



*Knowsley Council*

# **Knowsley Local Plan: Core Strategy**

Technical Report

## **Developer Contributions**

Core Strategy Modifications

**June 2014**



# Technical Report: Developer Contributions

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## 1. Why is this report needed?

- 1.1. The emerging Knowsley Local Plan Core Strategy (KLPCS) includes a range of planning policies which will require contributions from developers. These contributions will be required to make specific categories of new development acceptable in planning terms, through provision of infrastructure on site or financial contributions for off site provision. Contributions sought will cover (amongst other things) highways, public transport, affordable housing, green spaces and design specifications.
- 1.2. Contributions may be sought through standardised tariffs and/or ad-hoc agreements, including Section 106 agreements. They may be sought in the future through a Community Infrastructure Levy (CIL) although the Council decided in June 2014 not to implement the Levy in the short term. The KLPCS recognises that further guidance in other Local Plan documents, Supplementary Planning Documents (SPDs) or a CIL Charging Schedule (if the Council implements CIL in the future) would be required to provide further detail on the operation of developer contributions policy. The Council's approach takes account of national legislation, policy and guidance regarding developer contributions.
- 1.3. Following the initial hearings in November 2013<sup>1</sup>, the Inspector's Interim Findings<sup>2</sup> (in paragraph 19) invite the Council to assess whether guidance is needed on the relative priority to be given to non mandatory requirements of the KLPCS in cases where viability issues arise. This finding was based on evidence of challenging viability for new development in Knowsley in the Knowsley Economic Viability Assessment<sup>3</sup> (EVA), and the likely impact on viability of meeting in full all of the "policy asks" prescribed by the emerging KLPCS. The Inspector's Interim Findings also invite the Council to re-assess its approach to affordable housing requirements taking account of these viability issues.
- 1.4. The viability evidence shows that (particularly in some parts of Knowsley) a significant proportion of development would not be able to deliver all of the non mandatory policy asks sought within the KLPCS. The Council has therefore developed (in response to the Inspector's interim findings) a hierarchy of the policy asks in modifications to policy CS27 and its supporting text. This essentially prioritises certain "policy asks" for delivery over others when development viability has been demonstrated to be insufficient, giving guidance to developers in establishing which policy asks should be given priority. The Council proposes to set out further guidance to explain this approach in a new Developer Contributions Supplementary Planning Document.

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<sup>1</sup> For further information, please see: <http://www.knowsley.gov.uk/localplan>

<sup>2</sup> Knowsley Local Plan Core Strategy Examination: Inspector's Interim Findings Following Hearing Sessions (Planning Inspectorate, 2014) (Examination Library Reference: EX26)

<sup>3</sup> Knowsley Economic Viability Assessment (Keppie Massie et al, 2012) (Examination Library Reference: EB06)

1.5. This Technical Report should be read in conjunction with the Council's proposed modifications<sup>4</sup> to policy CS27 of the KLPCS. These make it clear that the Council will generally only relax requirements relating to developer contributions where:

- The developer has submitted convincing viability evidence that not all the policy asks can be fully funded without causing their scheme to become unviable; and
- The Council considers that on a balanced assessment of the case planning permission should still be granted notwithstanding the fact that not all the contributions which would normally be sought can be funded in full.

Further information about this process is set out in the remaining sections of this Technical Report.

1.6. This Technical Report sets out:

- Scope and Methodology: the process which has been followed to develop the hierarchy proposed in the modifications to policy CS27;
- Background: the legislation, policy and guidance which the Council has taken into consideration in this exercise;
- Evidence: summary of the local evidence concerning developer contributions including the viability of new development in Knowsley;
- Options development: how the Council developed options for how developer contributions could be prioritised;
- Options analysis and assessment: analysis of the pros and cons of the options, and impact of the Sustainability Appraisal process on this analysis;
- Preferred option: justification for the preferred option, and reasons for discounting alternatives; and
- Modifications and Implementation: discussion of policy drafting parameters and requirements for the KLPCS and supplementary planning guidance.

1.7. Specialist terms used in this report are explained in Appendix A. Appendices B to E set out some of the technical information referred to within this report.

## **2. What is the scope and methodology for this report?**

2.1. The following paragraphs set out the broad considerations that the Council has examined to assess how policy asks should be prioritised, including methods of assessment of policy asks.

2.2. The Council has considered the following:

- Legislation and policy restrictions with respect to how the Council can seek to collect and spend developer contributions, including the restrictions brought about through Community Infrastructure Levy regulations<sup>5</sup>;

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<sup>4</sup> Schedule of Proposed Modifications to the Submission Document (Knowsley MBC, 2014) (Examination Library Reference CS08)

<sup>5</sup> The Community Infrastructure Levy Regulations 2010 (as amended in 2011, 2012 and 2014)

- The emerging KLPCS policy asks in terms of:
  - their contribution to the objectives of national policy and the vision and objectives of the Knowsley Local Plan;
  - their role and function within new development, and their relative importance to making development acceptable;
  - whether they are likely to be required equally for all new development of different types and in different areas;
  - their relative expected cost and impact on economic viability of new development;
  - their impacts on sustainability in economic, social and environmental terms
- The impacts on wider Council strategies and services.

2.3. Accounting for these factors, the Council has:

- Developed feasible, distinct options , constituting “sets” of policy asks in particular priority orders;
- Assessed the options in terms of their ability to meet legal requirements and restrictions and the other factors set out above;
- Developed and justified a preferred option, which will best meet requirements and deliver positive outcomes for objectives; and
- Developed the appropriate policy wording to incorporate the preferred option as modifications to the KLPCS.

2.4. The resultant policy approach (in the modifications to policy CS27) accords with national legislation and policy, is justified by robust evidence and is therefore suitable for incorporation in the KLPCS. It sets an appropriate framework for additional guidance in other Local Plan documents and SPDs. The approach is also sufficiently flexible to account for future changes, for example to the regulatory framework concerning developer contributions and newly available evidence. It could also help inform any change in the Council’s position in relation to the adoption of the Community Infrastructure Levy, should the Council decide to introduce this in Knowsley.

### **3. What background materials are available?**

#### *Legislation and Regulations*

- 3.1. Developer contributions for planning purposes are normally sought through Section 106 of the Town and Country Planning Act, 1990. Funding for off-site highways works has been sought under the Highways Act 1980, including Section 38 and 278 agreements.
- 3.2. In recent years, the legislation for planning-related developer contributions has changed significantly through the introduction of the Community Infrastructure Levy in the Planning Act 2008. This is a mechanism by which developer contributions can be sought through a standardised tariff introduced at the local level. The legislative changes are also introducing significant restrictions to the use of Section 106 agreements, which impact on the Council’s current approach. The government has extensively changed the

regulatory framework to guide the implementation of the Community Infrastructure Levy and provide statutory guidance for local authorities. The relevant regulations and guidance were most recently revised in February 2014.

- 3.3. The key elements of the existing system introduced through these legislative and regulatory changes are listed as follows:
- The discretionary ability for local authorities to produce Community Infrastructure Levy Charging Schedules, which are standardised tariffs for the collection of developer contributions. The local authority can set the level sought and the types/locations of development liable for the charge, with reference to viability evidence. The local authority must also prescribe how funds collected through this mechanism will be spent on identified infrastructure priorities. Knowsley Council decided in June 2014 not to introduce a CIL in the short term although this decision will be kept under annual review.
  - The legislation has made statutory the previous guidance in Circular 05/05 (now cancelled) with respect to the use of Section 106 agreements, including that a developer contribution must be sought only when necessary. This is echoed in national planning policy and guidance (see further details in section 3.4 and 3.6 of this report).
  - For authorities adopting the Community Infrastructure Levy, and for all local authorities after April 2015, there will be significant restrictions on the ability to use Section 106 agreements to collect funds from more than one development, and “pool” these together for expenditure on infrastructure. No more than five “pooled contributions” will be able to be sought to contribute to any specific item of infrastructure provision after April 2015. This will apply retrospectively from April 2010 onwards.
- 3.4. It is expected that Section 38 and Section 278 agreements will still be used for off site highway works as these will be unaltered by the changes to the planning legislation.
- 3.5. The Government has also signalled its intention to bring some elements of sustainable development design outside the scope of Local Plans and into the statutory Building Regulations<sup>6</sup>. This is likely to lead to the replacement of the Code for Sustainable Homes with a new set of minimum standards required under the Building Regulations requirements for new development. Local authorities may still be able to impose local standards for some aspects of sustainable design but only where evidence justifies this. In anticipation of this change, many authorities (including Knowsley via its modifications to the KLPCS) are reconsidering their approach to setting sustainable design standards in their emerging Local Plans.

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<sup>6</sup> See DCLG Housing Standards Review: Consultation (DCLG, August 2013). This was also confirmed as part of the introduction of the Infrastructure Bill in the Queen’s Speech, June 2014.

### *National Policy*

- 3.6. The National Planning Policy Framework (NPPF)<sup>7</sup> sets out guidance for the use of developer contributions. With respect to the general use of developer contributions, paragraphs 204 and 205 of the NPPF provide guidance on the statutory tests:

*“Planning obligations should only be sought where they meet all of the following tests:*

- *necessary to make the development acceptable in planning terms;*
- *directly related to the development; and*
- *fairly and reasonably related in scale and kind to the development.*

*Where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.”*

- 3.7. Paragraphs 173 and 174 of the NPPF prescribe how the impact on economic viability of new development should be taken into account in the use of developer contributions, stating:

*“...sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*

*Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.”*

### *Planning Practice Guidance*

- 3.8. The National Planning Practice Guidance (PPG)<sup>8</sup> was launched on 6 March 2014, cancelling previous guidance relating to planning obligations<sup>9</sup>. The PPG

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<sup>7</sup> National Planning Policy Framework (CLG, 2012) (Examination Library Reference: PG01)

<sup>8</sup> See Planning Practice Guidance online at: <http://planningguidance.planningportal.gov.uk/>

<sup>9</sup> Planning Obligations: Practice Guidance (CLG, 2006)

sets out detailed guidance about how local authorities should set and implement developer contributions policies. The guidance echoes the legislation and the NPPF by stating that planning obligations must be necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. With respect to varying developer contribution requirements sought by local authorities, the PPG states (in "Planning Obligations": Paragraph 006): :

*“Where they provide essential site specific items to mitigate the impact of the development, such as a necessary road improvement, there may only be limited opportunity to negotiate. However, where local planning authorities are requiring affordable housing obligations or tariff style contributions to infrastructure, they should be flexible in their requirements. Their policy should be clear that such obligations will take into account specific site circumstances.”*

- 3.9. The PG also states that developer contributions policies should be grounded in an understanding of development viability, and any negotiation with respect to the developer contribution sought should be based on scheme viability. Other guidance and best practice in relation to the Community Infrastructure Levy and developer contributions is available from sources such as the Planning Advisory Service<sup>10</sup>.

#### *Local policy and guidance*

- 3.10. The Knowsley Replacement Unitary Development Plan 2006 (UDP)<sup>11</sup> sets out the Council's currently adopted policies in respect to developer contributions. Policy PA1: Planning Agreements sets general parameters within which contributions will be sought. Policy OS5 sets out the specific requirements in relation to contributions towards the provision and maintenance of green spaces. This policy is supplemented by guidance within the adopted Greenspace Standards and New Development SPD.
- 3.11. The Council intends to replace the currently "saved" policies of the UDP with policies in the Knowsley Local Plan. The emerging KLPCS includes several policies relating to developer contributions, including those setting out requirements for transport and highways, greenspaces, design standards, affordable housing, and other matters. An overarching policy was provided at Policy CS27: Planning for and Paying for New Infrastructure in Knowsley. It is expected that these policies will replace the aforementioned UDP policies for developer contributions.

## **4. What evidence is available?**

- 4.1. In determining how the KLPCS should be modified to address the Inspector's Interim Findings, the Council has considered a range of locally collected evidence.

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<sup>10</sup> See the Planning Advisory Service website at <http://www.pas.gov.uk>

<sup>11</sup> Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006) (Examination Library Reference: PP01)

*Developer Contributions*

- 4.2. The Council's record of past collection of developer contributions provides useful evidence in determining the appropriateness of the approach to policy asks within the emerging Local Plan. Under the current UDP policies, the Council has collected contributions for a limited selection of items, in comparison to some other local authorities for example in more affluent areas. Since 2007, the Council has operated a standardised approach to the collection of contributions towards greenspace provision and maintenance, in association with new residential development. This has been undertaken through a tariff-based system in the adopted Greenspace Standards and New Development SPD<sup>12</sup>. The Council has also collected ad-hoc (i.e. non tariff based) contributions on a site-by-site basis for other infrastructure items, principally including highways works. For very large schemes, the Council has negotiated contributions for a wider range of infrastructure specifically related to the impacts of new developments, e.g. improvements to services such as public transport, libraries or health facilities.
- 4.3. The following table sets out the Council's performance in agreeing and collecting developer contributions over the past five years since 2008/09.

**Table 1a: Developer Contributions agreed, 2008/09 to 2012/13**

Year / Type	SPD Greenspace provision – agreed	SPD Greenspace enhancement – agreed	Highways S106 – agreed	Other S106 – agreed	Total agreed
2008/09	£3,642	£33,940	Not available	£14,175	<b>£51,757</b>
2009/10	£57,469	£163,099	£28,000	£81,766	<b>£330,335</b>
2010/11	£29,080	£124,060	£9,928	£915,566	<b>£1,078,633</b>
2011/12	£120,986	£234,824	£55,000	£4,707,005*	<b>£5,117,815*</b>
2012/13	£198,236	£264,609	£7,000	£294,314	<b>£764,159</b>
<b>Total</b>	<b>£409,414</b>	<b>£820,532</b>	<b>£99,928</b>	<b>£6,012,826</b>	<b>£7,342,699</b>

\*large amount agreed in this instance is due to the Section 106 agreement for the Kirkby Town Centre regeneration scheme

**Table 1b: Developer Contributions collected, 2008/09 to 2012/13**

Year / Type	SPD Greenspace provision – collected	SPD Greenspace enhancement – collected	Highways S106 – collected	Other S106 – collected	Total collected
2008/09	Not available	Not available	Not available	Not available	<b>£122,007</b>
2009/10	Not available	Not available	Not available	Not available	<b>£31,122</b>
2010/11	£17,233	£173,252	£32,000	£10,215	<b>£232,700</b>
2011/12	£10,003	£49,940	£40,000	£123,500	<b>£223,443</b>
2012/13	£91,761	£256,324	£45,844	£184,627	<b>£578,555</b>
<b>Total</b>	Not available	Not available	Not available	Not available	<b>£964,384</b>

<sup>12</sup> Greenspace Standards and New Development SPD (Knowsley MBC, 2007) (Examination Library Reference: PP07)

*Source: Developer Contributions Monitoring System (Development Management Division, Knowsley MBC, February 2014)*

- 4.4. Tables 1a and 1b show that the Council has a strong record in agreeing and collecting contributions for greenspaces, reflecting the operation of the existing SPD. Additional funds have been agreed for highways and other matters through Section 106 agreements. Annual trends differ significantly in terms of funds agreed, as this is highly dependent on the types and numbers of planning applications approved by the Council. Contributions agreed for greenspace provision and maintenance have generally increased over the five year period, reflecting the larger number of homes receiving planning consent more recently. The trend in highways and other funds agreed is more varied, as this depends to a greater degree on individual schemes. For example, the very large figure agreed in 2011/12 is linked to the approval of the Kirkby Town Centre regeneration scheme, which included a very large Section 106 agreement justified by the scale and complexity of this scheme.
- 4.5. Appendix B of this report sets out more detailed data regarding the number and scale of individual developer contributions which have been agreed in recent years, with key findings highlighted in the following paragraphs.
- 4.6. Since 2008, 112 applications have been approved with developer contributions agreed at an average rate of £65,650 per application. However as explained previously, the Kirkby Town Centre regeneration scheme has a significant influence upon this figure and when omitted the average rate of developer contribution is reduced to £23,952 per application.
- 4.7. In terms of the different types of contribution, 94 applications have been approved with developer contributions related to greenspace calculated via the SPD methodology, at a total value of £1,229,946 and an average of £13,084 per application. The applications from which financial contributions have been agreed under the SPD range from proposals for single dwellings to developments of up to 50 units - on-site provision is generally sought for developments above this threshold. The spatial distribution of development sites subject to financial contributions includes locations where the Knowsley EVA suggests the baseline viability position may be challenging (i.e. Zone 1 - Kirkby and North Huyton) relative to existing UDP policy asks.
- 4.8. Highways contributions secured via Section 106 agreement have been fewer in number with 5 applications in total during the five years at an average of £19,986 per application. This relatively low number of contributions is likely to be due to the availability of alternative Section 38 and Section 278 agreements for highway improvements works. The financial contributions via Section 106 agreements have generally been agreed as part of major residential and commercial developments for upgrades to public transport infrastructure, traffic management, bus services and highway improvements. Although the sample size is relatively limited, there are examples of financial contributions agreed in all parts of Knowsley, including locations where the Knowsley Economic Viability Assessment suggests the baseline viability

position may be challenging (i.e. Zone 1 - Kirkby and North Huyton) relative to existing UDP policy asks.

