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# Examination Statement

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**Examination of the Chichester Local Plan 2021-2039:  
Response to the Schedule of Matters, Issues and Questions**

**Matter 4C: Housing**

**Prepared on behalf of Northgate Properties Ltd**

# 1. Introduction

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- 1.1. This Examination Statement has been prepared on behalf of Northgate Properties ('Northgate').
- 1.2. Prior to the submission of the emerging Chichester Local Plan 2021 - 2039 (eCLP) for Examination, Northgate participated in the formal consultation of the CLP during the Regulation 19 consultation held in February 2023 through representations submitted by Smith Simmonds and Partners. The representations made at Regulation 19 stage should be read in conjunction with this Hearing Statement.

## 2. Response to MIQs - Matter 4C: Housing

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**Issue: Is the proposed approach to housing development positively prepared, justified, effective, and consistent with national policy?**

### Local Housing Need

**Question 60: Is there any substantive evidence to demonstrate that it would be appropriate to plan for a higher housing need figure than the standard method indicates in this case as per advice set out in the PPG (Paragraph: 010 Reference ID: 2a010-20201216)?**

- 2.1. The current Standard Method for CDC is 763 dwellings per annum (dpa) across the District (including the South Downs National Park) but is 638 dpa for the eCLP Plan Area. Paragraph 11(b) of the NPPF (2023) states that:

*“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, unless... 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.”*

- 2.2. CDC's Housing Need Background Paper (July 2024, Ref: BP06) considers that paragraph 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. **CDC 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 northern area).
- 2.3. A revised Standard Method is currently under consultation and CDC's housing need is proposed at 1206 dpa. Proposed delivery in the emerging Chichester Local Plan 2021-2039 (eCLP) is 575 dpa which equates to a shortfall of 63 dpa compared to the current objectively assessed need and a shortfall of 631 dpa compared to the proposed new Standard Method. Therefore, CDC should plan for a level of housing **above the current Standard Method** due to the significant increase in assessed need under consultation. If a higher level is not proposed, an immediate review of the Local Plan will commence on adoption of the Local Plan to address this shortfall.
- 2.4. The shortfall in dwellings of the proposed housing delivery targets compared to the new Standard Method value is **so significant that we believe CDC will need to consider the possibility of a new settlement** in the southern part of the Plan Area. This option should be assessed if the Local Plan is withdrawn or if the eCLP is adopted and is then the subject of an early review. The quantum of work required to explore such an option would likely take longer than the six month timeframe recommended in the letter from the Minister of State (Matthew Pennycook MP), to the Chief Executive of the Planning Inspectorate, dated 30 July 2024<sup>1</sup>. On this basis, unless the current plan could be adopted extremely promptly (which seems unlikely), the Inspectors may consider it more appropriate and pragmatic for **the eCLP to be withdrawn** and a new Local Plan, which provides the objectively assessed housing need, progressed in its place.

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<sup>1</sup> <https://assets.publishing.service.gov.uk/media/66aa157b0808eaf43b50dad5/minister-pennycook-to-chief-executive-of-planning-inspectorate.pdf>

### Unmet needs of neighbouring areas

Question 61: Is there any substantive evidence that the Plan should be accommodating unmet need from neighbours, and if so, would it be sound to do so?

- 2.5. CDC's Housing Need Background Paper (July 2024, Ref: BP06) acknowledges that there is substantial unmet housing need arising from Havant, Horsham, Crawley, Elmbridge, Worthing, Lewes and the South Downs National Park. The Preferred Approach Regulation 18 Local Plan sought to meet CDC's housing requirement plus unmet need from the South Downs National Park. However, due to highways constraints surrounding the A27, CDC considers that it cannot meet its own housing target and therefore is unable to contribute to meeting unmet housing needs from neighbouring authorities. CDC considers that unless / until it can meet its own housing need, it cannot accommodate unmet need from neighbouring authorities.
- 2.6. CDC's Duty to Cooperate Statement of Compliance (April 2024, Ref: SD06) outlines how CDC has approached and complied with the duty to cooperate. From this, it is clear that there has been consistent communication with other authorities throughout the plan-making process. However, this has not produced any kind of positive outcome, with an array of local planning authorities (including CDC) each failing to deliver the housing that is required. As a result, an **even greater unmet need is created** across the region, with no authority prepared to take the necessary steps required to be able to deliver the much-needed housing.
- 2.7. The main reason advanced by CDC for not meeting its housing needs is the capacity of the A27, and we recognise that presents a major difficulty. However, what does not seem to have been considered is the option of CDC accommodating unmet needs and **meeting its own needs, whilst using that growth to fund strategic transportation solutions** to the A27, for the benefit of the sub-region. This would represent a true approach to co-operation. As such a large section of the A27 passes through the CDC administrative area, the eCLP has a unique responsibility to consider such an approach.

