

# Chichester District Council

Planning Committee

3 June 2020

## Draft Interim Policy Statement for Housing

### 1. Contacts

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### 2. Recommendation

#### 2.1 That the Planning Committee –

- A Approve the draft Interim Policy Statement (IPS) for Housing for development management purposes to be used to assess relevant planning applications with immediate effect; and**
- B Approve the publication of the draft IPS for a period of 4 weeks consultation.**

### 3. Background

- 3.1 At present, the Council's housing supply is assessed against the target in the adopted Local Plan of 435 dwellings per annum. The most recent housing supply position statement (November 2019) confirmed that, against that target, the Council could demonstrate a supply of 5.5 years.
- 3.2 From 15 July 2020, the Council's housing supply and housing delivery will be based on an assessment of local housing need in line with the National Planning Policy Framework. The Government has published a Standard Methodology for assessing need, which makes use of district-level data for household growth and housing affordability. The position is complicated by the presence of the South Downs National Park, as this means that the Government's standard methodology is not directly applicable to the area covered by the Council as Local Planning Authority. However, a calculation has been prepared which sets out the local housing need for the Plan area, resulting in a need from 15 July 2020 of a need of 628 dwellings per annum. The calculation is set out in Appendix 1 of this report.
- 3.3 On that basis, using the best information available at the present time, it is anticipated that, as of 15 July 2020, the Council will have slightly less than 4 years supply of housing. In such circumstances, national policy provides that planning proposals for housing should be granted unless policies in the NPPF that protect particular areas or assets provide a clear reason for refusing the application, or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole (known as the "tilted balance").
- 3.4 It should be made clear that the starting point in the determination of any planning application is section 38(6) of the Planning and Compulsory Purchase Act 2004,

which states that determinations must be made in accordance with the development plan unless material considerations indicate otherwise. However, it is the case the Council is unlikely to be able to demonstrate a 5 year supply of housing land for some time, and so the Council will need to consider planning applications in the absence of a 5 year supply.

#### **4. Draft Interim Policy Statement**

- 4.1 Members may recall a *Facilitating Appropriate Development* (FAD) document which the Council adopted in 2011 to assist in determining planning applications for housing development in advance of adopting a new Local Plan, in similar circumstances where there was a shortfall in housing supply leading to pressure for housing development, particularly through speculative planning applications.
- 4.2 The previous FAD document was considered a reasonable starting point for the preparation of the draft IPS albeit that the previous version required significant updating and consideration of some of the original criteria.
- 4.3 Suggested updates and revisions from the previous FAD document include:
- Encouraging planning for higher densities in sustainable locations (for example, Chichester City and the Settlement Hubs), and discouraging arbitrarily low or piecemeal development;
  - Requiring certain standards of construction and environmental quality, in order to support the Council's declaration of a Climate Change Emergency. These standards are as far as the Council is currently able to go in terms of government guidance;
  - Ensuring risk from flooding is minimised whilst not increasing the risk of flooding elsewhere, and that residual risks are managed; and
  - The requirement for proposals to demonstrate how they will achieve nitrate neutrality in accordance with the March 2020 guidance from Natural England.
- 4.4 The full text of the draft IPS is set out in Appendix 2 of this report.
- 4.5 Colleagues from the Development Management and Environmental Protection teams were involved in the drafting of this Interim Statement. The Interim Statement has also been peer reviewed by the Planning Advisory Service (PAS). The PAS advice concerned the use and status of the document, along with detailed wording points, and the document has been amended to include the following in response to those comments:
- Paragraphs in section 1 setting out the legal and regulatory basis for decision-making;
  - New section 2 setting out the Council's wider actions in boosting housing supply;
  - New section 5, setting out the purpose of the IPS; and
  - Inclusion of adopted and emerging local plan policies for each of the proposed criteria.

#### **5 Use of the Interim Position Statement**

- 5.1 The Statement has been produced following experience of this approach at Chichester and elsewhere, and has been drafted in the light of advice received from

the Government's Planning Advisory Service. It is important that Members understand that this draft Interim Policy Statement is intended to be a positive statement about how the Council will encourage development proposals in the absence of a 5 year housing supply. It is not intended to frustrate proposals for housing development which are acceptable in planning terms, but instead draws upon locally relevant evidence to promote good development.

- 5.2 Not having a 5 year supply of housing means the Council is more vulnerable to speculative planning applications on sites that are not considered to be appropriate. The purpose of the IPS is to attempt to guide and improve proposals for housing in the absence of a 5 year supply. Its use is considered an important tool in articulating to parties the Council's approach to remedying the situation, and is important in maintaining the credibility of the Council and retaining the confidence of local communities. It is recognised that there may be local opposition to proposals for housing development, particularly on greenfield sites.
- 5.3 The alternative to the IPS is to not issue an interim statement or a factual update and to determine planning applications as and when they arise. This approach is likely to result in a longer period the Council is without a 5 year housing supply and would leave the Council with a reduced basis for considering planning applications in a consistent way in the meantime.

