

INSPECTOR'S INITIAL FINDINGS

1. **I have carefully considered all the written evidence and the discussion at the examination hearings. My initial conclusion is that, subject to the modifications proposed by the Council and a small number of other changes, I am likely to find the Sefton Local Plan sound.**
2. At the beginning of the examination I indicated that if Main Modifications (MMs) are required to enable me to find the Sefton Local Plan sound, the modified Plan would be subject to public consultation. The purpose of these initial findings is to ensure that this consultation includes all the MMs that, on the basis of the evidence given to date, I consider necessary for the Plan to be found sound. I will take the representations on the MMs into account before the final stage of the examination, the completion of my report to the Council.
3. The report I submit to the Council will contain full details of the reasons why the MMs are necessary to make the Plan sound. The majority of the MMs have been suggested by the Council before, during and after the hearings as a result of its consideration of the evidence and/or in response to points raised by me. The reason for these changes will be familiar to most participants at the examination and in these Initial Findings I only comment briefly on the main issues that arose.
4. However, to assist the Council and representors, I have provided more detail in this note on the following matters:
 - a. The objectively assessed housing needs and land supply;
 - b. The objectively assessed employment needs and land supply;
 - c. The need for an early review; and
 - d. The few instances where I consider that new MMs are required to make the Plan sound.
5. As those who participated in the hearings will be aware, the evidence base which underpins the Plan was not fully complete when the Council submitted the document for examination. This has led the Council to propose more MMs than would often be required, sometimes quite late in the proceedings. Discussion of retail policy was not possible until mid-January 2016 and led the Council to reconsider its approach to various issues. Because soundings with the main interested parties are still taking place, I will issue a separate "Initial Findings on Retail Matters" shortly.

Overall Strategy and Council's Main Modifications

6. During preparation of the Plan, three alternative growth options were identified – urban containment, meeting identified needs, and optimistic household growth. The evidence leads me to conclude that the Council was right to choose the 'meeting identified needs' strategy. The urban

containment option would fail to accommodate the population growth forecast for Sefton by 2030, whilst the optimistic growth option would require a substantial level of in-migration which would have potentially significant implications for neighbouring authorities. Given the formidable constraints faced by Sefton as a result of the tightly drawn Green Belt, international nature conservation designations, high quality agricultural land and areas susceptible to flooding, a difficult balance has to be struck between meeting growth needs and protecting the environment. In broad terms I consider that the middle option, meeting identified needs, gets this balance right.

7. In principle the aim of meeting the need for homes, jobs and services as close as possible to where they arise is sound. In practice the expansion of settlements in proportion to their size has not always been possible due to the environmental constraints, the limited availability of land within the main urban areas and the borough's restrictive administrative boundaries. In these circumstances I consider that the selection of housing allocations and safeguarded land has been rigorous, objective and robust. I also endorse all but one of the employment allocations, the exception being the land south of Formby industrial estate (MN2.49) for reasons set out later. Moreover, apart from the Shorrocks Hill housing site at Formby which emerged during the examination, there is no compelling case for allocating any of the alternative sites considered during the examination.
8. Many of the MMs to policies are necessary to ensure that the Plan is consistent with the National Planning Policy Framework (NPPF), the associated Planning Practice Guidance and recent changes to national policy. This particularly applies to HC1, HC2, HC7, EQ3 and the 'Natural and Heritage Assets' chapter. Some MMs are necessary to better reflect the evidence base, often in response to the new studies published during the examination; this applies to policies ED3, ED8A, IN2, EQ9 and EQ10. Reflecting the legitimate concerns of local people, other MMs are required to ensure that new development properly addresses the impacts it will have on existing communities. The MMs to site allocation policies MN3-6A and Appendix 1 mostly fall into this category, as well as policies IN1 and EQ8.

Objectively Assessed Housing Needs and Land Supply

9. The 2012-based DCLG projections indicate household growth of 576 annually over the Plan period. I do not accept the argument that this figure is based on over-estimates of in-migration because of factors such as unattributable population change. And though I agree that some upward revision of the household growth figure is necessary, I find the scale of upward revision to be smaller than proposed by the Council and some representors. I am not persuaded that an adjustment to household representative rates is necessary, but I do consider that a slight lowering of the current vacancy rate is justified. As to market signals, I find that the upward revision required for reasons of affordability and past under-delivery should be small. Overall I conclude that the demographic-led dwelling requirement is 640 dwellings per annum (dpa). With historic

provision averaging 383 dpa (net) over the past 10 years and 416 dpa over 25 years, this scale of housing development would boost significantly the supply of housing, as sought by NPPF.

