

Agenda Item A10	Committee Date 4 February 2019	Application Number 16/00276/OUT
Application Site Lune Industrial Estate New Quay Road Lancaster Lancashire		Proposal Outline application for the demolition of industrial buildings and erection of up to 249 dwellings with associated access points
Name of Applicant Hurstwood Holdings		Name of Agent Mr Michael Gilbert
Decision Target Date 27 October 2016 Extension of time to 5 th February 2019		Reason For Delay Late consultation responses, submission of amendments and additional supporting information, lengthy negotiations including viability matters and a second committee site visit.
Case Officer		Mrs Jennifer Rehman
Departure		Yes
Summary of Recommendation		Refuse

(i) Procedural Matters

The application was submitted in March 2016 and later validated in July 2016. The application has been pending consideration since it was made valid. The local planning authority initially recommended that the application should be withdrawn. Instead the applicant took the opportunity to attempt to address concerns raised through the submission of amended plans and further supporting information. There have been a series of amendments to the proposal in the intervening months. Given the length of time the application has been pending, the Planning Committee also requested a second site visit, which is due to take place on the 28th January 2019. The Planning Committee's first site visit took place on the 5th December 2016.

1.0 The Site and its Surroundings

- 1.2 The site relates to 10.12 hectares of previously development land and premises forming part of the Lune Industrial Estate in Lancaster. It also forms part of a larger employment area known as Luneside. A slither of the western part of the site extends into land designed as open space. The Lune Industrial Estate is located south of the River Lune; east of Freeman's Wood and land allocated as Urban Greenspace (including recreational land) with 'Countryside Area' beyond and north and west of existing residential areas (Luneside West, Marsh and Abraham Heights). It is approximately 1.5km west of the city centre.
- 1.3 The site is irregular in shape and essentially forms two development parcels. The main parcel of land extends between New Quay Road to the north and Europa Way to the south. A small island of existing buildings in the northern part of this larger development parcel is excluded from the proposals (and the red edge). The buildings include an unrestricted B8 (storage and distribution use) unit occupied by Howdens and an unrestricted B1 (general industrial use) unit occupied by VMC developments. Open space at Freemans Wood lies immediately west of this larger development parcel. The eastern boundary of this parcel of the site extends up to and includes part of Paragon Way wrapping around a number of existing industrial premises in the northern section of the site, including the manufacturing businesses known as Metamark and Vuflex (both of which lie outside

the application site). The smaller development parcel is located between the above-mentioned employment premises (outside the red edge) and residential development associated with Luneside West) to the north and east. Both parcels contain a mix of buildings of varying condition and scale. At the point the application was submitted two significant buildings (one stone building fronting New Quay Road and the other a large pre-cast concrete building to the rear of the site) formed part of the proposals, which have since been demolished under the provisions of the Town and Country Planning (General Permitted Development Order) 2015.

- 1.3 The principal point of access and egress into the industrial estate is off New Quay Road, although access/egress is also available from Europa Way/Paragon Way within the estate via Willow Lane. The roads within the estate are not adopted roads. The closest bus stops/bus routes to the site are located on Willow Lane, Lune Road and St Georges Quay. The Strategic Cycle Network passes along New Quay Road following the River Lune. The city's railway station is located approximately 1km east of the site.
- 1.4 The topography of the site is relatively flat and low lying given its proximity to the River Lune. Existing site levels range from approximately 7.5m Above Ordnance Datum (AOD) along New Quay Road gradually sloping towards the southern boundary to approximately 6.2m AOD. On average, the levels are around 6.5m AOD. The site is located within flood zones 1, 2 and 3.
- 1.5 There are a number of protected trees along the site frontage and into the site (TPO No: 623 (2017)), which have been confirmed following the submission of the application. The adjacent River Lune is a Biological Heritage Site. Approximately 700m west of the site the River Lune enters the Lune Estuary (recognised as a Site of Special Scientific Interest (SSSI)) and Morecambe Bay (internally protected as a Special Protection Area/Ramsar Site). The site is outside the city centre's Air Quality Management Area but within its consultation zone. The site is also outside the city's Conservation Area and does not include or directly affect any designated heritage assets.

2.0 The Proposal

- 2.1 The application originally sought outline planning permission for residential development comprising up to 263 dwelling houses with an associated access. The proposal has reduced in scale during the determination period to comprise up to 249 dwellings.
- 2.2 As part of this outline proposal, the applicant seeks permission for the access arrangements to serve the development. Details in respect of layout, scale, landscaping and appearance are reserved for subsequent approval (reserved matters).
- 2.3 The applicant seeks to utilise the existing access off New Quay Road to serve the majority of the proposed residential development. This access would also serve the retained employment uses outside the application site (including those on the periphery of the site and the retained industrial island in the centre of the site). Two separate access points are proposed off the newly constructed residential estate roads to the east of the site, to serve the smaller development parcel. Access to Paragon Way will be maintained.
- 2.4 An amended indicative masterplan illustrates how the site could accommodate the development including the provision of public open space. This plan indicatively shows a haulage route along the far eastern boundary of the larger development parcel and an area marked up to show potential future commercial development. The commercial element illustrated on this plan does not form part of this outline proposal.
- 2.5 The application indicates that the proposed dwellings shall be between 2 and 2.5 storey houses reflective of the surrounding residential development with a mix of 2, 3 and 4 bedroom properties.

3.0 Site History

- 3.1 The industrial estate has an extensive planning history, which primarily relates to employment-related development. The most relevant planning history relates to an outline permission and subsequent reserved matters approval for the redevelopment of the site for employment purposes. The table overleaf also summarises relevant planning history relating to land and buildings adjoining the site.

Application Number	Proposal	Decision
05/01628/OUT	Outline application for the redevelopment of land at Lune Industrial Estate including amended access	Permitted
07/00195/REM	Reserved matters application for the erection of 10 units and upgrading of existing building (block N), provision of ancillary car parking and landscaping	Permitted
05/00103/OUT	Outline application for a mixed use development comprising 356 housing units, 136305 sq ft of industrial/commercial usage including a neighbourhood centre, car parking and means of access	Refused and allowed on appeal
05/01535/REM	Reserved matters application for the erection of 354 residential units (178 one and two bed apartments, 176 three and four bed houses) and associated parking and open space	Permitted
10/00660/FUL 14/00587/VCN 14/01084/VCN	Residential development comprising 403 units, associated highways works, open space and landscaping (and associated section 73 applications)	Permitted
12/01044/FUL	Erection of a General Industrial Unit at 7 Thetis Road (VMC Deveopments)	Permitted
13/00109/ELDC	Application for an existing lawful development certificate for the use as B8 storage and distribution at Unit 50 Brockbank Avenue (Howdens)	Certificate granted
16/01255/PAD	Prior approval for the demolition of redundant industrial buildings	Prior Approval granted

4.0 Consultation Responses

4.1 The following responses have been received from statutory and non-statutory consultees:

Consultee	Response
County Highways	<p>Objection to the proposed access arrangements to New Quay Road on the grounds of highway safety.</p> <p>Original objections relating to site sustainability were removed following the applicant's commitment to provide funding towards a new bus service between the city centre and the site via New Quay Road and improvements to the cycle route along New Quay Road. This funding for the bus service is £540,000. The improvements to the cycle route could be delivered via a Section 278 agreement and could be secured by planning condition.</p> <p>County is now satisfied with the submitted traffic assessment and addendums and advise that the traffic impacts of the development will not adversely affect the operation of the local highway network.</p> <p>They retain concerns over the illustrative layout plan in relation to the ability to provide a suitable turnaround facility/route for the new bus service and potential concerns over the access to the residential estate linking directly to the indicative haulage route.</p> <p>If approved the following conditions are recommended (together with the s106 for the bus service contribution):</p> <ul style="list-style-type: none"> • Estate roads to be built to adoptable standards to at least base course level • Access and off-site highway details to be agreed • Travel Plan • Construction Method Statement

