



GL Hearn

Housing Study (Duty to Cooperate)

Sussex Coast HMA Partners

Final Report

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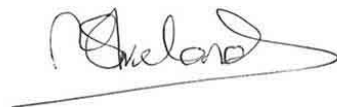
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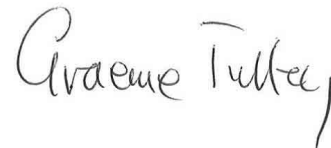
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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 INTRODUCTION

1.1 The authorities within the Sussex Coast Housing Market Area (HMA) have commissioned this Study to pull together the evidence from each of the authorities in the HMA on:

- objectively assessed housing requirements (address the need and demand for market and affordable housing); and
- the residential land supply and capacity and constraints to development, including environmental and landscape constraints and infrastructure constraints.

1.2 These are brought together to consider the balance between potential supply and need/demand for housing at a district and HMA level. A shortfall of potential supply against assessed needs is identified. The Study then goes on to consider how this shortfall might be addressed.

1.3 The commissioning authorities comprise the local authorities of Adur, Arun, Brighton and Hove, Chichester, Lewes and Worthing which fall within the Sussex Coast Housing Market Area (HMA) together with the South Downs National Park Authority.

Study Objectives

1.4 The Study is commissioned within the context of the Duty to Cooperate introduced in the Localism Act 2011. This requires local authorities to engage constructively, actively and on an on-going basis with one another in addressing strategic planning issues with cross boundary implications. This Study is focused on housing issues.

1.5 The overall objectives of the Study are to:

- Estimate theoretical housing needs/ requirements over the period to 2031;
- Estimate the amount of housing that can potentially be delivered over this period, taking account of known constraints;
- Review the options for addressing any identified housing provision shortfall;
- Set out the social, economic and environmental consequences of the above options including not meeting theoretical needs.

1.6 The Study builds on work undertaken within the Coastal West Sussex Strategic Housing Market Assessment Update (2012).

1.7 The specific tasks which are intended to be undertaken are as follows:

1. To set out the context for the Study in terms of Duty to Co-operate requirements introduced by the Localism Act and the NPPF. This should identify the implications of this Duty for the authorities.
2. Review of the basis of the housing numbers (including a backlog of unmet needs and undersupply) in the South East Plan for the Sussex coast informed by the Sussex Coast Sub Regional Study (2005).

3. To draw together details of the theoretical housing need requirements of the coastal authorities up to 2031. This should draw together the housing needs work done to date by GL Hearn and other consultants for a number of authorities. This will include the coastal Strategic Housing Market Assessment (SHMA).
4. To assess the relationship of the housing needs assessment for the Study area to adjacent wider housing markets e.g. northern West Sussex and South Hampshire.
5. To clarify the overall aims and strategies in the emerging Core Strategies/Local Plans (Worthing Core Strategy was adopted in 2011) relating not only to housing but other economic, regeneration and environmental needs.
6. To provide a critical review and summarise the findings of the SHLAA studies undertaken for the authorities to determine the availability of sites to meet future housing needs.
7. To draw together information on the physical, environmental and infrastructure constraints for each authority as well as other policy/strategy issues impacting on provision (using work already done as evidence for LDFs by the local authorities).
8. To assess the actual levels of housing that could potentially be provided across the Coastal sub-region, based on different assumptions regarding ability to overcome constraints and levels of housing delivery (using work already done to date by GL Hearn as well as by individual local authorities). This should quantify any under-provision against theoretical housing needs/requirements.
9. To review the options for addressing any identified housing provision shortfall including longer-term development options.
10. To set out the potential social, economic and environmental consequences of the identified options including failing to meet the area's theoretical housing needs in full and assess the extent to which these could be addressed.

Report Structure

- 1.8 This report addresses the context and implications of the Duty to Cooperate (Task 1), the basis of South East Plan housing numbers (Task 2), theoretical housing needs (Task 3) in the early sections of the report.
- 1.9 An assessment is provided of planning policies for housing provision in current and emerging Core Strategies and Local Plans (Task 5) and a review of the evidence base for these in regard to land supply (from SHLAA Studies), and other development and infrastructure constraints (Tasks 6 and 7). The supply-demand balance is drawn together to inform the report conclusions regarding the ability to meet objectively-assessed development needs in the sub-region and individual local authorities.
- 1.10 In preparing this report, GL Hearn has asked a number of questions about other potential sources of land which could support residential development but which may not be included currently within emerging Plans. This has formed part of **a robust testing process to explore the potential for**

additional development in the HMA, to allow, as far as is practicable, to draw conclusions regarding the capacity of the HMA to accommodate residential development over the period to 2031.

1.11 The remainder of the report is structured as follows:

- **Section 2: Duty to Cooperate** – considers the implications of the Duty to Cooperate with regard to the Localism Act and National Planning Policy Framework, and how these are being interpreted;
- **Section 3: Basis of Housing Numbers in the South East Plan** – assessed how the housing numbers in the 2009 South East Plan were derived;
- **Section 4: Housing Requirements in the Sussex Coast Housing Market** – seeks to draw together existing evidence to provide an 'objective assessment of need for market and affordable housing' as required by the NPPF;
- **Section 5: Land Supply, Development Constraints and Housing Policies** – reviews housing policies in current emerging plans, and how this has been informed by evidence of land supply as well as environmental and infrastructure constraints in different parts of the HMA;
- **Section 6: Conclusions** – draws together the analysis to consider the supply-demand balance for housing to 2031 and the implications of this.

2 THE DUTY TO COOPERATE

2.1 This section reviews the implications of the Duty to Cooperate and National Planning Policy Framework on developing housing policies in Local Plans. It reviews the legislation and national policy and considers how this has been interpreted since March 2012 by Inspectors and the Secretary of State at Local Plan examinations and through planning appeals. This is brought together to identify “key lessons.”

Localism Act

2.2 The ‘duty to cooperate’ was introduced by the Localism Act which received royal assent in November 2011. Section 110 of the Localism Act defines the basis of the ‘duty.’

2.3 The Duty applies to a range of organisations including local planning authorities, local and county councils, national park authorities and public bodies defined in Part 2 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The latter includes statutory bodies which should be consulted in the preparation of development plans. The range of authorities to which the Duty applies are summarised below:

Figure 1: Authorities to which the Duty Applies

- Local Authorities (County, Unitary and Local)
- Environment Agency
- English Heritage
- Natural England
- Mayor of London
- Civil Aviation Authority
- Homes and Communities Agency
- Primary Care Trusts
- Office of the Rail Regulator
- Highways Agency

2.4 The Duty applies to the preparation of development plan and other local development documents, marine plans, and activities which can ‘reasonably be considered to prepare the way’ for these activities or support them. We would expect this to include evidence base studies underpinning plan-making activities. The Duty additionally applies to development which would have cross-boundary impacts (including strategic infrastructure) and county planning matters (such as minerals and waste) or development which would impact on these. Authorities are required by Section 110:2

to “**engage constructively, actively and on an on-going basis**” with the other authorities identified in undertaking these tasks.

- 2.5 The Localism Act also amends Section 20(5) of the Planning and Compulsory Purchase Act 2004 which requires development plan documents to be submitted to the Secretary of State for independent examination. It sets out that the examination should include consideration as to whether the Duty has been complied with. **The examination will thus test whether the legal duty has been complied with.**

National Planning Policy Framework

- 2.6 Further detail regarding how the Duty to Cooperate applies to plan-making is set out in the National Planning Policy Framework.¹ The NPPF sets out in paragraph 178 that:

“Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.”

- 2.7 Paragraph 156 sets out that a Local Plan should identify strategic priorities for its area addressing:
- the homes and jobs needed in the area;
 - the provision of retail, leisure and other commercial development;
 - the provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
 - the provision of health, security, community and cultural infrastructure and other local facilities; and
 - climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.
- 2.8 In paragraph 179 the NPPF goes on to identify that local planning authorities (LPAs) should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual local plans; and that **joint working “should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas** – for instance, because of a lack of physical capacity or because this would cause significant harm to the principles and policies of this Framework.”
- 2.9 Paragraph 180 sets out that LPAs should take account of different geographical areas, including travel to work areas; that county and district authorities should collaborate; and that **LPAs should**

¹ CLG (2012) *National Planning Policy Framework*

work collaboratively on strategic planning priorities to enable delivery of sustainable development in consultation with Local Enterprise Partnerships and Local Nature Partnerships; private sector bodies, utility and infrastructure providers.

2.10 Finally in paragraph 181, the NPPF sets out that LPAs will be:

“expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.”

2.11 A number of other parts of the NPPF are also relevant. The ‘soundness tests’ against which Local Plans will be tested at examination are set out in paragraph 181. A plan must be (amongst other things):

- Positively prepared – based on a strategy which seeks to meet objectively-assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities, where it is reasonable to do so and consistent with achieving sustainable development; and
- Effective – the plan must be deliverable and based on effective joint working on cross-boundary strategic priorities.

2.12 Housing policies in the NPPF emphasise joint planning for housing market areas (HMAs) in paragraph 159, and the preparation of a Strategic Housing Market Assessment for the HMA.

2.13 In the context of the Sussex Coast area, it is also relevant that the NPPF indicates that National Parks and Areas of Outstanding Natural Beauty (AONBs) have the highest level of protection in relationship to landscape and scenic beauty and that major developments should not be permitted in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest.

Key Policy Tests

2.14 The key policy tests against which we would expect a Local Plan to be tested in regard to the Duty to Cooperate are set out in paragraphs 178 -181 in the NPPF. These are as follows:

- Strategic priorities across local boundaries are properly coordinated and reflected in individual Local Plans;
- Authorities should work together to meet development requirements which cannot wholly be met within their own areas;

- Authorities should consider producing joint planning policies or informal strategies on strategic matters – e.g. joint infrastructure / investment plans;
- Authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when Local Plans are submitted for examination – e.g. joint plans, memorandum of understanding, joint strategies; and
- Cooperation should be a continuous process of engagement from initial thinking through to implementation.

2.15 The NPPF thus introduces a set of more detailed tests regarding both process and policy content which will be assessed through the examination process.

2.16 Whilst the Duty to Cooperate is not a requirement to agree, it is difficult to envisage many circumstances in which an authority will be able to demonstrate it has effectively and continuously cooperated where there remain key differences of approach or view.

Lessons from Recent Local Plan Examinations

2.17 The Localism Act received royal assent in November 2011 and the NPPF was published in its final form in March 2012. A number of examinations into Core Strategies and Local Plans have been progressed since this point which indicate how the Duty to Cooperate is being applied in practice. We have reviewed a number of relevant Inspectors' reports and other guidance which has been provided to local authorities to indicate how the NPPF is being treated in practice.

Stevenage Core Strategy

2.18 Stevenage's local authority boundary is tightly defined around the town. The East of England Regional Spatial Strategy (RSS), which was adopted in 2008, requires provision of 12,500 homes to be provided as extensions to the town which include development extending over the border into North Hertfordshire. This includes development of land within the Green Belt.

2.19 Stevenage Borough Council and North Hertfordshire District Council were working together to prepare the 'Stevenage and North Herts Area Action Plan' (SNAP) to plan for cross-boundary strategic development. In a West Sussex context this is similar to the West of Bewbush AAP which Horsham District Council and Crawley Borough Council jointly prepared to inform proposals for the new neighbourhood at Kilnwood Vale.

2.20 Stevenage BC submitted its Draft Core Strategy to the Secretary of State in May 2010. However the following month in June 2010, following the change of Government, North Herts DC withdrew their support for development within the Green Belt and suspended work on SNAP.

2.21 At the examination into Stevenage's Core Strategy, the Inspector concluded that "although the Plan is in general conformity with the East of England Plan in terms of overall housing numbers, significantly the Council cannot show that cross boundary issues have been resolved so that the

strategy has a reasonable chance of being delivered.” The particular issue in this case was that the Council’s spatial strategy was (in the Inspector’s words) ‘critically dependent’ on growth outside Stevenage’s boundary – in delivering housing numbers and employment and as a driver for regeneration within Stevenage. Without the support of the adjoining authority, the Core Strategy was not considered (on the balance of probabilities) deliverable.

- 2.22 Stevenage BC took the case to the Court of Appeal, which found in December 2011 that it was lawful for North Hertfordshire to end its cooperation on delivery of the SNAP proposals.
- 2.23 The lesson here is that **if a plan is dependent on delivery of strategic development or infrastructure in an adjoining authority, the support of that authority will be important for the plan to be found sound at examination.**

Bath and North-East Somerset Core Strategy

- 2.24 Bath and North-East Somerset District Council (BANES) submitted its Draft Core Strategy to the Secretary of State for examination in May 2011. In June 2012 the Inspector wrote to the Council identify his preliminary conclusions regarding the soundness of the plan. He raised five key issues in regard to the level of housing provision proposed:
- The Council’s evidence base provides an assessment for BANES only and does not include a Strategic Housing Market Assessment (SHMA) for the Housing Market Area;
 - The policy approach adopted gives an overriding primacy to a linear link between jobs and homes, and doesn’t adequately take account of potential migration by economically inactive people;
 - A direct multiplier between jobs and homes is used which means that the housing requirement set out is totally reliant on the robustness of the economic forecast;
 - There is a lack of transparency in the methodology for how housing numbers have been calculated; and
 - With the approach adopted, it would be difficult to monitor and review the assessment to take account of changing circumstances.
- 2.25 For the Sussex Coast authorities, the SHMA does define and provide a consistent sub-regional evidence base for the sub-regional housing market although it does not include full outputs for Lewes and Brighton and Hove. It includes projections for housing requirements based on economic and demographic trends. Uncertainty is clearly recognised and this informed the work undertaken which provides multiple projections and sensitivity testing.
- 2.26 The BANES example shows that **in identifying objectively-assessed development needs for housing it is important to consider and evaluate both demographic and economic projections.** It identifies that a clear methodology and justification of assumptions will be important. It also suggests that policy should include some flexibility – in line with a plan, monitor and manage approach. This was taken into account in the conclusions of the Coastal West Sussex SHMA.

Reigate and Banstead Core Strategy

- 2.27 Reigate and Banstead Borough Council (RBBC) submitted its Draft Core Strategy to the Secretary of State in May 2012. The Inspector appointed to examine the Draft Core Strategy submitted a paper identifying his key concerns regarding the document to the Council in June 2012 and raised some additional queries in August. An exploratory meeting to consider how best to proceed with the examination was held in late August, following which the examination was suspended for 6 months to allow the Council to undertake further work on the Core Strategy.
- 2.28 The key concerns raised by the Inspector include issues related both to the Duty to Cooperate and to policies regarding the scale and distribution of housing provision.
- 2.29 The Inspector's 'Key Concerns' document issued in June 2012 identifies two separate aspects of the Duty to Cooperate:
- The **legal requirement** to cooperate under Section 33A of the Planning and Compulsory Purchase Act (as inserted by Section 110 of the Localism Act 2011); and
 - The **policy tests** set out in paragraphs 178 -181 of the National Planning Policy Framework.
- 2.30 The Inspector identified that in regard to this legal test, **the Duty to Cooperate is incapable of modification at the Examination stage**. From the Inspector's comments it is clear that **meaningful cooperation must take place prior to the submission of the Plan**. If this has not demonstrably taken place, there is a real risk that a plan could fail at an early stage of the examination process.
- 2.31 The Inspector's advice sets out that the Section 33A duty relates only to strategic matters, defined as sustainable development which would have a significant impact on either at least two planning areas, or a county matter. He identifies that in the case of Reigate and Banstead's Core Strategy he considers that the main strategic matters with potential cross-boundary implications are:
- The scale and distribution of housing development;
 - Gatwick Airport;
 - Provision of key infrastructure.
- 2.32 The Inspector identified that other key issues might include the approach to transport/travel, meeting gypsy/traveller accommodation needs and the role of Redhill/Reigate town centres.
- 2.33 In addressing the legal requirement he identified that it is necessary to clearly demonstrate that **meaningful cross-boundary working has taken place**; and expressed concern that the Council's 'Cross-boundary Issues and Co-operation Statement' failed "to draw out the main strategic cross-boundary issues and their outcomes."

- 2.34 The Council has now produced an additional statement structured around the key issues identified which summarises: key issues and challenges; the Core Strategy approach; engagement and formal consultation undertaken; the approach of neighbouring authorities; and conclusions. It has also explained to the Inspector at the Exploratory Meeting held in August 2012 that there are a number of pieces of shared evidence (or examples of shared methodologies) with adjoining authorities, and that a Local Strategic Statement for the Gatwick Diamond has been prepared and a formal arrangement exists for future joint-working of the Authorities within the Diamond area.
- 2.35 At the Exploratory Meeting, the Inspector identified that the DTC Statement prepared by the Council had mostly addressed his concerns; but that “there remained some doubt in his mind about the housing issue between RBBC and Crawley BC.” Although Crawley BC had partially withdrawn its objection to the RBBC Core Strategy on retail and housing issues, CBC had identified at the exploratory meeting that further work on housing issues was necessary.
- 2.36 In regard to housing provision specifically, the *Inspector’s Key Concerns* document (ID/1, June 2012), identifies a number of key issues:
- Housing Requirement: What evidence base has been used to determine the need for market and affordable housing? Is continued reliance on the SEP housing requirement appropriate in light of more up-to-date population and household forecasts?
 - Land Supply: Housing delivery to meet the CS target in years 1-10 seems to be dependent on implementation of all the sites identified in the SHLAA and the trajectory – how realistic is this?
 - Sustainable Urban Extensions: the CS appears to be somewhat ambivalent about the need for Sustainable Urban Extensions (SUEs), whereas the evidence points clearly to a gap in supply for which SUEs are the only option proposed. So as to provide a strategic framework for future DPDs, the CS should identify the broad geographical location of SUEs and their likely scale and timing.
 - Windfalls: In identifying some types of Broad Locations, the Council appears to be quantifying windfalls which would be expected to come forward throughout the plan period; if this is correct, there will be a significant gap in supply in years 11-15.
- 2.37 The Inspector also suggested that the Core Strategy should provide clearer guidance regarding circumstances in which Green Belt release might be considered, with reference to the exceptional circumstances test in NPPF paragraph 83 and whether this would be only for large scale SUEs or small scale boundary adjustments.
- 2.38 These issues were considered further at the Exploratory Meeting. By this point the Council had produced a revised SHLAA and the Inspector’s initial view was that the Council could now demonstrate a significantly more robust and targeted housing supply in the early years of the plan period; but that a greater shortfall than previously thought in the later years of the plan was now evident. On this basis he suggested that “the importance of providing greater clarity and certainty about SUEs in paramount” and “the need for SUEs and the consequent need for Green Belt releases could not be fudged.”

2.39 This case study highlights, in regard to the Duty to Cooperate, the importance of meaningful cooperation prior to submission of the Core Strategy and a clear audit trail of how this has been undertaken and the outcomes of cooperation. It suggests that it will be difficult for a strategy to be found sound where unresolved issues regarding housing provision remain with adjoining authorities (for instance where surrounding authorities maintain an objection to the Plan). It also identifies a number of issues regarding certainty and flexibility in regard to housing land supply.

Dacorum Core Strategy

2.40 Dacorum Borough Council submitted its Core Strategy to the Secretary of State in June 2012. The hearing sessions were held in October 2012, and in November 2012 the Inspector set out *Inspector's Preliminary Findings on Matters relating to Housing Provision and the Green Belt*.

2.41 The Inspector raised three key issues – that there was insufficient substantive evidence:

- to confidently conclude that the figure of 11,320 dwellings represents full objectively assessed [housing] need;
- that the housing needs of Dacorum up to 2031 could not be met more fully than is currently proposed without causing significant harm to interests of acknowledged importance; and
- that future needs (i.e. post 2031) could be satisfactorily accommodated without a review of the green belt.

2.42 The Inspector indicated that his view was that the figure of 11,320 homes “does not represent full objectively assessed need, rather it represents a level of development that in the Council’s opinion could be satisfactorily accommodated in the Borough” and was thus not compliant with paragraph 47 of the NPPF. In drawing this conclusion he made reference to the 2008-based CLG household projections which indicated household growth of 13,500 over the plan period; ONS Interim 2011 population projections identifying significant growth; and a significant need for affordable housing.

