

# Worthing Housing Review - Briefing Paper

April 2014

## Introduction

Changes to the planning system at the national level have had a significant impact on how local authorities need to plan for housing. This Paper explains these changes and the implications for Worthing. It provides a brief summary of the previous system, the requirements of the new system and how this is likely to influence future Plan making in Worthing.

## Pre-National Planning Policy Framework

A hierarchy of Plans and Guidance was in place prior to the adoption of the National Planning Policy Framework (NPPF). This was made up of the following:

Statements of the Government's national policy and principles towards certain aspects of town planning were set out in Planning Policy Guidance Notes (PPGs) and Planning Policy Statements (PPSs). These were a material consideration in the determination of planning applications and the preparation of regional and local plans.

At the regional level the planning framework was established within Regional Spatial Strategies (RSS). For Worthing, the relevant RSS was the South East Plan. The strategies established a spatial vision for the region which included the setting of housing figures for districts / boroughs to take forward in their Local Development Frameworks (LDF). Regional Spatial Strategies were designed to help to bridge the gap between those planning issues determined by local policy or concern, and those subject to policy goals defined at a national level – such as those for housing.

As part of the LDF, local authorities such as Worthing then had to prepare Local Development Documents which were to be consistent with the South East Plan. The key document in this process was the Core Strategy (another name for a Local Plan) which identified specific locations for development to meet the needs identified by the regional plan.

After a number of years of preparation and an independent examination, Worthing Borough Council adopted its Core Strategy in April 2011. Many local authorities around the country were unable to progress a Plan to adoption at that time and Worthing Borough Council was the only authority along the Sussex coast to successfully adopt its Core Strategy. The intention was that this adopted Plan would help guide planning and development in the Borough up to 2026 and would provide the context for all subsequent Local Development Documents.

With regards to housing, the Core Strategy, in conformity with the South East Plan, sought to deliver a total of 4,000 dwellings to 2026 (200 dwellings/year). This was a

figure that took into account the lack of opportunities for growth in and around Worthing and, as such, the key focus of the local strategy was regeneration. There was never any suggestion that this level of development would meet all of Worthing's housing needs and other authorities, such as Mid Sussex, were identified in the South East Plan as areas that could deliver higher levels of growth to help meet the needs of the wider region.

Without any significant change to the planning system the Council would have continued to deliver the aims of the Core Strategy. This objective would have been aided by the preparation of Development Briefs and Supplementary Planning Documents (SPDs) – some of which have now been adopted. Key objectives would be monitored and in the short to medium term a full review of the Core Strategy would have only been required if there was any consistent under delivery of housing and / or there were any significant changes made to the planning system at the regional or national level.

Through the Annual Monitoring Report the Council has been able to demonstrate that against the requirements of the Core Strategy the borough has met (and often surpassed) the 200 dwelling a year requirement. Furthermore, in line with this local policy position the Council is able to demonstrate a very strong housing land supply position over the next ten years. Therefore, under the previous planning system there would be no need to review the Council's adopted Core Strategy or review the housing delivery strategy as a result of under delivery. However, as outlined below, the significant changes made to the planning system, in particular, how each authority must now assess its housing needs, means that a full review of the local policy position is now required.

### **The New Planning System**

On coming to power the Coalition Government announced a full review of the planning system. It was argued that the previous system was too inflexible and difficult to change in a timely manner and a streamlined, more user-friendly planning system was proposed. The Government was also critical of the regional planning process in that it was viewed as being 'top-down' planning that imposed housing numbers on local communities.

As a result, in 2010 the Government announced the abolition of the Regional Strategies and the South East Plan was formally revoked in March 2013. Strategic planning is now the responsibility of unitary, district or borough councils and authorities are expected to address strategic issues in local plans and demonstrate how this has been managed through the 'Duty to Co-operate'. Local planning authorities 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.

In a radical step to simplify the planning system the National Planning Policy Framework (NPPF) was published by the Department of Communities and Local Government in March 2012. This consolidated all policy statements, circulars and guidance documents into a single 65 page document. More recently the

Government has also published on-line National Planning Practice Guidance (NPPG) which supports the principles established in the NPPF.

