

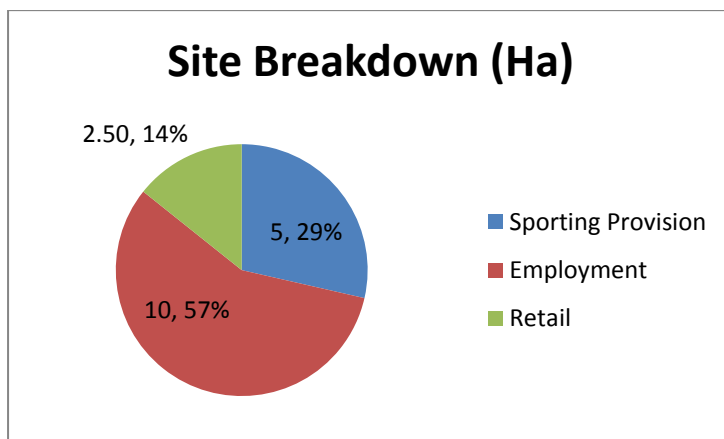
**Response to EX93 New Viability Study - POLICY MN5 - LAND SOUTH OF FORMBY INDUSTRIAL ESTATE High Level Appraisal of Mixed Use Development Scheme  
Land South of Formby Industrial Estate Formby on behalf FRAG**

Formby residents are concerned not just with the immediate viability of this site in planning terms but with the long-run sustainability of this site given the fact that the SLP sees this as the only sports facility option for many sporting activities in North Sefton. The format of this development has changed completely from the original proposal which was to fund the development of a business park and sports complex from a modest expansion of the existing Tesco Store and car park to a mixed development offering town retail with both comparison and convenience goods, leisure uses (not all specified) including a variety of fast food as well as the original business park and sports complex.

There are four inter connected aspects to the assessment of the viability of this site.

1. The viability of the proposed employment site
2. The viability of the retail site
3. The viability of the other “Leisure Uses”
4. The viability of the Sports Centre

The initial breakdown of site use is shown below;



### **Employment**

FRAG have indicated that they have a number of reservations about the scale of the employment land allocation in Formby in terms of ‘proportionality’, displacement of jobs from brownfield sites to greenbelt land and the fact that it has been established that MN2.48 and MN2.49 will be in direct competition. In this context the promoters of MN2.49 explicitly acknowledged this when originally promoted the site as an environmentally better site than MN2.48. It was recognised from the outset that employment sites in an area such as Formby have viability problems. FRAG have always recognised the need for a quality employment site in Formby but for the reasons mentioned above it was felt that only **one** site was economically, environmentally and socially sustainable.

Keppie Massie's briefing note 1<sup>st</sup>. Feb 2016 makes the point (para 34) that it 'anticipated' being able to yield a high rent for employment land on this site. This may or may not be true in the short-run but given the fact that the SLP is seeking 88 Ha of employment land over the lifetime of the plan and any review is likely to seek more employment land in more strategically placed areas of Sefton the laws of Supply and demand will eventually assert themselves. It is worth noting that in this context that both the B E group and the Labour Market survey H0.21 were not particularly 'bullish' on corporate expansion. The scale of the ELR and the fact that Sefton is a relatively small economy can only have a downward effect on rents. I note with interest that the economic forecasts go for a much lower uptake of employment land.

