

INSPECTOR'S NOTE: FINDINGS FROM NOVEMBER 2016 HEARINGS

1. At the examination hearings held on 1-2 November 2016 I indicated that I would set out my interim findings on the matters discussed, together with my views on whether further Main Modifications to the Sefton Local Plan are necessary.

FORMBY EMPLOYMENT ALLOCATION

2. I remain convinced that to meet the requirement for employment land in Sefton, two allocations at Formby are unnecessary. The objectively assessed baseline need for employment land is 54.7ha; even with just one allocation at Formby, the land supply rises to about 81ha, a 48% increase over the baseline need. I accept that some additional land is required to ensure a flexible supply and to offset losses to other uses, but a buffer of around 26ha should be more than sufficient. Moreover, because the historic land take-up model on which need is assessed includes replacement for past employment land losses, it follows that the baseline need should include some allowance for future employment losses.

3. I acknowledge that losses to other uses may increase if prospective changes to national planning policy are confirmed, but a 48% buffer is already very large. In addition, the robustness of the Employment Land and Premises Study Update should ensure that currently there is relatively little of the 'unviable and underused' employment land to which the emerging national policy is directed. Overall the exceptional circumstances necessary to release more than one employment allocation from the Green Belt at Formby do not exist.

4. Consequently a choice has to be made between the two allocations proposed in the Submission Plan, Land North of Formby Industrial Estate (MN2.48) and Land South of Formby Industrial Estate (MN2.49). I have reviewed all the evidence and I summarise my assessment of each of the key considerations in the Annex to this Note. I expect that some parties may not agree with my findings on some issues, but my approach is to provide what I regard as an objective basis for the decision. What I have not done at this stage, for reasons I explain below, is give weight to the individual issues or reach a balanced conclusion on which site is preferred.

5. I believe that the choice between the two employment sites is now finely balanced. The North site would be a conventional employment development providing a broadly similar range of uses as found on the existing industrial estate. For the South site, as well as the employment development there would be a significantly enlarged and enhanced local sports facility, which would benefit the local community and which has attracted substantial local support, and some retail development (considerably reduced from the original proposal) which would have a small but material adverse impact on Formby district centre. In my view

each scheme is a potentially sound option and is sustainable development, so there is now no overriding reason why either site should not be selected.

6. At the hearing both Sefton Council and Formby Parish Council stated that they do not have a preference for one site over the other and are content to leave the choice to me. I can make this choice, of course, but will be doing so without knowing the views of the local community, as expressed through its representatives. In light of the Government's commitment to neighbourhood planning, it occurs to me that the recent publication of the consultation draft Formby and Little Altcar Neighbourhood Development Plan presents an opportunity for the choice of employment site to be made by the local community, rather than having it imposed by me.

7. The draft Neighbourhood Plan states that it works with the housing and employment allocations of the emerging Sefton Local Plan on the basis that they have been through the public examination process. Whilst this is largely the case, a final decision on the choice of employment site at Formby is yet to be made. The National Planning Policy Framework requires Local Plans to set out the strategic priorities for their area, including the homes and jobs needed, and it is clear that the need for one employment site at Formby is a strategic policy which the Sefton Local Plan would continue to require. However, in the circumstances I describe above, the choice between the two sites is not a strategic matter; it is one which could properly be made in the Neighbourhood Plan.

8. I appreciate that neither Sefton Council or Formby & Little Altcar Parish Councils have suggested that the choice should be made locally, so I am presenting this as an opportunity for the decision to be made by the community most affected. If the Parish Councils do not wish to take up this opportunity, or if Sefton Council has good reason for the choice not being made locally, I will make the decision as part of the Sefton Local Plan examination.

9. I recognise that deferring the choice to the Neighbourhood Plan may cause some disruption to the Neighbourhood Plan process, perhaps requiring an additional consultation stage. I also accept that it would delay a final decision on the employment site and is likely to set back its implementation. However, I do not regard the delay as critical because the scheme is primarily intended to provide a continued land supply once the existing Southport Business Park is completed in the early 2020s.

