

St Helens Borough Local Plan Examination
Matter 10 Hearing Statement of
Peel L&P (Participant ID RO1959)

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1. Issue 1: Definition and Scope of Infrastructure required

Q1: In general terms will Policy LPA08, the IDP and other policies of the Plan, including allocation policies, ensure that necessary infrastructure is delivered and in a timely fashion?

1.1 Improvements to Junction 23 M6 are identified in the IDP and Policy LPA07 as being a priority to accommodate future growth including Local Plan development. The evidence base for this position includes TRA003 Local Plan Transport Impact Assessment January 2019 (LPTIA) and TRA007 M6 Junction 23 Haydock Island Capacity Feasibility Study June 2019 (J23 Study). The stated aim of the latter is to ‘advise the preparation of the St Helens Local Plan.’ (Page1) ¹

1.2 The LPTIA modelled scenarios for the purpose of assessing the impact and mitigation strategy for the Local Plan, concluding:

- The addition of development from the Local Plan allocations would result in traffic conditions and congestion at Junction 23 becoming substantially worse, without mitigation;
- Travel demand management would have a minor beneficial effect;
- A strategic improvement is required to J23 to deliver substantial operational benefits,

1.3 The J23 Study was commissioned by SHBC in collaboration with Highways England and Wigan Council to consider options for improving J23 to address issues of growth including Local Plan development. It states that due to existing and forecast congestion issues at the junction “it is considered essential that the junction’s capacity is improved to manage the existing traffic flows and to facilitate the projected development growth anticipated in the area”.

1.4 Key outputs from the J23 Study are quoted below.

1.5 Section 7.5 deals with the option to divert the A49 arms concluding: *“This is a permanent solution with clear benefits for the junction. It is considered fundamental to improving the junction in the medium to longer term.”*

1.6 Section 12.1: *“The Steering Group resolved that to achieve any significant level of improvement, and which ever additional option for improvement was taken forward, A49 Lodge Lane should be diverted on both sides of the junction, removing the connections with the existing roundabout. New junctions would have to be constructed with A580 at a likely distance of 400m to 600m from M6 J23.”*

1.7 Section 12.2:

- *“It has previously been identified that the relocation of the two A49 arms is a prerequisite to carrying out any other improvements.”*

¹ Examination Document TRA007 Page 1

- *“The study has revealed that any significant improvements hinge on the diversion of Lodge Lane away from the gyratory carriageway, either in isolation or in conjunction with another junction improvement scheme.”*
 - *“the diversion of Lodge Lane is considered essential for the improvement of the junction”.*
- 1.8 The J23 Study is categorical on the matter of the A49 diversions as a permanent solution, fundamental, a prerequisite, hinges on, and essential for improvements at J23.
- 1.9 The Highways SoCG for the Haydock Point Appeal, appended to Peel’s Matter 4 Statement, confirmed this position. It states that: *“It is agreed with SHBC that, based on the outcomes of this study the wider capacity and safety improvements to M6 J23, whichever option is selected will necessitate the diversion of the A49 arms away from the junction.”*
- 1.10 The Highways SoCG further explained: *“At the present time, there is no formally agreed scheme and no identified funding for the wider improvements to J23, apart from the funding to be provided by Peel in relation to the A49 (N) diversion as an essential element of the wider J23 proposals.”* This funding would only be forthcoming with development of the Haydock Point site.
- 1.11 There is a fundamental difficulty regarding deliverability of improvements at Junction 23 in a timely fashion as critically needed to accommodate Local Plan development. Most notably the land needed to deliver the critical A49 diversions is owned by Peel who are promoting these sites for development. This would facilitate the delivery of the diversions
- 1.12 Through its representations, Peel has proposed the allocation of Site 2ES, referred to as Haydock Point. Peel has also continued to promote land to the southwest of J23 M6 referred to as Haydock Green throughout the Local Plan process, including through the Examination.
- 1.13 During the course of progressing the Haydock Point planning application, in January 2019 Peel were informed of emerging outputs from the J23 Study and actively encouraged by SHBC to amend the access proposals to create a link road through the site. The purpose of the link road was to deliver the A49 (N) diversion, which had been concluded to be essential for wider improvements to J23. The access arrangements were therefore amended accordingly which facilitated agreement that these accord with, and provide, an essential aspect of potential future wider strategic improvements to capacity and safety at M6 J23, as identified by the J23 Study.
- 1.14 The Highways SoCG confirms this position: *“It is agreed the proposed development would provide an essential aspect of potential future wider strategic improvements to capacity and safety at M6 J23, a key gateway into St Helens and the North West Strategic Road Network, as identified by the J23 Study (noted earlier in this SoCG). This clear necessity to improve capacity at M6 J23 is included as a priority in the Submission Draft of the St Helens Local Plan (Policy LPA07: Transport and Travel). The access arrangements and associated link road accord with the future improvements and contribute to them at no cost to the public purse. The A49 diversion forms part of the*

agreed access and mitigation strategy associated with the development proposals, allowing the development to proceed with agreement from SHBC and Highways England.”

