

Chichester Local Plan Examination – Hearing Statement

Matter 4B: Employment and economy

Questions 36 - 59

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This hearing statement has been produced as part of the examination of the Chichester Local Plan. It answers the Inspectors' questions 36-59, relating to **Matter 4B: Employment and economy**

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Matter 4B: Employment and economy

Issue: Is the strategy and provision for employment development effective and justified, and are the individual employment and economy policies clear, justified and consistent with national policy and will they be effective?

(The soundness of the specific proposed employment allocations will be considered separately under Matter 6) Transport evidence

Policy E1 Meeting Employment Land Needs

Q.36 Policy E1 sets out the identified need from the HEDNA and the total supply of employment over the plan period. Is Policy E1 in terms of the employment requirement, clearly written and unambiguous, so it is evident how a decision maker should react to development proposals? What is the employment land requirement?

- 1.1 Policy E1 is a strategic policy setting out the overall employment requirement and how the plan intends to provide for this need to be met. Delivery of employment space will be monitored against this policy. The council considers that the policy clearly identifies the various sources of supply, including the allocations on which new employment floorspace is expected to be delivered.

What is the employment land requirement?

- 1.2 The total employment requirement for the plan period is set out on page 6 of the Economic Development and Employment Background Paper (BP02) – the table reflects Table EX3 of the latest HEDNA (H06 p11) but incorporates a correction to the total figure. This is reflected in the table in Policy E1 where the figures are rounded to 108,000 and 115,000 sqm. The corresponding total land requirement is 22 to 23 ha.
- 1.3 After consideration the council suggests an additional modification CAM414 as set out in the Council's Suggested Modifications Schedule (CDC 15.01) to refer to the land requirement at the end of paragraph 7.4 of the plan:

Additional modification CAM414:

“..... (all rounded to the nearest 500sqm). **This equates to a total requirement of 22 – 23ha.**”

	Floorspace (Sq. m)	Employment Land (Ha)
Office	36,488 – 42,863	4.9 - 5.7
Industry	50,497	12.6

Warehouse	21,288	4.3
Total	108,273 – 114,648	22.0 – 23.0

1.4 The monitoring target and policy are expressed in square meters (sqm) of employment floorspace rather than Ha of land because of more accurate data availability for monitoring delivery. As set out in paras 5.1 and 5.2 of the Employment Background Paper (BP02) the HEDNA also used floorspace rather than land when assessing past completions which feed into the requirement for industrial uses.

1.5 An additional modification CAM415 is proposed – as set out in the Council’s Suggested Modifications Schedule Version 2 (CDC15.01) to amend the policy name to reflect that the policy does not express the requirement in terms of land.

Additional modification CAM415

“Policy E1 Meeting Employment ~~Land~~ Needs”

1.6 By March 2023 7,106sqm of floorspace had been delivered, leaving a remaining requirement of 100,894sqm. A further 53,190 sqm had planning permission, as set out in Policy E1 and in the Background Paper (BP02), leaving a requirement of 47,704sm. Updates to take account of the commitments to March 2023 are proposed in the council’s suggested modifications schedule (SD10.01) – see CM231, CM232 and CM233. Plot ratios, as set out in Table 12.2 of the HEDNA (H06 p183) can be used to convert the requirement to Ha, however as completions and permissions data is primarily available in floorspace the policy has been expressed this way to make it more practical to monitor accurately. As densities can vary the amount of land the floorspace may need is not fixed, however based on a plot ratio of 0.4 (the lower end of those used in the HEDNA) the floorspace requirement remaining after taking account of existing commitments could require approximately 12ha of land. The existing and proposed allocations exceed this requirement which allows flexibility.

Q.37 What is the evidence that the indicated employment floorspace supply is likely to be delivered within the plan period?

