
Male	2013	57.4%	89.5%	91.1%	79.3%	33.9%
	2029	57.4%	89.7%	92.1%	83.8%	43.4%
Female	2013	56.7%	80.4%	80.1%	65.1%	20.9%
	2029	56.7%	86.1%	85.5%	74.7%	28.1%

Source: Derived from a range of data sources (including Census, Experian and ONS national population projections)

APPENDIX B: Headship Rates by Age

Figure 12: Projected household formation rates by age of head of household – Chichester



Source: Derived from CLG data

APPENDIX C: Detailed Household Type Estimates

Table 9: Detailed household types (2013-29) – midpoint headship – Chichester

	2013	2029	Change	% change
One person households: Male	5,336	6,706	1,370	25.7%
One person households: Female	11,331	14,719	3,388	29.9%
One family and no others: Couple: No dependent children	16,144	19,125	2,981	18.5%
One family and no others: Couple: 1 dependent child	2,613	2,701	88	3.4%
One family and no others: Couple: 2 dependent children	3,300	3,625	325	9.9%
One family and no others: Couple: 3+ dependent children	1,764	2,333	569	32.3%
One family and no others: Lone parent: 1 dependent child	1,183	1,583	400	33.8%
One family and no others: Lone parent: 2 dependent children	646	798	152	23.5%
One family and no others: Lone parent: 3+ dependent children	259	345	86	33.2%
A couple and one or more other adults: No dependent children	3,608	3,380	-228	-6.3%
A couple and one or more other adults: 1 dependent child	678	553	-125	-18.5%
A couple and one or more other adults: 2 dependent children	312	263	-48	-15.5%
A couple and one or more other adults: 3+ dependent children	118	96	-22	-18.4%
A lone parent and one or more other adults: 1 dependent child	205	183	-23	-11.0%
A lone parent and one or more other adults: 2 dependent children	60	54	-5	-8.6%
A lone parent and one or more other adults: 3+ dependent children	39	51	11	29.1%
Other households	2,983	2,896	-87	-2.9%
TOTAL	50,578	59,410	8,832	17.5%

Matter 5 - Appendix 5B

Progress on Local Plan Housing Delivery (August 2014 update)

Parish	Local Plan housing	Housing with planning permission	Additional Local Plan housing - assumed phasing 2014-2019 ¹	Progress on housing delivery
Large Strategic Sites				
West of Chichester	1,000	0	0	Council has approved Planning Concept Statement. Promoters are currently undertaking masterplanning work. Development is phased after 2019 due to lack of wastewater capacity.
Shopwyke	500	500 (265 from 2014-2019)	0	Majority of site already granted outline planning permission for 500 dwellings, of which 265 dwellings are phased in period 2014-2019. Developer has received £1.9m loan through LEP Growth deal to accelerate delivery. Submission of Reserved Matters expected shortly.
Westhampnett/ NE Chichester	500	0	0	Council has approved Planning Concept Statement. Promoter has submitted planning application for 350 homes on part of site, which is currently under consideration by the Council. Development is phased after 2019 due to lack of current wastewater capacity.
Tangmere	1,000	0	0	Parish council is currently preparing a neighbourhood plan, which will inform masterplanning of the site. Development is phased after 2019 due to lack of wastewater capacity.
Sub-total	3,000	500	0	
Settlement Hubs				
East Wittering	100	50	0	1 site already granted planning permission for 50 dwellings. Parish council at early stages of preparing Neighbourhood Plan.
Selsey	150	50	100	1 site already granted planning permission for 50 dwellings. Neighbourhood Plan is currently subject to pre-submission (Reg 14) consultation and identifies land for a further 230 dwellings. NP publication (Reg 16) expected in Nov 2014 with NP referendum in Feb 2015.
Southbourne (village)	300	70	100	1 site already granted planning permission for 70 dwellings. Neighbourhood Plan has completed pre-submission (Reg 14) consultation and identifies land for an additional 230 dwellings in Southbourne village. NP publication (Reg 16) to take place in Aug 2014 with NP referendum in Feb 2015.