10. **I welcome the views of Formby and Little Altcar Parish Councils and Sefton Council on this suggestion as soon as possible, preferably by 23 December 2016.** Other parties with an interest in this matter may also wish to comment. All comments should be addressed to the Programme Officer in the usual manner.

11. On a related matter, I refer in the Annex to a forthcoming decision by the Secretary of State on an application for a Sainsbury's superstore at Meols Cop Retail Park, Southport (APP/M4320/V/15/3002637). This

decision is expected on or before 8 December 2016 and, as discussed at the hearing, may have an effect on the choice of employment site at Formby. I anticipate that whoever makes the Formby decision (whether me or the local community) will want to be aware of the implications of the Secretary of State's decision. Consequently I invite representors to submit any **comments on the implications of the Secretary of State's decision to the Programme Officer within 14 days** of the posting of the decision on the examination website. Comments should be brief (maximum 2 pages) and restricted to matters germane to that decision – new retail evidence will not be accepted.

SHORROCK'S HILL, FORMBY HOUSING ALLOCATION (MN2.14A)

12. In response to widespread local concern expressed at Main Modifications stage about the impact of this allocation on wildlife, the site promoter submitted an ecological appraisal prior to the reconvened hearing. In addition, the Council has made a Tree Preservation Order to protect the trees on the site. Based on this new evidence, the promoter and Sefton Council have agreed that the capacity of the housing site be reduced from 60 to 34 dwellings and that the size of the public car park be halved to 100 cars. The discussion at the hearing focused on these revisions.

13. I consider that the substantial reduction in the scale of development is an appropriate response to the new evidence and I share the Council's view that, notwithstanding the need for further surveys, a development which respects the ecological value of the site can be achieved. Although the allocation would extend into the coastal zone previously demarcated by St Luke's Church Road, the site is partly brownfield and the limited encroachment would not be detrimental to coastal management objectives. The site has appreciably less impact on the Green Belt and much lower flood risk than most other peripheral allocations around Formby, and there is no evidence of insufficient capacity in the local highway network. Removal of the inappropriate nightclub and paintballing activities, coupled with the provision of a car park and woodland which would take some pressure off the coast, are significant benefits. Overall this reduced scale allocation is sound.

LIVERPOOL ROAD, FORMBY HOUSING ALLOCATION (MN2.16)

14. I had hoped that the matter of access to the Liverpool Road allocation could be resolved in writing, but this proved not to be possible. Having considered the new technical evidence, I accept that it may be feasible to design two accesses which satisfy technical highway standards, but I share the Council's view that the additional complexity and increased hazards of such an arrangement justify the requirement for a single access. Moreover, the options on the bend in Liverpool Road would have an adverse impact on the setting of the nearby listed buildings. I accept that the single access could be located at any point on the straight section of Liverpool Road, so the detailed requirements of the June 2016 Main

Modifications no longer apply. The need for a road link across the two land ownerships remains important, but is best dealt with by the requirement for a master plan.

15. I acknowledge that the single access requirement could delay the early development of the smaller western field, but as the potential developers of both land parcels have indicated a willingness to work together, any such delay is likely to be temporary. In my view the long term benefits of a less complex and potentially safer single access outweigh the arguments for an additional access.

FURTHER MAIN MODIFICATIONS TO SEFTON LOCAL PLAN

16. The change in housing capacity of the Shorrocks Hill allocation will require a further adjustment to policy MN2, but as the stated capacities are indicative and the number is a reduction which has been agreed with the site promoter, I do not regard it as a Main Modification. Similarly, the reduction in the size of the car park in Appendix 1 is a matter of detail which is not a Main Modification.

17. As for the Liverpool Road allocation, the need for reconsideration arose as a result of the Main Modifications to Appendix 1 proposed in June 2016. Removing the locational requirement for the single access point is merely a reversion to the Submission Plan. The new requirement for a master plan is an alternative means of ensuring connectivity between the two ownerships and is not a Main Modification.

