**Chichester Local Plan 2021 - 2039**

**Housing Need**

**Background Paper**



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# **Introduction**

* 1. This background paper has been prepared to set out the approach and evidential basis for the housing requirement used in the Local Plan 2021 – 2039: Proposed Submission (‘the Local Plan’).
  2. With regards to the housing land supply position for the plan area, a separate Housing Supply Background Paper (BP07) covers the various components of the housing supply, as at 1 April 2024.
  3. The Local Plan includes a housing trajectory for the plan area, which has subsequently been updated as set out in the ‘Council’s suggested modifications schedule’ (April 2024, SD10.02) to take account of ongoing housing monitoring. Further detail is also set out in the Housing Supply Background Paper (May 2024, BP07).
  4. This background paper relates to the following policies in the Local Plan:
* Chapter 5: Housing
  + Policy H1 Meeting Housing Needs
  + Policy H2 Strategic Locations/ Allocations 2021-2039
  + Policy H3 Non-Strategic Parish Housing Requirements 2021-2039
  1. Due to the connection between the constrained housing requirement figure and transport, reference is also made to the following policies and the paper should be read in conjunction with the Transport Background Paper (May 2024, BP14):
* Chapter 8: Transport and Accessibility
  + Policy T1 Transport Infrastructure
  1. The background papers and related evidence are available on the council website at [www.chichester.gov.uk/localplanexaminationlibrary](https://www.chichester.gov.uk/localplanexaminationlibrary). This background paper may be reviewed and updates issued during the examination of the Local Plan.

# **Background**

* 1. The extant development plan for Chichester, the Chichester Local Plan: Key Policies 2014 – 2029[[1]](#footnote-1) (‘the adopted Local Plan’), had an objectively assessed need for 505 homes per year. However, because of identified constraints, the adopted Local Plan makes provision to deliver 7,388 homes over the plan period 2012 – 2029, which equates to an average housing requirement of approximately 435 homes per year. The adopted Local Plan included a commitment to review the plan within five years of adoption with the aim of ensuring that the area’s full objectively assessed need was met. The review was due for completion by July 2020. The timetable set out when the Issues and Options consultation was undertaken (in June 2017) anticipated adoption by Autumn 2019. However, due to the complexities of the issues that the council has faced, the plan has taken longer to progress through the stages to submission.
  2. Work on the Local Plan 2021 – 2039 began with a consultation on an Issues and Options document which was carried out between June and August 2017. This took the form of a questionnaire, seeking views on future development, including preferred housing locations and distribution throughout the plan area, employment land allocations and transport and access strategy. Most comments related to strategic development locations and concerns about infrastructure, particularly the A27. Responses from this consultation were used to inform draft strategic policies and land allocations in the Preferred Approach Plan.
  3. The Preferred Approach Local Plan (2018) sought to make provision for an additional 12,350 dwellings during the period 2016 – 2035 in accordance with the Chichester Housing and Economic Development Needs Assessment (HEDNA, 2018, H08) which reflected the identified objectively assessed housing needs of the plan area, plus an allowance for accommodating unmet need arising from the Chichester District part of the South Downs National Park. The methodology used in the HEDNA 2018 was based on the ‘Planning for the right homes in the right places (2017)’ consultation document. This used a household growth of 5,164 (517 households per annum), a 51% adjustment factor increase due to affordability pressures (which would result in 775 dwellings per annum without any capping) and applied a 40% cap above the adopted figure of 435 dwellings per annum. The resulting figure was 609 dwellings per annum.
  4. Consultation on the Preferred Approach took place between December 2018 and February 2019. This was a well-publicised consultation which resulted in over 3,200 representations being made. The main issues raised were the high levels of housing development, the development strategy, impact on sensitive landscapes, traffic concerns (particularly the A27), other infrastructure concerns and concerns over the suitability and sustainability of strategic allocations and parish requirements.
  5. As set out in the Transport Background Paper (May 2024, BP14), concerns were raised by National Highways (NH) in relation to the deliverability and funding of the package of A27 mitigation works that were identified (in the Preferred Approach Transport Study, 2018) as necessary to mitigate the impact of the Local Plan development. West Sussex County Council (WSCC) also raised concerns about the delivery risks associated with the A27 mitigation works, including the Stockbridge Link Road. This led to extensive work which explored alternative mitigation schemes, tested an alternative distribution of development, explored the potential for phasing/prioritising mitigation scheme delivery and explored funding opportunities.
  6. The work culminated in a decision taken at the Special Council meeting on the 29 July 2021 that the Local Plan Review would be unable to meet full housing needs due to the lack of funding for the full package of mitigation and deliverability concerns with the Stockbridge Link Road element of the scheme. The council therefore concluded that an alternative ‘infrastructure constrained’ approach to development should be considered and held discussions with the highway authorities to seek an agreed basis for how much development can be accommodated, where it can be accommodated and whether it can proceed now or needs to be phased.
  7. The Transport Background Paper (May 2024, BP14) sets out the transport work carried out in 2022 on the ‘infrastructure constrained approach’ and testing of 575 dpa (535 dpa in the south of the plan area) which concluded that the forecast development up to 2039 would require a significant mitigation package and if the mitigation could be secured, then the scale and distribution proposed would have an acceptable impact on the highway network. However, as the costs of the mitigation were anticipated to be £89m to £134m for the A27 schemes and £2.6m for the WSCC network schemes, this level of infrastructure is not deliverable in the absence of government funding. Therefore, a ranking or prioritisation of the mitigation was proposed, which would aim to deliver the A27 Fishbourne junction and Bognor roundabout junctions first. This was combined with a ‘monitor and manage’ approach to see whether the impacts of the Local Plan growth could be mitigated through alternative measures and to ensure that provision of infrastructure met what was required at the time of delivery.
  8. The 2023 Transport Study (January 2023, TA04) also included a Sensitivity Test of 700dpa (southern plan area) to see if higher growth levels could be supported by the mitigation package and thereby enable a higher level of developer contributions to be secured. This concluded that the demands from 700 dpa could generally be accommodated by the mitigation proposed for the 535 dpa scenario, but capacity issues would get worse at the Portfield and Oving junctions which would require additional mitigation (at further cost). However, even at a level of development equivalent to 700 dpa, the developer funding that could be secured, whilst allowing development to remain viable, was not sufficient to fund the full A27 mitigation package. Therefore, this option was not taken forward, particularly as the unmitigated harm would be higher than at 535 dpa.
  9. Following the 2023 Transport Study, the Local Plan 2021 – 2039 Proposed Submission was based on a constrained annual requirement of 535 dpa in the south of the plan area and 40 dpa in the north-east of the plan area, a total of 575 dpa. A formula was referred to in Policy T1 (and set out in para 8.20) to secure contributions towards the two A27 junctions (Fishbourne and Bognor) at a contribution level just under £8,000 per dwelling. This had the aim of securing £27,442,593 to add to the £15,877,407 already secured (totalling £43,320,00) to mitigate the effects of development at the two junctions.
  10. The Proposed Submission (Regulation 19) version of the Local Plan was published on 3 February 2023 and provided the final, formal opportunity for the local community and stakeholders to give their views on its content in terms of soundness and legal compliance. Approximately 2,400 individual responses were received from 319 consultees, including National Highways and West Sussex County Council.
  11. Section 7 of the Transport Background Paper (May 2024, BP14) details the work undertaken since the Regulation 19 consultation in order to address the representations from the highway authorities and arrive at the revised approach to securing contributions for the A27 and sustainable transport schemes (set out in the ‘Council’s suggested modifications schedule’ (April 2024, SD10.04).