Local Planning Policy	<p>Following the original policy objection, the summary below provides an up-to-date position in light of changes to policy and receipt of amended proposals:</p> <ul style="list-style-type: none"> • The adopted policy position is that the site is allocated for employment uses and the proposal would be a departure to the Development Plan; • Whilst emerging policy provides a more flexible approach to future land uses it does not support the piecemeal redevelopment of the site that concentrates only on residential development; • It is accepted that due to the level of objections received to the emerging policy, at this point, it should only be given limited weight; • The Council can demonstrate a 5-year housing land supply but it anticipates imminent changes by Government which will affect that position; • It is accepted that the industrial estate as a whole is no longer appropriate in this location in the long term but still has economic value evidenced by the number of businesses operating from the site; • The proposal will result in some economic displacement but it is recognised that the applicant, through its Framework Relocation Strategy and the fact the applicant has sought to invest in alternative premises in the Lancaster area, provides fair and reasonable steps to assist existing businesses and removes earlier concerns. However, the ability to secure the implementation of the Framework Relocation Strategy as part of any planning permission is questioned; • The lack of comprehensiveness remains a concern and it will result in potential impacts on residential amenity and the accessibility and operation of remaining employment uses, noting the best way to address these constraints would be through a comprehensive plan.
Council's Economic Development team	<p>Comments provided indicate that there is limited commercial property opportunities in Lancaster for businesses to relocate to from the site, with the majority on Lansil that forms part of the applicant's relocation offer. The Economic Development team note that there are opportunities elsewhere in the district which could support some businesses, particularly given the timetable set out in the relocation strategy but recognise that there is unlikely to be sufficient space at prices comparable to the existing site to relocate all the business affected.</p>
Strategic Housing Officer	<p>Concerned that the proposal does not propose any affordable housing and advises the LPA to seek advice on the viability matters to fully test whether the assumptions and development costs provided by the applicant are reasonable. The housing mix should incorporate one-bedroom units and three-bedroom bungalows (these are the main under-supply of housing types in Lancaster South).</p>
Lancashire County Council (Planning)	<p>Comments relate to the potential implications of residential development sitting alongside the existing, permitted waste transfer station. The approval of the waste transfer permission secured a routing plan via s106, requiring HGV movements associated with the waste transfer station to access/egress the waste transfer station via New Quay Road (opposed to Willow Lane). Amenity and safety concerns have been received in relation to the use of the residential estate roads for access/egress for HGVs associated with retained employment uses, in particular the waste transfer station. County would not consider Willow Lane an alternative route for traffic associated with this waste transfer station.</p>
Environmental Health Service	<p>Objection - The updated noise assessment fails to address earlier concerns in respect to the following:</p> <ol style="list-style-type: none"> 1. Background sound levels used in the assessment are not justified and do not provide representative background noise levels. 2. Assessment period is deficient and excludes Sundays and evening periods. 3. Uncertain predictions/measurements of industrial noise. 4. Acoustic character corrections – whilst further information has been provided within the revised report, arguably there could be additional tonality correction – especially in view of known tonal complaints from Supaskips and Spandex. <p>Notwithstanding the above, the revised assessment, even with significant mitigation, indicates that there will be significant adverse impacts in certain locations of the development site. On this basis, the site is considered unsuitable for residential development and should be refused.</p>

	<p>Inadequate assessment and associated mitigation of odour/dust impacts.</p> <p>Inadequate assessment of the impacts of the development on Lancaster's AQMA. A further air quality assessment should be undertaken to reassess the impact of the development using revised emission factors and new traffic survey data. The approach adopted should be clearly detailed and agreed given the issues evident within the Lancaster AQMA and the development should propose measures to minimise its transport impact.</p> <p><i>NB: At the time of compiling this report, no further comments have been received in response to the applicant's updated air quality and odour assessments. A verbal update will be provided.</i></p> <p>Despite deficiencies with the submitted report, the Council's Contaminated Land Officer recommends standard contaminated land conditions can be imposed should permission be granted.</p>
Environment Agency	<p>No objections subject to the imposition of the following conditions:</p> <ul style="list-style-type: none"> • Development to be carried out in accordance with the FRA. • Site Investigation for contaminated land. • No occupation of any part of the development until verification report demonstrating completion of works in accordance with SI remediation strategy.
Lead Local Flood Authority	<p>Following submission of amended information, the LLFA has withdrawn their objection, subject to a detailed surface water drainage details being provided at the reserved matters stage. The LLFA is satisfied with the principle of draining to the culverted watercourse if infiltration is proven unfeasible at the detailed design stage.</p> <p>The LLFA has indicated that the illustrative layout drawing does not address potential easements required over culverted watercourses noting that if the applicant wishes to divert such watercourses such would be subject to land drainage consent. The LLFA also note from the FRA that there are isolated areas of the existing site that are at risk of surface water flooding and development should be avoided in this areas, unless appropriate flood alleviation are put in place.</p>
United Utilities	<p>No Objections subject to the following conditions:</p> <ul style="list-style-type: none"> • Foul and surface water to be drained on separate systems • Development to be carried out in accordance with FRA • SuDS management and maintenance plan <p>NB: United Utilities have not responded to the latest consultation and amended FRA. They also note easement requirements for a rising main within the site.</p>
Natural England	<p>No objection subject to appropriate mitigation being secured by condition, as set out in the amended Habitat Regulations Assessment.</p>
Greater Manchester Ecology Unit	<p>No objections in principle on nature conservation grounds subject to consideration of the following:</p> <ul style="list-style-type: none"> • Meaningful open space be incorporated into the scheme; • Bat mitigation be incorporated into the proposal; • More of the existing trees should be retained and incorporated into high-quality landscaping and tree planting to compensate for losses; • Method Statement for the eradication of Japanese Knotweed required. <p>GMEU has provided the Habitat Regulations Assessment on behalf of the Council addressing the potential effects of the proposal on the nearby designated sites. GMEU had raised no objections to the survey effort undertaken given the site itself is not of significant nature conservation value and because site conditions have not substantively changed since the surveys were undertaken.</p>
Tree Protection Officer	<p>Objection remains on the grounds that the updated AIA needs to reflect the proposed changes to the scheme and include a tree survey, tree constraints plan, tree protection plan and method statement. Comments on the updated AIA are yet to be received. A verbal update will be provided.</p>

Education Authority	No objections. The County Education Authority have indicated that the development would not need to contribute towards the provision of additional school places and no financial contribution is required.
Public Realm Officer (POS Officer)	Objection to the proposed location of the public open space (POS) noting it is on the edge of the site with limited natural surveillance and would not be in keeping with good design practice. Concerns are also raised in relation to the close proximity of the POS to the proposed haulage route. Other concerns noted in the original representations from the POS Officer include the poor pedestrian connections between the site and the recreational grounds at Willow Lane and the need for off-site contributions towards Quay Meadow and outdoor sports provision.
Conservation Officer	No objections. The Council's Conservation Officer notes that the main conservation and heritage considerations relate to the setting of distant views of the city centre from across the River Lune, noting that the use of materials like other schemes adjacent to the river, will be important.
Lancaster Civic Society	Objection to the demolition of the historic stone-built mill building – this should have been retained for residential use. The Civic Society has also commented on the principle of the development raising concerns over what happens to retained businesses, the amount of development, lack of POS, pressure on existing infrastructure including the local highway network, unsafe links to the nearby school and local shops and the compatibility of residential development surrounding retained employment uses. They support the Education Authority in a recommendation for a provision of a new school. (NB: this position has subsequently changed with no requirement for the development to contribute towards education provision).
Lancashire Fire and Rescue Service	Standard comments received noting the development must comply with the access requirements of Building Regulations.
Lancashire Constabulary	No objections and provides a number of security recommendations in order to design out crime and the fear of crime.
Dynamo (Lancaster & District Cycle Campaign)	Objection on the following grounds: <ul style="list-style-type: none"> • Need to maintain and increase employment in Lancaster as well as provide homes. • The mix of increased residential traffic with large lorries (from retained employment uses) is worrying and seems very inappropriate. • No extra provision for cycling or walking including improved permeability with adjacent sites. • Any development should extend the shared-use path on St George's Quay to the end of the public road.

5.0 Neighbour Representations

5.1 The application has been subject to an initial consultation and subsequent consultations and publicity following amendments to the scheme. At the time of compiling this report, **137 letters of objection** have been received. This includes representations from a group of businesses on the Industrial Estate whom have collectively made strong objections, together with legal representations from adjoining businesses relating to legal rights of access over the estate roads. A summary of the main reasons for opposition are as follows:

Impact on the local economy including:

- Significant levels of employment (300 full time jobs) still exist and should be retained;
- Failure to adequately demonstrate the employment site is no longer appropriate or viable through lack of marketing;
- Some businesses will be unable to relocate (e.g. too costly, unable to retain staff, difficult moving equipment and unable to maintain business continuity); lack of suitable alternative premises; and businesses could be lost completely (or relocated outside the district);
- Loss of business and jobs would negatively affect local economy;
- Loss of highly skilled workforce (particularly for engineering businesses);
- Negative impact on welfare of local workforce;
- Loss of one business (or segregation of businesses) on the estate could negatively impact other businesses due to the supply chains/distribution links etc between businesses operating on the estate (or nearby);

- Little regard in the submission to the potential negative impacts of the development on the operation of retained employment land/premises (both in terms of compatibility with future residential uses and access/parking and traffic arrangements);
- The industrial estate has seen very little investment but where there has been investment (outside the application site) there is little evidence to suggest there is no demand for employment land/premises;
- Benefits of jobs created during construction is only temporary.

