

**CC.112**

**Calderdale Council Local Plan Examination**

**Stage 2 Hearings**

**Matter 8:** Growth Delivery/Infrastructure Needs/Air Quality/Carbon Emissions

**Consideration of Conclusions from Viability Assessments and Mixed Use Capacity Study, for Employment and Mixed Use Proposals.**

**CC85 Task List - Task 36:** Council to provide a NOTE: Implications for Employment and Mixed Use Sites of recent studies (Aspinall Verdi and Viability Studies)

**Council's Response – 12 March 2021**

**Introduction**

1. The Council appointed two firms of consultants to produce reports assessing the viability of proposed new housing, new employment, and new Mixed use sites (Avison Young), and a separate study to assess the capacity of proposed Mixed Use sites (Aspinall Verdi).
2. The Studies were prepared concurrently although the Viability assessment for Mixed use sites was able to consider the conclusions of the Mixed Use capacity study, with two exceptions. Minor amendments were made to two sites, following changes to the developable area.
  - a. LP1088 West Vale Works – land in the NW of the site which is within a Flood Risk Zone 3 area is excluded for the developable area, and the capacities for residential and employment floorspace adjusted accordingly.
  - b. LP0289 land off King Cross Street – additional land to the NW of the boundary was added to the site, and the capacities for residential and other uses adjusted accordingly.
3. The conclusions of these Studies were published in August and September 2020 prior to the commencement of the Stage 2 Hearings in October. Following the Hearings, the Inspector requested that:
  - a. Comments are invited specifically on the documents during a period of public consultation. (CC85, Task 96). This took place between 12 February and 12 March 2021, and
  - b. The Council prepare a note assessing the implications of the reports' conclusions to the proposed Employment and Mixed Use allocations in the Local Plan (CC85 task 36)

4. Both Studies concluded before the introduction of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 came into force.
5. Similarly, it was acknowledged that at the time the studies were undertaken the country was still in the early stages of Covid-19. The Mixed Use Study states that

“...particularly from a property market perspective (it) takes time for the market to respond and for market evidence to reflect changing circumstances. In our assessment ... we have used our experience and judgement to assess the sites and looked at local precedents to inform the analysis. This is considered a robust approach whilst there is a lack of evidence to indicate how the development market will respond to Covid-19 in terms of design and density”. (Aspinall Verdi, 2020)
6. This Note should be read in conjunction with the Notes that a) reflect on the potential of the implications of changes in Use Classes Order (CC115), b) consider the use of indicative and gross site areas (CC117), and c) update of Employment Supply table.

#### **Mixed Use sites**

7. The Avison Young report into the Viability for Mixed Use allocations identifies the following main conclusions.
  - a. The viability of the mixed use allocations is heavily influenced by the uses included within the allocation. Apartments are not a viable form of development in any of the Local Plan Areas, and offices outside the Halifax Local Plan area are also not viable. However, a mix of houses, light industrial and/or retail are all viable forms of development in all the Local Plan areas.
  - b. Mixed use allocations should focus on ‘light industrial’ commercial uses rather than office outside of the Halifax Local Plan Area. On the basis that the majority of Mixed Use sites include a proportion of residential it would be inappropriate to include elements of B use development (B2 industrial and B8 storage) because of the detrimental effects on residential amenity.
  - c. Where possible the mixed use allocations should be based on residential dwellings rather than apartments, as viability is likely to be an issue.
  - d. The report highlights the fact that most of the proposed Mixed use allocations are brown field and suggests that the Council engage with the Combined Authority to seek funding to bring such brownfield sites forward.

8. The Aspinall Verdi report which assessed the capacity of proposed Mixed Use sites was undertaken to provide the Council with a more detailed and market focussed assessment of the suitability and capacity of each site. The main findings are as follows:
- a. The detailed assessment has resulted in an overall increase in number of dwellings that are feasible on Mixed use sites, and a decrease in the amount of employment floorspace.
  - b. The key changes are summarised in para ES8, which identifies several reasons including for instance, the reassessment of land and/or capacity, the availability of additional information etc
  - c. The report recommends three changes to allocations which the Council accept and propose as main Modifications.
    - i. Reallocation of LP0032 from Employment to Mixed Use
    - ii. Reallocation of LP0771 from Mixed Use to Housing
    - iii. Retention of LP1622 as Employment use, and not proposed as Major Modification to Mixed Use.
  - d. The report recognises that the Council has already identified issues of deliverability for some of the sites, and that it is actively investigating how to unlock sites by securing additional funding, and a list of potential sources is indicated.
9. In considering the conclusions of the two reports together the it is necessary to reassess the proposed mix of uses on several sites.