- 4.9. The remaining Section 106 agreements comprise a total of 13 applications since 2008 for a range of policy asks to make development acceptable. There is no definitive trend from which robust analysis can be made, given the bespoke nature and variation of policy asks required to make development acceptable. This range of financial contributions varies from minor tree replacements to a multitude of mitigation measures required as part of the Kirkby Town Centre Regeneration.
- 4.10. In general, the funds collected by the Council have increased over the period 2009/10 to 2012/13. This reflects increased activity in construction across the Borough over this period, as the economy has begun to recover from the recession. The Council is aware that challenging viability still affects some types of new development in the Borough and this remains an issue for the negotiation of Section 106 agreements. There is evidence that there is a significant pipeline of funds which have been agreed as part of the granting of planning permission, but that have not yet been implemented and collected by the Council. It is expected that funds collected will be boosted due to this in the coming years.

#### *Greenspace Standards and New Development SPD*

- 4.11. Following the publication of the NPPF and the introduction of the Community Infrastructure Levy Regulations, the Council has assessed the effectiveness of current local standards in the Knowsley UDP and Greenspace Standards and New Development SPD to inform the emerging KLPCS. This is noting that both the Knowsley Greenspace Audit<sup>13</sup> and Knowsley Playing Pitch Assessment and Strategy<sup>14</sup> were completed in 2012, providing an updated evidence base relating to existing provision and forecasts of future requirements. This enabled a review of the position of each area of Knowsley against the standards of provision prescribed in the current adopted SPD and of whether the existing standards remain appropriate. The resultant recommendations informed the preparation of revised local standards in the supporting text of emerging KLPCS Policy CS21.
- 4.12. The Council agreed in April 2014 to adopt the revised standards on an interim basis along with a revised interpretation of other aspects of the SPD. This will ensure that decisions on planning applications continue to comply with the NPPF and the revised standards in the emerging KLPCS. Key changes include a reduction to the standard for greenspace provision for children and young people, and amendments to the accessibility standards for outdoor sports provision. The interim approach also refers to the updated evidence base regarding existing levels of provision. Further detail is set out regarding this matter in paragraphs 4.19. - 4.23. below.

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<sup>13</sup> Knowsley Greenspace Audit (Knowsley MBC, 2012) (Examination Library Reference: EB21)

<sup>14</sup> Knowsley Playing Pitch Assessment and Strategy (Knowsley MBC, 2012) (Examination Library Reference: EB22)

- 4.13. The Council will apply the interim approach to all planning decisions made from 16 April 2014 until 6 April 2015, when Regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended) will come into force, as this will then introduce further limitations. This will include changes to the arrangements for pooling of developer contributions to comply with the Regulations.

#### *Economic Viability*

- 4.14. In 2012, Knowsley Council commissioned consultants Keppie Massie to undertake a study into the economic viability of new development in Knowsley. The Knowsley Economic Viability Assessment included inputs from experts in quantity surveying, development economics and planning, and involved stakeholders from the development sector. The study involved a detailed methodology, with carefully developed inputs with respect to development costs, land values, fees, sales values and rental yields. It tested a wide range of development types, as well as different development sizes and locations. The study assessed the baseline viability of new development in the Borough and the likely impacts of the policies of the emerging KLPCS on this viability. The study therefore provided evidence to support the Council's position in seeking to introduce developer contributions through its Plan.
- 4.15. The study concluded that economic viability is likely to be challenging in Knowsley for a significant proportion of new development. This means, in general, that even without consideration of the impact of policy asks attributable to the Local Plan, some types of new development may not be viable in some areas. In particular, the study found there to be limited baseline viability for schemes involving employment land or smaller scale or comparison goods retail development. There was also limited baseline viability for schemes on previously developed land in urban areas, including for some residential developments, while developments on Green Belt or greenfield sites were generally demonstrated to be more profitable. The location of the potential development also made a significant difference to the baseline viability position – selected zones within the Borough (i.e. North Huyton and Kirkby), particularly those with likely lower sales or rental values, also demonstrated a lower baseline viability across different development types. There were some development types tested which demonstrated a significant headroom at the baseline viability level, including in particular larger residential developments on greenfield land in higher value zones. Within a selection of these developments, the study reported that a significant number of policy asks could be accommodated, while maintaining development viability.
- 4.16. Further information on this matter is available within the full EVA study (Examination Library Reference: EB06) and its appendices, which include an Executive Summary. This includes the zoned map of areas in Knowsley which were considered by the study to have different conclusions with respect to development viability (see Executive Summary, Figure 1). A brief outline of

the types of development schemes tested which demonstrated a lack of viability, as well as those which demonstrated a significant headroom of viability is also provided (see Executive Summary, Section 0.3: Results).

- 4.17. As noted, in addition to baseline viability, the study also considered the financial impacts on new development of the Council seeking particular specifications through Local Plan policies, known as “policy asks”. Each policy in the emerging KLPCS was analysed to determine the likely additional cost that they would bring if new development was to fully comply with their requirements. This process calculated the cost attributable per square metre of new development, of providing items such as affordable housing contributions. The costs can vary dependent on the size of scheme, for example, larger schemes could create efficiencies and therefore policy asks would be less of a proportionate financial burden on development. The outcomes of this analysis in terms of the costing attributable to each individual policy ask is discussed in further detail in section 5 of this report. The EVA sets out a broad summary of the financial impacts of policy asks on new development in Knowsley (see Executive Summary, Section 0.4, Tables 1, 2, and 3).
- 4.18. The EVA considered the costs of policy asks on an individual basis, rather than considering the cumulative impacts of seeking multiple policy asks within a single development. The study demonstrates that taking all policy asks together would have a very serious impact on the viability of a large number of developments in Knowsley, including some of those demonstrating a headroom of viability at the baseline level (i.e. before any policy asks costs were added). An example of this calculation is provided at Appendix C for selected developments. This challenge to overall viability caused by the cumulative impact of policy asks is explored further through this Technical Report in its testing of options. This has enabled the Council to address the comments of the Inspector about the ability of new development in Knowsley to accommodate all of the policy asks sought within the KLPCS, and address the pressing need to determine an order of priority for policy asks when viability is challenging.

### *Greenspaces*

- 4.19. The Greenspace Standards and New Development SPD includes the current methodology for calculating contributions required in relation to planning applications for new development, based on the standards within the Knowsley UDP for four typologies of public open space (park and garden, amenity greenspace, provision for children and young people and allotments) and outdoor sports provision.
- 4.20. The Knowsley Greenspace Audit (2012) provided an up-to-date audit of all open space provision throughout the Borough and recommended priorities for open space and recreation provision to inform the preparation of the Local Plan. The document identified the progress that had been made in implementing the priorities of the Knowsley UDP translated within the Greenspace Standards and New Development SPD, by identifying

performance relative to local standards relating to quality, quantity and accessibility.

- 4.21. The measurement of public open space in Knowsley, in terms of recording against quantitative and accessibility standards and informing calculations of necessary planning contributions towards greenspaces, is based on the division of the Borough into areas known as Substantial Residential Areas (SRAs). The Greenspace Audit analysed each of the 38 SRAs within Knowsley to assess performance against local standards and in doing so, identified that 31 of Knowsley's 38 SRAs had a cumulative surplus of provision. As part of the wider analysis, the Audit recommended reducing the quantitative standard for the provision for children and young people typology, noting that the standards within the UDP appear unachievable in many areas despite significant investment since 2010.
- 4.22. In terms of outdoor sports provision, the Council worked closely with Sport England to prepare the Knowsley Playing Pitch Assessment and Strategy (2012). The process involved an initial audit of all pitches, users and providers in Knowsley, and consultation with clubs, pitch owners/operators and schools. The findings were fed into Sport England's Playing Pitch Model methodology, which bases forecasts upon pitches which currently are or could be made available for community use. The results of this process informed strategy recommendations, including the need to revise local standards to reflect variations of need at a Community Area level rather than the Borough wide standard within the UDP.
- 4.23. Policy CS21 of the emerging KLPCS reflects the recommendations of the Knowsley Greenspace Audit and Knowsley Playing Pitch Assessment and Strategy through progressing revised quantitative and accessibility standards for public open space and outdoor sports provision. The Council intends to support the implementation of changes to local standards through the preparation of new guidance as part of a Developer Contributions SPD to supersede the Greenspace Standards and New Development SPD.

#### *Affordable Housing*

- 4.24. The Knowsley Strategic Housing Market Assessment (SHMA)<sup>15</sup> was produced by consultants David Couttie Associates for Knowsley Council in 2010. This document identified evidence of a pressing need for the delivery of affordable housing in Knowsley. Approximately 27% of Knowsley's existing housing stock is in affordable tenures, well above the national and regional average. However, despite this existing provision, the SHMA indicated, through its use of a Communities and Local Government affordable housing needs assessment model, that additional affordable homes were needed to tackle the issue of overcrowding and concealed households, and to address backlog of housing needs associated with Registered Provider waiting lists. Additionally, affordability problems were highlighted due to the mismatch of

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<sup>15</sup> Knowsley Strategic Housing Market Assessment (DCA, 2010) (Examination Library Reference: EB04)

housing prices and average incomes for the Knowsley population, leading to the conclusion that a significant proportion of Knowsley households could not afford to purchase their own home through the market.

- 4.25. The SHMA concluded that a significant number of affordable homes would need to be provided in the short term in Knowsley, if all affordable housing needs, including those newly arising and those accumulated in recent years, would be met in full. However, the SHMA recommended that for new market housing developments of 15 dwellings or more, a target of 25% affordable housing should be sought. The SHMA did not distinguish between different geographical areas of Knowsley, instead recommending that the target should be implemented across the Borough, but should be subject to negotiation based on the viability of new development. The SHMA also gave recommendations with respect to the size of new dwellings which should be provided in order that the housing market in Knowsley could be rebalanced.
- 4.26. The Council recognises that there is a financial impact of providing affordable housing as part of new market housing development. At the point at which the SHMA recommendation with respect to affordable housing was made, the Council had yet to produce economic viability evidence to support the target emerging from this study. However, in 2012, the EVA provided information about the financial impact of seeking 25% affordable housing in Knowsley. Lower targets of 15% and 5% were also tested in terms of their impacts on viability. A separate report sets out the Council's preferred approach to a variable affordable housing target, reflecting this viability evidence (see Technical Report: Affordable Housing Policy).

#### *Decentralised energy*

- 4.27. Knowsley Industrial Park is the Borough's largest employment area, and one of the largest industrial parks in the North West. Knowsley Council commissioned expert consultants Arup to undertake a study<sup>16</sup> into the feasibility of developing the area as a low carbon industrial park. The study included a techno-economic assessment which determined that developing decentralised energy infrastructure in the form of energy centres and heat network(s) to provide low carbon energy is commercially viable. This evidence indicates that there is a significant commercial opportunity, both for a strategic development partner, and subsequent business customers, to work towards the provision of this technology within Knowsley Industrial Park. Given the wider low-carbon agenda, which is reflected in national policy and within the emerging KLPCS, the Council considers it appropriate to prioritise this initiative.
- 4.28. Policy CS11 within the emerging Core Strategy reflects this evidence, stating that Knowsley Industrial Park should be identified as a Priority Zone to promote the production of renewable, low carbon and decentralised energy. Policy CS22 indicates that subject to feasibility and viability, all major

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<sup>16</sup> Knowsley Industrial Park Energy Network Feasibility Study (Arup/KMBC, 2012) (Examination Library Reference: EB18)

development proposals will be required to include decentralised, renewable and low carbon energy systems. In addition, the policy states that within Knowsley Industrial Park and the adjacent Business Park, again where feasible, new development will be required to make provision to connect to an existing or planned decentralised energy network and be designed to enable future connectivity. Further guidance regarding the introduction of decentralised energy technology is provided in Policy CS23. It is recognised that compliance with this policy initiative may have cost implications for new development

### *Design*

- 4.29. Knowsley is characterised by a wide range of development types and design typologies, ranging from historic settlements like Prescot, to relatively new residential estates and business parks. The Borough is supported by a significant network of greenspaces, including many well maintained parks. A very significant proportion of development in Knowsley is from the post-War period, in particular the 1960s and 1970s, with much of this growth resulting from the accommodation of “overspill” population from Liverpool. Some of these areas suffer from environmental and social problems, which may be attributed to poorly designed or low quality residential development. Some of Knowsley’s employment areas also suffer from a poor quality built environment, due to the impact of historic and existing uses, and accessibility issues. This means that there are existing opportunities to improve on the design quality in some of Knowsley’s settlements. In addition, there are significant opportunities to ensure that new development contributes overall to the design quality of the township areas, particularly in gateway locations or within locations to be released from the Green Belt, which front onto areas of existing open countryside or areas of established environmental value. There is also a need to ensure that the design of new development respects the varied high quality assets within Knowsley’s built and natural environment, including protected wildlife sites and conversation areas.

### *Development Scoping*

- 4.30. The evidence base prepared to support the KLPCS includes several studies and reports relating to the potential trajectory of development delivery over the plan period. This includes evidence such as the Strategic Housing Land Availability Assessment<sup>17</sup>, which sets out the scope of sites within the urban area to contribute to housing delivery. There have been additional technical reports, which set out the overall scale of development to be delivered, including for residential, retail and employment purposes. This evidence is useful in enabling an understanding of the types, sizes and locations of development which could come forward during the KLPCS plan period, and consequently the potential for these developments to be liable for developer contributions.

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<sup>17</sup> Knowsley Strategic Housing Land Assessment 2012 Update (Knowsley MBC, 2013) (Examination Library Reference EB01)

- 4.31. As part of the methodology for preparing the housing land availability assessments, the Council has applied the findings of the EVA to each of the sites identified. This has enabled the Council to take a view about the deliverability of new development (in accordance with the methodology of the viability assessment), and where a headroom viability at the baseline level is recorded, the extent to which developer contributions could be sought. The viability categorisation has also informed the risk assessment of the identified urban housing land supply.

#### *Area based analysis*

- 4.32. The preceding sections of this report summarise evidence relating to developer contributions. Selected parts of this evidence indicate that there is an area-based element which should be considered, including priorities for particular policy asks in some areas. Examples of this include the Greenspaces Audit, which highlights parts of the Borough which have a deficit in terms of greenspace provision, compared to sufficient provision in other parts. In addition, decentralised energy is considered to be a priority in Knowsley Industrial Park, where there are identified commercial opportunities to deliver on low carbon energy objectives. Evidence of these area-based priorities is important to consider.
- 4.33. Conversely, other existing evidence does not present pressing needs in particular areas, and instead presents issues which are universal to development in different areas of Knowsley. For example, the SHMA indicates that affordable housing provision is required to rebalance the housing market throughout the Borough, rather than needs being focussed in one particular area. Similarly, all development schemes will require a minimum acceptable level of infrastructure, including safe access from the highway where appropriate, regardless of their location in the Borough.
- 4.34. As noted, the EVA categorised the Borough into three zones of viability. These zones were defined based on their common characteristics in terms of land and sales values, which are key inputs to the viability assessment methodology. The EVA report includes a map of these viability zones. In addition to these zones, there is additional variation depending on land type (i.e. greenfield or previously developed) and land designation (i.e. Green Belt or urban). It is worth noting that the general trends of which types of development are considered to be more or less viable are reflected across each of the three viability zones.

## **5. Options development**

- 5.1. This section sets out how the Council has developed options for how "policy asks" in the KLPCS could be prioritised. Section 6 assesses the pros and cons of each option.

#### *Policy asks analysis*

- 5.2. Each of the individual policy asks in the emerging KLPCS are analysed and profiled in this section. The source of the policy asks is set out in Figure 1. Additional commentary has been provided if the policy asks are subject to any change through the ongoing KLPCS modifications process. The version of the Core Strategy used for this purpose is the Submission Version<sup>18</sup> (published July 2013). The Examination in Public process has resulted in several proposed modifications to the Plan as submitted. These are discussed in relation to each policy ask.

