

**KNOWSLEY LOCAL PLAN: CORE STRATEGY****KNOWSLEY METROPOLITAN BOROUGH COUNCIL****HEARING STATEMENT 12C****1. NEW MATTERS ARISING SINCE NOVEMBER 2013 HEARINGS****Employment Land Supply**

1.4 *In light of the new information, what is the robust figure for the supply of employment land?*

1.4.1 The Council's supplementary information in the 'Inspectors Initial Findings - Employment Clarification' document (AD48) was prepared in response to the Inspectors 'Interim Findings' document (EX26). It clarifies issues raised by the Inspector relating to land supply information in the 'Supplementary Information - Matter 4' document (AD36) (November 2013). The information in documents AD36 and AD48 accords with advice which is now set out in the Planning Practice Guidance (PG01b, Paragraph: 023, ID: 12-023-20140306) relating to additional information requested by the Inspector during the hearings. It complements the evidence in the 'Joint Employment Land and Premises Study' (EB07), 'Liverpool City Region Housing and Economic Development Evidence Base Overview Study' (LC03), 'Employment Position Statement' (SD23), 'Technical Report: Planning for Employment Growth' (TR02) and the Knowsley Economic Viability Assessment (EB06) that informed the preparation of the 'Local Plan: Core Strategy Submission version' (CS01).

1.4.2 The Local Plan: Core Strategy Submission version (CS01), July 2013 preceded the launch of Planning Practice Guidance (PPG) (PG01b) on 6 March 2014 and its previous beta version subject to consultation from 28 August 2014. On this basis, the evidence which informed the preparation of the Plan (CS01) was in accordance with the extant guidance at the time that was subsequently cancelled upon the launch of PPG. Documents AD36 and AD48 provide additional analysis and updated interpretation of pre-existing evidence and assessments identifying a future supply of land which the Council considered to be suitable, available and achievable at Submission stage. The revised information has been used to inform proposed modifications which are intended to ensure compliance with the National Planning Policy Framework (NPPF) (PG01) and PPG (PG01b).

1.4.3 Document AD48 provides a detailed breakdown of total employment land supply by category, together with a risk assessed methodology and calculation. This is in response to the Inspector's indication within the Interim Findings (EX26) that the existing capacity of 170.2 hectares in Table 5.1 of Local Plan: Core Strategy Submission version (CS01) was based on an over estimate of deliverability of employment development within the sites.

Document AD48<sup>1</sup> has informed proposed modification M071 which comprises Table 5.1A (to replace Table 5.1) as identified in the Schedule of Proposed Modifications (document CS08). The new Table 5.1A<sup>2</sup> provides an overview of calculations relating to the total land supply at 2013 of 240.21 hectares and a risk assessed minimum delivery forecast of 158.77 hectares up to 2028. The delivery forecast incorporates a 35% discount to account for deliverability and flexibility, including potential losses of employment land to other uses. Following the publication of the modifications schedule the Council has identified a need for a minor correction to the Sustainable Urban Extension values and resultant updates to the last three calculations of Table 5.1A (modification M071) to ensure consistency with the recommendations in the Technical Report: Sustainable Urban Extensions (TR07, Table 4.1, pg. 24) as implemented in policy SUE2c clause 1(b). A corrected version of Table 5.1A is provided in Appendix 1 of this statement as Table 12C.1 (with an updated version of the associated Table 3.1 from document AD48 - see Table 12C.2).

- 1.4.4 The Council considers that the risk assessed supply of 158.77 hectares in Table 5.1A (see Table 12C.1) as informed by document AD48 provides a robust and realistic figure for delivery during the Plan period. The risk assessment applied in Table 5.1A (proposed modification M071) of approximately 35% is a rounded average informed by the discounting methodology described in document AD48 (paragraphs 3.3 - 3.8) as applied to the respective categories of land supply. This is summarised in Table 3.1 of document AD48 (see updated Table 12C.2 in Appendix 1 of this statement) relative to the site specific analysis provided in Appendix 1 of AD48. The information in Table 5.1A includes the revised approach to the employment component of the Knowsley Lane, Huyton - Sustainable Urban Extension (SUE) introduced by policy SUE2a (proposed modification M168) to address qualitative requirements. The average discount for each category of site displayed in Table 3.1 of document AD48 reflects the accumulation of sites by supply type within its Appendix 1 including site specific exceptions to the approach (AD48, Paragraph 3.8).
- 1.4.5 Table 5.1A (proposed modification M071) also includes the employment requirement calculation. This demonstrates that the risk assessed supply figure provides sufficient quantity of land to accommodate the minimum requirement remaining to 2028 of 153 hectares (consistent with proposed modification M063). Sufficient flexibility and capacity in the total supply remains above the risk assessed figure, to respond to unforeseen changes to economic circumstances and demand during the Plan period in accordance with NPPF paragraph 21. In terms of additional flexibility, allowances for new

