

<u>KEY DECISION</u> Yes
<u>DATE FIRST PUBLISHED</u> 27 September 2016

## ST HELENS LOCAL PLAN PREFERRED OPTIONS

### WARDS AFFECTED

All

### EXEMPT/CONFIDENTIAL ITEM

NO

#### 1. PROPOSED DECISION

1.1 It is recommended that Cabinet:

- 1.1.1 Endorse the Local Plan Preferred Options recommendations as set out in this report.
- 1.1.2 Give authority to proceed with Borough wide consultation on the Council's Local Plan Preferred Options and Green Belt Review.
- 1.1.3 Authorise the Head of Regeneration to finalise the consultation documents for the Local Plan Preferred Options, including minor changes to the Consultation Draft of the Local Plan Preferred Options, Sustainability Appraisal, Habitats Regulations Assessment, Proposals Maps, and Green Belt Review.
- 1.1.4 Authorise the Head of Regeneration, in consultation with the Local Plan Member Steering Group, to make changes which may be considered to be of a more major nature.

#### 2. RATIONALE FOR THE DECISION

##### Background

- 2.1 On 18 November 2015 Cabinet resolved to proceed with a new Local Plan even though the Local Plan Core Strategy for St. Helens was only adopted in October 2012. This was based on Officers' recommendations and legal advice from Counsel.
- 2.2 The Council is now proceeding with a new single Local Plan for the Borough to replace the Core Strategy and incorporate the planned content of the Allocations and Sustainable Development Management Local Plans.
- 2.3 The housing and employment objectively assessed needs (OAN) studies undertaken in 2015 found that the growth needs for the Borough are very different to those in the adopted Core Strategy, in particular in relation to employment land where a much greater need was identified. This has implications for how much development should

take place and where, and for the Council's plan making to meet these needs. Local authorities are required to plan positively to meet their identified local needs.

- 2.4 The Core Strategy identified that additional housing land would need to be found to meet the housing requirements from 2022 onwards through the Allocations Local Plan. This would have included amongst other things, releasing land from the Green Belt and therefore a Green Belt Review commenced in 2013.
- 2.5 In addition, since the Core Strategy was adopted national policy guidance now places greater importance on demonstrating that sites included in the Council's housing land supply are in fact viable and deliverable within each Council's Local Plan period. The Strategic Housing Land Availability Assessment (SHLAA) is a review of the potential housing sites, including brownfield and greenfield sites, and was completed earlier this year. It demonstrates that the Council no longer has a five year housing supply, because some of the sites taken into consideration for the Core Strategy have had to be discarded as they have failed to come forward since the adoption of the Core Strategy and have no realistic prospects of being deliverable.

#### Summary of Key Findings

- 2.6 The Council does not have a five year housing supply. The implication of this is significant as it effectively means that the Council's adopted policies relating to housing are out of date and therefore not consistent with the National Planning Policy Framework.
- 2.7 The Council's objectively assessed needs for employment is much greater than that identified in the Core Strategy.
- 2.8 There are insufficient suitable brownfield sites to accommodate our housing and employment needs now or for the new Plan period of 2018 to 2033. Therefore it is necessary to release greenfield sites for development, including in the Green Belt.
- 2.9 St. Helens currently has 8844 hectares of Green Belt, which makes up 65% of the Borough. There is a further 902 hectares of green spaces (6.5% of Borough) which is not in the Green Belt. Therefore only approximately 28.5% of the Borough is not covered by either greenfield land or Green Belt.
- 2.10 St. Helens has been very successful in the past at directing development to brownfield land, but it was inevitable that at some point that land supply was going to reduce and therefore the Council would have to consider Green Belt release especially given the significant amount of Green Belt in the Borough. The table below sets out how St. Helens Green Belt compares to the other authorities in Merseyside:

<b>Authority</b>	<b>Total hectares</b>	<b>Green Belt (ha)</b>	<b>%</b>
Knowsley	8,647	4,210	48.7%
Liverpool	11,184	530	4.7%
Sefton	15,314	7,870	51.4%
St. Helens	13,590	8,844	65.%
Wirral	15,705	7,320	46.6%