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<sup>18</sup> Knowsley Local Plan Core Strategy: Submission Version (Knowsley MBC, 2013) (Examination Library Reference: CS01)

**Figure 1 – Policy asks arising within the Local Plan Core Strategy**

<p>CS7: Transport Networks</p> <ul style="list-style-type: none"><li>• Strategic transport schemes and programmes</li><li>• Prioritise accessibility through sustainable modes of travel (public transport, walking and cycling)</li><li>• Incorporate access for private vehicles</li><li>• Compliance with parking standards</li><li>• Include technologies to mitigate or minimise carbon emissions</li></ul>
<p>CS15: Delivering Affordable Housing</p> <ul style="list-style-type: none"><li>• Market sector residential developments of 15 dwellings or more to incorporate 25% affordable housing</li><li>• <i>variable target between different locations and changes to approach to tenure mix proposed through modifications process (see Technical Report: Affordable Housing Policy)</i></li></ul>
<p>CS17: Housing Sizes and Design Standards</p> <ul style="list-style-type: none"><li>• Compliance with Building for Life and Lifetime Homes</li><li>• <i>change to "encourage" compliance with standards promoted through modifications process</i></li></ul>
<p>CS19: Design Quality and Accessibility in New Development</p> <ul style="list-style-type: none"><li>• Enhance local distinctiveness, identity and accessibility</li></ul>
<p>CS21: Greenspaces and Trees</p> <ul style="list-style-type: none"><li>• Provision and qualitative improvements in accordance with urban greenspace and outdoor sports provision standards including mitigation for loss</li></ul>
<p>CS22: Sustainable and Low Carbon Development</p> <ul style="list-style-type: none"><li>• Meet general sustainable design</li><li>• Sustainable construction targets (Code for Sustainable Homes &amp; BREEAM) principles using allowable solutions where justified (NB impacted upon by changes to Building Regulations)</li><li>• Inclusion of decentralised renewable and low carbon energy systems</li></ul>
<p>CS24: Managing Flood Risk</p> <ul style="list-style-type: none"><li>• Flood risk mitigation</li></ul>
<p>CS27: Planning and Paying for New Infrastructure</p> <ul style="list-style-type: none"><li>• Compliance with all Local Plan requirements on developer contributions</li><li>• Provision of on site/ancillary infrastructure as required to make the development acceptable in planning terms</li><li>• Contributions towards strategic infrastructure</li><li>• <i>modifications proposed to address prioritisation of policy asks, in accordance with this report</i></li></ul>

5.3 Some policy asks cut across more than one individual emerging KLPCS policy. For assessment purposes, the policy asks have been listed as follows:

- Sustainable Design Standards / Building Regulations
- Highways and public transport
- Affordable Housing
- Residential Design Standards
- Non-residential Design Standards
- Greenspaces and Trees
- Decentralised Energy
- Other ad-hoc items

5.4 Each of the policy asks were assessed in accordance with the following headings:

- Applies to: The type of development to which the policy ask applies is stated, whether this is residential or commercial development, or both.
- Categorisation: Each of the policy asks have been categorised in accordance with the categories assigned within the Infrastructure Delivery Plan<sup>19</sup>(IDP) (see IDP Section 5.2, Figure 5.2), which states whether categories of infrastructure are enabling, essential or complementary to development. Additional commentary is provided regarding this categorisation where necessary.
- Costing: All costs are taken from EVA (see EVA Section 7.1 to 7.9), and where available are expressed as cost per square metre of development. Where a range is given, this covers the range of costs associated with three tested sizes of residential schemes - 10 dwellings, 100 dwellings and 1000 dwellings. Costs are not necessarily lower for the smaller schemes – sometimes efficiencies across larger schemes can bring costs down. For some asks, the EVA was not able to provide reliable cost estimates, usually where the policy ask would have a dramatically different cost impact on different types of development. A commentary is provided with respect to the findings of the EVA in relation to costs.
- Local Plan Objectives: Each of the policy asks have been assessed in terms of their contribution to the individual strategic objectives of the Local Plan. The full assessment is available at Appendix E Table 1, including commentary and a score for each ask against each objective. A summary of the assessment, including an aggregate score and ranking for each ask, is presented in the proformas.
- Sustainability Appraisal Objectives: Each of the policy asks have been assessed in terms of their impact on the social, economic and environmental objectives set out in the Local Plan Sustainability Appraisal Framework, also used for the Sustainability Appraisal work undertaken to support the local Plan. The full assessment is available at Appendix E Table 2, including commentary and a score for each ask against each objective. A summary of the assessment, including an aggregate score and ranking for each ask, is presented in the proformas.

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<sup>19</sup> Knowsley Infrastructure Delivery Plan (Knowsley MBC, 2012) (Examination Library Reference: SD06)

- **Implementation:** This commentary covers how policy asks can be delivered through the function of planning policy, and explains whether they are they mandatory for new development, or be collected via Community Infrastructure Levy or section 106 agreements.
- **Summary Analysis / Commentary:** A final summary commentary is provided with respect to the overall position on the policy ask.

5.5 The full assessment proformas are available at Appendix D, with summaries set out in Table 2.

**Table 2: Summary Analysis / Commentary of Policy Ask Analysis**

<b>Policy Ask</b>	<b>Summary Analysis / Commentary</b>
<b>Sustainable Design Standards / Building Regulations</b>	Need to give consideration to realistic costs of meeting regulations i.e. that the cost may not be equivalent to a high level of Code (e.g. Level 5) and may be passed on to the customer as increased sales values. Moderately positive impacts on local plan and sustainability objectives. Implementation strongly affected by Building Regulations and allowable solutions legislation.
<b>Highways and public transport</b>	Highways costs comparatively low, depending on the scheme, but public transport additions could increase costs significantly for major developments. Very significant positive impacts on a range of local plan and sustainability objectives. Flexible arrangements for implementation, strong likelihood of compliance with the requirements for developer contributions in making development acceptable in planning terms.
<b>Affordable Housing</b>	Costs of provision of affordable housing can be high, particularly where a percentage of 15-25% is sought. There are significant positive impacts of delivering affordable housing on objectives relating to residential provision and other social factors. Limited impact on the wider range of objectives. Implementation must be through Section 106 agreements, on a site by site basis. Reference should be made to the Technical Report: Affordable Housing Policy, to review modifications proposed to Policy CS15.
<b>Residential Design Standards</b>	The cost of achieving residential design standards can be significant, particularly if very high design quality or compliance with particular standards is sought. However, partial meeting of design standards can sometimes be met with less cost, if incorporated into the design stage at an early point. Moderate positive impacts are recorded across a range of objectives, particularly around quality of place. Implementation usually through planning application process, but exceptionally costs could be sought for compensation through off site measures or financial contributions.
<b>Non-residential Design Standards</b>	Costs of meeting high design standards for commercial development can be significant, but are considered likely to vary across different development types. Costs may be met through scheme layout, if incorporated from the initial design stage. Moderate positive impacts are recorded across a range of objectives, particularly around quality of place, and potentially on objectives focussed on encouraging development. Implementation usually through planning application process.
<b>Greenspaces and Trees</b>	The cost of achieving greenspace requirements can be significant, particularly in areas of deficit. However, in occasions where only some typologies are in surplus and / or enhancement projects are not available, there is a degree of flexibility for negotiation of reduction of costs. Positive impacts are recorded across a range of objectives, particularly around

	environmental factors and quality of place. Implementation is usually through planning application process, via on-site provision or alternatively costs are sought for off site measures through financial contributions.
<b>Decentralised Energy</b>	Costs of implementing decentralised energy schemes as part of new development can be high, but will vary significantly, and could be recouped due to occupier savings. Moderate positive impacts are noted across a limited range of objectives, including environmental and economic factors. On site provision would need to be incorporated as an integral part of the development to be delivered.
<b>Other ad-hoc items</b>	This policy ask is by its nature unknown, as it is dependent on the individual development proposed. Costs are uncertain for these reasons, but could be significant. Impacts on objectives are also unknown, and depend on the nature of the development and nature and importance of the ad-hoc policy ask sought. Given that these ad-hoc policy asks are necessarily related to the development, they are likely to be collected through Section 106 agreements.

### *Conclusion of policy asks analysis*

5.3. This section has analysed several aspects of each of the policy asks in the emerging KLPCS. Key themes emerging from this analysis include:

- The categorisation of policy asks can depend on the nature of the development and the importance of the policy asks to making the development acceptable in planning terms.
- The costs of achieving different policy asks can vary significantly between policy asks. In addition, there can be variance within policy asks, dependent on the scale and/or type of development. Finally, it is not always possible to define up front the costs for some of the policy asks which may be sought as developer contributions.
- The policy asks make varying contributions to the Local Plan and Sustainability Objectives.
- There are varying forms of potential implementation of policy asks, dependent on legislation and regulations, or dependent on the nature of the policy ask. Some asks can be most effectively met at the early planning stage of new development where other asks can be achieved through “retrofitting” at a later stage.

### *Developing options*

5.4. Following the analysis of individual policy asks, it is appropriate to identify a range of realistic packages of options to test in terms of how the policy asks should be prioritised in the Core Strategy. These packages of policy options have been drawn together only where they can realistically be implemented. Any options which are considered unrealistic or impossible to implement effectively have been discounted from this process and have not been presented here for assessment. The following paragraphs explain this process.

5.5. The first stage in determining how options should be prioritised was to consider whether any of the policy asks had effectively become statutory and

therefore new development would be required by law to demonstrate compliance. This means that the matter has been taken out of the local planning authority's hands when it makes decisions on planning applications. It is therefore inappropriate to test these as elements that could be incorporated within a negotiation on a developer contribution. In terms of the emerging individual policy asks analysed above, the only case of this relates to the government's intentions to incorporate sustainable design standards into statutory Building Regulations. This applies to the emerging KLPCS policies which proposed sustainable design standards, which are proposed to be modified to reflect these changes at the national level.

**Excluded due to national legislation / policy:**

- **Sustainable design standards (proposed to be incorporated into Building Regulations)**

- 5.6. The second stage in assessing which options to test has been to consider whether there are any types of policy ask which are of such a high priority that their relaxation will not be appropriate except in truly exceptional circumstances irrespective of the impact of their costs on the viability of individual development proposals. These will necessarily take the highest priority when the Council is negotiating developer contributions with developers in circumstances of limited viability. Following analysis of the policy asks undertaken within this report, it is considered that this applies to contributions which are required for public safety or to ensure the basic form of development is acceptable. The Council considers that this highest level of priority includes contributions towards highways or flood risk mitigation (where these are required) and to achieve minimum design standards. This is because it would not be appropriate to grant planning permission for new development which could not be proven to be safely accessible, where flood risk is not adequately mitigated, or for which a minimum accessible standard of design could be not demonstrated.
- 5.7. Also within this category are selected "ad-hoc" requirements which could have varying degrees of importance, depending on the nature of development and the extent to which they are considered by the local authority to be essential in making development acceptable. Examples of this could include where a major development requires supporting community infrastructure, such as a clinic or school, due to the impact it will make on existing infrastructure provision.

**Excluded due to their importance for public safety or to ensure a minimum acceptable level of design quality:**

- **Essential highways works**
- **Flood risk mitigation**
- **Minimum design standards**
- **Essential / enabling ad-hoc requirements (various) where these are needed for safety reasons or to achieve a satisfactory form of development**

5.8. The third stage was to identify the policy asks which are not required as part of new development, but are "encouraged" to improve the quality of new development. An example of this is the encouragement of development to meet selected recognised design standards e.g. Lifetime Homes. These asks have been categorised as such because there is a limited evidential basis for the Council to insist on their implementation, and they are likely to have a limited impact on the planning balance associated with decisions on applications for new development. Therefore, it would not be appropriate for these asks to be prioritised above those in other categories, which are considered critical to new development. Since they effectively fall to the bottom of the list of priorities, and would not be a critical matter in decided on whether a development should be granted planning permission, they have not been tested as part of the packages of policy options developed for this process.

**Excluded due to lack of local evidence but are to be encouraged**

- **"Encouraged" design standards**
- **Decentralised energy outside of Priority Zone**

5.9. The remaining policy asks are those where there may be circumstances in which – based on a balanced assessment of the benefits of the development and any harm caused by the contribution not being met in full, and provided a convincing case on viability is submitted by the developer - the contribution sought could in specific cases be reduced (or in very exceptional cases removed altogether). This category is key to the testing of options, as these are the policy asks that would effectively draw on the headroom viability emerging within new development which remains once the "statutory" and "essential" elements described above have been accounted for.

5.10. Included within this category are policy asks including affordable housing and greenspace provision (which will apply to selected new residential developments) and decentralised energy for commercial schemes within the identified Priority Zone of Knowsley Industrial Park. In addition, higher design standards (above those specified by Building Regulations, but which are considered to have more weight in the decision making process than the

“encouraged” standards) are included. Finally within this category are other items which are not within the “essential” category as described in paragraph, 5.7, but for which the requirements could be reduced or removed (depending on circumstances and evidence, as above) and hence which would be accounted for in any balanced assessment considering viability. This could include items like education infrastructure improvements, health, leisure or community services, public realm enhancements, strategic transport schemes and programmes or sustainable transport infrastructure.

#### **Included within options development**

- **Affordable Housing**
- **Greenspaces**
- **Decentralised energy for commercial schemes in Priority Zone**
- **Higher design standards**
- **Other ad-hoc requirements (various)**

- 5.11. The approach has been taken to testing options for residential development, and separate options for commercial development, reflecting that many of the policy asks only apply to a particular type of development e.g. affordable housing contributions will only be sought for developments which include a residential element. Further consideration will be given to the application of these options across mixed use developments later in this Report.
- 5.12. The options developed for this exercise are described below. The options each focus on a particular approach to dealing with the issue of prioritisation, rather than being fully worked up policy approaches. This is because it would not be feasible to test all the numerous iterations of policy asks available and every available order in which they could be prioritised and still gain meaningful results. Instead, the options each focus on either a) prioritising a particular policy ask(s) over all others or b) a distinct alternative approach to dealing with the issue of prioritisation. This approach has enabled the Council to fully weigh up the benefits of the different approaches before determining its preferred option.

#### *Residential development options*

- Option R1 – Residential development - Prioritise greenspaces: This option would maintain the Council’s existing approach of prioritising greenspace provision and enhancements within the policy ask hierarchy for new residential development. This reflects the approach currently adopted by the Council within the UDP and the Greenspace Standards and New Development SPD.
- Option R2 – Residential development - Prioritise affordable housing: This option would prioritise the delivery of the maximum level of affordable housing within new development, across the Borough, above all other policy asks.

- Option R3 – Residential development - Prioritise design quality: This option would prioritise the highest residential design quality including meeting recognised design standards, above all other policy asks.
- Option R4 – Residential development - Prioritise decentralised energy: This option would prioritise the delivery of decentralised energy schemes as part of new residential development, above all other policy asks.
- Option R5 – Residential development – Prioritise ad-hoc requirements: This option would prioritise the delivery of ad-hoc requirements which are considered necessary for particular developments, to make them acceptable and compliant with Core Strategy policies (see paragraph 5.10 for examples).
- Option R6 – Residential development - Localised priorities: This option would enable local priorities to be addressed, meaning that different policy asks would be prioritised in different areas of the Borough. This option would require drawing on localised evidence, to show how particular priorities prevail in different areas, for example in areas of greenspace deficit, greenspace would receive priority.
- Option R7 – Residential development - All asks - pro rata: This option would prioritise all asks equally, and ensure that each received an equal proportion of their policy asks on a pro-rata basis. This means that where viability is challenging, each of the policy asks would receive a percentage of their overall requirements, until the headroom of viability was reached (e.g. affordable housing, greenspaces, decentralised energy, design standards etc would receive say 20% of their full cost).

#### *Commercial development options*

- Option C1 – Commercial development – Prioritise design quality: This option would prioritise the highest commercial design quality including meeting recognised design standards, above all other policy asks.
- Option C2 – Commercial development – Prioritise decentralised energy: This option would prioritise the delivery of decentralised energy schemes within new commercial development, above all other policy asks.
- Option C3 – Commercial development – Prioritise ad-hoc requirements: This option would prioritise the delivery of ad-hoc requirements which are considered necessary for particular developments, to make them acceptable and compliant with Core Strategy policies (see paragraph 5.10 for examples).
- Option C4 - Commercial development - Localised priorities: This option would enable local priorities to be addressed, meaning that different policy asks would be prioritised in different areas of the Borough. This option would require drawing on localised evidence, to show how particular priorities prevail in different areas, for example in areas identified as priority zones for decentralised energy schemes, this would receive priority.
- Option C5 - Commercial development - All asks - pro rata: This option would prioritise all asks equally, and ensure that each received an equal proportion of their policy asks on a pro-rata basis. This means that where viability is challenging, each of the policy asks would receive a percentage

of their overall requirements, until the headroom of viability was reached (e.g. decentralised energy, design standards, etc.).

## 6. Options analysis and assessment

6.1. This section analyses each of the options set out above in section 5 regarding how the KLPCS policy asks could be prioritised. Tables 3a to 4e set out proformas summarising the key aspects of each option with respect to:

- **Implementation:** how each option can be delivered through Local Plan policies and any supplementary guidance; the available delivery tools such as CIL (should the Council decide to use this in future) and legal agreements); and any limitations on implementation.
- **Infrastructure Delivery:** the impacts of each option on infrastructure delivery to support the Local Plan Core Strategy.
- **Costing & Viability Implications:** Cost implications of each option including likely impact on development scheme viability, drawing on the findings of the EVA.
- **Local Plan Objectives:** The extent to which each option will help deliver these (drawing on the analysis of each of the individual policy asks in Section 5 and Appendix E of this report).
- **Sustainability Appraisal Objectives:** The extent to which each option will help achieve these (drawing on the analysis of individual policy asks in Section 5 and Appendix E of this report).
- **Implications for Council/public sector priorities and services:** Any implications of the option for the operation of or funding of Council or other public sector services.

A summary analysis and commentary is available in the following sections (see 6.2. onwards).

### *Residential development options – assessment*

**Table 3a: Option R1 – Residential development - Prioritise greenspaces**

Option	Option R1 – Residential development - Prioritise greenspaces
<b>Implementation</b>	The prioritisation of greenspaces would need to be reflected in the Core Strategy wording. If the Council chose to introduce a CIL, this policy ask could be prioritised through its inclusion in the scope of the Levy and featured within the Council's stated spending prioritised. In the absence of the CIL and (even if a CIL is charged) for non strategic greenspaces needed to serve the development, this option could be implemented by prioritising greenspace provision and maintenance through the negotiation of Section 106 agreements. Dependent on the development, the requirements of this policy ask could be met through in kind provision (i.e. on site greenspace provision) or financial contributions. Financial receipts from prioritising this option would be received by the Council's planning service, and then passed on to the Council's neighbourhood delivery service for expenditure on stated projects.
<b>Infrastructure Delivery</b>	Prioritising delivery of greenspace provision and maintenance would create positive impacts for the provision of green infrastructure to

	support new residential development and its residents. It would support the delivery of greenspace enhancements across different functions to better serve the Borough's communities. There are additional options to prioritise addressing deficits in areas where this is recorded within the evidence base (see Option R6).
<b>Costing &amp; Viability Impacts</b>	Costing of greenspace provision and enhancements is dependent on the scale of development, but overall comparatively lower than other asks. Prioritising this ask would impact on remaining viability headroom, but is more likely than some other policy asks to be able to be accommodated without causing developments to move into an unviable position.
<b>Local Plan Objectives</b>	The prioritisation of greenspace provision and enhancements was assessed as delivering the most significant benefits across a wide range of Local Plan Objectives of the policy asks subject to negotiation.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of greenspace provision and enhancements was assessed as delivering the most significant benefits across a wide range of Sustainability Appraisal Objectives of the policy asks subject to negotiation.
<b>Implications for Council/public sector priorities and services</b>	Given that the adopted Supplementary Planning Document has provided developer contributions for greenspace provision and enhancements, there are positives in continuing with beneficial impacts of this. To ensure compliance with the Council's overall approach to greenspace provision, there is a need to continue to consider quantity, quality and accessibility aspects.