2.43 He identified that ‘full need’ should be identified; and then an assessment undertaken of whether this could be met within the Borough; and then an assessment undertaken of the role that neighbouring local planning authorities could potentially play in accommodating some of the Borough’s housing needs. In regard to the latter he made particular reference to the potential for expansion of Hemel Hempstead – the Borough’s key settlement – eastwards into St Albans City and District.

2.44 The Council’s has disputed the primacy which the Inspector gave to national projections, noting that the NPPF is not specific as to what projections should be used. The Council has not committed to a review and intends to consult on modifications to the Core Strategy in early 2013.

2.45 This example highlights that it is important that **there is a clear objective assessment of housing requirements against which supply can be assessed; and that options are explored for how**

this can be met – if appropriate including options for development in adjoining areas. A question which arises is whether this should be within the housing market area or should include authorities beyond this? It also identifies a need to begin to look at long-term development options (beyond existing plan periods) including through collaborative work with adjoining authorities.

2.46 In this Core Strategy examination the Inspector made reference to national demographic projections. This contrasts to some degree with other examinations where the role of the SHMA in assessing housing requirements is emphasised.

York Core Strategy

2.47 York City Council submitted its Draft Core Strategy to the Secretary of State in February 2012. Following an Exploratory Meeting in April 2012 the Inspector raised some questions regarding the soundness of the plan in regard to a number of issues, including the Duty to Cooperate and the approval of development of an (out-of-centre) community stadium and retail scheme at Monks Cross which was not supported by the Strategy. The Council subsequently withdrew the Draft Core Strategy in July 2012.

2.48 The relevance of this Case Study is that the Inspector set out in a letter to the Council on 30th March 2012 what he considered to be the 'key tests' with regard to the Duty to Cooperate. These were:

- **Within reason, all of the various bodies have been given an adequate opportunity to influence the plan;**
- **There have been serious discussions on the Core Strategy and its implications; and any outside implications which might affect it;**
- **The Council's DTC Paper should show who was consulted, what the body was asked about, when, how and the implications.**

2.49 We consider that this provides a useful checklist for the preparation of development plans and supporting evidence.

Rushcliffe Core Strategy

2.50 Rushcliffe Borough Council's Core Strategy was submitted for examination in November 2012. The Core Strategy proposes provision of a minimum of 9,400 dwellings over the 2011-26 period (627 pa), which fell substantially below that sought by the East Midlands RSS (750 pa over the 2006-26 period). It also fell below that proposed in the 2010 Greater Nottingham Aligned Core Strategies Consultation (prepared jointly with adjoining authorities).

2.51 The Inspector wrote to the Council in late November 2012 expressing serious concerns with the Council's approach. These included:

- **Conformity with RSS:** The Submitted Core Strategy makes provision for a lower level of housing than advocated in the RSS. The Inspector considered that whilst the RSS remains in place it is important that a Core Strategy is in 'general conformity' with this – in regard to both housing numbers and spatial distribution of these.
- **Conformity with NPPF:** The Inspector emphasised the reference in paragraph 47 that local planning authorities should plan to “**boost significantly the supply of housing**” and use their evidence base to ensure that the Local Plan meets the full, objectively assessed needs for market and affordable housing.

The Inspector identified that the Council's evidence base (2012 SHMA Update) identified an annual need for 760 homes a year; a shortfall of affordable housing of 463 homes per annum; and that there may be a need in line with the NPPF to contribute to meeting some of the potential shortfall of housing provision in the Nottingham City, which is an adjoining authority.

The Inspector also made clear that the Council “should explain what it considers to be the objectively assessed level of housing need clearly, and demonstrate how this can be met in full. **There should be a clear audit trail to indicate how the housing policy and numbers have been derived.**”

- **Spatial Strategy:** Again an issue of conformity with the Regional Strategy is raised by the Inspector, in that the RSS proposed that 70% of new homes should be 'within or adjoining' the Nottingham Principal Urban Area (PUA). The Core Strategy in contrast proposes 3,700 within/adjoining the PUA and 5,000 in the rural parts of the Borough. This is considered neither consistent with the RS or that of adjoining authorities.

2.52 In regard to the Council's approach to housing provision the Inspector raises questions regarding whether the Submitted Core Strategy can be regarded as sound in regard to the Duty to Cooperate and particularly the soundness tests in the NPPF. She notes that “Rushcliffe's housing figures were not produced in co-operation with other neighbouring authorities,” that representations from adjoining authorities (local and county) are critical of the Council's approach; and that there is insufficient evidence in the Plan “to suggest that meeting the needs of neighbouring authorities is unreasonable.”

2.53 It is clear from the Inspector's comments that he raises some serious questions about the rationale for reducing housing numbers below those in the RSS. The Council's primary justification for this is that higher housing numbers are not considered deliverable, that it meets its own housing needs (based on zero net migration) and makes an appropriate contribution to supporting in-migration and economic growth.

2.54 This example highlights some **key risks with seeking to reduce housing provision below RS levels** (particularly in light of NPPF wording relating to 'boosting housing supply'), and **'going alone' with an approach which is not supported by adjoining authorities** (in view of the Duty to Cooperate). **It also suggests a need to look at housing needs evidence alongside household projections in identifying how 'full needs for market and affordable' housing are to be met.**

- 2.55 A timescales issue is also highlighted by the Inspector in regarding to **planning for 15 years from adoption of the CS.**

Lessons from Recent Appeal Decisions

- 2.56 Recent planning appeal decisions have also provided greater clarity regarding how 'objectively assessed development needs' for housing should be assessed; and in regard to the implications of the NPPF on the weight which can be attributed to policies in adopted plans depending on their degree of consistency with the NPPF.

Harborough BC Appeals

- 2.57 A number of appeals against refusal of planning permission for residential development in Harborough Borough on the edge of Leicester have highlighted issues of conformity with the NPPF in regard to housing provision – even for authorities with adopted Core Strategies.
- 2.58 Harborough District Council adopted an LDF Core Strategy for the District in November 2011. The Core Strategy covers the 2006-28 plan period. Policy CS1 in the Core Strategy sets a housing requirement for the District for development of at least 7,700 dwellings over the 2006-28 plan period. Housing provision was in conformity with the adopted East Midlands Regional Plan (2009).
- 2.59 In two recent appeals this has been contrasted with evidence from the Leicester and Leicestershire Housing Requirements Study (GL Hearn, 2011). One appeal was granted, the other dismissed; but in both the Inspector commented on housing provision.
- 2.60 The first appeal was heard in May 2012 in relation to the refusal of planning permission for development of 128 dwellings at land to the east of Pulford Drive, Thurnby². In regard to overall housing provision, the Inspector commented in paragraph 28 in this case that:

"The introduction to Policy CS2 states that a fundamental objective of the CS is to meet strategic housing needs including the need for affordable housing. HDC's own evidence indicates that it is failing to meet the targets set out in the CS. The GL Hearn report of September 2011 commissioned by local authorities in Leicestershire indicates that the objectively assessed housing needs are significantly higher. In addition the CS by reference to the Strategic Housing Market Assessment (SHMA) 2008 notes that to meet affordable housing, 75 per cent of the annual housing requirement in the District would need to be affordable."

² Planning Application Reference 11/01080/OUT. Appeal Reference: APP/F2415/A/11/2165170

2.61 The second appeal was heard in July 2012 in relation to refusal of planning permission for 175 dwellings at J Coles Nursery, 624 Uppingham Road, Thurnby³. In regard to overall housing requirements, the Inspector commented in paragraph 23 that:

“A September 2011 report by G L Hearn commissioned by local authorities in Leicestershire indicates that the objectively assessed housing needs are higher than those set out in the CS. And the Strategic Housing Market Assessment (SHMA) 2008 shows a shortfall in the provision of affordable housing. Taken together with the less than 5 year supply of housing sites, the relative weight to be given to the provision of housing is undoubtedly considerable”

2.62 The recent appeal decisions have highlighted that the *L&L Housing Requirements Study* demonstrates that full housing requirements are higher than currently being planned for by the Core Strategy.

2.63 The particular relevance of the appeals are that following the 12 month transition period from the publication of the NPPF – which is due to end on 27th March 2013 – decision-makers must give due weight to relevant policies in existing plans “according to their degree of consistency with the NPPF.”

2.64 Harborough Borough Council has determined, in light of the above appeal decisions, to review its Core Strategy given that the Housing Requirements Study “clearly demonstrated a higher need than currently being planned for in the Core Strategy” and recognising that post March 2013 the weight which could be accorded to the adopted plan in decision-making might thus need to be reviewed.

Shottery Appeal, Stratford-on-Avon

2.65 This appeal decision was issued on 24th October 2012 in regard to an appeal by JS Bloor against refusal of planning permission by Stratford-on-Avon District Council for development of 800 homes on the western side of Stratford-upon-Avon.

2.66 The Council is in the process of preparing its LDF Core Strategy. The third draft of the Core Draft Core Strategy was published for consultation in mid 2012 and proposes delivery of 8,000 dwellings between 2008-28.

2.67 GL Hearn's Housing Options Study (2010) provided demographic scenarios for housing growth in the District. These indicated that an objective assessment of the District's housing needs would fall between 10,000 – 13,000 homes over the 2008-28 plan period.

³ Planning Application Reference 11/01642/OUT. Appeal Reference: APP/F2415/A/12/2171036

- 2.68 However the Council elected to prepare its Core Strategy based on a scenario for a lower level of development, based on a projection of 25% less migration than past trends (which was modelled in the Housing Options Study) with the aim of seeking to reduce migration and protect the District's character. This option was presented in the Housing Options Study with a clear caveat that it could only realistically be taken forward through work with sub-regional partners to identify where under-provision would be met; and that there were significant risks to achieving this in the absence of a formal regional or sub-regional planning mechanism. The Council has however found this difficult to achieve.
- 2.69 The appropriate level of housing provision to plan for was considered as part of the appeal, with the appellant providing further demographic evidence. The Secretary of State in this case ruled that housing provision of 11,000 – 12,000 'more closely accorded with the requirements of the NPPF' than the Council's proposals for 8,000 dwellings.
- 2.70 The Shottery decision highlights some of the potential pitfalls in seeking to plan for below trend development in the absence of clear land or infrastructure constraints or a sub-regional mechanism to redistribute development.

Summary of Implications

- 2.71 Drawing together the above we can identify a number of "key lessons" which are relevant in the development of Local Plans.

Duty to Cooperate

- Engage constructively, actively and continuously prior to submission of the Plan with relevant bodies / partners, demonstrating that all have been given an adequate opportunity to influence the plan;
- Catalogue engagement undertaken and the outcomes of this, showing who has been consulted, what the body was asked, when, how and the implications; and that serious discussions have taken place; and
- Seek to ensure issues are resolved prior to submission of the Plan where possible.

Housing Provision

- Demonstrate consistent sub-regional assessment of housing requirements through a jointly-prepared SHMA for the housing market area;
- Bring together demographic and economic projections/ forecasts and housing needs evidence to set out an objective view of housing requirements (with clear description of assumptions);
- Demonstrate that supply-demand balance has been considered across the housing market area and that options for strategic development assessed, including cross-boundary development, and/or the potential to accommodate shortfalls in neighbouring authorities;
- Bring together housing needs and viability evidence to consider how housing need may be met, including the contribution of the private rented sector; and

- Provide a clear audit trail of how and why policies for housing provision and distribution have been derived and that alternative options have been carefully considered and assessed (in most cases through Sustainability Appraisal). Set out a clearly-argued justification for why alternative options have not been pursued.

3 THE BASIS OF HOUSING NUMBERS IN THE SOUTH EAST PLAN

3.1 In this section we seek to review the basis, rationale and process through which the housing numbers in the South East Plan were derived. References are often made back to previous policies and it is thus important to understand the basis for these.

Timetable

3.2 The timetable for the preparation of the South East Plan was as follows:

- Jan – April 2005: Public consultation on an initial draft of the Plan run by the South East of England Regional Assembly (SEERA), including options for housing provision in defined sub-regions;
- July 2005: Part I of the Draft South East Plan submitted to Government defining housing numbers for the region, sub-regions and 'rest of county' areas;
- July - December 2005: Section 4(4) authorities lead work on considering distribution of housing to local authorities. This is taken forward through preparation of the Sussex Coast Sub-Regional Strategy which was finalised and submitted to the Regional Assembly in December 2005;
- Jan 2006: Draft Plan submitted by SEERA to Government (GOSE);
- Mar – June 2006: GOSE-run public consultation on the submitted Plan;
- Nov 2006 – Mar 2007: Draft South East Plan Examination in Public held, with the Panel Report published by the Government Office for the South East (GOSE);
- August 2007: Panel Report published;
- July 2008: Secretary of State published the Government's proposed changes to the Plan; and
- May 2009: Government publishes final version of the South East Plan.

Development of the Draft Plan

3.3 The Consultation Draft Plan published in January 2005 set out three options in regard to housing numbers in the Sussex Coast Sub-Region:

- A. Accommodating a rate of housing development approximately 20% below the current level (48,000 dwellings, or 2,400 per annum, between 2006-26)
- B. Accommodating a rate of housing development at a level around 20% higher than then current rates (72,000 dwellings, or 3,600 per annum, between 2006-26);
- C. Accommodating housing development at the current rate (60,000 homes, or 3,000 per annum, between 2006-26) alongside a more vigorous drive for economic development and regeneration.

3.4 Following the initial consultation between Jan – April 2005, this range was refined by the Regional Assembly which proposed annual provision of 2,700 homes in the Sussex Coast Sub-Region – 1,100 homes pa in the West Sussex part, and 1,600 homes pa in Brighton and Hove and the East Sussex part. This represented a moderate decrease on past rates of development with the intention

of securing a better balance between provision of homes and jobs. These numbers were included in the submission of the Part I Plan to Government in July 2005.

Sussex Coast Sub-Regional Strategy

- 3.5 Over the period to December 2005 further work was undertaken led by the Part 4(4) Authorities – West and East Sussex County Councils and Brighton and Hove City Council – to consider the distribution of this to districts. This was taken forward as part of the preparation of the Sussex Coast Sub-Regional Strategy which the authorities approved for submission to SEERA in December 2005.
- 3.6 The Sussex Coast Sub-Regional Strategy (SRS) formed the basis of distributing housing provision to individual districts/ boroughs.
- 3.7 The Sussex Coast and Towns were identified the area as a ‘priority area for economic regeneration’ in RPG9. This reflected the sub-region’s structural economic weakness.⁴
- 3.8 Key objectives of the Sub-Regional Strategy set out in the South East Plan were to achieve a step change in economic performance, increase the range and quality of local employment opportunities, and tackle deprivation and social exclusion – with an overarching objective for sustainable economic regeneration to reduce social and economic disparities with the rest of the region, whilst protecting and enhancing the environment and quality of life.
- 3.9 The Sub-Regional Strategy identified key constraints on development potential in regard to:
- extensive environmental designations of national and international importance – two AONBs, Heritage Coast, Ramsar sites, SSSIs and Ancient Woodland – as well as areas susceptible to fluvial flooding and coastal management issues;
 - poor quality transport infrastructure and services.
- 3.10 It identified that as a result of the age structure, with an excess of deaths over births, population and household growth is particularly driven by net in-migration to the area from London and the rest of the South East; but that there are notable affordability problems not least because of the higher buying power of in-migrants relative to local residents.
- 3.11 The planned provision for 2,700 dwellings a year was set against this context: “in recognition of the need to moderate future housing growth to a more sustainable level that better matches both the tightening physical constraints on further development and the sub-region’s realistic prospects for future economic growth.” It was considered as representing “a level that the Sussex Coast should

⁴ Borne out in high deprivation, below average earnings and GVA per head, concentrated unemployment, low growth in enterprise, below average skills, and net out-commuting.

be able to sustain over the plan period whilst regenerating its economy, provided that the essential supporting infrastructure is made available.”

- 3.12 The spatial strategy was one of promoting ‘balanced dispersal’ of development across the sub-region – taking account of the scope and limitations imposed by the physical environment, whilst aiming to spread the benefits of new development as widely as possible to benefit local communities. Within this there was a focus on promoting the re-use of previously developed land with a sequential approach to development (‘brownfield first’), but a recognition that “meeting the sub-region’s overall housing target will almost certainly require sustainable urban extensions to towns in Arun, Chichester, Rother and Wealden.”
- 3.13 A “pressing need for substantial improvement in [the sub-region’s] strategic transport infrastructure and services” was identified, both improving connectivity within the sub-region and its links to the rest of the South East (particularly in encouraging economic investment). Improvements to the A27/A259 corridor (i.e. east-west links) were ascribed particular priority “as the route’s limitations are currently delaying the delivery of key housing and business proposals in existing development plans.”
- 3.14 These various objectives were brought together in Policy SCT1 which emphasised sustainable economic growth and regeneration; major improvements to transport infrastructure and services; achieving a better balance between the provision of housing and the capability of both the local environment and economy to absorb this in a sustainable way; and protecting the sub-region’s high environmental quality.
- 3.15 Policy SCT7 set out the proposed distribution of housing to local authorities. The 2005 Strategy set out that this was based on estimated potential supply of housing at 2006 (i.e. pipeline and urban capacity) and the scope to accommodate Sustainable Urban Extensions (SUEs). Sources of capacity were identified as:
- Planning permissions already granted;
 - Allocations made in structure plans and existing or emerging local plans;
 - Estimates of future development that will come forward on brownfield windfall sites;
 - Assessed potential for strategic allocations for around 7,600 new homes.
- 3.16 Work to consider the potential for SUEs was undertaken as part of developing the Sub-Regional Strategy. The Strategy sets out:

“The scope for such extensions, beyond that allocated in existing and emerging development plans, is distinctly limited and the range of potential alternative development strategies is consequently very restricted. The towns in the central part of the sub-region from Worthing to Seaford are so constrained by the Sussex Downs AONB that no significant scope for sustainable greenfield development remains. In the east, from Eastbourne to Rye, the only

strategic scope for additional greenfield development appears to be in the Bexhill and Eastbourne/Hailsham areas. In the west of the sub-region, any additional scope for such development seems confined to the Chichester area and the area west of the River Arun.”

- 3.17 SUEs were intended to support delivery of employment and infrastructure alongside new housing provision.
- 3.18 In broader terms the spatial strategy of balanced dispersal was considered beneficial reflecting brownfield capacity and environmental constraints, and in spreading provision of affordable housing and employment-generating development across the sub-region. It was also considered to help promote more local living and working and reduce the need to travel.
- 3.19 The housing numbers in the SRS (and thus the Draft Plan) were as follows:

Figure 2: Housing Provision in the Draft South East Plan (Policy CST7)⁵

	Annual Average Net Dwelling Increase, 2006-26			District Total 2006-26
	Sussex Coast Sub-Region	West of County Area	District Total	
Eastbourne	240		240	4800
Hastings	210		210	4200
Lewes	170	50	220	4400
Rother	200	80	280	5600
Wealden	230	170	400	8000
Brighton and Hove	550		550	11000
East Sussex & Brighton & Hove	1600	300	19000	38000
Adur	130		130	2600
Arun	465		465	9300
Chichester	TBC	TBC	430	8600
Worthing	200		200	4000
Coastal West Sussex	1100			
Sussex Coast Sub-Region	2700			

⁵ Note: No specific housing provision figures were included for the South Downs National Park

- 3.20 Policy SCT6 deals with affordable housing and recommended that as a general guideline at least 40% of new housing development should be affordable housing. Of relevance in the current context is however some of the supporting text which was included in the draft Sub-Regional Strategy, which outlined that:

“Recent housing needs surveys indicate that the aggregate scale of net annual need for affordable housing in the Sussex Coast is substantially greater than the entire provision of 2,700 new homes per year for the sub-region. This is clearly beyond what in practice can be delivered, but strongly argues for maximising the opportunities for securing affordable housing through the planning system. However, the extent of such provision will be governed by the limits of development viability and what local housing markets can sustain.”

- 3.21 Although there was considerable evidence of housing needs, this did not inform the levels of housing provision in the Plan.
- 3.22 Policy SCT9 further emphasises the need to deliver strategic infrastructure schemes – essential to delivery of the strategy – including improvements to rail and bus networks, truck road schemes (particularly improvements to the A27), other relief road and access schemes and improvements to water supply and waste water treatment facilities.