- 2.11 There is strong market demand for logistics based development in St Helens given the Borough's strategic location in the North West in close proximity to the M6 and M62 major motorways. This is evidenced by the recent planning applications in Haydock and the Call for Sites submissions.
- 2.12 In addition, the Liverpool City Region (LCR) has significant growth ambitions following the Devolution Agreement, Northern Powerhouse concept, Liverpool SuperPort development and the publication of the Transport for the North Rail Freight Strategy. St Helens has a key role to play in the transformation of the North and the LCR to close the prosperity and productivity performance gap between the North and the rest of England. It currently stands at 15% if you exclude London and 25% if London is included<sup>1</sup>.

### Summary of Recommendations

- 2.13 Sufficient land should be identified to meet the housing and employment needs of the Borough for the plan period, as well as to factor in growth aspirations. This includes releasing land from the Green Belt. All the numbers outlined below have been worked out based on the plan period 2018 to 2033.

#### *Housing Land*

- 2.14 The emphasis will remain on developing brownfield land to meet the majority of the Borough's housing need. Given the viability constraints usually associated with brownfield land, this will be incentivised through not placing any affordable housing requirement on brownfield sites, unless those brownfield sites are located in the most viable locations in the Borough. .
- 2.15 It is recommended that the preferred housing target remain 570 dwellings per year as per the current Core Strategy housing target. That equates to 8550 for the 15 year Plan Period. The capacity in urban areas from our SHLAA sites is 5062, 59% of the total target.
- 2.16 That leaves a shortfall of 3421. It is recommended that we factor in a 20% buffer on this figure to provide some flexibility in delivery. Therefore in total 4105 units are needed from the Green Belt as it is not proposed to lose any of the major open spaces in the urban area and the SHLAA includes a windfall allowance of 91 units per year to come forward either from brownfield or greenfield sites not currently included in the SHLAA.
- 2.17 In total 163 Green Belt sites were promoted for development (employment and housing). At this stage only 16 Green Belt sites are proposed for release for housing development. It is envisaged that these sites would have a combined yield of approximately 4093 units over the Plan period. It should be noted that these sites are the Council's current preferred sites to meet the resulting housing shortfall and they may be subject to change depending on the outcomes of the Preferred Options consultation. The selection was based the following considerations:
- Draft Green Belt assessment;
  - Deliverability, including access, ecology, heritage, landscape, ownership;
  - Proportionate distribution across the Borough where practicable; and
  - Close proximity to employment areas.

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<sup>1</sup> Northern Powerhouse Independent Economic Review, June 2016

- 2.18 This is an estimated 12 units below the requirement outlined above, but such a small shortfall was not deemed to be sufficient to justify release of a further site until further detailed information can be obtained on the development capacity of each of the sites proposed to be allocated, and taking into account the 20% buffer.
- 2.19 The 30% affordable housing target set in the Core Strategy is not a viable target for most brownfield sites. Therefore the affordable housing target should either be reduced or land released in more viable locations such as the Green Belt to meet the affordable housing need in the Borough.
- 2.20 A draft version of the St. Helens Local Plan Economic Viability Assessment has divided St. Helens in four zones of viability based on land values, with Zone 1 being the least viable and Zone 4 the most viable. It has indicated that greenfield sites (including land in the Green Belt) have much greater viability. A requirement of 30% on site Affordable Housing is therefore proposed on Green Belt housing sites to help meet the affordable housing needs of the Borough which currently is not being met on brownfield sites due to viability. Brownfield sites in Zone 4 will be required to provide 10% affordable housing.

