

Halton Borough Council
Site Market Assessments to
Inform a Local Brownfield
Strategy
Volume 1 – Context Report



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1. Summary of national and regional policy

1 Executive Summary

Introduction

- 1.1 In March 2008, Government formally responded to the recommendations made by English Partnerships (now Homes and Communities Agency) for a National Brownfield Strategy¹. A Local Brownfield Strategy (LBFS) is an evidence-based assessment of the current deliverability of known brownfield land to new beneficial uses, and identifies opportunities for the public sector to accelerate this process. The guiding principle of the LBFS process is to develop better informed understanding of opportunities and constraints faced by specific parcels of brownfield land.
- 1.2 Halton Borough Council (HBC) have identified the shortlisted sites through a filtering process based on the National Land Use Database (NLUD). NLUD is an inventory of the national stock of vacant and/or derelict land and buildings, and land and buildings either in use with potential for redevelopment / with planning consent or allocated for development. HBC identified and provided a list of 26 'priority' brownfield sites to form part of the Local Brownfield Strategy which were subsequently inspected by Drivers Jonas Deloitte.
- 1.3 The LBFS Report has been configured to provide a general overview of Halton, planning policy context, general property market overview, site analysis and identification of specific themes within the recommendations and conclusions for bringing brownfield land back into beneficial use.

Background & Context

- 1.4 The Borough of Halton is located in the north west of England and along with the local authority areas of Liverpool, Sefton, Wirral, Knowsley and St Helens, forms the Liverpool City Region.
- 1.5 Halton lies equidistant between the conurbations of Liverpool and Manchester and comprises the towns of Widnes and Runcorn and surrounding villages of Hale, Daresbury, Moore, Preston Brook and Preston on the Hill.
- 1.6 Halton's main attributes are that it lies:
 - At the hub of the North West's motorway network, close to principal roads and is on the West Coast Mainline railway line;
 - Equidistant between the region's two major conurbations;

¹ National Brownfield Strategy: Recommendations to Government – English Partnerships 2007

- Within twenty minutes driving time of the region's two major airports (Liverpool and Manchester);
 - Within thirty minutes of the region's major seaport connections on Merseyside; and
 - At the centre of a north west economically active labour force of 3.4m people².
- 1.7 The Borough's history is firmly rooted in the chemical industry producing such things as soap, alkali, borax, soda ash, salt cake and bleaching powder. Whilst chemical manufacturing remains important to the Borough, the economy has now diversified into a broad range of other manufacturing and service industries.

Planning Policy Context

- 1.8 The Halton Unitary Development Plan was published in 2005 and sets the framework for the development of land in the Borough from the present to 2016.
- 1.9 The Halton Core Strategy Preferred Options document was published for consultation between September and November 2009. HBC are currently considering the consultation responses and are likely to publish a new draft for consultation by November 2010.
- 1.10 The preferred options paper highlights principal issue facing HBC - the expansion of Halton's urban areas is limited. With large amounts of Green Belt land, a major river and estuary dissecting the Borough, extensive areas of existing development as well as conservation assets, strategic options for the development of Halton are severely constrained.
- 1.11 The preferred policy option identifies 'Key Areas of Change' which are as follows:
- **3MG (Mersey Multimodal Gateway)** - strengthen the logistics and distribution sector;
 - **South Widnes** - Improve the performance of Widnes Town Centre, continue the economic development of Widnes Waterfront and support regeneration in West Bank;
 - **East Runcorn** - Deliver housing growth and establish sustainable communities at Sandymoor and Daresbury, and support employment growth in this location;
 - **West Runcorn** - Deliver housing growth at Runcorn Docks and employment growth at the Mersey Gateway (Weston) Port, and improve the performance of Runcorn Old Town centre
- 1.12 The 2009/10 Strategic Housing Land Availability Assessment (SHLAA) concluded that the Borough has sufficient land to deliver policy requirements, however there is little flexibility in that supply should sites fail to be delivered.

² Office for National Statistics Labour Market Statistics March 2010

- 1.13 The same constraint also applies to the Joint Employment Land and Premises Study. Halton has extreme pressure on deliverable potential development sites due to Green Belt designations, a remaining hardcore of difficult contaminated sites, competition from housing needs and therefore there is little flexibility in terms of finding land for development beyond current policy needs.

Mid-Mersey Growth Point

- 1.14 In July 2008, the Department for Communities and Local Government announced Mid-Mersey Growth Point was one of twenty new, second round Growth Point areas³ covering the local authority areas of Halton, St Helens and Warrington.
- 1.15 The vision for Mid-Mersey Growth Point⁴ is for it to be, by 2017, a key economic driver for the North West region, supported by a good quality housing offer with a strong focus on affordability.
- 1.16 It identifies numerous key development opportunities which will support the delivery of the vision.

Market Overview

- 1.17 Over the last two years the financial markets for most sectors of the economy have been in trauma. Both the public and private sector's finances are currently under pressure with prospects of public budgets being slashed in the near future and ongoing difficulties for fund raising in both sectors.
- 1.18 The development industry has severely contracted post the peak of the market in 2007. This contraction is in the wake of falling demand and the lack of availability of finance.
- 1.19 For projects that are currently being examined by developers, there is significantly more caution at the present time in assessing risk and demand for the project that is being created. The exit strategy for schemes has to be clear whether it be investments for sale or disposal of properties for occupation.
- 1.20 Commercial property values have collapsed from their 2007 peak by as much as 50%, and rents across all sectors have also fallen significantly. Despite these dramatic falls in commercial property values over the past two years, the health of the UK investment market has improved from the depths seen 12 months ago. The banks have refrained from flooding the market with forced sales and buyers have been returning to the market at an ever-increasing rate since mid-2009.
- 1.21 As is the case with the commercial property market, the past two years have seen large decreases in residential values nationwide.
- 1.22 Looking at the various property sectors, Halton's primary office market is centred around Daresbury Business Park which has created a particularly successful office community attracting substantial inward investment.

³ One of 6 in the North West

⁴ As set out in the Mid-Mersey Programme of Development 2009

1.23 Likewise, the recent developments within the Widnes Waterfront development area, such as Turnstone Business Park, have utilised the £6.2million European Regional Development Funding to produce some successful office and light industrial units which have seen healthy occupancy levels.

1.24 Halton's retail market is underperforming and this is evidenced by analysis undertaken by Management Horizons. Widnes is listed as 343rd in the Management Horizons UK Shopping Index (2008)⁵. To put this in to context, it's neighbours of St Helens and Warrington rank significantly higher at 118th and 99th respectively, although their centres are classified as regional and sub-regional compared to Widnes which is classified as a major district centre. Widnes is placed in the lower quartile when compared to other major district centres, which includes towns such as Cheetham Hill, Denton and Stretford which are all situated in Greater Manchester.

1.25 Halton's other retail centre, Runcorn ranks 458th. Management Horizon's categorise Runcorn as a district centre. Runcorn performs around average for the district centre retail category and can be compared to towns such as Dewsbury and Salford.

1.26 The following table illustrates how Runcorn and Widnes compare to other similar north west towns and cities.

Location	2008 Rank	Location Grade	Market Position
Manchester	4	Major City	Upper-middle
Liverpool	10	Major City	Middle
Chester	28	Major Regional	Middle
Warrington	99	Regional	Middle
St Helens	118	Sub-regional	Middle
Northwich	231	Major District	Middle
Bootle	285	Major District	Lower
Wilmslow	309	Major District	Middle
Widnes	343	Major District	Lower
Ellesmere Port	405	District Centre	Lower
Congleton	434	District Centre	Middle
Runcorn	458	District Centre	Middle
Nantwich	537	District Centre	Middle
Formby	553	District Centre	Middle

⁵ The Management Horizons UK Shopping Index uses a scoring system to rank and classify retail centres across the country by size and content. The fifth edition was published in early 2008.

- 1.27 The national residential market fluctuations are largely representative of that of Halton as a whole over the past five years. Whilst on average, house prices are significantly lower in Halton (approximately 65% of the national average), the area has seen the same decline in prices. House price recovery over the past 6 to 8 months has been replicated in Halton although they have plateaued in the last 3 month period, this is likely to be a consequence of low transaction volume.

Site Assessments

- 1.28 We have undertaken site assessments for each of the 26 sites, 9 of which have been assessed as part of three clusters.
- 1.29 The sites fall with NLUD categories A (previously developed land now) and C (derelict land and buildings). These sites have been vacant for a number of years, with the assessments revealing that the principle constraints affecting delivery are as follows:
- Contamination and the costs of remediation;
 - Infrastructure improvements required;
 - Incorrect/inappropriate planning policy;
 - Market forces
- 1.30 In many instances, it is a combination of the above and the impact that this has on viability that has prevented these sites from being brought forward.

Conclusions & Recommendations

- 1.31 There are significant challenges in bringing contaminated land back into use and the borough's industrial past has left abandoned sites with significant levels of contamination. High remediation costs will hinder reclamation and redevelopment but there have been successful examples of regeneration projects including Turnstone Business Park.
- 1.32 Through the analysis of the priority sites, common themes have been identified which will influence whether brownfield land is delivered. These will not all apply to each of the priority sites but provide an overarching tone for the problems incurred when trying to deliver brownfield land in Halton, including:
- Site ownership;
 - Current owners desire to develop;
 - Land assembly requirements;
 - Wayleaves;
 - Relocation of existing uses/occupiers;
 - Planning policy support;
 - Low end value uses;
 - Contamination levels and remediation costs;

- Conflict of neighbouring uses;
- Financial markets and developer appetite; and
- Funding availability and delivery strategies

1.33 There is no one size fits all solution that will see these sites brought forward for development. We have made a number of recommendations which include the following:

- Land assembly;
- Accelerated Development Zones; and
- Release of Greenfield land for development

1.34 We accept that some of these recommendations are aspirational and not straight forward, however the overarching message is that HBC need to take a proactive role in determining the future of these sites, rather than relying on the private sector to deliver them.

2 Introduction

- 2.1 Drivers Jonas Deloitte have been instructed by Homes and Communities Agency (HCA) and Halton Borough Council (HBC) to undertake site assessments on a series of pre-selected sites in order to assist with the evidence base for HBC to prepare a Local Brownfield Strategy (LBFS) for their borough, as required under Planning Policy Statement 3: Housing.

Site Inspections

- 2.2 Inspections of all of the sites were undertaken by Hannah Thorne MRICS, Alexander McCallion MRICS, Robert Goulsbra MRICS and Catherine Palmer on 9th and 10th February 2010.

Consultation

- 2.3 Drivers Jonas Deloitte have consulted with a number of HBC officers within the Planning Policy, Development Control and Contaminated Land departments. The advice provided by those officers has informed the findings of this report.