Examination in Public

- 3.23 The issues outlined above were addressed by the Examination in Public into the South East Plan. We have reviewed the findings of the Panel Report published in August 2007 in regard to key issues.
- 3.24 The Panel recognised the physical and environmental characteristics of the sub-region as well as key infrastructure constraints, including waste water treatment capacity and the capacity of the A27. It supported the proposed emphasis on economic regeneration, and recommended a job target of 30,000 net additional jobs between 2006-16 based on Experian trend-based forecasts dating from 2006.
- 3.25 However the Panel found that the evidence base for a reduction in housing targets by -14% relative to RPG9 levels could not be robustly justified. It indicated that no technical reasons were given as to why this level of growth could not be accommodated, and that if a jobs target of 30,000 is taken for 2006-16 this would still result in stronger growth in employment than labour supply within the sub-region, helping to reduce net out-commuting. It noted that across the 10 authorities in the sub-region, housing targets in the draft Plan were well below recent housebuilding rates and would meet only around 50% of household growth projected in the Government’s 2004 projections. This is set against its conclusions that the overall level of housing provision across the South East should be

increased to 32,000 homes per annum, an increase of 10% over the levels proposed in the Draft Plan.

- 3.26 On this basis the Panel proposed a moderate increase in the housing requirement from 2,700 for the Sussex Coast to 2,970 homes per annum, again 10% increase. It was recognised that this level of provision was below demographic forecasts but that it would meet locally-generated need (with zero net migration), with the Panel concluding that *“given its geography and high quality environment and infrastructure deficiencies, the Sussex Coast is not a sub-region that should be expected to make a substantial contribution to meeting wider needs in the South East.”*
- 3.27 The Panel recommended an increase of 5,400 homes to 2026 across the sub-region. Its justification for proposed changes to individual authorities figures were as follows:
- Brighton and Hove: An increase of 400 dwellings (20 dpa) based on evidence of higher completions (679 pa since 2001/2) and the potential for higher density schemes;
 - Arun: Evidence that the draft Plan’s provision of 465 dpa was significantly below the Structure Plan level (625 dpa), with reference to potential for development ‘west of the River Arun.’ There is a recognition in the Panel Report of access issues in this area but the Inspectors concluded that “we consider that weight should be given to the fact that the area is outside of the AONB, is not within a strategic gap and (subject to the forthcoming SFRA) is away from much of the land most at risk of flooding.” Having regard to the long-term potential of this area, a strategic allocation of 2,000 homes is proposed;
 - Chichester: the proposed increase in housing numbers for Chichester recognises capacity issues on the A27 bypass and junctions, but finds that the draft Plan provision for the south of the District is below the RPG9 rate of 474 dpa. It concludes that the City is one of the most sustainable locations for strategic development and that a larger sustainable urban extension to the City would be appropriate, albeit that this is caveated with recognition that this “would require firm commitments to the delivery of transport schemes especially those related to the Chichester bypass. An additional 1,000 homes is proposed;
 - Adur: it is proposed to increase Adur’s numbers to provide recognition for enhanced development potential at Shoreham Harbour. An additional 1,000 homes was proposed.
- 3.28 The Panel Report’s ‘Section 13’ addressed the Sussex Coast Sub-Regional Strategy is instructive and identifies many of the key sub-regional issues which persist today. It recognises that physical and environmental constraints result in a limited range of options for locating future development. It identifies waste water capacity issues at Chichester associated with the Apuldram WWT works and the impact of discharges into Chichester Harbour.
- 3.29 It also recognises issues around fluvial and coastal flooding. In regards to transport, capacity issues along sections of the A27/ A259 are identified at Arundel and Worthing, and from Brighton to Hastings. However it does point to capacity on the rail network within the sub-region.

Proposed Changes

- 3.30 Subsequent to the Examination in Public the Shoreham Harbour Regeneration Partnership submitted a bid to Government for New Growth Point status. The Partnership comprised Adur District Council, Brighton & Hove City Council, West Sussex County Council, the Shoreham Port Authority and the South East of England Development Agency (SEEDA).
- 3.31 The Growth Point bid was informed by a reappraisal of the Shoreham Harbour project undertaken by the South East of England Development Agency (SEEDA) and the Port Authority in 2006, which concluded that a larger scheme than previously envisaged of up to 10,000 homes and 8,000 jobs could be delivered. Together with a range of subsequent studies, this supported Shoreham Harbour's identification as a Strategic Development Area (SDA) in the South East Plan Proposed Modifications in July 2008 and announcement of the success of the partnership's bid to Government for Growth Point Status.
- 3.32 The Shoreham Harbour Project envisages creation of a high quality mixed-use development and sustainable community around a consolidated and modernised port. The South East Plan Proposed Changes thus indicated potential for delivery of up to 10,000 homes over the plan period to 2026, subject to further testing. If delivered this would increase the level of housing delivery in Brighton & Hove and Adur by 31%.
- 3.33 Taking into account the conclusions of the Panel Report, the Government proposed to increase the level of housing provision across the Sussex Coast Sub-Region to 3,515 homes per annum. This reflects its views on the potential for additional development at Shoreham Harbour and the Government's view that there could be further development potential on previously-developed land in Brighton and Hove. The changes proposed to individual local authority figures are shown below.

Figure 3: Changes to Housing Numbers through South East Plan Preparation⁶

Dwellings PA	Draft Plan (dpa)	Panel Report (dpa)	Proposed Changes (dpa)	Final Plan
Adur	130	180	105	105
Arun	465	565	565	565
Worthing	200	200	200	200
Chichester	430	480	480	480
Brighton & Hove	550	570	620	570
Lewes	220	220	220	220
Shoreham Harbour SPA			Up to 500	Up to 500
Total	1995	2215	2,690	2640

⁶ Note: No specific housing provision figures were included for the South Downs National Park

- 3.34 The Government's Proposed Changes increased levels of housing provision proposed in Arun and Chichester Districts in line with the Panel Report recommendations. It proposed a higher increase to 620 dwellings per annum in Brighton and Hove.
- 3.35 With the 'ringfencing' of the housing requirement for Shoreham Harbour SDA, the final version of the South East Plan reduced the requirement for the rest of Adur District to 105 dwellings per annum, equating to 2,100 dwellings over the plan period. This broadly corresponded to the capacity of the District as identified in 2005, excluding Shoreham Harbour.

Final South East Plan

- 3.36 The final version of the Plan was published in May 2009. The housing numbers set out within the Plan are summarised below, and compared against the then current demographic projections.

Figure 4: Final Numbers in SEP vs Demographic Projections⁷

	South East Plan Requirements (PA)				SEP Final as % 2006 Households	Shortfall/ Surplus vs Household Projections (2006-26)	
	Option 1 Figures (PA)	Proposed Changes (PA)	Final Requirement (PA)	Total Requirement 2006-26		CLG 2006 Household Projections	CLG 2008 Household Projections
Adur	130	105*	105*	2100*	0.9%*	-2,900	-2980
Arun	465	565	565	11300	2.5%	-5,700	-6230
Chichester	430	480	480	9600	1.9%	-1,400	-2950
Worthing	200	200	200	4000	1.4%	-6,000	-7830
Brighton and Hove	550	620*	570*	11400*	1.4%*	-7,600	-6770
Lewes	220	220	220	4400	0.5%	-5,600	-5340
Shoreham Harbour	0	Up to 500	Up to 500	Up to 10,000			
Total	1,995	2,215	2,640**	52,800**	0.8%	-19,200	-22,100

*Excludes development at Shoreham Harbour

** Depending on scale of development at Shoreham Harbour

- 3.37 As can be seen in Figure 4, the levels of housing provision proposed for the sub-region in the South East Plan were at least 27-30% below demographic projections.

⁷ Note: No specific housing provision figures were included for the South Downs National Park and no population projection figures are currently available set to the National Park boundary

- 3.38 It should be noted that the Plan was published in advance of the designation of the South Downs National Park in November 2009. Figures for housing provision in the table above therefore refer to local authority areas as a whole.

Key Implications

- 3.39 There are a number of key implications which we can draw out from the review of the SEP preparation process:
- A clear recognition of constrained land supply given the sub-region's location and geography – between the sea and a (now) National Park, a projected landscape; with an area between which is already relatively intensely developed;
 - Sewage and A27 junction/ link capacity issues around Chichester, with the expectation that funding priority would need to be given to improvements to the Chichester bypass to support the levels of development proposed in this area;
 - An emphasis on maximising urban capacity within Brighton and Hove with potential for higher density development, given the constrained land supply, its position as an economic node etc. The continued achievability of this is however potentially now restricted by market circumstances;
 - A level of housing provision which did not meet objectively-assessed needs based on a continuation of existing levels of in-migration (but would be sufficient to meet needs generated within the Sussex Coast sub-region itself), with the impact primarily being on a reduced potential to cater for regional need and potentially reduced migration into the area. It is important however to recognise some potential impact of this on affordability;
 - A spatial distribution strategy that was strongly driven by supply-side issues in regard to urban capacity and the potential of different parts of the sub-region to accommodate sustainable urban extensions;
 - A recognition of some potential for development in the west of the sub-region, around Chichester and Arun districts (albeit still subject to significant constraints); with the Panel recommended enhanced development through urban extensions to Chichester and to the West of the River Arun in Arun District (which includes the Five Villages area);
 - A recognised need for investment in improving east-west links in particular by road – the A27 and A259 – but recognition of capacity on the Coastway rail line.

4 HOUSING REQUIREMENTS IN THE SUSSEX COAST HOUSING MARKET

4.1 In this section we seek to draw together existing studies to consider the theoretical housing requirements of the Sussex Coast authorities (putting aside development constraints) with the intention of providing an independent view of objectively-assessed development needs across the sub-region.

4.2 The following studies have considered housing requirements over the last couple of years:

- Arun Locally-Generated Needs Study (GL Hearn, May 2010)
- Adur Locally-Generated Needs Study (GL Hearn, May 2011)
- Lewes Local Housing Needs Assessment (NLP, April 2011)
- Brighton and Hove Housing Requirements Study (GL Hearn, June 2011)
- Chichester Local Housing Requirements Study (DTZ, July 2011)
- Brighton and Hove Housing Requirements Study Update (GL Hearn, Nov 2012)
- Coastal West Sussex Strategic Housing Market Assessment Update (GL Hearn, Nov 2012)
- Brighton and Hove Housing Needs Assessment (GL Hearn, Dec 2012)

4.3 We have sought to draw together the evidence in these reports, taking into account the following factors in coming to an view on objectively-assessed needs:

- Various demographic projections
- Key housing market indicators (relative prices/ sales performance)
- Housing needs evidence
- Forecasts of employment growth

4.4 There is a degree of uncertainty and therefore an error margin which needs to be considered in interpreting economic forecasts, but equally in considering past demographic trends the influence of past land supply needs to be recognised.

4.5 Across the sub-region key drivers of demographic dynamics are people living longer, and a growing older population; plus net in-migration to the area from other parts of the region. Quality of place and cheaper housing costs (plus land supply constraints in London and Green Belt areas) can be expected to continue to support a degree of net in-migration to the area.

4.6 The NPPF makes clear in paragraph 47 that Local Plans should seek to meet the full objectively-assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the Framework. Whilst there is a lack of clear guidance from

Government on the issue, it is clear from recent examinations and planning appeals that both demographic projections and evidence of housing needs is expected to be considered in doing so.

- 4.7 In this section we therefore draw on the demographic projections for each district prepared as part of the SHMA Update for Coastal West Sussex and other relevant studies. We consider the alignment of demographic and economic-driven scenarios. We also consider the housing needs evidence and the degree to which the private rented sector is functioning to meet a shortfall of genuine affordable housing in each authority area. This analysis excludes affordable housing in the development pipeline. Where a notable shortfall is identified, we have suggested that - to meet the requirements of the NPPF - provision would need to be made to meet all or part of the backlog of affordable housing identified (i.e. current need), in addition to meeting needs arising from projected household growth. We have additionally considered market signals from the SHMA Update and issues associated with capacity of the market in different areas within the sub-region to support housing delivery.

Adur District

Locally-Generated Needs Study

- 4.8 The Adur Locally-Generated Needs Study (2011) set out a number of demographic projections considering housing requirements between 2006-26 based on demographic modelling, and a number of scenarios for different levels of economic growth.
- 4.9 Projections based on past population trends (over the preceding 10 years) indicated household growth of 254 per annum over the 2006-26 period, rising to 269 per annum for the 2011-31 period. The Adur LGNS included projections for both 2006-26 and 2011-31 time periods. CLG 2008-based Household Projections indicated household growth of 282 per annum (2011-31).
- 4.10 A number of economic-led projections were run, which indicated household growth of between 303 – 321 per annum. The lower end of this range was based on baseline economic forecasts (2010) with the higher end based on achieving 3% per annum growth in GVA post 2013.
- 4.11 The LGNS concluded that it would be appropriate to plan for household growth of between 270 - 320 per annum over the 2011-31 period. This represented an objective assessment of development requirements.

Strategic Housing Market Assessment Update

- 4.12 The SHMA Update largely replicated the modelling in the LGNS, updating it to take account of new data. It included remodelling of headship rates based on more recent data and inclusion of a vacancy allowance.
- 4.13 The SHMA Update indicated a housing requirement in Adur of between 186 – 215 homes per annum based on past demographic trends. The projections covered the 2011-31 period. The higher level was based on more recent 5-year trends.
- 4.14 Based on forecast employment growth (taking into account commuting dynamics) the SHMA indicated a housing requirement for 213 homes per annum based on the Experian 2012 forecasts.
- 4.15 The demand analysis in the SHMA points to stronger demand in Adur in Shoreham and the east of the District, than Lancing and the West (which commands some of the lowest house prices in the sub-region). Land availability is however greater (albeit still significantly constrained) in the west of the District.
- 4.16 The District's housing market is clearly influenced by its proximity to Brighton and Hove and Worthing. Both are expected to see about 12% employment growth over the 2011-31 period (compared to 10% in Adur). Both of these areas (as well as Adur itself) demonstrate significant supply constraints.
- 4.17 Demand in Adur is influenced by the limited supply of family housing in Brighton and Hove and lower housing costs relative to Brighton and Hove. Site capacity within the City suggests that these relationships can be expected to continue.
- 4.18 The housing needs evidence from the SHMA Update indicates a shortfall of 2,041 affordable properties over the 2011-16 period⁸. However this does not take account of the contribution to supply which Private Rented Sector properties could make: this is estimated as up to 981 dwellings. Even once this is taken into account, there remains a significant shortfall of affordable housing. There is a backlog housing need for 564 properties.

Objectively-Assessed Development Needs

- 4.19 Taking into account the range of projections developed we consider that an objective assessment of development requirements would be for around 215 households per annum. This reflects recent population trends and the economic evidence.

⁸ This excludes housing in the development pipeline

- 4.20 However we consider that given the high evidence of housing need and significant affordability pressures in the District, we consider that it might be appropriate to additionally seek to meet the backlog of housing need. Backlog need is assessed as 564 households.
- 4.21 Overall we therefore consider that an objective assessment of full need and demand for housing would be equivalent to around 215 – 245 homes per annum over the 2011-31 period. The higher end of this range equates to household growth of 0.9% per annum. It includes an allowance to meet a backlog of housing need in the District.
- 4.22 We consider that, in the absence of land supply and infrastructure constraints, that this would represent an achievable rate of development in the District over the period to 2031 as a whole. However (as we come onto in the next section) there are significant constraints to development within the District.

Arun District

Locally-Generated Needs Study

- 4.23 The Arun Locally-Generated Needs Study (2010) set out a number of demographic projections considering housing requirements between 2006-26 based on demographic modelling, and a number of scenarios for different levels of economic growth.
- 4.24 Based on past demographic trends over the previous 10 years the analysis indicated household growth of 610 per annum. Short-term migration (2004-8) had been more moderate and projecting this forward resulted household growth of 425 per annum. In contrast the CLG 2008 Household Projections modelled increasing migration over time, resulting in household growth of 865 per annum.
- 4.25 While a number of economic scenarios were considered, the most realistic were considered to represent growth in GVA ranging between 2.7% over the 2013-26 period and 3.0% over the plan period (2006-26) as a whole. These scenarios resulted in a housing requirement of between 550 – 670 households per annum. The economic modelling was based on a 1:1 ratio between growth in employment and the resident workforce in the District (reducing out-commuting over time). The economic analysis was based on 2010 projections.

Strategic Housing Market Assessment Update

- 4.26 The SHMA Update largely replicated the modelling in the LGNS, updating it to take account of new data. It also provided projections for a different time period, 2011-31 and remodelled headship rates

assuming a more modest reduction in household sizes than previously anticipated. It also included a vacancy allowance in the calculations.

- 4.27 The SHMA indicated a housing requirement for between 602 – 754 dwellings per annum based on past demographic trends (based on 10 and 5 year migration patterns respectively). However it should be noted that Arun saw notably stronger population than other parts of Coastal West Sussex over the 2000-10 period.
- 4.28 The SHMA undertook further modelling based on forecast economic growth, taking account of econometric projections from Summer 2012. These indicated a housing requirement of between 763 – 886 dwellings per annum. The lower figure is comparable with the modelling undertaken in the LGNS.
- 4.29 The Experian forecasts (as used in the SHMA) indicate growth in GVA of 2.5% per annum over the 2011-31 period. Over the plan period as a whole they forecast growth in employment of 7,600 (16%). This seems to us to be a relatively bullish forecast for employment growth in the District, however this would be counter-balanced against the potential for continuing migration from Arun to surrounding employment centres.
- 4.30 These projections were however based on notable in-migration of older persons (aged 55-69) the District. The SHMA modelled a further scenario based on supporting forecast employment growth but with a migration profile more consistent to the sub-regional average. This resulted in a housing requirement for 576 homes per annum over the 2011-31 period.
- 4.31 The SHMA evidence would suggest a more modest demand profile in Arun than in other parts of the HMA. The District demonstrates lower house prices, has a relatively low value economy with a low jobs density, with a level of employment which increased modestly by around 4% over the pre-recession decade. This growth appears to have been entirely wiped out by the recession. Weak economic growth may well have been one factor supporting higher recent migration of older households to Arun District.
- 4.32 The housing needs evidence in the SHMA indicates a shortfall of 3,617 affordable homes over the 2011-16 period (excluding housing in the development pipeline), however this does not take into account the contribution to supply which Private Rented Sector properties could make. This is estimated as up to 3,461 dwellings.
- 4.33 We regard the economic forecasts for the District which see 2.5% per annum growth in GVA and 16% growth in employment over the 2011-31 period as potentially somewhat ambitious; particularly given that a significant proportion of forecast growth is in 'population-related' sectors. It would appear that past above-trend population growth has influenced this trend.

- 4.34 The evidence of housing need and demand points to more limited demand economic-driven for homes in Arun than in other parts of the HMA (at least in the short-term), but suggests that there is demand from households relocating to the area from other parts of the South East because of the availability of cheaper properties or for retirement/ lifestyle reasons.

Objectively-Assessed Development Needs

- 4.35 Taking into account the range of projections developed we consider that an objective assessment of development requirements would fall within the 550 - 650 range. This equates to a housing growth rate of 0.8 – 0.9% per annum. We consider that these would represent achievable rates for development, taking account of the District's weaker housing market relative to other parts of the region.
- 4.36 We consider that there are some notable risks in Arun District in particular from over-provision of housing, which (if it ran faster than economic growth) could result in further deterioration in the District's jobs density, growth in out-commuting and a population profile become further skewed towards older age groups. This would suggest a cautious approach to housing provision as appropriate with an appropriate review mechanism in line with a plan, monitor and manage approach.

Brighton and Hove City

Brighton and Hove Housing Requirements Study Update

- 4.37 Demographic projections for Brighton and Hove have been prepared as part of the Housing Requirements Study (June 2011), the Coastal West Sussex SHMA (Nov 2012) and the Housing Requirements Study Update (November 2012). The methodology is largely consistent across these studies which were all led by GL Hearn.
- 4.38 The Housing Requirements Study of November 2012 prepared for the City Council is the most up-to-date and takes account of 2011 Census data. The Study concludes that the main trend-based projection, based on demographic trends reflects the most realistic projection of future (unconstrained) housing requirements based on the current evidence. This indicates a requirement for 15,800 dwellings over the 2010-30 period (790 per annum).
- 4.39 More recent demographic trends over the last five years are higher than this, with the five year projection resulting in a housing requirement of 1,078 dwellings per annum (representing 0.9% growth in the housing stock per annum). The projections based on labour demand and employment growth are lower than this (712 – 752 dwellings per annum).