#### *Employment Land*

- 2.21 The preferred option is to allocate a minimum of 306 hectares of land for employment development up to 2038. There are a number of reasons for proposing such a significant figure. These include:
- The objectively assessed need (OAN) is 191 hectares. The OAN is for the period up to 2038 and therefore includes a 5 year buffer to provide sufficient flexibility in delivery.
  - An additional 32 hectares should be added to the OAN to compensate for the net loss of employment land since the base date of 2012.
  - The Council wishes to ensure sufficient land is identified to avoid an early review of the Local Plan. There is significant market interest as demonstrated by two recent applications on the edge of Haydock Industrial Estate, expected planning application for the former Parkside Colliery site, and the build out rate achieved at Omega in Warrington.
  - The development of Parkside Rail Freight Interchange (RFI) would be of regional significance and therefore the Council consider sufficient justification exist to raise its employment land target to accommodate the 65 hectares of employment land associated with the RFI. Given the infrastructure requirements associated with the RFI, it is also conceivable that the build out would extend beyond this plan period, which provides further justification for front loading the Council's employment land figure and then looking at less employment land required for the following plan period (2033 and beyond).
  - Transformational economic growth is required across the LCR and in St Helens to shrink the prosperity and productivity gap if compared with the national average for England. The partner authorities in the LCR will have to be ambitious in its plan making as a collective to facilitate such growth.

- 2.22 The Council's preferred option will help facilitate the provision of new jobs by ensuring a flexible supply of new high quality employment floorspace, utilising existing employment areas and St. Helens' strategic location for logistics development.
- 2.23 The majority of new employment land will be allocated in the Green Belt where large logistics development can be accommodated in close proximity to the M6 and M62 motorways. In total 289 hectares out of the 306 hectares employment land is proposed to be allocated in the Green Belt across eight sites.
- 2.24 It should be noted that the 11 hectare Green Belt site at Penny Lane was recently granted planning permission and a substantial part of the former Parkside Colliery site was previously developed land (brownfield).
- 2.25 In total approximately 730 hectares are proposed for release from the Green Belt for the new Local Plan up to 2033 which equates to 5.4% of the Borough and would mean that 59.6% of the Borough would remain in the Green Belt.

*Other key recommendations*

- 2.26 The extent of St. Helens town centre boundary is proposed to be reduced to focus retail activity towards the core of St. Helens current town centre.
- 2.27 Additional provision is required for Gypsies, travelers and Travelling Showpeople. No sites have been proposed through the Call for Sites and the Council will therefore look to allocate sufficient additional land around the existing site on Sherdley Road to meet the shortfall in demand.
- 2.28 Large housing and employment sites would have to be developed in accordance with approved masterplans which should ensure that the resultant infrastructure requirements which are generated by the development are provided as part of the development.
- 2.29 The Council proposes to introduce a development management policy which lists and provides a hierarchy for developer contributions.
- 2.30 It should be noted that the Council intends to consult on a Green Belt review which cover two plan periods (30 years), in other words a once in a generation review. The Green Belt in St. Helens has not had any major changes to it since its adoption in 1983. As a result the preferred options also include additional Green Belt land which has been identified as safeguarded land for future release. The total Green Belt release proposed for the two plan periods up to 2048 equates to approximately 1,187 hectares, which would still leave a resulting Green Belt area of 7657 hectares, or 56.3% of the whole Borough. This would still be significantly more than any other authority in Merseyside (refer to table above).

3. FACTS SUPPORTING THE PROPOSED DECISION

- 3.1 St. Helens Employment Land Needs Study: In accordance with updated national planning guidance and following legal advice regarding housing need, the Council commissioned a new Employment Land Needs Study (ELNS). The ELNS found that St Helens' key location on the M6 and M62 motorways means that it is ideally positioned in the North West to provide a critical role in the large-scale logistics

sector. The ELNS has identified an employment land OAN baseline of 174ha for St. Helens up to 2037. The ELNS has also sought to consider the potential of SuperPort and a Strategic Rail Freight Interchange at the former Parkside Colliery increasing demand for employment land in St. Helens, particularly in the large-scale logistics sector. Accounting for the potential uplift in employment land demand due to these major projects, the ELNS concludes that St Helens has an overall employment land OAN of 214 ha up to 2037 when SuperPort and multiplier effects of Parkside are taken into account; this is vastly different to an employment land requirement of 37ha up to 2027 set out in the adopted Core Strategy. It is important to note that this OAN is a starting point to which other considerations can be applied before a target is set in a Local Plan. (Members may notice that the OAN in the ELNS is different to the figure quoted in the report but the ELNS was based on a period up to 2037 and therefore not a full 5 year buffer for the current proposed plan and did not factor in net losses in employment land since 2012.)