### Affordable Housing need

Question 62: Is there any substantive evidence to demonstrate that there should be an adjustment to the minimum housing requirement to help deliver affordable housing with regard to the PPG (Paragraph: 024 Reference ID: 2a-024- 20190220), and if so, would that be effective?

- 2.8. Paragraph: 024 Reference ID: 2a-024- 20190220 of the PPG states that:
- "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."*
- 2.9. CDC's most recently assessed affordable housing need was published in April 2022 in the 'Housing and Economic Development Needs Assessment' (Ref: H06). The Assessment identified an affordable housing need of 278 dpa. Policy H4 of the eCLP requires:
- "On-site affordable housing provision will be required on sites of 10 dwellings or more, or sites of 0.5 hectares or more at the following percentages:*
- a) North of the Plan Area – 40% on greenfield sites, 30% on previously developed land.*
- b) South of the Plan Area – 30% on greenfield sites, 20% on previously developed land."*
- 2.10. CDC proposes the delivery of 535 dpa in the Southern Plan Area, which equates to a maximum of 160.5

affordable dpa. CDC proposes the delivery of 40 dpa in the Northern Plan Area, which equates to a maximum of 16 affordable dpa. Therefore, the CLP would provide an absolute maximum of 176.6 affordable dpa. Since the requirement for delivering affordable housing would not apply to minor developments and would be a lesser requirement than the above calculations on previously developed land, in addition to any delays in the delivery of allocated market housing, **the actual delivery of affordable housing is likely to amount to far less than 176.6 dpa**. Since this value already comprises **less than 64%** of the assessed need, if the current eCLP is progressed it is imperative that CDC increase the minimum housing target. A dramatic increase is necessary to ensure that the Plan is positively prepared in accordance with paragraph 35(a) of the NPPF (2023).

- 2.11. Such an amendment will require the allocation of additional housing sites of substantial scale, which would as a minimum require a significant round of Main Modifications to this Plan. However, this would in turn involve a significant delay to this Examination process and it may be that the Inspector consider it more pragmatic to advise that the Plan be withdrawn, based on the Ministerial Letter dated 30 July 2024<sup>2</sup>.

### Housing needs of different groups in the community

**Question 63: Is the Plan positively prepared in assessing and reflecting in its policies the size, type and tenure of housing needed for different groups in the community as per NPPF 62?**

- 2.12. Insofar as it makes allocations, the eCLP is reasonable in terms of having regard to the different sizes, types and tenures of housing that may be needed. However, by substantially under-providing against the Standard Method, there will not be sufficient delivery of any size, type or tenure and, in particular, there will be a shortfall of affordable housing delivery as outlined above in our response to Question 62.
- 2.13. The remedy to this will be the allocation of additional sites, most likely at substantial scale, which may be more appropriate via commencement of a full review of the Local Plan rather than the retrofitting of additional sites through Main Modifications.

### Policy H1: Meeting Housing Needs

#### The housing requirement

**Question 64: Policy H1 Meeting Housing Needs sets a housing requirement for the full plan period 2021 – 2039 of at least 10,350 dwellings. This is below the local housing need for the area as determined by the standard method. The justification for the proposed provision of 535 dpa in the southern area has been considered under Matter 4A Transport. Is the proposed figure of 40 dpa in the northern part of the plan area justified?**

- 2.14. Although the northern part of the plan area is particularly constrained, the target of 40dpa is very low relative to the overall requirement of the Local Plan, contributing to the problem of under-delivery.