# **Policy Context**

**National Policy**

* 1. The NPPF (2021) makes it clear that councils are required to prepare a local plan that positively seeks opportunities to meet the development needs of the area, and that strategic policies should, as a minimum, provide for objectively assessed needs for housing, as well as needs that cannot be met within neighbouring areas[[2]](#footnote-2).
  2. The NPPF was updated on 19 December 2023. However, under paragraph 230, plans that have reached the Regulation 19 stage under the Town and Country Planning (Local Planning) (England) Regulations 2012 (pre-submission) on or before the 19 March 2024 will be examined under the relevant previous section of the NPPF. All references to the NPPF are related to the September 2023 version which should be used as the basis for the examination of the plan.
  3. The NPPF includes a presumption in favour of sustainable development which applies to plan making and is set out in para 11 a) and b) as follows [emphasis added]:

“(a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;

(b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas[[3]](#footnote-3), unless:

(i) the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area[[4]](#footnote-4); or

(ii) any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”

* 1. This makes it clear that plans should meet the development needs of their area and as a minimum, provide for objectively assessed needs for housing and other uses unless either of the sub-clauses i) or ii) apply.
  2. In order to support the supply of homes, the council must carry out a local housing need assessment using the standard method in national planning guidance, unless there are **exceptional circumstances** which justify an alternative approach. Any unmet needs from neighbouring areas should also be taken into account when establishing the amount of housing to be planned for[[5]](#footnote-5).
  3. The soundness tests set out in para 35 of the NPPF include the need for a plan to be “positively prepared” which means that it provides a strategy that, as a minimum, seeks to meet the area’s objectively assessed needs and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development.
  4. Paragraphs 60 – 80 of the NPPF are concerned with delivering a sufficient supply of homes, and with ensuring that a sufficient amount and variety of land can come forward where it is needed and that the needs of groups with specific housing requirements are addressed. Further information about the supply of homes is set out in the Housing Supply Background Paper.
  5. Paragraph 61 requires authorities to conduct a local housing needs assessment using the standard method in national planning guidance in order to determine the minimum number of homes needed.

**Duty to cooperate**

* 1. The Localism Act 2011 places a legal duty on councils and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of local plan preparation in the context of strategic cross boundary matters. This duty to cooperate is also reflected in the NPPF. The Levelling-up and Regeneration Act 2023 has repealed the statutory duty to cooperate (s33A Planning and Compulsory Purchase Act) and a new ‘Alignment Policy’ is proposed to be brought in through amendments to the NPPF. However, as the Local Plan is progressing under the old system, the duty to cooperate will still apply.
  2. The council is actively engaging with neighbouring authorities, other local authorities in the wider area and public bodies. This collaboration has informed the preparation of the Local Plan. The key outcomes of the discussions in relation to housing are set out in the relevant sections below, with a summary in the Duty to Cooperate Statement of Compliance (April 2024, SD06).