## **Retail**

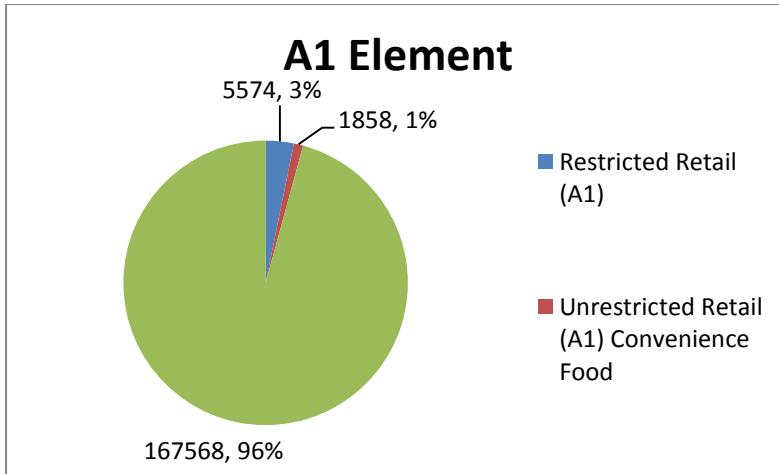
The point has already been made about the pressure that technical progress is likely to have on the out of town retail sector. Merger and Acquisition activity involving 'anchor businesses' in the near future **will significantly affect** out of town retail in Sefton. Currently only the strategically placed site at Aintree is performing well.

Notwithstanding this I will confine FRAG's comments to the latest proposals

- The decision to split the retail element into Retail (restricted) 5,574 sq. metres of presumably comparison goods and unrestricted convenience goods food (1,858 sq metres). On the face of it seems illogical in terms of reducing the impact of this development on Formby. Logical consistency would seem to imply that there should be an impact assessment on all retail. Furthermore, given the fact that it is proposed to use the unrestricted allocation to promote a discount food retailer wouldn't this allocation have a disproportionate effect on the existing local economy? Clearly it is the 'use' that is important and not actual 'size' of the allocation.
- In terms of practicality how will the restricted policy be implemented? What is to stop sites being 'flipped' from one category to another?
- The fact that it was felt necessary to leave some retail sites unrestricted suggests that there is a doubt over the viability of the retail element.
- I would suggest that the unrestricted element is recognition that the retail element is crucially dependent upon finding an 'anchor' convenience food retailer. This may not be easy given the close proximity of Tesco.
- This was not the proposal suggested by Mr. Young at the examination. He suggested that the retail would all be subject to Sefton's ED2 policy. Making an exception for one development is unfair to other stakeholders, it is not transparent and it sets a bad precedent.
- Moreover, the fact that an exception has to be made clearly implies that Sefton are aware that there are likely to be adverse effects on Formby as a District Centre.
- Sefton's Retail Report shows that in terms of Out of Town Shopping the most viable retail are so called 'destination' centres like Liverpool 1. Currently Southport is seeking to re-establish itself as a destination retail centre with a new plan for the town centre. It is in this context that developing an out of town retail/leisure complex in

Formby by reallocating employment land from Southport seems particularly inappropriate.

- A large part of the A1 development has now been classified as “Other Leisure Uses”.



### Other Leisure Uses

Local residents have expressed a number of concerns about this part of the development.

According to Ex93 this includes a Public House, a number of burger bars and “Drive Thru” Restaurants. The chart above shows that this will comprise the bulk of the land allocation for A1 uses. Given the fact that this development will be subject to “Direct site sales”. Therefore, this does not preclude other forms of development provided they offer food and drink.

### Public House

- The inclusion of a public house is somewhat puzzling. If we assume the football club is to be run as a *community operation* then the provision of a public house would be in direct competition to any club house bar. This would be even more of an issue if the operation was to be run as a commercial operation like “Goals” in Netherton as this operation substantially depends on income streams from its hospitality/entertainment facilities.
- There is a precedent in Sefton for building a new Public House next to employment land provision. In Bootle a new Public House was built next to Santander one of the biggest employers in Sefton which is sited next to a strategic employment site (Bridle Road). This failed! An important factor being that Netherton Way tended to isolate the Pub from the community (which already had established pubs nearby). This would be worse because the SLP will make the Formby Bypass far more congested.
- We already have MJ’s close by which is a Fish and Chip Shop which has morphed into a bingo hall and night club with a late bar and now a steak House.
- In the next few weeks Witherspoons will open and there are already two pub businesses for sale in Formby.
- The cost of the public house is given as £1,000,000 this would imply an annual turnover of £500,000 plus (assuming an annual turnover of between a half or a third of the cost). This is considerably more than the turnover shown for the nearest Public House business in Formby (Royal £323,000). It would need to be configured to a

70/30 “food/drink” combination and thus would be in competition with MJ’s and the Cross House etc.