## **Current Policy Context to Assessing Housing Development Needs**

As explained above, the relevant national policy context and guidance in respect of assessing future housing needs is now primarily the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG).

### National Planning Policy Framework (NPPF)

The National Planning Policy Framework (NPPF) was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.

In terms of housing, paragraph 47 states that local planning authorities should use their evidence base to ensure that their Local Plan meets full Objectively Assessed Needs (OAN) for market and affordable housing in the housing market area, as far as is consistent with the Framework to do so.

Paragraph 159 of the Framework highlights the need for local planning authorities to have a clear understanding of housing needs in their area, with the Strategic Housing Market Assessment (SHMA) a key part of the evidence base in determining housing needs. The Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

### National Planning Practice Guidance (NPPG)

New Planning Practice Guidance, issued by Government in March 2014, includes a section on '*Housing and Economic Development Needs Assessments*.' This provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing.

The Guidance reiterates that the assessment of need should be objective, based on unbiased evidence. In particular, it sets out that assessments should be based on future scenarios that could be reasonably expected to occur but should not take account of supply-side factors or development constraints.

In terms of housing, the guidance identifies "need" as "the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over

the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need.”

Whilst the guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment, it does set out a relatively clear pathway and process for assessing need. Further detail on this process can be found within the ‘Assessment of Housing Development Needs Study April 2014’ which is published by consultants GL Hearn, and will soon be available to view on the Council’s website. This work was commissioned jointly by authorities that make up Coastal West Sussex, Brighton & Hove CC and the South Downs National Park Authority.

### **Housing Need in Worthing and the Implications for Plan Making**

The study referred to above uses the latest population projections and is in line with recently published guidance. This study concludes that a range from 500 homes per annum up to 600 homes per annum would represent a robust objective housing need for Worthing. The next set of population projections are due in June at which point the Council intends to commission a bespoke study for Worthing that will assess in more detail the breakdown of housing need.

The range of housing need identified in the study is clearly significantly higher than the 200 dwelling / year requirement currently being planned for within the adopted Core Strategy.

Unlike most local authorities in the region, Worthing Borough Council has a Core Strategy in place that was adopted relatively recently. However, as outlined above, the changes to the planning system, particularly those relating to the assessment of housing need, are such that the Council must undertake a housing review to respond to these changes.

‘Doing nothing’ is not a practical option as this could potentially result in speculative applications for development and without an ‘up-to-date’ Plan in place the Council could lose a level of control as to how these are determined. Furthermore, not having an up-to-date Plan in place would send the wrong message to the community, businesses and potential investment opportunities. The Council needs to ensure that it has a clear strategy to guide regeneration, attract investment and secure improvements to infrastructure.

Although there was a formal period of transition after the adoption of the NPPF this has now ended. As a result, Inspectors are giving policies in the NPPF full weight at appeal hearings and these may now ‘trump’ the local policy position if this is not in full conformity with the NPPF. In this regard, the case study overleaf is very relevant to Worthing.

#### **Case Study 1 - Sevenoaks Appeal Decision**

As is the case in Worthing, Sevenoaks’s adopted Core Strategy (2011) was prepared before the publication of guidance in the National Planning Policy

## Framework.

Applications for an edge of settlement greenfield development were submitted to the Council who refused Planning Permission as it was argued that this was contrary to their adopted Core Strategy. The applicants appealed this decision.

At the appeal, neither party disputed that the Council had identified a five-year supply of housing as set out in their strategy (this would also be the case in Worthing). However, the Inspector found that there was a clear difference between the approaches to forming housing targets in the Core Strategy and that now required in the NPPF. As such, the approaches that informed the Core Strategy were not considered to be up-to-date. As a consequence, the applications for a total of 140 dwellings on a greenfield site were granted.

Whilst the message above is clear, it should be noted that the National Planning Policy Guidance, (which was published after the Sevenoaks decision) indicates that for, five-year land supply purposes, targets in adopted plans should be given considerable weight unless significant new evidence comes to light. For Worthing, the emerging work to assess the Borough's objectively assessed housing needs would be considered to be 'significant new evidence'.