**Sub-regional policy context and strategic working arrangements**

* 1. The Council is a constituent authority of the West Sussex and Greater Brighton Strategic Planning Board which brings local authorities together in the area to facilitate joint work on strategic planning issues, particularly on matters relating to housing provision, infrastructure delivery and balancing competing demands for land. The Local Strategic Statement for Coastal West Sussex and Greater Brighton is the main vehicle for taking forward this work.
  2. The second Local Strategic Statement (LSS2) was published in January 2016 and covers the period 2015 to 2031. The Statement acknowledges that it had a limited purpose in providing a strategic planning framework to support the then current round of local plans being prepared, as it was a focused refresh rather than a full review, but that the shared ambition was still a reasonable approach to the challenges of the area, particularly in terms of housing provision. As such, it commits the Strategic Planning Board to undertake a full review (LSS3). This review is now underway, with the scope of the strategic evidence needing to be prepared agreed, prior to the commissioning of the work required. A draft Statement of Common Ground is in preparation. However, in the absence of progress on the LSS3 update, the council has engaged with both neighbouring authorities and those in the wider region separately.
  3. The Coast to Capital Local Enterprise Partnership (LEP) is one of 38 local business-led partnerships between local authorities and businesses that play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.
  4. Coast to Capital has a number of funding, grant and loan opportunities available to private sector and public sector organisations to support business growth in Croydon, East Surrey, Gatwick Diamond, Brighton & Hove, Lewes and West Sussex. Funding comes from the LEP’s allocation from the Government's Growth Deal and the European Structural & Investment Fund which both support business growth. However, as the Government is no longer funding the LEP after March 2024 the LEP Board agreed that Coast to Capital would cease to deliver the core services of the LEP at the end of March 2024. Following the Government’s decision to withdraw funding for LEPs from April 2024, Coast to Capital agreed in November 2023 to end the statutory functions of the LEP at the end of March 2024. At this time, the LEP’s functions will transfer to relevant upper tier authorities, including WSCC.

# **Housing Requirement**

**Assessing local housing need**

***Standard method calculation of housing need***

* 1. The assessment of housing need is the first step in deciding how many homes need to be planned for, and is separate from assessing land availability, establishing a housing requirement figure and preparing policies to address this. Constraints are considered once a housing need figure has been identified[[6]](#footnote-6).
  2. The method is set out in Planning Practice Guidance and uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The PPG makes clear that the outcome is a minimum annual need figure, not a housing requirement figure. The PPG also sets out that while the local housing need figure is calculated at the start of the plan-making process, the number should be kept under review and revised where appropriate. This paper sets out the latest position.
  3. Full details of the methodology are set out in the PPG but in simple terms three steps are identified:

Step 1 – identifying the baseline (utilising household growth projections)

Step 2 – an adjustment is made to reflect the affordability of an area

Step 3 – a cap of 40% can, subject to circumstance, be applied to limit the increase in the annual local housing need figure that an individual local authority can face.

* 1. The Housing and Economic Development Needs Assessment (HEDNA) (2022 update, H06) sets out the standard method calculation that is referenced in the emerging Local Plan. This is set out in Table 1 below:

|  |  |
| --- | --- |
| Local Authority | Chichester |
| Step 1 - Setting the Baseline: |  |
| Household Growth (p.a.) over next 10 years, 2021-31 | 545 |
|  |  |
| Step 2 - Affordability Adjustment: |  |
| Median workplace-based affordability ratio, 2020 | 14.09 |
| Adjustment Factor | 163% |
| Step 2 Housing Need Figure | 889 |
|  |  |
| Step 3 – Capping the level of any increase: |  |
| Date of plan adoption | 14th July 2015 |
| Plan more than 5 years old | Yes |
| Housing requirement in last adopted plan\* | 435 |
|  |  |
| Higher Cap @ 40% above the household growth figure | 763 |
|  |  |
| **Minimum Local Housing Need (p.a.) – District** | **763** |
| **Minimum Local Housing Need (p.a.) – Plan Area** | **638** |
| \*This is a figure for the Plan Area | |

Table 1: Standard method calculation

**Does a higher housing figure above the standard method need to be considered?**

* 1. As the standard method results in a minimum housing need figure, the PPG also sets out situations where it might be appropriate to plan for a higher need figure. Again, this is separate to how much need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan[[7]](#footnote-7)). It outlines the circumstances where this may be appropriate, which include:
* Where funding is in place to promote and facilitate additional growth (i.e., Housing Deals, City Growth Deals, etc.); or
* Where strategic infrastructure improvements are likely to drive an increase in the homes needed locally; or
* An authority agreeing to take on unmet need from neighbouring authorities, as set out in a Statement of Common Ground.
  1. The PPG[[8]](#footnote-8) also requires consideration to be given to the inter-relationship with the assessed need for affordable housing. It sets out that:

“The total affordable housing need [once assessed] can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”

* 1. The PPG also states that there may occasionally be situations where previous levels of housing delivery in an area, or previous assessments of need, are significantly greater that the outcome of the standard method.
  2. The following sections consider each of the circumstances listed in para 4.5 in turn.