Parish	Local Plan housing	Housing with planning permission	Additional Local Plan housing - assumed phasing 2014-2019 ¹	Progress on housing delivery
Sub-total	550	170	200	
<i>Other Parishes</i>				
Birdham	50	70	0	3 sites already granted planning permission totalling 70 dwellings
Bosham	50	0	0	Parish council is preparing Neighbourhood Plan and currently working on site selection. NP publication (Reg 16) expected in Jan 2015 with NP referendum in May 2015.
Boxgrove	25	0	0	Parish council at early stages of preparing Neighbourhood Plan.
Chichester	150	26	0	2 sites already granted permission totalling 26 dwellings. City Council has indicated that it is not proceeding with a neighbourhood plan at present. Housing delivery likely to be achieved through windfall opportunities.
Chidham & Hambrook	25	77	0	4 sites already granted planning permission totalling 77 dwellings
Donnington	50	112	0	1 site already granted planning permission for 112 dwellings
Fishbourne	50	25	25	1 site already granted planning permission for 25 dwellings. Neighbourhood plan has completed publication (Reg 16) stage and identifies land for 40 additional dwellings. NP referendum expected in Oct 2014.
Hunston	25	18	0	1 site already granted planning permission for 18 dwellings. Parish council at early stages of preparing a Neighbourhood Plan.
Kirdford	60	0	30	Neighbourhood plan formally made in July 2014 and identifies land for at least 60 dwellings to be phased over Plan period.
Loxwood	60	17	13	Neighbourhood plan passed referendum in July 2014 and identifies land for a minimum of 60 dwellings - 1 site already granted planning permission for 17 dwellings.
Lynchmere	10	0	0	Parish council at early stages of preparing Neighbourhood Plan.
North Mundham	25	40	0	2 sites already granted planning permission totalling 40 dwellings.
Plaistow & Ifold	10	0	0	Parish council at early stages of preparing Neighbourhood Plan.

Parish	Local Plan housing	Housing with planning permission	Additional Local Plan housing - assumed phasing 2014-2019 ¹	Progress on housing delivery
Southbourne (elsewhere)	50	0	50	Neighbourhood Plan has completed pre-submission (Reg 14) consultation and identifies a site for 50 dwellings at Nutbourne (West). NP publication (Reg 16) to take place in Aug 2014 with NP referendum in Feb 2015.
West Wittering	50	50	0	1 site already granted planning permission for 50 dwellings.
Westbourne	25	0	0	Parish council at early stages of preparing Neighbourhood Plan.
Wisborough Green	60	25	0	1 site already granted planning permission for 25 dwellings. Parish council is preparing neighbourhood plan and currently working on site selection. NP publication (Reg 16) expected in Nov 2014 with NP referendum in March 2015.
Sub-total	775	460	118	
TOTAL	4,325	1,130	318	

Note:

¹ Includes housing sites allocated in draft neighbourhood plans that have reached the Submission (Regulation 16) stage.

Matter 5 – Appendix 5C

Local Plan Five Year Housing Land Supply 2014-2019 (August 2014 update)

<i>Housing requirement 2014 - 2019</i>	<i>Chichester Plan Area</i>
Draft CLP Housing requirement 2014-2019 (5 x 410 homes)	2,050
Shortfall against Draft CLP housing requirement 2012-2013	103
Projected shortfall against Draft CLP requirement 2013-2014	122
Adjusted housing requirement 2014-2019	2,275
Additional 20% buffer	455
Adjusted housing requirement (inc buffer) 2014-2019	2,730

<i>Projected housing supply 2014 - 2019</i>	<i>Chichester Plan Area</i>
Total identified housing supply	2,272
Windfall allowance on sites of under 6 dwellings	148
Additional housing sites identified in neighbourhood plans	318
Total projected existing housing supply 2014-2019	2,738

