

**Hartlepool Local Plan Examination Hearings: Inspector's Matters, Issues and Questions:  
Matter 4 Question 10**

This submission has been prepared further to your letter of 8<sup>th</sup> August requesting further statements in connection with matter 4; more specifically to the questions set out in Matter 4, Q10 of EX INS 15. McGough Planning acts on behalf of Hansteen Holdings Plc and has made a number of representations to the local plan over the years in relation to the development land at Sovereign Park, Brenda Road, Hartlepool.

**1.0 Background**

1.1 Hansteen acquired Sovereign Park as part of its acquisition of the Spencer Group of Companies in 2012. The Park includes a number of industrial units and around 32 acres of previously developed land (see attached sale particulars).

1.2 Prior to Hansteen's acquisition, we understand the Spencer Group had been in discussion with the Council about bringing forward the site for residential development. There were concerns about the extent of the flood plain on the site. The Spencer Group undertook a Flood Risk Assessment to more accurately confirm how the site was affected by the flood plain, which was shared with Council officers. This resulted in further work to show how development platforms could be formed to allow residential development to come forward, providing capacity for flood alleviation/ wildlife and open-space.

1.3 Notwithstanding the allocation in the submission version of the local plan, the whole of Sovereign Park (the land and existing industrial units) is shown as IND4a on the saved Local Plan's Proposal Map – a "High Quality Industrial Area". The allocation in the 2006 local plan was itself carried over from the 1994 adopted local plan, which also identified Sovereign Park for high quality industrial use (see the reference at para 4.28 of 2006 local plan). This means that Sovereign Park has been allocated for high quality industrial use for over 23 years, at least. We understand the Council agreed (and still does) that there was no real prospect of high quality industrial employment related development occurring on the land.

**2.0 Marketing**

2.1 Hansteen has marketed the development land at Sovereign Park for employment use

since 2012. We understand that the previous owners also marketed the land for employment use over the time of their ownership. We have included a letter from our client that provides a marketing overview (see attached letter reference **Hansteen Marketing Overview 11 Sept 17**).

2.2 Whilst it is clear the Sovereign Park estate has experienced some difficulties in terms of keeping and attracting tenants, it is also clear Hansteen has been successful in leasing all the existing industrial units. The same cannot be said about the land at Sovereign Park, despite similarly robust market efforts. It is important to note that during the course of discussions with the Council's Planning and Property teams, there have been no suggestion that Hansteen's marketing was flawed in any way.

2.3 Over the time of its ownership, Hansteen has managed to generate two expressions of interest in the land for employment use; one from Hartlepool Council in 2014; and the other from another party, earlier this year, that went no further than asking for the sale particulars.

### **3.0 Hartlepool Council Interest**

3.1 Hartlepool Council's interest in acquiring unit M and 2 acres of land on Sovereign Park is particularly interesting in terms of the issue of viability of employment development on the land at Sovereign Park (this is set out in more detail in Hansteen's Market Overview Letter).

3.2 At the end of 2014, Officers confirmed that they could not make their employment proposal viable on Sovereign Park, in part due to concerns about abnormal costs associated with development. There had been no discussion at all about the asking price. The Council withdrew their interest and opted for another site just up the road at Tofts Farm.

### **4.0 Joint Working with Hartlepool Council**

4.1 During on-going joint meetings with Hartlepool Council officers, they have accepted employment development on Sovereign Park is not viable. This view seemed to be shared by both the property team and planning officers prior to Hansteen's acquisition.

4.2 Hartlepool Council owns the strip of land between Sovereign Park and Seaton Lane.

Officers have encouraged joint working with the Council to bring forward a residential scheme on the combined sites utilising its adjacent land holding, allowing access to Hansteen's land from Seaton Lane (so avoiding the need to come through the existing industrial estate). The Council's officers have gone so far as to accept a planning application could be made for residential development so long as the flood plain issue was clarified. We understand this was the case prior to 2012, but there seemed to be more confidence that the flood plain issue could be resolved after it was found that the EA map for the SECAAH site across Seaton Lane was inaccurate (permission for a residential scheme was granted when the Council subsequently decided not to contest the appeal in 2016).

4.3 Hansteen has recently completed its own flood modelling study which shows the EA's flood map for Sovereign Park is also wrong. This will be shared with the Council as part of on-going discussion regarding joint working.

4.4 Hansteen obtained advice in relation to site investigations carried out by the previous owners. This has shown there are geotechnical and contamination issues that would affect the viability of employment development – this may have contributed to the Council's withdrawal of its interest in the Sovereign Park land.

