



Warrington Local Plan Consultation Responses Review

Warrington Borough Council

Final Report

February 2022

1.0 INTRODUCTION

- 1.1 Over October-November 2021 the Warrington Updated Proposed Submission Version Local Plan 2021 (UPSVLP 2021) and related evidence base documents, was subject to a six week public consultation. Five main responses were received providing a detailed technical critique of the employment land evidence base, specifically the Warrington Economic Development Needs Assessment Refresh (EDNA, August 2021) and, in places, making links to the housing evidence base. In this report, BE Group and Mickledore, authors of the EDNA 2021 Refresh Report, review the responses received and comment on the issues raised in those responses where they are relevant to the employment land evidence base and the UPSVLP Policies which are informed by that evidence base.
- 1.2 This report was prepared for Warrington Borough Council (the Council) in January 2022.

2.0 SUBMISSIONS RESPONSES

- 2.1 The five Representations have been reviewed here, with a focus on comments relating to the EDNA 2021 Refresh Report. Detailed relevant comments, provided by each Representation, and our responses to those points raised are provided in Tables 1-5.

Representation: Advice on Warrington Local Plan Representations: Employment Land Matters (Hatch for Liberty Properties) – Table 1

- 2.2 *Comments:* Overall this representation supports the EDNA 2021 Refresh and through it the UPSVLP employment policy. The main critique given is that the EDNA 2021 Refresh provides for a 3 year flexibility factor or buffer, on identified land needs, to ensure there was sufficient land available to meet needs at the end of the Plan Period, to provide choice in supply for developers/occupiers and allow for other uncertainties. The Representation favoured a 5 year buffer, the maximum normally applied, to support the growing logistics sector (see Point 3, Table 1). Thus, the final employment land need figure identified in the EDNA 2021 Refresh, both strategic and local, of 316.26 ha, should be viewed as a minimum figure.

**Table 1 – Representation One: Advice on Warrington Local Plan Representations: Employment Land Matters (Their Ref. A/0005)
(Hatch on behalf of Liberty Properties. Incorporating Savills UK and North West Logistics Market Report 2021)**