- 3.2 Employment land supply: Since the adoption of the Core Strategy there has been a slow take-up of employment land within St. Helens, with the Borough experiencing a net loss since 2012. In light of this low take-up the Council commissioned consultants AECOM and DTZ to provide an expert view of market demand for employment land in St. Helens and to provide recommendations for change, where needed, through the Allocations Local Plan. The AECOM Allocations Local Plan Economic Evidence Base Paper (September 2015) concludes that large scale logistics is the most active market in the region and a particular opportunity for St Helens. However, none of the sites identified in the evidence base that supported the Core Strategy as suitable for large scale distribution and manufacturing uses, satisfy the criteria now suggested as being preferred by the market for large scale uses. Consequently, there is currently zero provision of suitable land for large scale distribution uses within the Borough's identified employment land supply. This shortage of available land to build large distribution facilities has meant that in recent years, when demand for such premises has been high, occupiers have had to locate elsewhere. It is important to note, however, that smaller employment sites still have an important role to play in accommodating smaller scale employment development.
- 3.3 Transport for the North - Freight and Logistics Report (September 2016): This report provides significant support for the development of the Parkside Rail Freight Interchange (RFI). The report outlines the aim of providing a network of connected Multimodal Distribution Parks (MDP) with as much as 50 hectares per annum (with potential grant funding to assist the development of such projects). Parkside is specifically identified as a potential Multimodal Distribution Park.
- 3.4 Draft Parkside Logistics and Rail Freight Interchange Study: This is an independent study undertaken by AECOM on behalf of the Council to review the Council's views in the Core Strategy that Parkside is a suitable location for an RFI. The Study is currently being finalised with some addendums, but it identifies clear policy justification nationally, sub-regionally and locally for the development of land to the east and west of the M6 including some land at the former Parkside Colliery into a logistics and rail freight interchange as part of a network of intermodal terminals. Through consultation with industry stakeholders, it is clear that there is good demand to support a strategic RFI in the North West with Parkside regarded as the best places site to satisfy this need. The opportunities for rail access are second to none in the North West and nationally.
- 3.5 Mid-Mersey Strategic Housing Market Assessment: In accordance with updated national planning guidance and following legal advice, the Council commissioned a new Mid-Mersey Strategic Housing Market Assessment (SHMA) with Halton and

Warrington Councils as they are considered to be an appropriate Housing Market Area.

- 3.6 The SHMA has indicated that the housing OAN for the Borough is 451 units per year up to 2037, this is different to the housing land requirement of 570 units per year up to 2027 set out in the adopted Core Strategy. It is important to note that the identified OAN of 451 is not a housing target that will be automatically incorporated into the next Local Plan. Instead, the OAN is the core output of the SHMA, which is then tested against land supply, infrastructure constraints, Council growth aspirations, and sustainability appraisals (among other considerations) in order to arrive at a housing target within the Local Plan, which may be higher or lower than the OAN.
- 3.7 The Council has achieved a build out rate of above 570 dwellings per annum over the past two years. It therefore considers that if sufficient suitable land is made available this target is achievable. In addition, the target of 570 for St. Helens has previously been tested through its adoption in the former Regional Spatial Strategy and examination in public and subsequent adoption in the Core Strategy (2012). Furthermore, a Liverpool City Region Strategic Housing and Employment Land Assessment (SHELMA) is currently being undertaken which will identify a housing objectively assessed need for each Liverpool City Region authority. Due to the timing of the Study, the Preferred Options Local Plan cannot yet have full regard to the implications of the SHELMA. The housing requirement has been set at a level that allows for enough flexibility to respond to any requirement to meet identified housing needs over and above the identified OAN in the Mid Mersey SHMA.
- 3.8 Green Belt: The Core Strategy recommends a sub-regional Green Belt Review to identify sites beyond 2022. However this did not take place and instead individual authorities such as Halton, Knowsley and Sefton have undertaken their own local Green Belt review whilst Wigan and Warrington are currently going through their Green Belt review. St. Helens Council has however been liaising closely with its neighbours under its duty to cooperate in relation to Green Belt matters to ensure the Green Belt between settlements in St. Helens and its neighbours are not significantly compromised.
- 3.9 Since the adoption of the Core Strategy national planning policy and guidance have placed increased importance on demonstrating immediate viability of land supply and this means that the amount of deliverable brownfield housing land in the Borough is lower than originally envisaged.
- 3.10 Given the need to accommodate an increased amount of housing land in the Green Belt and sooner than the Core Strategy envisages, and given the need to provide an expanded portfolio of employment sites to meet all of market needs, the Green Belt review has been more comprehensive than originally envisaged in the Core Strategy. The Council aims to plan for economic growth, and therefore ultimately a different spatial strategy is required to that set out in the Core Strategy. This is outlined in the Local Plan Preferred Options document appended to this report.
- 3.11 Changes to planning legislation and policy: Since the adoption of the Core Strategy there have been significant changes in national planning policy. The Government's NPPF is now supported by the PPG (an online resource which was launched in March 2014). The Regional Spatial Strategy for the North West was formally revoked by the Government in 2013. There have been various amendments to planning policy, including changes in relation to sustainable urban drainage, housing standards, affordable housing and vacant buildings and technical housing standards. There have also been amendments to legislation in relation to Permitted