Brighton and Hove Housing Needs Assessment

- 4.40 The Housing Needs Assessment (December 2012) indicates a very substantial shortfall of affordable housing in Brighton and Hove. It estimates a net need for 18,038 affordable homes over the 2012-17 period based on standard assumptions (and excluding the development pipeline). This includes a backlog of 7,890 households.
- 4.41 The Study models a sensitivity analysis indicating that based on households spending up to 35% of their income on housing costs (which is arguably more realistic given the dynamics of the City's housing market), the level of net housing need for the 2012-17 period reduces to 13,185 homes (excluding affordable housing in the development pipeline).
- 4.42 Over the five year period considered the report indicates that, based on current dynamics, the Private Rented Sector could meet the needs of 9,222 households. It thus makes a significant contribution to meeting the shortfall of affordable housing in the City. However the Study indicates a very significant shortfall of affordable housing in the City.

Objectively-Assessed Development Needs

- 4.43 The demographic evidence points to a housing requirement in Brighton and Hove of around 790 dwellings per annum. This would represent a relatively modest 0.6% housing growth rate. As a result of the age structure of the City's population this would support a reasonable level of growth in the workforce in the City, and indeed economic projections are lower.
- 4.44 However the economic projections for the City in the SHMA and Housing Requirements Study Updates are based on forecasts of 12% growth in employment and 2.3% per annum economic growth over the 2011-31 period. The latest projections for employment growth across the South East are for 2.5% per annum growth in GVA over this period, and arguably the City could perform better than this.
- 4.45 We consider that an objective assessment of housing needs taking into account the strong levels of housing need identified, the demographic evidence and the potential for improved economic performance would fall between 800 - 1000 dwellings per annum representing between 0.6 – 0.8% growth in the housing stock per annum.
- 4.46 The higher end of this range takes account of the considerable shortfall of affordable housing in the City, and includes provision of 210 dwellings per annum to contribute to reducing the affordable housing backlog over the plan period. The lower end aligns to the demographically-driven projection.

Chichester District

Housing Requirements Study

- 4.47 DTZ prepared a Housing Requirements Study for Chichester District which was published in July 2011. This uses CLG's 2008-based Household Projections (and the associated ONS 2008-based Population Projections) as a base. It undertakes a sensitivity analysis considering potential variance in migration, fertility/mortality and headship rates. It also considers 5 economic scenarios ranging from employment growth of between 0% - 0.7% per annum over the 2006-31 period.
- 4.48 Looking at past demographic trends, the Study concludes that migration assumptions in the ONS/CLG projections are overly optimistic given that net in-migration to the District had fallen since 2008, DTZ expected employment growth over the period to 2031 to be limited, and expected migration from other EU countries to fall as a result of the opening of the French and German labour markets to migrants from the accession countries.
- 4.49 The economic-driven scenarios that were used all forecast modest economic growth, with DTZ concluding that under most scenarios there would be an oversupply of labour in the District. The economic scenarios considered look relatively modest relative to more recent economic performance and econometric forecast used in the SHMA Update. GL Hearn has compared this forecast with performance more widely across West Sussex and the South East and it looks to be a reasonable assessment of economic growth potential for the District.
- 4.50 Headship rates were also considered, with DTZ concluding that the CLG projections most likely over-estimated future reductions in headship rates. This was based on an expectation of slow economic growth and falling/modest growth in real earnings, rising student fees and lack of job opportunities for young people, difficulties in securing mortgage finance and Housing Benefit changes. This analysis is consistent with the SHMA Update.
- 4.51 Based on the likelihood that migration would fall (relative to past trends) and that reductions in household sizes would be more modest than forecast in the CLG 2008-based Household Projections, DTZ concluded that it would be appropriate to plan for household growth of between 18,000 – 22,200 between 2006-31, equivalent to between 450 – 550 dwellings per annum. This reflected their objective assessment of development needs.
- 4.52 The DTZ Study reviewed market conditions and outlined that market conditions can be expected to be depressed for "many years compared to the pre-2007 period" noting low transaction volumes, changed lending practices and deposit requirements and constraints to household budgets. They also noted reduced capacity within the development sector, issues around the availability and cost

of development finance and a lack of appetite for flatted development. Their expectation was of a continuing mortgage drought over the period to 2020.

- 4.53 However the Study noted that Chichester District may perform better than other areas in the region, given its appeal to higher income groups and retirement moves; and was likely to see more robust demand (in relative terms) for market housing. It concluded that “demand should not impose a major constraint on the ability to develop new homes in Chichester District; the larger issues are to do with the funding of infrastructure associated with major new developments.”

Strategic Housing Market Assessment Update

- 4.54 The SHMA Update includes a number of demographic projections for the District for the 2011-31 period. It provides outputs for growth in dwellings (rather than households) through inclusion of a vacancy allowance. The two scenarios based on past population trends indicate a housing requirement for between 438 – 497 dwellings per annum.
- 4.55 An economic-driven scenario based on econometric forecasts from Experian indicates a housing requirement for 750 dwellings per annum (based on 2001 commuting dynamics) , rising to 777 homes a year if a 1:1 relationship between growth in the resident workforce and forecast jobs in the District is assumed.
- 4.56 The SHMA highlights that Chichester District has higher house prices than other parts of Coastal West Sussex and has seen a stronger recovery in sales than other parts of the sub-region since 2009. The analysis suggests that its local market is less affected by mortgage finance constraints than other areas, with a demand profile focused more towards households aged over 40. Housing completions figures have also held up relatively well since 2008.
- 4.57 Experian forecast the strongest growth in employment in the Coastal West Sussex authorities over the 2011-31 period in Chichester District – growth in employment of 18%.
- 4.58 The housing needs evidence suggests a net need for 2,343 affordable homes (excluding the development pipeline) over the 2011-16 period, but indicates that housing in the Private Rented Sector based on current dynamics could meet 1,378 of this need.

Objectively-Assessed Development Needs

- 4.59 Whilst we do consider that the District has a greater economic growth potential than a number of other parts of Coastal West Sussex, the forecasts for employment growth to 2031 do appear to be relatively ambitious particularly given the risks associated with strong public sector employment (over the period to 2017) and competition for investment from South Hampshire.

- 4.60 However we do consider that DTZ's assumptions regarding future reductions in net migration could be over-stated. The horticulture industry in the sub-region continues to rely on migrant labour at a local; whilst at the national level whilst other EU countries have opened their labour markets to migrants from the Accession countries other dimensions have emerged such as migration from EU countries such as Greece, Portugal and Italy whose economies have been performing poorly.
- 4.61 Taking account of the balance of evidence, including the stronger housing market and potential to support stronger economic growth relative to other parts of Coastal West Sussex, we consider that housing requirements would fall between 0.9 – 1.1% per annum equivalent to between 480 – 590 dwellings per annum. The lower end of this range aligns with recent population trends with the higher end reflecting the potential for additional economic-driven demand. The range set out takes account of market performance relative to other parts of the sub-region.
- 4.62 This level of housing growth would meet both assessed demand and housing need based on the SHMA Update evidence.

Lewes District

Lewes District Assessment of the Local Need for Housing

- 4.63 This assessment was prepared by NLP in 2010. It provides demographic projections covering the 2010-30 period. The assessment indicates a housing requirement for between 425 – 452 dwellings per annum based on past demographic trends. This level of provision would broadly maintain a stable employment base.
- 4.64 It models two scenarios for economic growth – a lower and a higher scenario – and outlines the sensitivity of these to commuting assumptions. The economic-driven scenarios indicate a housing requirement for between 390 – 629 dwellings per annum, although there is potential to support lower housing growth through reductions in out-commuting.
- 4.65 The Study concluded that a dwelling requirement for between 300 – 450 dwellings per annum would be reasonable to plan for. This would meet the majority of projected population growth and maintain existing labour supply levels, with potential for employment growth to be supported by reduced out-commuting. We are not convinced that the scale of change in commuting which is suggested is feasible.

Housing Needs Evidence

- 4.66 The Council's Housing Background Paper (January 2013) indicates that the Housing Register provides an indication of housing need in the District; and has steadily risen in size since 1998. The

latest housing needs assessment was in 2005 and no longer really provides a strong basis for considering affordable housing needs.

Coastal West Sussex Strategic Housing Market Assessment Update

- 4.67 The Coastal West Sussex SHMA Update included demographic projections for Lewes, based on the same methodology and assumptions and for the other authorities. Based on past demographic trends it projected a housing requirement in the District for between 411 – 435 dwellings per annum (covering the 2011-31 period).
- 4.68 The economic-driven projections indicate a housing requirement for 602 dwellings per year. This was based on forecast growth of residents in employment of 7,400 over the 2011-31 period.

Objectively-Assessed Development Needs

- 4.69 Experian economic forecasts from November 2012 forecast 9.4% employment growth over the 2011-31 period, with growth in employment of 3,500 persons in the District. This is lower than growth in the workforce forecast in the economic-driven scenario in the SHMA (as this assumes continuing out-commuting to other employment destinations).
- 4.70 Based on the range of evidence currently available, we broadly concur with the NLP analysis in parts, but do not consider that there is as much scope as suggested by this report for a reduction in out-commuting⁹. We consider that provision of between 430 – 450 dwellings per annum would represent a reasonable objective assessment of development needs in the District.
- 4.71 This should be regarded as indicative in that there is not a current and up-to-date assessment of affordable housing needs which can be drawn on.

Worthing

Strategic Housing Market Assessment Update

- 4.72 The Strategic Housing Market Assessment Update provides projections for demographic growth in Worthing. Based on past population trends it indicates a housing requirement for between 425 – 445 dwellings per annum (over the 2011-31 period). This is equivalent to growth in the housing stock of 0.9 – 1.0% per annum. Past population growth has however been below average relative to Coastal West Sussex and the South East.

⁹ Wider evidence for instance suggested that the London labour market will continue to support growth in commuting moving forwards

- 4.73 An economic-driven scenario based on Experian projections indicates a requirement for a higher 507 homes per annum (representing a higher level of housing growth of 1.1% per annum). This is based on an above average 2.6% GVA growth per annum over the 2011-31 period (but a lower 12% growth in employment relative to other local authorities in the sub-region). Employment in the District was relatively static in the 2000-6 period but has declined notably since.
- 4.74 The housing needs analysis in the SHMA Update indicated net housing need for 2,668 affordable homes between 2011-16, however it is estimated that the Private Rented Sector based on current dynamics could meet the needs of 2,320 households over this period.

Objectively-Assessed Development Needs

- 4.75 Based on the balance of evidence we consider that housing provision between 430 – 480 homes per annum would represent an objective assessment of housing need and demand taking account of the balance of the evidence. This would represent a growth rate in the dwelling stock of 0.9 – 1.0% per annum. This level of housing growth would meet both assessed demand and housing need based on the SHMA Update evidence.

Drawing the Analysis Together

- 4.76 Looking at the sub-region as a whole the Coastal West Sussex SHMA indicated a housing requirement of between 3,169 – 3,493 dwellings per annum over the 2011-31 period based on past demographic trends, rising potentially to 3,866 homes per annum based on forecast employment growth.
- 4.77 The employment growth projection however was based on maintaining 2001 commuting patterns. Jobs densities data however indicates that looking at the sub-region as a whole there should be potential to support enhanced employment growth through some reduction in out-commuting. Arguably it would not be sustainable to plan on a continuation of past commuting trends, and a clear policy objective in the 2005 Sub-Regional Strategy was to reduce net out-commuting.
- 4.78 Looking at the range of evidence and in some instances (most notably Brighton and Hove) more recent data, we consider that the following would represent an reasonable and objective assessment of housing requirements based on existing studies.

Figure 5: Objective Assessment of Housing Requirements

	Low	High	Median
Arun	550	650	600
Adur	215	245	230
Chichester	480	590	535
Worthing	430	480	455
Brighton & Hove	800	1000	900
Lewes	430	450	440
HMA Total	2905	3415	3160

- 4.79 It should be noted that this analysis does not however take into account information from the 2011 Census. A full set of population projections taking into account 2011 Census data has not yet been issued by ONS.
- 4.80 However based on the information currently available and the local-level demographic modelling undertaken, the analysis would suggest a housing requirement for between 2,905 – 3,415 homes per year across the Sussex Coast Housing Market. The median figure within this range is for provision of 3,160 homes per annum.

5 LAND SUPPLY, DEVELOPMENT CONSTRAINTS AND HOUSING POLICIES

5.1 This section turns to consider supply-side issues, considering evidence (on an authority by authority basis) of residential land supply, development constraints and the potential for strategic development. It considers policies in current and emerging plans, but also considers the potential for further development over and above this and the sustainability of this.

Adur District

5.2 Adur is one of the smallest local authority in the sub-region sandwiched between the sea to the south and the South Downs National Park to the north. The north of the District falls largely within the South Downs National Park. The area to the south of this, between the National Park and the Sea, is relatively built-up, containing the settlements of Shoreham-by-Sea, Southwick, Fishergate, Lancing and Sompting. A significant proportion of land within the green gaps between Lancing and Shoreham is at risk from both tidal and fluvial flooding. A smaller section of the gap between Lancing and Worthing is also at risk from both tidal and fluvial flooding.

5.3 Adur District Council published the Draft Adur Local Plan for consultation in September 2012. The Plan covers the areas of the District outside of the National Park.

Land Supply Overview

5.4 The Draft Adur Local Plan 2012 consulted on two development options driven primarily by assessed land capacity in the District. These were:

- Option A: 1785 dwellings (167 pa) between 2011-28 with 1050 at Shoreham Harbour and 1785 in the rest of the District;
- Option B: 2635 dwellings (217 pa) between 2011-28 with 1050 at Shoreham Harbour and 2635 in the rest of the District.

5.5 The land supply position (Oct 2012) was as follows:

- Net Completions 2010-11: 63 dwellings
- Extant Planning Permissions: 518 dwellings
- SHLAA sites in urban areas¹⁰: 289 dwellings
- Total: 870 dwellings

5.6 The SHLAA sites includes those within the built-up area. As part of developing the Draft Local Plan, the Council has undertaken a review of built-up area boundaries which includes proposed changes to the boundaries in a number of instances.

¹⁰ Excluding Shoreham Harbour

5.7 In addition to SHLAA sites, the Council has been examining the capacity for residential development through redevelopment of land at Shoreham Harbour and development of greenfield sites adjoining the existing urban area. Residential land supply in the District is also closely related to requirements for and potential release of existing employment sites.

5.8 Overall there is a very limited supply of development land within the District, reflecting its tight boundaries, coverage of the South Downs National park of land to the north of the urban area, and the sea to the south.

Capacity within the Urban Area

5.9 The Adur SHLAA was prepared by Baker Associates in 2009. This has been updated in-house by the Council. The 2012 Update has involved:

- Reviewing sites with planning permission. Updating the assessment to take account of consents granted since 2009. Reviewing development progress on the ground and contacting agents to understand developer intentions. The analysis appears robust;
- Rejected sites within settlements: Updated the assessment including contacting landowners/agents in 2012, taking account of further planning history and reviewing development potential. This has identified a limited number of further sites with development potential.
- Sites with potential within settlements: This has been updated to take account of planning history, and through contacting landowners/agents and considering issues associated with current ownership and lease structures. Sites have not been included as 'available' where there is no landowner intention to promote for development, consistent with Government Guidance.

5.10 The Council has also drawn on other evidence in assessing land supply, such as the inclusion of Ropetackle North and 12/18 Old Shoreham Road which was considered in the Employment Land Review Update. A detailed assessment has been undertaken for these and other new sites identified in the 2012 SHLAA Update.

5.11 We understand that the Council is currently (in Spring 2013) undertaking a further review of the SHLAA.

Development Potential at Shoreham Harbour

- 5.12 Shoreham Harbour was identified as a Strategic Development Area in the South East Plan. However more recent work has envisaged that the scale of development previously envisaged (with land reclamation from the sea) is not viable. The AECOM Development Capacity and Viability Assessment has identified redevelopment sites with a combined potential (within Adur) for between 1200-1600 homes. Of these the AECOM Study estimates that 1,050 could be delivered over the period to 2028.
- 5.13 Adur District Council, Brighton and Hove City Council, West Sussex County Council and other stakeholders are working together to progress a Joint Area Action Plan to provide enhanced policy certainty for redevelopment in this area, and guide investment (including in infrastructure).
- 5.14 From the AECOM Shoreham Harbour Development Capacity and Viability Study, it is estimated that 1050 dwellings could be delivered in those parts of Shoreham Harbour which fall within Adur District and are considered appropriate for residential-led redevelopment.
- 5.15 The Council is currently consulting on draft development briefs for sites within Shoreham Harbour. This includes sites with an indicative development potential for around 1050 dwellings on the Western Harbour. Around 400 dwellings are envisaged in Portslade and the Aldrington Basin. The potential of up to 550 dwellings in the longer-term north of the A259 is also identified, but is not expected to come forward within the plan period to 2028.
- 5.16 As with other sites being promoted in the Local Plan, there are risks to bringing forward development at Shoreham Harbour. For this site, these risks include :
- The intensive existing use of the land by existing businesses. Development would need to support an uplift in land values and require the relocation of existing occupiers (work on which is ongoing). Viability is a particular issue on land to the north of the A259 which supports higher value uses such as retail warehousing;
 - An infrastructure funding gap, related to the delivery of enabling infrastructure such as flood defences and transport improvements.
- 5.17 However, the Regeneration Partnership is exploring every opportunity to overcome these constraints to ensure delivery of regeneration at Shoreham Harbour. This includes:
- Investigating funding opportunities from both public and private sources for infrastructure improvements such as delivering flood defences along the Western Harbour Arm area. The Shoreham Harbour partnership also hopes to benefit from inclusion in the City Deal bid to assist in funding regeneration in the area.
 - Actively working with businesses and land owners to help in relocation of existing occupiers and to encourage new development.
 - Upgrading the public realm to provide a pleasant environment in which to live and work. This will also encourage interest and inward investment to the area.

- 5.18 The Council has been working to consider whether housing numbers for development at the Harbour should be 'ringfenced' from those in the remainder of the Local Plan area. This work is ongoing.

Strategic Constraints to Development

- The potential supply of residential land outside of the existing built-up areas in the District is significantly influenced by the geography of the District:
 - The sea forms the southern boundary of the District. It is not viable to build housing out to sea¹¹;
 - The northern part of the District falls within the National Park which is afforded strong protection from development pressures by national policy. The emerging Adur Local Plan excludes the area within the District which falls within the National Park;
 - Much of the land between the National Park boundary and the Sea is already developed. The key exceptions are:
 - The Lancing/Sompting-Worthing Green Gap; and
 - The Lancing-Shoreham Green Gap.
- 5.19 The two green gaps are modest in size and perform an important role in maintaining the physical separation and identity between settlements in the District. They are also ecological and landscape corridors from the South Downs to the Sea (which support the setting of the National Park), although they are not afforded protection from development pressures *per se* through National Policy. The emerging Local Plan being prepared by Adur District Council has consulted on a number of potential options for development within the two green gaps.
- 5.20 The potential for development within the green gaps is however likely to be significantly influenced by key strategic development constraints:
- Flood risk; and
 - Infrastructure capacity, in particular:
 - access to and impact on the highway network; and
 - potentially sewage treatment capacity; and
 - Landscape capacity.

Development Potential outside of the Built-Up Area Boundaries

- 5.21 Adur District Council has sought to explore development potential within the Green Gaps, considering the potential for development as extensions to the District's existing settlements. To inform this it has undertaken a number of studies including an Urban Fringe Study (2006) and Landscape and Biodiversity Study (2012) examining landscape sensitivity/ impact, a Strategic Flood Risk Assessment (2012) and work to explore other constraints including noise, access etc. The development potential of sites in the Green Gaps has been considered in the SHLAA.