**Growth funding**

* 1. In relation to growth funding the HEDNA (2022) sets out that there is currently no funding in place to facilitate additional growth in Chichester District and no discussions taking place relating to growth funding or housing deals. Therefore, this is not considered to be a reason for a higher growth figure.

**Strategic infrastructure improvements**

* 1. The Solent Freeport area covering parts of Southampton, Portsmouth and surrounds is identified in the HEDNA as significant in the context of strategic infrastructure, with the potential for new jobs to be created in the wider area including Chichester. The HEDNA factors this into the analysis around economic growth. However, it is not considered that this would drive an increase in homes needed locally that would not be met by the standard method figure.

**Unmet housing need from neighbouring areas**

* 1. The NPPF advises at para 61 that – “*in addition* to local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. This section sets out the unmet needs in neighbouring authorities and how they have been considered.
  2. The Housing Market Area (HMA) and the Functional Economic Market Area (FEMA) (see Figure 1 below) are taken from the HEDNA (2018, 2020) which drew on the ‘Defining the HMA and FEMA’ report undertaken for the Coastal West Sussex and Greater Brighton Partnership’[[9]](#footnote-9).
  3. A large part of Chichester District (including the southern plan area) and the western half of Arun District (including parts of both districts within the South Downs National Park) are within the Chichester and Bognor HMA, as there are strong migration and commuting relationships between Chichester and Arun.
  4. The north-east of the District (including the northern plan area) falls within the Crawley and Horsham HMA (Kirdford and Wisborough Green) and the Guildford HMA (Loxwood, Plaistow and Ifold). Southbourne and Hambrook fall within the Portsmouth HMA.