**Table 3b: Option R2 – Residential development - Prioritise affordable housing**

<b>Option</b>	Option R2 – Residential development - Prioritise affordable housing
<b>Implementation</b>	Affordable housing policy asks only apply to market residential developments of 15 dwellings or more. The prioritisation of affordable housing would need to be reflected in the Core Strategy wording. If the Council chose to introduce a CIL, this policy ask could not be included in the Charging Schedule or expenditure plans. The policy ask can only be implemented through the negotiation of Section 106 agreements and must be subject to negotiation on viability grounds, in accordance with national policy. If the Council did introduce a CIL, the CIL charge would be non-negotiable, and therefore affordable housing could not be prioritised above this. Dependent on the development, the requirements of this policy ask could be met through in kind provision (i.e. on site affordable housing within market housing schemes – delivered by the developer) or financial contributions. Financial receipts from prioritising this option would in some cases be passed to the Council's partner Registered Providers to deliver affordable homes on or off site.
<b>Infrastructure Delivery</b>	Prioritising affordable housing would create positive impacts for ensuring a range and choice of homes across different tenures in Knowsley, and deliver against the affordable housing needs assessed in the Council's evidence base.
<b>Costing &amp; Viability Impacts</b>	Costing of affordable housing provision at 25% is significant, and higher than other policy asks. Lower targets of 5%, 10% or 15% would have a proportionately lower cost. Prioritising meeting the higher target would impact significantly on remaining headroom and could cause development to move into an unviable position. This could mean that there is significantly less chance of a development being able to afford to meet additional policy asks.

<b>Local Plan Objectives</b>	The prioritisation of affordable housing provision was assessed as delivering the benefits across a moderate range of Local Plan Objectives. Greater benefits were demonstrated by other policy asks overall, but affordable housing contributed significantly to the meeting of housing objectives.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of affordable housing provision was assessed as delivering the benefits across a moderate range of Sustainability Appraisal Objectives. Greater benefits were demonstrated by other policy asks overall, but affordable housing contributed significantly to the meeting of social objectives. It did not have a significant impact on the many environmental objectives included in the list objectives framework.
<b>Implications for Council/public sector priorities and services</b>	The need for new affordable housing provision is noted in a range of plans and strategies, and by the Strategic Housing service. This is required alongside new market housing. Flexibility around tenures, including the provision of additional intermediate homes, is also noted as a priority.

**Table 3c: Option R3 – Residential development - Prioritise design quality**

<b>Option</b>	Option R3 – Residential development - Prioritise design quality
<b>Implementation</b>	The prioritisation of high design quality, including the requirement to meet specific design standards, would need to be reflected in the Core Strategy policy wording. It is considered that this policy ask would need to be provided as an integral part of new residential development, and a financial contribution would not be acceptable as an alternative. This means that the policy ask would not be considered appropriate to include within the scope of a CIL charge.
<b>Infrastructure Delivery</b>	Prioritising the highest design quality would create an improved physical environment and also deliver improvements to the residential environment for occupants of new residential development. However, prioritising this ask would not necessarily create supporting infrastructure to meet a particular identified need, serve wider communities or encourage investment.
<b>Costing &amp; Viability Impacts</b>	Costing of delivering high quality residential development as a priority would vary significantly dependent on the type, scale and location of development, and whether specific design standards (e.g. Building for Life / Lifetime Homes are sought). At the highest cost level, prioritising this policy ask could have a very significant impact on headroom viability of new development, meaning that there would be significantly less chance of a development being able to afford to meet additional policy asks.
<b>Local Plan Objectives</b>	The prioritisation of residential design quality was assessed as delivering positive effects for design objectives, and complementary positives for encouraging investment in development and infrastructure. Greater benefits were demonstrated by prioritising other factors such as greenspaces.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of residential design quality was assessed as delivering against selected social and environmental objectives including quality of place and health, but other policy asks delivered greater overall sustainability benefits.
<b>Implications for Council/public sector priorities</b>	Stakeholders noted there should be a minimum acceptable design standard for new residential development, and that there are key opportunities to provide enhanced design quality at gateway locations

<b>and services</b>	and within the Sustainable Urban Extension areas.
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**Table 3d: Option R4 – Residential development - Prioritise decentralised energy**

<b>Option</b>	Option R4 – Residential development - Prioritise decentralised energy
<b>Implementation</b>	The prioritisation of decentralised energy within new residential development would need to be reflected in Core Strategy wording. This policy ask could be implemented through the design phase of new development, and therefore could be sought as on site infrastructure. However, in the case of smaller schemes, or areas where it is not feasible to incorporate this kind of infrastructure, the policy could be implemented through financial contributions to be spent on decentralised energy infrastructure on or off site (as long as this was in accordance with the statutory tests).
<b>Infrastructure Delivery</b>	Prioritising decentralised energy provision in new residential development would create the best chance for extended networks of this type of infrastructure to be delivered in Knowsley. However, only selected areas of Knowsley have been identified as priority zones for this infrastructure, i.e. Knowsley Industrial and Business Parks, and there is limited feasibility evidence regarding the application of this infrastructure in new residential development.
<b>Costing &amp; Viability Impacts</b>	The costs of prioritising decentralised energy networks could be significant for new residential development, and more costly than that for commercial developments. Such infrastructure could provide savings for occupiers in the long term, but this is difficult to estimate.
<b>Local Plan Objectives</b>	The prioritisation of decentralised energy within residential developments would have limited positive impacts on objectives, with some possible benefits for regeneration and the management of environmental resources, but significantly less positive impacts for a wider range of objectives than other policy asks.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of decentralised energy within residential developments could deliver positives for a number of environmental objectives, but significantly less wide ranging positive impacts than for other policy asks.
<b>Implications for Council/public sector priorities and services</b>	Provision of decentralised energy infrastructure is noted particularly in terms of potential economic and environmental benefits. Strategies seek to reflect the area-based opportunities identified through the Council's evidence base (there are questions around whether the technology would be appropriate to implement with residential developments).

**Table 3e: Option R5 – Residential development - Prioritise ad-hoc requirements**

<b>Option</b>	Option R5 – Residential development – Prioritise ad-hoc requirements
<b>Implementation</b>	The prioritisation of ad hoc requirements would require detailed guidance for different types of developments and different areas of the Borough, underpinned by substantial evidence, which would not be appropriate to incorporate in a Core Strategy. Implementation would depend on the type of contribution sought, with some being required as on site provision of infrastructure integral to the development, and some other requirements being better met through financial contributions for on- or off-site infrastructure. If no ad-hoc requirements could be

	identified for the scheme, then other policy asks would need to be prioritised.
<b>Infrastructure Delivery</b>	The prioritisation of ad hoc requirements would mean that infrastructure delivery would be extremely varied, dependent on the nature of the development.
<b>Costing &amp; Viability Impacts</b>	It is difficult to determine the costing and viability impacts of ad-hoc requirements, due to the unknown nature of the policy asks, which would be specific to the development. The cost could be significant, which could preclude the scheme from meeting any of the remaining policy asks, but equally could be smaller, which would allow any remaining viability to be freed to meet additional asks.
<b>Local Plan Objectives</b>	The prioritisation of ad-hoc requirements within residential developments could bring a range of positive impacts across different Local Plan objectives, as all asks would be sought to meet one or more plan policies. This would depend on the nature of the contribution secured.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of ad-hoc requirements within residential developments could bring a range of positive impacts across different Sustainability Appraisal objectives, as all asks would be sought to meet one or more plan policies. This would depend on the nature of the contribution secured.
<b>Implications for Council/public sector priorities and services</b>	In order that the Borough can accommodate sustainable communities, residential development may have particularly significant needs for ad hoc infrastructure provision, including for example public transport, education, leisure or community facilities. It is appropriate to maintain flexibility that these requirements could be prioritised where appropriate.

**Table 3f: Option R6 – Residential development – Localised Priorities**

<b>Option</b>	Option R6 – Residential development – Localised Priorities
<b>Implementation</b>	Prioritising developer contributions according to meeting localised needs would need to be implemented as a strategic framework within the Core Strategy, and supplemented by evidence and additional planning guidance. Implementation methods would depend on which policy asks are considered priorities in different cases, with reference to their own implementation mechanisms.
<b>Infrastructure Delivery</b>	The prioritisation of local needs would lead to the facilitation of infrastructure delivery which would best address the impacts of development and the requirements of the local area.
<b>Costing &amp; Viability Impacts</b>	The viability impacts of an approach which prioritises policy asks where they can be evidenced as local priorities would be varied, depending on the type and location of development. Some of the least costly policy asks (e.g. greenspace provision) could be prioritised in some cases, where in other cases, the policy asks sought as a local priority could be amongst the most costly (e.g. affordable housing).
<b>Local Plan Objectives</b>	The prioritisation of policy asks which meet local needs would have a range of positive impacts on Local Plan objectives, as each of the range of policy asks under consideration would be prioritised to address the impact of development with respect to provision of existing infrastructure. However, it could be that available evidence leads to the prioritisation of policy asks which may have comparatively fewer positive impacts on Local Plan objectives.
<b>Sustainability Appraisal</b>	The prioritisation of policy asks which meet local needs would have a range of positive impacts on Sustainability Appraisal objectives, as each

<b>Objectives</b>	of the range of policy asks under consideration would be prioritised to address the impact of development with respect to provision of existing infrastructure. However, it could be that available evidence leads to the prioritisation of policy asks which may have comparatively fewer positive impacts on Sustainability Appraisal objectives.
<b>Implications for Council/public sector priorities and services</b>	There is flexibility within this approach, which would allow the local impacts of development to be addressed, for example addressing impacts of development in areas identified as being in greenspace deficit, through prioritising this ask in such cases. This could boost the delivery of a range of public sector priorities.

**Table 3g: Option R7 – Residential development – All asks – pro-rata**

<b>Option</b>	Option R7 – Residential development – All asks – pro-rata
<b>Implementation</b>	Prioritising all policy asks equally and seeking proportionate contributions to each would require careful reference to evidence on costing and viability, to ensure that each policy ask received an appropriate proportion of its full costs, up to the limits of scheme viability. It could be that each proportion was provided in kind, or as a financial contribution, dependent on the policy ask. It may be that financial contributions towards a limited part of the policy ask would be more prevalent than in kind provision, given the inability of schemes to meet full policy asks in kind. A policy framework would need to be set within the Core Strategy, with supplementary guidance prepared to provide further detail on implementation.
<b>Infrastructure Delivery</b>	This approach to prioritisation would result in each of the policy asks being met in part, and hence would result in partial infrastructure delivery across a range of policy ask areas in some cases.
<b>Costing &amp; Viability Impacts</b>	Prioritising all policy asks equally would mean that any headroom viability within a scheme would be shared out between the policy asks. More costly policy asks such as affordable housing would receive the same proportion of their total cost as less costly asks. Given that some development schemes have very limited viability, there may be issues in ensuring that each policy ask receives a meaningful amount to ensure that the measures can be taken to meet the ask met in part.
<b>Local Plan Objectives</b>	This pro-rata approach would lead to uneven impacts on Local Plan objectives, as all policy asks would receive a proportion of their total costs, including those with the most and least positive impacts on the Local Plan objectives.
<b>Sustainability Appraisal Objectives</b>	This pro-rata approach would lead to uneven impacts on Sustainability Appraisal objectives, as all policy asks would receive a proportion of their total costs, including those with the most and least positive impacts on the Sustainability Appraisal objectives.
<b>Implications for Council/public sector priorities and services</b>	Whilst there are benefits of this option in funding (at least partly) all of the policy asks, this might mean available funds would be “spread too thinly” across different infrastructure types, which would mean that the requirements of Council/public services may not be met in full.

*Commercial development options – assessment***Table 4a: Option C1 – Commercial development – Prioritise design quality**

<b>Option</b>	<b>Option C1 – Commercial development – Prioritise design quality</b>
<b>Implementation</b>	The prioritisation of high design quality, including the requirement to meet specific design standards, would need to be reflected in the Core Strategy policy wording. It is considered that this policy ask would need to be provided as an integral part of new commercial development, and a financial contribution would not be acceptable as an alternative. This means that the policy ask would not be considered appropriate to include within the scope of a CIL charge.
<b>Infrastructure Delivery</b>	Prioritising design quality would create an improved physical environment and also deliver improvements to the occupiers of commercial areas. However, prioritising this ask would not necessarily create supporting infrastructure to meet a particular identified need, serve wider communities or encourage investment.
<b>Costing &amp; Viability Impacts</b>	Costing of delivering high quality commercial development as a priority would vary significantly dependent on the type, scale and location of development, and whether specific design standards (e.g. BREEAM) are sought. Prioritising this policy ask could have a very significant impact on headroom viability of new development, which is already extremely challenging across employment development, meaning that there would be significantly less chance of a development being able to afford to meet additional policy asks.
<b>Local Plan Objectives</b>	The prioritisation of commercial design quality was assessed as delivering positive effects for Local Plan objectives on design and potential positives for economic growth, town centre investment, green infrastructure provision, environmental resources and health and wellbeing.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of commercial design quality was assessed as having positive impacts on selected economic and quality of place objectives, including the public realm and quality of town and local centres, featured within the Sustainability Appraisal.
<b>Implications for Council/public sector priorities and services</b>	Acceptable design standards for new employment development should be delivered as a minimum, and that there are key opportunities to provide enhanced design quality at gateway locations, particularly along main access routes, and within the Sustainable Urban Extension areas, which could boost regeneration.

**Table 4b: Option C2 – Commercial development – Prioritise decentralised energy**

<b>Option</b>	<b>Option C2 – Commercial development – Prioritise decentralised energy</b>
<b>Implementation</b>	The prioritisation of decentralised energy within new commercial development would need to be reflected in Core Strategy wording. This policy ask could be implemented through the design phase of new development, and therefore could be sought as on site infrastructure. However, in the case of smaller schemes, or areas where it is not feasible to incorporate this kind of infrastructure, the policy could be implemented through financial contributions to spent on decentralised energy infrastructure on or off site (as long as this was in accordance with the statutory tests).

<b>Infrastructure Delivery</b>	Prioritising decentralised energy provision in new commercial development would create the best chance for extended networks of this type of infrastructure to be delivered in Knowsley. Selected employment areas within Knowsley have been identified as priority zones for this infrastructure, i.e. Knowsley Industrial and Business Parks, and prioritising this policy ask in these areas would allow objectives to deliver this infrastructure to be achieved.
<b>Costing &amp; Viability Impacts</b>	The costs of prioritising decentralised energy networks could be significant for new commercial developments, but less than for networks servicing residential development. Such infrastructure could provide savings for commercial occupiers in the long term, if appropriately integrated into the energy infrastructure servicing the business, and could provide rationale for commercial co-location and business density in an area.
<b>Local Plan Objectives</b>	The prioritisation of decentralised energy within commercial developments would have limited positive impacts on Local Plan objectives, with some possible benefits for regeneration and the management of environmental resources, but significantly less positive impacts for a wider range of objectives than other policy asks.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of decentralised energy within commercial developments could deliver positives for a number of Sustainability Appraisal objectives, including environmental objectives, but significantly less wide ranging positive impacts than for other policy asks.
<b>Implications for Council/public sector priorities and services</b>	Provision of decentralised energy infrastructure has noted potential economic and environmental benefits. It is appropriate to reflect the area-based opportunities identified through the Council's evidence base and regeneration strategies, including within Knowsley Industrial Park.

**Table 4c: Option C3 – Commercial development – Prioritise ad hoc requirements**

<b>Option</b>	Option C3 – Commercial development – Prioritise ad hoc requirements
<b>Implementation</b>	The prioritisation of ad hoc requirements within commercial development would require detailed guidance for different types of developments and different areas of the Borough, underpinned by substantial evidence, which would not be appropriate to incorporate in a Core Strategy. Implementation would depend on the type of contribution sought, with some being required as on site provision of infrastructure integral to the development, and some other requirements being better met through financial contributions for on- or off-site infrastructure. If no ad-hoc requirements could be identified for the scheme, then other policy asks would need to be prioritised.
<b>Infrastructure Delivery</b>	The prioritisation of ad hoc requirements would mean that infrastructure delivery would be extremely varied, dependent on the nature of the development.
<b>Costing &amp; Viability Impacts</b>	It is difficult to determine the costing and viability impacts of ad-hoc requirements, due to the unknown nature of the policy asks, which would be specific to the development. The cost could be significant, which could preclude the scheme from meeting any of the remaining policy asks, but equally could be smaller, which would allow any remaining viability to be freed to meet additional asks.
<b>Local Plan Objectives</b>	The prioritisation of ad-hoc requirements within commercial developments could bring a range of positive impacts across different

	Local Plan objectives, as all asks would be sought to meet one or more plan policies. This would depend on the nature of the contribution secured.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of ad-hoc requirements within commercial developments could bring a range of positive impacts across different Sustainability Appraisal objectives, as all asks would be sought to meet one or more plan policies. This would depend on the nature of the contribution secured.
<b>Implications for Council/public sector priorities and services</b>	Some major commercial development may have particularly significant needs for ad hoc infrastructure provision, including for example public transport or services appropriate to employment areas, as noted in approaches to strategic regeneration in these areas.

