

Matter 2 - Housing and Employment Needs and Requirements

Issue 1: The Local Plan timeframe

1. Are there any comments on the alternative end dates of 2035 (submission) and 2037 (possible MM)?

CPRE notes the proposal for an extended end date of 2037, if the local plan start year is 2022, to ensure 15 years. This change is a source of local concern as the time extension impacts on the land requirements for housing and employment, requiring an increase. Consequently, more greenfield land will be allocated, and this may be premature considering changes to the market in recent times due to Brexit and Covid causing large businesses to go into administration. The impacts of this economic uncertainty are not fully understood at the present time. In essence we need caution and a re-appraisal of employment and housing need.

2. Are there any comments on the implications of extending the period in such a way, particularly for the housing and employment land requirement, taking into account the Council's comments?

Each additional year added requires more greenfield land to be sacrificed for allocations in the local plan, and the housing and employment requirements are considered in any case to be excessive (972 dwellings and 11.6 ha of employment land). We are concerned that the added timescale will accelerate countryside loss. CPRE has witnessed developers focusing on bringing forward unbuilt land, in advance of that previously developed, contrary to the national and local level planning policies that seek a brownfield preference approach.

3. Are the different base dates for employment land and housing requirements justified?

Latest published data should be used to inform projections for objectively assessed housing and employment need in spatial plans at the national, sub-regional and local level.

4. Would a consistent base date for the Plan of 1 April 2016 have any implications for the Plan in relation to meeting the area's objectively assessed needs, particularly relating to employment?

Yes, best practice for using latest data to inform spatial plans would be followed. Whether the use of latest data has an upward or downward impact, CPRE believes using up to date data improves forecasting and the spatial planning that follows.

Issue 2: Housing Need and Requirement

5. Do the circumstances, particularly relating to economic growth, support the requirement for housing of 486 dpa as an uplift on the LHN figure?

There is a relevant ongoing national debate regarding the Standard Method. Many respected institutions dispute the national figure as Government appears to have plucked the figure of +300,000 dwellings per year out of the air, and it is yet to show how this figure has been derived. Latest publicly available population data shows a much lower figure (circa 218,000 dwellings per annum) is in fact needed when applying the Government's standard method.

Indicative Local Housing Need (December 2020 Revised Methodology) Published 16th December 2020 indicates St Helens Indicative Local Housing Need of 434 dpa = 6,510 dwellings over 15 years of the local plan if dated 2022 to 2037. CPRE believes this lower annual figure should be planned.

Also, at the Liverpool Local Plan Examination Nick Ireland of GLHearn the author of the SHELMA stated that if written today, the growth assumptions, due to Covid and Brexit, would be much lower. The SHELMA projections for housing and jobs need to be revisited in light of his comments.

See the update provided by Piers Elias.

6. Should the housing requirement be further increased to take into account economic growth aspirations, choice and competition in the housing market and affordable housing need?

No. In rural places it is affordable housing that is of concern as the price of property has risen faster than wages. There is concern that market housing sold at 80% is not affordable to most households and therefore by definition is not affordable, simply cheaper housing at the point of first sale, not in perpetuity. More emphasis should be on delivering low-cost social housing of the right size (smaller) and tenure (affordable to buy and rent) forms of housing. Older people need quality housing to meet their needs, such as supported housing to enable people to downsize in later years. This should be within the 434 dpa annual requirement.

7. Is the change in the housing requirement during the Plan preparation process justified?

No.

Issue 3: Employment Need and Requirement

8. Is this employment land requirement justified and supported by the evidence?

CPRE continues to believe that the employment land requirement is inflated due to the SHELMA, which is flawed in the assumptions relied upon, including excessive high growth, which has never been balanced by scrutiny of environmental capacity, and/or issues such as Green Belt purpose and protection.

9. How does the figure compare with trends in the past take-up of employment land?

In the last couple of years there have been several speculative applications for large scale B8 warehouses at Florida Farm (2016), Haydock Point (2017), Omega West (2020) and Parkside (2018). These applications for development are the subject of ongoing inquiries. CPRE and local groups will make representations at appropriate sessions in the Examination.