3 Background & Context

Local Brownfield Strategies

- 3.1 In March 2008⁶, Government formally responded to the recommendations made by English Partnerships (now HCA) for a National Brownfield Strategy⁷.
- 3.2 A Local Brownfield Strategy (LBFS) is an evidence-based assessment of the current deliverability of known brownfield land to new beneficial uses, and identifies opportunities for the sites redevelopment.
- 3.3 The guiding principle of the LBFS process is to develop better informed understanding of opportunities and constraints faced by specific parcels of brownfield land.
- 3.4 The LBFS is a four stage process:
- Stage 1 – identification of sites. This includes producing an accurate, robust and up-to-date record of brownfield land in an area, especially derelict and vacant land;
 - Stage 2 – assessment of all identified sites through GIS analysis to identify major environmental and social constraints and opportunities of sites. A selection of sites are chosen that may provide more information about other sites or that are considered important for the area;
 - Stage 3 – market assessment of the selected sites identified within Stage 2; and
 - Stage 4 – formulation of the LBFS by the local authority.
- 3.5 HBC have completed Stages 1 and 2 of the LBFS process in house and with the HCA, have identified 27 individual sites for consideration. Stage 3 has been completed by Drivers Jonas Deloitte and forms the basis of this report. This information will provide part of the evidence base for Stage 4.

⁶ Department of Communities and Local Government (March 2008) "Securing the Future Supply of Brownfield Land: Government Response to English Partnerships' Recommendations on the National Brownfield Strategy"

⁷ English Partnerships (June 2007) "National Brownfield Strategy: Recommendations to Government"

Identification of Sites

- 3.6 HBC have identified the shortlisted sites through a filtering process based on their returns for National Land Use Database of Previously Developed Land (NLUD-PDL), which was updated, if necessary, within Stage 1.
- 3.7 NLUD-PDL is an inventory of the national stock of vacant and/or derelict land and land and buildings in use either with planning consent/allocation or potential for development. NLUD-PDL is compiled annually, using five categories of previously developed land:
- A – Vacant land;
 - B – Vacant buildings;
 - C – Derelict land and buildings;
 - D – Land and buildings in use and allocated in local plan or with planning permission; and
 - E - Land and buildings currently in use with redevelopment potential.
- 3.8 Categories A-C are collectively referred to as derelict and vacant land and buildings, whilst categories D and E comprise 'in use' or latent brownfield land.

Halton – A Synopsis

- 3.9 The borough of Halton is located in the north west of England and along with the local authority areas of Liverpool, Sefton, Wirral, Knowsley and St Helens, forms the Liverpool City Region.



Fig 1: Plan of Liverpool City Region

3.10 Halton lies equidistant between the conurbations of Liverpool and Manchester and comprises the towns of Widnes and Runcorn and surrounding villages of Hale, Daresbury, Moore, Preston Brook and Preston on the Hill. It straddles the River Mersey's Upper Estuary (part of which is an area of international nature conservation importance) and is crossed by the Queen Elisabeth II bridge linking Widnes in the north and Runcorn in the south.

3.11 Halton is predominately an urban area with a population of 118,208 (2001 Census).



Fig 2: Halton Ward Map

3.12 Halton's main attributes are that it lies:

- At the hub of the North West's motorway network, close to principal roads and is on the West Coast Mainline railway line;
- Almost equidistant between the region's two major conurbations;
- Within twenty minutes driving time of the region's two major airports (Liverpool and Manchester);
- Within thirty minutes of the region's major seaport connections on Merseyside; and
- At the centre of a market of over 7 million people.

Widnes

- 3.13 Prior to the Industrial Revolution, Widnes consisted of a small number of separate settlements on land that was mainly marsh or moorland.
- 3.14 The Sankey Canal was built early in the 19th century, later being extended on to Widnes in 1830. It was built to carry coal from the St Helens coalfield to the River Mersey and was the first artificial waterway in England.
- 3.15 During the construction of the Liverpool and Manchester Railway in 1829 a group of local industrialists arranged for a survey to be carried out between Cowley Hill Colliery, just to the north of St Helens, and the River Mersey at Runcorn Gap. They wanted and found a location where a dock capable of taking vessels of 30 tons could be constructed. Alongside this, a proposal was granted approval to build a new railway line to plug the gap between the rail and the dock. As a consequence, the Widnes to St. Helens railway opened in 1833. This was instrumental to the development of Widnes.
- 3.16 By 1845, the world's first rail-canal-dock complex had been established on land that was then called 'Widnes Dock', now known as Spike Island. Here Cheshire salt would be sent to the glass-makers of St Helens in exchange for Lancashire Coal.
- 3.17 In 1847 the first chemical factory, the Leblanc Soda Works, was established and the town rapidly became a major centre of the chemical industry.
- 3.18 The second half of the 19th century saw the greatest expansion of the chemical industry with approximately 50 factories producing such things as soap, alkali, borax, soda ash, salt cake and bleaching powder although it started to decline in the 1890's.
- 3.19 The building of the Widnes-Runcorn Transporter Bridge in 1905 revived the town's declining fortunes, along with the development of new chemical products; this meant the survival of 45 large chemical factories.
- 3.20 A further fixed bridge was opened in 1961 which acted as a catalyst for the residential expansion Widnes seen throughout the 1960's and 1970's as road communications between north Cheshire and south Lancashire were immediately improved.
- 3.21 Widnes continues to be an industrial town and although chemical manufacturing remains important, the economy has now diversified into a broad range of other manufacturing and service industries.
- 3.22 Vital to the continued development of the Borough was the construction of Liverpool John Lennon Airport (formally known as Speke Airport) in 1933. The airport expanded post-war with a new runway opening in 1966 and a new modern passenger terminal, adjacent to the runway on the southern airfield site, opening in 1986, followed by the closure of the original 1930s building. Until 2007 it was one of Europe's fastest growing airports, having increased its annual passenger numbers from 875,000 in 1998 to 5.47 million. The international links that this airport, and also nearby Manchester Airport, have been vital in fostering the economic growth of Widnes, Halton and the surrounding region of the North West.
- 3.23 In 2006 a new freight park, known as 3MG or Mersey Multi-Modal Gateway, was opened in the Ditton area of Widnes. This provides a vital link in the chain for freight arriving by road, air or sea to be transferred to the rail network.

Runcorn

- 3.24 Runcorn was a small, isolated village until the Industrial Revolution. It was transformed by the extension of the Bridgewater Canal, stretching from Runcorn to Leigh, and the construction of a dock which resulted in the rise of barge/shipbuilding and repairing. As a result, Runcorn becoming vital to the prosperity of Liverpool and Manchester bringing salt from Cheshire, coal from Lancashire and clay from the Potteries.
- 3.25 Throughout the 19th century Runcorn became increasingly industrialised and the townscape was dominated by giant chimneys of the two combined soap and alkali works (Hazelhurst's and Johnson's).
- 3.26 During the second half on the 19th century chemicals played a greater part in the economic life of Runcorn. By 1863 Johnson's had switched from soap manufacture to heavy chemicals and changed their name to Runcorn Soap & Alkali Co. Ltd.
- 3.27 The construction of the Manchester Ship Canal led to a temporary boom in business and population but after its completion in 1894 Runcorn docks lessened in importance. As a consequence shipyards closed or reduced their output.
- 3.28 After the difficulties of the 1890s the chemical industry expanded again. The Salt Union, formed in 1888, built a vacuum plant at Weston Point. The Castner Kellner works were aided by market developments in the 1920s which led to greater use of chlorine. In 1916 the company became associated with Brunner Mond & Co., both of which became part of ICI in 1926 and in 1938 the Rocksavage chemical works was built. The Heath headquarters of Mond Division was opened in 1959 and by 1960 Runcorn's industrial life was dominated by ICI.
- 3.29 ICI remained the largest single employer with about 6,500 people at Weston and the Heath in the 1970's. In 1973 the new Hydrogen Fluoride plant at Rocksavage increased production capacity by two thirds.
- 3.30 In the 1980's the number employed in the chemical industry began to decline rapidly, and in the 1990's ICI sold its factories in Runcorn to INEOS.
- 3.31 In 1964 Runcorn was designated as a New Town with the primary aim of relieving housing congestion in North Merseyside. It was also required to introduce new and more diversified industry into an area which now suffered from high unemployment.
- 3.32 It's population was expected to grow from 28,500 at the time of designation to 70,000 by the mid 1970s, eventually rising to 100,000 by the turn of the Century. In actual fact, this population was far surpassed with the 2001 census indicating a population for Runcorn of 118,000.
- 3.33 Runcorn experienced rapid growth in the 1960's and early 1970's during which innovative public transport, shopping facilities and housing layouts were developed. These included two large industrial estates (Astmoor and Whitehouse), Manor Park Business Park and Halton Lea, a 500,000 sq ft shopping centre.

- 3.34 Runcorn benefits from excellent transport links. To the southeast of the town runs the M56 motorway, the Chester–Manchester railway line, and the main branch of the West Coast Main Line. The town has a system of expressways, roads designed to divert traffic away from the residential areas. The Central Expressway runs through the centre of the town in a north-south direction.

Halton Today

- 3.35 Part of Halton's success has been its ability to change and evolve, and its resilience in the face of adversity. It has had to cope with the loss of much of the manufacturing industry it formerly depended on.
- 3.36 Halton today is almost unrecognisable from what it was 20 years ago. Given the substantial nature of the contamination, dereliction and poor housing afflicting the Borough, particularly southern Widnes, a huge amount of work has been undertaken by many agencies to address the physical problems. Southgate (now Hallwood Park), Castlefields, Halebank, Widnes Town Centre, Widnes Waterfront Economic Development Zone, and 3MG are all areas that have undergone or are seeing transformational change.

4 Planning Policy

- 4.1 This section provides a summary of local planning policy and guidance documents. These provide detail on the current planning policy, guidance, evidence and requirements for the Borough of Halton. In addition, we have provided detail on relevant national and regional policy in Appendix 1.
- 4.2 Whilst we have been asked to challenge site specific planning policies, given that this in itself can be a barrier to development if it does not correlate to the demands of the property market, it is however important to understand HBC's aspirations for the Borough and ascertain how, if possible, the shortlisted sites can contribute to these aims and objectives.

Halton Unitary Development Plan (UDP)

- 4.3 The UDP was published in 2005 and sets the framework for the development of land in the Borough from the present to 2016. The document consists of two parts: Part 1 (Strategic policies and proposals) and Part 2 which gives detailed proposals for the use and development of land.

Halton Local Development Framework (LDF)

Core Strategy (Preferred Options) (2009)

- 4.4 The Halton Core Strategy Preferred Options document was published for consultation between September and November 2009. HBC are currently considering the consultation responses and are likely to publish a new draft for consultation by November 2010. The core strategy plan period is up to 2026
- 4.5 The previously consulted upon Issues and Options paper highlighted that Halton is a compact and highly urbanised district with relatively tightly drawn Green Belt boundaries and that high level options for the future development of the Borough are limited. The favoured spatial option from the issues and options consultation relates to a focus on Brownfield development. A particular focus would be on waterfront areas, former industrial areas and land near to town centres.
- 4.6 This option was chosen to be preferable to two other options, one which involved expansion of the urban areas, not purely restricting development to brownfield land, but allowing greenfield site development, and the other option included a mixture of greenfield and brownfield development.