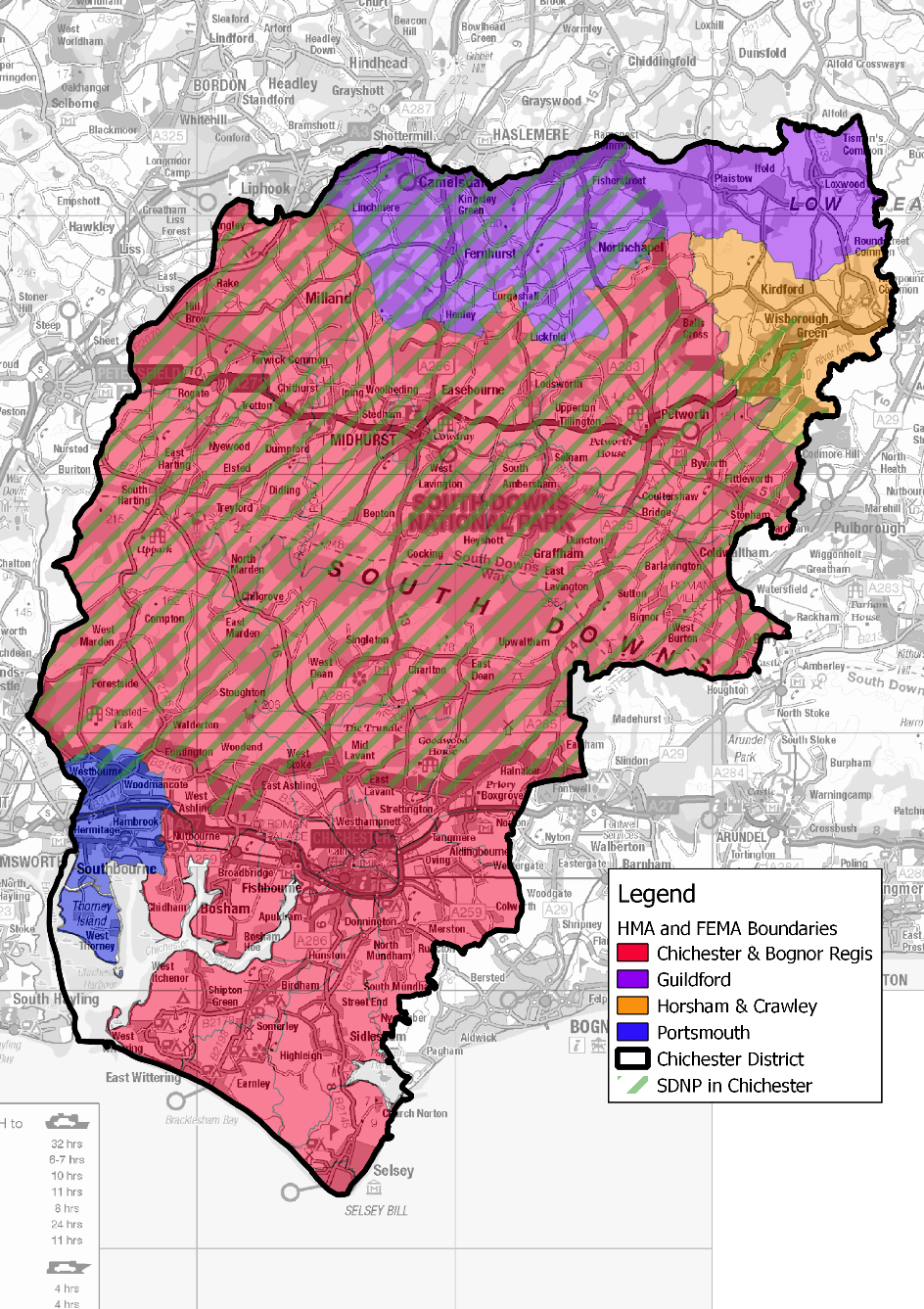


Figure 1: Housing Market Area and Functional Economic Market Area Boundaries

* 1. The first step is to quantify the level of unmet need from neighbouring authorities, then set out where the council has agreed to take on unmet need from neighbouring authorities through an agreed Statement of Common Ground.
  2. This includes consideration of any current unmet need (even if no requests have been made) and any future unmet needs that may arise.
  3. There are substantial potential unmet needs arising from Havant, Horsham, Crawley, Elmbridge, Worthing, Lewes and the South Downs National Park. This is set out in the various bi-lateral Statements of Common Ground and/or within correspondence from other local planning authorities requesting assistance with unmet need (as documented in the Duty to Cooperate Statement of Compliance, April 2024, SD06). CDC has looked to plan positively and account for both its own needs and make a contribution to meeting unmet needs from elsewhere, as demonstrated by the Preferred Approach Regulation 18 Local Plan, which sought to meet the CDC requirement plus unmet need from the South Downs National Park. However, as set out in the Transport Background Paper, following representations from the highway authorities, it became apparent that the A27 constraint would result in CDC being unable to identify a housing strategy in the Local Plan that could fully meet the needs of the Chichester plan area and therefore the Local Plan would be unable to contribute to meeting unmet needs arising elsewhere. This was discussed with neighbouring authorities in bilateral meetings, which have focussed on whether any other local planning authorities would be able to accommodate any of Chichester’s unmet need, as set out in the Duty to Cooperate Statement of Compliance.
  4. For the reasons set out above CDC have not entered into any agreements with any of the authorities (excluding the SDNPA) to meet any of their unmet needs. In relation to the unmet needs from the South Downs National Park, the evidence now demonstrates that CDC are now unable to meet that need, a position which is acknowledged by the SDNPA in their response to the Regulation 19 consultation on the Local Plan.

**Conclusion on** **consideration of other circumstances in assessing housing need**

* 1. Having considered the other circumstances where it might be appropriate to plan for a higher need figure, there is no growth funding or infrastructure improvement that would drive an increase in the homes needed locally. Due to the circumstances set out in this section, the council has not been able to take on any unmet need from neighbouring authorities that would result in a higher housing need requirement. Therefore, the Plan area housing need figure is, as calculated using the standard method, 638 dwellings per annum. However, paragraph 11(b) of the NPPF allows the local planning authority to take into account other factors which are explored in section 5 below.

# **Constrained Housing Requirement**

**Departure from the standard method/setting a constrained housing requirement**

* 1. NPPF paragraph 11(b) sets out that a plan may only not meet the development needs of the plan area if either of the exceptions set out in 11(b)(i) or (ii) applies. It is considered that paragraph 11(b)(ii) applies in this case.
  2. Para 11(b) states:

“(b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas[[10]](#footnote-10), unless:

(i) the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area[[11]](#footnote-11); or

(ii) any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.” [emphasis added]

* 1. The council considers that 11(b)(ii) applies and that the adverse impacts on the highway network of meeting the full local housing need would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole. The council is proposing to depart from the standard method by setting a ‘constrained housing requirement’ figure of 575 dpa (consisting of 535 dpa in the south of the plan area plus 40 dpa in the north east).
  2. Paragraph 104 of the NPPF requires that transport issues are considered from the earliest stages of plan making so that “(*a) the potential impacts of development on transport networks can be addressed*” and *“(d) the environmental impacts of traffic and transport infrastructure can be identified, assessed and taken into account – including appropriate opportunities for avoiding and mitigating any adverse effects, and for net environmental gains”.* Paragraph 110 sets out that in assessing sites that may be allocated for development in plans it should be ensured that *“(d) any significant impacts from the development on the transport network (in terms of capacity and congestion), or on highway safety, can be cost effectively mitigated to an acceptable degree”*. This means that the cumulative impact of the proposed level of housing in the plan needs to be considered.
  3. As set out above, the Preferred Approach Local Plan (Policy S4) set out to provide at least 12,350 dwellings in the period 2016 – 2035 which would have met the objectively assessed housing need at that time (609 dpa), plus an allowance for accommodating unmet need arising from the Chichester District part of the South Downs National Park (as set out in the HEDNA, August 2018).
  4. The Transport Background Paper (section 5) sets out the transport work undertaken after the Preferred Approach consultation to seek to address the concerns raised by the highway authorities about the funding and deliverability of the full A27 mitigation scheme. This work concluded that the full package of mitigation needed on the A27 Bypass to support housing growth at 638 dpa plus unmet need from the SDNP could not be funded and therefore delivered.
  5. If the council had continued with a strategy that met full housing needs the plan would be in conflict with paragraph 104 of the NPPF as it would be generating significant impacts on the transport network in terms of both adding to existing capacity and congestion issues without a cost-effective way of mitigating the impacts to an acceptable degree.
  6. The council then requested a PINS advisory visit, which took place in July 2021. This highlighted that before concluding that the housing needs of the area could not be met the council would need to determine three issues:

1. What level of housing could be achieved based on the required improvements to the A27 without undermining viability, and thus deliverability;
2. Whether the full housing needs could be met in another way, which includes taking a step back and reassessing the spatial strategy and distribution of development in other parts of the local plan area; and
3. If not, whether housing needs could be met elsewhere through constructive, active and on-going engagement as part of the Duty to Cooperate.

**Consideration of options for accommodating the local housing need – ‘no stone unturned’**

* 1. During the preparation of the Local Plan, the council has explored a number of options to accommodate the local housing need, in full, and higher levels of provision than contained in the submission Plan. These options have included:

1. testing a lower level of development in the southern plan area, but which was at least equivalent to the recent delivery and existing permissions (as at 2021);
2. investigating the capacity of the northern part of the plan area to accommodate development;
3. undertaking duty to cooperate discussions in relation to potential unmet needs.

**Outcome of testing alternative level of housing in southern plan area**

* 1. Given that the full A27 improvement package required to mitigate the impact of 638 dpa is not deliverable, the council was obliged to test a lower level of housing growth which could be mitigated, or which would at least allow the highway authorities to agree that a severe impact on the A27 would be unlikely. Extensive work was therefore carried out in 2022 which tested the highway impact of 535 dpa in the southern plan area (575 dpa total). This was reported in the 2023 Transport Study which concluded that the lower level of housing would still require a significant mitigation package, the majority of which is focussed on the A27[[12]](#footnote-12). The full package of infrastructure improvements required to mitigate the lower level of growth was also not likely to be deliverable due to a lack of funding.
  2. In response to the above outcomes, work was undertaken in 2022 (as set out within the Transport Background Paper) to explore a prioritisation of junction improvements[[13]](#footnote-13) alongside a monitor and manage approach, which would take account of the likely level of available funding and the constraints of development viability. This culminated in the approach set out in the Local Plan 2021 – 2039 Proposed Submission version (Policy T1).
  3. As set out in the Transport Background Paper, National Highways raised a number of concerns following the Regulation 19 consultation in relation to the acceptability of delivering only parts of the agreed A27 improvement package. Their concerns also reflected the shift in national policy set out in Circular 1/22 which was published in December 2022. Therefore, in order to demonstrate that growth at 535 dpa can progress (on a precautionary basis) the council has proposed a number of modifications to Policy T1 to focus the mitigation on the monitor and manage strategy, which includes an increased focus on the delivery of sustainable transport measures to facilitate modal shift away from private car use impacting the A27 Bypass junctions.
  4. The proposed level of growth (535 dpa in the southern plan area) is necessarily a precautionary and a pragmatic response to the position the council is in, with the highway authorities currently unable to agree that any higher level of growth would be acceptable in the absence of funding for the full A27 junction improvement package. National Highways also consider that the current traffic modelling evidence is not sufficiently up-to-date to be able to agree to any higher level of growth. However, updating the traffic modelling evidence at this stage would cause a very significant delay to the Local Plan. Therefore, as set out within the Transport Background Paper, the Transport Infrastructure Management Group (TIMG) has been set up to provide a governance arrangement through which the council can work in partnership with the highway authorities and other stakeholders to ensure that the monitor and management strategy is progressed effectively and to oversee the scoping and commissioning of up-to-date modelling evidence that will support a future review of the Chichester Local Plan.

**Outcome of testing alternative level of housing in the northern plan area**

* 1. The Housing Distribution Background Paper (BP05) sets out the process and conclusions from testing a higher level of growth in the northern plan area. The testing looked at a maximum capacity of 2,312 dwellings across the parishes in the north-east (including a HELAA site promoted as a new settlement of 600 homes linked to a Whole Farm Plan at Crouchlands).
  2. The testing of scenarios included consultation with stakeholders, additional transport evidence and a qualitative assessment of the effects of each growth scenario on each settlement in terms of potential impact on character (historic and landscape) and biodiversity. The scenarios were also tested through the Sustainability Appraisal which informed the outcome of the testing. This resulted in the numbers for the north-east increasing as set out in Table 2:

|  |  |  |  |
| --- | --- | --- | --- |
| **North-east of the plan area** | | | |
| **Parish** | **Preferred Approach** | **Proposed Submission** | **Difference** |
| Loxwood | 125 | 220 | +95 |
| Kirdford | 0 | 50 | +50 |
| Plaistow and Ifold | 0 | 25 | +25 |
| Wisborough Green | 25 | 75 | +50 |
| **TOTAL** | **150** | **370** | **+220** |