There is an imbalance with the environmental cost of large format logistic sheds and the low value benefits in terms of economy, as the Gross Value Added from storing and distributing goods is limited. Where is the evidence of logistics adding value? Job density of B8 large format logistics is typically very low. The Homes and Communities (HCA) Employment Density Guide 3rd Edition 2015 for last mile distribution is 1 job per 70sqm, but recent experience at Florida Farm has been 1 job per 400 sqm. In our experience the HCA Guide should be updated to reflect automation, which is likely to reduce job densities even further. Many logistics jobs are for low level skills and wages are

consequently low. The employment prospects of B8 employees are in secure, due to the use of zero hours contracts.

10. Is the Council's position that past take up is primarily due to a lack of supply of sites attractive to the market or are there other relevant considerations?

Due to the banking crash (due to unregulated growth of the financial sector) the economic recession that followed led to a lack of market demand (no applications being submitted for large format B8 in St Helens in years 2012, 2013, 2014, and 2015). The recent upsurge in demand based on automation of the retail sector and an increase in online retail and final mile destination centres, (Amazon tripled its profits in the first three quarters of 2020), and optimism linked to the expansion of Liverpool 2. CPRE is not convinced that it was possible to plan for such a surge in demand of this excessively large format, so there is no value in seeking to blame the Council for a lack of suitable sites; before 2016 the market was not interested in this large format development, there was not the demand. There is concern that this type of speculation relates to establishing a use on Green Belt land, ordinarily prohibited, and that in time these developments will become obsolete. The impact is large scale brownfield sites for which more profitable residential use will be sought.

11. Does comparing the situation in St Helens with neighbouring authorities indicate that there was a lack of suitably attractive sites?

St Helens' planning witness at the OMEGA 8 inquiry referred to Warrington having improved employment rate due to the provision of suitable employment sites. However, local people remain sceptical about the value of logistics, as this type of 'low value' development locks in poverty. Where is the evidence is to show that the developments of Florida Farm, Penny Lane, and existing Omega have returned any real improvement in the socio-economic performance indicators in nearby deprived wards of St Helens?

12. If a lack of suitable sites was a factor, is it realistic to assume that once the supply of sites is increased there will be a spur on development that will be above the forecast average rate to 2037?

CPRE believes there may be saturation in the B2 and B8 property market arising from recent speculative development. Concern over the narrowing of the business base and over representation in logistics, warehousing and distribution (already in excess of 25%) that will render St Helens' economy vulnerable to economic shocks in the future, such as changes to value of Sterling making exports more expensive, or imports more expensive, was previously set out during the recent B8 Inquiries by local community groups.

13. Can this be primarily attributed to an increase in the availability of sites or are there other relevant factors?

CPRE has observed land owning and developer interests seeking higher land values from that in agricultural use in the Green Belt, by speculative promotion for consent for logistics related uses.

14. Is this approach justified?

Yes. It is good practice to use at least ten years data to inform the average take up to iron out peaks and troughs of demand.

15. Would the inclusion of post-2012 take-up rates affect the historic baseline for predicting needs? If so how?

CPRE recommends a long historic take-up to cover a normal economic lifecycle (of high and low growth) to achieve a realistic average, and hence a more realistic employment land requirement for the future. It would be most unreasonable to plan on the basis of three 'boom' years, as the 'bust' years should be considered too, as to allow balance.

16. What would be the implications for the Plan if the OAN requirement were reduced by 4 (or 2) years?

The impacts on the commercial property market are not yet fully understood as many large companies are going into administration with large sites coming vacant. This business collapse is likely to cause an increase in windfall in both town centre, and out of town locations. We should not allow further development in the countryside when there is more previously developed coming forward. Brownfield land ought to be reused first as a priority. The brownfield preference issue is of particular importance in St Helens due to the demise of the coal and glass manufacturing business base and available previous developed land.

Considering the above, a reduction of 4 to 2 years, would be a more socially responsible approach as less land would be required for employment use, and therefore more land can be retained for wildlife and recreation and leisure and promote rural economic development.

This would help protect land in the Green Belt serve important functions of keeping land permanently open, and stop urban sprawl, distinct places merging, halt countryside encroachment, protect historic towns and promote regeneration.

A more cautious approach seems sensible at a time of considerable shift in the commercial property market.

17. How would these implications be addressed?

A target for brownfield development could be adopted to focus attention on this important matter. A restriction on Green Belt release due to exceptional circumstances not being met should be imposed. For flexibility, any land proposed for development in the Green Belt could be safeguarded as a contingency, and rather than being promoted for development in the short and medium term, retained for the long-term, and only used if fully justified. The impacts of Brexit and Covid should be assessed before releasing too much land in Green Belt for development. CPRE believes land in the Green Belt should be protected for everyone in the future.