## Comment

This appeal decision is very relevant to Worthing as we find ourselves in a similar position to Sevenoaks. This is the first recorded decision where a Plan that had been adopted relatively recently has been 'trumped' by the requirements of the NPPF. This is therefore a landmark decision and has implications for all plans that were adopted pre-NPPF, even if they are only a few years old. A planning commentator stated that 'this decision would be of particular concern for many councils in the south east where housing targets enshrined in Core Strategies are often significantly below objectively assessed need due to the fact that the now abolished regional strategic plans concentrated growth on a handful of key areas'.

## **Worthing Housing Review**

In many respects, Worthing Borough Council now finds itself firmly between the 'old' and 'new' planning systems. We have a recently adopted Core Strategy but as this was put in place before the emergence of the new planning system there is a need to assess its broad conformity.

A thorough conformity assessment was undertaken in 2012 and this concluded that in many respects the policies in the Core Strategy were in general conformity with the NPPF. However, it was also acknowledged that the housing requirements for the borough were likely to be subject to significant change under the new system and that this ultimately may necessitate a review of the Plan.

Before officers can make recommendations to Members it is essential that up-to-date evidence on housing need and capacity is put in place. This is work that is currently on-going and the key steps are set out below:

### Strategic Housing Market Assessment (SHMA) and associated studies

A Strategic Housing Market Assessment (SHMA) is intended to provide an assessment of both housing need and demand. It considers the scale and mix of housing needed over the longer-term, both market and affordable, taking account of population and demographic dynamics, and the housing needs of different groups within the local community.

The latest Coastal West Sussex SHMA (2012) was prepared by consultants on behalf of the local authorities of Adur, Arun, Chichester and Worthing together with the South Downs National Park Authority. It followed the Government's Practice Guidance and responded to the requirements of the NPPF which sets out that SHMAs are a key part of the evidence base for local planning policies for housing provision.

Linked to the SHMA update, a Housing Duty to Co-operate Study 2013 has since been completed to examine the housing requirements of authorities within the housing sub-market area (Adur, Arun, Brighton & Hove, Chichester, Lewes, Worthing and the South Downs National Park Authority). This considers land supply and constraints to development (including the environment and infrastructure) in order to assess the appropriate balance between potential supply and demand for market and affordable housing at a district, and Housing Market Area level.

Following an updated set of demographic projections and new Government guidance a further 'Assessment of Housing Development Needs Study (April 2014) for the Sussex Coast Housing Market Area has been published.

Collectively, this work is starting to build a clear understanding as to what the objectively assessed housing needs for Worthing are. As already referred to, this is far in excess of the current levels of growth provided for within the Core Strategy. However, officers are of the view that a more bespoke study for Worthing is now required so that we gain a very clear and robust understanding as to how this 'need' is made up and how this relates to demographic change, migration and economic growth etc. As such, a further piece of work will be commissioned in June, which is when the next release of population data and projections are due.

As such, it is expected that the Council will have a clear understanding of 'need' by the end of the summer / early autumn.

### Strategic Housing Land Availability Assessment (SHLAA)

The second side of the 'housing coin' is the capacity of the Borough to meet the identified need. The key tool in achieving this understanding is the Strategic Housing Land Availability Assessment (SHLAA). The NPPF requires all Councils to assess the amount of land available for housing development and publish the results in the form of a SHLAA.

The primary role of the Assessment is to identify sites with the potential for housing, assess their housing potential and assess when they are likely to be developed. The completed study forms part of the evidence base for Local Plan preparation and also the starting point for an annual monitoring of housing land availability.

The SHLAA is a technical study and not a policy document - its purpose is to identify possible housing sites and assess overall housing potential. Decisions on which sites should be brought forward for development will be determined through Local Development Framework and Development Management processes.

The first Worthing SHLAA was published in 2009 following a comprehensive review of all development opportunities in the Borough. This assessment was scrutinised during the Core Strategy Examination and has been reviewed and updated regularly through the Annual Monitoring Report.