- 4.7 However, the preferred options paper highlights the issue facing HBC. The expansion of Halton's urban areas is limited. With large amounts of Green Belt land, a major river and estuary dissecting the Borough, extensive areas of existing development as well as conservation assets, strategic options for the development of Halton are severely constrained.
- 4.8 The findings of the Strategic Housing Land Availability Study (SHLAA) and Joint Employment Land and Premised Study (JELPS) illustrate the level of constraint on land supply, and form an important element in deciding which spatial option will be appropriate to take forward into the Spatial Strategy in conjunction with the consultation responses.
- 4.9 As a result of the constraints on land supply illustrated within the evidence base, the spatial option encompassing a mix of brownfield and urban extension onto greenfield sites was chosen as the preferred Spatial Strategy for the Borough. This strategy will seek to focus future development on a number of key sites, or Key Areas of Change which will deliver both regeneration and contribute to the future economic prosperity of the Borough.
- 4.10 In summary, Preferred Policy Option CS1- The Spatial Strategy for the development of Halton is encapsulated by the concept of a mix of brownfield development and urban extensions. The preferred options policy is as follows:
- **Brownfield Focus** - The roles of the towns of Runcorn and Widnes will be consolidated. A large proportion of development will be concentrated within the defined urban areas, including major brownfield regeneration in waterfront areas, with development on brownfield land being favoured over greenfield.
 - **Sustainable Urban Extension** - To the east of the Runcorn urban area a sustainable urban extension, which will include housing and employment development accommodated on existing greenfield sites, constituting a Strategic Site in the Borough.
 - **The Maintenance of Rural Character and Environmental Assets** - The rural character of the Borough's villages and Green Belt land will be maintained, with limits of new development in these areas. Environmental assets will be managed and enhanced.
- 4.11 In addition, Policy CS1 also identifies Halton's 'Key Areas of Change'. These areas also have specific policies which outline, in further detail, the preferred approach towards delivery of the Spatial Strategy:
- 3MG (Mersey Multimodal Gateway) (Policy CS7)
 - South Widnes (Policy CS8)
 - East Runcorn (Policy CS9)
 - West Runcorn (Policy CS10)
- 4.12 These areas are highlighted in Figure 3 below:

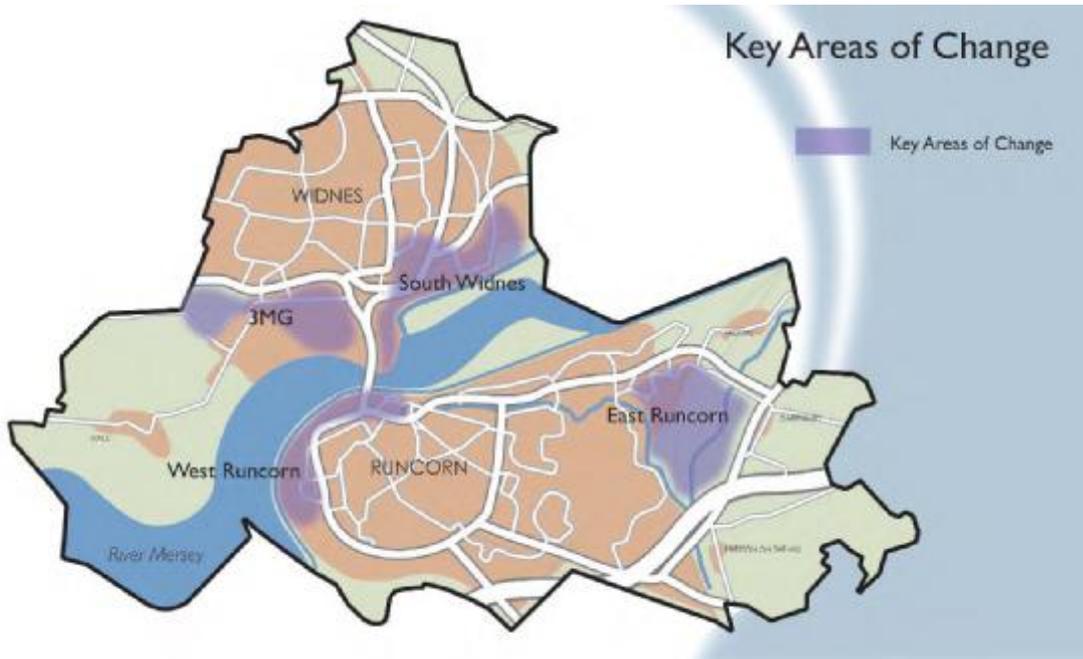


Fig 3: Key Areas of Change in Halton⁸

4.13 In addition to the 'Key Areas of Change' and their associated policies, Preferred Policy Option CS15 seeks to safeguard and regenerate existing employment areas. This policy provides the opportunity to improve and remodel existing employment areas which delivering more efficient and effective use of land for business and employment purposes should be sought. These existing employment areas are identified in Figure 4 below.

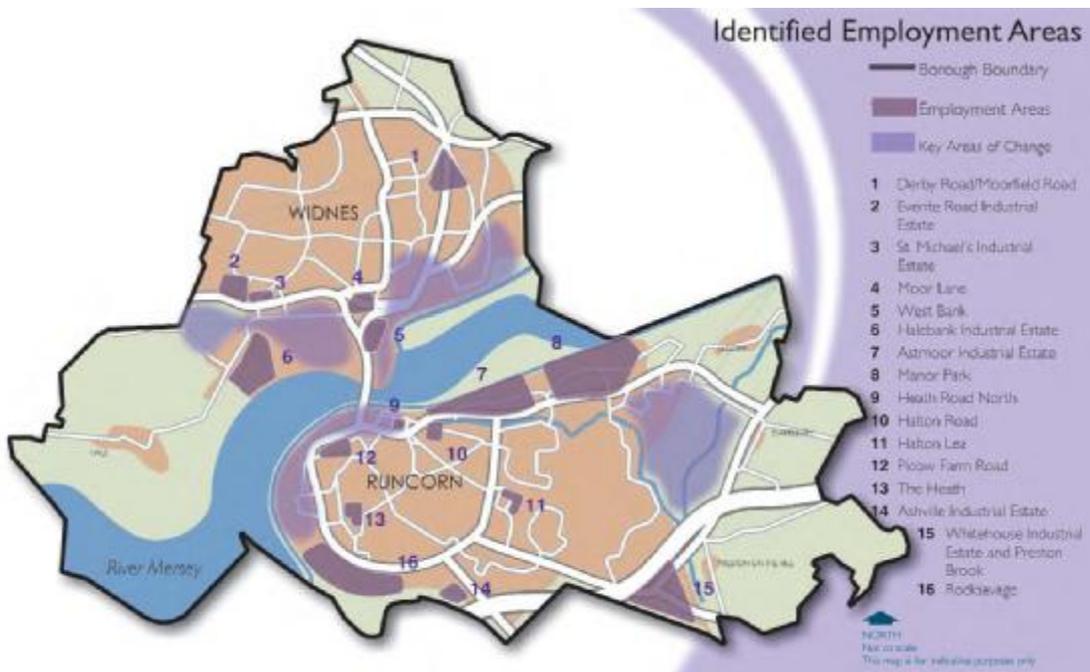


Fig 4: Safeguarding and Regenerating Existing Employment Areas⁹

⁸ Halton Core Strategy (Preferred Options) Policy CS1

⁹ Halton Core Strategy (Preferred Options) Policy CS1

- Many sites in Halton have been contaminated by previous industrial use; therefore contaminated land is an established issue of strategic importance. Preferred Policy Option CS27 addresses this issue, supporting the following actions:
- The assessment of all potentially contaminated land to discern the type and degree of its contamination;
- The safe remediation of identified contaminated sites, particularly where a serious threat is potentially posed to public health or the local environment;
- The promotion of derelict and disused contaminated sites in Halton for new uses, particularly within the Borough's Key Areas of Change;
- Following remediation, the re-use of Halton's derelict contaminated land for beneficial after use, including both hard-end and soft-end uses as appropriate;
- In association with new development and where appropriate, the seeking of developer contributions to fund the remediation of contaminated land and safe disposal or treatment of the contaminants where applicable;
- The advancement and employment of sustainable, innovative technologies and techniques for the remediation of contaminated land.

LDF Evidence Base

Strategic Housing Land Availability Assessment (SHLAA) (2009/2010)

- 4.14 The SHLAA must categorise sites as deliverable and developable. Unfortunately, many brownfield sites in the riverside belt are developable but not deliverable due to economic viability factors.
- 4.15 The conclusion of the 2009/10 SHLAA is that the Borough has sufficient land to deliver policy requirements, however there is little 'flexibility factor' in the supply to deal with a scenario where sites fail to be delivered, for example if an owner decides not to develop a site. This is because the SHLAA identifies all of the sites in the planning process plus many sites that have deliverability potential. The remaining land areas are either already developed, are difficult brownfield sites with a question mark over economic viability, are green space sites or are under green belt.

Joint Employment Land and Premises Study (Draft) (JELS) (2008)

- 4.16 National planning policy requires that LDF's are underpinned by an assessment of industrial and commercial land within their areas, by undertaking an Employment Land Review. In Halton's case the employment land review was undertaken with three other Liverpool City Region local authority areas: Knowsley, Sefton and West Lancashire under the title Joint Employment Land and Premises Study.

- 4.17 The draft study concludes that there are potential shortages when assessed against the known level of supply; historic take up trend data; economic forecasts and local authority aspirations for future economic growth. Office land is lacking in Widnes and industrial land is in short supply in Runcorn. Both the SHLAA and associated invitation to stakeholders, landowners and developers to submit potential development sites for consideration, known as “Call for Sites”, demonstrate pressure for alternative higher value uses on allocated employment sites and in existing employment areas.
- 4.18 The same constraints discussed under the SHLAA study also apply to the JELPS study. Halton has extreme pressure on deliverable potential development sites due to Green Belt designations, a remaining hardcore of difficult contaminated sites, competition from housing needs and therefore there is little flexibility in terms of finding land for development beyond current policy needs.

The Mersey Gateway Regeneration Strategy (2008)

- 4.19 This document informs the Council’s priorities for physical investment and urban and neighbourhood renewal surrounding the construction of The Mersey Gateway. The Mersey Gateway is a £390 million project that would provide a new Bridge over the River Mersey between the towns of Runcorn and Widnes.
- 4.20 The Strategy pays particular attention to the benefits that the Bridge will have on the Borough’s Town Centres, in particular Runcorn Old Town with lesser, though by no means unimportant impacts on Halton Lea and Widnes.

Halton Strategic Flood Risk Assessment (SFRA) (2007)

- 4.21 A Halton SFRA was published in October 2007. The key findings of this study were that the main areas at risk from flooding were around Ditton Brook in Widnes and Keckwick Brook in Sandymoor, Runcorn.