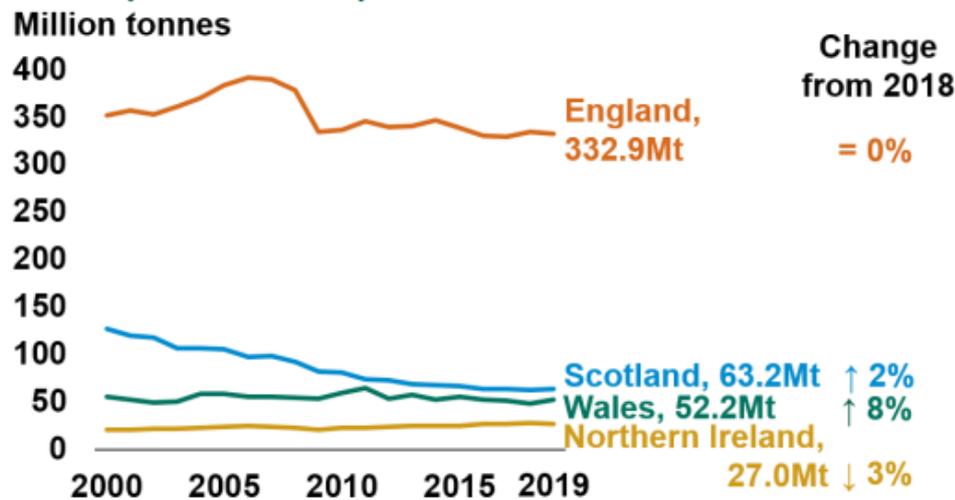
18. If changing the baseline date to 2016 affected the residual employment land requirement, what implications would there be for the Plan?

Using up to date data would improve the robustness of the projections and land use planning decisions that follow.

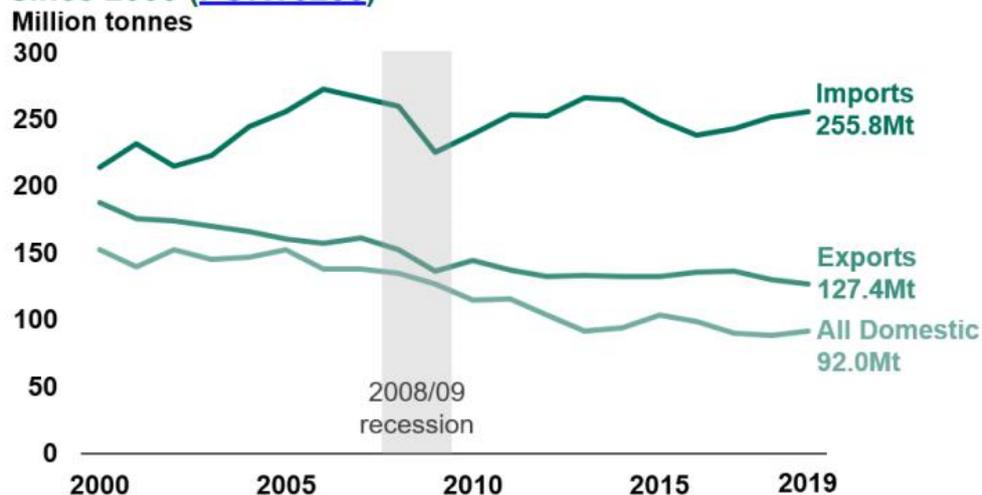
19. How would these implications be addressed?

Nationally transportation of goods via ports has declined in terms of tonnage. Exports have declined, and imports have fluctuated. See extract graphs from UK Port Freight Statistics: 2019. There could be a bubble in the Liverpool City Region in terms of the logistics sector that could burst.

Tonnage handled by UK countries since 2000 (PORT0101)



Major port international freight by direction and domestic freight since 2000 (PORT0205)



20. Does the recent data demonstrate that there is a strong demand for large-scale warehousing to serve the logistics sector?