---

<sup>1</sup> *The Council has identified minor typographical errors in document AD48 relating to Table 3.1 (average discount applied to 'Other Employment Sites, including Under Construction and Planning Permissions' is 14% rather than 24%) and Appendix 1 (Site 166 – discounted value is 0.15 hectares rather than 0.44 hectares). The original calculations in Table 3.1 (and consequently M071) were unaffected by the errors, as they were based upon the correct figure in both instances.*

<sup>2</sup> *The calculations have been amended from document AD48 Table 3.1 and Table 5.1A (M071) to ensure consistency with Technical Report: Sustainable Urban Extensions (TR07, Table 4.1) as implemented in Policies SUE1, SUE 2, SUE 2a, SUE 2b and SUE 2c. Employment value for SUE locations is now 47.21 hectares to reflect omission of Carr Lane, reduced developable area of Land to the South of M62 and 80% employment at Knowsley Lane.*

sources of land supply (i.e. site clearances and windfall development) have been excluded from the calculations, but may occur within existing employment areas during the Plan period and will be monitored accordingly.

1.4.6 A separate risk assessed five year employment land supply (Appendix 2 of AD36) was prepared in accordance with the Inspector's request for additional information during the previous hearing sessions. This information was intended to assist examination of supply in terms of the quantitative requirement (clause 4 of policy CS4 within document CS01) and the phasing restriction included at the time. The Inspector's suggestion in his Interim Findings (EX26) that the exercise appears to be robust and demonstrates a five year supply from a quantitative perspective is welcomed. However the Council has concluded that the removal of the phasing restriction on release of land is necessary (proposed modifications M066 and M077) based upon qualitative employment needs as explained in more detail within the Council's responses to Questions 1.5 and 2.1 (Statement CH13A). As a result, the five year requirement in clause 4 of policy CS4 has been amended and re-focused (proposed modification M066) to provide a quantitative and qualitative measure against supply for ongoing monitoring purposes. This approach also provides a trigger for potential remedial action in accordance with the new Appendix D of the Local Plan: Core Strategy (proposed modification M271). Performance against this indicator is intended to be reported annually within the Council's future Monitoring Reports.

1.5 *Does the identified land supply pay sufficient regard to the needs of different market sectors?*

1.5.1 The Council considers that the Local Plan: Core Strategy Submission version (CS01), with proposed modifications to Policies CS4 (M062, M063, M064, M066), CS5 (M078), CS11 (M150) and the introduction of policies SUE1, SUE2, SUE2a and SUE2c (M168), addresses the requirements of the NPPF (PG01, Paragraph 21) and PPG (PG01b, Paragraph 003, Reference ID: 2a-003-20140306) in terms of the identified needs of different market sectors.

1.5.2 Policy CS4 (as proposed to be modified) complements the Council's Economic Regeneration Strategy (PG32a) in setting out a clear economic strategy and vision for the area, which will positively and proactively encourage sustainable growth. This includes a minimum employment requirement, provision for a sufficient range of available and deliverable sites and premises, identification of existing employment locations and allocation of Sustainable Urban Extensions (SUEs) to meet identified qualitative needs and other appropriate uses within the Liverpool City Region (LCR) key economic sectors up to 2028 (as identified at para. 5.27 of the submission version of the Plan – document CS01). Policy CS4 will therefore guide appropriate economic development to suitable locations whilst maintaining sufficient flexibility to accommodate needs not anticipated in the Plan and allow a rapid response to changes in economic circumstances.