Development Rights and Use Classes which have resulted in certain developments no longer requiring planning permission within the Borough. The preparation of a new Local Plan will enable all of these changes to be dealt with.

#### 4. IMPLICATIONS / RELEVANCE TO MEETING SAVINGS TARGET / PLANNING FOR 2020

4.1 The Local Plan Preferred Options (if successfully progressed to adoption) would have significant positive impacts on a number of corporate priorities including planning for 2020 as it would:

- Support the continued sustainable growth of the Borough, both in the short-term and long-term;
- Enable the Council to plan for significantly higher levels of economic growth than currently supported under the existing Core Strategy;
- Create more job opportunities to bring more people of working age back into employment or offer greater choice to the existing workforce, thus reducing the need to travel out of the Borough for work and reduce dependency on benefits;
- There is a strong evidence base that work is generally good for physical and mental health and wellbeing. A new positively planned Local Plan could therefore make a significant contribution in addressing one of the biggest challenges facing the Council and population of St. Helens;
- Increase level of affordable housing and specialist housing;
- Provide increased certainty in planning and development terms, which will help drive forward private investment; and
- Accelerate income to the community and the Council, due to an increase in the supply and certainty of sites available for development, which in turn will generate increased New Homes Bonus, Council Tax, Business Rates and potentially CIL.

#### Resources

4.2 In the long term, a new Local Plan presents an opportunity to improve the wellbeing of St. Helens residents and businesses, financially benefiting the Council directly and indirectly. In the short term, the preparation of a new single Local Plan will require more financial and staff resource.

#### Timescales

4.3 It is proposed to go out to public consultation on the Preferred Options early in December 2016 for an eight week period.

4.4 Once the consultation period has closed, the Council will collate and process the feedback. Depending on the outcomes of the public consultation and the level of changes required, the following stages will follow with estimated dates:

- Publication of draft Local Plan and public consultation (July- August 2017);
- Submission to Planning Inspectorate (October 2017);
- Pre-Hearing (December 2017);
- Examination in Public (February - March 2018);
- Main Modifications (April - May 2018);
- Inspector's Report (June 2018);
- Adoption (September - October 2018).

## 5. RISKS

5.1 The following risks have been identified as being associated with the Proposed Decision:

5.2 Reputational Risk: The issue of Green Belt release is highly controversial and the proposed approach, whilst aiming to plan positively for socio-economic growth for the people and businesses of St. Helens, is likely to be met by a lot of opposition and lobbying against the plan. It is important that elected members are well briefed on the justification for the proposed approach.

5.3 Staffing resources and budget: Similar to the preparation of the Core Strategy, additional funding will be required for staffing, consultancy work, the Examination In Public etc. A separate delegated executive decision will be prepared..