Supplementary Planning Guidance & Documents

Halton Lea Town Centre Strategy (Draft SDP) (2007) and Runcorn Old Town Centre Strategy (Draft SPD) (2007)

- 4.22 Strategic policies have been identified within these documents which seek to enhance the retail, leisure and commercial function of the two town centres so that they each fulfil their role as the main centres of attraction for the surrounding areas.
- 4.23 In addition, the Strategies also contain a number of site specific sub-area policies which affirm the objectives of the strategic policies.

Waterside Development Strategy for Halton (2005)

- 4.24 The Strategy seeks to enhance work currently underway on programmes such as the Widnes Waterfront, acting as a catalyst for regeneration over the next ten to fifteen years.
- 4.25 Within the Strategy, a number of areas for intervention are identified. These areas are as follows:
- Widnes Waterfront and ICI Tip;

- West Bank, Catalyst and Spike Island;
 - Ditton and South West Widnes Industrial Area
 - Hale Bank;
 - Hale Head and Pickerings Pasture;
 - Runcorn Gateway;
 - Ineos Chlor/ Ineos Fluor Site/ Rock Savage;
 - Weston Docks / Weston Point;
 - Runcorn Docks;
 - Runcorn Town Centre, Brindley Arts Centre, Promenade and Dockyard;
 - Manor Park and Astmoor;
 - Wigg Island;
 - Castlefields; and
 - Daresbury and East Runcorn
- 4.26 Following the identification of these intervention areas, the strategy is then able to develop strategic objectives and action plan projects through consultation with key stakeholders.

Runcorn Historic Canal Town Masterplan/Development Brief (2005)

- 4.27 This document seeks to improve the environmental quality, bring additional economic activity, develop derelict and underused sites into active and high quality uses and enhance the 'Runcorn Historic Canal Town' image and brand. This is proposed to be achieved through the delivery of a number of leisure, retail and residential schemes identified in the Masterplan.

3MG Mersey Multi-Modal Gateway Supplementary Planning Document (SPD)

- 4.28 3MG (Mersey Multi-Modal Gateway) was previously known as Ditton Strategic Rail Freight Park. It is intended that the programme will realise the potential for developing a major new rail/road freight handling and logistics park at Ditton Marsh covering roughly 180 hectares and encompassing sites 54, 242, 279 and 244. It will build upon the established assets of the location to create a sustainable 21st century freight park which is a flagship for the region.
- 4.29 3MG is currently undergoing the first phases of a multi-million pound expansion, which will provide 3.5 million sq. ft. of new warehousing, subject to planning permission, and in turn should create in the region of 5,000 new jobs. Although the site will continue to be developed in the coming years, it already benefits from daily rail services and has high quality warehouse capacity available. In addition, areas of land currently classified as brownfield will be comprehensively remediated, resulting in a great overall improvement to the environmental quality of the area.

Widnes Waterfront (SPD)

4.30 Widnes Waterfront has been designated as one of the Economic Development Zones (EDS) for European funding under Priority 3 of the North West England Objective 2 Programme. It is important therefore, that the land-use proposals in the Action Area ensure that these outputs are secured to meet the objectives of the EDZ.

5 Mid-Mersey Growth Point

- 5.1 In July 2008, the Department for Communities and Local Government announced Mid-Mersey Growth Point was one of twenty new, second round Growth Point areas (6 in the north west) covering the local authority areas of Halton, St Helens and Warrington.
- 5.2 Growth Points represent one of several measures being pursued by Central Government to help achieve their target of delivering 240,000 homes a year by 2016.
- 5.3 The vision for Mid-Mersey Growth Point¹⁰ is for it to be, by 2017, a key economic driver for the North West region, supported by good quality housing offer with a strong focus on affordability.
- 5.4 It is envisaged that this will be delivered as follows:
- Increase the delivery of housing in the sub region from an RSS baseline of 13,500 to at least 15,660 by 2016-2017;
 - Improve quality, choice and affordability in the supply of housing;
 - Support the delivery of a variety of affordable tenure family homes through and enhanced level and range of local interventions;
 - Improve economic performance and sustain growth by investing in success;
 - Improve sustainable transport links between jobs and where people live and between town centres and other transport hubs within the sub-region;
 - Give fresh impetus to the sustainable regeneration of the older urban areas at the heart of Widnes, St Helens and Warrington;
 - Unlock difficult sites in sustainable locations particularly where remediation, access or other infrastructure provision will not be delivered by the market acting alone;
 - Promote healthy lifestyles through a positive and coordinated approach to the provision and enhancement of accessible green infrastructure;
 - Widen opportunity and choice, and reduce disparities between areas in terms of well-being, quality of life and access to jobs and services;

¹⁰ as set out in the Mid-Mersey Programme of Development 2009

- Develop a strategic framework for the provision of key infrastructure by service, utility and transport providers to support growth

5.5 It identifies numerous key development opportunities which will support the delivery of the vision and these are set out below.

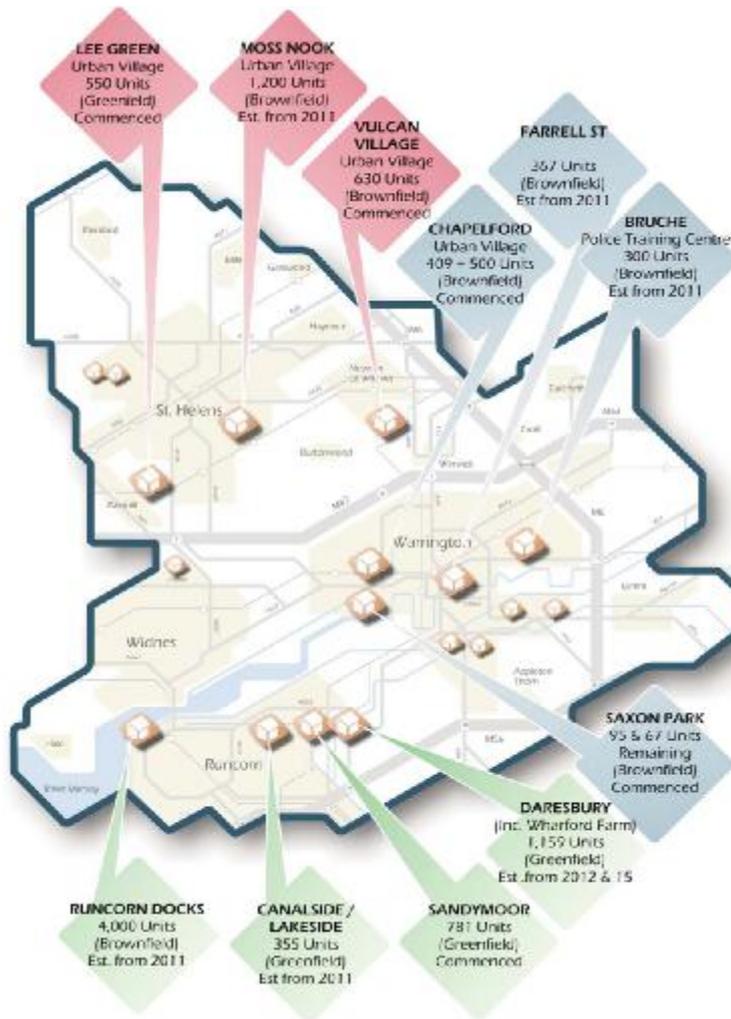


Fig 5: Key Housing development sites¹¹

¹¹ Mid-Mersey Programme of Development 2009

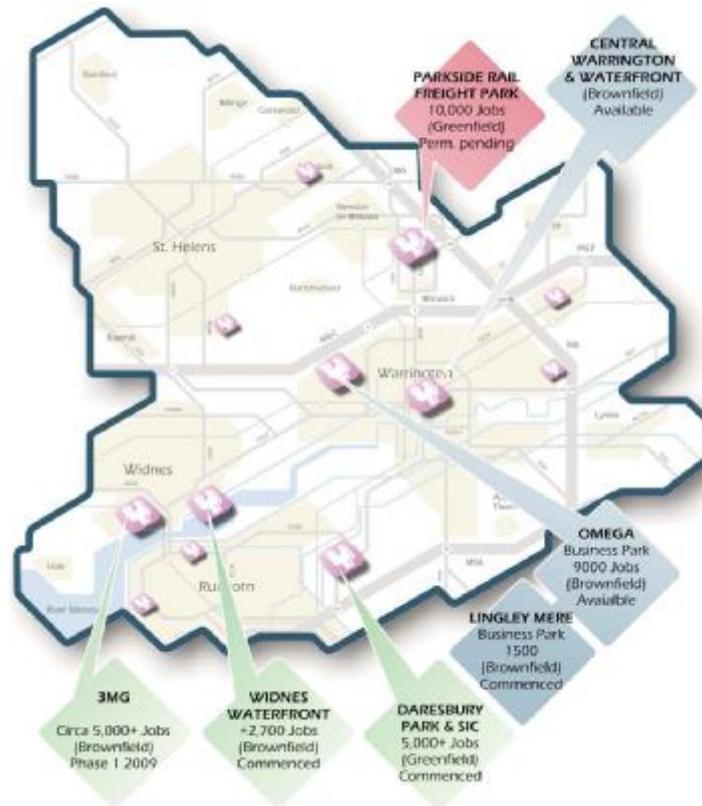


Fig 6: Major (Strategic) Employment Development Sites¹²

5.6 The Programme of Development (2009) gives a comprehensive analysis of the past, present and future housing figures for Halton. In this regard, the added Growth Point status means that the previously revised Regional Spatial Strategy (RSS) Policy targets for housing delivery will be increased by 20% as a result of the initiative. This is demonstrated in Figure 7.

	RPG13 (RSS) Policy	Revised RSS Policy [Adopted:30th Sept 08]	Change previous to new RSS	Growth Target (New RSS +20%)	Change over previous RSS
Policy Period:	1996-2016	2003-2021		2008-2017	
	[ndg pa]	[ndg pa]		[ndg pa]	
Halton	330	500	+52%	600	+82%

Fig 7: Change in Housing Target Figures¹³

5.7 To put these expected future dwelling gains in context, Figure 8 demonstrates how Halton has performed over the past 15 years. With an average expected net dwelling gain (ndg) of 600 units per annum, this target is one which, if delivered, will bring considerable social and economic benefits for the residents of Halton.

¹² Mid-Mersey Programme of Development 2009

¹³ Mid-Mersey Programme of Development 2009

Halton	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Net dwelling gain	475	752	480	343	188	239	390	177	405	741	419	314	393
Gross dwelling gain	513	752	492	410	255	259	588	616	513	744	562	546	397

Fig 8: Completed Housing Development in Halton (1996 to 2009)¹⁴

5.8 Across the Mid-Mersey growth point area as a whole, this will represent a 15% increase in the total housing stock since 2001 and an 8% rise over the 2008 estimate.

