

## **Lancaster Local Plan Examination**

Strategic Policies and Land Allocations Development Plan Document and the Development Management Development Plan Document

### **Hearing Statement**

### **Matter 2: Housing**

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On Behalf of Hurstwood Holdings





# CONTENTS

- 1 INTRODUCTION..... 1
- 2 MAIN ISSUE: IS THE STRATEGY FOR MEETING THE HOUSING REQUIREMENT SOUND? ..... 2
  - a) Is the housing requirement soundly based and supported by robust and credible evidence?..... 2
  - f) Is the amount of land allocated for housing sufficient? ..... 3



# 1 INTRODUCTION

- 1.1 This Hearing Statement has been produced by Peter Brett Associates (now part of Stantec) on behalf of Hurstwood Holdings, and is submitted to the Examination into the Lancaster Local Plan 'Strategic Policies and Land Allocations' and 'Development Management' Development Plan Documents. In this statement we comment on the main issue and associated questions raised by the Inspector in relation to 'Matter 2: Housing'.
- 1.2 Hurstwood Holdings is the majority landowner at the Lune Industrial Estate, which is located off New Quay Road in Lancaster. The draft 'Strategic Policies and Land Allocations' DPD identifies the wider estate as a 'Development Opportunity Site' under proposed Policy DOS4, which is allocated for the development of 200 dwellings under proposed Policy H1. At the outset we wish to fully endorse and support the allocation of this site for residential redevelopment.
- 1.3 We have previously submitted representations on behalf of Hurstwood Holdings at all key stages of the new Local Plan preparation process, including the following consultations:
  - Preferred Options Land Allocations and Development Management DPD's (December 2012).
  - Development Management DPD (March 2014).
  - Options for meeting future housing needs in Lancaster (July 2014).
  - 'People, Homes and Jobs' consultation document (November 2015).
  - Draft Part One Local Plan ('Strategic Policies and Land Allocations DPD') and draft Part Two ('Review of the Development Management DPD') (March 2017).
  - Publication version of the emerging Lancaster Local Plan Part One 'Strategic Policies and Land Allocations DPD', and the Part Two 'Review of the Development Management DPD' (April 2018).
  - Consultation on draft suggested modifications (November 2018)
  - Consultation on additional evidence and information (February 2019)
- 1.4 While we emphasise some of the key points from our earlier submissions in this statement, we do not intend to repeat the content of our previous representations in full and trust that these have been passed on to the Inspector and will be read alongside this statement.
- 1.5 We also provide additional comments and observations on the main issue under 'Matter 2: Housing' and the associated questions raised by the Inspector, insofar as they relate to our client's land interests and ongoing promotion of the Lune Industrial Estate site for residential purposes. All references in this statement refer to the submitted Strategic Policies and Land Allocations DPD.

## 2 MAIN ISSUE: IS THE STRATEGY FOR MEETING THE HOUSING REQUIREMENT SOUND?

### a) Is the housing requirement soundly based and supported by robust and credible evidence?

- 2.1 Proposed Policy SP6 (The Delivery of New Homes) seeks to deliver 522 net additional dwellings per annum in the period to 2023, equating to 12,000 new homes. This represents a significant reduction of 1,500 dwellings from the earlier pre-publication draft version of the Local Plan (March 2017) which identified the need to deliver 13,500 new dwellings over the plan period, equating to an average of 675 dwellings per annum. This higher figure aligned with the identified objectively assessed need (OAN) for housing for the district of 14,000 new homes at an average rate of 700 dwellings per annum, which was demonstrated through the Lancaster Independent Housing Requirement Study (October 2015) and broadly supported in the 'OAN Verification Study' (December 2017).
- 2.2 We are concerned about the general direction of travel in terms of the housing target in Lancaster, which appears to be rolling backwards from the identified OAN at each stage of the plan preparation process. We have noted a change in emphasis from the previous pre-publication draft version of the Local Plan which aimed to make *'provision for the full objectively assessed need for housing in the district'*. The previously stated commitment to meet the full objectively assessed housing need has now been removed and diluted with a simple reference to *'delivering housing in the district'* (see the first bullet point under proposed 'Strategic Objective 2').
- 2.3 We consider that this is not a sufficiently ambitious statement of intent, and while we note the Council has highlighted constraints to identifying sufficient housing land to meet these needs in full, we are not convinced that there is adequate justification for striving to meet as a minimum the objectively assessed housing need in the District.
- 2.4 This proposed policy is therefore in conflict with the revised National Planning Policy Framework (NPPF) which makes clear that *'strategic plans should, as a minimum, provide for objectively assessed needs for housing'* (paragraph 11, our emphasis added). This requirement is also reiterated at paragraph 23 of the revised NPPF which states that *'Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development'* (our emphasis added). Crucially, paragraph 35 of the revised NPPF makes clear that to be found sound, plans must be *'positively prepared'* which means providing *'a strategy which, as a minimum, seeks to meet the area's objectively assessed needs'* (our emphasis added).
- 2.5 The Council is now pursuing what is termed a *'supply-led housing requirement'*, which falls well short of the identified OAN. The Council claims to have reached this decision on the basis of an assessment of options for delivering housing, which it says are constrained by various factors such as Green Belt, flood risk, environmental designations, highways issues, and so on. However, we remain unconvinced that the

Council has fully maximised all available sustainable options, including higher densities at previously developed urban sites such as the Lune Industrial Estate. We have previously confirmed that the land could accommodate in the region of 250 dwellings, rather than the 200 currently allocated. While we acknowledge that the proposed allocation is in a similar ballpark, we consider that the site is capable of making a greater contribution to supply than currently envisaged by the Council.