### Burger Bars and Drive Thru Restaurants

A number of points have been raised regarding the above

- We already have one Drive thru all night restaurant (MJ’s) adjacent to the site which will mean there will be substantial competition. This establishment is 24 hour and has a late night drink license. Presumably all the new establishments will be allowed to apply for such a licence.
- If we take these proposals in conjunction with what has already been constructed east of the By-pass we are looking at an A1 food provision commensurate with a large out of town retail site like Aintree. This type of development is radically different from a business park. I would have thought a business conference centre would have had a better synergy with “hot desking” facilities etc.
- The development appears to have more in common with a site like “Ocean Plaza” in Southport. This raises the question as to whether it makes sense to set up another such site in competition with Southport given that Southport is trying to reinvent itself as a modern destination shopping centre.
- Is this development commensurate with a town the size of Formby bearing in mind that under a recent planning consultation on the NPPF the population of Formby barely qualifies as a ‘commuter hub’ given that its population is under 25,000.
- Turnover in many of the A1 food/pubs on the A565 tends to be seasonal in nature as their best business is done in the summer months during and bank holidays with good weather, picking up trade on the journey to Southport. Experience has shown that unless a food offer caters for a particular “market niche” business tends to be a zero-sum game. If these types of business are to be successful a lot will depend upon the extent to which the sports development can become a “destination” to attract extra custom. This may require other forms of leisure development apart from sporting activities.
- Some residents felt that the juxtaposition of fast food establishment with Sporting Activities designed for the use of young people ran contrary to policies EQ1 and EQ10 in the SLP.
- Many of the jobs generated by this development are likely to be low paid part-time jobs. Formby has the best qualified workforce in Sefton and local people want high quality jobs in order reduce the tendency for young people to migrate out of the town. After all that is supposed to be one of the reasons for building more houses in Formby.

**In order to understand the local economy it is important to realise that according to the NOMIS data Sefton has the highest proportion of people in part-time employment in the North West.** This is one reason why there is a housing affordability problem and a fragile housing market since many workers do not work

enough hours to qualify for a mortgage. This development is likely to displace and substitute workers from one part of Sefton to another whilst it will not necessarily provide the expansion in housing demand necessary to underpin Sefton's housing expansion program.

As was said at the examination there is a real danger that as costs rise, "other leisure uses" could expand in directions difficult to predict with any certainty.

### Sports Facilities

- Concerns were expressed about the viability of this development because Sefton have been downgrading existing sporting facilities in North Sefton and have embarked on a policy of building on school playing fields. Sefton are relying on this site to offer the sports facilities they are unable to provide notwithstanding the revenue they have received from the sale of community assets. If this development fails or it becomes inaccessible for any reason then people in North Sefton will have nothing.
- It is still not clear whether the sporting facilities will be provided on a commercial basis or as part of a more public sector operation. If viability depends upon it being run as a commercial business then many people in the community are likely to be excluded on the basis of affordability particularly if costs rise as the development proceeds. There is little point in providing sporting facilities if people cannot afford to use them. It seems that the mode of operation may well depend upon the availability of funding from outside agencies.
- Paragraph 3.13 of the Colliers International report says

"Clearly, this appraisal must be caveated by Colliers International as being indicative only as it is not based on a specific scheme of development or the usual due diligence that a developer and they would undertake when bringing forward an actual scheme. It is however based on their detailed market knowledge and experience and is therefore seen as a good high level indication of the potential viability of the type of scheme being assessed".

In other words the form of the development is still not finalised or certain. It is this uncertainty that lies at the heart of the viability question and the assessment of any impact it will have on Formby as a sustainable district centre. It would be churlish to say that the development is lacking in potential but the devil is in the detail and its likely effect on the overall SLP.