Housing and Policy matters including:

- The proposal is a departure from the Development Plan and does not align with the strategic plan for the area set out in the emerging Local Plan;
- The estate is not unviable or unsuitable for employment uses and is worthy of retention;
- No demand for more housing; jobs are needed to support residential use;
- Piecemeal redevelopment of the site is inappropriate and should form part of a co-ordinated masterplan to deliver sustainable development;
- The run down nature of the estate is a consequence of its management rather than lack of interest for employment purposes;
- The area provides no amenities and services;
- Lack of affordable/social housing;
- There are other areas in the city that could be regenerated without the economic impacts of this proposal (Old Mitchell's brewery site);
- Occupants of the new residential development along the Quay (Riverside development) have lodged complaints about noise and traffic from long established employment uses alongside them.

Traffic and highway safety concerns including:

- Claims that the development will reduce HGV movements but the majority of the HGV vehicles are associated with the retained businesses;
- Some retained businesses are required to access their premises via New Quay Road and will need access through the proposed residential site;
- Traffic assessment considered out of date;
- Indicative layout fails to have regard to retained businesses in the centre of the site in terms of their rights of access and turning provisions;
- Lack of sustainable public transport options;
- Traffic implications for more residential development on the west side of Lancaster which is reliant and affected by the one-way system and New Quay Road is already too busy at peak times;
- Mix of housing and employment within the estate would be unsafe, especially given poor pedestrian connections.

Noise and amenity concerns including:

- The adequacy of the air quality, odour and noise reports have been challenged;
- Residential development close to a waste transfer station and other heavy industrial businesses is unacceptable for both the amenity of future occupants and owner/operators of such neighbouring businesses; and,
- Complaints arising from new housing alongside the industrial estate is evidence that the nature and compatibility of uses is inappropriate.

Infrastructure concerns including:

- Lack of education provision to support more housing in the area;
- Lack of GP and dental surgeries; and,
- A potential increase risk of flooding in the area.

Other issues raised relate to the adequacy of submitted reports; the long determination period of the application which has caused uncertainty for businesses on the estate making it difficult to commit to future plans/investment; that the amended plans/supporting information offer no substantive changes to address earlier concerns and objections, and that; the applicant has failed to positively work and engage collaboratively with other businesses on the wider estate to deliver more sustainable proposals and /or to assist in any genuine relocation strategy.

The Federation of Small Businesses (FSB) has raised concerns over the displacement of existing businesses and employment that would be lost as a result of the development, noting that the proposals have resulted in a great deal of uncertainty for businesses affected.

Cat Smith MP has made representations to the application and **objects** on the following grounds:

- The industrial estate is thriving with most units occupied by local businesses employing local people with around 300 full-time equivalent jobs based on the estate. It is estimated that 100 jobs would be lost permanently and another 100 lost to the area if the development goes ahead.
- The proposal is piecemeal and leaves a number of businesses that generate HGV movements having to use the new estate roads, which will affect both the quality of life for new residents and could prejudice the operations of these businesses.
- The site should be developed as part of a Masterplan.
- Businesses on the site face a number of issues regarding relocation, such as finding suitable and affordable premises; staff retention; finding and training new staff; moving large equipment and offices; maintaining business continuity. The MP notes that these issues are greater when the companies are smaller and more locally based.
- Whilst recognising the housing needs, sustainable development in Lancaster also needs good quality employment in sustainable locations to support a strong local economy.

Councillor Jon Barry has also made representations **objecting** on the following grounds:

- No green space or community buildings as part of the application;
- Use of Willow Lane, Lune Road and West Road by HGVs associated with retained use (as no longer an access via the estate) will be intolerable to residents in these areas;
- Loss of employment and costs to businesses to relocate;
- The emerging local plan suggests that housing might be allowed in 6-10 years. The Council should keep to this framework to allow businesses to plan to relocate.

Steven Abbott Associates LLP have been instructed to **object** to the application on behalf of A1 Supa Skips. The main areas of concern are as follows:

- Concerns about the impact of the proposed development would have on their ability to continue operating their business from the site;
- A1 Supa Skips obtained planning permission from the County Council as a materials recycling facility in 2004 which was subject to a section 106 which defined the route which must be taken by HGVs under the height of 3.9 metres entering and leaving the site. This route is via New Quay Road and through the industrial estate. This routing agreement is a material consideration;
- The development would force vehicles through the new residential development, which depending on the size of roads could lead to highway safety and amenity issues;
- Concerns over proximity of the housing to the recycling centre and its operations;
- Concerns over the background noise levels reported as part of the application;
- Greater separation and acoustic mitigation required;
- Loss of employment and ability for existing business to continue operating.

2 letters of concern (but not objections) from existing business raising the following queries:

- Who is left responsible for the remaining roads on the estate and for haulage and access to Spandex;
- Concerns over lack of access to retained businesses via New Quay Road, leading to degradation of Willow Lane as a consequence of increased haulage traffic on this residential street;
- Wide Load access to Europa Way via Willow Lane will be prohibited as a consequence of existing traffic calming features on this road;
- A connection between Europa Way and New Quay Road should be required;
- Consideration is given to ensuring there is sufficient distance between residential development and retained businesses.

6.0 Principal National and Development Plan Policies

6.1 National Planning Policy Framework

Paragraphs 7 – 10 Achieving sustainable development
Paragraph 11 – 14 The Presumption in favour of sustainable development
Paragraphs 47 – 50 Determining applications
Paragraphs 54 – 57 Planning conditions and obligations
Paragraphs 59, 60, 62 – 64 Delivering a sufficient supply of homes
Paragraphs 73 – 76 Maintained supply and delivery
Section 6 – Building a strong, competitive economy
Paragraphs 91, 92, 94, 96 and 98 Promoting healthy and safe communities
Paragraphs 102 – 111 Promoting sustainable transport
Paragraphs 117 – 118, 122 – 123 Making effective use of land
Paragraphs 124, 127, 129, 130 Achieving well-designed places
Paragraphs 148 – 154 Planning for climate change
Paragraphs 155 – 165 Planning and flood risk
Paragraphs 170, 175 – 177 Conserving the natural environment
Paragraphs 178 – 183 Ground conditions and pollution
Paragraphs 213/214 – Annex 1 Implementation

6.2 At the 20 December 2017 meeting of its Full Council, the local authority resolved to publish the following 2 Development Plan Documents (DPD) for submission to the Planning Inspectorate:

- (i) The Strategic Policies and Land Allocations DPD; and,
- (ii) A Review of the Development Management DPD.

This enabled progress to be made on the preparation of a Local Plan for the Lancaster District. The DPDs were submitted to the Planning Inspectorate on 15 May 2018 for independent Examination, which is scheduled to commence in spring 2019. If the Inspector finds that the submitted DPDs have been soundly prepared they may be adopted by the Council later in 2019.

The Strategic Policies and Land Allocations DPD will replace the remaining policies of the Lancaster District Core Strategy (2008) and the residual 'saved' land allocation policies from the 2004 District Local Plan. Following the Council resolution in December 2017, it is considered that the Strategic Policies and Land Allocations DPD is a material consideration in decision-making, although with limited weight. The weight attributed to this DPD will increase as the plan's preparation progresses through the stages described above.

The Review of the Development Management DPD updates the policies that are contained within the current document, which was adopted in December 2014. As it is part of the development plan the current document is already material in terms of decision-making. Where any policies in the draft 'Review' document are different from those adopted in 2014, and those policies materially affect the consideration of the planning application, then these will be taken into account during decision-making, although again with limited weight. The weight attributed to the revised policies in the 'Review' will increase as the plan's preparation progresses through the stages described above.

6.3 Development Management DPD (adopted December 2014)

DM15 – Proposals involving Employment Land and Premises
DM20 – Enhancing Accessibility and Transport Linkages
DM21 – Walking and Cycling
DM22 – Vehicle Parking Provision
DM23 – Transport Efficiency and Travel Plans
DM25 – Green Infrastructure
DM26 – Open Space, Sports and Recreational Facilities
DM27 – The protection and Enhancement of Biodiversity
DM28 – Development and Landscape Impact
DM29 – Protection of Trees, Hedgerows and Woodland
DM35 – Key Design Principles
DM37 – Air Quality Management and Pollution
DM38 – Development and Flood Risk
DM39 – Surface Water Run-off and Sustainable Drainage
DM40 – Protecting Water Resource and Infrastructure

DM41 – New Residential dwellings
DM48 – Community Infrastructure

6.4 Lancaster District Core Strategy (adopted July 2008)

ER2 – Regeneration Priority Areas
ER3 – Employment Land Allocations
SC1 – Sustainable Development
SC2 – Urban Concentration
SC4 – Meeting the Districts Housing Requirements
SC5 – Achieving Quality in Design

6.5 Lancaster District Local Plan - saved policies (adopted 2004)

EC5 – Employment allocation
EC14 - Policy seeks to prohibit new businesses which would contribute to an overall increase in HGV movements.