Sites assessed as unviable

10. The Viability Study concluded that, based on the mix of uses proposed in the Publication draft Plan, the sites listed in Table. 1 below are unlikely to be viable. The Council’s consideration for each site is included.

**Table 1. Mixed use Sites assessed as Unviable (Avison Young)**

LP Ref	Site	Mix of uses identified in MU Study	Conclusion
<b>Brighouse</b>			
LP0573	Mill Royd Street	Parcels for redevelopment identified within the site boundary for housing (apartments) and offices	For reasons outlined in a separate Note, the Council proposes a main modification to un-allocate the site as a Mixed

			Use allocation and designate it as a Regeneration Priority Area
LP0579	Bradford Road, Brighouse	Conversion	Retain apartments as proposed conversion
<b>Elland</b>			
LP0509	Dewsbury Road Elland	<p>Outline Planning permission (18/0815) for 90 apartments on part of site. Study presents two alternative options for employment element.</p> <p>a) B1a offices (7,900m2) b) B1c-B2 hybrid (5,000m2) small 'nano park' units</p>	<p>Reason: grant of planning permission for residential, viability conclusions that office not viable, recommendation of MU Study mix and use class change.</p> <p>Main Modifications proposed to Appendix 1:</p> <p>i) Total B floorspace - (5000m2) ii) Appropriate uses- E and/or B2, C iii) Total number of dwellings – 90</p>
<b>Halifax</b>			
LP0264	Well Lane/ King Street	<p>Residential apartments - (40)</p> <p>Office building capable of sub-division and multiple occupancy –(1,417m2)</p>	<p>Study indicated that mix of apartments and offices is not viable.</p> <p>Site is located on edge of town centre and suitable for recommended mix. The site, together adjacent land, has been a focus for Council unlocking activity, and future planned investment and opportunities for additional funding in the town centre may assist in bringing this brownfield site forward.</p> <p>It is intended to retain and extend the proposed mix of uses to incorporate other E uses, but review in the context of future regeneration funding opportunities.</p>

LP1170	Mulcture Hall Road	<p>Residential and B1c/B2 industrial.</p> <p>The MU Study proposed contemporary concepts for design/layout</p> <ul style="list-style-type: none"> <li>a) High density low rise housing</li> <li>b) B1c-B2 hybrid small 'nano park' units</li> </ul>	<p>Study indicated that development of the site is unlikely to be viable.</p> <p>Site is located on edge of town centre and suitable for recommended mix. The site, alongside adjacent land, has been a focus for Council unlocking activity, and future planned investment and opportunities for additional funding in the town centre may assist in bringing this brownfield site forward.</p> <p>It is intended to retain the proposed mix of uses, but review in the context of future regeneration funding opportunities.</p>
LP1431	former Mayfield Garage, Queens Road	Residential (town houses) and B1c and B2 terraced units to provide smaller accommodation for SME	Study indicated that development of the site is unlikely to be viable. Current planning application under consideration for B1c workshops on part of site. Retain
<b>Hebden Bridge</b>			
LP0922	Former Hebden Bridge Fire station	<p>MU study presented 2 scenarios for development</p> <ul style="list-style-type: none"> <li>a) 21 apartments with 997m2 employment</li> <li>b) 12 apartments with 2,213m2 employment</li> </ul>	<p>The Viability assessed option b), although mix of apartments and offices were not found to be viable. Site remained unviable with a change in dwelling provision to houses. The nature of the site and its location on the edge of the town centre make it particularly suitable for mixed use development. It is intended to retain the allocation and extend the proposed mix of uses to incorporate other E uses.</p>
<b>Todmorden</b>			

LP0327	off Halifax Road Todmorden	Not included as specific studies recently undertaken produced draft proposals and layout	Retain. Council Cabinet resolution to progress draft proposals
--------	-------------------------------	--	--

### **New employment sites**

11. The Avison Young report into the Viability for Mixed Use allocations identifies the following main conclusions.

12.