- 2.6 Notwithstanding the above, we are unclear how the 522 dwellings per annum figure has been derived. There is no current evidence presented to the Examination which fully supports this housing requirement or demonstrates how it has been reached. Instead, the Council appears to have identified a lower annual dwelling requirement and then attempted to retrofit its evidence by looking at how this lower number relates to demographic needs and employment forecasts. This approach is not appropriate, and these considerations need to be at the heart of the OAN identification process, rather than peripheral to it.
- 2.7 As an aside, we note that draft Policy SP6 anticipates that a significant proportion of the expected housing supply (circa 900 dwellings) will come forward from a number of 'Development Opportunity Sites'. These sites include the Lune Industrial Estate (draft Policy DOS4), which means that the Council is reliant on housing delivery at this site to meet its housing target. We fully support and endorse the clear acknowledgment by the Council that the site is capable of accommodating housing development and welcome the inclusion of the site as part of its anticipated housing land supply. Clearly, it is therefore critical that the Council continues to support housing delivery at this site, which is currently being actively promoted by Hurstwood Holdings, as a failure to see the site developed will undermine the delivery of what is, in our view, an already low housing target.
- 2.8 As currently drafted the housing requirement figure falls well below the range of between 650 and 700 dwellings per annum identified in the Independent Housing Requirement Study that was deemed necessary to support the economic growth ambitions of the District. We have seen no robust or credible evidence to suggest that this lower figure is justified. With this in mind, we have strong reservations regarding the soundness of the plan, which as currently drafted is not 'positively prepared' in accordance with the NPPF requirements.

## **f) Is the amount of land allocated for housing sufficient?**

- 2.9 As noted above, we do not consider that the currently proposed housing requirement figure of 522 dwellings per annum has been robustly supported or justified in evidence submitted to this Examination. All the earlier studies commissioned by the Council and which form part of the evidence base underpinning the new Local Plan suggest that the housing target should be higher and as a minimum in the region of 650 to 700 dwellings per annum. On that basis we cannot reasonably conclude that sufficient land has been allocated for housing.
- 2.10 Notwithstanding this, the proposed redevelopment of the Lune Industrial Estate will make a clear positive contribution towards the delivery of new housing in the District,

and will assist the Council in meeting the objectively assessed need for housing that has been identified at a highly sustainable urban location close to the City Centre, which will maximise the use of previously developed land.

- 2.11 To this end, we fully support the specific allocation of the Lune Industrial Estate site (draft Policy DOS4) under proposed Policy H1 (Residential Development in Urban Areas), which anticipates the delivery of circa. 200 dwellings at this land. We have previously explained that this indicative site capacity is too low, and that the allocation should be amended to approximately 250 dwellings. The site is clearly capable of accommodating more than 200 dwellings, especially given the sustainable urban location, and this will help to provide additional flexibility in the supply of anticipated housing land.
- 2.12 Turning to the specific draft policy covering the Lune Industrial Estate, the Council has identified this land as a 'Development Opportunity Site' under proposed Policy DOS4. The policy as currently drafted supports the *'mixed-use regeneration of this previously developed site, which involves a range of residential, employment and economic uses'*. The current policy wording explains that regeneration proposals for this site should only be brought forward via a comprehensive integrated approach, preferably via a masterplan, including all elements of the site.
- 2.13 The policy then sets out a number of 'fundamental issues' that should be addressed through the masterplanning of the site, including the need for comprehensive redevelopment, consideration of air quality, and details of how existing businesses will be supported to find alternative appropriate accommodation within the district. Other points raised by the Council in the policy cover topics such as compatibility of land uses, the need for high quality design, road infrastructure/accessibility, pedestrian/cycle links, ground conditions, residential amenity, flood risk and local infrastructure. The emerging policy states that the Council will not support piecemeal applications on the site with result in sensitive land-uses being located in close proximity to heavy industrial uses.
- 2.14 The supporting text to draft Policy DOS4 acknowledges that the site comprises a number of different land ownerships, and stipulates that *'is vital that a comprehensive approach is taken to the regeneration of this site to ensure that heavy industry is decanted appropriately to alternative, more suitable locations within the district'*.
- 2.15 We firmly support the general thrust of this proposed policy, which clearly recognises the opportunity to redevelop the site for alternative uses, including residential. Indeed, as we have previously noted, draft Policy H1 confirms that the Council expects the site to deliver circa. 200 dwellings, which is a sizeable contribution towards the overall housing target. With this in mind, we consider that draft Policy DOS4 should be updated to include reference to the allocation of the site for residential purposes under proposed Policy H1, and that this should refer to the higher potential dwelling yield of approximately 250 units. We consider that it is important to clarify the link between these two policies, and the anticipated housing delivery from Development Opportunity Sites. We also welcome the clear acknowledgement by the Council that in order to fully realise the regeneration potential of this site there will inevitably be a need to decant existing businesses to



other suitable sites elsewhere in the District (i.e. the loss of employment at the site is accepted).