Projected housing surplus/shortfall 2014-2019	+8
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Indicative Housing Delivery and Phasing 2012-2029 (Updated August 2014)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2012-19	2019-29	2012-29
Local Plan Area net housing requirement																				
Annual net housing target	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	410	2870	4100	6970
Cumulative net housing requirement	410	820	1230	1640	2050	2460	2870	3280	3690	4100	4510	4920	5330	5740	6150	6560	6970			
Local Plan Housing Provision																				
Existing Housing Provision																				
Net housing completions since 2012 base date	307																	307	0	307
Planning permissions & identified housing		288	423	787	455	317	290	126	115	115	90	50	33	0	0	0	0	2560	529	3089
Allowance for small windfall sites				14	40	47	47	47	47	47	47	47	47	47	47	47	47	148	470	618
Additional Housing Provision																				
Shopwyke (included under planning permissions)																		0	0	0
West of Chichester								100	100	100	100	100	100	100	100	100	100	0	1000	1000
Westhampnett								100	100	100	100	100						0	500	500
Tangmere								100	100	100	100	100	100	100	100	100	100	0	1000	1000
Southbourne, Selsey & East Wittering					30	70	100	75	50	30	25							200	180	380
Parish housing sites					39	39	40	35	35	35	34	35	34	35	34	35	34	118	346	464
Total Projected Housing Supply	307	288	423	801	564	473	477	583	547	527	496	432	314	282	281	282	281	3333	4025	7358
Housing Supply Position																				
Cumulative net completions	307	595	1018	1819	2383	2856	3333	3916	4463	4990	5486	5918	6232	6514	6795	7077	7358			
Monitoring position above/below housing requirement	-103	-225	-212	179	333	396	463	636	773	890	976	998	902	774	645	517	388			
Adjusted Annual Requirement	392	398	397	368	353	343	331	305	279	248	212	175	148	114	58	-54	-388			
Five Year Housing Land Supply																				
Adjusted five year housing requirement (+ buffer)	2584	2730	2714	2245	2060	1985	1904	1697	1532	1392	1289	1262								
Projected five year housing supply (Existing Housing Provision only)	2371	2420	2170	1531	1198	971	731	638	523	408	318	268								
Five Year Housing Surplus/Shortfall	-213	-310	-544	-714	-862	-1014	-1173	-1059	-1009	-984	-971	-994								
Projected five year housing supply (including Additional Housing Provision)	2549	2738	2898	2644	2607	2630	2585	2316	2051	1805	1591	1440								
Five Year Housing Surplus/Shortfall	-35	8	184	399	547	645	681	619	519	413	302	178								