10. I do not believe that other factors warrant a further increase of this figure. I acknowledge that the full affordable housing need would not be met, but substantial additional Green Belt releases would be required to meet even part of the shortfall. Given the implications for neighbouring authorities who would experience much higher out-migration to Sefton, the case for increasing the total dwelling requirement is not compelling. Moreover, there is clear evidence of the potential for those in need of affordable housing to continue to occupy private rented accommodation, though this is unlikely to fully meet their needs.
11. As to the econometric projections, I have reservations about the robustness of forecasts which give a dwelling figure of 1,286 or 1,180 dpa. I appreciate that Sefton's ageing population structure will result in a shortage of working-age residents, but I am not convinced that large-scale additional in-migration is appropriate to meet a level of business growth which I regard as uncertain. Moreover, as indicated above, this would have implications for neighbouring authorities and would require major additional Green Belt releases. It is possible that the situation may change once the forthcoming sub-regional Strategic Housing and Employment Land Market Assessment (SHELMA) is complete, but that would involve joint decisions by all affected authorities under the duty to co-operate and would trigger an early review of the Plan. In the meantime, based on the evidence for Sefton that is before me, growth above the demographic-led 640 dpa is not justified.
12. I am satisfied that delivery of the identified housing supply is achievable. The urban supply of about 6,200 dwellings is likely to be a minimum yield given the cautious assumptions about windfalls. Nevertheless, the contention that appreciably more dwellings could be built within the existing settlements is not supported by evidence. The remainder has to come from Green Belt sites; the strong developer interest suggests that these will also be built out. The proposed 11,460 dwellings total averages 637 dpa, broadly in line with the objectively assessed need; moreover, this is a conservative estimate given the likelihood of higher windfalls and increased capacity on some allocations. The staged delivery (500 dpa for years 1-5 and 694 dpa for years 6-18) is necessary to satisfy the five year land supply requirement of NPPF and is sound. In these circumstances an early review of the Plan to meet the higher housing need arising from the 2012-based household projections is not necessary.

Objectively Assessed Employment Needs and Land Supply

13. The two methodologies used recently to assess the employment land need produce very different results. 23.5ha of land would be required under the blended employment sector change analysis, whereas more than double this figure (54.7ha) comes from projecting forward the long term average land take-up. I acknowledge that historic jobs growth forecasts

have not been a good indicator of actual market demand, so greater weight should be placed on the land take-up figure. However, this creates a significant tension when considering the balance between new jobs and resident workers. Because of the declining economically active workforce in Sefton, the higher jobs growth arising from the larger land requirement is likely to require a greater level of in-migration than is justified, at least in advance of the SHELMA sub-regional review. I therefore believe that the land take-up figure is on the high side. In addition, the generous estimates of losses of existing employment land to other uses and the increase in supply to provide a five year buffer (a further 31.8ha) produce a total land requirement of 86.5ha which, again, is on the high side. Consequently I consider that this figure should at present be regarded as the upper point in a range of acceptable provision for employment land.

14. Turning to the distribution of employment land, the availability of larger sites and good strategic accessibility rightly make south Sefton the focus for new employment development. I acknowledge that the future needs of Liverpool port may not be met once the Liverpool2 container terminal opens this year, but this will impact across the sub-region and is properly being addressed by the SHELMA; any shortfall in Sefton will trigger an early review of the Plan. Meanwhile, south Sefton's needs would be met by sites within the urban area and the 20ha Green Belt allocation east of Maghull. Although such provision may not cater for the largest port-related logistics operations, this does not justify additional Green Belt releases in advance of the SHELMA study.
15. Most of the existing B-class employment in North Sefton is in the eastern part of Southport and this is the desired location for new development. Much of the need would be met by land at Southport Business Park; other potential locations in east Southport were discounted because of poor accessibility and concerns over viability. Whilst the proposed Green Belt sites at Formby are the nearest alternative opportunities, they are some distance away (7-8 miles) and would not fully address Southport's needs. Given the slow pace of employment development in Southport over the past decade, coupled with my finding on the overall employment land requirement, I consider that only one of the two Formby employment sites is justified, not both.

Early Review of the Plan

16. The proposed new part 5 of policy MN1 enshrines in policy the Council's commitment to an immediate review or partial review "in the event that it is demonstrated that further housing or employment provision is needed in Sefton". The focus is primarily on the sub-regional SHELMA and the intention is to submit any review within two years of this Plan's adoption. The accompanying text makes clear that the SHELMA study will address any needs associated with the expansion of the Port of Liverpool. As modified, the commitment to an immediate review is sound.
17. Modified paragraph 4.44 elaborates the circumstances which would trigger an immediate review and states ".....if either the Inspector's report or the

publication of the sub-regional SHELMA identifies a need for more housing or employment.....". In these Initial Findings I conclude, on the evidence available thus far, that the Plan (as proposed to be modified) does meet the objectively assessed needs for housing and employment. Consequently the phrase "either the Inspector's report or" could be deleted from paragraph 4.44.

