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09 June 2006

Dear Sirs

**Chichester Local Development Framework –
Submission Core Strategy (May 2006)**

PEP (Planning for Economic Prosperity) is a Business Association representing about 50 of the more influential businesses and professional practices in the Chichester area and representing over 4,000 employees. We are pleased to have been given the opportunity to make representations on your draft Core Strategy Development Plan Document dated May 2006. The actual Representation Form is attached.

Our comments consider whether the Strategy is 'sound' and relate specifically to the 'Tests of Soundness' identified in the separate Representation Form attached. Our comments concern Test 4 and Test 9 and the key questions addressed are those advised in the Planning Inspectorate's Guide to the Process of Assessing the Soundness of Development Plan Documents.

Test 4 - Is it a Spatial Plan and is the Strategy consistent with National Planning Policy and in general conformity with the Regional Spatial Strategy and paid regard to other relevant plans policies and strategies relating to the area?

Breaking this test down into its constituent parts, the first question is whether it is a Spatial Plan which has regard to other relevant plans, policies and strategies relating to the area.

Guidance on spatial planning is set out in paragraphs 30-32 of PPS1, and this advises that spatial planning goes beyond traditional land use planning to integrate policies for the development and use of land with other policies and programmes which influence the nature of places and the way they function. This includes policies

which impact on land use, by influencing the demands or needs for development but which are not capable of being delivered through the granting or refusal of planning permission and which may be implemented by other means.

In our view, this necessitates a need to set a clear vision for the future pattern of development in the District as a whole, to consider the needs of the communities and help integrate the wide range of activities relating to development and regeneration. We believe that at present, the land use policies of the Core Strategy focus largely on the main settlements of the District and do not consider the needs of the entire community including settlements in the rural area.

For instance, despite the Core Strategy (paragraph 280) recognising that the main sources of employment includes horticulture and tourism, the key opportunities in the District (paragraph 291) are seen to be focussed on Chichester City, for innovation, business and professional services. The LDF's employment policies aim to distribute the majority of the Districts employment floorspace requirement in and around Chichester City and this is at the expense of the rural economy. This is evident from table 10 of the LDF which shows that 136Km² of floorspace is to be provided at Chichester and Tangmere out of a total baseline amount for the entire District of 300Km², which is just under half of the total. If the further reserve amount is included, the total for Chichester and Tangmere is 170Km² out of a total of 375Km².

We note that the overall amount of new floorspace allowed for in the plan follows the recommendation of a background Employment Study (September 2005) prepared on behalf of the Council by Atkins Consultants. The background study also comments on the qualitative supply of business space in the District. It points out that it is of critical importance that the total employment land provision is of sufficient quality in terms of size, type and location to meet the needs of the area. It points out that a lack of choice in terms of size, location, and type of employment site may frustrate the expansion of local firms and deter inward investment.

We have a varied local membership base of large and small firms and first hand evidence of the needs of the local business community, and agree with this finding. Looking at the Core Strategy, we conclude it will not necessarily benefit the local economy because at present, it is just too focussed on the service centres of the District and fails to recognise the needs of business enterprise in the rural area. It also appears that policies should actively safeguard the supply of existing employment sites and premises in the City and the wider rural area, and we wish to see a more protectionist approach taken to them, rather than loose the supply of land and buildings to other uses, particularly housing. This general view would also more properly reflect the objectives of the over arching Regional Spatial Strategy for the Sussex Sub Region of the emerging South East Plan which is to encourage more economic regeneration.

As a general point, we also wonder how the spatial part of the plan might actually work in practice. For instance, non land use policies which influence the demand or needs for development in the Chichester area could include more fiscal subsidy towards regeneration to encourage the refurbishment of older business premises for 'start up firms'; initiatives such as improvements to public transport accessibility in the region and an increase in the absolute frequency of public transport, e.g. rail services; a more diversified skills base in step with the business needs of the area, retaining and improving the quality of life for its workers (the natural environment) and more affordable housing.

Not all of these initiatives are matters for the LDF and we believe that a Vision alone will not be enough to realise them. There will have to be more interplay with the emerging Transport Plan and more guidance provided by the Councils own Economic Development Department in the implementation of complimentary policies.

