
Examination Statement

Examination of The Chichester Local Plan 2021-2039

Response to Inspectors' Matters, Issues and Questions

Matter 4B: Employment and economy

Prepared by Savills on behalf of Landlink Estates Ltd and Kingsbridge Estates Ltd

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1. Introduction

- 1.1. This Hearing Statement has been prepared by Savills, on behalf of Landlink Estates Ltd and Kingsbridge Estates Ltd, to respond to the Inspectors' 'Matters, Issues and Questions' with specific regard to **Matter 4B: Employment and Economy**.
- 1.2. Landlink Estates Ltd and Kingsbridge Estates Ltd are the two main landowners of land within the Runcton Horticultural Area (HDA) who have made joint representations to the Chichester Local Plan 2021-2039 (hereafter referred to as the 'Local Plan'). As landowners, both companies have a demonstrable track record in supporting the growth of the food production industry within West Sussex over the course of the last twenty years, especially within the Chichester District.
- 1.3. The Runcton HDA is situated to the east of Chichester and is accessed via the A259, providing excellent access to the strategic road network. It is home to Chichester Food Park which has been established for over 20 years, which is occupied by a number of the key businesses within the horticultural industry that operate both regionally and nationally. Together, these businesses form a food growing cluster that occupies circa 550,000m² of floor space within the Runcton HDA for horticultural and affiliate use, providing a significant volume of British grown/produced food for sustainable local, regional and national distribution, generating approximately 2,650 jobs.
- 1.4. The Runcton HDA is identified as one of only two sites within the Chichester District that is suitable for delivering horticultural growth of a significant scale. This provides opportunities for the Local Plan to make a significant contribution towards food security, sustainable food production as well as improving efficiencies associated with food clusters that promote local and regional economic growth and job creation.
- 1.5. Food clusters are recognised as encouraging more sustainable ways of working and enhancing the resilience of the UK food supply in accordance with the UK Government's Food Strategy (June, 2022). Further detail is provided within the Chichester Horticultural Development Areas: Industrial Trends, Requirements and Economic Benefits ('Sector Review and Economic Benefits Statement' or 'SREBS') (Savills, March 2023) (Appendix A) and the Overview of Submissions (Savills, March 2023) (Appendix B).
- 1.6. Landlink Estates Ltd and Kingsbridge Estates Ltd have a very clear understanding of the immediate needs and competitive pressures faced by the food production industry. It is their case that:
 1. The policies within the adopted local plan have acted to suppress growth and efficiency of the local industry.
 2. That the horticultural policies as proposed within the Regulation 22 version of the Chichester Local Plan do not comply with the test of soundness as required by paragraph 35 of the National Planning Policy Framework (NPPF) (December 2023).
 3. Some further changes to the wording of the operative development management policies for horticultural development (Policies E3 and E4) are necessary for the Policy to be considered 'sound' in accordance with the NPPF. These changes go beyond the Main Modifications currently proposed by Chichester District Council (CDC).

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- 1.7. It is Landlink Estates Ltd and Kingsbridge Estates Ltd firmly held view, given their extensive experience in the sector, that these Main Modifications do not go far enough and limit the ability of the Local Plan to make an effective contribution towards food security over the lifetime of the plan in accordance with the Government's Food Strategy, which in turn limits economic growth and job creation.

2. Response to MIQs – Matter 4b: Employment and economy

Policy E4: Addressing Horticultural Needs

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

- 2.1. The Council's evidence base for horticultural needs comprises the 'Housing and Economic Development Needs Assessment 2020' (HEDNA 2020), authored by GL Hearn. HEDNA 2022 authored by ICENI, seeks to update this work.
- 2.2. Section 3.4 of the appended SREBS provides a full analysis of the Council's evidence base supporting the Council's forecast for the needs of the horticultural industry over the Local Plan period. As set out within this document, we consider that this figure is generally underestimated for a number of reasons.
- 2.3. The Council acknowledges that the land allocated within HDAs (including the land allocated as an extension to the Runcton HDA) will be insufficient to deliver the quantum of horticultural development expected during the Plan period. The recognition that this unmet need will need to be met outside of HDAs, as detailed within Policy E3 and E4, is welcomed and will assist with ensuring that the economic growth potential of the horticultural industry can be met over the Plan period.

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

- 2.4. The horticultural industry on the West Sussex Coastal Plain, which is concentrated around Chichester and Bognor Regis, generates an annual turnover that exceeds £1billion and employs more than 10,000 FTE staff with a wide range of skills (SREBS, paragraph 5.2.3, Savills). In short, the horticultural industry is a successful, indigenous industry offering significant potential for sustainable economic growth and job creation within Chichester and beyond.
- 2.5. The Council's designation of HDAs seeks to ensure that sufficient land is available for the sustainable growth of the industry, safeguarding it from development for other non-horticultural purposes. The designation of HDAs is therefore important to ensure the competitiveness and vitality of the horticultural industry in the District.