Notes

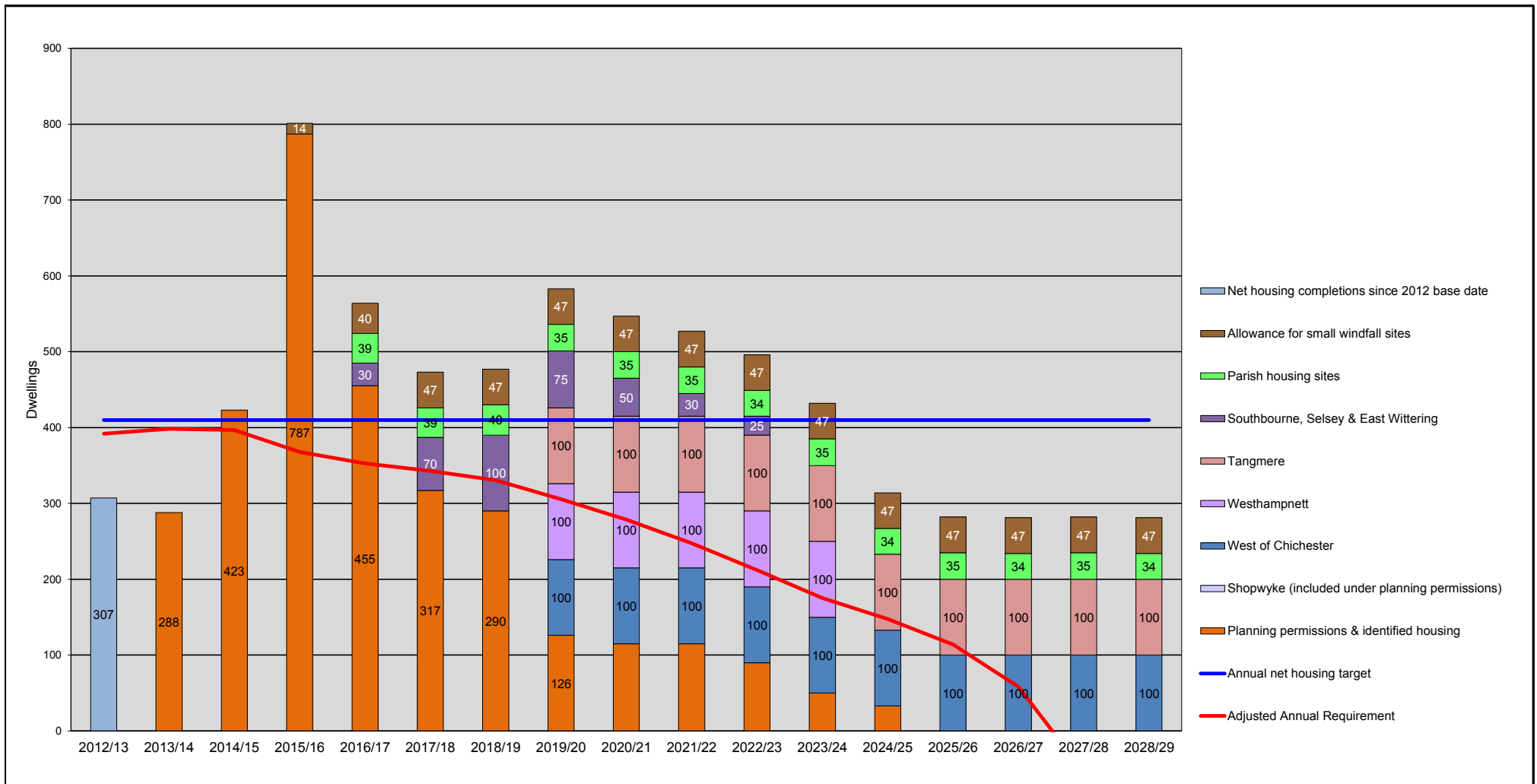
Shopwyke Strategic Allocation now included under Planning permissions & identified housing

Southbourne, Selsey & East Wittering figure reduced by 170 dwellings following permissions already granted that will contribute to meeting strategic housing numbers:

Park Farm, Selsey (50 units) and Beech Ave, Bracklesham (50 units), Garsons Road, Southbourne (70 units)

Parish housing sites figures reduced by 311 dwellings following permissions already granted that will contribute to meeting parish housing numbers:

Housing Trajectory 2012-2029



Matter 5 - Appendix 5E

Risks to Housing Delivery (August 2014 update)

Risk	Action(s) taken or proposed	Update on action(s) taken
1. Specific identified risks to delivery on strategic development locations		
<i>West of Chichester</i>		
Securing access points to development location (access to southern part of site requires access across land in third party ownership).	The site promoters have been requested to negotiate with relevant landowner(s) and to demonstrate achievable options for accessing the southern part of the site. In addition, the promoters have been required to provide indicative junction layouts for access points to the north and south of the site.	Work is progressing through dialogue between Bishop Luffa School, West Sussex County Council and the site promoters as part of the masterplanning process. All parties are positive that agreement can be reached to secure the site access and this will provide significant benefit to the school through enhanced playing pitch provision.
Potential traffic impacts on residential streets in Parklands/Broyle areas identified in Chichester Transport Study.	The promoters have commissioned further traffic modelling work to assess the potential for a north-south spine road through the site in order to reduce traffic impacts on existing residential streets.	A report 'Chichester Link Road Modelling' was published in January 2014 ¹ . Based on this evidence, WSCC officers are satisfied that the forecast flow changes indicate that the Link Road would reduce projected traffic flows on roads in the Parklands estate in comparison to not providing it, and in most situations would also mitigate or provide betterment compared to the 2031 traffic baseline.
Viability of providing	The Council has requested meetings between	A plan for a wastewater pipeline connection to