1.5.3 The approach in policy CS4 was informed by evidence in the Joint Employment Land and Premises Study (EB06), Employment Position

Statement (SD23) and Technical Report: Planning for Employment Growth (TR02). These documents provide an understanding of the underlying requirements for office, general business and warehousing sites in the context of employment take up, economic forecasts and differing projection scenarios, together with the grading of existing employment areas (EB07, Table 52, pgs. 125 - 127), their future role in the context of market segments (EB07, Appendix 12) and associated individual sites appraisals (EB07, Appendix 22). This evidence was supplemented by identification of specific qualitative needs arising within particular market segments, such as the requirement for a successor site to Kings Business Park as a high quality business park (EB07, para. 6.7.2, pg. 145) and the need for large warehousing and distribution space identified in the Liverpool SuperPort Economic Trends Study (LC07), the Mersey Partnership SuperPort Action Plan 2011-2020 (LC19) and Liverpool City Region SuperPort – Market Analysis Land and Property (LC28).

- 1.5.4 The evidence on market segments of existing employment sites emphasised the importance and versatility of Knowsley Industrial and Business Parks as a regionally significant employment destination. This major employment destination provides for a range of existing market segments including a business park environment, general industrial / business areas, heavy / specialist industrial sites and a specialised freight terminal, with associated opportunities for each within its cumulative land supply of 114.88 hectares (all sources except SUEs no risk assessment applied). This land supply is around 60% of Knowsley's total (excluding SUEs). Although this is a significant concentration, it remains less than the cumulative proportion of historic take-up in Knowsley Industrial and Business Parks which was 69% of Knowsley's overall total between 1995 and 2013 (based upon analysis of site take up within SD23, Appendix B).
- 1.5.5 Policy CS11 (as proposed to be modified in accordance with CS08) specifies particular locations within Knowsley Industrial and Business Parks for different employment use types to reflect evidence on the character of existing development and suitability of land supply as informed by documents EB07, TR02, AD36 and AD48. In particular, policy CS11 responds to specific opportunities identified in the Knowsley Economic Regeneration Strategy (PG32a) in terms of enhancing Knowsley Industrial Park's position relative to the Liverpool City Region key economic sectors. This includes its role as a major manufacturing destination, distribution park and potential for low carbon economy uses. The Plan aims to achieve this by specifying suitable locations for uses such as advanced manufacturing and supply chain opportunities for logistics arising from the Liverpool SuperPort, and by identifying the Parks as a "Priority Zone" to promote the production of renewable, low carbon and decentralised energy. This approach is intended to assist Knowsley Industrial and Business Parks in addressing demand. The approach in policy CS11 also responds to the opportunities arising from the differing character and range of existing land supply and the potential to encourage the remodelling and / or regeneration of vacant and under used sites. These opportunities have been informed by evidence such as the Delivering a New Future for Knowsley Industrial Park - Strategic Framework (EB17) and Liverpool City Region SuperPort (LC18).