**Question 65: Would the adverse impacts of the Plan not providing for objectively assessed housing needs significantly and demonstrably outweigh the benefits of doing so when assessed against the policies in the NPPF taken as a whole? That is to say is the overall housing requirement justified?**

- 2.15. Paragraphs 60 and 61 of the NPPF (2023) state the importance of meeting as much of an area's identified

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<sup>2</sup> <https://assets.publishing.service.gov.uk/media/66aa157b0808eaf43b50dad5/minister-pennycook-to-chief-executive-of-planning-inspectorate.pdf>

housing need as possible and that strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance.

2.16. Paragraph 11(b) of the NPPF (2023) states that:

*“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, unless... 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.”*

2.17. The existing Standard Method requires 638 dpa for the Plan Area but CDC has only proposed a housing delivery target of 575 dpa in the eCLP. This shortfall is proposed by CDC on the premise of significant highways constraints relating to the A27 junctions in the South Plan Area and the rural nature of the north resulting on a strong reliance on car use.

2.18. CDC concluded that the mitigation required to overcome these highways constraints would not be financially viable even up to a housing requirement of 700 dpa. However, CDC’s new Standard Method target is 1206 dpa. It is therefore important that CDC conduct further viability studies for these highways’ improvements using the proposed new Standard Method target of 1206 dpa. The financial contributions provided through the delivery of 1206 dpa may well result in sufficient funds to enable the necessary highway improvements needed to increase the capacity of the A27. Although the eCLP is being examined against the current Standard Method, CDC has identified a significant unmet need from neighbouring authorities. By helping to provide this unmet need, CDC could simultaneously fund its highways mitigation work and deliver much-needed housing in the local area. As it stands, the adverse impacts of delivering the objectively assessed housing need has not been shown to ‘significantly and demonstrably’ outweigh the benefits. Further transport viability assessments are required, and alternative options need to be considered, in order for it to be shown that the eCLP has been positively prepared and justified.

2.19. CDC has also not fully considered the delivery of a new settlement in the Southern Plan Area. The A27 provides access to Chichester as a ‘sub-regional centre’. However, by delivering a new sub-regional centre or settlement hub in the Southern Plan Area, this could mitigate the need for new residents to travel to Chichester if alternative services and facilities were available in a new settlement. Therefore, the creation of a new settlement in the Southern Plan Area could reduce local reliance on the A27 but also enable the delivery of new dwellings to ensure the Plan is positively prepared by meeting its objectively assessed need.

**Question 66: Paragraph 5.2 of the Plan sets out that the housing requirement would be made up of 535 dpa in the southern area and 40 dpa in the northern area. These figures are not included in Policy H1. Is this effective?**

2.20. Policy H1 provides an overall housing target of 10,359 dwellings across the Plan Period. However, in order to ensure that the eCLP is prepared effectively and is deliverable over the Plan Period, the annual housing delivery targets should also be included. Therefore, it is recommended that the housing requirements of 535 dpa in the southern area and 40 dpa in the northern area should be included in Policy H1.

**Question 67: Are the suggested MMs necessary for soundness?**

2.21. Modification CM159 updates the table in Policy H1 with the latest monitoring data. The amendments result in a slightly higher supply of housing for the Plan Period, from 10,359 dwellings to 10,752.

- 2.22. CDC's latest Local Development Strategy (LDS) (July 2024, Ref: PS/CD03a) estimates that the eCLP will not be adopted until Spring 2025 at the earliest. The eCLP Plan Period ends in 2039 which results in the strategic policies only covering a 14 year period post adoption, instead of the mandatory 15. Paragraph 22 of the NPPF (2023) requires strategic policies to cover a minimum period of **15 years from adoption**. Therefore, in order for the eCLP to be consistent with national policy, the Plan Period must be extended. Policy H1 requires further modification to provide for the full Plan Period.

### Housing land supply

Policy H1 Meeting Housing Needs sets out the broad sources of supply to meet the housing requirement. Housing land supply will be provided by the Plan, the existing site allocation DPD, a new DPD and Neighbourhood Plans. The Plan therefore is not singly providing for all the supply in the plan period, though it is setting the overall housing requirement.