¹[Chichester Link Road Modelling \(January 2014\)](#)

Risk	Action(s) taken or proposed	Update on action(s) taken
wastewater connection from site to Tangmere WwTW.	the site promoters and Southern Water to discuss wastewater options regarding the proposed wastewater connection to Tangmere.WwTW, The promoters have indicated that their high-level estimates confirm viability.	Tangmere WwTW has been prepared by the site promoters, although they are currently working on an option for onsite wastewater treatment (although this solution has not yet been agreed by Southern Water, the Environment Agency or the Council).
Lack of shared vision between local community/City Council and site promoters resulting in lack of coordination between developer masterplan and neighbourhood planning aspirations.	The Council will adopt an active brokering role, working closely with the local community/City Council, site promoters and other stakeholders to develop a shared vision and ensure coordination of relevant planning documents.	The Council has prepared and adopted a Concept Statement to set the parameters for masterplanning. Preparation of the Concept Statement involved participation and input from local residents groups, the City Council and other key stakeholders. Whilst still maintaining their objection to the allocation of the site through the Local Plan process, the local community and City Council have engaged in the Concept Statement and ongoing masterplanning work.
<i>Westhampnett/North East of Chichester</i>		
Constraints on area(s) suitable for housing development due to noise impacts from Goodwood Motor Circuit.	The Local Plan housing figure for the site has taken a precautionary approach, in assuming a minimum 400m noise buffer from the boundary of the Goodwood Airfield/Motor Circuit. This is based on the distance from the airfield/circuit to the nearest existing dwelling.	The Council continues to maintain this approach, although it is being challenged by the site promoter (see representations LPPS421 and LPPS461).
Lack of shared vision between local communit(ies) and site promoter resulting in lack of	The Council will adopt an active brokering role, working closely with the parish council, site promoter and other stakeholders to develop a	The Council has prepared and adopted a Concept Statement for the SDL which sets out sets out the Council's planning requirements for

Risk	Action(s) taken or proposed	Update on action(s) taken
<p>coordination between developer masterplan and neighbourhood planning aspirations. Westhampnett PC is preparing a neighbourhood plan for the parish.</p>	<p>shared vision and ensure coordination of relevant planning documents.</p>	<p>the site and, provides the basis for masterplanning work to be undertaken by the developers.</p> <p>It should be noted that the site promoter has submitted a planning application for 350 homes on part of the site (land between Madgwick Lane and Stane Street).</p> <p>The parish council has not progressed work on a neighbourhood plan and is maintaining its objection to the allocation of the site.</p>
<p>Tangmere</p>		
<p>Land in multiple ownership, therefore potential for development to be delayed or stalled due to lack of cooperation between landowners.</p>	<p>The Local Plan policy requires that development will be masterplanned, therefore it requires a comprehensive development proposal involving all landowners. The Council has the ability to use compulsory purchase powers to bring forward delivery of the development if this proves to be necessary.</p>	<p>All the relevant landowners are on the Steering Committee for the Tangmere Neighbourhood Plan (see below) and are actively working with the Parish Council in planning development.</p>
<p>Delays in neighbourhood plan preparation or lack of community support. Tangmere PC is preparing a neighbourhood plan for the parish and is seeking to prepare a strategic development masterplan as part of the neighbourhood plan process.</p>	<p>The Council will work closely with the parish council to support the neighbourhood plan process and timetable.</p> <p>In the event of significant delays to the neighbourhood plan/ development masterplan or lack of community support, the Council will take responsibility for developing the masterplan, working with the site promoters and involving the local community.</p>	<p>Tangmere Parish Council is progressing work on a neighbourhood plan, with active involvement from the site promoters and supported by the District Council. The neighbourhood plan will include the concepts that will set parameters for the masterplanning work. The PC is intending to consult on the pre-submission Neighbourhood Plan in September 2014.</p>