6.6 Emerging Development Plan Policies

A Local Plan for Lancaster District 2011-2013 Part One: Strategic Policies and Land Allocations
DPD (Publication Version, February 2018):

DOS4 - Development Opportunity Site for the Lune Industrial Estate

EC1 – Established Employment Areas
EC5 – Regeneration Priority Areas
SP2 – Lancaster District Settlement Hierarchy
SP3 – Development Strategy for Lancaster District
SP6 – The Delivery of New Homes
SP8 – Protecting the Natural Environment
SP10 – Improving Transport Connectivity

6.7 Other Material Considerations

- National Planning Practice Guidance
- Employment Land Review
- Strategic Housing Land Availability Assessment
- Technical Guidance to the NPPF
- Strategic Flood Risk Assessment (October 2017)
- Surface Water Drainage, Flood Risk Management and Watercourses Planning Advisory Note (PAN) (2015)
- Application of the Flood Risk Sequential Assessment Test and Exception Test Planning Advisory Note (PAN) (February 2018)
- Open Space Provision in new residential development (October 2015);
- Meeting Housing Needs Supplementary Planning Document;
- Lancaster City Council September 2018 Housing Land Supply Statement;
- Housing Needs Affordable Practice Note (September 2017);
- Lancaster Strategic Housing Market Assessment (February 2018);
- Provision of Electric Vehicle Charging Points – New Developments (September 2017).
- Low Emissions and Air Quality Guidance for Development Planning Advisory Note (PAN) (September 2017).
- Noise Policy Statement for England (NPSE) March 2010

7.0 Comment and Analysis

7.1 The main planning considerations are as follows:

- Loss of Employment
- Housing Need
- Noise and Odour
- Sustainability, Traffic and Highway safety
- Air Quality
- Flood Risk
- Nature Conservation
- Design and open space

7.2 Employment Land considerations

- 7.2.1 The spatial strategy for the District is embedded in the Core Strategy (SC1 and SC2) which seeks to direct most housing and employment growth to the main urban areas of Lancaster, Morecambe Heysham and Carnforth. This is to promote and build sustainable communities with new development located where there is good access to public transport, employment, retail and leisure services/facilities to reduce and better manage the demand for travel, minimise the use of natural resources and safeguard our environmental capital. Specifically, Policy SC1 requires development proposals to be convenient to walk, cycle and travel by public transport between homes, workplaces, schools, recreational facilities and other services; to be on previously developed land; not be at risk of unacceptable flooding or cause flooding off-site; to be developed without loss or harm to features of biodiversity, landscape, archaeological or built heritage importance; and that the proposed use would be appropriate to the character of the landscape.
- 7.2.2 The application site relates to a large proportion of an existing allocated employment site, protected by saved Policy EC5. This policy identifies approximately 29 hectares of employment land in the Luneside area for a range of B1 (Business) and B2 (General Industrial) uses. B8 (Storage and Distribution) uses are discouraged due to the constraints of the local highway network for HGVs (Policy EC14). Core Strategy policy ER2 identifies the Luneside area as a Regeneration Priority Area and advocates mixed-use proposals for housing and continued employment. The application seeks a wholly residential development (i.e. not mixed use) on an allocated employment site. Subsequently, the proposal is a departure from the adopted Development Plan. Planning Law requires that applications for planning permission be determined in accordance with the Development Plan, unless material considerations indicate otherwise. Therefore exceptional circumstances should be demonstrated to justify a departure from the adopted Development Plan.
- 7.2.3 The applicant maintains a position that the relevant policies relating to the existing employment allocation and the housing policies are out-of-date and specifically that the saved employment allocation policy (EC5) does not explicitly safeguard the site from future alternative uses. This was the purpose of policy EC8, which was not a saved policy and therefore no longer forms part of the adopted Development Plan. The applicant sets out that the proposal accords with the spatial vision for development growth in the district (as set out in Core Strategy policies SC1, SC2 and ER2); that the site is not suitable or viable for employment purposes in the long term which is consistent with the Council's own evidence in support of the emerging Local Plan, and; that the proposal will positively contribute to the delivery of housing in the district. The applicant also argues that due to the level of residential development already permitted in the Luneside area, the proposed development would form a logical continuation to the regeneration of the area.
- 7.2.4 The Council acknowledges the long-term challenges faced with the continued use of the wider industrial estate for employment purposes. This is reflected in the emerging Local Plan, which seeks to take a more pragmatic approach to the regeneration of the Luneside area and specifically the Lune Industrial Estate. The emerging Local Plan (Policy EC1) does not include the Lune Industrial Estate as an employment allocation. As part of the emerging Local Plan the Council proposes to reallocate the estate as a Development Opportunity Site via Policy DOS4. The Council's evidence, in particular the Employment Land Review, recognises that Lune Industrial Estate is constrained by its location – isolated from the strategic highway network and effectively located at the end of a large cul-de-sac – and is not high quality employment land. It also highlights that neighbouring residential development potentially presents long-term compatibility issues. The Council's own evidence suggests that the loss of employment land from Luneside can, at least in part, be absorbed in the long term utilisation of underused employment land elsewhere in the district, for example providing a greater role for economic growth at the Heysham Gateway. However, it should be noted that the Council's aspirations in this regard may not accord with the demands of existing businesses which may have a locally-specific requirement for location within the City of Lancaster.
- 7.2.5 Notwithstanding the constraints described and the Council's aspirations for economic growth elsewhere in the district, the evidence does not categorically rule out employment uses on the site and indeed recommends its release (from employment land) be supported over time to ensure there is no shortfall of such land in the early phases of the plan period. Subsequently, the Council's approach focuses on the de-allocation of the estate over the longer term for comprehensive, mixed-use redevelopment. Critically, the emerging Local Plan seeks to address the regeneration of the industrial estate as a whole and for a mix of uses. The application site relates to land which the applicant only owns. Whilst this is a sizable part of the wider industrial estate, it would still present a

piecemeal approach to the estate's redevelopment. Equally, the proposal remains solely residential development. Whilst the Council continues to advocate the emerging policy position as part of the preparations for the Local Plan, due to the levels of objection received to the policy (from the applicant themselves), the weight that can be afforded to it is limited at this stage in the context of paragraph 48 of the NPPF.

- 7.2.6 The site contains around 312,000sq.ft of industrial floorspace. The applicant originally stated that approximately one-third was currently vacant, together with around 6ha of undeveloped and vacant land. The demolition of the two large buildings on the site since the application was submitted now contributes further to this. The applicant makes a case that the site is unviable in the long-term despite extensive marketing of the site for employment purposes. The Council does not dispute the applicant's conclusions in terms of the longer-term prospects of the (wider) estate. However, what is clear is that despite the current condition of the application site (and parts of the wider estate) it remains an active employment site with a number of businesses operating from within it. There have been representations made from businesses operating on the site suggesting the current residential proposal would affect around 300 jobs. During deliberation, Officers have viewed the site and noted that there remains a large proportion of employment activity despite significant areas of vacancy/dereliction. Additionally, and despite locational constraints, where there has been investment in the estate (not the application site), there appears to be no signs to suggest the uptake of improved employment premises has been limited or slow.
- 7.2.7 The proposals have elicited a significant number of objections to the application, many of which stress that the lack of investment and marketing of the estate has led to its current condition and its potential demise. There are strong objections from many of the business operators from within (and adjacent to) the site regarding the loss of this employment site. The reasons are summarised in paragraph 5.1 but it is clear there is genuine concern over the ability of existing businesses being able to viably and sustainably relocate elsewhere (if alternative premises exist) and for retained businesses to continue operating without restrictions given the increase in sensitive users (residential development) sitting alongside them.
- 7.2.8 Policy DM15 of the DM DPD primarily relates to proposals involving employment land and premises on unallocated sites. The reasoned justification supporting this policy clearly indicates that the Land Allocations DPD would provide the approach to future employment allocations. Whilst the criteria set out in DM15 provides useful tests that could be considered when assessing whether exceptional circumstances exist to support a departure from the adopted development plan position, it is not criteria that should be used as a general get-out clause for allocated employment sites to be lost.
- 7.2.9 Whilst there are large areas of the site vacant and underutilised, there are a number of employment uses operating from the site, which undoubtedly provides economic value and contributes to the local economy in terms of investment and job creation. The impacts on this will need to be weighed against the benefits of the proposal.
- 7.2.10 Whilst the applicant maintains a position that there is sufficient headroom in the existing supply of industrial land to absorb the impacts of the land to be lost, the applicant does accept that the proposals will have economic impacts. The applicant has been receptive to the officers' concerns regarding the impacts on affected businesses and they have considered potential re-location strategies in an attempt to mitigate the impacts. This has evolved during the determination period. The latest Relocation Strategy confirms that the applicant has, in a bid to provide alternative business premises, secured alternative commercial/employment premises in Lancaster. The principles and intentions behind the relocation strategy appear reasonable and fair, setting out a pragmatic and realistic timetable and an offer to provide slightly reduced rental rates for a 3-year period. The Council's Economic Development Team has also reviewed the proposals and indicate there are limited commercial opportunities in Lancaster for businesses on the Lune Industrial Estate to relocate to, noting the majority are on Lansil and that forms part of the applicant's relocation offer. There is better availability of commercial property in Morecambe and more limited opportunities in the rural areas. The Economic Development Team indicates that at present there does not appear to be enough units of the appropriate size for all the businesses from the Lune Industrial Estate to relocate to. However, the applicant's timetable set out in the relocation strategy does provide a longer period for tenants to seek alternative premises. Whilst this provides some opportunity to mitigate the local economic impacts, it will not remove the impacts completely. For some businesses, the costs to relocate (due to the low rates currently available on the site) will potentially make it unviable to continue operating. Furthermore, the ability to secure the measures set out in