Although the document has been kept up-to-date it is considered appropriate to undertake a more thorough review following the changes to the planning system at the national level and the publication of other updated housing studies at the local level. As such, the current SHLAA update involves a re-assessment of all existing sites and the identification of any new opportunities which has partly been informed by a further 'call for sites'.

The Worthing SHLAA 2014 will be progressed in two parts. Part 1 (which is being consulted on between 10<sup>th</sup> April and 9<sup>th</sup> May) comprises the assessment of all identified brownfield sites within the current built up area of the borough. Part 2 will comprise the assessment of all greenfield sites, most of which currently lie outside the built up area. This stepped approach is one that firstly considers all sites within the built up area boundary as these generally represent the most sustainable development opportunities.

When balanced against overall identified housing needs and other evidence, the capacity of previously developed sites within the built up area of the town to deliver housing (in addition to any allowance that is made for 'windfall development'), will help to determine whether broad locations / greenfield sites are required.

Whilst further work to assess the objectively assessed housing needs for Worthing is being progressed, initial projections have shown that housing need for Worthing is very significant. Therefore, although Part 1 of the process focuses on opportunities within the built up area, work has already commenced to assess the development potential of greenfield opportunities around the town. To ensure that robust consideration can be given to the potential of these sites the Council is currently gathering evidence to undertake a more in depth analysis. This will be reported within Part 2 of the SHLAA later this year.

There are very few development opportunities outside the current built up area and all of the realistic options have been promoted by landowners / developers during the 'call for sites' (as they were during the 2008/9 SHLAA review). Whilst these sites were assessed previously they were not scrutinised in any great detail as the Council could demonstrate to the Core Strategy Inspector that the Borough's needs (as

identified in South East Plan) could be met within the existing boundary of the town and with one strategic greenfield allocation at West Durrington. In this regard, the key difference now is that the higher levels of 'need' (South East Plan vs Objectively Assessed Need) means that there is a need to assess more rigorously all opportunities that lie outside the current built-up area boundary.

The need to test positively all opportunities has been made very clear at recent Local Plan Examinations, none more so that at Brighton which has many similarities with Worthing. These issues are summarised in Case Study 2 below.

### **Case Study 2 – Brighton Inspector's Initial Conclusions on City Plan**

Following an Examination in public the City Plan Inspector wrote to Brighton & Hove City Council to set out her initial conclusions. This letter raised a number of significant soundness concerns and issue that needed to be addressed. The following extracts of the letter are of relevance to Worthing:

*On housing supply - 'I recognise that there are significant constraints to providing land for development, and that there are competing priorities for any land which may be available. However, given the shortfall in meeting housing needs, it is important that the Council rigorously assesses all opportunities to meet that need'.*

*On urban fringe sites – 'The overall impression given is that the starting point for analysis has been the desire to resist development, which is at odds with the NPPF's requirement that the plan should be positively prepared'.*

*Overall conclusions for housing – 'The City Plan falls well short of meeting the objectively assessed need for new housing.....and there is no evidence to show that any of the unmet need will be met elsewhere. I recognise the constraints faced by the Council but if I am to find the Plan sound, notwithstanding such a significant shortfall in the provision of new housing, I would need to be satisfied that the Council has left no stone unturned in seeking to meet as much of this need as possible'.*

#### Comment

There are similarities between Worthing and Brighton in that both have very tightly drawn boundaries and that room for further expansion is severely limited. Both areas have very significant levels of housing need that will be difficult (if not impossible) to accommodate in a sustainable manner. As such, the message above is clear in that to be found 'sound' a new Local Plan for Worthing must seek to meet as much of the identified housing need as possible. To do this, all opportunities must be assessed 'positively' and should then be promoted for development if they are considered to be suitable, available and achievable.

## Duty to Co-operate

The need to work closely with neighbouring authorities and other key partners has always been embedded in Plan-making across the sub-region. Whilst this remains the case, the Duty to Co-operate now formalises, and places greater emphasis on, the process of Councils and other public bodies working together on cross-boundary strategic issues. This is particularly important for very constrained authorities such as Worthing where there is no realistic prospect of ever being able to identify sufficient housing sites to meet objectively assessed housing need. As a consequence, neighbouring authorities and sub-regions will need to assess the potential in their areas to meet housing needs that can't be met elsewhere. This will be a difficult and sensitive task given the levels of need, infrastructure constraints and land availability.