Risk	Action(s) taken or proposed	Update on action(s) taken
Lack of coordination between parish council/local community and site promoters in preparing neighbourhood plan and developer masterplan	The Council will work closely with the parish council, site promoters and other stakeholders to ensure coordination of relevant planning documents.	See comments above.
All Strategic Locations		
Unforeseen development constraints / infrastructure requirements	<p>The Council has sought to minimise this risk, by working closely with site promoters, infrastructure/ service providers and statutory agencies during the plan preparation process, in order to identify all potentially critical constraints and infrastructure requirements in advance.</p> <p>The Council is proposing to introduce CIL which could potentially assist with funding infrastructure.</p>	<p>As detailed above, the Council has adopted (or is preparing) Concept Statements for each strategic location and is continuing to work with the site promoters on masterplanning work. The key infrastructure requirements linked to the SDLs are identified in the Infrastructure Delivery Plan (CD-50). The phasing and delivery of infrastructure will be determined through the masterplan process. Following revisions to the CIL regulations in February 2014, the Council is now proposing to fund infrastructure requirements linked to the SDLs through S106 agreements rather than CIL.</p> <p>Section C of the Infrastructure Delivery Plan (IDP) (CD-50) sets out the infrastructure delivery schedules for each of the strategic development locations. The IDP will be updated on an ongoing basis and will be supported by an Infrastructure Business Plan, setting out the infrastructure funding priorities as part of a five-year rolling programme. Further information is provided in the Council's response to Matter</p>

Risk	Action(s) taken or proposed	Update on action(s) taken
		10/1.
2. Specific identified risks to parish housing delivery		
Delays in preparation of neighbourhood plans.	The Council has written to parish councils highlighting the requirement for delivery of parish housing early in the Plan period and requesting information on proposed neighbourhood plan timetables. The Council is working closely with parish councils on the preparation of their neighbourhood plans and will monitor progress towards plan preparation. Where significant delays have occurred, or are likely to occur, the Council will seek to allocate parish housing sites in the Site Allocations DPD.	As detailed in the response to Matter 5/10, most parishes where housing is proposed are progressing their neighbourhood plans and have reached or are close to the submission (Reg 16) stage. In addition, a significant quantity of housing has already gained planning permission ahead of neighbourhood plans.
Neighbourhood plans fail to identify suitable housing sites.	<p>The parish housing numbers identified in the Local Plan take account of development constraints and potential land availability identified in the SHLAA. The HIS analysis of parish housing delivery (set out above) indicates that the parishes where housing is being sought include sites in the SHLAA or planning pipeline, or there are other factors suggesting that their parish numbers are achievable.</p> <p>The Council has stated its intention that, if neighbourhood plans fail to identify sites to meet the Local Plan housing numbers, parish sites will instead be identified in the Site Allocations DPD to be prepared by the Council itself.</p>	As set out in the response to Matter 5/10, the majority of parishes already have one or more housing sites with planning permission or have progressed towards identifying sites in an emerging neighbourhood plan. For several parishes permitted sites now exceed the LP target.
Neighbourhood plans found	If parish neighbourhood plans fail to achieve	The Council's proposed approach remains as