¹⁴ Mid-Mersey Programme of Development 2009

6 Market Overview

- 6.1 This section provides an overview of the property market in Halton, covering the different sectors of residential, office, industrial, retail and leisure and providing commentary on current supply, demand and market trends.
- 6.2 A brief summary of the economic climate, at this point in time (March 2010), sets this study in the context of the wider property market and introduces the commentary for each sector. An understanding of the market is particularly important when considering development opportunities, given the depressed state of the market for development which is hampered by the reluctance of banks to fund development – perceived as high-risk – projects, unless there is a guaranteed end occupier.

UK Economy

- 6.3 For the last two years the financial markets for most sectors of the economy have been in trauma. Both the public and private sector's finances are currently under pressure with prospects of public budgets being slashed in the near future and ongoing difficulties for fund raising in both sectors.
- 6.4 The UK is one of the slowest economies in Europe to emerge from recession. Some indicators¹⁵ are showing improvement but it must not be assumed that the UK economy is soundly on the mend – conditions remain fragile and forecasters are hesitant to predict when a return to more 'normal' market conditions might occur..
- 6.5 Tight lending conditions will undoubtedly restrain growth in the short-term as will the lagged effect from any further rise in unemployment. The state of the public finances, consumer retrenchment, an imminent change in government and a reasonably fragile economic foundation are also likely to hamper a recovery in UK economic growth in the months ahead.
- 6.6 The latest figures reveal that economic growth in Q4 of 2009 was a provisional +0.1%¹⁶, signifying an end to the recession (just), but a surprisingly weak figure given recent service sector and manufacturing survey figures, and little real improvement from the -0.2%¹⁷ achieved in Q3. This means the decline in output over the last 12 months was 3.3% and the total decline during the recession was 6%.

¹⁵ HM Treasury Pocket Databank UK GDP 2010 Q1

¹⁶ Bank of England

¹⁷ Bank of England

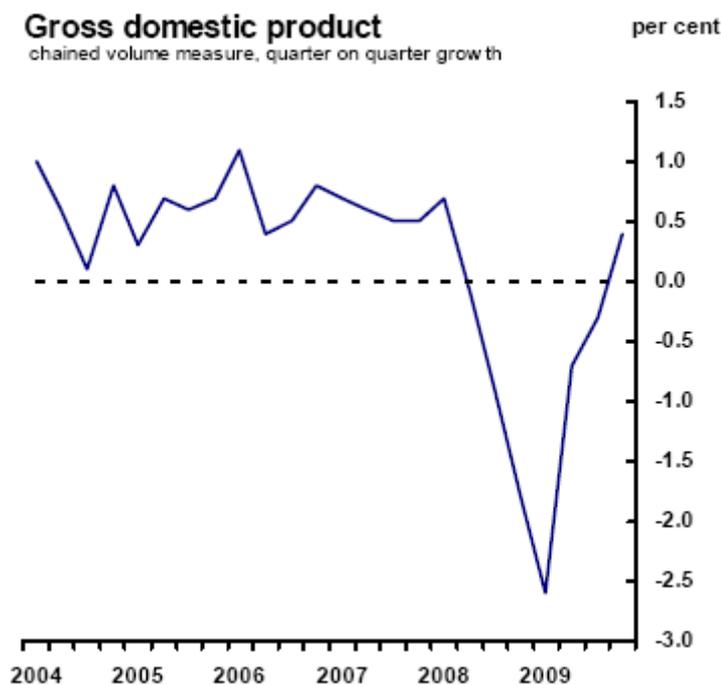


Fig 9: Gross Domestic Product, chained volume measure, quarter on quarter growth¹⁸

6.7 The latest figures¹⁹ from the Office of National Statistics (ONS) indicate that in 2009 Q4, UK GDP in volume terms rose by 0.4% compared with the previous quarter. Overall, GDP in fell by 4.9% during 2009, the largest fall on record, compared with a rise of 0.5% in 2008. This is illustrated in Figure 9.

6.8 When the output by sector is analysed, growth was seen in the following:

- production industries (+0.4%);
- mining and quarrying (+0.3%);
- manufacturing (+0.8%);
- services (+0.5%);
- distribution, hotels and catering industries (+1.9%);
- transport, storage and distribution (+0.6%);
- business services and finance sector (+0.4%);
- public administration and defence (+0.2%);
- health and social work (+0.5%)

6.9 However, output was down in the following:

- agriculture, forestry and fishing (-1.5%);
- electricity, water and gas (-2.7%)
- construction (-0.9%);

¹⁸ ONS National Accounts 2009 Q4 published 30 March 2010

¹⁹ ONS National Accounts 2009 Q4 published 30 March 2010

- education (-0.1%);
 - other government services (-1.6%)
- 6.10 Alongside the growth seen in various sectors of the economy, levels of unemployment are also improving, in parallel with stronger output growth, however, this has happened rather sooner than expected. The number of people claiming unemployment related benefits in the UK actually fell in December 2009 as it did in November 2009, much earlier than in the aftermath of the last recession in the 1990's, when this did not occur for more than 12 months after the recession ended.
- 6.11 Whilst these improvements in economic conditions indicate an end to further decline, significant improvements in the economy are unlikely to be yielded in the near future. Considerable national debt and the necessary associated cuts in public spending, will have a significant negative effect on the economy for the coming years, with the possibility of a 'double dip' recession not being ruled out by many economists.

7 The UK Property Market

Developer Risks and Finance

- 7.1 Except in certain circumstances, the development industry has severely contracted post the peak of the market in 2007. This contraction is in the wake of falling demand and the lack of availability of finance. For many developers, there has been a significant fall in order book and loss of staff/skills and confidence in the sector. As such, there have been inevitable developer fatalities with high profile losses including K W Linfoot, Modus, David McLean and Kenmore.
- 7.2 For projects that are currently being examined by developers, there is significantly more caution at the present time in assessing risk and demand for the project that is being created. The exit strategy for schemes has to be clear whether it be investments for sale or disposal of properties for occupation. The proportional size of the loan compared to the value of the property is unlikely to improve in the short term from around 60 - 70% of value and these prohibitive restrictions are likely to be kept rigid by credit committees.
- 7.3 Coupled with the above is the added difficulty of obtaining finance for projects. If available, finance is directed towards schemes which are robust and where the covenant of the borrower is strong. The cost of securing finance, where available, has also increased markedly and this is coupled with the higher expected returns for developers.
- 7.4 Speculative development finance is unlikely to be available in the short term as the attitude to risk of most banks is unlikely to change significantly within the next 12 months. Lenders are also concerned about the risk represented by variable income, particularly on turnover leases (e.g. retail). The market can expect to see many banks seeking to limit their exposure to less secure income

Commercial Property

- 7.5 Commercial property values have collapsed from their 2007 peak by as much as 50%, and rents across all sectors have also fallen significantly. There are many reasons why developments are no longer viable, the most pertinent being difficulties in obtaining external funding problems and securing the necessary pre-lets to underpin funding where it is available.
- 7.6 Despite these dramatic falls in commercial property values over the past two years, the health of the UK investment market has improved from the depths seen 12 months ago. The banks have refrained from flooding the market with forced sales and buyers have been returning to the market at an ever-increasing rate since mid-2009. Liquidity has returned to major markets.

7.7 The start of 2010 brings new optimism as the UK economy returns to positive growth. As Figure 10 demonstrates below, the past 12 months have shown considerable improvements in returns in property across all sectors of commercial property. This trend is also supported within the RICS Commercial Market Survey for Q1, 2010 which indicates that letting activity for commercial property continued to pick up in Q1, albeit at a marginally slower rate than was evident in Q4 of 2009.

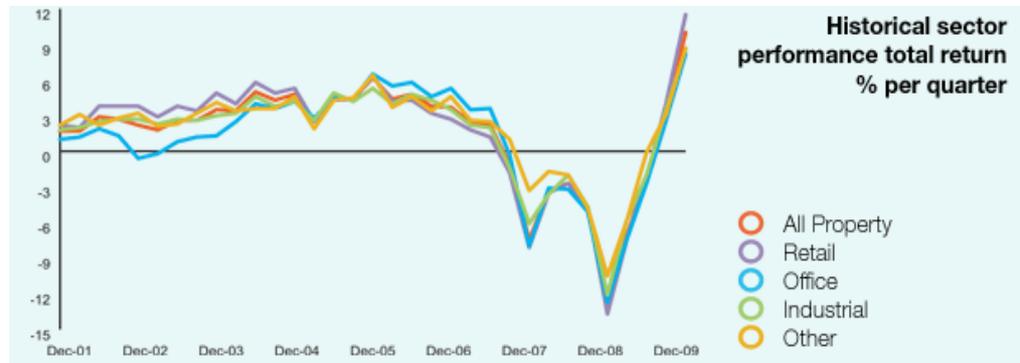


Figure 10- Quarterly returns on property (IPD, 2010)

7.8 However, as with the economy in general, commercial property forecasters offer caution that the pace of recovery will be sluggish and it will take a while before market confidence returns and development activity picks up.

Residential

7.9 As is the case with the commercial property market, the past two years have seen large decreases in residential values nationwide, although these decreases have not been as extreme as early forecasts were predicting. Figure 11 below illustrates the fluctuations in house prices using data sources from Nationwide and Halifax. Whilst both sources indicate a corresponding trend, it is apparent that reported percentage changes in house price quarter on quarter are noticeably divergent. This is, in part, due to the seasonal adjustments that Halifax make to make it more apparent what is happening to the underlying market and also down to sample size, with Halifax having considerably more than Nationwide.