¹¹ As evidenced by DTZ's review of development potential at Shoreham Harbour

- 5.22 The Draft Local Plan 2012 then identifies a number of options for development of greenfield sites in the District. A number of options are set out examining the potential for development of varying combinations of the following sites:
- New Monks Farm: 400 – 600 dwellings (+ up to 10,000 sq.m of employment)
 - Hasler (Old Salts Farm): 300 – 600 dwellings
 - Sompting Fringe: 250 – 420 dwellings
 - Sompting North: 210 dwellings
- 5.23 All of these sites lie within the Green Gaps. The capacity of these sites is indicative and may change as the development of the Plan progresses, taking account of further evidence including the Council's 2012 Landscape and Biodiversity Study.
- 5.24 If all of these greenfield sites were delivered for the maximum capacities shown, they would provide potential for 1,830 dwellings (based on 35 dph average densities). This however seems very unlikely. Indeed the Draft Local Plan does not envisage that all of these sites could be delivered and instead consults on two options for either 915 homes (Option A) or 1765 homes (Option B) on greenfield sites outside of the National Park.
- 5.25 The Lancing-Shoreham Green Gap includes Shoreham Airport. Residential development would not be appropriate in areas close to the Airport because of noise issues. The Green Gap is a flat, low-lying area, a significant proportion of which falls within Flood Zone 3a with some large sections in Flood Zone 3b. It also supports important views from the South Downs and Lancing College to the Sea.
- 5.26 Development potential within this area is therefore focused on the western fringes of Lancing. The Council identify the potential for development of the northern part of this area (**New Monks Farm**). This area of land, which falls within the Green Gap, is considered to have capacity for 450 – 600 dwellings plus up to 10,000 sq.m of employment .
- 5.27 The site falls within Flood Zone 3a (although on-site mitigation measures can be deployed). It is Grade 2 and 3a agricultural land (although not used for agricultural purposes for some time). Furthermore it requires access improvements.
- 5.28 The Council and other relevant parties are working with the Highways Agency to consider the potential to deliver an appropriate access, either through improvements to the Sussex Pad junction on the A27 or a new roundabout, adjacent to the site. It should be recognised that feasibility, cost and funding of access improvements to the A27 could have implications on the deliverability of the New Monks Farm site.

- 5.29 In addition to development at New Monks Farm, the Council has consulted on the potential for employment development at Shoreham Airport. The cumulative impact of these development schemes, if progressed, on the Lancing-Shoreham Green Gaps needs to, and is being considered in the development of the Local Plan.
- 5.30 To the south of the rail line within the Shoreham-Lancing Strategic Gap, potential for 400 homes at Hasler (Old Salts Farm) is identified in a number of the development options. This site provides a maximum capacity for 600 dwellings. Again it is not an ideal site as the majority of the site falls within Flood Zone 3. Implementation of the Adur Tidal Walls Scheme is essential to delivery. Delivery would also require improvements to the A529 Broadway/Brighton Road Junction and a layout which reflects the Airport noise contours. **The feasibility of bringing the Hasler site forward is thus dependent on implementation of the Adur Tidal Walls scheme.** There is a significant question over the financial viability of this. Resolution of groundwater and surface water flooding issues would also be required.
- 5.31 Land to the south of Mash Barn Lane and east of Old Salts Farm in Lancing has planning permission for development of the Brighton and Hove Football Club Academy.
- 5.32 We turn next to sites on the western side of Sompting, within the Sompting-Worthing fringe. This area is less susceptible to physical constraints such as flooding or noise but is relatively narrow, is an important ecological and landscape corridor and maintains the separation between Lancing and Worthing. The Council has identified two potential sites in this area as having development potential. These are the Sompting Fringe and Sompting North.
- 5.33 The Sompting Fringe is identified as a potential allocation with capacity for between 250-420 dwellings. It is in Flood Zone 1 but parts are susceptible to surface and groundwater flooding which would require mitigation. High voltage power lines also run through part of the site.
- 5.34 Sompting North is a smaller site with potential for 210 dwellings, however access is problematic and it has a more important role in maintaining the integrity between settlements. The scale of development and impact on settlement identity and coalescence is being considered through the development of the Local Plan.

Conclusions for the Adur District Plan Area

- 5.35 Housing targets for the Adur Local Plan area are likely to be primarily influenced by assessed land supply which could be delivered in the plan period in the plan area. This is consistent with the approach to the development of the South East Plan.

- 5.36 In setting housing targets within the Adur Local Plan, it will be important to take account of potential delivery risks associated with bringing forward sites within the District. We would recommend that some contingency is made for this to take account of:
- The potential for some SHLAA sites not to come forward because of site specific development constraints, landowner intentions or market / viability issues;
 - Challenges in bringing forward development within Shoreham Harbour related to the timing and costs associated with land assembly, potential infrastructure delivery to support development and viability of schemes.;
 - Key infrastructure dependencies for delivery of strategic sites, particularly in the Lancing/Sompting – Shoreham Local Green Gap related to the funding and delivery timescales for improvements to A27 access, improvements to the A259 and the Adur Tidal Walls Scheme.
- 5.37 In the advance of the completion of detailed technical work and consultation on development options, we consider that it would be reasonable to assume that delivery of a maximum of 180 – 200 homes per annum across the plan area might be achievable (subject to further detailed assessment). This includes development within the built-up area boundary, on greenfield sites within the urban fringe, and at Shoreham Harbour. This represents a shortfall on assessed needs for 215 – 245 homes per annum. Even delivery of 180 – 200 homes per annum would be ambitious and, in our view, require public sector support and intervention. Given the shortfall against assessed need this proactive role in helping to enable and support delivery will be important.
- 5.38 The Council is already considering the potential for significant development outside of the build-up area boundaries within the Lancing/Sompting-Worthing and Lancing-Shoreham Green Gaps through the preparation of its new Local Plan. The Council is evidently making serious attempts to meet its own development needs. However the geography of the District means that there are increasingly fewer opportunities to do so which are consistent with achieving sustainable development.
- 5.39 Given the geography of the District and development constraints which exist, it seems likely that rates of development in Adur District outside of the National Park will fall short of meeting the District's full development needs. It does not seem feasible that the Adur Local Plan will be able to meet any unmet requirements from neighbouring authorities.
- 5.40 It will be important moving forward that Adur District Council engages with the development of the National Park Local Plan. Given evident land supply constraints in the District, in the longer-term (beyond the current plan period) the Council might also need to consider strategic issues associated with the potential to increase densities set against requirements for different types of homes and impacts on neighbourhood character; and the longer-term role and function of green gaps between settlements.

5.41 We would recommend that the Council continues to monitor housing land supply, as well as economic performance and occupancy rates of existing employment areas in the District.

Arun District

5.42 Arun District Council published a Draft Local Plan for consultation in July 2012. The plan covers those parts of the District which fall outside of the South Downs National Park.

5.43 The Draft Plan sets out a vision for economic regeneration, seeking to develop employment and enterprise and reduce out-commuting from the District. It sets out two potential scenarios for housing provision:

- 400 homes per annum (2011-28) in line with Members' aspirations; and
- 565 homes per annum (2011-28) consistent with the South East Plan.

5.44 The Draft Plan identifies the following potential strategic locations for growth:

- The main (coastal) towns of Littlehampton and Bognor Regis;
- The villages of Barnham, Eastergate and Westergate;
- Areas in and around Angmering.

5.45 Littlehampton and Bognor Regis are the main focus for economic and housing growth and infrastructure provision; but most of the proposed growth over the plan period in the two towns is through existing commitments. The Draft Plan additionally proposes:

- Provision of around 2,000 houses around Barnham/ Eastergate/ Westergate together with upgrading of the A29 (particularly through provision of a bypass to Woodgate);
- Provision of around 490 homes at Angmering, together with road improvements to the A259 to provide access to the development;
- Allocations to other town and parish council areas (which are intended to assist neighbourhood planning).

5.46 Development in the Barnham/ Eastergate/ Westergate and Angmering areas are intended to be supported by significant investment in new infrastructure. Overall provision of up to 5,000 homes in the three villages and 1,500 homes in Angmering is proposed (including the proposed parish allocations).

5.47 We understand that Arun District is considering the appropriate level of housing provision further. GL Hearn are updating demographic modelling, taking account of 2011 Census data, to feed into this.

Land Supply Overview

- 5.48 Arun's 2012 SHLAA Update identifies the land supply position at December 2011. This comprises 5,664 dwellings made up of:
- 3,142 dwellings (net) with planning permission at 31st Dec 2011 which are considered broadly deliverable, the majority of which are on large sites;
 - 2,522 dwellings on SHLAA sites within settlement boundaries on 25 sites, the majority of which could be developed before 2023. A significant number of sites (190) were discounted.
- 5.49 The SHLAA assessed the deliverability of sites and it appears (from a high-level review) to have followed a comprehensive approach.
- 5.50 In addition to the above sites, the SHLAA identified a capacity for delivery of 11,991 dwellings over the period to 2028 from 'sites with future potential outside settlements' This included potential for 297 dwellings around Littlehampton, 279 dwellings around Arundel, 3,490 dwellings around Bognor Regis and 11,991 in and around villages. The numbers in the villages split as follows:
- Yapton c 600
 - Barnham c. 600
 - Angmering c. 1200
 - Eastergate c. 2300
 - Westergate c. 2300
 - Ford c. 5000
- 5.51 These sites are assessed in the SHLAA as potentially developable although not supported by current policy.
- 5.52 It is evident that in physical terms, those parts of Arun District which fall outside of the National Park have a higher theoretical capacity for development than other parts of the sub-region. However there are a number of notable infrastructure constraints which are likely to have an impact on the scale of development which could be accommodated in the District.
- 5.53 There are a number of larger sites for which the Council has recently granted or resolved to grant planning permission for development. These include Courtwick Lane and Toddington Nurseries in Littlehampton and north of Burndell Road, Yapton.

Strategic Constraints to Development

- 5.54 There are a number of strategic environmental designations and other policy constraints to development in the Plan Area. These include Sites of Special Scientific Interest (Bognor Reach, Climping Beach, Felpham & Pagham Harbour). Pagham Harbour is also designated as a Special

Protection Area (SPA) under the EC Wild Birds Directive and is a Ramsar site. These represent nationally significant development constraints.

5.55 Parts of the District are also affected by flooding, including from the sea, rivers and groundwater. A large proportion of developable land in the District suffers from potential groundwater flooding linked to its coastal location. We understand that Bognor Regis is at risk of flooding from the sea; whilst Barnham has experienced significant foul and surface water flooding. Development potential in the villages is likely to be affected by the high water table.

5.56 There are in, addition, a number of key highways infrastructure constraints in the District including:

- Congestion along the A27, particularly around the single carriageway section through Arundel;
- Congestion along the A259;
- Congestion on key north-south routes, particularly where these cross the Coastway Rail Line. This includes the A29 at Woodgaate and A284 at Wick.

5.57 In addition the scale and location of development in the District can cause congestion issues beyond its boundaries, particularly around the A27 Chichester Bypass junctions.

5.58 There are also some notable sewage capacity constraints, which particularly affect the west of the District. This includes restrictions on additional discharges into Aldingbourne Rife.

5.59 To inform the development of the Local Plan the Council has undertaken a number of studies to examine potential transport schemes to address identified issues. There are also a number of improvement schemes in the pipeline or under construction.

5.60 The Bognor Regis Relief Road is under construction. This will support delivery of the Enterprise@Bognor employment proposals and delivery of Site 6 Bersted/ Felpham (1350 homes).

5.61 The Draft Local Plan (Policy SP20) also proposes protection of the routes for a number of further road schemes:

Ref	Road Improvement Scheme	Timescale
1	A259 Comet Corner	Short-term
2	A259 Bognor Regis Relief Road	Short-term
3	A284 Lyminster Bypass (Southern Section)	Short-term
4	Bognor Regis Relief Road & Butlins Link	Medium/long-term
5	A259 Rustington-Hangleton Improvements (Stage 2)	Medium/long-term
6	A284 Lyminster Bypass (Northern Section)	Medium/long-term
7	A29 Realignment & Replacement of Woodgate Level Crossing	Medium/long-term
8	A27 Arundel Bypass	Long-term

- 5.62 A recent study has been undertaken to examine the potential for the A29 Realignment and replacement of the level crossing at Woodgate with a bridge. This Study by Parsons Brinckerhoff (May 2012) estimates the cost of this at £20.9 million. This will support development in the three villages area but would represent a significant cost of £10,000 per unit if funding by development in this area alone.
- 5.63 The southern section of the Lyminster Bypass is to be funded through developer contributions from strategic development at North Littlehampton. The Lyminster Bypass Feasibility Study (WSP March 2012) has examined the potential for delivery of the northern section of the bypass, and estimates a cost of £6.3 million of which £4 million has been secured through S106 highways contributions.

Development Potential Outside Built-Up Area Boundaries

- 5.64 Arun District Council has demonstrably undertaken a considerable volume of work to consider the potential for development outside of the built-up area boundaries.
- 5.65 The Draft Local Plan proposes delivery of 2,000 homes across the Barnham-Eastergate-Westergate area. The SHLAA indicates that theoretically there is sufficient developable land to support a potentially higher level of development in this area, with a theoretical capacity for up to 5,200 dwellings. However the high water table and associated risk of groundwater flooding and sewage network capacity are, in reality, likely to constrain the capacity for development in this area. The 2009 Core Strategy consultation proposed 2,500 dwellings in this area in one of the options presented.
- 5.66 However the character of this area – primarily of small settlements – would be significantly affected; and if a higher level of development was progressed, could result in a significant requirement for infrastructure investment. We also have serious reservations as to whether the market could also support a higher level of development in the five villages area. The current proposals for development of 2,000 homes will already require delivery of potentially over 140 dwellings a year over a sustained period in this area, which is substantial relative to the existing population base; albeit not wholly unrealistic given the strategic accessibility of the area to the A27 and Barnham Rail Station.
- 5.67 We are aware that strategic development has previously been mooted at Ford. Any further consideration of this as a development option would need to be supported by detailed assessment of infrastructure capacity, including social and community infrastructure, highways and access and public transport. More fundamentally, we do not consider that there is potential in market terms to bring forward substantial strategic development at Ford alongside the proposals at Barnham-Eastergate-Westergate. These areas are very close to one another and would be targeted at a

similar market. The risk is that any further allocation of land would simply reduce delivery rates on other sites and do little to improving overall rates of housing delivery.

5.68 The SHLAA however does suggest that there could be potential for further development in the longer-term in the five villages area (Eastergate, Westergate, Woodgate, Barnham, Ford and Yapton). This area benefits from a location on the Coastway Rail Line, and with connections north along the Arun Valley to Horsham/Crawley. However any substantial growth in this area over the longer-term would:

- Have a significant lead-in time;
- Likely require substantial improvements to local social and community infrastructure;
- Require further investigation of the feasibility of further improvements to strategic infrastructure, in particular the A27 Arundel Bypass and A27 Fontwell Junctions.

5.69 In view of development pressures in the sub-region, we would however recommend that this is considered further as a longer-term development option to meet sub-regional needs.

5.70 In regard to further development potential around Arun's main towns of Littlehampton and Bognor Regis, the SHLAA identifies a relatively modest potential for additional development at Littlehampton (297 dwellings) but a more substantial potential level of supply in broad locations at Bognor Regis (3,490 dwellings). Arun District Council has undertaken a Feasibility Study to examine the potential for strategic development at West Bank, Littlehampton.

5.71 At Bognor Regis, the SHLAA identifies capacity for 3,490 dwellings, however a significant proportion of the potential sites identified are at Pagham. This is one of the less well served areas in terms of existing highways infrastructure; and it must also be borne in mind that Pagham Harbour is an SPA and Ramsar site.

5.72 Perhaps the greater potential over the longer-term which exists is for development is at Morells Farm, which the SHLAA identifies as having a potential capacity for around 2,400 dwellings in the longer-term. Development in this area would be supported in the medium-term by the completion of the Bognor Regis Relief Road. It was identified as a potential location for future strategic development in the Council's 2009 Core Strategy Options for Growth Consultation.

5.73 The key other potential strategic option which could be considered in the longer-term would be enhanced development at Angmering subject to market demand. We note that the latest version of the SHLAA identified a theoretical potential in broad locations for 1,200 dwellings. This was also one of the growth options considered in the Council's 2009 Core Strategy Options for Growth Consultation (for 1,500 dwellings).

Conclusions for Arun District

- 5.74 Drawing the analysis together, in theoretical terms there are a number of other options for strategic development in Arun District the allocation of which is not proposed in the current Draft Local Plan. These comprise:
- North West Bognor Regis: 2,400 homes
 - West Bank, Littlehampton: 750 – 1000 homes
 - Five Villages Area: Potential for enhanced development which could be a combination of:
 - Higher growth in Barnham, Eastergate & Westergate
 - Higher growth at Angmering
 - Development at Ford
- 5.75 Given the theoretical development options which exist, there is potential for development in Arun District to contribute to meeting the expected shortfall in provision in Worthing, in accordance with the NPPF.
- 5.76 However the key issue which arises is one of market capacity. We note that the 2012 SHLAA is relatively positive regarding the development market in the District. It is arguably too optimistic, set against the analysis in the SHMA Update.
- 5.77 We identified above that potentially 550 – 650 dwellings in the District would be reasonable assessment of the District's own needs. Housing delivery over the last five years has averaged around 600 homes a year (2007-12) representing around 0.85% growth in the housing stock per annum. This is set against a context of relatively depressed market conditions.
- 5.78 The evidence would thus point to the potential for the District to sustain a moderately higher level of completions, assuming recovery of the housing market over the longer-term, particularly given development constraints in other parts of the sub-region. However this needs to be set against the district's lower house prices (particularly in the Coastal Towns) and weaker economy.
- 5.79 We consider that a growth rate of 1.0% per annum over the period to 2031 would represent potentially the maximum feasible which we consider could be achieved over a sustained period in the District. This would represent around 700 dwellings per annum. This takes account of the evidence of market performance set out in the SHMA Update which indicated that the housing demand in relative terms is weaker in Arun District relative to other parts of the sub-region (considering relative prices and sales trends).

Brighton and Hove City

- 5.80 Brighton and Hove City Council published the Proposed Submission Version of the City Plan Part I for consultation in February 2013. This proposed delivery of 11,300 homes over the 2010-30 plan

period (565 per annum) for that part of the City Council Area which falls outside of the South Downs National Park.

5.81 The City urban area is bounded by the sea and the South Downs National Park. It is a relatively intensely developed urban area, with much higher development densities than in other parts of the sub-region.

Land Supply Overview

5.82 Land supply is significantly influenced by the geography of the area. Brighton and Hove is a tightly constrained compact City. It does not have a significant legacy of derelict or brownfield sites.

5.83 The latest information on land supply is from the 2012 SHLAA Update. This provides details of the land supply position in April 2012.

5.84 The Draft City Plan identifies eight key development areas in the City. The development potential in these areas is estimated in the 2012 SHLAA as follows:

Figure 6: Identified Supply in Development Areas in Brighton and Hove

Housing Supply Tables Sept 12 (Base Date 1st April 12)	Pre Plan Adopt	1 - 5 Year Supply	6- 10 Year Supply	11- 16 Year Supply	Total Supply
Identified Supply in Development Areas (6 + units)	2010- 2014	2014- 2019	2019- 2024	2024- 2030	
DA1 Central Seafront	13	0	0	8	21
DA2 Brighton Marina & Black Rock	0	750	1103	84	1937
DA3 Lewes Road	93	361	12	346	812
DA4 Brighton Station / London Road	111	560	373	140	1184
DA5 Eastern Road / Edward Street	0	305	155	11	471
DA6 Hove Station	0	145	200	282	627
DA7 Toads Hole Valley	0	350	350	0	700
DA7 Shoreham Harbour (see Broad Locations)	0	0	0	0	0
Total Supply in Development Areas	217	2471	2193	871	5752

5.85 In addition to these sites there are a number of outstanding allocations and sites with planning consent for development outside of these areas. The supply expected from these sources is estimated below:

Figure 7: Supply from Commitments and Allocations in Brighton and Hove

	Pre Plan Adopt	1 - 5 Year Supply	6- 10 Year Supply	11- 16 Year Supply	Total Supply

Other Identified Supply not in DA's (6 + units)	2010-2014	2014-2019	2019-2024	2024-2030	
O/S Allocations with PP	0	49	0	0	49
O/S Allocations without PP	0	156	300	139	595
O/S Planning Consents >6	615	326	0	7	948
Other Identified Sites without PP	6	235	428	1187	1856
Total Supply Other Identified Sites	621	766	728	1333	3448

5.86 In addition to the above the Council has included the following within its estimated land supply:

- Potential on identified small sites: 648 dwellings
- Potential of Broad Locations: 900 dwellings
 - DA8 Shoreham Harbour: 400 dwellings
 - HRA Estate Masterplan: 500 dwellings
- Small unidentified site allowance: 780 dwellings (post 2024)

5.87 Overall a total supply for 11,528 dwellings is identified in the latest housing trajectory. We have sought to review the land supply with reference to the 2012 SHLAA Update.