the relocation strategy are unlikely to meet the legal tests for imposing conditions and securing a planning obligation.

7.3 Housing Needs

- 7.3.1 At the time when the application was submitted, the Council could not demonstrate a 5-year housing land supply. More recently, following the publication of the revised NPPF (July 2018) and the publication of the 2016 sub-householder projections in September 2018, the Council has revised its 5-year land position using the standard methodology described in the NPPG, which now demonstrates that the Council can demonstrate a 5-year housing land position. Notwithstanding this, there is clear government guidance indicating that the outcomes of the revised (national) methodology will be revised again, so little weight is given to the current oversupply position.
- 7.3.2 Despite some significant shifts in relation to housing supply since the application was submitted, the Government maintains its position that Councils should seek to significantly boost the supply of housing. Subsequently, even if the Council is able to demonstrate a 5-year land position, this does not mean housing development should not be supported. The key test is ensuring such housing constitutes sustainable development. Similarly given relevant policies in the determination of this application are considered out-of-date, the trigger of the tilted balance set out in the presumption of sustainable development is still engaged. This means granting planning permission unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits of the proposal, when assessed against the policies of the Framework taken as a whole.
- 7.3.3 The proposed development would provide up to 249 dwellings on previously developed land within Lancaster. There remains some concerns over accessibility issues to local services and facilities, which are addressed later in the report, but the principle of housing (notwithstanding the employment allocation) is not an unreasonable land use proposition in this location.
- 7.3.4 In terms of the provision of affordable housing, the applicant initially proposed no affordable homes on the site due to the nature and extent of abnormal costs associated with the redevelopment of the site. Lengthy viability negotiations have taken place and with the support of an independent viability consultant, the agreed position is that 22 affordable units (9% of the total number of dwellings proposed) can be provided. This is significantly below the policy expectations but on the basis that policy DM41 allows for viability matters to be considered, it does not render the scheme contrary to policy. However, it is noted that the extent of abnormal costs is greater due to the piecemeal nature of the development within the wider industrial estate and the need to implement significant acoustic buffer works to address incompatibility issues between the proposed residential development and retained employment uses within and around the site. By consequence, a more comprehensive development of the wider site could, theoretically, be capable of achieving greater returns in terms of affordable units.

7.4 Noise and Odour considerations

- 7.4.1 The exclusion of some areas of the wider industrial estate raises the issue of compatibility between proposed residential use and retained business and industrial use. The scheme excludes a small pocket of industrial development in the centre of the site where Howdens and VMS are located. Both of these premises enjoy unrestricted industrial B2 and B8 uses. Along the south and eastern boundaries of the larger development parcel, there are a number of large general industrial uses including a waste transfer station. The smaller development parcel also bounds these adjoining industrial uses. Access and egress to retained employment premises is via New Quay Road, with secondary access for some businesses via Europa Way. The planning permission for the operation of the waste transfer station is subject to a routeing plan requiring access/egress via New Quay Road. This is a material consideration in the determination of the application.
- 7.4.2 Given that the wider site has not been assembled for this proposal, the applicant has been faced with the difficult task of attempting to address the potential impacts and the relationship between these conflicting uses through various supporting documents, including noise and odour assessments. In relation to noise, the proposed scheme will need to include in-built acoustic mitigation measures, and these are indicated as a 6m high acoustic barrier around the southern boundary of the site extending northwards for a portion of the eastern site boundary. Additional acoustic fencing is also required in a number of other locations including the site frontage along the Quay, along the proposed (albeit indicative) haulage route and around part of the commercial island

in the centre of the site. The applicant's own assessment indicates amendments would be required to the layout to reduce the noise impacts but goes on to suggest such could be capable of control by planning condition.

- 7.4.3 The Councils' Environmental Health Team has commissioned an independent consultant to review the applicant's noise assessments. The conclusions from that independent review and comments from Environmental Health indicate that the applicant has failed to address all the original concerns and deficiencies of the original report (as summarised in our consultation section of this report). Even with significant mitigation, the applicant's own assessment predicts excesses over background noise levels that would indicate 'adverse to significant adverse' impacts. The Noise Policy Statement for England and paragraph 180 of the NPPF clearly states that significant adverse impacts should be avoided in the interests of safeguarding health and the quality of life for future occupants. Paragraph 182 of the NPPF is also relevant. This states that planning decisions should ensure new development can be integrated effectively with existing businesses and that existing businesses should not have unreasonable restrictions placed on them as a result of development permitted after they were established. In this case, the proposed mitigation is clearly insufficient to protect the amenities of future occupants (in certain locations of the development) and could clearly prejudice the future operations of existing businesses.
- 7.4.4 The applicant maintains that consideration of the noise impacts can be conditioned and re-assessed at the reserved matters stage. Given the scale of the development, the nature and extent of surrounding employment uses and the extent of the site affected by potential noise impacts, Officers are not convinced such can be adequately dealt with by condition. On this basis, the proposal is considered to be non-compliant with DM35 and paragraph 180 of the Framework.
- 7.4.5 With regard to potential odour impacts, the applicant's original assessment was considered deficient and a revised assessment has been carried out and submitted which is still pending consideration by the Council's Environmental Health Officer. Principally this assessment recognised the potential odour impacts of the retained industrial uses and undertook further observational assessments. The main sources of odour detected during the survey effort related to exhaust fumes, building waste, refuse and cement. The applicant contends the impacts overall are likely to be 'slight adverse' in one location (around Metamark) and 'negligible' around the waste transfer station (Supa Skips) and not significant overall. No mitigation is proposed. A verbal update will be provided on this matter once further comments are received from our Environmental Health Officer.

7.5 Sustainability, Traffic and Highway Safety Considerations

- 7.5.1 National and local planning policy recognises that consideration of transportation has a vital role to play in facilitating sustainable development. In particular, developments that generate significant movements should be located where the need to travel will be minimised and the use of sustainable transport modes can be maximised. Core Strategy policy SC1 makes this point quite clear and indicates that a sustainable location for residential development is normally 400m safe walking distance from a public transport route; less than ½ hour by public transport from local services such as GP practice, employment areas and town centres, and; less than 1km by a safe direct route to the District's Strategic Cycle network (amongst other criteria). The purpose of the Development Plan policy aims to support the District's regeneration, improve resident's quality of life and minimise the environmental impacts of traffic and to do this development should be focused in accessible and sustainable locations in the first instance. The Development Management DPD sets out more specific policies in respect of enhancing accessibility and transport linkages (see Paragraph 6.3 for details). The applicant has been mindful of these policy considerations and has submitted a Transport Assessment (TA) in support of their application. The scope of the TA has been the subject of pre-application discussions with the Highway Authority. The TA concludes that the proposed development is sustainably located and can be accommodated without detriment to the operational capacity or safety of the local highway network nor would it create 'severe' impacts.