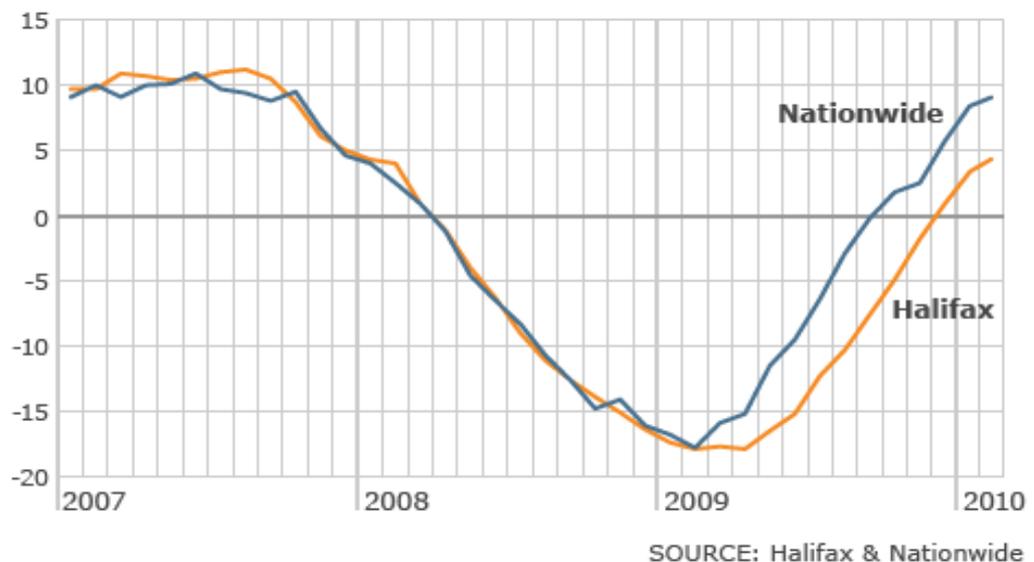


Figure 11- UK House Prices - % change quarter on quarter



- 7.10 There have been a number of publications that support the trend towards house price recovery demonstrated in Figure 11. In January 2010, Halifax published its monthly House Price Index. The report indicates that the average house price increased by 1% in December 2009. The report's findings also show that prices in the last three months of 2009 were 3.5% higher than the third quarter – the biggest quarterly increase since Q4 2006.
- 7.11 The Royal Institution of Chartered Surveyors (RICS) has recently published its latest UK Housing Market Survey (February 2010), which reported that the number of surveyors predicting a rise in house prices over the next three months rose from 12% to 24%, indicating that market predications are becoming more optimistic however, there are still a large proportion of surveyors who are unwilling to commit to such a predication, perhaps due to the impending uncertainty of the upcoming general election.
- 7.12 Likewise, The Centre for Economics and Business Research (CEBR) published Consumer and Housing Projects on 1 February 2010. Based on an improved mortgage lending outlook, CEBR claims that average UK house prices will see growth of 6% during 2010, and will be around 20% higher than today's levels by 2013.
- 7.13 Jones Lang LaSalle20 (JLL) report more optimistically, that house price growth will push towards 10% per annum by 2014 in the belief that the balance of risk to this forecast is firmly on the upside, driven by low housing development and a continued belief in housing as a sound investment.
- 7.14 Figure 12 illustrates the future forecast made by JLL, demonstrating the predicted distribution of this forecasted house price growth. As can be seen by the graph, the overall expectation post December 2011 is one of positive growth. The negative percentage change per annum which is expected to be seen throughout 2010 can be attributed to the uncertainty of the impending general election and the inevitable increase in the base rate of interest, the consequence being increased caution in the property development industry throughout 2010.

²⁰ Jones Lang La Salle, *UK Residential Market Forecasts*, December 2009

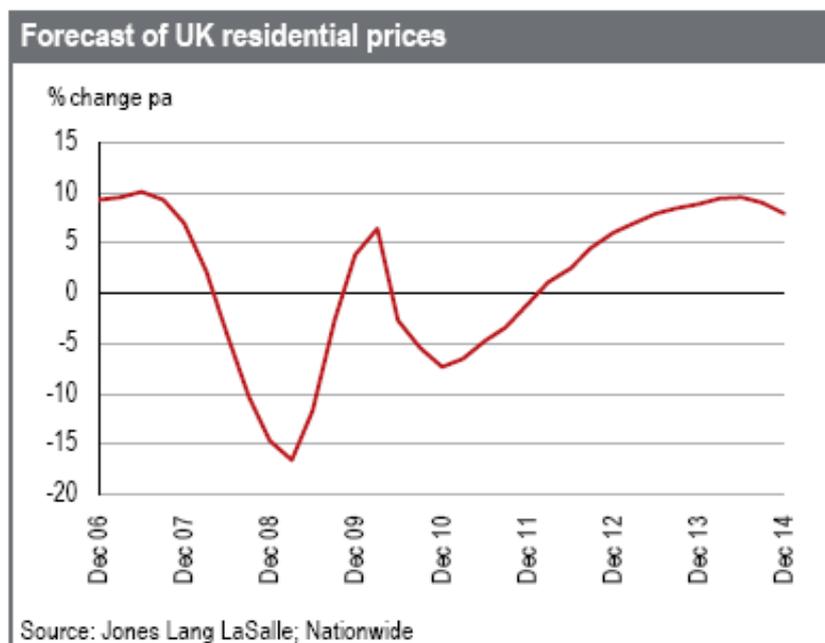


Figure 12- Forecast of UK residential prices (JLL, 2009)

- 7.15 In relation to JLL's predictions for low housing supply fuelling price growth over the coming years, the National Housing Federation (NHF) released its latest figures in February 2010 regarding the supply of new housing in the UK.
- 7.16 The figures suggest that nationwide, house builders are on course to build just 122,700 homes between April 2009 and March 2010. This represents 18,000 fewer than were built during the previous financial year and can be attributed to private developers scaling back developments following the onset of the recession.
- 7.17 However, despite the decline in residential completions released by the NHF, the figures relating to planning applications paint a more optimistic picture. The National House Building Council (NHBC) announced in February 2010 that applications to build new homes between November 2009 and January 2010 rose 64 per cent from 14,766 to 24,267, compared with the same period in 2008. It is suggested that this increase was driven by the private sector, where applications surged 114 per cent, from 7,822 in the last quarter of 2008, to 16,704 in the last quarter of 2009.
- 7.18 The level of transaction activity has continued to improve. September 2009 recorded 53,000 home sales, double the level recorded in January 2009 when transactions reached their trough. Despite this clear pick up in activity, transactions are still 57% below the level recorded at the peak of the market (August 2007). New buyer enquiries have risen for 14 consecutive months now as consumer confidence in the residential market returns.
- 7.19 Estate agents have gradually seen an increase in stock on their books, with December recording the seventh consecutive rise in new instructions. The average number of unsold properties currently stands at 64 per surveyor. This paints a very different picture to the early 1990's downturn where unsold properties peaked at 196 per surveyor. This time round conditions have been very different. We have not experienced very high interest rates and as such the number of distressed sellers has been lower.

- 7.20 However, as mentioned previously, the market does still remain fragile and the detrimental impact that the inevitable increase in the base rate of interest and the uncertainty of the forthcoming general election could mean that developers are also likely to exercise caution in the coming years.
- 7.21 The HCA has been investing considerable sums of money through the National Affordable Housing Programme, Housing Market Renewal, Kickstart and also through localised investments in Urban Regeneration Companies (URCs). Reductions in budgets from central government are likely to impact upon these funding streams which will have a considerable effect on the number of properties being constructed in the coming years, particularly within the areas of regeneration which the URCs serve.
- 7.22 The support and funding provided by the public sector has brought about significant regeneration and changes in market perception and demand for areas that had they been left to market forces would have been unlikely to come forward on their own.
- 7.23 Boroughs such as Halton which have a legacy of heavily contaminated land coupled with a weak property market are likely to be hardest hit by impeding public sector funding cuts as what may have been marginal schemes previously, become undeliverable without financial support.

8 The Local Property Market

Office and Industrial

- 8.1 The Halton office market comprises of a number of business park type developments such as Daresbury Business Park, Daresbury Science and Innovation Park, the Heath Business and Technical Park, Manor Park and Turnstone Business Park. These developments range from purely office developments, as is the case in Daresbury Business Park and Daresbury Science and Innovation Park, to developments which incorporate both office and light industrial units, such as Manor Park and the Widnes Waterfront developments.
- 8.2 New development over the past few years has been concentrated in the Major Strategic Development sites which are illustrated in Figure 13.

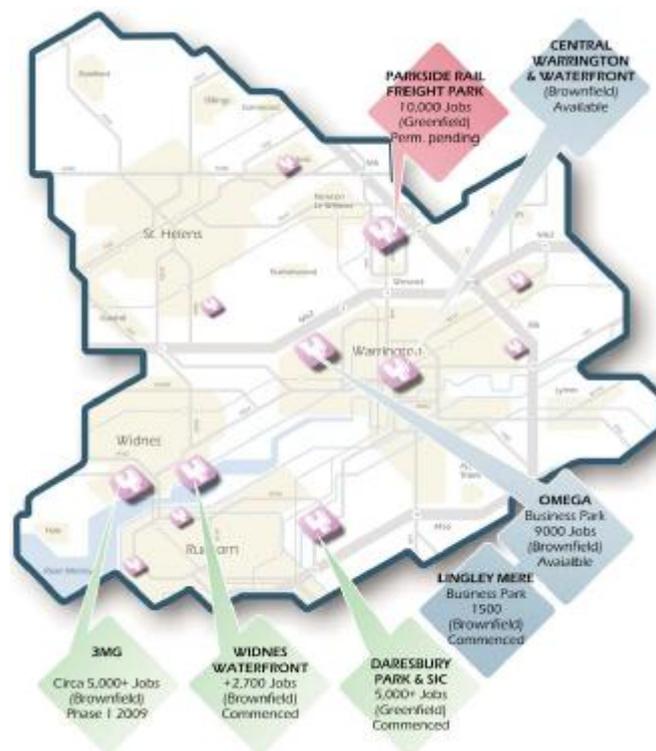


Figure 13- Halton's Major Strategic Employment Development Sites²¹

²¹ Mid-Mersey Growth Point- Programme of Development (2009)

- 8.3 Halton's unique selling point is Daresbury Business Park which has created a particularly successful office community attracting substantial inward investment. Daresbury has attracted some high profile tenants and is home to head office, financial services and high technology operations. Likewise, Daresbury Science and Innovation Park has also been successful due to its unique offer in the North West. It has the advantage of providing close links with the Daresbury Laboratory for companies which specialise in high technology business and leading edge science, whilst also providing companies with the networking and supply chain advantages associated with being part of a cluster.
- 8.4 Likewise, the recent developments within the Widnes Waterfront development area, such as Turnstone Business Park, have utilised the £6.2million European Regional Development Funding to produce some successful office and light industrial units which have seen healthy occupancy levels.
- 8.5 The development of the 3MG Mersey Multimodal Gateway is ongoing, providing the opportunity to build on key development sites for industry focused around industrial warehousing and logistics. This development offers a multimodal transport terminal, which includes connections to the UK motorway network, Liverpool and Manchester airports by road and large railway sidings to connect to the rest of the UK rail network including the West Coast Main Line and daily rail links to deep sea ports via Chunnel. The Gateway is a flagship for the region and is expected to create up to 5,000 new jobs
- 8.6 Whilst take-up rates for new build premises have been healthy, significant vacancies do exist on certain older industrial and office estates such as the Astmoor Estate which suffers from an estate layout and building form that does not match modern business requirements. HBC are working with the land owners and businesses affected to secure solutions including the possible creation of a Business Improvement District.
- 8.7 With regard to business sectors, the focus in Halton tends to be traditionally on companies supporting the chemical industry, however, there are also other major sectors including food and drink, clothing, pharmaceuticals, metal engineering, distribution and logistics, financial services and telecommunications.

Transactions

- 8.8 In terms of sale of new development property, Halton has seen four investment transactions concluded in the last two years and these have been exclusively within Daresbury's Science and Innovation Campus (Daresbury). The properties are detached two storey modern office buildings, each comprising of 38,000 sq ft of space. The four investment properties sold for £7.345m each in 2008, reflecting a net initial yield of 8.10%. This strong yield in the current market reflects the attractiveness of Daresbury as a development to investors and potential occupiers.
- 8.9 There have been 34 rental transactions for office premises in the past two years. These have typically been located in office park locations with a number of transactions in Daresbury, Turnstone Business Park (Widnes) and Manor Park (Runcorn). Rents range from £17.50 per sq ft for newly refurbished properties in Daresbury to £8 per sq ft for second hand offices in Runcorn.