Question 68: Are the components of the overall housing land supply set out in Policy H1 (as updated in BP07 Housing supply background paper) justified? Specially: Is footnote 29 as set out in the submitted Plan regarding Site Allocation DPD allocations correct given that policies of that plan are not to be superseded by this Plan? What is the compelling evidence that windfall sites will make the anticipated contribution to housing land supply over the plan period?

- 2.23. Policy H1 proposes that 657 dwellings will be delivered as windfall across the Plan Period. Main Modification CM159 amends the proposed windfall allowance to 720 dwellings.
- 2.24. CDC's annual monitoring report (AMR) (February 2024, Ref: CD02) found that since 1 April 2012, an average of 60 dwellings per year have been delivered. Over a Plan Period of 15 years, this would equate broadly to 900 dwellings delivered via windfall. CDC's proposal of 720 dwellings over the Plan Period therefore seems broadly justified, as the future yield of windfall previously developed sites could decrease as the most viable and deliverable sites have already come forward.

Question 69: Will there be a five-year supply of deliverable housing sites on adoption of the Plan?

- 2.25. CDC's Housing Land Supply Background Paper (July 2024, Ref: BP07) estimates that on adoption of the eCLP, CDC will be able to demonstrate a housing land supply (HLS) of 5.15 years. However, this HLS position is based on the constrained housing target decided by CDC and therefore is not reflective of the current or future Standard Method targets. On comparison with the Standard Method target, it seems highly unlikely that CDC would be able to demonstrate a 5YHLS on adoption of its Local Plan and therefore the Plan as a whole cannot be considered to be positively prepared as required by the NPPF including (in particular) paragraph 76.

### Policy H2. Strategic Location/ Allocation 2021 – 2039

Question 71: Were the proposed strategic housing locations/allocations selected on the basis of an understanding of what land is suitable, available and achievable for housing in the plan area using an appropriate and proportionate methodology, and are there clear reasons why other land which has not been allocated has been discounted?

- 2.26. Paragraph 32 of the NPPF (2023) requires local plans and spatial development strategies to be informed throughout their preparation by a sustainability appraisal that meets the relevant legal requirements.
- 2.27. AECOM published a Sustainability Appraisal of the eCLP in January 2023. However, the report only assesses the different growth scenarios for the eCLP and does not appear to assess individual

development sites. No Sustainability Appraisal seems to be available which fully assesses the allocated and alternative housing development sites. If this is correct, the eCLP is not currently consistent with national policy.

**Question 72: Is the MM to paragraph 5.6 necessary for soundness?**

- 2.28. Paragraph 16(d) of the NPPF (2023) requires Local Plan policies to be clearly written and unambiguous so it is evident for a decision maker on how to react. Modification CM160 proposes the addition of a sentence to paragraph 5.6 of the eCLP but the new sentence instead only relates to the contents of paragraph 5.10. Modification CM160 may therefore create further confusion and instead should be included directly in paragraph 5.10 of the eCLP.

**Policy H3 Non-Strategic Parish Housing Requirements 2021 – 2039**

**Question 73: What is the justification for the parish housing requirements set out in Policy H3?**

- 2.29. We do not have detailed specific commentary on the non-strategic parish housing requirements. However, we observe that for the majority of the parishes listed in the table (21 out of 28) the target is identified as **zero** planned housing. This underscores our concerns over the Plan as a whole, in having fallen significantly below the prevailing Standard Method. As a consequence, the majority of villages will receive little to no new development that might deliver the affordable housing known to be required, and support the continued viability of services and facilities in rural areas.
- 2.30. With the vast majority of villages / parishes listed in the table liable to stagnate, we question whether the eCLP can be considered to have been 'positively prepared' in line with the NPPF.

**Question 74: Is the statement in the last paragraph of the policy concerning what the Council would do in the event of demonstrable progress not being made in providing for the minimum housing numbers effective?**

- 2.31. We believe this is a potential area of concern. CDC is, to some degree, justified in considering the 'what if' scenario of the relevant Neighbourhood Plans not coming forward in a timely way. At a national level, it is quite common for Neighbourhood Plans to be delayed or to stall altogether, due to difficulties in motivating teams of non-specialist volunteers, in finding the process as well as resourcing, and maintaining continuity through the process.