

Examination of Chichester Local Plan

Vail Williams LLP Hearing Statement obo Wates Developments

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?

This Statement seeks to highlight that Chapter 7 has not been **positively prepared**, in so far as it does not provide [1.] *“a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs”* as required by the Housing and Economic Development Needs Assessment (HEDNA)’s 2020 and 2022, particularly in respect of industrial, warehouse and distribution logistics.

It is also considered that Chapter 7 is not **justified** as the employment strategy is [2.] *is inappropriate* as it relies on a single new site, with multiple issues some of which are in conflict with other parts of the local plan, plus the site does not appear to have been included in the previous Local Plan consultations.

Chapter 7 is also not **justified** with respect to its provisions do not [3.] *take into account reasonable alternatives*. And that the provision for a single site not previously seen in any Regulation 18 consultation, is not [4.] *based on proportionate evidence*.

With respect to whether Chapter 7 is **effective** is questionable in terms of soundness given that the proposed allocation highlights a number of issues with the site set out in more detail below.

The single new site allocation (Land South of Bognor Road) is discussed further under Matter 6.

The Local Plan proposals fail to provide for the logistics employment sector which is a major growth area in Chichester for which there is evidence of need.

In summary, it is considered that the proposed employment land provision is not **‘Consistent with national policy’** as the proposed provision does not enable the delivery of sustainable development. It is considered that the proposed plans are contrary to the NPPF paragraph 16a, 16b, 16c, 16d and paragraph 20a.

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?

The purpose of this Hearing Statement focuses on what the employment land need is and whether Chapter 7 (Employment) of this Proposed Local Plan meets this need. Policy E1 is considered to be clearly written and unambiguous but is not considered robust in terms of meeting the identified need in the HEDNA and then current market need. Therefore the focus initially is on what the employment land requirement is.

The employment land requirement evidence for the Local Plan is based on the April 2022 Housing and Economic Development Needs Assessment (HEDNA) which considers the amount of employment land need to provide for in this Plan. Based on a combination of labour demand (for office use) and past trends (for industrial and warehousing uses), with an allowance for flexibility, replacement of some losses and an adjustment for Covid, it recommends between 108,000 and 115,000 sqm of employment floorspace (circa 23 hectares) is provided for between 2021 and 2039, comprised of between 36,500 and 43,000sqm of office space, 50,500sqm of industrial space and 21,000sqm of warehousing (equivalent to 16.9ha).

The HEDNA advises that there is a lack of suitable employment space supply in Chichester. Crucially, there is a lack in both quantitative and qualitative terms. Supply does not meet the need (whatever the methodology used to forecast this in) and there is a severe lack of opportunities to provide the modern, high-quality facilities increasing sought by the market for which there is clear evidence of demand. Modern logistics operators, and the investors that fund the properties they operate from, increasingly demand the highest standards of energy efficiency, sustainable design and staff welfare. Chichester currently does not offer any opportunities for such development and the site allocations in the draft Local Plan will not address this issue.

In addition we consider that the Council is taking an unduly pessimistic approach to future employment growth and the associated economic benefits this can bring to the District. In particular, the Council seem heavily reliant on the April 2022 update to the HEDNA. The data associated with this document naturally takes into account the economic impacts of Covid.

In our view, reliance on this data is not appropriate, given Covid was clearly a unique event with significant global impacts. It should not be relied upon for justifying the future provision within a Local Plan, because it downplays the need for employment floorspace.

Notwithstanding our concerns about the Council's methodology, we consider it more appropriate for reliance to be placed upon the 2020 HEDNA, which identified a need for 25.6 hectares of overall employment land, rather than the 23 hectares identified in the 2022 HEDNA update. It is noted that, in January 2019, the Council identified a need for 27.7ha of employment land (Background Paper: Economic Development and Employment).

Logistics Sector

A specific concern for the Local Plan is that it is silent on the logistics industry, contrary to National Planning Guidance.

Paragraph 031 (Reference ID: 2a-031-20190722) of the National Planning Practice Guidance (NPPG) specifically identifies that “The logistics industry plays a critical role in enabling an efficient,

sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).”

It is noted that even though it currently carries no weight, the current thinking in the proposed reforms to the NPPF are as follows in paragraph 84 of the July 2024 consultation version:

84 - Planning policies should:

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;

*b) set criteria **and identify strategic sites**, for local and inward investment to match the strategy and to meet anticipated needs over the plan period. Appropriate sites for commercial development which meet the needs of a modern economy should be identified, including suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight **and logistics**.*

The NPPG expects active engagement with logistics developers and occupiers to understand their needs, alongside analysis of market signals and economic data. This should then inform the needs with respect to the logistics industry and LPAs should then go on to identify how this need can be met.

The NPPF currently states that Local Plans can set criteria for **or** identify sites for employment provision to meet market needs but this is changed in the consultation to set criteria **and** identify strategic sites for employment provision with specific mention added in relation to logistics provision.

In April 2022 the ONS published a report entitled “The rise of the UK warehouse and the golden logistics triangle” which identifies that the number of premises used for B8 storage and distribution uses has almost doubled in the last decade, with this rise accelerating in the last two years due to Brexit and the COVID-19 pandemic. These findings are further supported by the June 2022 report by Frontier Economics “The Impact of Logistics Sites in the UK” which highlights in Chapter 2 that logistics has been the fastest growing sector across the UK in terms of jobs since 2012 (Table 3 p.27).