The second part of Test 4 is that it requires the Strategy to be consistent with National planning policy and be in general conformity with the Regional Spatial Strategy.

National Policy

Chichester District combines both rural and urban parts, with regeneration a focus within the coastal strip and protection of the environment focussed on the Chichester Harbour and Sussex Downs AONB (shortly to acquire National Park Status). A range of National Policy considerations therefore apply.

PPG3 – Supporting the Delivery of New Housing

In January 2005, the ODPM introduced new paragraph 42(a) to PPG3. It highlights that local planning authorities should consider favourably planning applications for housing or mixed use developments which concern land allocated for industrial or commercial use unless:

‘it can be demonstrated, preferably through an up-to-date review of employment land, that there is a realistic prospect of the allocation being taken up for its stated use in the plan period...’

Draft PPS 3- Housing

The Consultation PPS3 was published in December 2005. This encourages rural housing both open market and affordable housing in order to sustain rural communities. The draft guidance also retains the policy for reusing employment sites for housing but only where the site is no longer needed for that use.

PPG4 – Industrial, Commercial Development and Small Firms

PPG 4 notes that policies within development plans should provide for choice, flexibility and competition in allocating land for industry and commerce. The guidance recommends that planning authorities should be realistic in their assessment of the needs of business. Further, they should aim to ensure that there is sufficient land available which is readily capable of development and well served by infrastructure. They should also ensure that there is a variety of sites available to meet differing needs.

The Government is currently revising PPG4 which will be replaced by Planning Policy Statement 4 (PPS4). As part of the review process, the ODPM issued in May 2004, a research document to inform the new guidance.

Planning for Economic Development (ODPM, 2004)

The report highlighted that a culture of positive proactive planning for economic development is not firmly embedded in the current planning system. A number of important recommendations were made in respect of the policy development and implementation aspects of planning for economic development:

- There is a need for greater integration between the planning system and wider economic strategies, programmes and initiatives.
- All local authorities should undertake an assessment of the demand for and supply of employment land with regular reviews at least every three years.
- The approach to the allocation of employment land should be guided at the regional level by the application of standard techniques to assessing demand and supply. Guidance should also be provided in respect of the criteria for assessing the quality of employment sites. This should focus on factors of market realism and sustainability.
- Following the demand-supply assessments and reviews, local authorities should consider de-allocating or allowing change of use of allocated

employment land if there is no reasonable chance of the site coming forward in the medium term.

- Guided by reasoning and appropriate criteria, local authorities should adopt policies to safeguard employment land. This should not be used as a means to hoard employment land and should be subject to regular review (see above).
- The Use Class Order can hinder policies aimed at supporting particular sectors or types of businesses. However, local authorities should consider identifying sites for specific activities and types of organisations (e.g. small firms) where this is consistent with economic and regeneration priorities for the area.
- Comprehensive monitoring systems should be introduced, not only to assess the stock of employment land but also evaluations of the effectiveness of economic policies.

PPS7- Sustainable Development in Rural Areas (ODPM, 2004)

The objectives of PPS7 are:

- To raise the quality of life and the environment in rural areas;
- To promote more sustainable patterns of development;
- Promoting the development of the English regions by improving their economic performance so that all are able to reach their full potential (by developing competitive, diverse and thriving rural enterprise); and
- To promote sustainable, diverse and adaptable agricultural sectors.

PPS7 states that in rural areas, planning authorities should focus new development in or near to local service centres where employment, housing, services and other facilities can be provided close together. However, it goes on to highlight that:

‘Planning authorities should set out in LDDs their policies for allowing some limited development in, or next to, rural settlements that are not designated as local service centres, in order to meet local business and community needs and to maintain the vitality of these communities. In particular, authorities should be supportive of small-scale development of this nature where it provides the most sustainable option in villages that are remote from, and have poor public transport link with, service centres’.

In meeting the economic needs of rural areas, PPS7 states that local planning authorities should:

- (i) identify in LDDs suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration;
- (ii) set out in LDDs their criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.