- a. The assessment demonstrates that the draft employment allocations within the Calderdale Local Plan Publication are generally not viable assuming a traditional 'developer led' approach to delivery. This was not considered surprising as most assessment of this nature identify viability issues with employment sites when adopting the developer led approach.
- b. Greenfield sites within the Elland Brighouse Local Plan areas are generally viable on the assumption that they are brought forward by end occupiers, who will purchase the site and develop specifically for their own occupation.
- c. The assessment demonstrated viability challenges associated with Brownfield sites but considered that sites within Elland and Brighouse could be brought forward viably for employment uses subject to the extent of the abnormal costs, although B1a office uses are unlikely to be viable.
- d. The biggest viability challenges are within Halifax, and the sites in Mytholmroyd and Ripponden, where it is considered that public sector intervention will be needed to deliver employment sites.

13. Eighteen of the twenty nine Employment assessed were assessed as viable. Those assessed as unviable at the current time, are listed I Table 2 together with the council's comments.

### **Employment sites assessed as unviable**

#### **14. Table 2: Employment sites assessed as unviable (Avison Young)**

LP Ref	Site	B use	Conclusion
<b>Brighouse</b>			
LP0332	Brow Mill Ind Estate, Brighouse Road, Hipperholme	B1c/B2	Viability assessed B1a although B1c proposed. Retain. Opportunity to widen uses to E use class
<b>Elland</b>			
LP0059	Land to West of Medical Centre, Stainland Road, West Vale	B1a	Opportunity to widen uses to E use class
<b>Halifax</b>			
LP0409	Bob Land/Hubert Street, High Royd Well	B1c	Opportunity to widen uses to E use class. Retain
LP0472	Lilly Lane, Halifax	B2	Site located within curtilage of existing manufacturing business. Retain
LP0805	Holmfield Railway line, Holdsworth Road	B2 B8	Site located within established industrial estate. Retain
LP0976	Clarence Mill, Pellon Lane	B1c B8	Consider opportunity to widen uses. Retain
LP1133	West Holmfield Industrial Estate	B1c B2 B8	Site located within established industrial estate. Retain
LP1203	Star garage, Wakefield Road	B1c B2 B8	Site located within curtilage of existing manufacturing business. Retain
LP1433	Land off Old Lane	B1c	Located adjacent to industrial premises
<b>Mytholmroyd</b>			
LP1622	Top Land Cragg Vale	B1 B2	Site would comprise extension to existing light industrial park. Retain. Opportunity to widen uses to E use class
<b>Ripponden</b>			
LP1640	Zodian House , Station Road, Sowerby Bridge	B1 B2	Site located within curtilage of existing manufacturing business. Retain

### Conclusions

15. The Mixed use capacity Study provided more detailed consideration of the capacity and feasibility to develop a mix of identified uses on the proposed sites. The Viability Study however indicated that a number of these sites would be unviable at the present time.
16. It must be acknowledged that both Studies were undertaken during the Covid pandemic, and coupled with the conclusion that more sites are viable when developed directly by the end user, it may be possible to develop site viably in the future with more certainty and a specific business and use identified
17. Given that the Use Classes order has changed recently , it is pertinent to review the specific 'appropriate uses' identified for Mixed Use and Employment sites, as more flexibility in changes of use, or range of uses (eg within the E class) may improve the viability of a proposal. On suitable sites, this would only be appropriate if a proposal was compliant with other Policies in the Local Plan
18. The current economic situation, together with the changes in the use classes highlight the important role in monitoring the delivery of employment floorspace.

#### Actions

19. Several Notes are being prepared following the conclusion of the Examination Stage 2 Hearings. The conclusions of Notes on the impact of the changes in the Use Classes order, the use of gross and indicative developable areas, must be considered in the context of this note on viability and Mixed use Capacity, in order to identify necessary changes to the Site Assessments and Site Supporting Evidence. These will be presented in a further Note for consultation
20. Given that the Viability Study has indicated issues around the development of employment sites in general, it is intended to revise the wording of Policies SD6 and SD7 to provide some flexibility in the type of development on site, should evidence be presented to show that developments within the specified 'appropriate uses' are not viable.