1.7 Some of the employment floorspace has already been delivered – with 7,106sqm net completions by April 2023, and more is permitted (53,190sqm). At time of submission 0.8ha of the 6ha allocation at Land West of Chichester already had permission for office uses, within the local centre, as part of Phase 1 of the development. This office space is currently being marketed. In July

2024 outline permission was granted for Phase 2 (22/01485/OUTEIA), including the remaining 5.2ha of employment land, which will be restricted to use classes E (g) (i) and E(g) (ii).

- 1.8 Employment sites that have already been built out, such as Glenmore Business Park, The Mill and Chichester Business Park have been occupied quickly once built indicating that there is demand and so the remaining plot at Chichester Business Park is expected to come forward. The recent planning permission for expansion of the Rolls Royce factory also indicates good demand, albeit the specialist nature of that allocation means it is not counted towards general employment monitoring.
- 1.9 There have been several pre apps for employment uses in the last 12 months (totalling around 45,000sqm (gross) floorspace) and enquiries to Economic Development by firms looking for premises, indicating that there is demand for new employment development.
- 1.10 Discussions with the agent acting for West Sussex County Council as landowners for the proposed allocation A20 Land South of Bognor Road confirm commitment to delivering this development within the plan period. The

Q.38 Are the suggested MMs necessary for soundness?

- 1.11 Yes, CM229 is a necessary modification to correct references to other employment space. CM231 to 233 are factual updates to take account of more recent information. CM234 is necessary to clarify that the sequential test reference in this policy relates specifically to office developments.
- 1.12 No, modification CM228 is a minor modification to correct the name of a document.

Policy E2 Employment Development

Q.39 In respect of proposals for non-employment uses on land or floorspace currently in or last used for employment generating uses, Policy E2 refers to 'evidential requirements as set out in Appendix C'. As a consequence, is Policy E2 effective and clearly written and unambiguous, so it is evident how a decision maker should react to development proposals? What is the justification for the evidential requirements and would they be effective?

- 1.13 The council proposes an additional main modification CAM416 in the Council's Suggested Modifications Schedule Version2 (CDC15.01) to provide clarity as follows:

Additional modification CAM416:

Change paragraph 3 of Policy E2 to read: “Where planning permission is required for alternative non-employment uses on land or floorspace currently in or last used for employment generating uses, **applicants must provide evidence** it must be demonstrated (in terms of the evidence requirements in ~~Appendix C~~) that the site is no longer required and is unlikely to be re-used or redeveloped for employment uses to meet future demand. **Appendix C provides guidance to the Applicant on what this evidence should include.**”

1.14 Paragraphs 7.11 to 7.18 of the Plan (SD01, pages 174 to 176) provide the background information to the strategy for protecting existing employment sites from losses to other uses.

1.15 As set out in the Plan (SD01, page 11) the purpose of the Appendices is to provide further background and explain technical terms where these are not explained in the main body of the text or to provide guidance on how some policies should be interpreted. An additional main modification is proposed to clarify this (see Council’s suggested modifications Version 2 (CDC 15.01):

Additional modification CAM417

Insert text after the first sentence of bullet point 7 of paragraph 1.11:

“.....main body of the text. **The appendices also provide guidance on the interpretation of policies.** “

1.16 Section C8 in Appendix C: Additional Guidance (pages 280 and 281) provides additional information in relation to the loss of employment land/use. Appendix C is justified and effective as it provides further guidance and information on how applicants can provide the evidence that Policy E2 requires to be submitted in support of planning applications. This guidance is contained in similar form within Appendix E of the current Adopted Chichester Local Plan: Key Policies 2014-2029 (CD01, pages 276-278).

Q.40 Are the suggested MMs necessary for soundness?

1.17 Yes, the modification CM234 is necessary for soundness to clarify that criterion 5 applies to office developments only.

Policy E3 Addressing Horticultural Needs

Q.41 What is the justification for approximately 204 hectares of land for horticultural and ancillary development over the plan period?

1.18 The predicted horticultural development need is based on the forecast methodology contained in the Housing and Economic Development Needs Assessment (HEDNA) (2020) (H07, page 190) as referred to at paragraph 7.22 of the Plan (SD01, page 178). As the 2020 HEDNA was limited to a forecast for a plan period of 2019-2036 and horticultural permissions data at that time, the Report's methodology has been used to forecast need for the submission version plan period of 2021-2039 based on the council's revised permissions data.