18. It is not possible to determine whether further Main Modifications are required to the Formby employment allocation until it is known whether the decision on the choice between the North site and the South site is to be made in the Local Plan or the Neighbourhood Plan.

Martin Pike

INSPECTOR
18 November 2016

Annex

**FORMBY EMPLOYMENT ALLOCATION: INSPECTOR'S SUMMARY
OBJECTIVE ASSESSMENT OF KEY CONSIDERATIONS**

MAIN CONSTRAINTS

Green Belt

Each site is well contained on three sides by existing development, the bypass and the embankment of Downholland Brook, and each would have a relatively weak fourth boundary to a drainage ditch. The loss of openness, the extent of urban sprawl and the encroachment into the countryside would be broadly similar – although the South site is larger, the difference is mainly due to the football ground which would remain a predominantly open, non-countryside use. There would be no impact on the very wide gap to the nearest towns, nor would either development appreciably narrow the gap to the nearest small village (Great Altcar).

Flood Risk

Flood risk is categorised from 1 (low risk) to 3 (high risk – sub-category 3b is floodplain). 64% of the North site is in Flood Zone 2, with roughly equal areas in Flood Zones 3a and 1. The flood risk mitigation proposed for the North site includes raised floor levels, flood resilient construction techniques, creation of a flood storage area in the south-west corner of the site and management of surface water run-off. Half of the South site is in Flood Zone 3 (42% in 3b) and 41% is in Flood Zone 1. Flood risk on the South site would be managed by locating most of the buildings in Flood Zone 1, with the enlarged football facility and car parking for employment uses (together with compensatory flood storage) in the floodplain.

In January 2016 the Environment Agency withdrew its objections to both allocations, which is an indication that each development could take place acceptably without increasing flood risk elsewhere.

Ecology

The North site is part of Formby Moss Local Wildlife Site (LWS), though the improved grassland covering most of the site is species poor. The ecological interest is confined to a small area of reed bed habitat, which is poorly managed and drying out, and a network of ditches which support water voles, a protected species. The Council is satisfied that the harm resulting from the development can be mitigated by replacement habitat creation within the site. The South site is not a LWS and has little ecological interest, though there is the potential for water voles to inhabit the ditches. Suitable mitigation would be provided within the area reserved for ecological, landscape and amenity enhancement.

Landscape

Both sites comprise flat, predominantly open land which is contained by strong physical features on three sides and by a weak feature on the fourth side. The land north of the North site is an area of small fields leading to a group of farms and dwellings along Moss Side. The Council's landscape assessment records the North site to be mostly medium scale and the wider landscape character to be strongly influenced by the medium to large scale fields to the east. As for the South site, there are no buildings on the land to its south and the larger fields give a more open, expansive feel to the landscape. The Council's assessment considers the South site to be medium to large scale, with its wider character strongly influenced by the large scale fields to the south and east.

Agricultural Land Quality

Agricultural land quality is graded from 1 (excellent) to 5 (very poor), with grades 1, 2 and 3a being regarded as "best and most versatile" land. The most detailed information available (document EN.8) indicates that the North site is grade 3b and the South site is about half grade 2 and half grade 3b. The less detailed 2012 MAGIC maps (document EN.7) show the North site as wholly grade 4 and the South site as wholly grade 2.

Other constraints

Most other constraints apply equally to both sites and can be satisfactorily addressed. Each site would be accessed from a new traffic-signal controlled junction on the Formby bypass; the submitted Transport Assessments demonstrate that such accesses would operate safely and would not cause significant extra delay to traffic along the bypass. Although the bypass presents a barrier to access by non-car modes of transport from the residential areas of Formby, this applies equally to both sites. The South site is closer to the listed buildings and Conservation Area in Great Altcar, but these heritage assets are some distance away and there is no evidence that either development would cause harm to their settings.

