

OVERVIEW & SCRUTINY COMMITTEE

Developing a Strategy for Heysham Gateway 19th October 2016

Report of Chief Officers (Regeneration and Planning) and Resources

PURPOSE OF REPORT

To provide the Committee with an opportunity to have input into the development of the vision for the Heysham Gateway area, drawing on current draft planning policy and the views of external stakeholders, to help inform the emerging Local Plan and subsequently, future strategy and decision-making regarding the Council's own interests in the site.

This report is public

RECOMMENDATIONS

(1) That Overview and Scrutiny Committee consider this report, the Officer presentation and views of other stakeholders invited to the meeting and:

- give views on the draft vision for the Heysham Gateway area;
- in light of the above, put forward ideas for how best in planning terms to effect high quality and place changing regeneration in Heysham Gateway area, taking best advantage of the opening of the Bay Gateway, and recognising existing business and new investment demands;
- consider whether/what steps should be promoted to improve the built and natural environment in the area, to create a better interface between existing residential uses and their commercial neighbours;
- provide any further feedback in relation to future vision and strategy for the Heysham Gateway area.

1.0 Introduction

- 1.1 South Heysham is identified as a “**Regeneration Priority Area**” in the Lancaster District Core Strategy (2008). The preparation of the new District Local Plan needs to provide the most up to date guidance for new development and regeneration projects in the area.
- 1.2 The area is known as “**Heysham Gateway**”. Much of the vacant land is in public ownership, and this can be redeveloped to capitalise on demand generated by completion of the Heysham/M6 Link Road in 2016.
- 1.3 The term “Heysham Gateway” came from the council’s expression of interest for an enterprise zone in discussions with the Lancashire Enterprise Partnership in 2010. Although that bid for designation was not successful at

the time the North Lancashire Chamber have resurrected interest in such a designation recently.

- 1.4 The City and County Councils both own land in the vicinity, and this has been the subject of some recent viability assessment work undertaken by Carillion through the Lancaster Regeneration and Property Partnership, to help inform strategic development of the Heysham Gateway area and give both councils a better idea of the likely demands to arise after the completion of the link road.
- 1.5 Prior to seeking any specific decisions from Cabinet, however, it is considered appropriate to provide this Committee with an opportunity to have input into determining future planning policy and strategy for the site. Initially the Committee is requested to focus on the planning framework. Thereafter, any follow-up session will focus on what the Council's future objectives and strategy might be for its own landholdings/interests in the area, as need be.

2.0 Current Vision and Need for Refinement

- 2.1 At the moment the Council's primary vision (as set out in **Appendix A**) is “ *A regenerated area which capitalises on investment in the Heysham/M6 link road, the Port of Heysham and the energy sector by bringing forward in a planned and co-ordinated manner high quality development sites suitable for key growth sectors whilst addressing existing infrastructure issues and enhancing the unique environment of South Heysham*”.
- 2.2 The most recent studies associated with the emerging Local Plan suggest that the district is only just capable of being supplied with enough allocated employment land to meet the needs of business growth until 2031. Delivering the full potential of Heysham Gateway is important therefore to avoid the need to find sites elsewhere.
- 2.3 In corporate planning terms, there are three main reasons why the council must refine what its vision is:
 - a) *It needs to finalise its land allocations for this area before the council decides on a final Draft Local Plan in December 2016.*
 - b) *There are now demands to buy land for employment uses, and it needs to understand whether the uses requiring land are the right priorities for Heysham Gateway. In other words demand has changed already from negligible to popular. The council actually has choices to make about what it wants to see developed within Heysham Gateway within the broader scope of employment land allocations, rather than having to simply accept what is first offered.*
 - c) *On land not controlled by the two councils there is a pressing need to ensure that policy guiding planning applications aligns to choices the council wants to make about the range of uses to accommodate.*
- 2.4 The Council needs also to determine how best it should help deliver that vision in terms of its future strategies and actions. This includes how best to manage its assets in the area, what steps it might take to bid for external funding to improve infrastructure, and how to ensure that the needs of the business community are met.

- 2.5 With the imminent opening of the link road and growing interest in the area for new investment it is now essential that the council refines its strategic approach for the area's regeneration and embeds that in its new Local Plan.