Q.42 What is the specific justification for the identified Horticultural Development Areas (HDA)?

1.19 Paragraphs 7.27 and 7.30 of the Plan (SD01, page 180), set out the reasoning for the designation of the Horticultural Development Areas in 1992, namely to ensure there were sufficient suitable sites available to support the plan area's horticultural industry. Paragraph 2.20 of the Plan (SD01, page 22) highlights the value of the district's horticultural industry. It is amongst the largest producer of salad crops in the country and supplies much of the South East with major growers concentrated in the Manhood Peninsula where the Chichester coastal plain horticultural production has a retail value together with the Arun coastal plain of over £1 billion. Supporting horticulture as a key employment sector is embodied within Objective 4: Employment and Economy of the Plan (SD01, page 31). As pointed out in the HEDNA (2020) (H07, page 185) at paragraph 11.60, the allocations at the HDAs are intended to ensure that the District's horticultural industry continues to remain nationally and internationally competitive and meet the needs for the plan period.

Q.43 What is the justification for the proposed expansion of the Runcton HDA?

1.20 The methodology in the HEDNA (H07, pages 185 to 192 and page 209) referred to at paragraph 7.22 of the Plan (SD01, page 178) has generated the horticultural land requirement for the new local plan period.

1.21 As noted in paragraph 7.24, the current horticultural land availability is insufficient to meet the forecast need and given that the Runcton HDA is almost at capacity, its boundary has been reviewed and extended to include some land promoted for horticultural development. The Horticultural Development Areas Background Paper May 2024 (BP04) sets out the approach taken to meeting the horticultural development land need for the plan period and particularly, the allocation of additional land to form an extension to the Runcton HDA.

Q.44 What is meant by 'ancillary development' in the first sentence of the Policy? In this regard, does Policy E3 set out what development would be acceptable in the defined HDA, and consequently would it be effective and is it clearly written and

unambiguous, so it is evident how a decision maker should react to development proposals?

1.22 'Ancillary development' is defined at paragraph 7.29 of the Plan (SD01, page 180) – "The council considers that the HDAs should remain available for growing and packing horticultural products and other processes directly related to their production. These other processes are classed as "ancillary development". However, as a result of the Regulation 19 Consultation and clarification sought in relation to the definition of activities associated with horticultural development, it is proposed that "ancillary development" is changed to "functionally-linked development" throughout the horticultural policies in the plan as suggested by a major horticultural operator in the local plan area (see Council's suggested modification CM238 in SD10.01).

1.23 Policy E3 Addressing Horticultural Needs of the Plan (SD01, page 179) is clear on what development would be acceptable within HDAs where it states in paragraph 2 that "Approximately 67 hectares is identified as required within HDAs to meet predicted horticultural and ancillary development need within HDAs. Large scale horticultural and ancillary development will continue to be focused within the HDAs at Tangmere and Runcton...". It goes on to state at paragraph 5 of Policy E3: "The Sidlesham and Almodington HDAs will continue to be the focus for smaller scale horticultural glasshouses." The policy is therefore effective and unambiguous, clearly specifying for the decision maker, the strategy for growth of the horticultural industry within the local plan area.

Q.45 Are the suggested MMs necessary for soundness?

1.24 Yes, modifications CM235, CM236 and CM237 are required for the purposes of clarity or factual correction and to satisfy the concerns of the statutory body, Natural England in relation to the Strategic Wildlife Corridor. CM238 changes "ancillary" to "functionally linked" in response to representations from Kingsbridge Estates Ltd and Landlink Estates Ltd and the West Sussex Growers' Association.

Policy E4 Horticultural Development

Q.46 What is meant by 'ancillary development' in the first sentence of the Policy? In this regard, does Policy E4 set out what development would be acceptable in the defined HDAs and consequently would it be effective and is it clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?