7.5.2 Accessibility and sustainability

The site is within reasonable walking distance of the city centre for employment, retail and health facilities. It benefits from good access to the strategic cycle network, which runs along the River Lune and good connections to a network of public rights of way, mainly to the west of the site. Access to public transport to serve the proposed development is considered poor. Whilst there is a bus stop located on Willow Lane (circa 300m south of the site) access to Willow Lane can only be taken via the internal estate roads serving the wider industrial estate (Europa Way). These roads

are outside the applicant's control and are not included within the application site; they are unadopted, poorly maintained, unlit with no footway provision. Contrary to the assertions in the original TA (suggesting there is a pedestrian access to Willow Lane), the bus stop, school and small retail shop on Willow Lane (together with access to Coronation Field) are considered inaccessible to and from the application site. There are bus stops on Lune Road (circa 1km from the site) and St George's Quay (circa 1.4km) which exceed the recommended 400m walking distance.

7.5.3 In order to address the Highway Authority's initial objection over the sustainability of the site (as a consequence of the site's poor access to public transport/connections to Willow Lane), the applicant has now committed to a significant financial contribution (£540,000) to fund a new bus service between the city centre and the site. This shall provide a new service along the quayside and is judged necessary to make the development acceptable, particularly given the poor connections between the site and Willow Lane. This bus service will undoubtedly provide added benefits to the wider existing community that live and work in and around the Luneside area. The applicant has also committed to widen and extend the cycle way along New Quay Road for a length of approximately 250m. The Highway Authority no longer objects on the grounds of sustainability and accessibility. The above mitigation can be secured by planning condition and a planning obligation in the event the planning application is supported. This would ensure the proposal complies with the relevant parts of DM20 and DM21 of the DM DPD together with the objectives set out in chapter 9 of the NPPF (specifically paragraphs 108 – 110).

7.5.4 Impact on the local highway network

Turning to the potential impacts of the proposal on the operation and safety of the local highway network. Paragraph 109 of the NPPF plainly states that development should only be refused on highway grounds if there would be an unacceptable impact on highway safety or the cumulative impacts on the road network would be severe. Currently the industrial estate has two points of access. The main access, which is located off New Quay Road, and a secondary access off Willow Lane, which is located within a residential area. In respect of New Quay Road the primary point of access would be regarded as being via Damside Street (1.8km to the east) and on to Cable Street (A6) in the centre of Lancaster. Secondary access points are available via Lune Road/West Road. There are a number of extant residential planning permissions on New Quay Road which are in varying stages of completion. Although some industrial uses on the estate are retained (excluded from the proposals), the composition of traffic using the route to and from Cable Street will change significantly from a mixture of private cars and HGVs to a predominant proportion of private cars.

7.5.5 Trip generation analysis and modelling has been undertaken to support the application. The scope of this analysis was agreed with the Highway Authority in advance of the submission and is still regarded acceptable by the Highway Authority despite the age of the traffic surveys (2013). The 2013 traffic surveys were undertaken at the two existing site accesses to determine the traffic generated by the B1, B2 and B8 uses at the site. These surveys showed 147 two-way movements in the morning peak and 180 two-way movements in the evening peak. At that time there was 79% occupancy on the site and as such a pro-rata increase was applied to the traffic data in order to assume full occupation, including the existing figures to 164 two-way movements in the morning peak and 189 two-way movements in the evening peak. The proposed trip generation figures accounts for the residential development and the retained industrial units (Howdens and VMC) concluding in the morning peak there would be 180 two-way movements and in the pm peak 185 two-way movements. The residual trip generation in the morning peak would be slightly higher and in the evening peak slightly lower. The critical point the applicant makes is that the make-up of the movements will be markedly different, noting a significant reduction in potential HGV movements.

7.5.6 There have been some concerns raised over the robustness of the assessment given it is unclear how the traffic survey data and subsequent trip generate can reflect the actual movements associated with retained uses unaffected by the proposal to the east and south of the site. There have been objections received noting that the nature of the uses to be lost are not necessarily the highest HGV generators and the retained uses outside the application site contribute mostly to these movements. The likely outcome being that the actual reduction in HGV movements may be less than suggested by the applicant. There is some validity in this argument. However, the applicants' approach is reasonable and consistent with usual best practice. Despite various iterations and additional addendums to the original TA, the Highway Authority does not object on the grounds of the adequacy of the TA submitted.

7.5.7 The TA and subsequent addendums have included operational capacity assessments for key junctions, principally the Cable Street/Damside junction. The modelling for this junction suggests that the additional traffic emanating from the development together with the anticipated flows from the extant planning permissions, which exist along St Georges Road and New Quay Road would not lead to any significant congestion at this junction. The representative from the Highway Authority has visited the site and can concur with some of the comments raised from objectors over queuing along St George's Quay. However, they are satisfied that during the peak hour traffic period the limited amount of queueing readily dissipated over a short period of time and would not be classed as 'severe'. In conclusion, the traffic generated by the development is considered acceptable and would not adversely affect the operation or capacity of the local highway network. On this basis, the development is considered compliant with paragraph 108 of the NPPF and DM20 of the DM DPD.

7.5.8 Access arrangements

The original proposals sought a new principal access off New Quay Road and a pedestrian access towards Willow Lane (as set in the TA). The access arrangements have varied throughout the determination period with one amended scheme providing two separate access points off New Quay Road: one serving the proposed residential development and a separate access proposed to serve a new Haulage route through the site to enable access/egress for retained employment uses to the east and south of the site. The latest amendment, which our recommendation is based upon, reverts to a single access utilising the existing access arrangement. Two further access points are proposed off the residential estate roads to serve the smaller development parcel to the east. All access points are priority-controlled junctions. There are no highway safety concerns or capacity issues associated with the proposed access arrangements for the smaller parcel of land. These could be secured by planning condition. The principal access of New Quay Road, however, is no longer accepted. Whilst there are no capacity issues associated with this junction, the proposed design and overrun area, and essentially a shared access for both the residential development and retained employment development, is considered sub-standard and unsafe. The Highway Authority has objected on this basis. This element of the proposal conflicts with the requirements of policy DM20 of the DM DPD and paragraph 108 of the Framework and therefore forms one of **the** recommended grounds for refusal.

7.5.9 Haulage route

The provision of a haulage route has evolved during negotiations over the compatibility of this residential scheme sitting alongside retained employment uses and the need for the applicant to demonstrate that the proposal would not prejudice access/egress and the operation of surrounding employment uses. The requirement for a haulage route is considered a necessary requirement of the proposal from both an amenity and design perspective but also to mitigate potential economic impacts. As noted above the current arrangements also present highway safety concerns. Subject to an acceptable access arrangement being secured, it is accepted that the precise location and routing of the haulage road could be addressed at the reserved matters stage, although its requirements would need to be secured by planning condition. The position of this route is likely to be in the area indicatively shown on the latest amended plan because of other constraints, such as noise impacts and mitigation. In principle, the provision of a haulage route to serve retained employment uses is acceptable and would not result in adverse highway impacts. Its purpose is principally to prevent the use of the proposed residential streets by HGVs as well as securing and maintaining suitable access/egress routes for retained employment uses outside the application site.

7.6 Air Quality considerations

7.6.1 The proposed site lies outside the City's Air Quality Management Area but due to the changes in the composition of traffic generated associated with the development, the impacts of such have been assessed as part of this proposal. The Council's Air Quality Officer has had fundamental concerns over the traffic data used as part of the air quality assessment, with a concern that the likely reduction in the HGV movements is far less than what may actually occur on site. In light of the Highway Authority accepting the traffic survey data, it would be difficult to sustain an argument to the contrary. In simple terms, the applicant's case is that the proposal will have a beneficial impact on the AQMA due to the reduction in HGV movements. The Air Quality Officer's position (though updated comments are due to be provided in response to the applicant's amended assessment), is if the traffic data was adjudged and HGV movements were not as low as predicted, the impacts on the AQMA may change to neutral or slightly adverse. The applicant does not share this view and maintains in the amended scheme the proposal will not adversely affect the AQMA. Nevertheless, having regard to the current air quality position of Lancaster's AQMA, mitigation is proposed

including the cycle/bus vouchers which could be delivered and achieved through the implementation of a Travel Plan. Furthermore, and whilst not required for air quality reasons, the contribution towards a new bus service will also help minimise traffic and therefore emissions between the site and the city. On this basis and notwithstanding the outstanding comments due to be provided before the Committee meeting, the proposal is unlikely to conflict with the objectives set out in paragraph 181 of the Framework and DM37 of the DM DPD.