New Main Modifications to the Plan

18. The most significant further change necessary for the Plan to be found sound is the deletion of one of the two employment allocations at Formby. In my view the Land North of Formby Industrial Estate (MN2.48) is clearly the preferred site. It was the sole employment site at Formby throughout the early stages of plan preparation and has less severe constraints than the Land South of Formby Industrial Estate (MN2.49). For both sites the most significant constraint is flooding, but the flood risk for the northern site is appreciably less than that for the southern site, 42% of which is functional floodplain. The impacts on the Green Belt are broadly similar, but in landscape terms the southern site has more open vistas and development would appear as a more prominent extension of Formby into the surrounding large-scale, flat agricultural landscape. On the other hand the ecological value of the northern site is greater, though the impacts are capable of mitigation.
19. The scale and nature of any enabling development is highly significant. A small number of trade counters and hybrid uses may be necessary to cross-subsidise delivery of the 8ha of B1/B2/B8 floorspace on the northern site (MN2.48). In contrast, the mixed-use development proposed on the southern site (MN2.49), which includes a new home for Formby Football Club, would require about 7,400 sq m of retail floorspace and some leisure uses to be viable. Fundamentally, a sizeable new retail development off Formby by-pass is not consistent with the Plan's retail strategy. There is no current capacity for new retail floorspace in north Sefton, and as the retail implications of a scheme that would be over 40% of the size of Formby district centre have not been tested, compliance with the sequential and impact tests is far from certain. It is also unclear whether the phasing of policy MN5 would be met, for the latest viability study suggests that the 7ha of employment floorspace would be built after, rather than in tandem with, the retail and sports uses.
20. I appreciate that the football element of the development would be a major benefit for Formby, but I consider this to be clearly outweighed by the amount and type of enabling development necessary to deliver this mixed-use scheme. Because only one employment site at Formby is required, factors including the less serious flooding constraint and the absence of potentially serious conflict with retail policy mean that the Land North of Formby Industrial Estate (MN2.48) should be allocated. Consequently the Land South of Formby Industrial Estate (MN2.49), policy MN5 and the associated text should be deleted from the Plan. The total provision of employment land (policy MN1) should be adjusted from 88.59ha to 81.59ha. Given my finding that the 86.5ha objectively

assessed need for employment land is on the high side, a replacement site is not required.

21. The other modifications I propose, albeit necessary for soundness, are relatively minor and affect the details of three housing allocations rather than the acceptability of the sites in principle. The first two concern the buffer zones proposed in the Plan around designated heritage assets. In relation to the housing site at Liverpool Road, Formby (MN2.16), I accept that the setting of the Grade II listed Loveladys Farmhouse should be preserved, but I am not convinced it is necessary to leave the far west of the site open to achieve this. Such a detailed matter is best resolved at application stage, so the clause "by leaving the far west of the site (south of the existing gymnasium) open" should be deleted from Appendix 1.
22. Secondly, the south-western boundary of the site at Moor Lane, Ainsdale (MN2.11) has been set back more widely from the Grade II listed Formby House Farm than is necessary and is an arbitrary, undefined line across a field. The edge of this field (ie up to but excluding the hardstanding and modern barn) represents a more robust boundary; the Policies Map would need to be amended by the Council accordingly. To ensure that the heritage constraint is properly addressed at application stage, the requirement "Preserve the setting of the Grade II listed Formby House Farm" should be added to Appendix 1.
23. Finally, during the hearings the Council proposed to halve the size and dwelling yield of the site at Former Ainsdale Hope School (MN2.8) in response to ecological concerns. The Council's ecology advisor stated that the site does not currently merit "Local Wildlife Site" status. I consider that the need to forego 50% of the proposed development on ecological grounds is questionable, though I accept that the western and north-western areas of the site would provide an important wildlife buffer to the internationally designated sites beyond. Moreover, without detailed surveys to determine exactly which part(s) of the site merit protection, the modified site boundary is arbitrary. At this stage a better approach is to revert to the site area of the submission Plan, and to further modify part 4A of policy MN2 to read "Site MN2.8 Former Ainsdale Hope School, Ainsdale will include an Ecological Improvement Area to be developed as a nature reserve alongside the housing allocation". This allows the Council, as both site owner and planning authority, to subsequently determine the boundary between the two uses after taking into account future evidence.

Martin Pike

INSPECTOR

22 February 2016