1.25 'Ancillary development' is defined in paragraph 7.29 of the Plan (SD01, page 180) – "The council considers that the HDAs should remain available for growing and packing horticultural products and other processes directly related to their production. These other processes are classed as "ancillary

development”. However, as a result of the Regulation 19 consultation and clarification sought in relation to the definition of activities associated with horticultural development, it is proposed that “ancillary development” is changed to “functionally-linked development” throughout the horticultural policies in the plan as suggested by a major horticultural operator in the local plan area (see Council’s suggested modification CM238).

1.26 Policy E4 Horticultural Development of the Plan (SD01, page 182) is clear on what development would be acceptable within HDAs where it states in the first paragraph “Large scale horticultural development will continue to be focused within the existing HDAs at Tangmere and Runcton. The Sidlesham and Almodington HDAs will continue to be the focus for smaller scale horticultural glasshouses.” and in the second paragraph “Within designated HDAs, as shown on the policies map, planning permission will be granted for new horticultural and ancillary development where it can be demonstrated.....”. The policy is therefore effective and unambiguous as it clearly details for the decision maker the development for which planning permission will be granted as well as the criteria that must be met.

Q.47 Is the final paragraph of the Policy necessary for effectiveness, given that the Plan should be read as a whole?

1.27 Whilst the Plan should be read as a whole as pointed out at paragraph 1.12 of the Plan (SD01, page 12), the purpose of the final paragraph is to direct the decision maker to the other policies which have particular relevance to applications for horticultural development.

Q.48 Are the suggested MMs necessary for soundness?

1.28 Modifications CM238, CM239, CM240, CM241 CM243, CM244, CM245, CM247 and CM249 are necessary for soundness as they clarify the policy following concerns expressed in representations made by Natural England, the Sussex Wildlife Trust, Kingsbridge Estates Limited, Landlink Estates Limited and West Sussex Growers Association.

1.29 Modifications CM242, CM246 and CM248 are minor modifications to make factual or grammatical corrections.

Policy E5 Retail Strategy and New Development

Q.49 What is the justification for the provision of 6,600 sq.m (gross) of comparison and convenience goods retail floorspace and food/beverages uses across the plan area to 2035?

1.30 Paragraph 90(d) of the NPPF sets out the requirement for plans to allocate a range of suitable sites in town centres to meet the scale and type of

development likely to be needed, looking at least 10 years ahead. Policy E5 therefore seeks to set out the requirement for retail provision for the first 10 years of the plan period.

1.31 The Retail Study 2022 (EE02) and the Retail Background Paper (BP09) set out the justification for the provision of 6,600 sq.m (gross) of comparison and convenience goods retail floorspace and food/beverage uses to 2035. This comprises 1,113 sq.m convenience goods, 1,846 sq.m comparison goods and 3,656 sq.m of food/beverage uses across the study area. These floorspace projections were based on Experian's expenditure forecasts published in February 2022, which reflected the expected impacts of Brexit, Covid and other trends. Experian's more recent forecasts (February 2024) indicate that the expenditure and home shopping growth projections and expected changes in sales densities have not changed significantly since 2022. The floorspace projections continue to provide a robust framework for the period to 2035.

Q.50 What is the justification for the retail impact thresholds for Chichester City and local centres?

1.32 The Retail Study 2018 (EE04) sets out the justification for the retail impact thresholds for Chichester city centre and the local centres. The Planning Practice Guidance (paragraph 015 Reference ID: 2b-015-20190722) sets out six important considerations for locally appropriate impact thresholds, which include the scale of proposals relative to town centres, the existing viability and vitality of town centres and whether local town centres are vulnerable. The Retail Study 2018 (EE04) considered these issues and concluded a lower impact threshold was appropriate.