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

- 2.6. The Council's evidence base correctly identifies that a greater quantum of land is required to support the sustainable growth of the horticultural industry. The proposed extension contributes to meeting that need by allocating additional land.
- 2.7. The Council's approach to HDAs correctly acknowledges the hierarchy of HDAs within the District, with the Runcton HDA explicitly identified as appropriate for large-scale horticultural development. It is therefore logical that additional land allocated as part of the Runcton HDA will assist with supporting the sustainability, viability, efficiency and growth of the horticultural industry through promoting economies of scale and reduced transaction costs.

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?

- 2.8. No. The inclusion of the term 'ancillary development' is a matter of planning judgement for the decision maker, that has been subject to extensive planning case law. It is well-established that planning judgment as to whether a proposed use is ancillary to the principal use, is a matter of fact and degree based upon the specifics of a case. This is, therefore, a potentially detailed matter of planning judgement (to be made by the decision-maker). This is possibly further complicated by the fact that each of the HDAs contain a number of planning units in which horticultural and affiliate activities are currently being undertaken. We have concerns that the policy wording is not accessible and could be ambiguous for those readers of the Plan that are not expert in the matters of planning law/judgement, including current and future occupiers of the HDAs.
- 2.9. We also do not consider that the inclusion of the term 'ancillary development' to be effective for plan making. Indeed, we consider the use of 'ancillary development' to be unduly restrictive to the future growth of the horticultural industry, and therefore unsound when considered against paragraph 35 (d) of the NPPF as being inconsistent with national policy.
- 2.10. Specifically, the current wording of the Regulation 22 Plan would conflict with the following requirements contained in the NPPF:
- *"planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt"* (paragraph 85);
 - *"Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations"* (Paragraph 87); and
 - *"Planning policies and decisions should enable the development and diversification of agricultural and other land-based rural-businesses"* (Paragraph 88(b))
- 2.11. Restricting the growth of the horticultural industry to horticultural development and ancillary development does not adequately take into consideration the need to deliver functionally-linked development to support the continued competitiveness of the horticultural industry. The importance of functionally-linked uses (beyond those that could be reasonably be considered to be ancillary) is acknowledged in the Council's evidence base and other key Industry publications¹, in addition to representations made on this Plan at the Regulation 19 stage.
- 2.12. Accordingly, the Plan should incorporate a more positive and proactive wording of the HDA policy in order to allow for a greater breadth of associated uses within the Runcton HDA. This is achieved by the proposed MM (CM238) put forward by the Council, in which the term 'ancillary' is replaced by 'functionally-linked'.

¹ Planning Barriers Faced by New Organic Horticultural Businesses in England (The Landworkers' Alliance and Ecological Land Co-operative, 2019)

Landlink Estates Ltd and Kingsbridge Estate Ltd support this modification as it will make permissible further food processing, distribution and other related activities that could enable local businesses, such as those situated within the Runcton HDA, to establish more efficient, vertically integrated value chains.

- 2.13. This will assist in supporting the long term sustainability, and growth of Chichester's horticultural industry and its ability to expand local and sustainable food production in the UK. This is especially important when considering the flexible and supportive policy approaches put forward by other Council's nationally, for example the Holbeach Food Enterprise Zone in Greater Lincolnshire. Further detail is provided at section 3.6 of the Savills SREBS.

Q.45 Are the suggested MMs necessary for soundness?

- 2.14. Yes. The proposed MMs ensure that the Policy E3 is unambiguous that development needs to be functionally-linked to the HDA, not just ancillary. As such, it is considered that the MMs ensure that the planning judgement of a development's acceptability is linked to its functional-links with the HDA or businesses situated within it. This is necessary to ensure that the Local Plan enables and supports the vitality and growth of the Chichester's horticultural industry during the plan period in accordance with national policy (including paragraphs 35, 85, 87 and 88(b) of the NPPF).
- 2.15. This will be achieved through the removal of reference to 'ancillary development' and replacement with 'functionally-linked development'. This change will allow planning policy to facilitate efficiencies and locational synergies such as including shared operations and knowledge transfer, enabling local businesses to establish more efficient vertically integrated value chains.
- 2.16. It is suggested that the Runcton HDA should be the focus for functionally-linked horticultural development – a horticultural/food cluster or hub. This may require that core "growing" or functionally linked elements are delivered in proximity to, but outside of, the HDA. Evidence shows that prioritising the siting of functionally-linked development within or adjacent to The Runcton HDA will encourage benefits associated with agglomeration and colocation. Please see attached Savills SREBS for more details.
- 2.17. Shared operations and logistics would assist in significantly reducing vehicular movements associated with transport of goods and produce associated with the HDA. Previous research into the benefits of an on-site storage and distribution hub, sited on the Runcton HDA, have been estimated to reduce vehicular movements associated with the Runcton HDA along the A27 by 6%. This is a significant benefit when considering the acknowledged constraints associated with the A27, in addition to reducing greenhouse gas emissions.
- 2.18. The MMs put forward do not however address the implicit requirement that **all** of the allocated land within **all** four HDAs would need to be utilised before development proposals for horticultural and functionally-linked development can take place on land adjacent to HDAs [*emphasis added*]. This would fail to acknowledge the specific locational and operational needs of the businesses occupying each of the HDAs. Accordingly, this would likely unduly inhibit the growth of the horticultural industry located within the Runcton HDA. This should be addressed within this policy.