- 8.10 There have been five investment transactions for industrial property in the past two years, the most significant of which is the sale of Manor Park 360 in Runcorn which is a new build, high specification unit totalling 365,000 sq ft. Scottish Widows Investment Partnership Group Ltd purchased the freehold interest for £22.25m, reflecting a healthy net initial yield of 7.7%.
- 8.11 There have been 96 rental transactions on industrial property within Halton over the past two years. These are typically within the industrial parks namely Astmoor Industrial Estate, Widnes Trade Park, Whitehouse Industrial Estate and St. Michael's Industrial Estate. Rents typically range from £2 per sq ft for larger second hand units up to £8 per sq ft for smaller newer or refurbished units.

Retail

- 8.12 Halton's retail offer is comprised of Halton Lea Shopping Centre, Trident Retail & Leisure Park, Bridge Retail Park, Widnes Shopping Centre and a small number of units within Runcorn Old Town.
- 8.13 The development of the Widnes Shopping Centre, which extends Widnes Town centre, comprises of new large format comparison and convenience units including prestigious key anchor tenants such as Marks & Spencer and Next which have helped bring in occupiers such as Miss Selfridge and Warehouse. The high end anchor tenants have been key in establishing the park as a successful development which is likely to act as a catalyst for further change in the Widnes area. These units are in addition to the pre-existing Morrison's store, Green Oaks Shopping Mall and Widnes Market.
- 8.14 In terms of retail ranking, Widnes is listed as 343rd in the Management Horizons UK Shopping Index (2008). The Management Horizons UK Shopping Index uses a scoring system to rank and classify retail centres across the country by size and content. The fifth edition was published in early 2008. To put this in to context, it's neighbours of St Helens and Warrington rank 118th and 99th respectively, although their centres are classified as sub-regional compared to Widnes which is classified as a major district centre. Widnes is placed in the lower quartile when compared to other major district centres, which includes towns such as Cheetham Hill, Denton and Stretford which are all situated in Greater Manchester.
- 8.15 Halton's other retail centre, Runcorn ranks 458th. Management Horizon's categorise Runcorn as a district centre. Runcorn performs around average for the district centre retail category and can be compared to towns such as Dewsbury and Salford.
- 8.16 Halton Lea Shopping Centre, which was constructed in the 1970's, is situated in the centre of Runcorn New Town and is anchored by Argos. There are plans underway to provide a 100,000 sq ft. extension and refurbishment to the shopping centre by 2015. The adjacent Trident Retail & Leisure Park is a more recent development containing tenants such as Aldi, Blockbuster, Curry's and TK Maxx.
- 8.17 The recently constructed Bridge Retail Park in Runcorn has seen both Homebase and Dreams take 15 year leases, occupying 30,000 sq ft. and 9,000 sq ft. units, respectively.

- 8.18 Runcorn Old Town's retail offer, has been weakened considerably since the construction of Runcorn New Town. The retail offer is mostly located on the town's high street and along Brindley Place and contains a number of market stalls and a Somerfield.
- 8.19 There is not currently any additional floorspace under construction in Runcorn Old Town, however there is planning consent for a net addition of 110,000 sq ft which would represent an increase of 19% in the total retail provision within the town centre²².
- 8.20 For all centres, the principle competition comes from St Helens, Warrington, Chester, Liverpool and Manchester.

Transactions

- 8.21 The retail market in Halton has seen four investment transactions in the past two years, the most significant of which is the sale of the Bridge Retail Park, which comprises 29,000 sq ft. of retail space. It was sold by St Modwen in 2008 for £4,550,000, reflecting a net initial yield of 7.85%.
- 8.22 There have been 18 rental transactions in the past two years, the majority of which have been in the retail core of Widnes, with a small proportion in Runcorn New Town and Bridge Retail Park). The units are typically small second hand units and rents range from £10 per sq ft for poor quality units to £40 per sq ft for better quality units in a shopping centre location such as Halton Lea²³.

Leisure

- 8.23 Halton contains a number of leisure facilities including a Cineworld, which is located in Runcorn New Town, a number of fitness clubs, which are dispersed throughout the Borough and two Bingo Halls, with one located in both Runcorn and Widnes.
- 8.24 Situated to the south of Widnes town centre, a joint venture between St Modwen Properties and HBC has recently been granted planning permission and comprises a five-screen cinema, ice rink, 24-lane bowling alley and retail/restaurant space . This £8m scheme was originally unveiled in 2006. The development experienced initial delays in construction due to funding issues. With these now resolved, this development is now due to start on site during spring 2010.

Transactions

- 8.25 The leisure market in Halton has not seen any transactions in the past two years. The most recent transactions were in 2006 and were for a small hotel and a former nightclub both of which were located in Widnes. The former nightclub site subsequently saw an application submitted for a mixed use development, which was withdrawn.

²² Promis by PMA Research & Forecasting Services

²³ Promis by PMA Research & Forecasting Services

Residential

8.26 As is demonstrated by Figure 14 below, the national residential market fluctuations are largely representative of that of Halton as a whole over the past five years. Whilst on average, house prices are significantly lower in Halton, the area has seen the same decline in prices as that experienced on a national scale and likewise, the general experience of house price recovery over the past 6 to 8 months has been replicated in Halton although Halton's house prices have plateaued in the last 3 month period, this is likely to be a consequence of low transaction volume which would have an impact on the overall average. It is expected that this will remain the case for some time to come.

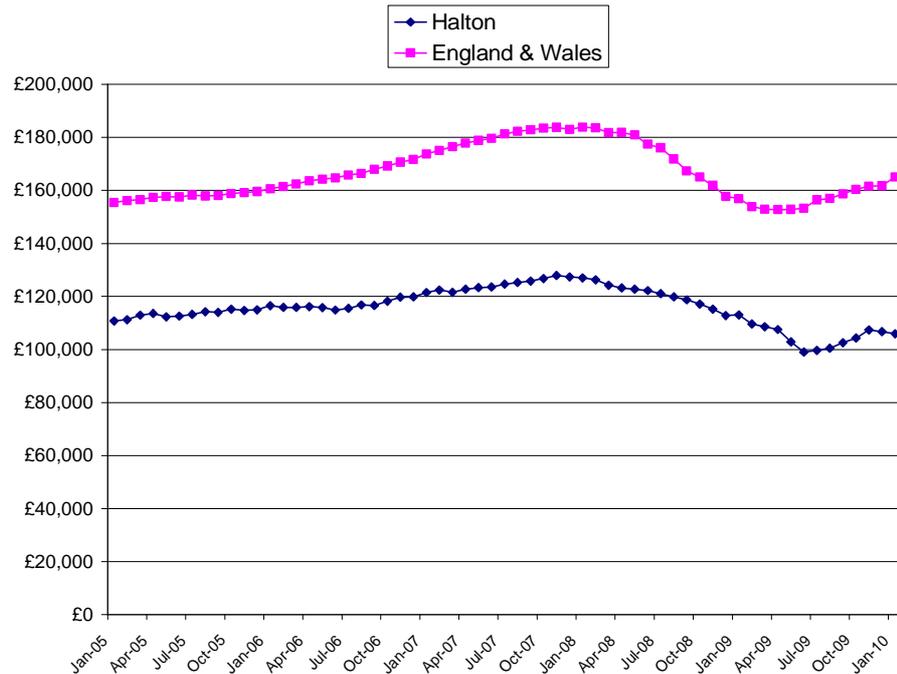


Figure 14: Average House prices²⁴

Allocated Housing Sites

8.27 In terms of the distribution of housing development in Halton over recent years, the area north of the river around Widnes has seen the largest number of completions. This has been largely due to the development of the Upton Rocks area and other developments in north Widnes. In an effort to achieve the Growth Point target housing figures, the focus is now expected to switch south to Runcorn, however the housing trajectory still estimates that there remains capacity in north Widnes of around 923 units through to 2017 with a further 463 net dwelling gain expected in or around the town centre and West Bank.

8.28 As part of this focus south of the river, the development of the Runcorn Docks site (Runcorn Old Town) is seen as a major residential opportunity that the Growth Point Initiative seeks to help facilitate. Halton's other key growth areas cover East Runcorn and Daresbury.

²⁴ Land Registry [accessed March 2010]

- 8.29 Runcorn Docks was originally identified in the Halton UDP (2005) as a Regeneration Area where a number of uses (predominately employment) would be appropriate. It is currently the only Halton site that is 'new' to the planning process, having not previously been identified for housing development.
- 8.30 Peel Holdings, as site owners, have approached HBC regarding proposals for the comprehensive redevelopment for 4,000 dwellings in 2007. Since that time, Peel and HBC have been working together to produce a Masterplan. The site is estimated to generate 100 units per annum from 2011, responding to demand.
- 8.31 The remainder of Halton's housing sites, which were previously identified in the adopted Halton UDP, are encompassed within the saved policies which still form the basis of the Development Plan.
- 8.32 The delivery of these sites is phased with the initial release of sites largely in peripheral areas such as the remainder of Upton Rocks (Widnes) and Sandymoor (Runcorn) followed by remaining former New Town land at Sandymoor. The final release of land encompasses Kekwick Hill, Daresbury and smaller greenfield sites (outside the Greenbelt) in north Widnes.

9 Site Assessments

- 9.1 We have assessed all 26 sites and after reviewing the sites' location, existing, planning policy and history, constraints and other information provided by HBC have made a series of recommendations about the most suitable final use. Detailed site assessments are appended to this report in a separate volume, however the following table provides a summary of our findings.
- 9.2 To assist HBC, we have categorised the sites in terms of priority. We have identified the following sites as being a high priority for HBC and therefore should be the focus of activity. These are:
- 65000001 (Bowers Business Park Phase 2);
 - 65000002 & 65000003 (Bowers Business Park Phase 2);
 - 65000064 (Former ICI, Widnes); and
 - 65000066 (Percival Lane (Runcorn));
 - 65000109 (Adjacent Hough Green Railway Station, Widnes);

Ref Number	NLUD Reference	Site Location	Site Area (ha)	Recommended Final Use	Policy Compliant	Timescale for Delivery ²⁵	Priority
1 (Cluster One)	65000211	Ditton Junction Station, Widnes	0.65	Railway Station	✓	-	Low
1 (Cluster One)	65000242	Land adjacent to Speke Road, Widnes	13.62	Greenspace	✓	< 1 year	Remove from the Brownfield Register
1 (Cluster One)	65000279	Ditton Junction Ex Sleeper Depot, Widnes	9.25	Employment	✓	6 – 10 years	Medium
2 (Cluster Two)	65000001	Bowers Business Park Phase 2, Widnes	2.83	Employment-led Mixed use	✓	6 – 10 years	High
2 (Cluster Two)	65000002 & 65000003	Bowers Business Park Phase 2, Widnes	2.27	Commercial-led Mixed Use	✓	< 1 year (phase 1)	High
3 (Cluster Three)	65000064	Former ICI, Widnes	16.09	Employment	✓	3 – 5 years	High
3 (Cluster Three)	65000136	Croda Tip, Widnes	3.88	Employment	✓	6 – 10 years	Medium
3 (Cluster Three)	65000243	Land South of Johnson's Lane,	15.08	Green Space	✓	< 1 year	Remove from the Brownfield

²⁵ Assuming more 'normal' (i.e. not boom or bust) market conditions, anticipated timescale before commercial developer might start on site.