Table 2: Change in proposed dwelling numbers in north-east of the plan area

* 1. The outcome of the testing shows that whilst an increase of an additional 220 dwellings in the north-east of the plan area has been found to be acceptable, any further increase to meet unmet need arising from the southern plan area, would not be appropriate in a rural area with limited facilities and public transport with landscape and historic environment constraints, as well as water neutrality requirements.
  2. Following this testing the council’s emerging position was discussed at a second PINS advisory visit in October 2022. The advising Inspector concurred that the factors listed above ‘appear to support the council’s position that a maximum of 600 – 700 homes could be delivered over the plan period (or around 40 dpa)’ in the north-east area[[14]](#footnote-14).
  3. Therefore, whilst the level of housing growth proposed within the north-east plan area was increased, it is not able to meet all the shortfall from the southern plan area.

**Unmet need and Duty to Cooperate**

* 1. As documented in the Duty to Cooperate Statement of Compliance (April 2024)[[15]](#footnote-15) the council has held meetings with individual neighbouring authorities and written to those authorities whose area falls wholly or partly within the HMAs covering the plan area on the issue of unmet need. As set out in paragraphs 4.11 – 4.18 above, a number of authorities also have unmet need, so are unable to assist Chichester District in meeting our unmet needs.
  2. The emerging position on unmet needs and duty to cooperate discussions was raised at the PINS advisory visit in October 2022. The advice of the Inspector was that further discussions are likely to be required with East Hampshire and Arun to confirm the position and ensure that SoCGs are robust. The latest position on discussions with both authorities is set out below.
  3. East Hampshire District Council has signed a Statement of Common Ground[[16]](#footnote-16) with the council which agrees that they are unable to confirm what housing number they may be able to accommodate through their Local Plan review and whether that will be able to include any element of unmet need from adjoining authorities. As part of the South Downs National Park is within East Hampshire, they would consider meeting any unmet needs from the SDNP in the first instance followed by any needs from the Partnership for South Hampshire (PfSH) area. As Havant Borough Council (within the PfSH area) has now identified that they are likely to not meet their needs, this would leave any unmet needs from Chichester needing to be addressed after both the SDNP and Havant unmet needs. It is highly likely that this would result in no remaining capacity for East Hampshire to accommodate unmet needs from the Chichester plan area. As significant parts of both authorities lie within the South Downs National Park, only that part of the Chichester Local Plan area around Camelsdale and Hammer adjoins the area covered by the East Hampshire Local Plan, which means that whilst there are functional relationships between CDC and EHDC in housing and employment terms, the relationships between EHDC and other areas (Havant and Waverley) are more significant.
  4. Arun District Council currently provide for unmet needs from Chichester and Worthing in their adopted Local Plan 2018 of around 81 dpa. As Arun District Council are at an early stage in the plan making process, they are unable to confirm what number they will be able to accommodate through an update to the Local Plan and whether that may be able to include any element of unmet need from adjoining authorities. Arun is also likely to face similar issues to Chichester in relation to the impact of development on the A27. A Statement of Common Ground is being progressed with Arun District Council.
  5. The co-operation with relevant authorities, as set out in the Statement of Compliance, demonstrates that the council has engaged constructively on unmet needs and taken all reasonable steps to meet unmet need that cannot be met in the Plan area.

**Conclusion on options for accommodating the local housing need – ‘no stone unturned’**

* 1. The work carried out demonstrates that there were no other options available for accommodating the full local housing need without severe impacts on the highway network or unacceptable impacts on the rural north-east of the plan area. As a result, and following duty to cooperate discussions, the council has progressed with a lower housing requirement of 575 dpa.