7.7 Flood Risk and Drainage

- 7.7.1 The site straddles all three flood zones with a large majority of the site located within Flood Zone 3 which is defined as having a high probability of flooding. It is acknowledged that the site is within an area benefiting from flood defences with crest levels of the defences at the site set at a minimum of 8.15m above Ordnance Datum. The NPPF and Policy DM38 of the DM DPD seeks to direct new development away from areas at highest risk of flooding. New development, in areas which are vulnerable to flood risk, are required to meet the Sequential and Exception Tests as appropriate and provide site-specific flood risk assessments (FRA) to demonstrate the site is not at risk of flooding and would not increase the risk of flooding elsewhere.
- 7.7.2 To support the proposals, the applicant has provided an FRA and Drainage Strategy (with subsequent addendums) together with a Flood Risk Sequential Test. The Sequential Test should demonstrate that there are no reasonable available sites in areas with a lower probability of flooding that would be appropriate to accommodate the type of development and land use proposed. In accordance with the NPPG, a pragmatic approach to the availability of alternative sites has been taken. The site is located within the Luneside Regeneration Priority Area and so it is accepted that the scope of the Sequential Test be limited to this area only. This is consistent with how the local planning authority has considered other development proposals in the Luneside area. The applicant's assessment is reasonable and thorough and concludes there are no sequentially preferable sites within the Regeneration Priority Area to accommodate a comparable proposal. Officers are satisfied with the assessment undertaken and conclude that the sequential test is satisfied.
- 7.7.3 Due to the flood risk vulnerability of the development (categorised as 'more vulnerable') combined with the site's location within parts of Flood Zone 3, the Exception Test should also be satisfied. The Paragraph 160 of the NPPF states that for the Exception Test to be passed it should be demonstrated that:
- a) The development would provide wider sustainability benefits to the community that outweigh the flood risk; and,
 - b) The development will be safe for its lifetime taking account of the vulnerability of its users, without increasing the flood risk elsewhere, and, where possible, will reduce flood risk overall.
- 7.7.4 With regard to the first requirement of the Exception Test, it is the applicant's case that the proposed development constitutes a sustainable form of development, which will positively contribute to the Council's wider regeneration objectives for the Luneside area and will positively contribute to the supply of housing in the district. Officers acknowledge that there are benefits associated with the proposal but for the reasons set out above there remain some significant negative aspects to the proposal which may, on balance, result in the proposal not being considered sustainable in the whole or meeting exceptional circumstances to warrant a departure to the development plan. Officers will address whether the Exception Test is satisfied when addressing the planning balance at the conclusion of this report.
- 7.7.5 Turning to the second requirement of the Exception Test, the application is supported by a site specific FRA (and subsequent addendum reports), together with a detailed drainage strategy (as amended). In order to ensure the development is not at risk from flooding, flood risk mitigation is required. The proposal includes the following mitigation:
- finished flood levels being set at least 600mm above existing ground levels;
 - that safe access and egress in the 1 in 100yr plus climate change event can be provided (though reliant on the flood defences like much of the Luneside area);
 - flood warning measures can be put in place, and;
 - the incorporation of sustainable drainage.

The Environment Agency has raised no objections to the proposal subject to the implementation of the FRA in particular securing the agreed finished flood levels.

- 7.7.6 The drainage strategy (as amended) indicates that surface water shall be restricted to existing brownfield run-off rates with discharge to the culverted watercourses that traverse the site and eventually outfall to the River Lune. The LLFA is now satisfied with the proposal subject to a detailed drainage scheme being conditioned in the event planning permission is granted. In conclusion, and except for our consideration of the Exception Test, the applicant has adequately demonstrated that the site is capable of being developed without being at significant risk of flooding or increasing the risk of flooding elsewhere. Consequently, and subject to the imposition of appropriately worded flood risk and drainage planning conditions, the proposal does accord with the requirements of paragraph 163 of the NPPF, DM38 and DM39 of the DM DPD in relation to ensuring the development would not be at risk of flooding.
- 7.7.7 The LLFA recognises that the layout is only indicative but have made comments in relation to two matters. The first being the close proximity of dwellings to a number of existing culverted watercourses that traverse the site and their associated easement requirements and the second matter relating to isolated areas of the site that are affected by surface water flooding. With regard to the first point, the applicant maintains that the alleged watercourses are private drains but indicates further consultation would be carried out with the LLFA at the point of reserved matters and the detailed design stages of the development. The principle to discharge to these drains/watercourses is not necessarily disputed. The issue will be ensuring that the site can accommodate the amount of development having regard to the future drainage infrastructure of the site and the need to provide any necessary easements. With regard to the second point, there are only very small pockets of the site (largely limited to the estate roads and a small area within the smaller development parcel) that are subject to surface water flooding. These areas are not significant for either the 1 in 30 year or 1 in 100 year events. Officers are of the opinion that the extent of surface water flooding would not be a significant constraint to the development of the site and that the layout, detailed drainage scheme and finished floor levels (at reserved matters and condition stages) can design out any potential concerns.
- 7.8 Nature Conservation and Biodiversity
- 7.8.1 The industrial estate is largely dominated by buildings and hardstanding and is therefore not of significant nature conservation value. Notwithstanding this, there are buildings and trees on the site that may support protected species, which are a material consideration. The site does, however, lie within close proximity to the River Lune Biological Heritage site, the Lune Estuary Site of Special Scientific Interest, Morecambe Bay SPA/SAC (designated nature conservation sites) and Freeman's Wood Biological Heritage Site. In light of these circumstances, the application has been supported by an ecological appraisal and appropriated protected species reports. The reports submitted adequately evidence that there are no significant ecological constraints associated with the redevelopment of the site and that the likelihood of significant adverse effects on the special interests of the nature conservation sites is likely to be low. Due to the nature of the proposed works and the geographical distance between the site and the identified non-statutory designated sites (BHS's), no impacts are anticipated. The Council's ecology advisor, GMEU, has raised no objections to the proposal and comment that the mitigation measures set out in the submitted reports are proportionate and acceptable and would adequately ensure that there are no adverse impacts on protected species. Given the condition of the current site, the redevelopment of the site will provide opportunities for new landscaping which if designed appropriately could provide net gains to biodiversity.
- 7.8.2 Despite the heavily developed nature of the site, there are a number of trees within the estate that contribute to the amenity of the area. The applicant's Arboricultural Implications Assessment (AIA) indicates that the majority of trees within the site are not high value individual specimens and their removal would not present a constraint to development. There are a number of higher value trees along the site frontage and around the access which from a design, ecology and amenity perspective should be retained. The latest access proposals (utilising the existing access), indicative proposals and the updated AIA (as amended) demonstrate that the majority of these protected trees are capable of being protected and retained. The Council's Tree Officer is yet to comment on the revised AIA, however, Officers are satisfied that the impact on trees and replacement landscaping is capable of being dealt with as part of any future reserved matters application.
- 7.8.3 With regard to the potential impacts of the development on the designated nature conservation site, these relate mainly to the potential indirect impacts that could arise from water pollution and

disturbance from increased recreational pressures on Morecambe Bay. In order to comply with the Habitat Regulations, the local planning authority, as the competent authority, have undertaken a Habitat Regulations Assessment (HRA). This concludes the development will not affect the integrity of the European sites, providing that conditions are imposed on any grant of planning permission securing the following:

- an Environment Construction Method Statement;
- avoidance of pollution arising from site remediation; and
- homeowner information pack providing information about the nature conservation importance of the bay and the need to avoid any recreational disturbance of birds using the bay.

Natural England has raised no objections to the proposal and concur with the conclusions of the HRA.

7.8.4 Overall the proposal is considered not to have any significant adverse impacts on nature conservation and with appropriate mitigation (through the imposition of planning conditions) conforms with paragraph 175 of the NPPF, and DM27 and DM29 of the DM DPD.

7.9 Design, Amenity and Open Space considerations

7.9.1 There is significant emphasis within the revised NPPF to create high quality places with good design being a key aspect of achieving sustainable development. Paragraph 127 of the NPPF requires decisions to ensure development proposals function well and add to the quality of the area; are visually attractive; establishes a strong sense of place; provides an appropriate mix of development including open space, supports local facilities and transport networks, and; fundamentally creates places that are safe, inclusive, accessible and promotes health and well-being.

7.9.2 The relationship of the proposed residential development to retained employment uses both on the periphery of the site and the units that are central to the main development parcel, has and remains, a fundamental constraint to the development of the site. It is difficult to see how the position and relationship of the development to adjoining industrial units can create a place of high quality and good design and can achieve an acceptable standard of amenity for future occupants. Whilst the application is in outline form only, Officers must be satisfied that the site is capable of accommodating the development applied for, which is 'up to 249 dwellings'. This does not simply mean 249 residential units can fit on the site, but that the maximum number of units can fit on the site together with the appropriate infrastructure and other planning requirements, and that such is capable of delivering a sustainable, high-quality form of development.