5.88 The SHLAA Update took forward the 2011 SHLAA prepared by GVA. There are some key factors here which need to be considered:

- The City’s land supply is primarily brownfield and therefore not particularly reliant on Local Plan allocations. Housing completions in the City averaged 449 dwellings per annum between 1996-2001, then rose to an average of 677 per annum over the 2001-6 period. They have since fallen back with average completions of 510 homes per annum between 2006-12. Nearer 300 homes per annum have been delivered a year between 2010-12. The Housing Trajectory and housing supply policies assume recovery to delivery of over 640 dwellings from 2014 and that this can be sustained for a decade or more.
- Achievement of this is reliant on improved housing market conditions and particularly improvements in issues affecting the viability of flatted development (which is influenced by a number of issues – including constraints in accessing mortgage finance, higher finance costs and willingness of banks to lend, and alternative use values). However there are positive signs emerging that mortgage finance constraints are starting to ease; and demand and values for student bedspaces remains strong.
- Estimates of potential from estate regeneration are indicative. Supply from this source (particularly in net terms) could vary and there are some risks to the deliverability of this.
- Comments on risks associated with development at Shoreham Harbour (as set out below) apply equally to Brighton and Hove.
- The supply figures also include a windfall allowance for development post 2024. Given the nature of the land supply in the City, it does seem entirely reasonable that windfall sites will make a substantial contribution to land supply over the plan period to 2030.

- 5.89 Overall, whilst we consider that there are potential challenges associated with delivering (and estimating the capacity yield) of estate generation schemes and the timing and pace of recovery in the flatted market. However given the character of the City we would also expect development of windfall sites to be stronger in reality than indicated in the current trajectory. The strength of house prices and rental demand in the City could well support a stronger and quicker recovery in the market in the City than in a number of other parts of the region.
- 5.90 **Overall whilst there are some risks to delivery of the housing trajectory, we would regard it as ambitious but potentially achievable. However we consider that there is likely to be limited further scope for sustainable development over-and-above this within the existing built-up area.**

Strategic Constraints to Development

- 5.91 The South Downs National Park covers much of the land to the north of the Brighton and Hove urban area. As we have identified, the City does not have a significant legacy of brownfield previously-developed sites. There are also congestion and air quality issues, and other infrastructure issues which are prevalent in this, as in many other, cities.
- 5.92 In developing the City Plan Part I, the Council has sought to consider through the development of its evidence base whether there is potential for release of either employment land or open space to support residential development.
- 5.93 The 2012 Employment Land Study Review¹² identifies a shortfall of between 16,240 – 21,000 sq.m of B1a/B1b (office/ R&D) floorspace, and 33,930 sq.m of B1c, B2 and B8 (industrial/ warehouse) floorspace. Given the identified shortage of both office and industrial floorspace and the strong occupancy rates of existing employment sites, Policy C3 in the Submission City Plan identifies that it would not be appropriate to redevelop employment land and seeks to prevent further losses of employment sites.
- 5.94 The Council published a Sport, Open Space and Recreation Study in 2009 which indicated a requirement for additional open space in the City over the course of the Plan period and recommended that an additional 170 hectares would be required to maintain recommended standards. Release of open space for housing would thus not be consistent with the presumption in favour of sustainable development and Policy CP16 in the Submission City Plan Part I seeks to protect open space.

¹² Brighton & Hove Employment Land Study Review 2012, NLP, December 2012.

Development Potential outside Built-Up Area Boundaries

- 5.95 In developing the City Plan Part I, it is evident that Brighton & Hove City Council has considered the potential for residential development in the urban fringe. The Draft Brighton and Hove City Plan Part I defines the urban fringe as the area lying between the City's built-up-area boundary and the boundary of the South Downs National Park.
- 5.96 A review of urban fringe sites was undertaken to support the Submission Core Strategy in 2010 which concluded that urban fringe sites should only be considered for development on a 'contingency' basis should the supply in other parts of the City fall short of expectations.
- 5.97 The majority of sites in the city's urban fringe contribute to the City's outdoor recreational resources and open space network, or are important for strategic food production.
- 5.98 Policy SA4 in the Draft City Plan identifies five key objectives for land in this area: protection and enhancement of its landscape role, the setting of the National Park and strategic views into the City; securing better management, environmental improvements and safe public access; its promotion as part of the city's green network; protection of sensitive groundwater protection zones; and creation of gateway facilities and interpretative facilities in connection with the National Park and to support sustainable tourism.
- 5.99 The City's evidence base, specifically the 2011 SHLAA, however recognises that there are development opportunities within the urban fringe and that some of these may need to come forward to meet the City Plan housing targets. This sets out that:

There may be some opportunity for limited housing development at appropriate locations and at an appropriate scale within the Urban Fringe. However any boundary changes would need to be achieved through a wider policy review. It is not appropriate at this time to identify locations outside the built up area as a broad area of search.

The Urban Fringe plays an important role within the City's make up providing a buffer between the built-up area of the City and the South Downs National Park. The area provides a large proportion of the City's outdoor recreation and leisure space. Through small farms and allotments the Urban Fringe also provides an important role in local food production. However, scarcity of large previously developed land and sites within the City has increased development pressure on urban fringe sites particularly for uses, such as waste management facilities, which cannot be easily accommodated within built-up areas.

- 5.100 The City Council has undertaken a detailed assessment of sites in the urban fringe. This has informed the identification of land at Toads Hall Valley on the northern edge of the City for development. This is now identified as a new Development Area (DA7) in the Plan which proposes it as a strategic allocation for mixed-use development. It has an estimated capacity for 700 homes.

5.101 The Council's *Technical Background Paper – Housing Delivery* (BHCC, Feb 2013) identifies that

“there are a small number of other sites identified as having some potential for housing development within the urban fringe but these are small scale sites and it was not considered appropriate to allocate them through Part I of the City Plan. These additional sites could be considered through consultation as part of the preparation of the City Plan Part 2 (Site Allocations and Development Policies). This would require a more comprehensive policy review of the city’s built up urban area boundary.”

Conclusions for Brighton & Hove City

5.102 Land supply in Brighton and Hove is clearly restricted. The housing requirement for 11,300 homes (565 per annum) in the Submission City Plan Part I does not fully meet the City’s objectively-assessed development needs for between 800 – 1000 homes per year. Indeed it seems likely that housing provision will fall significantly short of meeting the City’s needs. This is primarily a function of the City’s geography and constrained land supply.

5.103 The City Council has demonstrably sought to consider all potential sources of supply in the development of the City Plan Part I, including the potential for development of employment land and open space for housing, and sites within the urban fringe. The evidence base suggests limited capacity from these sources; although some has been identified and the Plan proposed the allocation of a strategic site within the urban fringe at Toads Hole Valley.

5.104 The Plan also evidently seeks to maximise the development potential of identified sources of land. It sets policies for minimum densities of 100 dwellings per hectare within the identified development areas, and 50 dwellings per hectare outside of this. These densities are significantly above those expected in other parts of the sub-region. It also includes supply from redevelopment of sites at Shoreham Harbour and intensification within Council-owned estates.

5.105 Around 11,500 homes are identified in the Council’s latest housing trajectory, including provision for windfall development post 2024. There is potential for additional windfall development to come forward over the plan period, although it would be inconsistent with national policies to rely on this. The potential for additional supply to come forward from this source needs to be balanced off against risks associated with the degree and timing of recovery in market for higher density flatted development which is likely to affect housing delivery rates in the City.

5.106 Overall we consider that whilst there are upside factors which might enable additional supply to come forward, including the potential for additional windfalls and for development of smaller sites in the urban fringe, these are balanced off against risks associated with the pace and nature of market recovery. Against this context the minimum target for delivery of 565 homes per year seems reasonable. The preparation of the City Plan Part 2 will help to provide policy certainty to rates of development.

Chichester District

- 5.107 Chichester District Council consulted on Housing Numbers and Locations in Summer 2011 as part of the development of a new Local Plan. The forthcoming Chichester Local Plan will cover only those parts of the district outside the South Downs National Park. Most of the Plan area comprises the southern part of the District, including Chichester City and the Coast. In addition, the Plan covers two small areas outside the National Park boundary in the northern part of the District, but these are predominantly rural and relate more strongly to the Northern West Sussex HMA and Surrey. Development proposals in this area are expected to be guided by neighbourhood planning.
- 5.108 The Council's 2011 consultation set out five potential options for housing provision in the south of the District (excluding the National Park) for between 305 – 415 dwellings per year over the period to 2028. For the north of the District (outside of the National Park), it sets out options for between 12 – 20 dwellings per year over this time period¹³.
- 5.109 The Council has since been undertaking further work to consider development potential, and strategic constraints to development and how these could be addressed. The Council is currently drafting its Local Plan Key Policies document for consultation in March/April 2013. We understand that the draft Plan will make provision to deliver just under 7,000 homes over the period to 2029 in the Plan area (i.e excluding the National Park) of which around 200 are expected to be in the north-east of the District and 6,800 in the south of the District (outside of the National Park).

Land Supply Overview

- 5.110 The Council published a SHLAA in March 2010 covering the whole of Chichester District. This is currently being updated specifically for the Local Plan area. At 1st April 2012 there was an estimated housing supply of 1,965 dwellings in the South of the District on committed sites and identified SHLAA sites within settlement boundaries.
- 5.111 The commitments included a number of larger development sites in and around Chichester, including residential development at Graylingwell and Roussillon Barracks in the north of Chichester City.
- 5.112 A number of other planning applications are also under consideration including proposals for up to 500 dwellings at Shopwhyke Lakes on the eastern side of the Chichester Bypass.

¹³ The north of the District includes the villages of Camelsdale, Hammer, Ifold, Kirdford, Loxwood, Plaistow and Wisborough Green

- 5.113 The Council has been progressing further work to consider the capacity of existing settlements to accommodate non-strategic housing taking account of known development constraints (including waste water headroom - see below). In Autumn 2012, the Council undertook an informal consultation with parish councils and key stakeholders on 'Parish Housing Numbers.' These would be indicative, housing numbers to be identified on non-strategic sites in individual parishes through neighbourhood plans.
- 5.114 The Council has also continued to work with promoters, infrastructure providers and other stakeholders to assess the scale of housing likely to be deliverable on potential large strategic sites.

Strategic Constraints to Development

- 5.115 Focusing first on the South of the District (including Chichester City), there are a number of major constraints to development.
- 5.116 The most critical issue relates to waste water treatment capacity. The Apuldram Waste Water Treatment Works (WWTW) serves Chichester City and Fishbourne. However storm effluent discharges from this works impact on water quality at Chichester Harbour (an SPA and Ramsar site). In August 2010 the Environment Agency published a Position Statement advising the Council to refuse permission for new residential development if it would result in a significant increase in the net flow to the sewage network discharging to Apuldram WWTW. These restrictions present a major obstacle to development in the Chichester area. In addition, there are capacity and environmental constraints affecting the other WWTWs serving the South of the District.
- 5.117 Against this context the Council has been working to consider alternative options to increase wastewater treatment capacity to accommodate new development over the Plan period. The Council commissioned a study in 2010 which assessed a number of options, concluding that the most sustainable option would be to expand and upgrade the Tangmere WWTW. Subsequent work by Southern Water and the Environment Agency has shown that this option is potentially viable, subject to securing OfWAT funding.
- 5.118 However, the timescale for securing OfWAT funding through the Periodic Review process means that the expansion of Tangmere WWTW is not expected to take place until 2019. This limits the amount of housing that can be delivered prior to this date.
- 5.119 Highways capacity and traffic congestion is also a major strategic constraint to development. This is particularly true at junctions along the A27 Chichester Bypass. This results in congestion both along the A27 and in terms of links between the City and Manhood Peninsula and Bognor Regis. Transport modelling work is on-going to consider the impacts of potential strategic development

options on highways capacity (on both the strategic and local road network) and identify potential solutions.

- 5.120 Both Chichester Harbour and Pagham Harbour are designated as SPA and Ramsar sites and there is evidence that recreational pressures are having a harmful effect on over-wintering birds. These impacts could potentially be increased by further major housing development. This issue is being considered further through the Solent Disturbance & Mitigation Study and Pagham Harbour Recreation Study. These constraints limit the scope for new development close to the Harbours. In addition, it is anticipated that all major development proposals in these areas would need to provide or contribute towards mitigation or avoidance measures, subject to the outcomes of Appropriate Assessment.
- 5.121 In addition to the above, there are a number of other development constraints affecting large parts of the Plan area. These include the Chichester Harbour AONB, major areas of flood risk (particularly on the Manhood Peninsula and around Chichester City), and landscape sensitivity relating to the setting of the National Park and Chichester City.
- 5.122 Noise impacts associated with Goodwood Aerodrome and Motor Circuit are also a potential constraint on residential development on the north eastern side of Chichester City and at Westhampnett.

Development Potential Outside Built-Up Area Boundaries

- 5.123 The Council is currently drafting its Local Plan Key Policies document for consultation in March/April 2013. We understand that the draft Plan will make provision to deliver just under 7,000 homes over the period to 2029 in the Plan area (i.e excluding the National Park). This figure includes provision to make up the estimated existing shortfall against the South East Plan target since 2006 (258 homes), and thereafter deliver an average of 395 homes per year.
- 5.124 The draft Plan identifies potential strategic allocations to provide 3,550 dwellings at the following locations (the housing figures are provisional and subject to further site assessments):
- Shopwyke: c500 dwellings
 - West of Chichester City: c1,000 dwellings
 - Westhampnett (north-east of Chichester City): c500 dwellings
 - Tangmere: Up to 1,000 dwellings
 - Southbourne: 300 dwellings
 - Selsey: 150 dwellings
 - East Wittering/Bracklesham: 100 dwellings

- 5.121 The draft Plan looks to achieve the early delivery of housing sites at Southbourne, Selsey and East Wittering/Bracklesham which are less constrained by the wastewater capacity issues in the short term. There is also scope to develop at Shopwyke (which is already subject to a planning application) by utilising the existing remaining wastewater capacity at Tangmere WwTW.
- 5.125 Development at the other strategic sites at Chichester City and Tangmere is planned to follow the proposed expansion of the Tangmere treatment works in 2019.
- 5.122 In addition, the Plan provides for 775 dwellings to be delivered on non-strategic sites to be identified in neighbourhood plans and/or a later Site Allocations DPD (of which 200 are proposed in the North of the District (outside the National Park). The draft Plan also includes allowance for around 650 homes coming forward on small windfall sites.
- 5.126 The housing numbers proposed in the draft Plan take account of the potential lead-in time for upgrading of waste water treatment capacity to support development. Further work is required to confirm this and to assess the feasibility and pacing of development with regard to transport and other infrastructure improvements.

Conclusions for Chichester District

- 5.127 We considered that an objective assessment of housing requirements for the District would be equivalent to between 480 – 590 dwellings per annum. The lower end of this range aligns with recent population trends with the higher end reflecting the potential for additional economic-driven demand. These figures are however for the District as a whole.
- 5.128 The SHMA Update estimated that around 28% of the District's population lived in the National Park. It projected that based on past population trends, 26% of housing requirements would arise in the National Park. On this basis we estimate a housing requirement for around 125 homes in the National Park; and between 355 – 465 homes in the remainder of the District¹⁴. The draft Chichester Local Plan makes provision for an average of 395 homes per year for the part of the District outside the National Park. It is thus broadly meeting the needs of the Plan Area.
- 5.129 The SDNPA has not at this stage set out planning policies for housing provision for the area which falls within Chichester District. If the National Park area delivers approximately 75 homes per year (broadly equivalent to completions levels over the past decade) the District would be largely meeting its own housing needs over the plan period, but can be expected to make a limited contribution (if any) to wider development needs based on current planning assumptions.

¹⁴ We would expect economic growth to be a stronger driver of housing requirements in the South of the District (including Chichester City) than in the National Park or North

- 5.130 The District's (and particularly Chichester's) housing market is relatively buoyant. The Graylingwell and Rousillion Barracks schemes are likely to provide a supply of new homes in the short-term, with other potential strategic sites coming forward in the short/medium-term and longer term through the Local Plan.
- 5.131 We consider that there is likely to be limited potential to bring forward further strategic development in and around Chichester beyond those sites currently being considered over the plan period to 2028 given the dependencies on delivery of major infrastructure investment. It would be appropriate instead to focus efforts on addressing key constraints which could influence the timing and pace of development, in particular the highways and waste water treatment capacity issues. The build-out of strategic sites will also be influenced by market dynamics.
- 5.132 Given the sub-regional land supply constraints which exist, there is a strong strategic case for major infrastructure investment and funding in and around Chichester. Addressing junction capacity along the A27 Chichester Bypass will support longer-term strategic development both at Chichester and Bognor Regis (including beyond the timeframe of the current round of emerging Local Plans).

Lewes District

- 5.133 Lewes District Council in partnership with the South Downs National Park Authority published a Proposed Submission Joint Core Strategy for Lewes District for consultation in January 2013. The Plan covers the whole District. Just over half of the District falls within the National Park (including Lewes town and the downland area immediately to the north of the coastal towns).
- 5.134 Based on the range of evidence currently available, we find that NLP's assessment of housing need/demand is realistic and consider that provision of between 430 – 450 dwellings per annum would represent a reasonable objective assessment of development needs in the District. This should be regarded as indicative in that there is not a current and up-to-date assessment of affordable housing needs which can be drawn on. Although there is not an up-to-date housing needs survey for the District, there is plenty of evidence which points to a significant affordable housing need in the District (e.g. the housing register) and evidence that this will continue, particularly with the overall level of housing provision that is envisaged.
- 5.135 The Council considered three options for development of between 225 – 450 dwellings per annum, with its Sustainability Appraisal concluding that the lower level was most appropriate. The SA also informed the appropriate level of housing provision at a settlement level.

- 5.136 The Proposed Submission Joint Core Strategy makes provision for 4500 planned dwellings (225 per annum) over the 2010-30 plan period. This reflects the significant development and infrastructure constraints which exist in the District, not least the National Park and environmental designations. It is considered to be in conformity with the South East Plan (220 dwellings per annum) and seeks to meet the District's housing needs as far as reasonable possible (in accordance with para 47 in the NPPF).
- 5.137 The Strategy adopts a spatial vision which recognises the different character and issues in different parts of the District; including the need for regeneration of areas such as Newhaven; to enhance and conserve the valued environment around Lewes whilst meeting the town's needs; and retaining and enhancing the character and identity of the Low Weald villages whilst meeting local needs and supporting the rural economy.

Land Supply Overview

- 5.138 The Proposed Submission Core Strategy identifies the following components of land supply:
- 408 dwellings already completed between 2010-12;
 - 641 dwellings on sites with outstanding planning permission;
 - 666 dwellings on sites where a resolution to grant permission exists;
 - 187 dwellings on unimplemented Local Plan allocations which are still deemed developable.
- 5.139 These sources of supply total c. 1900 dwellings. The Council and National Park Authority also include an allowance for development of 190 dwellings on windfall sites in the first five years of the plan. In reality, windfall development will continue beyond this period and hence the number of residential units to be delivered during the plan period will be greater.
- 5.140 The Proposed Submission Joint Core Strategy then proposes a number of strategic site allocations for delivery in the early part of the plan period:
- Land at North Street, Lewes: 350 dwellings
 - Land at Bishops Lane, Ringmer: 120 dwellings¹⁵
 - Land at Greenhill Way, Haywards Heath: 140 dwellings
- 5.141 These strategic sites are those which are considered deliverable in the early part of the plan period. The Joint Core Strategy also identifies land at Harbour Heights, Newhaven as a broad location for growth. Although the exact capacity of this location has not yet been identified, it will help deliver a significant part of the overall requirement for 780 planned dwellings at the town, beyond what is already included within the current housing land supply.

¹⁵ Subject to the Ringmer Neighbourhood Plan not planning for an equivalent number of dwellings for the early part of the plan period

- 5.142 In addition the Joint Core Strategy proposes a target for planned housing provision in key settlements across the District, the largest of which are for 780 dwellings at Newhaven, 360 at Lewes (this is in addition to the strategic site at North Street), 220 at Peacehaven & Telscombe; 100 at Newick; and up to 220 at Ringmer & Broyle Side (depending on delivery of the strategic allocation). These figures are informed by the evidence base prepared, particularly the SHLAA Study, transport evidence, Landscape Capacity Study and Rural Settlement Study.
- 5.143 In total the SHLAA identified sites which can be considered developable with capacity for 4,691 dwellings. This is higher than the housing requirement set out in the Plan, although certain other factors need to be taken into account. This includes future aspirations for current employment, recreational and community use sites (which have been identified as either developable or deliverable through the SHLAA process), infrastructure constraints (particularly transport infrastructure constraints) and, in some instances, whether delivering the potential number of dwellings identified in the SHLAA is seen as compatible with meeting the statutory purposes of the National Park.