**Conclusion on departure from standard method**

* 1. As set out in the Transport Background Paper (BP14), the housing requirement of 575 dpa represents a level of development that maximises opportunities for growth whilst taking a precautionary approach to avoid transport impacts that would likely occur from meeting full housing needs, in the absence of sufficient funding to mitigate that level of growth. For the exception in paragraph 11(b)(ii) of the NPPF to apply, the impacts (of pursuing a higher level of housing growth) would need to significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole. This balancing exercise therefore needs to be carried out to justify reliance on the exception.
  2. The Sustainability Appraisal (SA) (January 2023) provides a tool to assist with this exercise. The SA appraises the Plan as a whole against the SA objectives. In relation to housing, the objective is to meet local housing need. The SA accepts that it is ‘difficult to envisage a reasonable alternative strategy that performs significantly better, in terms of meeting housing needs, without giving rise to significant drawbacks in respect of wider issues and objectives.’[[17]](#footnote-17). The SA acknowledges that leaving needs for housing unmet will have significant negative effects, particularly in the context of the wider sub-regional unmet need. The SA also acknowledges concerns about lower affordable housing delivery. However, the SA also considers that there is no reasonable potential to deliver more than 535 dpa in the southern plan area and supports the council’s approach of not planning for significantly higher growth in the north-east of the plan area. The issue of not having a supply buffer to provide flexibility was flagged up in the SA, but due to the grant of additional speculative developments in the interim since the SA was drafted, the projected supply position does now include a small buffer, over the proposed requirement, for flexibility. Not meeting full local housing need could also impact on economic growth, however, the SA conclusion is that the plan should lead to significant positive effects on the baseline in this regard.
  3. Whilst the latest position on the mitigation required is more uncertain than at earlier stages in the plan’s preparation (due to the age of the area traffic model and the latest position being taken by National Highways), there is a strong case for progressing the plan with a housing requirement of 575dpa now, rather than delaying the plan further or proposing to meet full housing needs at this stage where there is no way of delivering the mitigation required for that level of growth and no evidence to suggest that any higher level of growth would be acceptable in the absence of full mitigation.
  4. Progressing the Local Plan now, albeit with a moderately lower level of housing growth (than the standard method figure), will ensure a deliverable supply of housing over the plan period, providing homes and supporting economic growth. The proposed sustainable transport measures will lead to benefits in terms of ensuring that existing and future residents will have more options for travel which reduce the reliance on the private car. The level of remaining unmet need is low compared to other authorities in the wider sub-region, who have higher levels of unmet need and are facing greater shortfalls. The council has increased the housing number in the north-east of the plan area and accepted that recent speculative development will increase the overall supply. The potential need for an early review of the Plan has been recognised and factored into the council’s suggested modifications with the new Policy M1. This will ensure that if there is any possibility of increasing the level of housing after the review of the model, a mechanism is in place to do so.
  5. Overall, whilst there are significant negative effects of not meeting the full local housing need, these are outweighed by the significant impacts that would be generated by seeking to meet the full local housing need on the transport network when this would be likely to have an unacceptable impact on highway safety and result in severe cumulative impacts on the road network in the absence of the necessary infrastructure improvements. However, due to the uncertainty created by National Highways not accepting that the current transport model can be used to determine the level of impact that would be caused by a higher level of growth, the council accepts that the proposed approach is both precautionary and pragmatic, enabling a Local Plan to be progressed now in a manner that enables effects on the highway network to be appropriately controlled.

1. Adopted in 2015 [↑](#footnote-ref-1)
2. [National Planning Policy Framework - 2. Achieving sustainable development - Guidance - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/national-planning-policy-framework/2-achieving-sustainable-development) [↑](#footnote-ref-2)
3. As established through statements of common ground [↑](#footnote-ref-3)
4. The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in [paragraph 181](https://www.gov.uk/guidance/national-planning-policy-framework/15-conserving-and-enhancing-the-natural-environment#para181)) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in [footnote 68 in chapter 16](https://www.gov.uk/guidance/national-planning-policy-framework/16-conserving-and-enhancing-the-historic-environment#footnote68)); and areas at risk of flooding or coastal change [↑](#footnote-ref-4)
5. [National Planning Policy Framework - 5. Delivering a sufficient supply of homes - Guidance - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/national-planning-policy-framework/5-delivering-a-sufficient-supply-of-homes) [↑](#footnote-ref-5)
6. [Housing and economic needs assessment - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments) Paragraph: 001 Reference ID: 2a-001-20190220 [↑](#footnote-ref-6)
7. [Housing and economic needs assessment - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments) Paragraph: 010 Reference ID: 2a-010-20201216 [↑](#footnote-ref-7)
8. [Housing and economic needs assessment - GOV.UK (www.gov.uk)](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments) Paragraph: 024 Reference ID: 2a-024-20190220 [↑](#footnote-ref-8)
9. [Defining the HMA and FEMA, Feb 2017 (GBCWSSPB)](https://www.adur-worthing.gov.uk/media/Media,150489,smxx.pdf) [↑](#footnote-ref-9)
10. As established through statements of common ground [↑](#footnote-ref-10)
11. The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in [paragraph 181](https://www.gov.uk/guidance/national-planning-policy-framework/15-conserving-and-enhancing-the-natural-environment#para181)) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in [footnote 68 in chapter 16](https://www.gov.uk/guidance/national-planning-policy-framework/16-conserving-and-enhancing-the-historic-environment#footnote68)); and areas at risk of flooding or coastal change [↑](#footnote-ref-11)
12. [Local Plan Transport Study (Jan 2023) p12](https://www.chichester.gov.uk/media/37767/Chichester-Transport-Study-Local-Plan-Review-Transport-Assessment/pdf/_CDCLocalPlanTransportAsessment_2039.pdf?m=1673627501573) [↑](#footnote-ref-12)
13. Based on delivering on improvements at Fishbourne and Bognor junctions. [↑](#footnote-ref-13)
14. The Planning Inspectorate Local Plan Advisory Meeting: Chichester District Council (5 October 2022) paragraph 9. [↑](#footnote-ref-14)
15. Duty to Cooperate Statement of Compliance (April 2024) [↑](#footnote-ref-15)
16. Statement of Common Ground between Chichester District Council and East Hampshire District Council (January 2024, SC01) [The Local Plan examination - library - Chichester District Council](https://www.chichester.gov.uk/localplanexaminationlibrary#statementsofcommonground) [↑](#footnote-ref-16)
17. Sustainability Appraisal (January 2023) paragraph 9.10.1 [↑](#footnote-ref-17)