2.16 Notwithstanding the above, we do have some reservations over various elements of this draft policy which we consider should be taken into consideration. Fundamentally, we are unable to support the proposal for a mixture of uses at the site. We can see no justification for continued reference to employment and economic uses at the site. This is supported by the Council's own Employment Land Review (ELR), which makes the following highly instructive points in relation to the site:

- The Lune Industrial Estate is a 'low quality' employment site.
- Many of the existing buildings are of poor quality and there are a number of derelict sites and vacant premises within the estate.
- The industrial estate is not well related to the strategic road network and is relatively isolated compared to other employment sites.
- The layout of the estate itself is irregular, and it is not considered to be attractive to the market for employment use.
- The appeal of the area for residential use is generally strong, and it is likely that this site will be redeveloped for residential use in the next five to ten years rather than sustain further B use employment development, particularly as access to other employment sites is improved following the completion of the Heysham-M6 Link Road.
- The Lune Industrial Estate exhibits vacancy and property/site condition issues which are symptomatic of low demand.
- The character of the surrounding area is now predominantly mixed use and residential, and will become more so as the Luneside West site is developed for housing by Redrow Homes and Barratt Homes.
- The continued operation of the Lune Industrial Estate is not compatible with these new residential developments and will have a negative impact on the residential amenity in these areas.
- Lune Industrial Estate is not a long-term employment site and there is limited appetite for the redevelopment of the site for B1, B2 or B8 uses.
- Having regard to the age and condition of the buildings, as well as the extent of vacant land, it is recommended that the estate is not protected for employment purposes and its release should be supported.
- In quantitative terms, the overall supply of industrial land is sufficient to absorb the land to be potentially lost from Lune Industrial Estate.
- There is sufficient headroom in the existing supply to counterbalance any potential loss of employment land at Lune Industrial Estate. This is further supported by the Baseline Experian Forecast which suggests an overall decline in demand for B2 industrial land over the plan period.

2.17 The 2015 ELR is completely unambiguous in its criticism of the site for continued employment uses and confirms that the loss of the site from the supply of employment land in Lancaster is acceptable in both qualitative and quantitative terms.

The lack of operator interest and poor market attractiveness has been independently verified by Colliers, instructed by the Council, as part of the 2015 ELR. Crucially, the 2015 ELR confirms that residential would be the most suitable future use of the site given the surrounding development and leaves no room for the retention of any form of employment use, let alone the construction of any new industrial units at the site.

- 2.18 Therefore, it is clear that the Council's own up-to-date evidence confirms that the Lune Industrial Estate site is not a viable prospect for continued employment use, and on that basis we consider that any reference to employment or economic uses should be deleted. The continued reference to mixed use redevelopment is also at odds with the acceptance elsewhere in the same draft policy that existing businesses will need to be decanted to alternative sites. If this is the case, then we cannot see the rationale for also promoting a mixed-use scheme here when the site is clearly a prime residential opportunity and would represent the logical continuation of the adjacent development at Luneside West.
- 2.19 We also have some concerns over the emphasis placed within the policy on the need for comprehensive redevelopment. While we appreciate the general preference for comprehensive redevelopment, and the benefits this would deliver, the practical reality is that the estate is not in one single ownership, and that there are some separate freehold interests both within and around the periphery of the site. A policy insisting on comprehensive development will not change this fact, nor can it manufacture a fully joined up approach between all landowners.
- 2.20 The vast majority of the estate is within the ownership of Hurstwood Holdings and therefore the scheme currently being promoted encompasses most of the estate land and is being brought forward by a single landowner/developer consortium. The areas outside the control of Hurstwood Group represent a comparatively small percentage of the overall area of the industrial estate. We consider that residential uses can co-locate with the retained employment, subject to suitable mitigation measures.
- 2.21 We would therefore recommend that the Council considers the re-wording of draft Policy DOS4 to recognise provide greater flexibility and pragmatism to support the realistic release of the land so as not to unduly constrain much needed housing development from progressing.
- 2.22 We would also request that draft Policy DOS4 be updated to reflect the previously developed nature of the site, and the potential for abnormal costs that might constrain the ability of the site to deliver the full quantum of affordable housing and other contributions that would usually be sought, subject to an assessment of viability.
- 2.23 As an aside, there appears to be a drafting error within the wording of draft Policy EC1 (Established Employment Areas) and also at paragraph 18.69, both of which refer to the Lune Industrial Estate as DOS3 when this should be DOS4.