- 1.15 The proposed improvements to be delivered by the Haydock Point development would represent a sizable contribution to the wider emerging J23 scheme at £11.8 million (WSP figures), which is approximately a third of the total cost of the preferred scheme options currently under consideration, estimated between £34.8m to £37.8m. Such a substantial contribution from the private sector would improve the opportunities for securing funding for the wider J23 improvements, as a result of the high level of match funding secured from Peel.
- 1.16 In summary, there is an intrinsic link between the Haydock Point development scheme and delivery of the A49(N) diversion as an essential element to the wider Junction 23 Improvements, needed to deliver the Local Plan. The opportunity to bring forward early development on Site 2ES as an allocation paves the way for the delivery of this critical infrastructure identified as needed to support Local Plan development. If development of 2ES does not take place within the Plan period it is difficult to see the necessary improvements to J23 coming forward either in a timely manner or at all.
- 1.17 The SoCG between the Council and Highways England (SD031) sets out the need for three larger scale strategic interventions, including M6 J23 improvements, in order to accommodate Local Plan development, as also set out in the IDP. Paragraph 3.11 makes specific reference to Site 2ES stating that, as there is no agreed scheme for J23 and further optioneering and business case development work will be required to secure entry onto a funding programme, St Helens Council conclude that no material weight can be attached to the A49 realignment at this stage. Further it does not prejudice development of a future improvement scheme at Junction 23 but does recognise the importance of phasing of development in line with the Local Plan.
- 1.18 This position is untenable and ignores the Council’s transport evidence base in preparing the Local Plan. A specific stated purpose of the Junction 23 Study (TR007) was to inform the Local Plan. The output from this study is clear and categoric that the A49 diversions are a prerequisite, fundamental and essential aspect of achieving improvements at Junction 23. This is the position of SHBC and Highways England as key parties to the J23 Study. The Council’s approach in now seeking to ignore the critical importance of the A49 diversion, and its own evidence base, and on the contrary would prejudice bringing forward the needed J23 improvements in a timely manner. As indicated, the allocation of Site 2ES would allow development of this site to come forward within a relative short term and deliver an essential element of the required improvements to J23, which is a more sensible phasing of development.
- 1.19 In a similar manner to the Haydock Point development, delivering the A49 (N) arm diversion, the proposed development on land to the SW of Junction 23, Haydock Green, would deliver the A49 (S) diversion as essential Local Plan infrastructure. The Transport Statement: Residential Led Development Haydock Green (SW of Junction 23) provided at Appendix 4 (Matter 4 Session 5) demonstrates that the diversion of the A49 (S) arm of J23 would in its own right result in substantial capacity and safety benefits, even in the absence of wider improvements to J23. Removal of the A49 (S)

arm would also benefit active travel movement through the junction by taking away the conflict point. As can be seen from the Transport Statement, the residential led masterplan has been developed to accord with the findings from the WSP Junction 23 Capacity Study (TR007). The WSP J23 Study provides an estimated cost of this diversion at £5.9m thus delivery of the diversion as part of the Haydock Green development would represent a significant contribution to the wider J23 scheme.

- 1.20 As with Haydock Point, there is an intrinsic link between delivering the A49 (S) diversion, as an essential element of necessary improvements to J23, and planned development at Haydock Green which would deliver the A49 (S) diversion. The principle of providing the A49 diversion would equally apply to Haydock Green. If development is not forthcoming at Haydock Green then it is difficult to envisage the A49 (S) diversion, and hence the wider J23 improvements necessary to accommodate Local Plan development, being delivered in a timely manner.
- 1.21 Certainty in respect of the delivery of the A49 arm diversions can only be provided by the allocation of the sites NE and SW of Junction 23 as promoted by Peel. Without such allocation, there is a high risk that the necessary improvements will not be delivered in a timely manner or not at all, which would undermine the soundness of the Local Plan transport strategy, IDP and Policy LPA007 Transport and Travel.