**Table 4d: Option C4 – Commercial development – Localised Priorities**

<b>Option</b>	<b>Option C4 – Commercial development – Localised Priorities</b>
<b>Implementation</b>	Prioritising developer contributions according to meeting localised needs would need to be implemented as a strategic framework within the Core Strategy, and supplemented by evidence and additional planning guidance. Implementation methods would depend on which policy asks were considered to priorities in different cases, with reference to their own implementation mechanisms.
<b>Infrastructure Delivery</b>	The prioritisation of local needs would lead to the facilitation of infrastructure delivery which would best address the impacts of development and the requirements of the local area.
<b>Costing &amp; Viability Impacts</b>	The viability impacts of prioritising policy asks where they can be evidenced as local priorities would be varied, depending on the type and location of development. Some of the least costly policy asks could be prioritised in some cases, where in other cases, the policy asks sought as a local priority could be amongst the most costly (e.g. commercial design standards).
<b>Local Plan Objectives</b>	The prioritisation of policy asks which meet local needs would have a range of positive impacts on Local Plan objectives, as each of the range of policy asks under consideration would be prioritised to address the impact of development with respect to provision of existing infrastructure. However, it could be that available evidence leads to the prioritisation of policy asks which may have comparatively fewer positive impacts on Local Plan objectives.
<b>Sustainability Appraisal Objectives</b>	The prioritisation of policy asks which meet local needs would have a range of positive impacts on Sustainability Appraisal objectives, as each of the range of policy asks under consideration would be prioritised to address the impact of development with respect to provision of existing infrastructure. However, it could be that available evidence leads to the prioritisation of policy asks which may have comparatively fewer positive impacts on Sustainability Appraisal objectives.
<b>Implications for Council/public sector priorities and services</b>	The flexibility of this approach would allow the local impacts of development to be addressed. For commercial development, this would allow for example decentralised energy to be prioritised in Knowsley Industrial Park, which is in accordance with identified regeneration priorities for this area.

**Table 4e: Option C5 – Commercial development – All asks – pro rata**

<b>Option</b>	<b>Option C5 - Commercial development - All asks - pro rata</b>
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<b>Implementation</b>	Prioritising all policy asks equally and seeking proportionate contributions to each would require careful reference to evidence on costing and viability, to ensure that each policy ask received an appropriate proportion of its full costs, up to the limits of scheme viability. It could be that each proportion was provided in kind, or as a financial contribution, dependent on the policy ask. It may be that financial contributions towards a limited part of the policy ask would be more prevalent than in kind provision, given the inability of schemes to meet full policy asks in kind. A policy framework would need to be set within the Core Strategy, with supplementary guidance prepared to provide further detail on implementation.
<b>Infrastructure Delivery</b>	This approach to prioritisation would result in each of the policy asks being met in part, and hence would result in partial infrastructure delivery across a range of policy ask areas in some cases.
<b>Costing &amp; Viability Impacts</b>	Prioritising all policy asks equally would mean that any headroom viability within a scheme would be shared out between the policy asks. More costly policy asks such as decentralised energy would receive the same proportion of their total cost as less costly asks. Given that some development schemes have very limited viability, there may be issues in ensuring that each policy ask receives a meaningful amount to ensure that the measures can be taken to meet the ask met in part.
<b>Local Plan Objectives</b>	This pro-rata approach would lead to uneven impacts on Local Plan objectives, as all policy asks would receive a proportion of their total costs, including those with the most and least positive impacts on the Local Plan objectives.
<b>Sustainability Appraisal Objectives</b>	This pro-rata approach would lead to uneven impacts on Sustainability Appraisal objectives, as all policy asks would receive a proportion of their total costs, including those with the most and least positive impacts on the Sustainability Appraisal objectives.
<b>Implications for Council/public sector priorities and services</b>	There are benefits of this option in funding (at least partly) all of the policy asks, but noted that this might mean available funds would be “spread too thin” across different infrastructure types, which may detract from delivery of infrastructure and services to meet Council and public sector priorities.

### *Options assessment - conclusions*

6.2 Based on the detailed analysis set out above, tables 5a and 5b set out a summary position for each of options R1 to R7 and C1 to C5.

**Table 5a: Summary Analysis of Residential Options**

<b>Option</b>	<b>Summary Analysis</b>
<b>R1 – Residential development - Prioritise greenspaces</b>	Prioritising greenspaces would deliver wide ranging benefits in terms of meeting the Council’s objectives. It would enable deficits in greenspace provision within particular areas of deficit to be addressed as a priority, and ensure other enhancements are also delivered to serve the residents of new development. However, prioritising greenspaces in all cases may result in failure to deliver other requirements even where there is a pressing need for these. This may particularly be the case for instances where the development is located in areas where there is already a sufficient supply of greenspace, and the development has other impacts which should be addresses as a priority.
<b>R2 – Residential</b>	Prioritising affordable housing would deliver benefits for meeting the

<p><b>development - Prioritise affordable housing</b></p> <p><b>Table 3b</b></p>	<p>Council's social and housing objectives. However, set at a target of 25%, its cost could significantly impact on scheme viability. Any modifications to reduce the target in particular areas would reduce the financial impact, proportionate to the scale of reduction. Its implementation is restricted to in kind or financial contributions as agreed within Section 106 agreements, which must be subject to negotiation on viability grounds. To prioritise affordable housing in all instances may also not reflect the most significant impacts of development, for example through exacerbation of an existing greenspace supply deficit.</p>
<p><b>R3 – Residential development - Prioritise design quality</b></p> <p><b>Table 3c</b></p>	<p>Delivering a satisfactory form of development in terms of design is required to make development acceptable (see paragraph 5.5 of this report). Prioritising the highest level of design quality, above minimum requirements, could meet selected objectives relating to quality of place. Depending on the type of development and design standards sought, costs could be extremely high. Implementation is normally restricted to meeting policy asks within the design of new development rather than through financial contributions.</p>
<p><b>R4 – Residential development - Prioritise decentralised energy</b></p> <p><b>Table 3d</b></p>	<p>Prioritising decentralised energy in residential developments could help deliver limited positive impacts on environmental and regeneration objectives. However, costs could be significant. Issues with implementation and delivery may be affected by a lack of feasibility evidence about introducing this infrastructure for all new residential development.</p>
<p><b>R5 – Residential development – Prioritise ad-hoc requirements</b></p> <p><b>Table 3e</b></p>	<p>Prioritising ad hoc requirements which are considered appropriate but not essential for safety reasons or to achieve a satisfactory form of development (and hence subject to viability negotiations) would deliver varied benefits, depending on the extent to which they are required by development. It is considered that the “essential” elements would have already been delivered and hence the remaining elements may not have as much importance. Costs again would be dependent on the ad hoc infrastructure sought, and could be expensive for items like public services. The "asks" could be sought through Section 106 agreements, which would be delivered through on site infrastructure or financial contributions.</p>
<p><b>R6 – Residential development - Localised priorities</b></p> <p><b>Table 3f</b></p>	<p>Developing a system of localised priorities (specific to individual parts of Knowsley) would allow detailed consideration to be given to how development would address the most pressing matters resulting from site development. Costs would be dependent on what matters were identified as a priority in the area concerned and delivery would be in accordance with the identified mechanism for the policy ask identified as a priority, and would require detailed reference to available evidence on a site-by-site basis. A framework for identifying local priorities would be set out in the Core Strategy.</p>
<p><b>R7 – Residential development - All asks - pro rata</b></p> <p><b>Table 3g</b></p>	<p>Seeking to deliver a pro rata approach would ensure that each policy received a contribution towards its overall cost. This would deliver smaller scale benefits across a range of areas, but if viability is challenging, it would mean that the full cost of any one ask would not be met by development. This may not be the most effective way of ensuring that the impacts of development are adequately assessed.</p>

**Table 5b: Summary Analysis of Commercial Options**

<b>Option</b>	<b>Summary Analysis</b>
<b>C1 – Commercial development – Prioritise design quality</b>  <b>Table 4a</b>	Delivering a satisfactory form of development in terms of design is required to make development acceptable (see paragraph 5.5 of this report). Prioritising the highest quality of design in commercial development, above this level, would deliver moderate benefits across a range of the Council's objectives, and would improve overall quality of place. Costs could be significant, depending on the nature and location of development. Implementation would be through the planning process and would raise development costs rather than result in financial receipts through the Section 106 agreement process
<b>C2 – Commercial development – Prioritise decentralised energy</b>  <b>Table 4b</b>	Prioritising the provision of decentralised energy infrastructure would bring selected environmental benefits. Costs will vary significantly dependent on the scale of development and the extent to which existing infrastructure is in place. Implementation could also lower running costs for commercial occupiers, which could boost viability of commercial development, for which the baseline is low. This "ask" could be sought through Section 106 agreements, but also could be incorporated in any future CIL, dependent on the detailed analysis of the impacts on the viability of commercial development attributable to this infrastructure, and on specific decentralised energy projects being identified
<b>C3 – Commercial development – Prioritise ad-hoc requirements</b>  <b>Table 4c</b>	Prioritising ad hoc requirements which are considered appropriate but not essential for safety reasons or to achieve a satisfactory form of development (and hence subject to viability negotiations) would deliver varied benefits, depending on the extent to which they are required by development. Costs again would be dependent on the ad hoc infrastructure sought, and could be expensive for items like public services. The "asks" could be sought through Section 106 agreements, which would be delivered through on site infrastructure or financial contributions.
<b>C4 - Commercial development - Localised priorities</b>  <b>Table 4d</b>	Developing a system of localised priorities (specific to individual parts of Knowsley) would allow detailed consideration to be given to how development would address the most pressing matters resulting from site development. Costs would be dependent on what matters were identified as a priority and delivery would be in accordance with the identified mechanism for the policy ask identified as a priority, and would require detailed reference to available evidence on a site-by-site basis. A framework for identifying local priorities would be identified in the Core Strategy
<b>C5 - Commercial development - All asks - pro rata</b>  <b>Table 4e</b>	Seeking to deliver a pro rata approach would ensure that each policy ask received a contribution towards its overall cost. This would deliver smaller scale benefits across a range of areas, but if viability is challenging, it would mean that the full cost of any one ask would not be met by the development. This may not be the most effective way of ensuring that the impacts of development are adequately assessed.

6.2. Overall conclusions from this exercise are outlined as follows:

- It will be appropriate to implement different options using different tools; the practical implementation of selected options would need supplementary guidance in addition to Local Plan wording;

- Options have significantly different costing implications, as prioritising the more costly policy asks would mean they would take up a majority of headroom viability for many developments, leaving little for other requirements; conversely, prioritising the least costly elements could leave any remaining headroom to meet some or all of the more costly policy asks;
- Different benefits come from prioritising different policy asks, in terms of overall impacts on Local Plan and Sustainability Appraisal objectives;
- Isolating a single policy ask as the top priority in all circumstances may present problems due to a lack of flexibility within the approach to meet local needs;
- Meeting needs where they are demonstrated to be local priorities helps to maximise benefits in local areas and take advantage of opportunities, e.g. prioritising greenspace provision in areas of existing deficit, providing decentralised energy in the area identified as a priority zone for this. This also is more compliant with the statutory tests for developer contributions, which states that they should only be sought where necessary; and
- Pro rata approach may lead to insufficient funds collected to practically deliver against each of the policy asks, and may also cause problems with administration of the process of pooling Section 106 agreements.

## 7. Preferred option

7.1. Accounting for the assessment of options undertaken in section 6 of this report, it is concluded that the preferred option would be to introduce an approach which:

- Firstly prioritises requirements essential for safety or to make the basic form of development acceptable.
- Secondly, for those policy asks subject to potential negotiation, prioritises asks in accordance with their ability to meet local needs (option R6 and C4). This will enable the Council to ensure that where a convincing case has been made that development viability is insufficient to meet all the "policy asks" in full but planning permission should still be granted on balance localised issues relevant to the development can be addressed as a priority. This approach will ensure that the Council's approach to developer contributions is based on addressing the most significant impacts of development as an overriding priority. This approach complies with the legal tests relating to making development acceptable, and recognises that what this entails will inevitably vary, depending on the nature, size and location of new development and/or the current local provision of infrastructure.

7.2. Local evidence indicates that under some existing circumstances certain policy asks should take priority. For example, the Greenspace Audit and Playing Pitch Assessment and Strategy<sup>20</sup> identify which parts of Knowsley are

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<sup>20</sup> Knowsley Greenspace Audit (Knowsley MBC, 2012) (Examination Library Reference: EB21) and Knowsley Playing Pitch Assessment and Strategy (Knowsley MBC, 2012) (Examination Library Reference: EB22)

in surplus and deficit in relation to greenspace and outdoor sports provision (both in terms of quantity and quality). A residential development in such an area would be likely to exacerbate any deficit unless greenspace provision is made and hence its impact would need to be addressed as a priority. This is reflected in the analysis which demonstrates the wide ranging positive impacts of delivering greenspace provision as part of new development. In areas of identified greenspace surplus, there would be likely to be a lesser need to address impacts of new residential development, given the existing provision levels. In such cases, other requirements including affordable housing or higher design standards may take a higher priority. Another example relates to the provision of decentralised energy in commercial areas. Local evidence<sup>21</sup> indicates that there is a key opportunity for this type of technology to be developed in the Knowsley Industrial Park area. Therefore, this policy ask could justifiably be prioritised in this identified zone.

- 7.3. Adopting this approach would enable further local priorities to be identified through new/emerging evidence base, or in some cases, local priorities could be identified as part of the planning process (taking into account evidence submitted in planning applications), through detailed examination of the individual circumstances of any particular development. This incorporates considerable flexibility within the preferred approach.
- 7.4. Alternative approaches have been extensively assessed and discounted as set out in this Technical Report. Alternative approaches which prioritised a single type of policy ask in all scenarios were considered to be too inflexible, given the requirement for the Council to comply with the legal tests on the use of developer contributions for all developments. A further alternative of seeking contributions on a pro-rata basis for a number of different policy asks was also discounted for a similar reason – this approach would be comparatively less effective in mitigating the impacts of specific developments to make them more acceptable in planning terms, and would be unlikely to most effectively reflect the individual circumstances of particular development proposals.
- 7.5. In order that the preferred option can be incorporated in the Council's Local Plan, modifications have been proposed to the Core Strategy, as described in the following section.

## **8. Modifications and Implementation**

- 8.1. This section sets out how the Council intends to implement the preferred option set out in the preceding sections, through the proposed modifications to the KLPCS and in supporting policy guidance. Given the current stage of Core Strategy preparation (as set out in Section 1 of this report), and the requirement to respond to the Inspector's invitation to the Council to reconsider the approach currently taken in this Plan, it is considered appropriate to propose modifications to the Core Strategy policy wording.

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<sup>21</sup> Knowsley Industrial Park Energy Network Feasibility Study (Arup/KMBC, 2012) (Examination Library Reference: EB18)

- 8.2. As set out in Figure 1 in this report, several policies in the Core Strategy seek developer contributions for various items. Policy CS27: Planning and Paying for New Infrastructure represents an overarching policy approach to the matter, providing policy guidance as to how the Council will seek to collect the contributions set out in the various Core Strategy policies. It is therefore appropriate that it is Policy CS27 which is modified to reflect the findings of this Technical Report. To address the Inspector's findings, the Council considers it appropriate for the Core Strategy to provide a clearer strategic framework for the prioritisation of developer contributions in Knowsley.
- 8.3. Once this strategic framework has been set within the Core Strategy, the Council intends to provide additional detailed guidance on the operation of developer contributions in Knowsley, in the form of a Developer Contributions SPD. Further detail about these proposals is set out below.

#### *Modifications to Policy CS27*

- 8.4. The main proposed modification to Policy CS27 is to incorporate a new paragraph 7 within the policy wording. This sets out strategic guidance that applicants for new development must follow, in the circumstance that the Council is satisfied through the consideration of evidence that the developer is unable to meet all of the contributions sought but on balance it is still considered appropriate to grant permission. The proposed new paragraph 7 in policy CS27 goes on to state the order in which the Council will expect developer contributions to be prioritised in any negotiations undertaken in these circumstances. This draws directly on the assessment of policy asks in section 5 of this Technical Report, and the conclusions in section 6 of this Report concerning how policy asks "subject to negotiation" should be prioritised. The new paragraph 7 (along with all other modifications) is listed in the Schedule of Proposed Modifications to the Submission Document (ref M236) and is replicated below:

*"7. Where the Council is satisfied that viability evidence demonstrates that a developer is unable to fully fund all of the developer contributions sought, the Council will make a balanced assessment of whether planning permission should still be granted notwithstanding that not all the contributions sought can be fully provided. In such cases contributions sought will be prioritised in the following order having regard to the advice in table 10.2:*

- a) Firstly, contributions which are essential for public safety or to achieve a minimum acceptable level of design quality;*
- b) Secondly, developer contributions which are necessary to address a local infrastructure requirement or deficiency that would be caused or exacerbated by the development;*
- c) Thirdly, any remaining developer contributions except for those in category d) below;*
- d) Finally, those contributions which have the status of being "encouraged" by the Council's planning policies."*

8.5 To support this additional paragraph within policy CS27, supporting text is also proposed to be provided. This includes amendments to the existing text with respect to recognising that viability issues have caused the requirement to provide additional policy guidance. It is proposed that a new table 10.2 be included in the supporting text (reproduced below, ref M244) which would set out examples of the types of contribution referred to in clauses a) to d) of the proposed new paragraph 7 in policy CS27.