The Council’s reliance solely on employment projections fundamentally underestimates the performance of the logistics sector and using those as the only base for determining land requirements, will always lead to a misunderstanding of sector needs and therefore land allocations that will not fully address needs.

The Local Plan should be meeting the market needs for the logistics sector and allocating sites accordingly.

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

To assess the deliverability of the indicated employment floorspace provision, particularly that of industrial, warehousing and distribution/logistics, the allocations are assessed below in turn:

Land West of Chichester

This site is a reallocation of the current Local Plan Policy 15. The new policy is Policy A6. The original allocation was adopted in 2015 and this therefore raises concerns in respect of deliverability of the proposed employment floorspace given there has been no progress since 2015.

Notwithstanding the concerns around deliverability, the uses identified in the ‘submission local plan’ Policy A6 states: “6 hectares of employment land (suitable for E(g)(i)/(ii) Business uses)” and therefore none of the suggested 22,000m² allocation equates to light industrial, general industrial or storage and distribution (i.e. it does not include E(g)(iii), B2 or B8) and therefore **does not meet any need for industrial or storage and distribution.**

Miller Homes and Vistry Group Regulation 19 consultation response provides additional concerns around the quantum of delivery with this allocation as it notes that based on a 40% plot ratio the indicative floorspace should be calculated as 20,800 rather than the 22,000sqm.

Kingsham Road - DPD Allocation

This site the current DPD allocation (Policy CC5). The allocation was adopted in 2019 and this therefore raises concerns in respect of deliverability of the proposed employment floorspace given there has been no progress since 2019.

Kingsham Road is a DPD allocation for 7,200m² is for office use, and therefore **does not meet any need for industrial or storage and distribution.**

Land South of Bognor Road

The Land South of Bognor Road, the single proposed new allocation, not previously set out in the previous Local Plan consultations is looked at in greater detail in the associated Hearing Statement by Vail Williams on Matter 6. There are potential issues around highways, landscape, flood risk and loss of best and most versatile agricultural land which may delay delivery of this site

Planning Permissions to Date

Chichester Council Planning Policy team kindly provided Vail Williams a copy of the employment planning permissions to date (in March 2023) which make up the 53,655 figure within the employment floorspace Policy E1. From a review of these sites it is apparent that a large number are for specific end users (e.g. Rolls Royce) or for change of use and not for the open market which will not meet the employment floorspace demand locally.

South Downs National Park Provision and Statement of Common Ground

The Local Plan is reliant on the South Downs National Park Authority (SDNPA) meeting 15% of the Council's employment needs (paragraph 12.64 of HEDNA, April 2022). In our view, given the Statutory Duties the SDNPA are under, this is an entirely unrealistic assumption to make and there is no evidence of a formal agreement in place between the two Authorities.

The April 2024 Duty to Cooperate Statement of Compliance states that a Statement of Common Ground is being prepared with the SDNPA and that Duty to Cooperate meetings have discussed issues around housing need and distribution, transport impacts, protected landscapes and the green environment. There is no mention here of employment needs and **therefore it is questionable as to whether SDNPA will be meeting 15% of employment needs**. Further to this the final Statement of Common Ground 2024 between South Downs and Chichester has no mention of employment.

Summary

The Local Plan, as it currently stands, will not be effective in delivering the identified employment needs of the District.

Given that the 2022 HEDNA update repeatedly identifies that there is an 'extreme undersupply' (paragraphs 80, 83, 10.67, 10.74), with paragraph 10.110 noting that this is due to both strong recent demand and low levels of delivery - delivering the employment needs for the District should be of paramount importance to the Council.

Furthermore, we do not believe that the employment sites identified in the Local Plan will be deliverable; specifically, the proposed new allocation A20 (discussed in the associated Hearing Statement on Matter 6). The Council acknowledges that there are deliverability issues because the site is anticipated to come forward in the latter part of the Local Plan period.

Q.38 Are the suggested MMs necessary for soundness?

The Chichester Draft Local Plan is considered to be unsound in the respect of employment land provision as it is heavily reliant on sites which have delivery concerns. This includes:

- Existing permissions that are not likely to be forthcoming or relevant to meet open market needs.
- Allocations carried over from previous Local Plan documents which have not been delivered since they were allocated in the Development Plan Document Site Allocation in 2019 or worse the previous Local Plan in 2015.
- One new large strategic site allocation (Land South of Bognor Road – Policy A20) that has significant site constraints [including works to the A27 where funding has recently been withdrawn by National Highways / Secretary of State for Transport.]

- The majority of the allocated sites do not provide for the industrial or storage sector and there is no mention of the logistics sector.

Employment land provision should be achieved through the allocation of more sites to improve the chances of delivery and to meet market demand which is immediate (as evidenced by the Housing and Economic Development Needs Assessment [April 2022]). There should be specific sites allocated within the Local Plan that can cater to the quantitative and qualitative need for small, medium and large-scale logistics development.

LISTEN**CARE****VW**Values**INNOVATE****LEAD**