Ref Number	NLUD Reference	Site Location	Site Area (ha)	Recommended Final Use	Policy Compliant	Timescale for Delivery ²⁵	Priority
		Widnes					Register
4	65000054	Ditton Road, Widnes	2.12	Commercial-led Mixed Use	✓	3 - 5 years	Low
5	65000076	Ex Breakers Yard, Croft Street, Widnes	0.52	Employment	✓	6 - 10 years	Low
6	65000092	Mill Lane, Widnes	0.97	Residential	✗	3 – 5 years	Medium
7	65000349	Side of Fairfield School, Widnes	0.38	Residential	✗	3 - 5 years	Medium
8	65000137	Nyborgs Plastics, Widnes	1.12	Employment	✓	6 – 10 years	Low
9	65000109	Adjacent Hough Green Railway Station, Widnes	0.15	Residential	✓	3 - 5 years	High
10	65000176	Tynwald Crescent, Widnes	0.07	Residential	✓	3 – 5 years	Medium
11	65000244	Hutchinsons Tip, Widnes	13.84	Greenspace	✓	< 1 year	Remove from the Brownfield

Ref Number	NLUD Reference	Site Location	Site Area (ha)	Recommended Final Use	Policy Compliant	Timescale for Delivery ²⁵	Priority
							Register
12	65000066	Percival Lane, Runcorn	3.79	Mixed Use	✓	6- 10 years	High
13	65000043	Land off Runcorn Dock Road, Runcorn	0.96	Employment	✓	6 – 10 years	Medium
14	65000116	Stonehills, Runcorn	0.44	Residential	X	6 – 10 years	Low
15	65000119	Pool Lane, Runcorn	0.06	Open space	✓	<1 year	Low
16	65000125	Halton Road, Runcorn	1.72	Residential	X	6 – 10 years	Medium
17	65000148	AE Evans Storage off Sandy Lane, Runcorn	0.53	Residential	✓	6 – 10 years	Low
18	65000145	Hallwood Link Road, Runcorn	0.29	Residential	✓	6 – 10 years	Medium
19	65000305	Former Crossville Bus Depot, Runcorn	2.13	Employment-led Mixed-Use	X	6 – 10 years	Medium
20	65000248	Okell Street Day Nursery, Runcorn	0.15	Residential	X	6 – 10 years	Medium

10 Conclusions & Recommendations

Conclusions

- 10.1 For many years, the chemical industry was the principle employment sector in the Borough, although many of these employees were low skilled and low paid.
- 10.2 Residential development took place to meet the needs of the people associated with the industry and the docks that developed as a result.
- 10.3 The designation of Runcorn in the 1970's as a New Town was seen as a way of rapidly expanding the town to accommodate overspill from Liverpool resulting in significant investment in infrastructure and property development across all sectors.
- 10.4 Halton Lea shopping centre was the 'jewel in the crown' of Runcorn New Town, however this is now dated and occupied principally by budget retailers.
- 10.5 Some of the New Town housing developments remain, however many of these schemes are now the subject of clearance or significant investment from the public centre to bring them up to an acceptable standard.
- 10.6 The demographic of the area has resulted in low levels of owner occupation. Low levels of demand for private housing has meant that values are low affecting the viability of potential new development. That said, there has been several new housing developments built at the height of the property market which have been successful. During the boom, volume house builders were prepared to take higher risks and lower returns, often developing in secondary locations to obtain market share. This appetite has now all but disappeared with many schemes mothballed or where schemes are being built out, they are straight forward, low risk developments in areas that remain viable due to inherent demand. This is, however the exception rather than the rule.
- 10.7 It was anticipated that the Borough's designation in 2008 as a Growth Point, along with St Helens and Warrington, would accelerate the construction of new housing, however this relies on private sector delivery, which given prevailing market conditions is unlikely to have an impact in the short to medium term.
- 10.8 The retail and leisure offer in Halton is poor with Runcorn and Widnes only being designated as a district centre and major district centre respectively in the Management Horizon's Retail Ranking List (2008). The expansion of Widnes Town Centre to attract new high street multiples such as Next and Marks & Spencer has gone some way to addressing the needs of Widnes, however Runcorn remains a low quality retail centre with a number of vacancies.

- 10.9 Halton's office market is led by development at Daresbury is a renowned location for bio technology businesses attracting some high profile tenants. Tenants are prepared to pay a premium for space at Daresbury in order to be part of this world class location for high-tech business and leading edge science. It provides a unique environment for innovation and business growth, with knowledge sharing, collaboration and networking.
- 10.10 Halton has a conundrum. There is a need to diversify the demographic to attract and retain a population with a higher level of disposable income which could, in the long term, drive demand and improve viability and encourage private sector developers to consider development.
- 10.11 The question of how to attract this population remains and is not within the scope of this study to identify. Higher earners will only be brought in to the Borough through inward investment from companies requiring skilled staff. Outside of Daresbury this is unlikely to occur because of the high costs of redevelopment associated with the decontamination of brownfield land. This is a circular issue with no easy answer.
- 10.12 The Core Strategy clearly sets out the policy framework for encoring development centred around freight distribution, building on existing waterborne capabilities as well as capitalising on inter-modal freight opportunities. Significant investment has already been seen in the Ditton Marsh 3MG via funding from Government Agencies and significant private investment by the Stobart Group. It is anticipated that over 5,000 jobs will be created in this area alone.

Recommendations

Land Assembly

- 10.13 Whilst HBC own or control some of the sites assessed, many lie within private ownership and therefore HBC's ability to deliver development on these sites is restricted. All of the sites that have been assessed have been vacant for some time, and therefore HBC need to take a proactive approach if they wish to see these site brought forward. They therefore have two options:
- Acquisition of sites;
 - Work with the landowners to develop exit strategies
- 10.14 A local authority's remit is to facilitate development rather than act as a developer. Large regeneration schemes sometimes need the funding and compulsory purchase powers of the authority in order to create a site with a critical mass, however, this is nearly always done once a development partner or exit route has been identified.
- 10.15 If HBC so wished, they could acquire interests by private treaty, however this only overcomes one constraint rather than addresses the more fundamental constraints of contamination and infrastructure which are common to most of the sites assessed. Were HBC to have the budget available to acquire sites, which is questionable in the current public sector funding climate, the sites will remain an ongoing liability for the Council with no clear exist strategy.

10.16 Were HBC to seriously consider the acquisition of one or more of the sites, it does have Compulsory Purchase powers, however in order to be able to utilise these, they would have to be able to demonstrate that there is an overwhelming case in the public interest and that a scheme is deliverable. We do not believe that any of the assessed sites could justify such a course of action.

10.17 A more appropriate approach and one that we would recommend, is for HBC to identify and engage with site owners. This will enable HBC to understand the objectives and ambitions of the owners. It is conceivable that these will conflict with those of HBC and therefore it is important for both parties to work together to deliver a strategy for the site which benefits both parties.

Accelerated Development Zones

10.18 HBC have indicated that they would be willing to consider the use of Accelerated Development Zones (ADZ) as a mechanism for funding enabling works in order to bring some / all of these sites forward, particularly those which require considerable remediation and / or infrastructure works.

10.19 ADZ's, based on the US Tax Increment Financing (TIF) model, enable council's to borrow money against projected revenue from business rates which would be generated by the future occupiers of the end development. This solution has worked well in the US, however it's effectiveness has yet to be demonstrated in the UK.

10.20 It is important to appreciate that the legislative framework required to support ADZ's has to date not been supported by government. Pilot projects in East Leeds and East Birmingham are currently underway.

10.21 Halton clearly have to identify a mechanism for funding essential infrastructure and remediation as the substantial costs associated with them has significant detrimental effect on viability and therefore will not be delivered by the private sector.

10.22 There is a need, acknowledged by HBC and Environment agency, to improve the environmental quality of these and other sites within the Borough. Should ADZ's be a serious consideration for HBC, we would recommend that they explore further the risks and benefits of such a proposal and consider other solutions.

10.23 HBC are not alone, many local authorities are currently undertaking studies reviewing the appropriateness of an ADZ in addressing local issues.

Release of Greenfield Sites

10.24 In order to achieve the level of growth that HBC wishes to deliver, they should consider the release of strategic sites on greenfield land within the development limit which will require the release of greenbelt land in the emerging site Allocations Development Plan Document.

- 10.25 HBC needs to balance a range of social, economic and environmental factors in considering this matter. In respect of Employment Land, the Core Strategy notes that 'the supply of available development land in Halton is becoming increasingly constrained and it is important to identify how provision for new employment land will be met'. The constraint on employment land is exacerbated by the fact that many of the sites allocated for employment uses are heavily contaminated and remediation cost makes redevelopment economically unviable on the majority of these sites. To attract economic development, land must be of an appropriate quality to draw investors and developers and ultimately higher value end occupiers.
- 10.26 Similar issues affect sites that have been identified for residential use within this study. Policy CS3 of the Core Strategy sets out the policies to ensure a minimum of a 5 year supply of available and developable sites. Many of the sites envisage a large number of units coming forward on small sites or heavily contaminated sites in order to fund remediation works. With an over-reliance on flats/apartments and higher densities on existing sites with planning permission, the ability to provide family accommodation will be extremely limited. In addition, whilst many of the brownfield sites are available, the level of remediation does not suggest these sites are developable as defined by the 2007 SHLAA Guidance.
- 10.27 The residential market has shifted dramatically since the peak of 2007 and market demand is now driven by the need for family units rather than flats. Over the past 10 years apartments have been associated with brownfield regeneration, enabling developers to create dense schemes which generates a significant gross development value and thus enabling the scheme to absorb higher abnormal costs such as remediation and infrastructure improvements. Offering greenfield land for residential development in a semi rural environment, built to a high specification will be attractive to end buyers and therefore by default attractive to developers.
- 10.28 Allocating greenfield land for development will ultimately significantly enhance land value. The HBC should consider a tariff based approach to greenfield sites which will generate funds to finance remediation works required to neutralise the environmental and physical issues associated with many of the difficult brownfield sites where severe contamination precludes any form of viable redevelopment.
- 10.29 This idea has been examined in some detail in a report by Arup, commissioned by HBC and the HCA which looks at an exchange concept, whereby greenfield sites are exchanged with brownfield sites. The concept investigates the delivery of development on clean sites versus the remediation of heavily contaminated land to deliver open space within developed areas.
- 10.30 In the absence of public sector funding over the coming years in response to the national debt burden, delivery of development and investment in the borough will be reliant on private sector funding and therefore the Council must ensure feasible sites are offered to the market which present viable opportunities for inward investment.

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