- 1.5.6 As referred to in paragraph 1.4.5, the Council considers that the new Table 5.1A (Table 12C.1 in Appendix 1) as informed by document AD48 provides a robust and realistic figure for employment land supply which is of sufficient quantity to address development needs up to 2028. However in terms of the evidence within documents SD23 and TR02 (as updated by AD48) and noting the discussions within the previous hearings, the main qualitative issue is the limited range and choice of higher quality and large sites (in excess of 5ha) to meet Plan period requirements. Knowsley's land supply includes ten existing sites of above 5ha (excluding SUEs and South Prescott), with a number constrained due to the likely developable area either being significantly reduced or limited to specific uses / expansion land (sites: 1, 12, 182, 969 and 989). Of the remaining five sites, four are located within Knowsley Industrial and Business Parks, one of which (site: 6) is currently under construction. This suggests a potential need to increase the number of sites in excess of 5ha and provide them in different locations to offer an improved range, choice and quality of supply which ensures suitability for the Liverpool City Region key economic sectors.
- 1.5.7 In the context of the above, as demonstrated in document SD23 (Appendix B), only five individual sites in excess of 5ha were developed between 1995 and 2013. However as previously acknowledged by the Council (CH04A, para 4.1.5, pg. 3) and the Inspector (EX26, para 10, pg. 3), there is evidence of qualitative needs that cannot entirely be accommodated within the existing land supply or exclusively within Knowsley Industrial and Business Parks. These include a successor site to the high quality business park destination at Kings Business Park and large warehousing and distribution space as previously mentioned in Paragraph 1.5.3. As referred to in Statement 4B (CH04B, paragraph 4.4, pg. 2), the Council considers that new opportunities in close proximity to the M62 and M57 provide the most accessible and sustainable alternative locations in Knowsley to complement the current employment provision in Huyton, Prescott, Whiston, Cronton and Halewood. Existing supply is limited in these areas as illustrated by Tables 12C.3 and 12C.4 in Appendix 2 which provide a breakdown of supply by employment area consistent with document AD48.
- 1.5.8 The introduction of Policies SUE1, SUE2, SUE2a and SUE2c (by modification M168) addresses the qualitative needs identified and broadens the range and choice of employment land supply by allocating three additional sites for employment use (expected supply in brackets):
- Land to the East of Knowsley Industrial Park (7.20 ha)
  - Knowsley Lane, Huyton (17.50 ha)
  - Land to the South of the M62 (22.51 ha).
- 1.5.9 The above locations were all previously identified in the KLPCS (CS01) as reserve locations suitable for release from the Green Belt when necessary to deliver employment requirements up to 2028 and beyond. The Inspector's Interim Findings (EX26, paragraph 11, pg.3) suggested that the identification of these sites was sound. However, modification M168 is now necessary to

ensure early release of the sites from the Green Belt to accommodate requirements for a high quality business park and large scale distribution uses, as identified by the Inspector (EX26, paragraph 10, pg. 3).

- 1.5.10 In relation to Knowsley Lane, Huyton, revisions are proposed to the minimum proportion of the site which is allocated for business uses (Use Class B1) or for other appropriate uses within the LCR key economic sectors. This is necessary given the quantitative requirements and land supply calculations within Table 5.1A (see Table 12C.1 in Appendix 1 of this statement) and noting that the Joint Employment Land and Premises Study (EB07, Para. 12.42, pg. 208) suggested allocation of a high quality business park of a scale of up to 19 ha. In response, the Council has sought a more balanced approach of requiring a minimum of 17.5 ha or 80% of the site for employment uses in policy SUE2a which will be supported by recently commissioned master planning (see Question 2.5, CH13A). This is noting that the site can also make a potential valuable contribution to addressing the need for residential development during the Plan period. Policy SUE 2a clause 1 (b) therefore includes flexibility to allow adaptation to circumstances where the stated level of employment provision is no longer required based upon evidence of up to date employment land requirements and supply.
- 1.5.11 The suitability of Land South of M62 for uses in the Liverpool City Region key economic sectors, including large scale distribution uses, is supported by evidence summarised in the Joint Employment Land and Premises Study (EB07, para. 11.64, pg. 289) and Green Belt Study (EB08). These studies justify allocation of the site and highlight that the site has potential for employment uses, noting the site's strategic location adjacent to the M57/M62 interchange at 'Tarbock Island' and its scale which make it highly attractive to the market.
- 1.5.12 The allocation of East of Knowsley Industrial and Business Parks in Kirkby is due to the Council's view that bringing the development of this site forward to earlier in the Plan period could help to address needs in LCR key economic sectors. Immediate allocation will also broaden the range and choice of sites in excess of 5 ha and support the wider regeneration of Knowsley Industrial and Business Parks by enhancing a gateway location at a key entrance to the Parks.
- 1.5.13 The Council's approach to land supply including the allocation of the proposed Sustainable Urban Extensions has considered the indications of overall demand set out in the recently published Liverpool City Region SuperPort - Market Analysis Land and Property (LC28) in March 2014. In this respect, the approach to land supply including the immediate release of SUEs for employment use provides a sufficient and realistic contribution from Knowsley to address the localised demand implications during the Plan period. Longer term demand scenarios, including those where a potential shortfall of high quality sites is implied and requirements are beyond the Plan period, will necessitate co-ordinated strategic consideration of available and potential future land supply (including remodelling opportunities) with partners in the City Region and surrounding areas (such as Warrington and Cheshire West).