## **6 Way Forward**

6.1 Although consultation on the draft document is considered appropriate it is important that the IPS is approved for development management purposes as quickly as possible. As stated, it is anticipated that the Council will not be able to demonstrate a 5 year supply from 15 July 2020. Therefore the way forward for the IPS is proposed as follows:

1. 3 June Planning Committee: Draft Interim Policy Statement  
Members are asked to consider and approve the draft IPS, subject to any legal advice.
2. June-July: Consultation for 4 weeks
3. September Planning Committee:  
Planning Committee considers the consultation responses and proposed amendments, and endorses the final version of the IPS.

## **7 Legal Implications**

- 7.1 If Planning Committee did not receive advice on the Council's housing supply position and take this into account when determining future planning applications, this could render the Council more vulnerable to applications by developers for costs if planning applications were found to have been refused without due reference to appropriate material planning considerations.
- 7.2 The draft IPS is a non-statutory planning document that does not intend on replacing national planning policy regarding how planning decisions relating to residential development should be determined. The IPS sets out how the Council is taking a proactive approach to re-establishing a five year supply by providing clarity and

guidance to applicants on the type of development that may be encouraged in the absence of a five year supply.

- 7.3 As outlined in paragraph 3.4 above, the starting point in the determination of any planning application is section 38(6) of the Planning and Compulsory Purchase Act 2004, which states that determinations must be made in accordance with the development plan unless material considerations indicate otherwise. The draft IPS will not form part of the development plan, but will be a material consideration. However, it will carry more limited weight until it has been through the consultation process and the final version has been approved.

## **8 Appendices**

Appendix 1 – Housing need calculation May 2020

Appendix 2 – Draft Interim Policy Statement for Housing (May 2020).

## Appendix 1

### Calculation of Housing Need

This note sets out a calculation of housing need within the Chichester Plan area from 15 July 2020. It is informed by national planning policy and guidance as at May 2020 and as such any change in policy or underlying data may require this calculation to be updated and amended.

The purpose of this note is to set out a calculation of Chichester's housing need as assessed using the Government's standard methodology for assessing housing need. It is based on current national policy and practice and represents the best advice on this issue at the current time. It does not constitute formal Council policy.

The standard methodology is set out in detail in National Planning Practice Guidance. Full details are available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>.

The starting point is the government's household projections. An increase is calculated based on government figures setting out the ratio of house prices to incomes for each local authority area. The increase added at this stage is capped.

If the adopted Plan is more than 5 years old, the cap means that this increased figure cannot be higher than 40% above whichever is the higher of the household growth figure, or the previous plan housing target.

The standard datasets referenced in planning practice guidance refer to district-level data, so an adjustment has to be made for the need arising in the part of the district which falls within the National Park.

The following table sets out the position from 15 July 2020, when the adopted Plan is more than 5 years old. It calculates the housing need for the whole of Chichester District, and then takes away housing need identified within the South Downs National Park area to arrive at a housing need for the plan area. The result of this calculation is that the housing need for the plan area rises to 628 dwelling per annum.

Whilst national policy allows for alternative methods of calculating this need in "exceptional circumstances", it is clear that the use of alternative methods is not encouraged. For instance, the Government has already confirmed that the publication of lower household projections by the Office of National Statistics does not qualify as an acceptable basis for calculating lower housing needs.

It is worth confirming that this calculation does not consider any adjustment to the assessment of local housing need due to economic or demographic circumstances, nor any unmet need arising from the Duty to Cooperate. That will be considered further under as part of the production of the emerging Local Plan.

Finally, it should be noted that the Government has previously indicated that it would consider the application of the standard methodology when the next iteration of the household projections was published.

THE BASELINE (Step 1)	538 households per annum	Source: 2014-based household projections for the period 2020-30.  <b>Note: this figure applies to the entire Chichester District rather than the Plan Area alone</b>
ADJUSTMENT FOR AFFORDABILITY (Step 2a)	+ 56.875% (Local affordability ratio) – 4)/4 X 0.25.  <b>Note: this adjustment factor applies to the entire Chichester District, not just the Plan Area.</b>	Adjustment factor = 13.1
UNCAPPED LOCAL HOUSING NEED FIGURE (Step 2b)	844 dwellings per annum	538 (Step 1) x 56.875% (Step 2a)  <b>Note: this figure applies to the entire Chichester District, not just the Plan Area.</b>
CAPPING THE INCREASE (Step 3)	753 dwellings per annum	538 (household projections per annum) x 40% (cap afforded by PPG)  <b>Note: this capped figure applies to the entire Chichester District, not just the Plan Area</b>
ADJUSTING FOR PLAN AREA	628	753 (Step 3) less housing need arising in National Park (125) as per the evidence for the South Downs National Park Plan  <b>Note: this capped figure applies to the Chichester Plan Area, reflecting the geographic coverage of the emerging Local Plan</b>