<b>Clause of CS27 part 7</b>	<b>Examples of types of developer contributions applicable (numbering refers to policy numbers in this document)</b>	<b>Priority order and commentary</b>
a) <i>Firstly, contributions which are essential for public safety or to achieve a minimum acceptable level of design quality;</i>	<ul style="list-style-type: none"> <li>• <i>Essential highways works (CS7)</i></li> <li>• <i>Minimum design standards (CS19/CS22)</i></li> <li>• <i>Flood risk mitigation (CS24)</i></li> <li>• <i>Essential/enabling ad-hoc requirements where these are needed for safety reasons or to achieve a satisfactory form of development (CS27)</i></li> </ul>	1  (no negotiation)
b) <i>Secondly, developer contributions which are necessary to address a local infrastructure requirement or deficiency that would be caused or exacerbated by the development;</i>	<ul style="list-style-type: none"> <li>• <i>Strategic transport schemes and programmes (CS7)</i></li> <li>• <i>Public transport, walking or cycling (CS7)</i></li> <li>• <i>Greenspace provision and qualitative improvements in areas of deficit (CS21)</i></li> <li>• <i>Decentralised energy in Knowsley Business and Industrial Parks (CS11, CS22)</i></li> <li>• <i>Educational needs</i></li> <li>• <i>Health, leisure or community services</i></li> <li>• <i>Public realm enhancements</i></li> <li>• <i>Other forms of infrastructure as defined in table 10.1 where a local need/deficiency would exist (CS27)</i></li> </ul>	2  (prioritised in any negotiation which applies)
c) <i>Thirdly, any remaining developer contributions except for those in category d) below</i>	<ul style="list-style-type: none"> <li>• <i>Affordable housing provision (CS15)</i></li> <li>• <i>Qualitative improvements to greenspace provision in areas of surplus (CS21)</i></li> <li>• <i>Any other ad-hoc requirements (CS27)</i></li> </ul>	3  (considered after a) and b) met in negotiation)
d) <i>Finally, those contributions which have the status of being "encouraged" by the Council's planning policies</i>	<ul style="list-style-type: none"> <li>• <i>"Encouraged" design standards (CS19/CS22)</i></li> <li>• <i>Decentralised energy outside of priority zones (CS22)</i></li> </ul>	4  (not necessary to make development acceptable but may be considered in planning balance)

8.5. Additional changes are also proposed to Policy CS27 through the modifications schedule, including:

- M232 and M240: That proposals need to have regard to and demonstrate compliance with the Knowsley Infrastructure Delivery Plan only where this is appropriate to scale of development. This is to reflect that for the majority of small developments, such as extensions or small new buildings, it would be inappropriate for them to consider the issues of strategic infrastructure provision set out in the IDP. Supporting text sets out that it is likely that this requirement is most likely to apply to developments which require substantial infrastructure investment, or for developments which substantially affect existing or planned infrastructure.
- M235 and M243: That the Council should not require developers to provide funds for independent scrutiny of viability evidence as part of the planning application assessment process.

8.6. Whilst this Technical Report is drafted on the assumption that the Council will not be introducing a Community Infrastructure Levy charge in the short term, the policy wording of Policy CS27 remains flexible to accommodate this policy tool being introduced. Once introduced, a Community Infrastructure Levy charge is non-negotiable for new development, and any contributions sought through Section 106 agreements would necessarily be secondary in terms of prioritisation. It is anticipated that the conclusions of this Technical Report with respect to the prioritisation of policy asks (which in simple terms are "essential", then "local priorities", then "other contributions", then "encouraged" contributions) could be reflected in the drafting of a Community Infrastructure Levy Charging Schedule (which would focus on the strategic infrastructure elements) and the expenditure plans of the Council if this approach was pursued.

#### *Other Core Strategy Modifications*

8.7. Policy CS27 and its supporting text cross-refer to the range of policies within the Core Strategy which include policy asks which could be met through developer contributions (see Figure 1). It should be noted that the Council is also proposing modifications to a range of these policies (selected elements are highlighted in Figure 1). Further detail of these and additional modifications are set out in the Schedule of Proposed Modifications to the Submission Document.

#### *Proposed Supplementary Planning Document*

8.8. To supplement the Core Strategy policy, additional guidance will be needed to set out the detail of how developer contributions will be sought by the Council. This will need to take the form of a SPD to ensure it is a material consideration in determining planning applications and to frame negotiations on Section 106 agreements. The preparation of such an SPD will involve

evidence collation, consultation and scoping for environmental impacts, before the SPD can be adopted by the Council.

8.9. The SPD is likely to include:

- Further detail on how developer contributions will be prioritised for different types/sizes/locations of applications;
- Consideration of appropriate thresholds for the seeking of developer contributions (where these are not stated in Core Strategy policy and/or where these are subject to change through proposed amendments to the Government's policy on this matter<sup>22</sup>);
- Explanation of how financial contributions (in lieu of on site provision of infrastructure) will be calculated;
- how the Council will comply with the "pooling" restrictions for Section 106 agreements after April 2015;
- how the Council will identify spending priorities for financial contributions collected; and
- Guidance on the evidence which will need to be provided to the Council in any negotiations on reducing/removing the developer contributions, and the process which will guide this negotiation.

8.10. The Council intends to adopt the Developer Contributions SPD in advance of the changes to developer contributions which are due to come into force in April 2015, under the Community Infrastructure Levy Regulations.

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<sup>22</sup> See Planning Performance and Planning Contributions Consultation (CLG, March 2014)  
<https://www.gov.uk/government/consultations/planning-performance-and-planning-contributions>

## **Appendices**

Appendix A: Specialist terms used in this report

Appendix B: Tables 1-2 Analysis of Developer Contributions in Knowsley, 2008/09-2012/13

Appendix C: Economic Viability Assessment findings – Examples of cumulative impacts of policy asks – Residential Development

Appendix D: Tables 1-8 – Policy ask assessment proformas

Appendix E: Tables 1-2 – Assessment of policy asks against objectives

## APPENDIX A: SPECIALIST TERMS USED IN THIS REPORT

Community Infrastructure Levy: a tool introduced by the government for the collection of standardised developer contributions, based on a non-negotiable charge per square metre of new development. Local authorities may introduce a Levy, which must be based on a fully robust evidence base and set out in a detailed Charging Schedule, for some or all of their area, and for some or all development types, dependent on evidence. Local authorities can pool monies collected through the Levy, but specify the infrastructure this is intended to fund, and must be transparent regarding their spending of monies collected. The introduction of legislation and regulations associated with the Community Infrastructure Levy have placed restrictions on the use of Section 106 agreements, aimed at reducing the risk of double charging of developments. These include stricter legal requirements and a reduction in the scope for pooling contributions from one or more developments.

Developer contributions: the general principle of agreements between the local authority and developers to make specific provisions to ensure that a development is acceptable in planning terms. Developers can make such provisions in kind (i.e. physical provision as part of development scheme) or as a financial contribution (i.e. monies paid to the local authority or others). There are several tools available to local authorities to secure such contributions. The term “planning obligations” can also be used to describe developer contributions.

Economic Viability: the concept of assessing the feasibility of a development scheme in terms of whether it can be completed and still return an appropriate level of profit to the developer and other parties. This involves assessing all of the costs of a development (including land costs, build costs, professional fees, and developers’ profit) against the anticipated value of development (i.e. sales price or rental yield). If a development can return a sufficient profit and account for all costs within its value, whilst demonstrating a “headroom” of costs, it is considered to be viable. If an appropriate level of profit cannot be returned, or no headroom can be demonstrated, the scheme is considered to be unviable. A key issue for this report is the extent to which policy asks introduced through the Core Strategy will affect economic viability of new development, including the impact of additional development costs brought by complying with policy asks on the headroom and overall viability of new development. The Council has commissioned evidence on this matter within the Knowsley Economic Viability Assessment<sup>23</sup>.

Local Plan Core Strategy: the central document within the Knowsley Local Plan, setting out a range of strategic policies for the development of the Borough up to 2028. This document includes policies relating to housing, employment, environment, transport, design and infrastructure, amongst other matters. Several of its policies set out, at a strategic level, the types of policy asks which developers will need to demonstrate compliance with if development is to be acceptable in planning terms. This includes items like highways and transport, affordable housing, greenspace provision, design standards, and flood risk mitigation. The Core Strategy has been prepared over several years and has been subject to extensive

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<sup>23</sup> Knowsley Economic Viability Assessment (Keppie Massie et al, 2012)

assessment and consultation, prior to being submitted<sup>24</sup> to the government for Examination in Public. This Examination is still ongoing, and hence the Core Strategy can be considered to be an emerging draft. This report will suggest the most appropriate modifications to the Core Strategy policies, in particular the principles of policy asks and developer contributions, to ensure that it is sound in accordance with national policy.

Policy asks: non-statutory policy requirements set out in the Local Plan, prescribing the nature of new development. These include policies which must be met in order that a proposed development can be deemed to be acceptable in planning terms. In some cases they may only apply to particular categories of development, or be subject to caveats, exceptions or restrictions regarding their application. They can be implemented through mandatory policy requirements, or negotiated as part of developer contributions.

Section 106 agreements: referring to Section 106 of the Town and Country Planning Act 1990, these are the primary tool used for agreement of developer contributions in recent years. They are formal legal agreements made between local authorities and developers, in association with a planning permission, to make acceptable development which would otherwise be unacceptable in planning terms. They can prescribe the nature of development, and/or compensate or mitigate for the impacts of development, but must be directly related to the proposed development and proportionate to its impacts. Local authorities can set out planning policies to guide the use of Section 106 agreements in their area. Similar agreements can be implemented for highways works only (using Section 38 or 278 of the Highways Act 1980).

Supplementary Planning Documents (SPD): these documents are prepared to provide more detailed guidance to policies set out within Local Plan documents such as Core Strategies. They can be utilised to provide additional guidance on the scope and operation of developer contributions, in particular the use of Section 106 agreements. The Council has an adopted Greenspace Standards and New Development Supplementary Planning Document<sup>25</sup>, which sets existing requirements for the negotiation of developer contributions in relation to the provision and maintenance of greenspaces.

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<sup>24</sup> see Knowsley Local Plan Core Strategy – Submission Document (Knowsley MBC, 2013) (Examination Library Reference: CS01)

<sup>25</sup> Greenspace Standards and New Development Supplementary Planning Document (Knowsley MBC, 2007) (Examination Library Reference: PP07)

## APPENDIX B: TABLES 1-2 ANALYSIS OF DEVELOPER CONTRIBUTIONS IN KNOWSLEY, 2008/09-2012/13

**Table 1: Number of Applications with Contributions – Agreed**

Year / Type	SPD Greenspace provision – agreed	SPD Greenspace maintenance – agreed	Highways S106 – agreed	Other S106 – agreed	Total agreed
2008/09	1	5	0	1	7
2009/10	5	13	1	2	21
2010/11	5	8	1	3	17
2011/12	13	25	2	3	43
2012/13	6	13	1	4	24
<b>Total</b>	<b>30</b>	<b>64</b>	<b>5</b>	<b>13</b>	<b>112</b>

**Table 2: Average Contribution per Application – Agreed**

Year / Type	SPD Greenspace provision – agreed	SPD Greenspace maintenance – agreed	Highways S106 – agreed	Other S106 – agreed	Total agreed
2008/09	£3,642	£6,788	N/A	£14,147	<b>£7,394</b>
2009/10	£11,494	£12,546	£28,000	£40,883	<b>£25,410</b>
2010/11	£5,816	£15,508	£9,928	£305,189	<b>£63,449</b>
2011/12	£13,185	£7,376	£27,500	£1,569,002	<b>£119,019</b>
2012/13	£33,039	£20,355	£7,000	£73,579	<b>£31,840</b>
<b>Total</b>	<b>£13,647</b>	<b>£13,676</b>	<b>£19,986</b>	<b>£462,525</b>	<b>£65,560</b>

*Source: Developer Contributions Monitoring System (Development Management Division, Knowsley MBC, February 2014)*

**APPENDIX C: ECONOMIC VIABILITY ASSESSMENT FINDINGS – EXAMPLES OF CUMULATIVE IMPACTS OF POLICY ASKS – RESIDENTIAL DEVELOPMENT**

100 dwellings - 30 dph		A	B	C	D	E	F	G	1	2	3	4	5
Zone	Land type	Baseline	Building Regs (Code Level 4)	Highways	Affordable Housing - 10%	Affordable Housing - 25%	Design - Medium	Building for Life - Lifetime Homes	Statutory Only (A minus B)	Enabling Only (A minus B, C)	Enabling and Affordable Housing (low) (A minus B, C, D)	Enabling and Affordable Housing (high) (A minus B, C, E)	Cumulative - all asks (high Affordable Housing) (A minus B, C, E, F, G)
1	Urban - PDL	28.40	66	11	48	121	45	66	-37.60	-48.60	-97.00	-169.60	-280.60
1	Urban - Greenfield	49.11	66	11	48	120	45	66	-16.89	-27.89	-75.89	-147.89	-258.89
1	Green Belt - Greenfield	185.55	66	55	48	120	45	66	119.55	64.55	16.55	-55.45	-166.45
1	Green Belt - PDL	153.14	66	55	48	120	45	66	87.14	32.14	-15.86	-87.86	-198.86
2	Urban - PDL	16.54	66	11	54	136	45	66	-49.46	-60.46	-114.86	-196.46	-307.46
2	Urban - Greenfield	37.25	66	11	54	136	45	66	-28.75	-39.75	-94.15	-175.75	-286.75
2	Green Belt - Greenfield	279.12	66	55	54	136	45	66	213.12	158.12	103.72	22.12	-88.88
2	Green Belt - PDL	247.12	66	55	54	136	45	66	181.12	126.12	71.72	-9.88	-120.88
3	Urban - PDL	200.16	66	11	62	156	45	66	134.16	123.16	60.76	-32.84	-143.84
3	Urban - Greenfield	220.87	66	11	62	156	45	66	154.87	143.87	81.47	-12.13	-123.13
3	Green Belt - Greenfield	463.15	66	55	62	156	45	66	397.15	342.15	279.75	186.15	75.15
3	Green Belt - PDL	430.74	66	55	62	156	45	66	364.74	309.74	247.34	153.74	42.74

1000 dwellings - 30 dph		A	B	C	D	E	F	G	1	2	3	4	5
Zone	Land type	Baseline	Building Regs (Code Level 4)	Highways	Affordable Housing - 10%	Affordable Housing - 25%	Design - Medium	Building for Life - Lifetime Homes	Statutory Only (A minus B)	Enabling Only (A minus B, C)	Enabling and Affordable Housing (low) (A minus B, C, D)	Enabling and Affordable Housing (high) (A minus B, C, E)	Cumulative - all asks (high Affordable Housing) (A minus B, C, E, F, G)
1	Urban - PDL	73.75	48	8	38	94	33	48	25.75	17.75	-19.85	-76.25	-157.25
1	Urban - Greenfield	88.51	47	8	37	93	33	47	41.51	33.51	-3.69	-59.49	-139.49
1	Green Belt - Greenfield	214.85	47	55	37	92	33	47	167.85	112.85	76.05	20.85	-59.15
1	Green Belt - PDL	192.52	47	55	37	93	33	47	145.52	90.52	53.32	-2.48	-82.48
2	Urban - PDL	27.08	46	8	42	104	32	46	-18.92	-26.92	-68.52	-130.92	-208.92
2	Urban - Greenfield	41.61	46	8	42	104	32	46	-4.39	-12.39	-53.99	-116.39	-194.39
2	Green Belt - Greenfield	273.65	46	54	41	103	32	46	227.65	173.65	132.45	70.65	-7.35
2	Green Belt - PDL	251.58	46	54	42	104	32	46	205.58	151.58	109.98	47.58	-30.42
3	Urban - PDL	166.45	46	8	47	118	31	46	120.45	112.45	65.25	-5.55	-82.55
3	Urban - Greenfield	180.88	46	8	47	118	31	46	134.88	126.88	79.68	8.88	-68.12
3	Green Belt - Greenfield	412.88	46	53	47	118	31	46	366.88	313.88	266.68	195.88	118.88
3	Green Belt - PDL	390.86	46	54	47	118	31	46	344.86	290.86	243.66	172.86	95.86

Notes: All costs £ per square metre of development  
 In column 1-5, Red text indicates negative viability following policy ask deductions  
 Affordable housing levels at 10% calculated after the completion of the EVA  
 Source: Knowsley Economic Viability Assessment (Keppie Massie, 2012)

**APPENDIX D: TABLES 1-8 - POLICY ASK ASSESSMENT PROFORMAS****Table 1: Assessment of Sustainable Design Standards**

<b>Policy Ask</b>	Sustainable Design Standards
<b>Core Strategy Policy</b>	CS22: Sustainable and Low Carbon Development ( <i>modifications proposed within Council hearing statements, October 2013</i> )
<b>Applies to</b>	Residential and commercial development
<b>Categorisation</b>	Complementary
<b>Costing</b>	<p>Residential – Code for Sustainable Homes</p> <p>Level 3 - £30/sqm to £47/sqm  Level 4 - £47/sqm to £71/sqm  Level 5 - £160/sqm to £261/sqm  Level 6 - £231/sqm to £356/sqm</p> <p>Cost per dwelling calculated as the cost of code compliances over the baseline build costs by adding per dwelling cost. EVA explains that code compliance will provide energy saving benefits to owners and hence should be reflected in sales values. Market considered not sufficiently mature to collect data on this impact, so revenues have not been adjusted. Over time, it is expected that sales values would increase for code compliant homes.</p> <p>Commercial costs – BREEAM</p> <p>Too variable to state – dependent on building function, location and form, site conditions, servicing and procurement. Could be between:</p> <p>Good – 0-2% of capital costs  Very good – 0-4%  Excellent – 3-7%</p>
<b>Local Plan Objectives</b>	Score: 11, Rank: 5 <sup>th</sup> (=): Positive effects for objectives relating to management of environmental resources and balancing the housing market. Potential positive effects on objectives for regeneration, design quality and health and wellbeing.
<b>Sustainability Objectives</b>	Score: 20, Rank: 4 <sup>th</sup> : Significant positive effects on provision of good quality housing, and delivering sustainable development. Additional positives for the use of water resources, and potential positive impacts on health and wellbeing, climate change and minimising production of waste.
<b>Implementation</b>	<p>Since the publication of Core Strategy in November 2012, the government has published its intentions for extensive changes to the expected operation of the Code and its relationship with statutory building regulations. It is therefore expected that the Code will be abolished and many of its standards transferred as standard additions to the statutory Building Regulations. It is expected that where it is not feasible or viable to meet the requirements, financial contributions to the Council may be required under the “allowable solutions” mechanism.</p> <p>Whilst the same level of detail has not been made available for commercial development, it is expected that the Building Regulations will also incorporate low-carbon standards for commercial development. Whilst BREEAM is a commercial tool and will remain operational, it is</p>

	likely that buildings being assessed for BREEAM compliance will have fulfilled the low carbon elements through compliance with Building Regulations. It is assumed that the “allowable solutions” will also apply to commercial development.
<b>Summary Analysis / Commentary</b>	Need to give consideration to realistic costs of meeting regulations i.e. that the cost may not be equivalent to a high level of Code (e.g. Level 5) and may be passed on to the customer as increased sales values. Moderately positive impacts on local plan and sustainability objectives. Implementation strongly affected by Building Regulations and allowable solutions legislation.