Employment Land Reviews: Guidance Notes (ODPM, 2004)

In December 2004, the ODPM issued a guide for planning authorities in respect of assessing the demand for, and supply of, land for employment. The guide is aimed at helping authorities assess the suitability of sites for employment development, safeguard the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment development which should be made available for other uses.

The guide identifies a three step process in undertaking employment land reviews:

- Stage 1 – Taking stock of the existing situation, including an initial assessment of ‘fitness for purpose’ of existing allocated employment sites;

- Stage 2 – Creating a picture of future requirements by using a variety of means to assess the scale and nature of likely demand for employment land and the available supply in quantitative terms¹;
- Stage 3 – Identifying a ‘new’ portfolio of sites through a more detailed review of site supply and quality and identify and designate specific new employment sites in order to create a balanced local employment land portfolio.

During Stage 1, the guide suggests undertaking an initial appraisal process. Depending on local circumstances, the purpose of the Stage 1 appraisal is to:

- Confirm a selection of ‘high quality’ employment allocations which should, without doubt, be safeguarded for future employment use; and/or
- Assess the suitability of large, underused or vacant industrial sites for redevelopment or upgrading (for continued employment use); and/or identify employment sites which clearly could be released for other uses.

The Core Strategy

We would like to comment on the compliance of the Core Strategy with the above policy guidelines with reference to the supply of housing land and the supply of employment land.

With regards to housing sites, the Strategy has assumed that a considerable amount of housing land will come forward on identified and unidentified urban sites. The Urban Capacity Study accompanying the Strategy states that the identified sites comprise 2110 dwellings and the unidentified comprises a further 1300 dwellings up to 2018. The footnote to the unidentified urban potential on page 31 of the Strategy indicates that this includes existing employment sites. This allowance is included in table 5 of Policy LIV1.

As indicated above, other policies deal with new employment allocations, with up to 375Km2 of floorspace. Policy Wrk1 indicates that this will provide high quality job opportunities including innovation, business and professional services primarily focused on Chichester City. It states that previously developed sites will generally be favoured over Greenfield sites. Policy Wrk2 deals with existing and allocated employment sites, and this seeks to safeguard existing sites for employment uses unless there is no demand for employment use on the site.

We support the broad thrust of both policies Wrk1 and Wrk2 although it is unclear how it will deliver new employment opportunities mostly on previously developed sites in preference to Greenfield sites as there is also a presumption in favour of using the same site for housing. As indicated above, PPG3 and emerging PPS3 both encourage the reuse of employment sites for housing where they are no longer needed for that purpose. The Urban Capacity Study identifies sites of this sort for housing and overall, up to 1300 dwellings have been assumed to be found on existing employment sites.

We therefore believe that the Core Strategy would benefit from a separate Employment Land Review guide. An agreed process for carrying employment Land Reviews would provide more certainty to the development industry in redeveloping an employment site for housing, or in resisting its loss to housing. It would also benefit the Urban Potential Study, as the estimates it presently offers on the potential supply of housing land from former employment sites cannot be properly verified.

If the Council retain the present allowance for up to 1300 dwellings on unidentified urban potential sites, this will plainly prejudice their future reuse for employment, and in this situation we would request more Greenfield land be reserved for business development to make up the shortfall. The Strategy should also redistribute more employment land to the smaller settlements of the District to help maintain their

viability. We would also welcome more policy direction on other forms of employment development such as Enterprise hubs and home working in live/work units.

Policy Wrk3 deals with retailing and retail centres. It indicates that there are inevitable limits on Chichester's potential to accommodate further significant levels of retail development. Overall, we agree that further scope for retail development will be limited but would suggest that the maintenance of the 'vitality and viability' of the City Centre retail core requires more than just improvements to the street scene and public realm with improved street lighting and furniture. In our view, the ways in which the Centre could be strengthened and invigorated requires future limitations on the amount of residential development in mixed schemes in favour of additional retail A1 uses and complimentary A3, A4 and A5 uses (where residential amenity considerations allow). This would be consistent with the role of Chichester as a 'Secondary Regional Centre' in the South East Plan and comply with other overarching principles in PPS6 – Planning for Town Centres (paragraph 1.5) which is to provide an attractive accessible and safe environment for businesses, shoppers as well as residents.