Implications for the soundness of the Local Plan

- 1.22 In the circumstances, the policies and allocations of the Local Plan are not sufficient to ensure that the necessary infrastructure is delivered in a timely manner. This deficiency is apparent in the context of the Council's own evidence, published since the Regulation 19 consultation in 2019 which the Plan and its production has had no regard to, despite the evidence's stated purpose to advise the Local Plan. The Council has had ample opportunity to address this through reconsidering sites for allocation since the publication of this evidence with a view to selecting an approach which can provide the solution to this part of the Plan's failings. This flaw is highlighted by the fact the Council has had no regard to the ability of site 2ES and Haydock Green to deliver a significant part of the necessary enhancement to J23 in considering these for allocation. These are unique and strategic benefits of these sites which no other candidate allocation can deliver.
- 1.23 We would draw attention to Peel's Matter 4 (Session 5) statement which presents very clear evidence that the entire basis for rejecting Site 2ES as a plan period allocation is related to potential impacts on Junction 23 and its future improvement. This is an issue that is not only now resolved but it is accepted by the Council that Site 2ES will benefit the junction against the baseline and pave the way for its future improvement. One can only reasonably infer from the Council's appraisal of Site 2ES that had what is now known about Junction 23 been known at the time of the site's appraisal as a candidate allocation, it would have been selected as an allocation for development at the expense of other sites.
- 1.24 In Peel's Matter 1, 3 and 4 (Session 5) Statements we have highlighted further deficiencies in the allocation selection process relating to housing sites, with a number of candidate sites not being subject to a full assessment of their sustainability and suitability for allocation having been 'filtered' out early in the appraisal process on the

grounds of potential Green Belt harm. This narrow approach is not able to reveal which sites are the most sustainable in the round. Haydock Green will provide a significant and unique highway benefit and, in combination with Site 2ES, provides the solution to the specific deficiency in the Plan explained above. This should have been given due weight in the appraisal process. Reflecting this position, this site, and other candidate housing allocations, should have been advanced to Stage 2 of the GBR to allow a broader consideration of their suitability for allocation to be considered and such factors given appropriate weighting. The deficiencies in the Plan relating to infrastructure delivery highlights the limitations in allowing Green Belt harm to dictate the site selection process as has been the Council's approach.

1.25 Whilst the process of selecting sites for allocation was completed sometime before the Junction 23 Study was finalised, this is not an excuse to blindly proceed with a Local Plan in the knowledge that it proposes a flawed strategy in the context of new evidence. The question must be asked as to how the Council would have approached the process of selecting sites for allocation if this was undertaken at a point in time when the Junction 23 evidence was available? The Council's defence that it cannot continually respond to new evidence and must draw the line somewhere is wholly inadequate when that evidence relates to a matter which is of such strategic importance to the Local Plan and which the Council has commissioned to inform the Local Plan.

1.26 That the Council has failed to reconsider sites in the context of this new evidence is a significant procedural deficiency in developing the Plan. It means that the Local Plan is unsound on a number of levels. The Plan is at odds with its own evidence base which means it is not justified. There is insufficient assurance and certainty that critical infrastructure needed to deliver the Plan can be provided. The Plan is not effective. That it is underpinned by an out-of-date (or more specifically has ignored a critical part of the evidence base) means it is at odds with paragraph 31 of the Framework. It is therefore not consistent with national planning policy.

Q2: Will the mitigation measures identified be sufficient to address the highway impacts identified?

1.27 The necessary mitigation comprising an improvement to Junction 23 will only be sufficient if both arms of the A49 are diverted away from the junction. See Q1.

Q3: Is the Council satisfied that the LP proposals would not have an unacceptable impact on highway safety or the residual cumulative impacts on the road network would not be severe (see SHBC001 – PQ65)?

1.28 The transport evidence base including the J23 Study identifies that Junction 23 M6 suffers from serious operational and safety issues, with the IDP and the SoCG between the Council and HE indicating a clear need to deliver improvements at J23 to accommodate Local Plan development. Without improvements to J23 M6 the LP proposals would have an unacceptable impact on highway safety and cumulative impacts could be categorised as severe.

1.29 Without the A49 diversions, the J23 Study indicates that conflicting movements and the limited stacking space for vehicles where M6 slip roads, A49 Lodge Lane, the circulatory section of the roundabout and the straight-ahead lanes on A580 converge,

would always constrain any attempt to improve operational performance and these conflicting vehicle movements would continue to present a safety hazard at the junction. The A49 diversions are critical to ensuring the LP proposals would not have an unacceptable impact on highway safety.