Strategic Constraints to Development

- 5.144 Key development constraints in the District include the coverage of the National Park of just over half of the District; and other environmental designations including sixteen Sites of Special Scientific Interest and two Special Areas of Conservation.
- 5.145 Furthermore there are a number of areas within the District which are subject to flooding from the River Ouse or its tributaries or the sea. Approximately 10% of the land in the district is within Flood Zone 3, which includes functional floodplain, much of which is within and around the urban areas of Lewes town and Newhaven..
- 5.146 There are also transport capacity issues. Only a limited amount of additional development is considered possible (over and above existing commitments) within the towns of Newhaven and Peacehaven/Telscombe before the highway network – particularly the A259 to the west of Peacehaven and the Newhaven ring road – is placed at an unacceptable level of congestion even allowing for deliverable mitigation measures, particularly in the form of junction improvements and implementation of mechanisms to achieve modal shift. This is a key factor which has informed the setting of levels of housing growth at Newhaven, Peacehaven and Telscombe.
- 5.147 A further issue is traffic levels on the A27, which are expected to reach capacity in the near future, particularly west of the Ashcombe Roundabout where the Highways Agency is forecasting 'highly stressed' road conditions by 2026.

Development Potential Outside Built-Up Area Boundaries

- 5.148 Aside from North Street, Lewes, the strategic site allocations identified in the Plan comprise land outside of current built-up area boundaries. This includes development on the edge of Ringmer, Haywards Heath (which although is a town outside of the district it is bordered by Lewes district on its south eastern edge) and Newhaven. It is also envisaged that to meet the levels of planned growth assigned to individual settlements in the Joint Core Strategy, sites outside the existing built-up areas will need to be delivered.
- 5.149 The Proposed Submission Joint Core Strategy identifies that there is very limited potential for the outward expansion of Seaford given the tight boundary of the National Park around the existing urban area.
- 5.150 The potential for additional development around Peacehaven and Newhaven is significantly constrained by the highway network. Lewes District Council and the SDNPA have together carefully considered the potential for further development around Peacehaven and Newhaven supported by improvements to the A259. The level of growth proposed is deemed to be the maximum which could be achieved taking into account what improvements to the A259 are feasible (including both highways improvements and public transport measures to support modal shift).
- 5.151 The Council has also explored the potential for development adjoining Burgess Hill and Haywards Heath in liaison with Mid Sussex District Council. Lewes District borders the south-east and eastern sides of Burgess Hill. Around half of the common boundary to the town either falls within the Ditchling Common SSSI or the National Park. A 2005 Study entitled *Feasibility Study for Development Options at Burgess Hill* (Atkins 2005) explored the potential for extensions to the town identifying the potential for delivery of up to 5,000 homes supported by a new spine road to the east. Mid Sussex's Revised Draft Local plan proposed the allocation of a significant proportion of this land, including a strategic allocation at Kings Way on the eastern side of the town for 500 homes and 3,000 – 3,500 homes to the north and north-west of the town. Within Lewes District, the potential for development of around 150 dwellings adjoining Burgess Hill was identified in the 2011 Emerging Core Strategy. However, this option has subsequently been discounted given significant concerns over a co-ordinated approach to developing this area being achieved and also achieving suitable access to the site. These concerns prejudice this areas developability. Should this be overcome, this may however represent a longer-term development option. Development in the wider area of Lewes District that adjoins Burgess Hill is prejudiced by landscape impact, flood risk and significant areas of ancient woodland.
- 5.152 The *Feasibility Study for Development Options at Haywards Heath* (Atkins, 2005/6) identified a number of sites adjoining Haywards Heath with development potential subject to their availability

and the funding and delivery of infrastructure. Lewes District Council have considered the potential for additional development at Haywards Heath and propose delivery of 140 homes as an extension to Haywards Heath in Lewes District. This represents, based on the evidence available, the maximum amount of development which is considered feasible in the area of Lewes District that adjoins Haywards Heath.

- 5.153 In addition to development adjoining the main settlements, in the development of the Joint Core Strategy the Council and NPA have looked at the potential for enhanced development in the villages in the northern part of the District which fall outside of the National Park. This includes Wivelsfield Green, North Chailey, South Chailey, Newick, Plumpton Green, Barcombe and Cooksbridge. The potential capacity of these villages to absorb development has been considered, drawing together the findings from the SHLAA, Landscape Capacity Study, transport evidence, and the Rural Settlements Study. The SHLAA shows only limited potential at these villages beyond what the levels of development proposed in the Joint Core Strategy. Transport capacity issues in particular rule out significant additional development at Wivelsfield Green.
- 5.154 The Council and NPA have also undertaken an initial scoping exercise to consider whether a new settlement of 5,000+ homes could be delivered. The Scoping Report, which was published in April 2012, identifies a range of environmental, transport and infrastructure barriers to delivering a new settlement. The Study includes consideration of a site submitted through the SHLAA around Plumpton Green however this is ruled out on the basis of the potential major landscape and transport impact. Given the significant shortfall that the district is facing, in terms of meeting its housing needs, the option of a new settlement may be worth exploring further as a longer-term development option in the northern part of Lewes District outside of the National Park. This is likely to be beyond the current plan period given the significant lead in time required to deliver such a development. Beyond what has already been undertaken for the New Settlement Scoping Report, this work should examine the potential to deliver the required significant infrastructure investment and also undertake further feasibility testing in coming to any further conclusions on the potential for delivery. This work should also be undertaken within the context of the wider area that lies to the north of the South Downs National Park (i.e. in areas such as Mid Sussex and Wealden).

Conclusions

- 5.155 The Proposed Submission Joint Core Strategy for Lewes District proposes delivery of 225 dwellings per annum over the plan period to 2030. This falls substantially below meeting the District's objectively assessed housing needs for between 430-450 dwellings per annum. This particularly reflects the significant landscape, environmental and infrastructure constraints which exist within the District. 55.5% of the District's land area falls within the National Park.

- 5.156 The Council and NPA have tested through the Sustainability Appraisal (SA) process the ability to accommodate development of 450 homes per year. They have considered a range of options for enhanced development outside of current built-up area boundaries, and the impacts of this on landscape, transport and other infrastructure capacity. The SA concludes that delivering this level of housing provision is not consistent with achieving sustainable development.
- 5.157 The evidence base points to transport infrastructure constraints constraining the scale of potential development at Peacehaven and Newhaven. In the longer-term, beyond the current plan period, additional development would need to be supported by a substantial package of funding for highways improvements. This may be something which could be promoted at a sub-regional level. However, such improvements would be constrained by the National Park designation precluding certain options (for instance a bypass for the towns) and the limited scope for any further improvements to the existing highway network in this area (generally due to the existing positioning of buildings in this area constraining the ability to widen the existing highway).
- 5.158 Other longer-term development options include growth at Haywards Heath and Burgess Hill. These settlements fall within Mid Sussex and development proposals would continue to need to be progressed jointly. In the current planning timeframes, the preferred locations for growth of these towns are to the north of Burgess Hill and south of Haywards Heath. There is a particular focus for growth at Burgess Hill within Mid Sussex's emerging Local Plan. There is extant planning consent for strategic development to the south of Haywards Heath which is expected to deliver a southern bypass to the town. An alternative to further development of these settlements may be delivery of a new settlement. This would need to be progressed on a sub-regional basis through joint working across local authorities, most likely including both those involved in this Study and the Northern West Sussex authorities.
- 5.159 Given the significant differential between the potential land supply and assessed housing requirements, it seems unlikely that Lewes District will be able to meet its own development needs. It will be important that the Council engages with the development of the National Park Local Plan. We would also recommend that the Council continues to monitor housing land supply, as well as economic performance and occupancy rates of employment areas in the District, and works proactively to enable and support the delivery of housing sites.

South Downs National Park

- 5.160 The South Downs National Park Authority became the planning authority for the National Park in April 2011. At this time the Authority inherited the 12 adopted local plans for the individual District, Borough and City Council Areas which fall partly within the Park. The NPA subsequently adopted a

joint Worthing Core Strategy (in August 2011) and is working jointly on a further five Joint Core Strategies across the National Park, including a Joint Core Strategy for Lewes District. The remaining Coastal West Sussex Authorities – Chichester, Arun and Adur District Councils – and Brighton and Hove City Council are all pursuing Local Plans for those parts of their area which fall outside of the National Park.

- 5.161 The South Downs National Park Authority is also at an early stage in preparing a National Park Local Plan. An initial issues and options consultation is proposed in early 2014 with consultation on preferred options and site allocations scheduled in early 2015, submission by mid 2016 and adoption by mid 2017. On adoption of the National Park Local Plan, the inherited local plans and joint core strategies will be superseded.
- 5.162 To inform the Local Plan, the National Park Authority will be progressing a Strategic Housing Land Availability Assessment, building on the SHLAA work previously carried out by the different local authorities which fall partly within the Park. There are current difficulties in terms of getting information full to the National Park boundary, as it cuts through county, district, parish and super-output area boundaries, and the South East Plan did not differentiate the National Park in the distribution of housing numbers across the region.
- 5.163 Given the early stage that the National Park Authority is currently at in developing the National Park Local Plan, the Authority is unable to indicate as to the level of housing provision that is likely to be proposed in the National Park by the Local Plan; or to disaggregate what level of development might come forward within the Sussex Coast local authority areas. This information will not be able to be provided until late 2014 when the Proposed Options version of the Local Plan is due to be confirmed by the Authority.

Strategic Constraints to Development

- 5.164 The National Park Authority has a statutory duty to conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public. Section 63 of the 1995 Environment Act requires **any relevant authority** (including public bodies and statutory undertakers), when exercising or performing functions which relate to or affect land in a National Park, to attach greater weight to the purpose of 'conserving and enhancing' the Park, if it appears that there is a conflict between the two National Park purposes. This enshrines in legislation the long-established Government policy referred to as the **Sandford Principle**.
- 5.165 National Parks also need to take into account the DEFRA Circular on National Parks (2010) which highlights that National Park Authorities have an important role to play as planning authorities in the delivery of affordable housing. Through their local plans they:

“should include policies that proactively respond to local housing needs. The Government recognises that the National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services. The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.”¹⁶

5.166 These themes are reinforced in the National Planning Policy Framework (CLG, March 2012). In paragraph 115 this sets out that *“great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important areas, and should be given great weight in National Parks and the Broads.”*

5.167 Paragraph 116 then goes on to state that *“planning permission should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest. Consideration of such application should include an assessment of:*

- *The need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, on the local economy;*
- *The cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way; and*
- *Any detrimental effect on the environment, the landscape and recreation opportunities, and the extent to which that could be moderated.*

5.168 It is clear that national policy provides strong protection to National Parks from development pressures and places great weight on conserving landscape and scenic beauty. Paragraph 14 in the NPPF reaffirms this, confirming that in National Parks it is appropriate that development should be restricted and that it thus may not be possible to meet objectively assessed needs for development.

Indicative Land Supply and Development Potential

5.169 Given the early stage of preparation of the Local Plan for the National Park and its supporting evidence base, it is not possible at this stage to provide any firm view regarding potential policies for housing provision, or the capacity for residential of those parts of the sub-region which are within the Park.

¹⁶ DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

- 5.170 However for the purposes of this report, it is useful to provide a broad-brush indication of the potential balance between housing requirements and potential housing supply to inform the consideration and development of policies for housing provision of those parts of the local authority areas which fall outside of the National Park.
- 5.171 In Adur District, Coombes is the primary settlement which falls within the National Park. The 2001 Census has a population of 51 people. The housing requirement for a hamlet of this size is likely to be minimal (less than 5 dwellings over a 20 year period). There were no housing completions in Coombes over the 2001-12 period. In Brighton and Hove there are no settlements within the National Park boundary. In Lewes, the SDNPA and Lewes District Council are progressing a Joint Core Strategy which includes the National Park.
- 5.172 We have sought to provide an initiative high-level assessment of the supply-demand balance to assist with consideration of any potential shortfall in provision, where the authorities might need to consider making provision for this in other parts of the sub-region. This analysis has thus focused on:
- those parts of the Park where authorities are preparing separate Local Plans for the areas outside of the Park (as opposed to joint plans with the SDNPA); and
 - where there are significant settlements within the authority area which fall within the National Park.
- 5.173 We have sought to focus on considering the potential balance between housing requirements and supply in those parts of the park which fall within Arun and Chichester Districts.
- 5.174 The SHMA Update estimated a housing requirement for around 112 dwellings per annum in the National Park in Chichester District (based on past demographic trends). Using a similar approach it estimated a requirement for around 39 dwelling per annum in the National Park in Arun District although it should be noted that this includes Arundel¹⁷. The approach to defining the housing requirements for these areas has used the ward geography consistent with the DTZ Housing Requirements Study prepared for the SDNPA.
- 5.175 To assess potential supply in indicative terms in the absence of detailed capacity information we have sought to analyse past completions and levels of commitments recorded at April 2012. This has been estimated using West Sussex County Council monitoring data at parish level.
- 5.176 For those parts of the Park which fall within Chichester District, completions over the last decade have averaged we estimate around 100 dwellings per annum between 2001-12. This has however been supported by development of some larger sites. We estimate commitments (as at April 2012)

¹⁷ This includes the wards of Arundel and Walberton. Arundel is outside of the National Park. Walberton is partly in the National Park.

for around 650 dwellings within this area. Moving forward, it seems reasonable to assume that delivery of approximately 75 homes per year could be achieved.

- 5.177 For those parts of the Park which fall within Arun District, we estimate that there have been completions of around 8 dwellings per annum over the 2001-12 period. However this rises to 28 if Arundel and Warburton parishes are included for consistency with the assessment of housing requirements. We estimate commitments (as at April 2012) for around 20 dwellings (rising to around 35 including Arundel and Warburton). This appears modest.
- 5.178 Assessed against demographic-based needs this would indicate a potential shortfall in provision from those parts of the Park which fall within Chichester and Arun Districts of around 40-50 dwellings per annum.

Conclusions for South Downs National Park

- 5.179 Our initial, high level assessment suggests that, focusing on Chichester and Arun Districts, levels of development similar to those in the past within the National Park are likely to fall short of meeting objectively-assessed development needs. However this would not be inconsistent with national policy which indicates that the statutory duty of the National Park is to conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public. The NPPF recognises that there may to be circumstances in National Parks where meeting objectively-assessed needs is not compatible with sustainable development or the statutory duties of the NPA.
- 5.180 Through the development of its Local Plan and associated evidence base, it will be important for the National Park Authority to examine the degree to which it can accommodate development consistent with its statutory duties and sustainable development. It will be important that the other authorities in the sub-region engage with the development of the National Park Local Plan.
- 5.181 We would recommend that housing delivery and land availability in the Park is monitored and disaggregated, including for instance within the West Sussex County Council Residential Land Availability Surveys.

Worthing Borough

- 5.182 Worthing is a relatively small local authority with the urban area sandwiched between the sea to the south and the South Downs National Park to the north. Urban development extends very close to the eastern and western boundaries of the Borough, and to the surrounding settlements of Ferring to the west (in Arun District) and Lancing to the east (in Adur District).

- 5.183 Worthing Borough Council adopted its LDF Core Strategy in April 2011. The SDNPA has also adopted the Core Strategy. It makes provision for delivery of 4,000 dwellings over the 2006-26 period (200 per year) in accordance with the South East Plan. The housing targets for Worthing in the South East Plan were principally designed to meet locally generated needs, rather than wider sub-regional needs. This is largely as a result of capacity constraints, but also the emphasis placed in the Plan on regeneration across the Sussex Coast Sub Region.
- 5.184 Worthing Borough Council has undertaken an assessment of the conformity of its adopted Core Strategy with the NPPF¹⁸. This has identified no areas of low conformity or direct conflict, but does identify areas where evidence will require updating. It concludes that the Council is confident that a full, formal review of the Core Strategy is not necessary at the current time.
- 5.185 The Assessment of Conformity did however point to the need to update local housing evidence to accord with the NPPF and localism agenda and progress Duty to Cooperate discussions, which has been taken forward through the SHMA Update and the preparation of this Study amongst other actions. It is acknowledged by the Council that the implications of the work may result in the need to bring forward subsequent Local Development Documents.

Land Supply Overview

- 5.186 The Council's last SHLAA was prepared in 2009. This considered sites of over 6 dwellings. The housing land supply position has however been subsequently updated through Annual Monitoring Reports.
- 5.187 We have reviewed housing land supply in Worthing based on the Council's 2011/12 Annual Monitoring Report. The land supply position comprises:
- 1,542 dwelling completions delivered over the 2006-12 period;
 - The strategic allocation for 700 dwellings at West Durrington (granted consent April 2012);
 - 2,470 dwellings on other sites with planning permission (excluding West Durrington);
 - 1,032 dwellings on other SHLAA sites identified within the urban area.
- 5.188 West Durrington is identified as a key mixed-use strategic development site. Policy 1 in the Core Strategy allocates this site for 700 homes.
- 5.189 A number of other key development sites are identified in the Core Strategy. These include Teville Gate (260 homes), the Grafton site on the Seafront (100 dwellings), a number of sites around Northbrook College, Durrington (105 dwellings) and land around Worthing College and the Strand (124+ dwellings).

¹⁸ *Worthing Borough Council (Nov 2012) National Planning Policy Framework and Worthing Core Strategy Conformity Assessment*

- 5.190 The total capacity identified comprises 4,200 dwellings (over and above completions between 2006-12) which are largely expected to be delivered over the period to 2023 (i.e. the next decade). Based on current evidence, delivery of around 240 homes a year could be expected.
- 5.191 The Council's current evidence base¹⁹ indicates that there is a tight supply of employment land in the Borough with limited potential for this to contribute to future housing supply. Core Strategy Policy 4 safeguards existing employment areas and office locations. This is supported by the Sustainable Economy SPD. Given the importance of safeguarding existing employment land the Council has recently applied for an exemption from the relaxation of Permitted Development Rights to the change of use from office to residential.
- 5.192 The level of housing completions anticipated in Worthing over the next decade fall significantly short of meeting the District's housing needs of 430-480 homes per annum.

Strategic Constraints to Development

- 5.193 As described above, Worthing is a relatively tightly bounded and built-up borough. The urban area is sandwiched between the sea to the south and the South Downs National Park to the north. Most of the land outside of the built-up area to the north of the town falls within the South Downs National Park. To the east and west of the Borough, open countryside continues to represent long-established breaks in development between settlements.
- 5.194 Other strategic development constraints include two river flood zones: the area of the Ferring Rife to the west of the Borough and Teville Stream in the east. Worthing also has an above average proportion of land which is susceptible to groundwater flooding.
- 5.195 The capacity of the Borough's highways infrastructure is also a significant constraint to further development. The A27 and A259 through Worthing are both subject to significant congestion. The A27 runs as a single carriageway road through much of the Borough is subject to severe congestion. Traffic congestion also impacts on air quality, and the area around the Grove Lodge roundabout has been designated an Air Quality Management Area.
- 5.196 The opportunity to implement any major road building schemes to relieve congestion on the A27 are limited. A combination of costs and environmental impact on the South Downs National Park are likely to preclude development of a bypass to the town; whilst proximity to residential areas is likely to limit the potential for widening of the A27 in the foreseeable future.

¹⁹ Knight Frank (2009) *Economic Research – Employment Land*

- 5.197 Within the Borough there are only very modest areas of greenfield land outside of the built-up area boundaries which do not fall within the National Park. Although they are not afforded protection by national planning policies, these green gaps play an important role in preventing the coalescence and maintaining the identity of settlements.

Development Potential Outside Built-Up Area Boundaries

- 5.198 There is a very limited supply of development land within the Borough reflecting its tight boundaries, coverage of the South Downs National Park of land to the north of the urban area, and the sea to the South. Equally there is very little land outside of the current built-up boundaries which does not fall within the National Park, is not subject to flooding or environmental constraints, have a high amenity value or have a high value in preventing the coalescence of settlements.

- 5.199 The Core Strategy already allocates land at West Durrington for development of 700 dwellings. As identified, this now benefits from planning consent.