7.9.3 Compatibility of residential and industrial uses are not uncommon and it is noted that the residential development of Luneside West is located up against some employment uses with some acoustic mitigation. There are differences between the current proposal and other adjoining residential sites. The first is that this proposal affects access and egress for retained employment uses both within the main part of the development site and on the periphery, meaning traffic to and from those uses will affect the proposed residential development. Secondly, the nature and scale of uses neighbouring this site are greater and will have different impacts to those affecting other previously-approved residential development. Nevertheless, all proposals should be considered on their own merits having regard to relevant policy and guidance at the time of the determination.

7.9.4 In terms of on-site open space requirements, the typologies and square metre area requirements is potentially, capable of being provided on the site. The fundamental issue will be where this open space is located. Again, whilst a matter for consideration at the reserved matter stage, it is clear that in order to achieve the maximum number of units applied for, the only likely location for the main area of public open space is located in the areas constrained for housing due to the noise impacts. Public open space located outside the main developable areas located alongside a potential haulage route and neighbouring industrial uses is unlikely to meet the aims and objectives of delivering a well-planned development on this site. Similarly, the inclusion of acoustic measures set out in the acoustic report, comprising 3m high barriers along the site frontage and a 6m barrier to the south and east are equally not conducive to good design.

7.9.5 The provision of a haulage route is considered a necessary requirement to safeguard the future amenity of the residential development and to safeguard access and egress for surrounding businesses. This could be secured by condition. The design and layout of the development would

need to respond to the provision of the haulage route and would require a greater degree of separation between the built development and the road to provide a suitable standard of amenity and good design.

- 7.9.6 The industrial island in the centre of the site does not form part of the application site. The current indicative layout show residential development built up to the boundaries of these premises. The submission also indicates that acoustic fencing along the northern boundary of the retained employment use would be required to protect future occupants surrounding the site from noise emanating from this unit. In addition to the noise from the building, access to and from these two units would be via the estate roads rather than the preferred haulage route. This will create unneighbourly amenity impacts. To address the impacts, acoustic mitigation could be provided - though the acoustic fencing proposed indicatively in this location would block access to their building and parking areas and would be unacceptable, prejudicing their future operation. Officers are not convinced at the outline stage that the applicant has sufficiently demonstrated that the two uses are capable of co-existing and that the proposal would consequently contribute to the delivery of a well-planned, high quality development. On this basis, Officer contend the proposal does not accord with policy DM35 of the DM DPD or paragraph 127 of the NPPF.

8.0 Planning Obligations

- 8.1 In the event the application was supported, a planning contribution would be required to secure on-site public open space in accordance with the development plan policies and supporting guidance. Based on 249 dwellings there would be a requirement for on-site amenity space, an equipped play area and young persons' provision. An off-site contribution is accepted towards improvements to Quay Meadow. The currently calculation is £82,056 though this would need to be re-calculated at the reserved matters stage once the bedroom mix is known. A contribution was not included towards outdoor sports facilities on the basis access to Coronation Field cannot be secured as part of this proposal. Viability considerations also meant that this was not included.
- 8.2 In terms of education provision and despite the initial request for a new school, on re-assessing at various stages through the determination of the application, the County Council has concluded no education contribution is required from this development.
- 8.3 As set out under the highway considerations of this application, a contribution of £540,000 shall be secured to provide a new bus service along New Quay Road.
- 8.4 The provision of affordable housing has been subject to lengthy viability negotiations. The initial submission proposed no affordable housing or other planning obligations. As set out above, there have been concessions from the applicant in this regard with significant contributions now secured for public transport improvements. This has had implications for the provision of affordable housing. A planning obligation will be required to secure 22 affordable housing units. Provision can be included in the s106 to have this re-evaluated at the reserved matters stage if the number of mix of housing alters from that set out indicatively at this stage.
- 8.5 As with all other developments of this scale, there will be a requirement for management provisions to be built into the legal agreement to ensure open space and sustainable drainage infrastructure is maintained for the life time of the development.

9.0 Planning Balance

- 9.1 The thrust of planning policy is about achieving sustainable development, recognising that the environmental, economic and social dimensions of sustainable development are mutually dependant. Pursuing sustainable development is about place making and ensuring new development can integrate with the existing built, natural and historic environment.
- 9.2 Critical to our consideration of the application is the presumption in favour of sustainable development. It is accepted that there are relevant policies important for determination of this application that are considered out-of-date and therefore it is accepted that the tilted balance is engaged. This means that the Council should only be refusing planning permission if the adverse impacts of the proposal significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole.

- 9.3 The provision and delivery of open market housing (and to a lesser extent affordable housing) is a significant benefit of the scheme. The site's redevelopment would support the regeneration of large areas of vacant and poor quality previously developed land within a recognised regeneration priority area. The provision of a new bus service provides wider benefits to the community that already live and work in the area, as would the provision of new areas of open space within the site. The scheme also provides opportunities to deliver new landscaping and biodiversity enhancements. These benefits weigh heavily in favour of the proposal.
- 9.4 On the other hand and despite the long-term objectives for the wider industrial estate that is being advanced by the Council through the emerging Local Plan, the proposal will have adverse economic impacts. There are active businesses on the site that could be lost if they are unable to relocate elsewhere. It is accepted that the application has attempted to address this through the relocation strategy; though ensuring the applicant adheres to the timeframes and intentions set out therein is not something that can reasonably be achieved through planning. The compatibility of the proposed residential development with the existing retained employment uses still represents significant challenges. Even with significant intervention, adverse noise impacts are likely which questions the ability to deliver the scale of development proposed and secure a well-planned development that provides a suitable standard of amenity for all. Furthermore, it is likely that the existing businesses operating close to the site could equally be adversely affected, potentially prejudicing their continued and further operation. The application fails to demonstrate that such significant concerns could be overcome adequately through the control and use of planning conditions. The proposed access arrangement is also deemed unsafe. Cumulatively these impacts equally weigh heavily against the proposal.
- 9.5 This recommendation is finely balanced but the fact the site is allocated for employment purposes and would be a departure, the negative impacts of the proposal are considered to significantly and demonstrably outweigh the benefits. Taking the framework as a whole and policies within the Development Plan, the proposal does not, in its current form represent sustainable development. This is largely because of the difficulties associated with trying to integrate the residential development within the wider industrial estate. On this basis, the proposal is also incapable of satisfying the Exception Test required for flood risk purposes.

For the reasons set out above, Members are recommended to refuse planning permission.

Recommendation

That Outline Planning Permission **BE REFUSED** for the following reasons:

1. As a result of the access point off New Quay Road being shared with the adjacent industrial development and as a consequence of its proposed design, the proposal fails to provide a safe and suitable means of access for the proposed residential development. As a consequence, the proposal is contrary to policies DM20, DM21 and DM35 of the Development Management Development Plan Document and Paragraphs 108, 109, 110 and 127 of the National Planning Policy Framework.
2. The application fails to sufficiently demonstrate that the proposed residential development, with mitigation, can be integrated effectively with the neighbouring industrial uses both on the periphery of the site and those retained industrial uses in the centre of the site. Even with significant acoustic mitigation proposals, large areas of the site would be subject to noise levels that would give rise to significant adverse impacts, resulting in unacceptable impacts on the health and amenity of future occupants and prejudicing the continued operation of existing industrial uses neighbouring the site. As a consequence, the proposed development is considered contrary to saved policy EC5 of the saved Lancaster District Local Plan, policy DM35 of the Development Management Development Plan Document, Paragraph 180 and 182 of the National Planning Policy Framework and the Noise Policy Statement for England.
3. The application fails to sufficiently demonstrate that the site is capable of achieving the amount of development proposed, together with open space and other infrastructure requirements, in a manner that would demonstrate a well-planned, safe, and high quality designed residential scheme, capable of providing satisfactory standards of amenity for future occupants. As a consequence, the local planning authority are of the opinion that the development does not constitute a sustainable form of

development and would be contrary to policies DM26 and DM35 and paragraphs 91 and 127 and 130 of the National Planning Policy Framework.

4. The proposed development is considered to not constitute a sustainable form of development and, as such, would not provide wider sustainability benefits to the community that outweigh the flood risk and therefore fails the first part of the Exception Test. It is therefore contrary to policy DM38 of the Development Management Development Plan Document and paragraph 159 and 160 of the National Planning Policy Framework.

Article 35, Town and Country Planning (Development Management Procedure) (England) Order 2015

In accordance with the above legislation, the City Council can confirm the following:

Lancaster City Council takes a positive and proactive approach to development proposals in the interests of delivering sustainable development. During the lengthy determination period of this application, and in accordance with planning guidance, officers have sought to work positively with the applicant in order to try and overcome initial concerns and objections to the proposal. A number of objections have been resolved, however, the resulting scheme remains unacceptable for the reasons prescribed in the above recommendation.

Background Papers

None.