To help meet the on-going requirement of the Duty, a number of joint studies have been progressed and mechanisms have been put in place to formalise this dialogue and facilitate joint working. These processes, which include the signing of a 'Memorandum of Understanding' and an 'Agreement for Joint Working' are summarised within the Council's Annual Monitoring Report. Joint work to address the 'Duty' has been highlighted as 'best practice' by the Planning Advisory Service.

## **Timetable and Next Steps**

As outlined above, the key steps for the housing review and beyond are as follows:

Summer 2014	Publication of Stage 1 SHLAA report. This will demonstrate the capacity of the existing built-up area to accommodate new residential development.
Late summer / early autumn	Publication of detailed Objectively Assessed Housing Needs Study for Worthing.
Autumn	Completion of landscape / biodiversity study and initial assessment of greenfield site potential. For each site, this work will include a review of access, infrastructure, flood-risk, landscape, nature, heritage and conservation and environmental / amenity impacts.
End of 2014	Officers to recommend to Members a way forward within a Revised Local Development Scheme (3-year work programme). This is expected to incorporate a full review of the Core Strategy and the progression of a new Local Plan to fully conform with the NPPF.
On-going	Given the high levels of housing need and the lack of opportunity to meet that need within what is a very constrained Borough, the Council will need to continue to address Duty to Co-operate issues with neighbouring authorities to assess whether there is any opportunity for those authority areas to accept a level of Worthing's needs.

## Summary

This Paper has provided an overview of changes made to the planning system at the national level and how this is impacting on the way Worthing needs to assess and plan for housing need at the local level. It is important that all interested parties have a good understanding of this context before there is any detailed consideration of the work programme or the merits (or otherwise) of any particular site.

With regards to housing, the key change is the need now for local planning authorities to ensure that their Local Plan seeks to meet full Objectively Assessed Need (OAN). This process, in many respects, now 'trumps' the housing targets that were set in the South East Plan and the Worthing Core Strategy which took into account the very constrained nature of the Borough and the greater opportunity in other authority areas to deliver growth to help meet the needs of the sub-region.

An effective way of illustrating the current position is that the Annual Monitoring Report (AMR) for 2012/13 reports housing delivery in Worthing against the 200/dwelling a year requirement established in the Core Strategy. The expectation is that the next AMR for 2013/14 will report against both this figure and the emerging OAN figure. The OAN figure will be significantly higher than the 200/dwelling year currently planned for. It is this 'shortfall' between the OAN figure and the current housing land supply position which will, in effect, increase the development pressure on potential sites in and around the town.

Given the changes to how Worthing must plan for housing and the Government's growth agenda it is no surprise that landowners / developers are (as they have done before) actively promoting their sites for development. At this stage, the indication is that they are happy to promote their sites through the Plan-making process providing that the Council continues to be proactive in undertaking a housing / Plan review.

As summarised, on-going work means that the Council will have a clear and robust understanding of housing needs in the summer at which time there will also be a clear picture of what potential / capacity there is for further development within the current built-up area boundary. A significant 'shortfall' will remain and, as such, there is a need to assess greenfield sites around the town. This work is continuing and a robust and 'positive' assessment will be undertaken for all potential sites. The future allocation or protection of land will need to be based on strong evidence.

Under the Duty to Co-operate, Officers and Members will continue to meet and work with neighbouring authorities to address issues with cross boundary impacts. This will include consideration as to whether neighbouring authorities might be in a position to accommodate some of Worthing's housing need and whether a more strategic solution might be appropriate for addressing needs across the sub-region.

The Council has a statutory duty to prepare a Development Plan and this will need to fully conform to the requirements of the NPPF. Without an up-to-date Plan the Council would lose a level of control and sites around the town would become more vulnerable to speculative applications from developers. The work being undertaken will allow officers to prepare a revised Local Development Scheme (3 year work programme) to be considered by Members at the end of the year.