- 5.200 The main further opportunity which the Core Strategy does identify is the West Durrington Potential Future Development Area (PFDA). This area, located to the north of the main West Durrington Strategic Allocation is identified as having capacity to accommodate a further 375 dwellings. The Core Strategy sets out that:

“The release of the PFDA will be assessed in the context of the overall housing delivery within the borough. Should there be a sustained shortfall in the delivery of housing sites on brownfield land, the PFDA will be reviewed, together with alternative housing options or sites.”

- 5.201 An assessment of the development potential of other sites outside of the built-up area boundaries was undertaken as part of the 2009 SHLAA. This considered the potential of six sites, concluding that the only site with potential was site WB08138, a mobile caravan park in West Worthing. It assessed this as having potential for 130 dwellings.

- 5.202 Four of the other sites considered were identified as likely to affect the character, appearance and setting of the settlement; whilst the fifth had local access constraints.

- 5.203 Based on current information and assessments, the potential for development on additional sites outside of the current built-up is estimated at around a further 500 dwellings in addition to development of the allocation for 700 homes at West Durrington. This will however need to be subject to more detailed assessment.

- 5.204 The Council intends to update parts of its evidence base, including its SHLAA and assessments of landscape and infrastructure capacity. These together will provide a more comprehensive and updated assessment of the potential for further development outside of the built-up area.

Conclusions for Worthing Borough

- 5.205 Policy 7 in Worthing's Core Strategy identifies a housing target for 4,000 dwellings between 2006-26 (400 per annum). However, housing targets should be considered as a minima and they are not intended to be a ceiling to housing provision in the Borough.
- 5.206 The Council intends to progress work in the short-to-medium term to consider other realistic development opportunities in the Borough, including a review of its SHLAA and full analysis of landscape and infrastructure capacity and sustainability issues. This should include assessment of the potential for development of greenfield sites adjoining the built-up area including the West Durrington PFDA. This may identify scope for some additional development. Our initial analysis would however suggest that it is unlikely that delivery of more than 250 homes per annum over a sustained period can realistically be achieved in the Borough (subject to detailed testing). Further detailed assessment will be required to establish development potential.
- 5.207 Should additional sustainable development opportunities be identified through this further work, the Council might wish to consider the development of an Allocations DPD to provide policy certainty to support housing delivery particularly of any edge of settlement greenfield sites.
- 5.208 Given the significant differential between the potential land supply in Worthing and assessed housing requirements for around 430-480 homes per annum, it seems likely that the Borough will not be able to meet its own identified development needs. This remains consistent to the position when the South East Plan was developed.
- 5.209 It will be important moving forward that Worthing Borough Council engages with the development of the National Park Local Plan. Given evident land supply constraints in the Borough, in the longer-term the Council might also need to consider strategic issues associated with the potential to increase densities set against requirements for different types of homes and impacts on neighbourhood character; and the longer-term role and function of green gaps between settlements.
- 5.210 We would recommend that the Council continues to monitor housing land supply, as well as economic performance and occupancy rates of existing employment areas in the Borough. Given the shortfall against assessed need a proactive role in helping to enable and support delivery of housing sites will also be important.

6 STUDY CONCLUSIONS

Overall Supply-Demand Balance

- 6.1 The National Planning Policy Framework clearly sets out that local plans should be prepared to meet objectively-assessed development needs where this is consistent with achieving sustainable development. Plans are also required to contribute to meeting any unmet needs from adjoining authorities where this is consistent with sustainable development.
- 6.2 GL Hearn has sought to draw together various studies considering housing requirements, including the Coastal West Sussex SHMA. We have considered both demographic projections, how these interact with economic projections, as well as the evidence of housing needs to provide an assessment of full needs for market and affordable housing as required by the NPPF.
- 6.3 Looking at the range of evidence and in some instances (most notably Brighton and Hove) more recent data, we consider that the following would represent an reasonable and objective assessment of housing requirements based on existing studies.

Figure 8: Objective Assessment of Housing Requirements

	Low	High	Median
Arun	550	650	600
Adur	215	245	230
Chichester	480	590	535
Worthing	430	480	455
Brighton & Hove	800	100	900
Lewes	430	450	440
HMA Total	2905	3415	3160

- 6.4 It should be noted that this analysis does not however take into account information from the 2011 Census. A full set of population projections taking into account 2011 Census data has not yet been issued by ONS.
- 6.5 The total objectively assessed requirement for market and affordable housing is thus assessed as around 3,160 dwellings per annum over the period to 2031 using the middle of the above range.
- 6.6 This Study demonstrates that it is highly unlikely that this level of development can be achieved across the sub-region in light of the significant environmental, landscape and infrastructure constraints to development which exist. This is a function of the geography of the sub-region, much of which forms a narrow intensively-developed coastal strip which falls between the South Downs National Park and the English Channel.

- 6.7 This report demonstrates that the development capacity in the sub-region is significantly affected by the coverage of extensive environment and landscape designations of national importance – including the South Downs National Park, Chichester Harbour AONB and Ramsar and Special Protection Area/ Special Area of Conservation Designations covering both Chichester and Pagham Harbours, Sites of Special Scientific Interest and Ancient Woodland. Flood risk is also a significant development constraint, and includes coastal, river and groundwater flooding.
- 6.8 These factors significantly limit the scope for development across the sub-region, but particularly within the central part of the sub-region which includes Worthing, Adur and Brighton and Hove where the coastal plain between the downs and the sea is largely already built-up. This is equally true of the coastal and downland part of Lewes District. There are thus few further greenfield development options, coupled with limited brownfield capacity.
- 6.9 The report highlights that parts of Arun and Chichester Districts together with the north of Lewes District are slightly less constrained in development terms. However, in these areas infrastructure provision, along with a lack of potential development capacity and in some instances locally sensitive landscapes, are particular issues and constrain the scale of development which can be accommodated.
- 6.10 Strategic infrastructure constraints in the sub-region remain consistent to those which were identified and tested through the development of the South East Plan – particularly capacity issues along the A27, around the Chichester Bypass, Arundel and Worthing, as well as the A259. Equally there are a number of more local routes which are at or near capacity. Waste water treatment capacity is also a strategic constraint to development in parts of the sub-region, most notably in Chichester and Arun Districts.
- 6.11 Through this report we have sought to bring together evidence regarding housing needs, land availability and strategic constraints to development. We have sought to consider what levels of development could be regarded as deliverable taking account of these factors and market dynamics. We have drawn on the best information available at the time of preparation, but the evidence is incomplete in some instances. Against this context our conclusions regarding potential levels of development which could be achieved should be regarded as indicative. These will be tested further through the preparation of Local Plans, including through Sustainability Appraisal and Examination processes.
- 6.12 Drawing the analysis in the report together, the table below seeks to provide an indicative assessment of development potential (in terms of levels of housing which we consider could realistically be delivered based on current evidence) and compared this against the objectively assessed development needs.

Figure 9: Indicative Comparison of Housing Needs against Maximum Potential Supply Levels

	Requirement (Minimum)	Maximum Delivery considered achievable	Minimum Likely Shortfall	20 Year Shortfall
Adur	215	200	15	300
Arun*	550	700	-150	-3000
Chichester*	480	470	10	200
Worthing	430	250	180	3600
Brighton & Hove	800	565	235	4700
Lewes	430	225	205	4100
Total	2905	2410	485	9900

*Includes high level estimates of potential supply within the South Downs National Park based on past completions levels

6.13 The analysis suggests that housing delivery over the period to 2031 across the HMA, based on current evidence, is likely to fall at least 20% below objectively assessed needs. A significant shortfall equivalent to at least around 495 dwellings per year arises²⁰.

Implications in Different Parts of the Sub-Region

6.14 The Sussex Coast Housing Market operates as a series of overlapping housing markets and sub-markets. As the SHMA Update indicated, these comprise:

- Brighton and Hove: including Shoreham, with its influence extending north and north-east to Burgess Hill and Lewes, and east to Newhaven/Peacehaven;
- Worthing Sub-Market: including Littlehampton, Worthing, Sompting, Lancing Aundel and the southern parts of Horsham District;
- Chichester & Bognor Regis Sub-Market: Areas to the west of the River Arun, which relate more strongly towards Chichester.

6.15 These reflect the geography of the area and commuting dynamics and provide a basis for considering supply-demand interactions at a more local level.

6.16 The most significant likely shortfall against assessed needs is expected to arise in the centre of the sub-region in City of Brighton and Hove, Adur District, Lewes District and Worthing Borough. Brighton and Hove and Worthing represent the sub-region's larger urban areas but are both constrained by their location between the South Downs and the Sea and tightly defined local authority boundaries. This is equally true of Adur and the coastal settlements in Lewes District.

²⁰ If the median requirement figures are used this rises to 740 per year

Brighton & Hove City

- 6.17 Brighton and Hove in particular is an economic hub for the sub-region. Constrained land supply is likely to result in continued out-migration. The strongest out-flows of migrants from the City are currently to Lewes District (c. 1,600 persons per annum), Adur (c.1,300 persons per annum) and to Mid Sussex (c. 800 persons per annum). Where land supply is not constrained, these flows could feasibly increase.
- 6.18 It seems likely that, set against land supply constraints along the Coast, levels of commuting into Brighton and Hove could also feasibly increase. In 2010 the City had a jobs density of 77 jobs per 100 working-age residents, which was consistent with the national average but below the South East average of 80. Its jobs density is lower than a number of the other larger urban areas in the region²¹. In our view, Brighton and Hove's location, scale and market dynamics would be more likely to support employment growth against a context of labour market constraints than other parts of the sub-region. Moving forward, it is reasonable to assume that commuting into the City could grow, including commuting to Brighton from Northern West Sussex. It will be important that transport planning takes this into account.
- 6.19 It is entirely appropriate, as the City Plan Part I sets out, that housing targets in the City should be regarded as minima; and that the Council works proactively to resolve development constraints and works to provide policy certainty to support development including through the development of allocations policies in the City Plan Part 2.

Lewes District

- 6.20 Constrained land supply in Lewes District is likely to result in a significant shortfall of housing provision against assessed development needs over the period to 2031. This reflects the geography of the District, with significant coverage of the South Downs National Park (which incorporates the town of Lewes and closely envelopes the coastal towns), smaller settlements and constrained infrastructure and locally sensitive landscapes to the north of this; and infrastructure and landscape constraints to development of the coastal towns.
- 6.21 There is a strong net migration flow from Brighton and Hove to Lewes; and then more modest flows both ways with adjoining districts including Wealden, Mid Sussex and Eastbourne. The analysis points to future levels of housing provision continuing to constrain migration into the District.
- 6.22 We would expect the constrained land supply to result in a more notable ageing of the District's population than is indicated in trend-based projections (in relative terms), as in-migration of younger

²¹ For instance Crawley or Reading

age groups is constrained. This could constrain growth in the labour force, which could impact economic potential and result in a relatively tight labour market within the District. The potential to 'claw back' commuting is likely to be restricted by wage differentials between the District and larger urban centres and cities²². Provision of affordable housing and smaller market homes would help to mitigate this.

- 6.23 The study points to the potential to consider in the longer-term options for strategic development at a sub-regional level, working with adjoining authorities. This could be in the form of extensions to towns which are not within or adjacent to the National Park, such as Burgess Hill or Haywards Heath, or for delivery of a new settlement over the longer-term to meet sub-regional development needs. The Study presents a strong case for funding for infrastructure, particularly transport infrastructure, to support longer-term development potential in the Newhaven and Peacehaven area. Joint assessments to consider the feasibility of longer-term development options and the potential for this to fund significant infrastructure investment would be worthwhile.

Adur District

- 6.24 Land supply in Adur is notably constrained by the District's geography. It is also dependent to a significant degree on development opportunities which are complex to deliver, requiring land assembly or significant investment in infrastructure to support development.
- 6.25 This makes the case for proactive support for development at Shoreham Harbour even more important, and for external funding investment to help deliver this and to support infrastructure investment which may release greenfield opportunities such as New Monks Farm and Shoreham Airport.
- 6.26 A sustainable strategy for development in the District needs, in our view, to set out a balanced strategy for delivery of new employment as well as housing in order to support economic regeneration. The SHMA Update also highlights the important role which the District plays in providing family housing and it would seem entirely appropriate for density policies to reflect this.
- 6.27 Surrounding districts within the HMA have similar land supply constraints to Adur and in this context there is no obvious solution to meeting the shortfall against objectively-assessed development needs. In this context it will be important that the Council works with the other authorities at the sub-regional level to consider longer-term development options, both within and potentially outside of the sub-region.

²² Commuting for instance to London, Crawley and Brighton & Hove is for instance likely to be influenced particularly by the availability of higher-paid employment opportunities

Worthing Borough

- 6.28 –Worthing Borough has a similar geography to Adur with the urban area falling between the South Downs National Park and the sea, and separated from adjoining settlements by narrow and fragile green gaps. There are significant land supply constraints which are likely to result in a shortfall of supply against assessed housing needs of 180 homes or more per year.
- 6.29 For Worthing Borough the Study highlights the importance of proactive work to identify and bring forward sustainable development opportunities, and the Council intends to work to review key elements of its planning evidence base including the SHLAA and landscape capacity. Should significant new development opportunities be identified, this could justify the development of a Site Allocations DPD to provide enhanced policy certainty to support development rates.
- 6.30 The highest out-migration flows from Worthing are into Arun, and there is a potential case for additional development in the eastern part of Arun District (to the east of the River Arun) to contribute to meeting part of the likely shortfall in housing provision in Worthing. More widely constrained housing supply within this area is likely to limit levels of in-migration.
- 6.31 As with Lewes District above, this is likely to result in a stronger degree of ageing of the population profile and constrain growth in the population of working-age. For the authorities in the centre of the sub-region (including Worthing and Adur), a tight labour market could have a greater effect in constraining economic growth potential (given less strong transport links to less constrained areas).

Arun District

- 6.32 Arun is less physically constrained than a number of other parts of the sub-region in terms of environmental designations; however there are significant infrastructure constraints. It seems possible that the District could meet its own development needs.
- 6.33 Through the development of the Local Plan it would be appropriate for the Council to test the potential for modest additional development over and above this to contribute to meeting wider sub-regional needs taking account of the likely under-provision of homes in other parts of the HMA. It will be important that joint working between the relevant authorities continues.
- 6.34 The Council's evidence base for the emerging local plan has considered a number of development options. There are options, subject to further testing, for additional development to be progressed adjoining both Littlehampton and Bognor Regis; or within the five villages area, depending on infrastructure capacity including the highways impacts and flooding issues and sustainability appraisal. The Council has been working to consider these issues including through transport modelling which tests the potential to accommodate higher levels of development.

- 6.35 The level of additional development which could be accommodated will need to take account of infrastructure capacity and potential for improvements, as well as issues associated with market capacity.
- 6.36 There is also a strong strategic case for economic regeneration in the District. The Strategic Housing Market Assessment Update highlighted the District's relatively weaker housing market as well as low skills and wages. A sustainable strategy for development in the District needs to take this into account, and if this is successful it could alter the balance of migration and demographic dynamics in the area.

Chichester District

- 6.37 For Chichester District, the analysis suggests that there is potential for a reasonable balance between supply and demand to be achieved. However it points to a situation which is relatively 'tight' with limited flexibility for supply to respond to any increase in demand.
- 6.38 The Study highlights some key infrastructure constraints which are likely to constrain the rate of development in the South of the District, particularly waste water treatment capacity and the capacity of junctions on the A27 Chichester Bypass. These are serious constraints which are influencing the levels of development proposed within Chichester District Council's emerging Local Plan.
- 6.39 Should some of these development constraints be addressed, the phasing and delivery of development at either Chichester City or Tangmere could potentially be accommodated earlier to provide flexibility to respond to market demand and contribute to meeting wider sub-regional needs.
- 6.40 There is a clear need and justification for major infrastructure investment in and around Chichester to support levels of development in the western part of the housing market. The sub-regional partners should work together to make this case, to enable and support residential and economic investment. Investment in addressing transport constraints in this area can have wider sub-regional benefits in supporting economic regeneration in surrounding areas and helping to facilitate housing delivery.

South Downs National Park

- 6.41 The South Downs National Park Authority through the development of its Local Plan will in due course further consider what levels of development can sustainably be accommodated within the Park. The National Park has a strong housing market, but this needs to be balanced against a range of wider factors including the statutory duties of the NPA. It will be important that the Sub-Regional Partners fully engage in the development of this Plan.

- 6.42 The market and demographic dynamics are likely to mean that under-provision of homes would, in the absence of intervention, result in an increasing ageing of the population. This reinforces the need for housing provision to be targeted at affordable housing to meet identified local needs in order to support the Park's economy and local services.

Implications of Sub-Regional Under-provision of Homes

- 6.43 The under-provision of housing across the sub-region is likely to have a number of implications. Some of these we have considered above. At a sub-regional level, it would likely constrain the scope for in-migration to the area. In market terms this would likely favour older households who have built up equity in existing homes who can out-compete other groups in the market. Provision of affordable homes will help to mitigate this.
- 6.44 Indeed affordable housing, intermediate housing options for younger people in their 20s and early 30s and family housing which middle aged households can afford to buy, will be important in sustaining the economically-active population and supporting the economy. There is a role for intermediate housing solutions to contribute to this.
- 6.45 The constrained land supply and the implications of this on demography may well have some impact on economic competitiveness and over the longer-term it seems likely that the labour market will be 'tight.' We could well see some further changes to commuting dynamics as a result, including potentially increased commuting to the sub-region from Northern West Sussex and South Hampshire. To mitigate these potential impacts, continuing investment in skills and training will be important.
- 6.46 It seems likely that the supply-demand balance over the longer-term could support further house price growth in real terms (stripping out inflation), subdued household formation and continued growth in private renting – particularly of people in their 20s and 30s. As identified above, affordable housing provision will be important in mitigating some of the impacts of this.
- 6.47 Constrained supply could however also see below-trend in-migration from other parts of the greater South East. As the South East Plan put it, the sub-region will not be able to make a significant contribution to meeting 'wider regional demand.' However it is not that this demand does not exist, and middle-aged and older households moving into the area often have greater financial resources than local people with whom they are competing for housing. This reinforces the case for housing targets to be considered as minima in each local authority, which should be exceeded where this can be achieved in accordance with the presumption in favour of sustainable development.
- 6.48 To provide a balanced view it is however important to recognise that are significant constraints to delivering housing in the sub-region, and the impacts of higher housing development would be

significant. It would impact on quality of place and the environment, and particularly the attractive character of the National Park and Coast which is an economic asset and supports the attractiveness of the area as a place to live in the first place. It would also increase congestion on the local and strategic road network which could harm not just the sub-regional economy and quality of place, including the role which the A27 plays in supporting movement across the region.

Next Steps

- 6.49 There are some clear next steps for the sub-regional partners to take forward. It will be important that the Strategic Planning Board consults on the findings of this report with the relevant statutory bodies (see Figure 1). Once this has been undertaken the Board should seek to engage with other adjoining authorities in accordance with the Duty to Cooperate.
- 6.50 The Study also points to the need for cross-authority working to consider longer-term options for strategic development including both within the HMA and in adjoining areas.
- 6.51 The Study has identified a number of areas where targeted investment in infrastructure could help to enhance the pace of development (and thus the potential development which could be delivered in the period to 2031). These include:
- Shoreham Harbour
 - Potential urban extensions in Adur District
 - Urban extensions to Chichester
- 6.52 In a number of these areas the pace of development is significantly influenced by infrastructure delivery interdependencies. There is a strong case for investment in addressing these as a priority and the commissioning authorities should work together in seeking to secure funding for these.
- 6.53 The Study also points to a number of options for development or enhanced development over the longer-term, subject to detailed feasibility testing. These are particularly focused at options for development on land to the north-west of Bognor Regis, Littlehampton West Bank or for enhanced housing delivery in the Five Villages area in Arun.
- 6.54 It however seems unlikely that even if all of these options supported enhanced delivery over-and-above current proposal that the full objectively-assessed development needs would be met within the HMA. Furthermore, development options in the west of the sub-region are likely to make a limited contribution to meeting the identified shortfall in provision in the Brighton Sub-Market.
- 6.55 Against this context it would be appropriate to consider with adjoining authorities longer-term development options, potentially working jointly with other authorities within Northern West Sussex.

This might include joint work to assess strategic development options, including the potential for a new settlement, in areas to the north of the National Park.

- 6.56 The local authority partners are also working to prepare a local strategic statement which will draw together policy priorities across the area. It is intended that this report can help to inform this.