**Table 2: Assessment of Highways and public transport**

<b>Policy Ask</b>	Highways and public transport
<b>Core Strategy Policy</b>	CS7: Transport Networks
<b>Applies to</b>	Residential and commercial development
<b>Categorisation</b>	Enabling / Essential
<b>Costing</b>	<p>Highways contribution (residential) - £8/sqm to £55/sqm  Highways contribution (retail) - £25/sqm to £50/sqm  Highways contribution (commercial) – Dependent on scheme</p> <p>Costs calculated on the basis of lower costs for smaller developments and those located in the urban area. Small developments are likely to be located close to existing highways, and will have a smaller impact. Larger developments will require more works to access and if they are in the Green Belt, are anticipated to have higher costs associated with ensuring internal access roads are able to join the urban highway network.</p> <p>Public transport costs – various</p> <p>Larger schemes may be expected to provide on site public transport facilities, for example bus stops. The costing of such facilities will depend on the size, nature and location of the development – for example whether it is a trip generating use, and the level of existing provision near a development.</p>
<b>Local Plan Objectives</b>	Score: 30, Rank: 1 <sup>st</sup> : Significant and widespread positive effects across a range of objectives relating to economic and housing growth, regeneration and centres, and accessibility. Additional positive effects for management of environmental resources and health and wellbeing.
<b>Sustainability Objectives</b>	Score: 47, Rank: 1 <sup>st</sup> : Significant positive effects on accessibility, reducing the need to travel, business growth and town/local centre viability. Additional positives for reducing inequalities and improving access to work and services. Dependent on the nature of highways works, additional potential positive impacts.
<b>Implementation</b>	Can be collected through CIL or Section 106 agreements, though where a CIL is in place, it would be expected that this would collect funds for strategic highways infrastructure, rather than the ad-hoc highways works required to make a site safely and appropriately accessible.
<b>Summary Analysis / Commentary</b>	Highways costs comparatively low, depending on the scheme, but public transport additions could increase costs significantly for major developments. Very significant positive impacts on a range of local plan and sustainability objectives. Flexible arrangements for implementation,

	strong likelihood of compliance with the requirements for developer contributions in making development acceptable in planning terms.
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**Table 3: Assessment of Affordable Housing**

<b>Policy Ask</b>	Affordable Housing
<b>Core Strategy Policy</b>	CS15: Delivering Affordable Housing ( <i>modifications proposed as part of the Technical Report: Affordable Housing Policy</i> )
<b>Applies to</b>	Residential development
<b>Categorisation</b>	Complementary
<b>Costing</b>	<p>5% - £19/sqm to £31/sqm  10% - £37/sqm to £62/sqm*  15% - £55/sqm to £93/sqm  25% - £93/sqm to £156/sqm</p> <p>Costing based on assumptions on house sizes and tenure as set out within submitted Local Plan. Assumed that only developments of 15 dwellings or more would be subject to this policy ask. Assumptions made that for provision of affordable housing units, a developer would receive payment (e.g. from a Registered Provider) of equivalent to a proportion of open market value. Although EVA did not include specific costing for provision of affordable housing at 10% of market schemes, it can be assumed that the cost would be double that of provision at 5%, since costs are a proportionate escalation.</p> <p><i>*calculated subsequent to finalisation of EVA</i></p>
<b>Local Plan Objectives</b>	Score: 11, Rank: 5 <sup>th</sup> (=): Positive on balancing the housing market and encouraging regeneration. Additional positive impact on health and wellbeing.
<b>Sustainability Objectives</b>	Score: 17, Rank: 6 <sup>th</sup> (=): Positive impacts for provision of quality, affordable housing, and for tackling deprivation. Additional positives for supporting communities and addressing health inequalities.
<b>Implementation</b>	Outside the scope of CIL, local authorities must continue to use Section 106 agreements to implement this policy ask on a site by site basis. Given the relatively high costs of implementing this charge and impacts on viability, it is likely to be appropriate that the target should be set as a minimum, but subject to viability on a case by case basis. A separate report (see Technical Report: Affordable Housing Policy) investigates the option of varying the affordable housing target dependent on viability evidence (i.e. have a higher target in some areas where development viability can be proven to be higher, and a lower target where viability is more challenging) and reviewing the tenure mix sought.
<b>Summary Analysis / Commentary</b>	Costs of provision of affordable housing can be high, particularly where a percentage of 15-25% is sought. There are significant positive impacts of delivering affordable housing on objectives relating to residential provision and other social factors. Limited impact on the wider range of objectives. Implementation must be through Section 106 agreements, on a site by site basis. Reference should be made a separate report (see Technical Report: Affordable Housing Policy), to review modifications proposed to Policy CS15.

**Table 4: Assessment of Residential Design Standards**

<b>Policy Ask</b>	Residential Design Standards
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<b>Core Strategy Policy</b>	CS17: Housing Sizes and Design Standards, CS19: Design Quality and Accessibility in New Development ( <i>modifications proposed within Council hearing statements, October 2013 with respect to design standards</i> )
<b>Applies to</b>	Residential development
<b>Categorisation</b>	Complementary
<b>Costing</b>	Low – £16/sqm to £24/sqm Medium – £31/sqm to £49/sqm High - £47/sqm to £73/sqm Building for Life / Lifetime Homes - £46/sqm to £71/sqm  Costing for low / medium / high levels assumes relative design improvements over basic build costs. Costing assumes cross over between building to achieve Building for Life and Lifetime Homes, they can be assumed to be met under a single cost per dwelling. Costing assumes that no additional floorspace will be required to meet the standards.
<b>Local Plan Objectives</b>	Score: 18, Rank: 3 <sup>rd</sup> : Positive effects for design objectives, and additional positive impacts for economic and housing growth, green infrastructure and health and wellbeing. Potential impact on encouraging regeneration.
<b>Sustainability Objectives</b>	Score: 17, Rank: 6 <sup>th</sup> (=): Positive effects on provision of good quality residential accommodation, and on overall quality of place. Additional positive impacts on public realm and for health and wellbeing.
<b>Implementation</b>	General design standards within new residential development can be implemented through the design of individual dwellings, their curtilage and surrounding public realm. This can involve improvements in the use of materials, siting, massing, landscaping, etc, to a greater or lesser degree, over a baseline level which is reflective of a basic scheme. The meeting of specific design standards for new homes, e.g. Building for Life or Lifetime Homes can be met through internal and external works, which can be integrated at the design stage, or added subsequent to the substantial completion of the home. There can be some crossover between residential design standards and sustainability design requirements.
<b>Summary Analysis / Commentary</b>	The cost of achieving residential design standards can be significant, particularly if very high design quality or compliance with particular standards is sought. However, partial meeting of design standards can sometimes be met with less cost, if incorporated into the design stage at an early point. Moderate positive impacts are recorded across a range of objectives, particularly around quality of place. Implementation usually through planning application process, but exceptionally costs could be sought for compensation through off site measures or financial contributions.

**Table 5: Assessment of Non-residential Design Standards**

<b>Policy Ask</b>	Non-residential Design Standards
<b>Core Strategy Policy</b>	CS19: Design Quality and Accessibility in New Development
<b>Applies to</b>	Commercial development
<b>Categorisation</b>	Complementary
<b>Costing</b>	High – £73/sqm Medium - £54/sqm

	The EVA considered that estimating costs for design standards applicable to commercial development was highly unpredictable, given that the costs would vary significantly based on the type of development. Therefore costs were tested as part of case studies only, for specific schemes. As for residential design standards, costing for medium / high levels assumes relative design improvements over basic build costs.
<b>Local Plan Objectives</b>	Score: 16, Rank: 4 <sup>th</sup> : Significant positive impact on quality of place, and additional positives for economic growth, town centre investment and green infrastructure provision. Potential positive impacts also on management of environmental resources and health and wellbeing.
<b>Sustainability Objectives</b>	Score: 14, Rank: 5 <sup>th</sup> : Positive effects for encouraging economic investment, and on overall quality of place. Additional positive impacts on public realm and on quality of town and local centres.
<b>Implementation</b>	General design standards within non-residential development can be implemented through the design of individual commercial buildings and their curtilage and surrounding public realm. This can involve improvements in the use of materials, siting, massing, landscaping, etc, to a greater or lesser degree, over a baseline level which is reflective of a basic scheme. There can be some crossover between non-residential design standards and sustainability design requirements.
<b>Summary Analysis / Commentary</b>	Costs of meeting high design standards for commercial development can be significant, but are considered likely to vary across different development types. Costs may be met through scheme layout, if incorporated from the initial design stage. Moderate positive impacts are recorded across a range of objectives, particularly around quality of place, and potentially on objectives focussed on encouraging development. Implementation usually through planning application process.

**Table 6: Assessment of Greenspaces and Trees**

<b>Policy Ask</b>	Greenspaces and Trees
<b>Core Strategy Policy</b>	CS8: Green Infrastructure ( <i>sets strategic framework</i> ), CS21: Greenspaces and Trees
<b>Applies to</b>	Residential development
<b>Categorisation</b>	Complementary
<b>Costing</b>	<p>Greenspace</p> <p>Average cost (SRA surplus – enhancements to existing spaces) = £18.22/sqm (reflects Kirkby value, with variation of outdoor sports standards in Huyton and PWC/Halewood resulting in alternative values of £17.93/sqm and £18.52/sqm respectively)</p> <p>Average cost (SRA deficit – provision and maintenance cost) = £27.48/sqm (reflects Kirkby value, with variation of outdoor sports standards in Huyton and PWC/Halewood resulting in alternative values of £26.78/sqm and £28.18/sqm respectively)</p> <p>The EVA incorporated costs associated to greenspace provision as part of the basic build costs for new residential development, with reference</p>

	<p>to the adopted SPD standards. These costs were separated from the baseline at Tables 7.28 and 7.29 of that document, with the values updated above in accordance with the revised standards the Council is seeking to introduce through the Local Plan: Core Strategy.</p> <p>In some cases, on site provision may be less financially onerous than in others, for example where greenspace can be provided on a part of the site which is subject to an environmental designation or is at risk of flooding, and is therefore not suitable for residential development. It may also be the case that the cost per sqm is reduced from the maximum deficit value where on-site provision relates to only the typologies in deficit.</p> <p>Policy asks such as tree replacements which do not affect all proposals are addressed through the EVA by allowances for abnormal costs within baseline viability calculations.</p>
<b>Local Plan Objectives</b>	Score: 23, Rank: 2 <sup>nd</sup> : Positive impact on green infrastructure provision, and additional positives for the housing market, overall quality of place, sustainable transport, environmental resources, and health and wellbeing. Potentially positive impacts for encouraging investment and regeneration.
<b>Sustainability Objectives</b>	Score: 43, Rank: 2 <sup>nd</sup> : Significant positive impacts for range of environmental factors, including green infrastructure, biodiversity, landscape character and overall environmental quality. Additional positive effects on health outcomes, accessibility, and quality of place.
<b>Implementation</b>	Since 2007, the Council has set contributions for greenspace provision and improvements through the adopted SPD. On site provision should be delivered through site design and layout at the planning application stage, for sites of a sufficient scale. Where this is not appropriate, off site contributions for provision and additionally commuted sums for maintenance purposes have been accepted, through the mechanism of section 106 agreements. The Council is seeking to alter the existing approach by April 2015, through revision/updating of the SPD to reflect the standards introduced through the Core Strategy.
<b>Summary Analysis / Commentary</b>	The cost of achieving greenspace requirements can be significant, particularly in areas of deficit. However, in occasions where only some typologies are in surplus and / or enhancement projects are not available, there is a degree of flexibility for negotiation of reduction of costs. Positive impacts are recorded across a range of objectives, particularly around environmental factors and quality of place. Implementation is usually through planning application process, via on-site provision or alternatively costs are sought for off site measures through financial contributions.

**Table 7: Assessment of Decentralised Energy**

<b>Policy Ask</b>	Decentralised Energy
<b>Core Strategy Policy</b>	CS22: Sustainable and Low Carbon Development
<b>Applies to</b>	Residential and commercial development
<b>Categorisation</b>	Complementary
<b>Costing</b>	Residential - £60/sqm Commercial - £30/sqm

	Decentralised energy costs will vary significantly based on the size and type of development, the feasibility of introducing such system, and can be recouped in terms of savings on development running costs in the future. The EVA therefore estimated costs only for case studies, where additional specifics about the development schemes were given to enable a costing to be applied.
<b>Local Plan Objectives</b>	Score: 9, Rank: 6 <sup>th</sup> (=): Positive impacts on economic growth, regeneration and the management of environmental resources.
<b>Sustainability Objectives</b>	Score: 7, Rank: 7 <sup>th</sup> : Positive effect on reducing impact of climate change and encouraging economic investment. Potential positive effect on air quality
<b>Implementation</b>	Decentralised energy schemes can be incorporated at the design phase of new development, either as a new scheme or through plugging into an existing scheme. It could be that such schemes can be incorporated and implemented through overall sustainable design policies. In some cases, it may be considered appropriate that contributions are collected for decentralised energy infrastructure off site.
<b>Summary Analysis / Commentary</b>	Costs of implementing decentralised energy schemes as part of new development can be high, but will vary significantly, and could be recouped due to occupier savings. Moderate positive impacts are noted across a limited range of objectives, including environmental and economic factors. On site provision would need to be incorporated as an integral part of the development to be delivered.

**Table 8: Assessment of Other ad-hoc items**

<b>Policy Ask</b>	Other ad-hoc items
<b>Core Strategy Policy</b>	CS27: Planning and Paying for Infrastructure ( <i>modifications to this policy set out within this report</i> )
<b>Applies to</b>	Residential and commercial development
<b>Categorisation</b>	Enabling / Essential / Complementary
<b>Costing</b>	Unknown  Ad hoc items could have varying costs for new development, dependent on the scale and nature of infrastructure sought, and the specific requirements of the development scheme. The EVA did not assess this as a category across standard schemes, although some ad hoc asks were included in the featured case studies, for example for a public art scheme.
<b>Local Plan Objectives</b>	Score: 9, Rank: 6 <sup>th</sup> (=): Due to unknown nature of asks, potentially positive impacts across a wide range of policy asks, depending on nature of contribution secured.
<b>Sustainability Objectives</b>	Score: 21, Rank: 3 <sup>rd</sup> : Due to unknown nature of asks, potentially positive impacts across a wide range of policy asks, depending on nature of contribution secured.
<b>Implementation</b>	These items are associated with development which in order to be acceptable in planning terms, carries specific requirements. The items sought would not be appropriate to collect through CIL as they are specific to the nature of the development and directly related to it. The Council would need to use Section 106 agreements on an ad-hoc, site-by-site basis, to seek these contributions, following a detailed assessment of the merits of the development in planning terms. Some policy asks in this category will be absolutely necessary to make a

	development acceptable in planning terms, others can be considered to be more complementary to new development.
<b>Summary Analysis / Commentary</b>	This policy ask is by its nature unknown, as it is dependent on the individual development proposed. Costs are uncertain for these reasons, but could be significant. Impacts on objectives are also unknown, and depend on the nature of the development and the ad-hoc policy ask sought. Given that these ad-hoc policy asks are necessarily related to the development, they are likely to be collected through Section 106 agreements.