1.33 Paragraph 9.19 of the 2018 Study identifies that blanket thresholds of 2,500 sq.m gross would be inappropriate because this scale of development would represent a significant proportion of the overall retail projections for the District¹. Retail development smaller than 2,500 sq.m gross could have a significant adverse impact, particularly on the local centres (particularly in relation to the scale of existing retail and leisure floorspace in these centres), and therefore a reduced threshold has been proposed in the local centres. In terms of scale, the 2018 study concluded retail and leisure development of 2,500 sq.m or more within proximity to Selsey, East Wittering, Bracklesham and the other lower level centres would be significant in relation to the scale of existing retail and leisure floorspace.

1.34 This approach was further endorsed in the 2022 Retail Study (EE02) which recommends that the imposition of blanket thresholds would be inappropriate,

¹ The Study refers to the district, however the study area is the retail catchment of these centres. This is set out in more detail in the 2018 Study (EE04).

and this approach is supported by the reduced floorspace projections and the market conditions which have driven retail development in recent years.

Policy E6 Chichester City Centre

Q.51 What is the evidence which justifies the identification of the primary and shopping frontages as indicated on the Policies Map?

1.35 It is recognised that the NPPF no longer contains a formal requirement for local plans to designate primary and secondary shopping frontages, however the PPG does state that LPAs may, *“where appropriate, also wish to define primary and secondary retail frontages where their use can be justified in supporting the vitality and viability of particular centres.”* (Paragraph: 002 Reference ID: 2b-002-20190722).

1.36 As set out in section 4 of the Retail Background Paper (BP09) the council undertakes regular monitoring of the existing shopping frontages. Whilst it is recognised that the changes to the Use Class Order have rendered the application of the current policy out of date, the council consider it useful to monitor within the frontages such that it can retain an understanding of the retail trends and changes that are taking place within the primary shopping area.

1.37 The Retail Study 2022 (EE02) considers that there is still a need to protect retail uses within the city centre, and that the application of primary and secondary frontages are an appropriate method of doing so. These frontages also provide a clear indication of where new retail and town centre uses will be encouraged to locate. They provide guidance in relation to the application of the sequential test including what constitute edge-of-centre locations. Whilst the changes to the Use Class Order, as well as the need to be more flexible in current market conditions, prevent the use of a restrictive policy approach, it is considered that a frontage policy would enable the council to manage the mix of uses within the primary shopping, and to protect the vitality and vitality of the city centre by encouraging greater flexibility.

Q.52 Given that marketing requirements are set out in Appendix C and not within the Policy, is Policy E6 effective and clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?

1.38 Directing applicants to Appendix C and the general marketing guidance contained within it allows Policy E6 itself to remain concise and practical for application, particularly for those elements of the policy which do not require the applicant to undertake marketing. Appendix C is also applicable to a number of policies, and containing the information in one appendix is considered a more effective method of providing guidance to applicants,

instead of duplicating the guidance across multiple policies. It is therefore considered that Policy E6 is effective, clearly written and unambiguous.

Policy E7 Local Centres

Q.53 Given that marketing requirements are set out in Appendix C, and not within Policy E7, would the Policy be effective and clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?

1.39 Directing applicants to Appendix C and the general marketing guidance contained within it allows Policy E7 itself to remain concise and practical for application, particularly for those elements of the policy which do not require the applicant to undertake marketing. Appendix C is also applicable to a number of policies, and containing the information in one appendix is considered a more effective method of providing guidance to applicants, instead of duplicating the guidance across multiple policies. It is therefore considered that Policy E7 is effective, clearly written and unambiguous.

Policy E8 Built Tourist and Leisure Development

Q.54 What is meant by ‘a high-quality attraction or accommodation’ as set out in criterion 3 and would this be effective?

1.40 Criterion 3 is carried forward from Policy 30 of the current Adopted Chichester Local Plan: Key Policies 2014-2029 (CD01, page 150). Policy E8 also aims to reflect the objectives of the NPPF and the creation of “High quality” development is a common thread throughout the current NPPF.

Q.55 What is meant by ‘a demand exists for the facility’ in point 1 relating to development elsewhere in the plan area and would that be effective?