- 1.5.14 In view of the urgent need to address Knowsley's employment requirements and enhance land supply up to 2028, it is not considered appropriate to seek to delay the KLPCS in anticipation of sub-regional studies which are expected to be undertaken in the future. This is noting that the Inspector's Interim Findings (EX26, para.11, pg.3) suggest that 'none of the proposed alternative locations warrants inclusion in the CS'. Regional co-operation is therefore necessary to provide a robust context for any subsequent sub-regional studies that are progressed, including any sub-regional Green Belt review which may be required to address any future quantitative or qualitative shortfalls in supply within the Liverpool City Region. The timescales of preparation of new evidence is therefore more appropriately incorporated into a future review of and / or preparation of Local Plan documents relating to Knowsley and the other districts in the City Region.

**APPENDIX 1: REVISED SUPPLY CALCULATION TABLES****Table 12C.1: Table 5.1A of Core Strategy as proposed to be modified (modification M071) "Employment Land Requirements and Supply as at 2013"**

	<b>Hectares</b>
<b>Local Plan: Core Strategy employment requirements</b>	
Long term annual average take-up for employment (1995/96 - 2012/13)	9.11
Total minimum requirement for plan period (based upon 18 years at 9.11 ha per annum)	164
- Employment land take up to date (2010/11 - 2012/13)	11
<b>= Minimum requirement remaining (2013/14 - 2027/28)</b>	<b>153</b>
<b>Total employment land supply</b>	
UDP Allocations, inc. Allocations Under Construction and Planning Permissions	57.46
UDP Allocations currently comprising Expansion Land	25.96
UDP Regional Investment Site - Kings Business Park	9.30
UDP South Prescott Action Area	23.39
Non Allocated Expansion Land	16.53
Land with Remodelling Potential	18.34
Sustainable Urban Extensions	47.21
Other Employment Sites, inc. Under Construction and Planning Permissions	42.02
<b>Total supply</b>	<b>240.21</b>
- approx 35% discount: plan period deliverability and supply flexibility post 2028	81.44
<b>= Minimum delivery forecast for 2013/14 - 2027/28</b>	<b>158.77</b>

**Table 12C.2: Updated Table 3.1 of document AD48 " Re-calculation of Total Projected Employment Land Supply (with Discounting)"**

Supply type	Area (hectares)	Average Discount (% - rounded)	Revised Supply (hectares)
UDP Allocations inc. Under Construction and Planning Permissions	57.46	20*	45.98
UDP Allocations currently comprising Expansion Land	25.96	71*	7.62
UDP Regional Investment Site - Kings Business Park	9.30	38*	5.75
UDP South Prescot Action Area	23.39	73*	6.19
Unallocated Expansion Land	16.53	76	4.02
Land with Remodelling Potential	18.34	68	5.85
Green Belt Locations	40.39**	N/A	40.39
Other Employment Sites inc. Under Construction and Planning Permissions	42.02	14	36.15
<b>Total</b>	<b>233.39</b>		<b>151.95</b>
Additional Green Belt scenario (uplift from 50% to 80% employment at Knowsley Lane)	6.82	N/A	6.82
Additional Sites (2013/14 Interim Monitoring Updates)	13.58	68	4.36
<b>Total</b>	<b>253.79</b>		<b>163.13</b>

\* Cumulative risk assessment across all existing UDP Employment Allocations of 43% (rounded).

\*\* Comprises omission of Carr Lane and reduced developable area of Land to the South of M62 following land owner consultation exercise, the remainder of the 40.39 hectare value includes a previous deduction to reflect developable areas of 30% - no additional discount is necessary.

NB. The calculation excludes UDP Allocation E36 (0.43 ha) which is currently subject to an enforcement investigation. Pending the outcome it is anticipated that E36 may be either returned to supply or recorded as take up for 2013/14.