Risk	Action(s) taken or proposed	Update on action(s) taken
unsound or do not receive community support at referendum	adoption, parish sites will be identified in the Site Allocations DPD to be prepared by the Council itself.	above. However, lack of community support has not been an issue for neighbourhood plans reaching referendum to date.
3. General risks to housing delivery		
Under-delivery against the Local Plan housing target, due to shortfalls in the sources of housing identified in the Plan.	Based on the evidence presented in this HIS report, the Council is confident that the sources of housing identified in the Local Plan will be sufficient to achieve the Plan housing target of around 7,000 homes. In addition, there is scope for further housing to come forward from other sources as previously outlined. This provides some flexibility to compensate for any shortfalls arising in the sources of housing supply identified in the Local Plan. However, if substantial or persistent issues of under-delivery do arise, the Council will consider contingency measures as set out in the 'Potential Contingencies' section of this report.	The Council remains confident that the Plan target is achievable. The proposed contingency actions remain as above.
Development constraints/ infrastructure requirements		
Unforeseen development constraints.	The Council has minimised this risk by undertaking detailed assessment of potential constraints as part of the Local Plan preparation process. This has included commissioning detailed background studies to support the Local Plan (e.g studies relating to landscape, flood risk and environmental impacts). In addition, the Council has worked closely with the key statutory agencies at all stages throughout the	The Council is continuing to work closely with the statutory agencies and other key stakeholders to address potential constraints.

Risk	Action(s) taken or proposed	Update on action(s) taken
	plan preparation process.	
Additional infrastructure requirements.	<p>The Council has minimised this risk through close ongoing liaison with the key infrastructure/ service providers throughout the Local Plan preparation process. The Council and its partners have also commissioned detailed background studies on wastewater treatment capacity and transport/ traffic impacts.</p> <p>The Council is proposing to introduce CIL which could potentially assist with funding infrastructure.</p>	<p>The Council is maintaining close liaison with the key infrastructure and service providers. This includes continuing to monitor wastewater capacity and the Council is intending to publish an updated Position Statement prior to the Local Plan examination hearings.</p> <p>The Council has prepared an Infrastructure Delivery Plan (IDP) (CD-50) which identifies broad strategic infrastructure requirements and funding sources. The IDP will be updated on an ongoing basis and will be supported by an Infrastructure Business Plan, setting out the infrastructure funding priorities as part of a five-year rolling programme. Further information is provided in the Council's response to Matter 10/1.</p>
Housing market issues		
Failure to maintain a five-year housing land supply due to slow rates of housing delivery or delays in development.	<p>The assessment undertaken in this HIS report demonstrates that there are no fundamental obstacles preventing the Local Plan strategy delivering a continuing five-year housing land supply. The HIS also outlines the positive actions that the Council intends to take to promote housing delivery, working with site promoters, parish councils, infrastructure providers and other key agencies. It is acknowledged that build rates may be affected by wider housing market conditions over which</p>	<p>Slow rates of housing delivery remain a concern, however the overall housing supply position is improving as a result of sites recently granted planning permission. As set out in the Council's response to Matter 5/10, we remain confident that the Local Plan strategy will deliver a continuing five-year housing supply.</p>

Risk	Action(s) taken or proposed	Update on action(s) taken
	<p>the Council has no control (e.g due to macro-economic factors). However, if failings in the Plan strategy lead to an insufficient housing supply, the Council will consider contingency measures as set out in the 'Potential Contingencies' section of this report.</p>	
<p>Development viability issues – Sites unable to fund essential infrastructure or affordable housing</p>	<p>The Council has prepared an Infrastructure Delivery Plan (IDP), which identifies the strategic infrastructure requirements to support development in the Local Plan area. The IDP sets out the different categories of infrastructure required to support the planned developments, and specifies the costs, phasing and sources of funding proposed to deliver the infrastructure. A substantial element of the infrastructure will be required to be provided or funded by development through S106 agreements and the Community Infrastructure Levy (CIL), however the Council has commissioned a detailed Viability Assessment to support the IDP and inform the proposed CIL Charging Schedule. If substantial viability issues do arise, the Council will consider contingency measures as set out in the 'Potential Contingencies' section of this report.</p>	<p>The Council has published a Development Viability Study (CD-37) and has undertaken Stage 1 consultation on a CIL preliminary draft charging schedule.</p>