1.41 Criterion 1 relating to the section: ‘Elsewhere in the plan area’ of Policy E8 Built Tourist and Leisure Development (SD01, page 193) aims to reflect paragraph 88c) of the current NPPF December 2023: “Planning policies and decisions should enable sustainable rural tourism and leisure developments which respect the character of the countryside.” However, as pointed out at paragraph 7.57 (page 192), “it is also necessary to balance the provision of visitor facilities against the need to safeguard the landscape, character and environment.”

1.42 Section C9 (criterion 2) of Appendix C of the Plan (SD01, page 281) carried forward from the current Adopted Chichester Local Plan: Key Policies 2014-2029 (CD01, Appendix E, Section E7 page 277) sets out guidance on how to comply with criterion 1 of the second numbered section of Policy E8. This guidance states that the following information may be required: “Evidence of the need for new tourist facilities to show a high level of demand on existing sites and justification for new sites, having regard to the quantitative and

qualitative analysis of the range of tourist accommodation available, including details about other local touring and permanent sites.”

Q.56 Given that evidential requirements for planning applications are set out separately in Appendix C, is Policy E8 effective and clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?

1.43 Following consideration of the question, the Council suggest an additional modification CAM418 as set out in the Council’s Suggested Modifications Schedule Version 2 (CDC15.01) to clarify that Appendix C provides guidance on the evidence required to comply with the criteria in Policy E8 as follows:

Additional modification CAM418

Delete “~~Evidence will be required as set out in Appendix C~~” from the end of paragraph 3 of Policy E8 and add new paragraph 4 as follows: **“To demonstrate the need/demand for tourist or leisure development or that such development is no longer required, evidence will be required in accordance with the guidance at Appendix C.”**

1.44 As set out in the Plan (SD01, page 11) the purpose of the Appendices is to provide further background and explain technical terms where these are not explained in the main body of the text or to provide guidance on how some policies should be interpreted (as is now proposed through Modification CAM416 detailed at Q.39). Section C9 of Appendix C: Additional Guidance (page 281) clearly specifies the additional information that may be required in relation to proposals for the loss of, or addition of, tourism and leisure development so that the criteria in Policy E8 are met.

Q.57 Are the suggested MMs necessary for soundness?

1.45 Yes, modification CM250 is necessary for soundness.

Policy E9 Caravan and Camping Sites

Q.58 Given that evidential requirements for planning applications are set out in Appendix C, is Policy E9 effective and clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?

1.46 Following consideration of the question, the Council suggest an additional modification CAM419 is made – as set out in the Council’s Suggested Modifications Schedule Version 2 (CDC 15.01) to clarify that Appendix C provides guidance on the evidence required to comply with the criteria in Policy E9.

Additional modification CAM419

Delete “~~Evidence will be required as set out in Appendix C~~” from the end of the final paragraph of Policy E9 and add a new paragraph as follows: **“To demonstrate the need/demand for new caravan and camping sites, the intensification/alteration of existing caravan or camping sites or that such development is no longer required, evidence will be required in accordance with the guidance at Appendix C.”**

1.47 As set out in the Plan (SD01, page 11) the purpose of the Appendices is to provide further background and explain technical terms where these are not explained in the main body of the text or to provide guidance on how some policies should be interpreted (as is now proposed through Modification CAM416 detailed at Q.39). Appendix C: Additional Guidance (pages 279 to 281) provides guidance on the marketing requirements and evidence that Policy E9 requires in support of planning applications. This guidance is contained in similar form within Appendix E of the current Adopted Chichester Local Plan: Key Policies 2014-2029 (CD01, pages 276-278). Section C9 of Appendix C (page 281) in the new Local Plan clearly specifies the additional information that may be required in relation to proposals for the loss of, or addition of, caravan and camping sites so that the criteria in Policy E9 are met.

Q.59 Are the suggested MMs necessary for soundness?

1.48 Modifications CM251 and CM252 are necessary for soundness. Modification CM251 is at the request of Natural England and is necessary as it clarifies the position in relation to designated sites and now includes the same criterion as policy E8. Modification CM252 is necessary so that it reflects SFRA evidence.