Q4: How will the Council work with infrastructure and service providers (including the Liverpool City Region, Merseytravel, Highways England, developers, landowners and neighbouring authorities) to identify and address any impacts of proposed development, including through the use of contributions and through the implementation of highway improvement schemes?

1.30 Peel has worked closely with the Council and Highways England to develop the access strategy for the Haydock Point development to accord with the J23 Study, advanced as a result of the Council's stated approach of sharing the preferred solution for J23 in order to influence developers (letter from the Interim Chief Executive to Peel dated 5th March 2020).

2. Issue 3: Viability

Q9: Does the EVA make realistic assumptions about land values, sales values, finance, profit and development costs?

2.1 See Paper 1 of Peel's Regulation 19 submission.

Land Values

2.2 The EVA's benchmark land values ('BLV') were too low, especially when reviewed on a per gross acre basis, rather than the per net acre basis that appears to be adopted in the EVA.

2.3 No reasoning was provided for the use of the same greenfield BLV in Affordable Housing Zones 1 and 2, whereas the brownfield BLV increases by 66.66% from Zone 1 to Zone 2. The uplift in brownfield BLV reflects a 14.7% increase in average residential sales values. This sales value uplift applies to both brownfield and greenfield developments, and the use of an unchanged Zone 2 BLV has no explanation and is regarded as unreasonable.

2.4 At para 5.16, the EVA states *"The landowner in making a decision regarding site value will also have regard to the likely house prices in the area and inevitably those in higher value areas will be seeking a greater site value than those in lower house price areas."*

2.5 The EVA's positioning of the Zone 2 BLV contradicts this statement, and an uplift in Zone 2 BLVs in line with that adopted for brownfield BLVs is regarded as necessary to provide a consistent and rational approach. The same follows for Zone 3, with higher sales values requiring an uplift in BLV.

2.6 As is the case with Peel's Haydock Green site, where a site generates a low level of net developable area in comparison to the gross area, it is regarded as appropriate for the land owner to make an allowance for this inefficiency within their expectation of landowner's return, whilst ensuring that they receive an appropriate premium in excess of the EUV in order to incentivise disposal.

Sales Values

2.7 Peel requested that the Council provide supporting evidence for the EVA including:

- sales value data sources;
- evidence to support the 10% uplift in values applied to bungalows; and
- values applied to Affordable Home Ownership units.

Finance

2.8 The cost of financing development is derived from the development cashflow. However, no appraisals or cashflows were provided in the EVA. Copies of appraisals and cashflows were requested to enable an appropriate level of stakeholder review and engagement. It is regarded as highly unusual for an EVA to be produced without any appraisals being attached; particularly given the requirement for transparency within NPPF, PPG Viability and relevant RICS Professional Standards and Guidance.

Profit

- 2.9 The developer's profit level of 20% of GDV adopted in the EVA for standard housing schemes was regarded as an appropriate minimum allowance. The 17.5% of GDV applied to schemes of 10 or less dwellings, and 15% of costs on commercial development were regarded as too low. A rate of 20% of GDV and 20% of costs should be adopted.

Development Costs

- 2.10 The base construction costs (including preliminaries) in the EVA were determined to be insufficient to reflect the costs incurred by national housebuilders in the construction of standard unit types.
- 2.11 No evidence was provided to support the levels of costings assumed, despite reference being made to the provision of viability advice to St Helens Council since 2011.
- 2.12 The adopted costs fall very significantly below RICS BCIS cost data, which PPG: Viability states to be "*appropriate data*".²
- 2.13 From previous reviews of other Local Plan EVAs produced by Keppie Massie, errors have been identified in the calculation of average costs and, without publication of the evidence base at an appropriate level of transparency and detail for stakeholder scrutiny, the adopted costs cannot be regarded as reliable or credible.
- 2.14 The largest allocated sites have costs that are reduced from those that are applied to schemes of 200 units, with no evidence to support this assumption.

Other Matters

- 2.15 No evidence was provided to support the adopted £1,000 S106 allowance.
- 2.16 A lack of transparency was evident in respect of comparable evidence and the calculation of net developable site areas.
- 2.17 Engagement with land owners, promoters and developers was not undertaken, falling short of expectations within PPG: Viability.³

² MHCLG Planning Practice Guidance: Viability Paragraph: 012 Reference ID: 10-012-20180724

³ MHCLG Planning Practice Guidance: Viability Paragraph: 002 Reference ID: 10-002-20190509 and Paragraph: 010 Reference ID: 10-010-20180724

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