NATURE AND SCALE OF PROPOSED DEVELOPMENT

Site area

The net developable area of the North site has been assessed as 8ha. The equivalent figure for the South site was originally 7ha, though with a reduction in the amount of floorspace in other uses, a recent notional plan indicates that the South site could deliver a broadly similar quantum of employment floorspace as the North site.

Developer interest

The South site is the more advanced project, being promoted jointly by the landowner (who operates the existing sports facility) and St Modwen, who have contracted to develop the site; some initial marketing has been undertaken. The owner and promoter of the North site (the developer of the existing Formby industrial estate) is in the process of agreeing heads of terms with Seddon Construction.

Employment uses and jobs

The promoter of the North site anticipates there to be demand for a mix of B1, B2 and B8 employment uses which would provide in the region of 1,100 to 1,400 jobs. The promoter of the South site believes the demand for B1 floorspace (which includes offices) is limited, resulting in 600 to 900 B class jobs. In practice each scheme is likely to be available for the full range of B1, B2 and B8 uses and would respond to market demand, so there may not be a significant difference in the number of jobs created.

Other uses

Local Plan policy allows for a limited number of other uses if they are necessary to cross-subsidise delivery of the employment floorspace. The promoter of the North site considers that 'enabling development' in the form of trade counters may be required, but believes that the employment floorspace would be viable without open retail uses.

The South site is promoted as a mixed use development of employment floorspace and a major expansion of the existing sports facilities. The sports provision would include a new pitch and clubhouse for a re-formed Formby Football Club, two full-size artificial pitches for community use and many other sport/leisure facilities. The Council's Playing Pitch Strategy indicates that the supply of grass football pitches in Formby exceeds the demand, giving a small spare capacity, but that there is a shortfall of one artificial pitch.

To fund the mixed use development, the South scheme requires substantial cross-subsidisation from more profitable uses. The promoter's viability appraisal assumes 2,787 sq m of retail floorspace, of which half could be occupied by any retailer (including a foodstore) and half would be restricted to the sale of bulky goods. It also includes a public house and two drive-through outlets. The Council's Retail Strategy Review indicates that there is no current need for additional retail floorspace in North Sefton (including Formby), though some capacity (for both convenience and comparison floorspace) exists from 2020. Formby district centre is considered to be a 'vital and viable' centre which is performing very well.

Retail uses would be subject to Local Plan policy ED2, which applies the sequential and impact tests of national policy. A high level retail study demonstrates that there are no sequentially preferable sites available in or on the edge of Formby district centre, though it was pointed out that opportunities exist in Southport town centre. Clearly the 'enabling' nature

of the anticipated retail floorspace means that it is site specific. The high level study estimates that the retail uses would have a 5.6% impact on Formby district centre if a foodstore is provided, and 2.3% without a foodstore.¹ Other parties believe that the impacts would be greater, though it is agreed that the impacts would be 'adverse' rather than 'significant adverse'. Subject to further technical work at application stage, it can reasonably be argued that the scale and type of retail development envisaged would not be contrary to policy ED2.

Viability

The promoter of the North site appears willing to accept a low uplift in land value to secure delivery of the scheme, perhaps achieving additional value through a joint venture arrangement with the developer. Even with a low land acquisition cost, the overall profit on cost is slightly below the generally accepted threshold of 15% (though 15% is achieved for the speculative floorspace by assuming a lower profit for 'design and build' floorspace, which carries a lower risk). Profit (and/or land value) improves appreciably with an increase in the proportion of 'design and build' floorspace. On this basis the Council believes the North scheme to be viable.

The viability appraisal for the South scheme is more robust than that for the North scheme in that it builds in a significantly higher (and more typical) land value, does not rely on any higher profit 'design and build' employment floorspace and provides a longer initial rent free period. It shows a profit on cost of 15.4% which, in the Council's view, is viable.

¹ The impacts on Formby centre would increase to 8.2% (with foodstore) and 4.9% (without foodstore) cumulatively if the Secretary of State grants planning permission for a proposed Sainsbury's superstore at Meols Cop Retail Park, Southport (APP/M4320/V/15/3002637).