**APPENDIX E: TABLES 1-2 – ASSESSMENT OF POLICY ASKS AGAINST OBJECTIVES**

**Table 1: Policy Asks Assessment – Local Plan Strategic Objectives**

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
Strategic Objective 1 (SO1): Sustainable Economic and Employment Growth	No impact	Highways works/ public transport provision can facilitate economic growth through improved accessibility for businesses and workforce	No impact	High quality homes could retain / attract economically active workforce	High quality design of commercial development in industrial areas would attract additional investment	Provision / maintenance of open space could attract commercial investment and retain / attract workforce to residential areas	Opportunity to connect to energy networks could attract commercial investment and provide savings for businesses	Provision of other asks specific to commercial areas, e.g. public art, could attract investment
<b>SO1 Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
Strategic Objective 2 (SO2) : Well-Balanced Housing Market	Sustainable design in new homes could help balance housing market by providing high quality mix of sustainable housing	Highways works/ public transport provision can ensure new residential are accessible by various modes	Provision of mixed tenures would help to balance housing market and meet needs for affordable housing solutions	Higher quality homes including Lifetime Homes would help to balance housing market and meet identified needs and demands	No impact	Provision / maintenance of open space would attract housing investment and make residential areas more attractive	No impact	Provision of other asks could improve residential environment for strategic developments e.g. service provision
<b>SO2 Score</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
Strategic Objective 3 (SO3): Regenerate and Transform	Sustainable design could boost regeneration investment	Highways works/ public transport provision would facilitate regeneration and reduce economic deprivation through providing access to work	Provision of mixed tenures could boost sustainability of communities and attract further regeneration action	Delivery of high quality homes could attract further regeneration of residential areas, and attract new residents	High quality commercial development could attract further regeneration action	Provision / maintenance of open space could boost attractiveness of areas for regeneration investment	Opportunity to connect to energy networks would provide regeneration catalyst for industrial areas	Provision of other asks, particularly within identified regeneration areas, could provide catalyst for further regeneration action
<b>SO3 Score</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>
Strategic Objective 4 (SO4): Distinctive, Viable and Sustainable Town Centres	No impact	Highways works/ public transport provision within town centres can facilitate investment and access to services/retail	No impact	No impact	Higher quality design of retail or commercial development in town centres would attract investment	Provision / maintenance of open space, and planting could improve attractiveness of town centres	No impact	Provision of other asks, e.g. public art, service provision, may be particularly beneficial to meeting particular needs in town centres
<b>SO4 Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>
Strategic Objective 5 (SO5): Quality of Place	Sustainable design in new homes could help deliver improvements to overall quality of place	High quality improvements to highways/public transport interchanges could deliver public realm enhancements	No impact	High quality homes within residential areas would promote overall quality of place	High quality commercial development would promote overall quality of place	Provision / maintenance of open space would promote overall quality of place	No impact	Provision of other asks e.g. public art may be beneficial to improving overall quality of place
<b>SO5 Score</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>1</b>
Strategic Objective 6 (SO6): Sustainable Transport	No impact	Highways works/ public transport improvements would	No impact	No impact	No impact	Provision / maintenance of open spaces may provide	No impact	Provision of other asks e.g. public transport

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
		be critical to delivering sustainable transport networks and boosting accessibility				sustainable transport routes for walking and cycling		interchanges may be beneficial to delivery of sustainable transport networks
<b>SO6 Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
Strategic Objective 7 (SO7): Manage Environmental Resources	Sustainable design will deliver opportunities to reduce carbon emissions through new development	Highways works/ public transport improvements which deliver sustainable outcomes can deliver environmental improvements with respect to pollution and carbon emissions	No impact	No impact	High quality commercial development could promote environmental improvements	Provision / maintenance of open spaces including planted areas could help promote environmental benefits	Decentralised energy networks would deliver opportunities to reduce carbon emissions	Provision of other asks could provide benefits to managing environmental resources
<b>SO7 Score</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>1</b>
Strategic Objective 8 (SO8): Green Infrastructure and Rural Areas	No impact	No impact	No impact	High quality homes could delivery benefits to character of rural settlements	High quality commercial development could deliver benefits character of rural settlements	Provision / maintenance of open spaces would deliver benefits for Green Infrastructure networks	No impact	Provision of other asks could provide benefits to Green Infrastructure provision
<b>SO8 Score</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>1</b>
Strategic Objective 9 (SO9): Promoting Health and Wellbeing in Knowsley	Sustainable design in new homes could help deliver health and well being benefits	Highways works/ public transport improvements would deliver benefits for access to health facilities	Provision of mixed tenures, including affordable options, could create health and wellbeing benefits	High quality homes, including Lifetime Homes, would deliver benefits to health and wellbeing outcomes	High quality commercial development could deliver health and wellbeing outcomes providing a positive working environment	Provision / maintenance of open spaces and planting would deliver health promoting environments.	No impact	Provision of other asks could provide benefits to health and wellbeing outcomes
<b>SO9 Score</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>1</b>
<b>Total Score</b>	<b>11</b>	<b>30</b>	<b>11</b>	<b>18</b>	<b>16</b>	<b>23</b>	<b>9</b>	<b>9</b>
	<b>5<sup>th</sup>(=)</b>	<b>1<sup>st</sup></b>	<b>5<sup>th</sup>(=)</b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>2<sup>nd</sup></b>	<b>6<sup>th</sup>(=)</b>	<b>6<sup>th</sup>(=)</b>
<b>Summary</b>	<b>Positive effects for objectives relating to management of environmental resources and balancing the housing market. Potential positive effects on objectives for regeneration, design quality and health and wellbeing.</b>	<b>Significant and widespread positive effects across a range of objectives relating to economic and housing growth, regeneration and centres, and accessibility. Additional positive effects for management of environmental resources and health and</b>	<b>Positive on balancing the housing market and encouraging regeneration. Additional positive impact on health and wellbeing.</b>	<b>Positive effects for design objectives, and additional positive impacts for economic and housing growth, green infrastructure and health and wellbeing. Potential impact on encouraging regeneration.</b>	<b>Significant positive impact on quality of place, and additional positives for economic growth, town centre investment and green infrastructure provision. Potential positive impacts also on management of environmental resources and health and wellbeing.</b>	<b>Positive impact on green infrastructure provision, and additional positives for the housing market, overall quality of place, sustainable transport, environmental resources, and health and wellbeing. Potentially positive impacts for encouraging</b>	<b>Positive impacts on economic growth, regeneration and the management of environmental resources.</b>	<b>Due to unknown nature of asks, potentially positive impacts across a wide range of policy asks, depending on nature of contribution secured.</b>

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
		wellbeing.				investment and regeneration.		

Colour / Score	5	3	1	0	-1	-3	-5
Impact	Significant Positive Effect	Moderate Positive Effect	Potential Positive Effect	No Impact	Potential Negative Effect	Moderate Negative Effect	Significant Negative Effect

**Table 2: Policy Asks Assessment – Sustainability Appraisal Objectives**

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
S1. To reduce poverty and social deprivation and secure economic inclusion.	Sustainable design could reduce the cost of living through reductions in utilities bills	Highways works/ public transport provision can assist in access to education and employment opportunities	Provision of mixed tenures would enable increased access to housing options for those in housing need.	No impact	No impact	Provision / maintenance of greenspaces can engender community cohesion.	No impact	Provision of other asks could provide benefits in tackling deprivation, e.g. local labour agreements
<b>Score</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
S2. To improve local accessibility of goods, services and amenities and reduce community severance.	No impact	Highways works/ public transport provision can ensure access to goods and services	Provision of mixed tenures would boost community cohesion within residential areas.	No impact	No impact	Provision / maintenance and open spaces can provide sustainable transport routes to access services, and can engender community cohesion	No impact	Provision of other asks could provide benefits in improving access to goods and services
<b>Score</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
S3. To improve safety and reduce crime, disorder and fear of crime.	No impact	Highways works/ public transport provision could create safer transport routes.	No impact	High quality homes, could bring benefits to the public realm	High quality commercial developments could bring benefits to the public realm	Design and maintenance of greenspace could create safer community spaces and transport routes	No impact	Provision of other asks could provide benefits to the public realm and community safety
<b>Score</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>1</b>
S4. To support voluntary and community networks, assist social inclusion and ensure community involvement in decision-making.	No impact	Highways works/ public transport improvements could improve social inclusion through provision of safe and reliable access routes	Provision of mixed tenures, including affordable options, could support community cohesion within residential areas	No impact	No impact	Provision / maintenance of greenspaces can engender community cohesion.	No impact	No impact
<b>Score</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
S5. To improve health and reduce health inequalities.	Sustainable design in new homes could help deliver health and well being benefits	Highways works/ public transport improvements would deliver benefits for access to health facilities	Provision of mixed tenures, including affordable options, could create health and wellbeing benefits	High quality homes, including Lifetime Homes, would deliver benefits to health and wellbeing outcomes	High quality commercial development could deliver health and wellbeing outcomes providing a positive working environment	Provision / maintenance of open spaces and planting would deliver health promoting environments.	No impact	Provision of other asks could provide benefits to health and wellbeing outcomes
<b>Score</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>1</b>
S6. To provide good quality, affordable and resource efficient housing.	Sustainable design in new homes would deliver resource efficiency for homeowners	No impact	Provision of mixed tenures would include affordable options, bringing overall benefits to housing provision	High quality homes would bring overall benefits to housing provision	No impact	No impact	No impact	Provision of other asks could provide benefits to housing stock
<b>Score</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
S7. To improve educational attainment, training and opportunities for lifelong learning and employability	No impact	Highways works/ public transport provision can assist in access to education and training opportunities	No impact	No impact	No impact	No impact	No impact	Provision of other asks could provide benefits to provision of educational opportunities
<b>Score</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
S8. To preserve, enhance and manage Knowsley's rich diversity of cultural, historic and archaeological buildings, areas, sites and features.	No impact	Sensitive highways works / public transport provision can help protect the historic environment	No impact	High quality homes would offer opportunities to protect character and fabric of historic environment	High quality commercial development would offer opportunities to protect character and fabric of historic environment	Provision / maintenance of open spaces could provide opportunities to protect character and fabric of historic environment	No impact	Provision of other asks could provide benefits to protection and enhancement of historic environment
<b>Score</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>
E1. To protect, enhance and manage the local character and accessibility of the landscape and countryside across Knowsley.	No impact	Highways works/ public transport provision could help to ensure accessibility to the landscape and countryside	No impact	High quality homes would offer opportunities to protect character of landscape and countryside	High quality commercial development would offer opportunities to protect character of landscape and countryside	Provision / maintenance of open spaces would provide opportunities for management of and access to landscape and countryside	No impact	Provision of other asks could provide benefits to protection and accessibility of landscape and countryside
<b>Score</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>1</b>
E2. To protect, enhance and manage biodiversity, the viability of protected and endangered species, habitats, geodiversity and sites of geological importance.	No impact	Sensitive highways works / public transport provision can help protect the natural environment	No impact	No impact	No impact	Provision / maintenance of open spaces would provide opportunities for protection and management of the natural environment	No impact	Provision of other asks could provide benefits to protection and management of the natural environment
<b>Score</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>
E3. To adapt to climate change including flood risk.	Sustainable design in new development can include provision of flood risk mitigation measures	Highways works can be carried out with regard to the impacts of highways drainage on flood risk	No impact	No impact	No impact	Provision / maintenance of open spaces would provide opportunities for planted areas and water bodies which may reduce the impacts of flooding	No impact	Provision of other asks could provide benefits to climate change and flood risk mitigation e.g. specific flood prevention works
<b>Score</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
E4. To mitigate climate change including using energy prudently and efficiently and increasing energy generated from renewable sources.	Sustainable design in new development can reduce dependency on fuel and increase energy efficiency	Highways works / public transport provision can reduce the need to travel by car and hence reduce fuel use and emissions	No impact	No impact	No impact	No impact	Decentralised energy schemes could provide major fuel reductions for commercial investors.	Provision of other asks could provide benefits including energy savings and fuel efficiency
<b>Score</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
E5. To provide, conserve, maintain and enhance green infrastructure.	No impact	Highways works / public transport provision can provide opportunities for accessing green and open spaces	No impact	No impact	No impact	Provision / maintenance of open spaces would provide clear ability to provide, conserve and maintain green infrastructure	No impact	Provision of other asks could provide benefits including strategic improvements to green infrastructure
<b>Score</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>
E6. To protect, manage and restore land and soil quality.	No impact	No impact	No impact	No impact	No impact	Provision / maintenance of open spaces could provide basis for protection, management and restoration of land and soil	No impact	Provision of other asks could provide benefits to land and soil quality
<b>Score</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
E7. To protect, improve and where necessary, restore the quality of inland and estuarine waters.	Sustainable design in new development can reduce surface water run off, which would have benefits for drainage systems and waterways	No impact	No impact	No impact	No impact	Provision / maintenance of open spaces could provide basis for complementary works for water bodies and waterway protection and improvements	No impact	Provision of other asks could provide benefits for protection, improvement and restoration of water bodies and waterways, or works to the waste water drainage system
<b>Score</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
E8. To protect, and where necessary, improve local air quality.	No impact	Sensitive highways works / public transport provision can provide opportunities to improve local air quality	No impact	No impact	No impact	Provision / maintenance of open spaces would provide open space and planting which could protect and improve air quality, and provide sustainable travel routes as an alternative to motorised transport	Decentralised energy schemes could provide commercial operators with an opportunity to reduce their emissions	Provision of other asks could provide benefits for local air quality, e.g. targeted schemes to reduce the impact of airborne pollutants
<b>Score</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>
E9. To use water and mineral resources prudently and efficiently.	Sustainable design in new development can include grey water recycling, which would have benefits for drainage systems and waterways	No impact	No impact	No impact	No impact	Provision / maintenance of open spaces could provide greenspace and planting and hence opportunities for local water retention	No impact	Provision of other asks could provide benefits for resource efficiency
<b>Score</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
E10. To reduce the	No impact	Highways works/	No impact	No impact	No impact	Provision /	No impact	Provision of other

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
need to travel and improve choice and use of more sustainable transport mode.		public transport provision would broaden choice of Provision / maintenance of open spaces would transport modes and provide access to key locations				maintenance of open spaces would provide opportunities for investment in access routes for walking and cycling		asks could provide benefits for accessibility and choice of transport, including specific transport schemes
<b>Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
E11. To minimise the production of waste and increase reuse, recycling and recovery rates.	Sustainable design in new development can include grey water recycling, which would have benefits water recovery and reuse	No impact	No impact	No impact	No impact	No impact	No impact	Provision of other asks could provide benefits for waste reduction, recovery and recycling
<b>Score</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
EC1. To improve the competitiveness and productivity of business, exploit the growth potential of business sectors and increase the number of new businesses.	No impact	Highways works/ public transport would be critical to ensuring business growth, including the needs of businesses and employees.	No impact	No impact	Higher quality design in commercial premises could promote business growth and agglomeration	Provision / maintenance of open space, and planting could improve attractiveness of industrial areas and also attract prospective workforce to residential areas	Decentralised energy schemes could provide commercial operators incentive to locate in the area, and potential to grow through delivery of resource efficiencies	Provision of other asks could provide benefits for the businesses
<b>Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>
EC2. To enhance the vitality and viability of town and local centres.	No impact	Highways works/ public transport provision within town centres can facilitate investment and access to services/retail	No impact	No impact	Higher quality design of retail or commercial development in town centres would attract investment	Provision / maintenance of open space, and planting could improve attractiveness of town centres	No impact	Provision of other asks, e.g. public art, service provision, may be particularly beneficial to meeting particular needs in town centres
<b>Score</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>
EC3. Maintain high and stable levels of employment and reduce long-term unemployment.	No impact	Highways works/ public transport provision could be a factor in linking residents to employment opportunities	No impact	No impact	No impact	No impact	No impact	Provision of other asks, e.g. public transport interchange could provide changes to local employment patterns
<b>Score</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total Score</b>	<b>20</b>	<b>47</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>43</b>	<b>7</b>	<b>21</b>
<b>Rank</b>	<b>4<sup>th</sup></b>	<b>1<sup>st</sup></b>	<b>5<sup>th</sup>(=)</b>	<b>5<sup>th</sup>(=)</b>	<b>6<sup>th</sup></b>	<b>2<sup>nd</sup></b>	<b>7<sup>th</sup></b>	<b>3<sup>rd</sup></b>

Objective / Policy Ask	Sustainable Design Standards / Building Regulations	Highways and public transport	Affordable Housing	Residential Design Standards	Non-residential Design Standards	Greenspaces and Trees	Decentralised Energy	Other ad-hoc items
Summary	Significant positive effects on provision of good quality housing, and delivering sustainable development. Additional positives for the use of water resources, and potential positive impacts on health and wellbeing, climate change and minimising production of waste.	Significant positive effects on accessibility, reducing the need to travel, business growth and town/local centre viability. Additional positives for reducing inequalities and improving access to work and services. Dependent on the nature of highways works, additional potential positive impacts.	Positive impacts for provision of quality, affordable housing, and for tackling deprivation. Additional positives for supporting communities and addressing health inequalities.	Positive effects on provision of good quality residential accommodation, and on overall quality of place. Additional positive impacts on public realm and on for health and wellbeing.	Positive effects for encouraging economic investment, and on overall quality of place. Additional positive impacts on public realm and on quality of town and local centres.	Significant positive impacts for range of environmental factors, including green infrastructure, biodiversity, landscape character and overall environmental quality. Additional positive effects on health outcomes, accessibility, and quality of place.	Positive effect on reducing impact of climate change and encouraging economic investment. Potential positive effect on air quality.	Due to unknown nature of asks, potentially positive impacts across a wide range of policy asks, depending on nature of contribution secured.

**Key**

Colour / Score	5	3	1	0	-1	-3	-5
Impact	Significant Positive Effect	Moderate Positive Effect	Potential Positive Effect	No Impact	Potential Negative Effect	Moderate Negative Effect	Significant Negative Effect

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