## **5.0 Employment Land Review Assessment of Sovereign Park**

5.1 The comments section of Hartlepool Council's summary appraisal of Sovereign Park, set out in the table on page 125 of the Employment Land Review (December 2014), makes reference to "on-going monitoring and study to determine long term viability".

5.2 It is likely that this comment section is based on the site's reallocation for general employment use, as opposed to high quality industrial use. However, in reality the distinction between the two is less than clear, especially where there has been so little interest in any employment development whatsoever. Hansteen's marketing makes no such distinction – it has tried to generate interest in any employment development.

5.3 In the column 1 (Market Attractiveness Factors), under heading 1.7 ("Would employment development on this site be viable, without public subsidy to resolve infrastructure or other on-site constraints?"), the Council answers "n" (no). Hansteen agrees with the Council on this point. The Council has confirmed there is no public subsidy available

and nor it there likely to be in the foreseeable future.

5.4 In column 2 (Sustainable Development Factors), under heading 2.2 (“Is employment the only acceptable form of built development on this site?”), the Council answers “y” (yes). This is at odds with discussions with the Council (and its willingness) to enter into a joint venture with its adjacent land holding to allow access to the Sovereign Park land for residential development. Now there is a better understanding of the flood plain affecting the site, officers can review their reluctance to recommend the site for housing until there was further clarification position of the flood plain.

5.5 In column 3 (Strategic Planning Factors), under heading 3.3 (“Is the site part of a comprehensive or long-term development or regeneration proposal which depend on the site being developed for employment use?”), the Councils answers “y” (yes). It is unclear what specific long-term development or regeneration proposal this refers to, other than, possibly helping to meet the identified employment land requirement for Hartlepool. If this is the case, the reliance on a site where there is a clear lack of market interest, and where the viability issues are such that even the Council withdrew its interest for its own employment development on the site, is not a sound basis on which to continue Sovereign Park’s allocation for employment use.

5.6 The entry in Table 49 for IND4(a) Sovereign Park (page 135) refers to the quality of the existing industrial units and the land to the rear being the main opportunity for growth. Whilst Hansteen agree that the existing units are of moderate quality, it does not agree that the land to the rear provides an opportunity for growth. Marketing evidence demonstrates there is no interest in Sovereign Park from the employment market for development of the land. The Council’s concern about viability when it looked at buying land on Sovereign Park should have been enough to make it doubt the continuation of the employment allocation. Hansteen’s subsequent review of the existing site investigations show that there are abnormal costs associated with development that confirm the Council’s view on the viability of its proposed employment development at the site.

## **6.0 Conclusion**

6.1 The NPPF provides clear guidance to Councils about the planning policies allocating sites for employment use. Paragraph 22 states:

“Planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.”

6.2 Sovereign Park has been allocated for employment related development since 1994 (at least) – over 23 years. This fact should have resulted in meaningful review of the land’s suitability as a continued employment allocation. Setting that to one side, Hansteen’s marketing shows there is no reasonable prospect of the site being used for employment purposes, not only because of the minute amount of interest that has been generated, but also that one of the two expressions of interest came from Hartlepool Council; and it withdrew its interest because of viability concerns.

6.4 The Council’s viability concerns also formed part of its Employment Land Review. Its assessment that employment development on Sovereign Park was unviable without public subsidy (in column 1 of the Council’s summary appraisal of Sovereign Park within the table on page 125 of the Employment Land Review (December 2014)) seems to have been ignored. An assessment that employment development is unviable without public subsidy, in circumstances where there is no public subsidy available (or any realistic prospect of public subsidy) is at odds with its subsequent comments that led to the continuation of employment allocation.

6.5 Paragraph 158 of the NPPF also requires Councils to ensure that *“the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.”* Given Hansteen’s marketing evidence and experience; the concerns expressed by Hartlepool Council about the viability of employment development on the site when it looked to buy land at Sovereign Park; and the viability concerns expressed in the Employment Land Review, it is hard to see how the Council is meeting the NPPF’s requirements.

6.6 The employment allocation at Sovereign Park is clearly unsound. The allocation fails to

meet any of the tests of soundness. Given that employment development is not viable and that there is no interest within the local market for employment land and there is no reasonable prospect of the site being used for that purpose, it follows that the policy allocation could not have been positively prepared, or adequately justified. It also follows that it fails to be effective or consistent with national policy.

6.7 In Hansteen's view, the local plan can be made sound by deleting the employment allocation at Sovereign Park and leaving the land as an unallocated site within the urban area – the development of which will be brought forward in a manner consistent with the other policies of the adopted local plan and the NPPF. The removal would allow the continuation of the on-going work with the Council to bring forward residential development on their joint landholdings.