5.4 Changes to planning legislation and policy: Further changes to planning legislation and policy could be made during the preparation of the Local Plan. Where new guidance is issued, this will be taken into account when preparing the Local Plan.

5.5 Volume of responses to public consultation: It is not possible to quantify in advance the volume of work resulting from the public consultation stages. The aim will be to seek a high level of community engagement early in the Local Plan preparation process in order to resolve issues before publication of a draft Local Plan.

5.6 Changes to evidence base: The LCR is currently undertaking a city region housing and employment land market assessment which could impact on our baseline figures. However, the preferred options have looked at alternatives and safeguarded land and should therefore be able to inform any changes moving towards publication of our draft local plan.

5.7 Infrastructure: The level of development proposed would generate extra demands on existing infrastructure as well as the need for additional infrastructure. The Development Plans team has already been in discussion with various officers to give consideration to this matter and will work closely with various officers and professionals to produce an Infrastructure Delivery Plan for the Local Plan. Feedback from the public consultation would also assist to identify existing and potential infrastructure pressures.

Should this Risk be added to the Corporate Risk Register?

5.8 No

## 6. OTHER IMPLICATIONS

6.1 Legal: It is a legal requirement to have a Local Plan in place and to keep it under review. There is a significant risk of successful legal challenge if the Council decides

to proceed with a Local Plan which does not meet the objectively assessed needs for the Borough or to just stick with the Core Strategy. That is the main reason why the Council has decided to progress with a new Local Plan and should form the minimum baseline for the new Local Plan.

- 6.2 Financial: See paragraph 5.3 above.
- 6.3 Human Resources: None for the time being.
- 6.4 Land and Property (Asset): There are four Council owned sites in the Green Belt proposed for housing allocation in the Preferred Option Local Plan.
- 6.5 Anti-Poverty: By not taking forward a new Local Plan that plans for a higher level of economic growth than the adopted Core Strategy, opportunities to attract investment and new employment to the Borough would be lost.
- 6.6 Effects on existing Council Policy: A new Local Plan would bring forward changes to Council planning policy on spatial planning (the Core Strategy and Saved Unitary Development Plan Policies).
- 6.7 Effects on other Council Activities: None as a result of this decision.
- 6.8 Human Rights: None
- 6.9 Equalities - None
- 6.10 Asset Management – None.  
Health - None

## 7. PREVIOUS APPROVAL/CONSULTATION

- 7.1 The Council undertook a public consultation in July 2013 titled: Public Consultation on the Scope of the St. Helens Allocations and Sustainable Development Local Plan Incorporating the St. Helens Green Belt Review Methodology. The feedback from that was taken into consideration in the preparation of the Draft Green Belt Review and the methodology outlined in that consultation formed the foundation for the draft review.
- 7.2 On 18 November 2015 Cabinet resolved to proceed with a new Local Plan and adopted the new Local Development Scheme which outlines the project time framework for the new Local Plan.
- 7.3 In January 2016 the Council undertook a public consultation on the scope of the new Local Plan titled: St. Helens Local Plan Scoping Consultation. The feedback from the scoping consultation has been factored into the preparation of the Preferred Options.

## 8. ALTERNATIVE OPTIONS AND IMPLICATIONS THEREOF

- 8.1 The Preferred Options report outlines alternative options and reasons why they have been discarded. For housing it ranges from 451 dwellings per year up to 712 for example.

## 9. APPENDICES

### Appendix 1: Draft St. Helens Local Plan Preferred Options

Mark Dickens  
Head of Regeneration

Contact Officer for this report is Jan Lourens, Development Plans Manager: 01744 676198.

### BACKGROUND PAPERS

The following list of documents was used to complete this report and they are available for public inspection for four years from the date of the meeting, from the Contact Officer named above:

- Mid Mersey Strategic Housing Market Assessment (January 2016)
- Allocations Local Plan Economic Evidence Base Paper (September 2014 and updated September 2015)
- Employment Land Needs Study (October 2015)
- St Helens Strategic Housing Land Availability Assessment (June 2016)