CPRE refers to the evidence of Dr Glen Athey, which disputes the robustness of the Liverpool SHELMA. Also, at the Liverpool Local Plan Examination Nick Ireland of GLHearn who wrote the SHELMA stated that if written today, the growth assumptions, due to Covid and Brexit, would be significantly lower. Although this was during the housing requirement session, his comments were relevant to the economic requirements due to the interplay between the two. This issue needs to be revisited as the Local Plan needs to be realistic. Climate change is a real threat to our

environment and business as usual is not advisable due to logistics sector having such a high carbon footprint, not compatible with the Climate Change Act 2008.

21. Is this demand likely to be sustained during the Plan period on the scale envisaged by the land allocated for this type of development?

CPRE believes that due to the number of large companies that have gone into administration, there will be churn in the property market, with a large amount of space being vacated as it is no longer required. There needs to be caution applied as not to swamp the market or cause widespread vacancy. There must be a market for obsolete sites. Many other large sites are identified across the Liverpool City Region and Greater Manchester by Liverpool 2 owners Peel for large scale B8. St Helens needs to plan for its own need and should not compete unfairly with neighbouring boroughs.

22. Is this justified and consistent with national policy?

No, we think that there is an environmental limit that will be breached by the allocation of this additional land, contrary to policies in the NPPF, against the National Planning Practice Guidance and other environmental and planning legislation.

23. Is the amount of land identified in addition to land that has already been identified to meet the needs of large-scale warehousing from the logistics sector (such as at Haydock and Parkside) justified?

No the requirement for additional logistics requirement is not justified. CPRE set out at the Parkside and Omega West call-in inquiries, it is considered that the economic diversity of St Helens is narrow. The Local Plan ought to ensure high grade agricultural land is retained to support agriculture and direct and in-direct jobs, and the visitor economy. We refer to Bold Forest Park Area Action Plan, 2017, which forms part of the adopted plan. It has specific policies for enhancing and protecting the existing business base, specifically the equestrian sector. St Helens may be located between two large conurbations, but it has other strengths that should be harnessed by the local plan. The value of its high-grade farmland, much of it Best and Most Versatile Grade 2 should be recognised.

24. Is there a risk that the potential for future growth in this sector may have been over estimated?

CPRE is of the opinion that the potential for future growth has been overestimated, as discussed in our earlier submission.

25. Is an additional 5-year buffer necessary, justified and consistent with national policy?

CPRE queries the need for a 5-year buffer for employment land. We are aware a 5-year buffer for housing. Where in the National Planning Policy Framework does the Government require a 5-year flexibility buffer for employment land? Given recent progress against delivery of B8 warehousing and other sites in the planning pipeline. The local plan should steer economic development, but the outcomes of the current inquiries are material to this issue. The impact of Covid on home working and a change in employment premises market is not yet known. It is a quickly changing market and a precautionary approach to protect land assets and natural capital is urged.

26. How was the extent and nature of the buffer required identified?

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27. Does the above likely timeline have any consequences for the Plan?

The Statement of Common Ground was submitted after the consultation period. The Warrington Local Plan has been delayed due to Covid. Wigan and Greater Manchester Mayor Andy Burnham opposed the Parkside Link Road due to outstanding traffic and air quality issues. Likewise, Knowsley have objected to EPGC on Green Belt and Traffic grounds.

CPRE is concerned at the scale of loss of high-grade agricultural land across St Helens and all neighbouring areas. It is not in the national or local interest to lose grade 1, 2 and 3a BMV at such an accelerated rate.

28. Is the provision of 31 ha of employment land to meet some of Warrington's needs justified?

In CPRE view this requirement is too high. Core Strategy Policy CE1 identified land an employment requirement of 37 hectares for B8 development. So comparatively 31ha is large amount.

The Parkside and Bold & Clock Face Action Group made representations objecting to development due to a range of economic, social and environmental harms at the recent Inquiries.

The ecological impact of the existing Omega site was to displace wildlife, and if extended the area available for displaced wildlife will be lost. The in combination and cumulative impacts need to be fully considered.

Issue 4: Alignment between housing and employment requirements SHBC001 (PQ43) summarises the Council's position in relation to the alignment between housing and employment requirements.

29. Is there sufficient evidence to indicate a clear alignment between housing and employment land requirements, particularly given the different base dates referred to above?

The SHELMA is based on high growth assumptions and have not been tested against or policy constraints, such as ancient woodland or Green Belt. We do not understand from the evidence where all the people are to come from to fill the jobs identified. All parts of the country are aiming for growth. Due to Brexit and immigration policies, we are mystified as to where all the people are to come from.