**APPENDIX 2: EMPLOYMENT LAND SUPPLY BY EMPLOYMENT AREA****Table 12C.3: Total Plan Period Supply (2010 - 2028) by Category and Employment Area**

Employment Area	Community Area	Total Supply								Total (ha)	% (rounded)
		UDP Allocation (ha)	Exp Land - UDP Allocation (ha)	UDP Allocation - RIS (ha)	UDP Allocation - SPAA (ha)	Exp Land (ha)	Remodelling (ha)	SUE (ha)	Other Emp (ha)		
Boulevard Industry Park	Halewood	0	0	0	0	0	0	0	0	<b>0</b>	0
Eli Lilly	Halewood	0	0	0	0	0.79	0	0	0	<b>0.79</b>	0.4
Huyton Business Park	Huyton	8.93	0	0	0	0	1.64	0	4.81	<b>15.38</b>	6.4
Jaguar Land Rover	Halewood	0	16.47	0	0	8.65	0	0	0	<b>25.12</b>	10.5
Kings Business Park	PWCKV	0	0	9.30	0	0	0	0	0	<b>9.30</b>	3.8
Knowsley Business Park	PWCKV	6.84	2.25	0	0	0	7.06	7.20	2.12	<b>25.47</b>	10.6
Knowsley Industrial Park	Kirkby	40.25	7.24	0	0	5.61	9.64	0	33.87	<b>96.61</b>	40.2
Land at Knowsley Lane	PWCKV	0	0	0	0	0	0	17.50	0	<b>17.50</b>	7.2
Land to the South of M62	PWCKV	0	0	0	0	0	0	22.51	0	<b>22.51</b>	9.4
Pentagon	Halewood	0	0	0	0	1.04	0	0	0	<b>1.04</b>	0.5
South Prescot	PWCKV	0	0	0	23.39	0	0	0	0	<b>23.39</b>	9.7
Whiston Enterprise Park	PWCKV	1.44	0	0	0	0.44	0	0	1.22	<b>3.10</b>	1.3
<b>Total (ha)</b>		<b>57.46</b>	<b>25.96</b>	<b>9.30</b>	<b>23.39</b>	<b>16.53</b>	<b>18.34</b>	<b>47.21</b>	<b>42.02</b>	<b>240.21</b>	<b>100</b>

**Table 12C.4: Risk Assessed Plan Period Supply (2010 - 2028) by Category and Employment Area**

Employment Area	Community Area	Risk Assessed Plan Period Supply								Total (ha)	% (rounded)
		UDP Allocation (ha)	Exp Land - UDP Allocation (ha)	UDP Allocation - RIS (ha)	UDP Allocation - SPAA (ha)	Exp Land (ha)	Remodelling (ha)	SUE (ha)	Other Emp (ha)		
Boulevard Industry Park	Halewood	0	0	0	0	0	0	0	0	0	0.0
Eli Lilly	Halewood	0	0	0	0	0.20	0	0	0	0.20	0.1
Huyton Business Park	Huyton	7.10	0	0	0	0	0.41	0	3.86	11.37	7.2
Jaguar Land Rover	Halewood	0	4.12	0	0	2.16	0	0	0	6.28	4.0
Kings Business Park	PWCKV	0	0	5.75	0	0	0	0	0	5.75	3.6
Knowsley Business Park	PWCKV	5.82	1.69	0	0	0	3.03	7.20	1.70	19.44	12.2
Knowsley Industrial Park	Kirkby	31.84	1.81	0	0	1.40	2.41	0	29.55	67.01	42.2
Land at Knowsley Lane	PWCKV	0	0	0	0	0	0	17.50	0	17.50	11.0
Land to the South of M62	PWCKV	0	0	0	0	0	0	22.51	0	22.51	14.2
Pentagon	Halewood	0	0	0	0	0.26	0	0	0	0.26	0.2
South Prescott	PWCKV	0	0	0	6.19	0	0	0	0	6.19	3.9
Whiston Enterprise Park	PWCKV	1.22	0	0	0	0	0	0	1.04	2.26	1.4
<b>Total (ha)</b>		<b>45.98</b>	<b>7.62</b>	<b>5.75</b>	<b>6.19</b>	<b>4.02</b>	<b>5.85</b>	<b>47.21</b>	<b>36.15</b>	<b>158.77</b>	<b>100</b>