The South East Plan

The last consideration for Test 4 is whether the Core Strategy is in general conformity with the South East Plan in preparation by the South East England Regional Assembly (SERRA).

The Draft Plan for submission to government was published for consultation in March 2006. Paragraph 3.2, Section D2 dealing with the economy states that Local Development Documents will need to ensure that there is an adequate quantity and high quality of employment land to meet the current and future requirements of the local economies. This general objective is given force by Policy RE2 of the South East Plan. The policy states for instance, that in preparing Local Development Documents, planning authorities will have to assess the employment needs of the local economy and workforce and provide for a range of sites and premises based on the following Criteria:

- Locations that are accessible to the existing and proposed labour supply
- Efficient use of existing and underused sites and premises
- Locations which intensify the use of existing sites
- Focus on urban areas
- Promotion of mixed use development where appropriate and subject to replacement of land and premises lost to non employment uses
- Locations that promote the use of public transport.
- Accessible and well located industrial and commercial sites should be retained where there is a good prospect of employment use.

This then, is another reason why the District's Core Strategy should include an Employment Land Review Guide. We would suggest the review of land and building is carried out from a qualitative as well as quantitative standpoint to ensure that sites are protected on a 'fitness for purpose' basis. This will ensure that the land afforded protection is of a continuing value and capable of delivering an appropriate mix of new sites and premises to meet the diverse needs of different market segments.

The South East Plan also deals with the general issue of Town Centres.

Policy TC2 deals with the Strategic Network of Town Centres and this lists Chichester as a 'Secondary Regional Centre'. The policy states that the network of Primary and Secondary centres are both to be a focus for large scale developments for major retail, uses which attract large numbers of people including cultural, tourism, social and community venues and employment uses, particularly large scale leisure and offices. Major developments are considered to comprise sites of 10 ha or more.

We accept that in light of recent planning permissions granted for mixed use development on key City Centre sites, there is further retail expansion already in the pipeline for Chichester. Nevertheless, in the spirit of Policy TC2, we believe it to be essential to retain as much of the existing retail offer in the City as possible, and offer further support to the existing retailers through complimentary initiatives to maintain and increase trade draw over the plan period of the Core Strategy.

The Sussex Coast Sub Region of the South East Plan includes the southern part of Chichester District. Policy SCT1 actively encourages the regeneration of the area and we believe that the present Core Strategy favours regeneration for housing rather than a mix of housing and employment regeneration initiatives. If more employment land is to be safeguarded in the way that Policy SCT3 of the South East Plan and Policy Wrk2 of the Core Strategy indicate, then we believe that the targets set for new housing from unidentified sites which include employment sites should be reconsidered and the contribution from this land component reduced.

Test 9 – The submission Core Strategy is reasonably flexible to enable it to deal with changing circumstances.

We do not believe this to be the case in connection with policy SUS5- Large Scale Development at Chichester or Liv1- Housing Provision.

Policy SUS5 as presently worded states that it will be necessary for the A27 to be improved before any significant development is occupied. The large scale development sites will include housing as well as employment and the policy states that development will occur before 2018, but mainly after 2026.

Policy Liv1 confirms that the large scale development after 2018 is actually a contingency. We believe that this is misleading and the development should be made a baseline allocation to be brought forward earlier than 2018 in parallel with other brownfield developments. We believe this is the only way to ensure a range of different sites are brought forward. To rely solely on brownfield redevelopments early on in the plan period will deny business a choice and may lead employers to move outside of the District altogether. In any event, a large strategic site will by its very nature, have a long lead in time during construction and it makes sense to confirm which of them will be a focus for development as early on in the plan process. In this way, more affordable housing would be provided sooner to meet the needs of a more diversified skills base, whilst complimentary business development would provide the employer with a greater choice of site and size of unit.

We would be grateful to be informed of the next stages of the LDF Core Strategy Review and the date of the Examination in due course.

Yours faithfully,
for PEP

David Thurlow
Vice-Chairman