3.0 Issues to Consider in Developing the Vision

- 3.1 To help facilitate discussions around that vision a Draft Development Plan Document for Heysham Gateway is attached to this report as **Appendix A**. This draft document is being prepared to support the emerging Lancaster District Local Plan, which will include detailed land allocations and be presented for council to agree a final consultation draft at the end of this year. At the meeting Officers will provide a high level presentation of key issues, to assist the Committee with its deliberations.
- 3.2 The presentation of a Consultation Draft Local Plan will also provide an opportunity for the wider business community and other land holders to either support or oppose its contents. It makes sense through the pre scrutiny process to find as much common ground as possible at this stage to aid the delivery of the Local Plan through the formal examination process.
- 3.3 Aside from the planning aspects, both the City and the County Councils are/will be considering their aspirations for the disposal of their land holdings within the Gateway. Now is the right time therefore for elected Members to consider what the final version of the planning document needs to contain, as that may have bearing on future property-related decisions.
- 3.4 Drawing on the above, Officers have informally discussed with Cabinet the approach they would prefer to take in terms of key planning and land disposal objectives in the Heysham Gateway area.
- 3.5 In terms of accommodating new investments, it is understood that Cabinet's informal view is that priority should be given to employment growth that is locally generated and creates jobs in areas such as manufacturing, power generation, research and development to directly benefit the local community on the Heysham peninsula. They prefer such an approach over utilising valuable employment land for warehouse or logistical uses which might support low job numbers locally.
- 3.6 An important aspect to consider is therefore the availability of land/space for accommodating new investment as well as meeting existing businesses' requirements and this will be explained and explored at the meeting.
- 3.7 To highlight this point, as currently drafted the land allocations document for the emerging Local Plan identifies land to enable a modest expansion of the Port of Heysham in line with requirements discussed with Peel Ports back in 2011. This would mean that in addition to finding sites for new investments, existing businesses on the Port of Heysham Industrial Estate could also need to be relocated to other sites nearby and facilitating that relocation should naturally be a priority in a vision for Heysham Gateway.
- 3.8 Since that first draft of the land allocations document, the Port of Heysham have been reviewing their future needs and it may no longer be the case that the Local Plan needs to facilitate their expansion. Clarity is being sought from on this issue, and representatives of Peel Ports have been invited to the Committee meeting.
- 3.9 Through normal liaison meetings with the business community, it is known that there is concern that there is insufficient provision being made to

accommodate growth in the logistics industry, although growth in this area will be essential as trade grows at the port, following the opening of Bay Gateway. The Committee will be able to debate these requirements with invited participants.

- 3.10 Delivering redevelopment against the priorities the council would wish is easy to apply to Council owned land where the Council has control over disposal of assets, but in relation to private sector sites the approach would need to be enshrined in planning policy to control development proposals, and could ultimately result in planning applications being resisted for a range of uses which would currently be acceptable on general employment land allocations.
- 3.11 As stated earlier, to assist the Committee in considering vision, the Officer presentation will cover the key issues and the recommendations of this report also provide some indicators to help frame the Committee's thoughts.

4.0 Current Planning and Property Disposal Challenges

4.1 Whilst Heysham Gateway presents great opportunity in regeneration and property terms, both Cabinet and Overview and Scrutiny Committee need to be aware that there are risks associated with the process of refining the Council's vision for Heysham Gateway.

- Current planning policy was prepared at a time when there was low demand for development in the area, and so it provides a significant degree of flexibility to consider a wide range of commercial uses on the sites in Heysham Gateway. It does not however seek to prioritise one commercial land use over another and indeed in the context of the level of demand up to now, could not afford the luxury of doing so. Even though the Council might wish to refine its thoughts on whether to prioritise land uses through the emerging Local Plan process, in the interim it would still have to deal with any new planning applications in the context of the existing policy approach – which may or may not fit with any future refinement of the vision for the Gateway area.
- The commercial environment has now changed in relation to south Heysham. The land in local authority ownerships (both County and City Council) benefit significantly from the construction of the new access road direct to the A683 and are attracting considerable interest from potential developers including offers to take options on development plots. In due course, Cabinet will need to decide how to deal with offers in relation to its own land to ensure that it obtains best consideration for its sites, without causing undue delay (such that potential investors that may well fit with any newly adopted vision, could, in the interim, choose to go elsewhere).

4.2 Nonetheless, it is important that the Council has adequate time to review future policy and strategy, to ensure they are fit for the future. It is not the case that demand for sites in the Heysham Gateway area would simply disappear indefinitely as a result of Council taking that time.

5.0 Conclusion and Next Steps

5.1 This is a good opportunity to define a clear vision and desired outcomes for Heysham Gateway before finalising the Local Plan policies for the area. This will then guide consideration of strategy for achieving that vision and the

supporting actions and allocation of resources, in context of other competing priorities and needs.

- 5.2 The above, and any other key matters arising, will help inform options and future respective decision-making by Council and Cabinet and with regard to both the preparation of the final version of the new Local Plan and separately, the Council's own landholdings in the Heysham Gateway area.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The expansion of Heysham Port if that remains a priority cannot be facilitated without the need to consider the impact of existing businesses in the area to be expanded upon. The potential to deliver additional sites for employment development could also impact on the local community's aspirations for other land uses around Middleton.

LEGAL IMPLICATIONS

There are no specific legal matters arising at this time. Nonetheless, the creation of a clear policy position in the emerging Local Plan should help to avoid any unnecessary challenge to related decision making in due course.

FINANCIAL IMPLICATIONS

There are no specific financial implications arising at this time. Any financial implications attached to future land/property related decision-making would be reported at that time. Furthermore, the establishment of clear planning policy should help manage the Council's financial exposure to any legal challenge.

OTHER RESOURCE IMPLICATIONS

The council owns land within the Heysham Gateway area and the creation of a strategic vision will inform decisions on land disposal and the management of its assets, including any open space.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to this report, in her capacity as Chief Officer (Resources). She has no further comments.

MONITORING OFFICER'S COMMENTS

Has been consulted and has no comments to add.

BACKGROUND PAPERS First Draft
Lancaster District Plan Land Allocations

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