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?

2.19. No. Please see response to Q.44 above.

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

2.20. No. It is a well-established principle of planning law that the relevant development plan should be read as a whole by the decision maker.

Q.48 Are the suggested MMs necessary for soundness?

2.21. Yes. The proposed MMs seek to amend the plan to allow for horticultural development, and development functionally-linked to horticulture, to be permissible within the HDAs. This will assist with delivering local economic growth and will support the competitiveness of the horticultural industry. This will make permissible further food processing, distribution and other related activities, enabling the Local Plan to make an effective and valuable contribution towards food security. Furthermore, this will allow horticultural businesses within the HDAs to be able to modernise to be more sustainable and efficient as well as assisting with reducing food miles.

2.22. The examples of functionally-linked development included within the policy are appropriate and are of the type that would assist in the viability and sustainable future of Chichester's horticultural industry.

2.23. The MMs put forward by the Council also allow for horticultural development, and development functionally-linked to horticulture, to be permissible outside of HDAs, which is positive. The terms of the Policy do however imply that **all** of the allocated land within **all** four HDAs would need to be utilised before development proposals for horticultural and functionally-linked development can take place on land adjacent to HDAs [*emphasis added*]. This would fail to acknowledge the specific locational and operational needs of the businesses occupying each of the HDAs. Accordingly, this could unduly inhibit the growth of the horticultural industry located within the Runcton HDA. This raises issues of soundness, as such a policy requirement would be neither effective, nor would it be consistent with other paragraphs of the NPPF which require plans to be positive and proactive in facilitating sustainable economic growth (paragraph 86 of the NPPF) and to enable the development and diversification of land-based businesses (paragraph 88(b) of the NPPF).

2.24. The implied requirement for all land within all HDAs to be utilised before horticultural development will be permitted adjacent to HDAs or beyond HDAs does not take into consideration that the Plan itself expects that approximately two-thirds of the horticultural development across the Local Plan period will need to come forward outside HDAs.

2.25. It is therefore proposed that the policy approach within E4 is amended as follows:

Outside HDAs

“The policy approach for horticultural development is for land within existing HDAs to be utilised first. Where no suitable land within an HDAs is available to support the activities of that HDA, development proposals for horticultural and functionally linked development on land adjacent to that HDAs is preferred, followed by land elsewhere in the Plan area. All development proposals on land outside HDAs will need to address the criteria above (1-810) as well as the additional criteria (911-1214) below:

11. ~~There is a horticultural justification for the development~~ The development is for horticultural purposes, or purposes functionally-linked to horticulture, and it can be demonstrated that the proposal cannot be accommodated within the most relevant existing HDAs”

[Proposed wording underlined]

- 2.26. We consider that this amendment will ensure that the Policy meets the test of soundness and facilitates the competitiveness of the horticultural industry, including delivering sustainable economic growth. We consider that this matter of soundness should also be clarified within Policy E3, to avoid any ambiguity.
- 2.27. The MMs (MM240 and MM244) also introduce a requirement to demonstrate the “*considerable benefits of co-location*”. The Council correctly identifies that functionally-linked development will provide clear economic and sustainability benefit; we therefore consider that the policy test should be for a proposal to demonstrate that it is functionally-linked to horticulture only. The requirement for development to demonstrate that it delivers ‘considerable benefits’ is both vague and subjective, in addition to being unnecessary. Accordingly, we consider that this is a matter of soundness that would inhibit the effectiveness of the Plan.
- 2.28. Proposed MM (CM245) strikes an appropriate balance between recognising that horticultural development will necessarily have some landscape impacts in the pursuit of meeting the needs of the horticultural industry, whilst also ensuring that significant adverse landscape effects are not permissible.

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Appendices

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Appendix A

Chichester Horticultural Development Areas: Industrial Trends, Requirements and Economic Benefits (Savills, March 2023)

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Appendix B Overview of Submissions (Savills, March 2023)

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