Point No. (Rep. Para and Page Reference Nos.)	Relevant Issues Raised	BE Group/Micklethorpe Comments
Point 1 (Page 1-2)	The Representation agreed with the EDNA 2021 Refresh that the best approach to forecasting employment land needs over the UPSVLP period was to extrapolate forward periods of historic both strategic and local take up. Further, that the alternative approach, based on the application local economic forecast models, should be dismissed as the forecasts fail to pick up local economic specialisms and changes jobs densities over time.	Comments are in support of the EDNA 2021 Refresh Study.
Point 2 (Page 2)	The EDNA 2021 Refresh employment land need figures include a flexibility factor or buffer to ensure there was sufficient land available to meet needs at the end of the Plan Period, to provide choice in supply for developers/occupiers and allow for other uncertainties. Normally such buffers are 3-5 years additional supply at the preferred annual rate. The EDNA 2021 Refresh opted for a three year buffer to minimise impacts on Green Belt through the release of land, the Representation favoured a 5 year buffer to support the growing logistics sector (see Point 3). Thus, the final employment land need figure identified in the EDNA 2021 Refresh, both strategic and local, of 316.26 ha, should be viewed as a minimum figure.	<p>A buffer of up to five years additional supply has been used by BE Group in over 65 employment land studies since 2006. Studies were completed for several of Warrington's neighbours. These included Halton, Knowsley and more distant West Lancashire in BE Group's Joint Employment Land and Premises Study (JELP, 2010) which has continued to inform these authorities' needs, in now adopted Local Plans, to this day. St Helens needs was separately assessed in the 2015 St Helens Employment Land Needs Study, and again a five-year buffer was applied and accepted.</p> <p>A buffer of three years was chosen in the EDNA 2021 Refresh, over the maximum of five years, for several reasons. Reasons for this lower level of buffer, as stated in the EDNA 2021 Refresh (Para 7.13, page 141, Section 7.0) are:</p> <ul style="list-style-type: none"> • "The desire to limit the impact on local Green Belt, where possible, given that sizable greenfield development will likely already be required to meet the baseline OAN • The fact that the bulk of Warrington's stock of E(g)/B2/B8 premises is modern and well occupied. A lot of the older stock/surplus land which could be converted to other uses, such as housing or retail/trade, has already been converted so further large scale changes of use are unlikely outside of Central Warrington. In Central Warrington the loss of employment land and property through regeneration programmes is allowed for in this Study. Thus, there is a more limited need to allow a buffer specifically to account for land lost to other uses, as might be the case elsewhere." <p>Additionally, it should be noted that while Warrington's UPSVLP is proposing the allocation of extensive areas of land suitable for strategic B8 uses, so are Warrington's neighbouring local authorities, as set out in Section 6.0 of the EDNA 2021 Refresh – 'Warrington's Wider Economic Geography'. Particularly relevant in this context is St Helens where, in addition to an extension to Omega which directly links to Warrington, 144 ha of B2/B8 employment land is allocated at Parkside East and West close to the M62, and now enjoys various consents following multiple Examinations in Public. Thus, while the market for B8 accommodation is certainly growing well, the scale of strategic B2/B8 supply being put forward in the sub-region also needs to be recognised and some limits put on provision to minimise the risk of oversupply and overlap between strategic sites being brought forward in neighbouring local authority areas.</p>
Point 3 (Page 2-6)	<p>The logistics sector is growing both locally and nationally and the majority of the 316.26 ha of identified need should be delivered on sites suited for B8 uses. Factors leading to the growth of logistics requirements and demand included:</p> <ul style="list-style-type: none"> • Growing online retail spending and increased demand for parcel delivery • Growing demand for larger logistics units, especially for grade A units • Reducing supply of second hand B8 units since 2011. The 2021 national B8 vacancy rate was 3.43 percent, the lowest since 2009 • Delays in construction of new build space in 2020-2021 due to the Covid-19 Pandemic <p>The UK is seeing one of the highest ever rates of speculative development with 17.42 million sqft (1.63 million sqm) due to reach practical completion in 2021-2022, strong evidence of the growth of the logistics sector. In the North West 2.34 million sqft (216,000 sqm) is due to complete over this time. There was record UK-wide logistics take up in 2020 of 51.2 million sqft (4.76 million sqm)</p> <p>Savills reported 10 million sqft (929,000 sqm) of additional B8 requirements in the North West, as of late 2021.</p>	<p>BE Group and Micklethorpe agree with the broad comments made here that the national, regional and local markets for B8 uses have grown sharply in recent years and have enjoyed a particular boost in 2020-2021 as a high proportion of the economy moved online reflecting restrictions on face to face trading resulting from the Covid-19 Pandemic. Such growth is expected to continue, at least in the short to medium term. Allowing for changes in the local and strategic property markets in 2020-2021, resulting from the Covid-19 Pandemic, was one reason why the Council chose to commission a refreshed EDNA in 2021.</p> <p>Reflecting both past take up and an up to date property market assessment, which both indicated a strong and growing B8 logistics market, the EDNA 2021 Refresh Study recommended that of the 316.26 ha of employment land required in Warrington to 2038, 117.94 ha or 37.3 percent, would be needed to meet strategic requirements for B2 and particularly B8 premises. However, the strategic logistics market is not the entirety of Warrington's economy. Market research for the EDNA 2021 Refresh indicated reasonable ongoing demand for smaller office premises. Private office sectors employed some 53,000 locally in 2020 against 11,000 for transport and storage and are forecast to gain 12,300-12,800 jobs to 2038. Demand for local industrial premises, in all sizes up to 9,000 sqm was also identified to be very strong. Thus, there are a range relevant market needs which the employment land put forward in the UPSVLP must meet, not just strategic B8 logistics.</p>

Source: Representation Authors plus BE Group and Micklethorpe, 2022

**Table 2 – Representation Two: Response Appendix D J21 Birchwood: Employment Needs Assessment
(St Modwen with input from Savills)**

Point No. (Rep. Para and Page Reference Nos.)	Relevant Issues Raised	BE Group/Mickledore Comments
Point 1 (Para 1.1.1-1.1.5, page 14 Para 8.2.1-8.2.9, page 61-63)	The Representation was made to promote the allocation of 71.56 ha of land at J21, Birchwood. The proposed site would include 40.25 ha (gross) of industrial and logistics employment land in the south, equating to 115,920 sqm of B2/B8 floorspace and generating an estimated 1,457 on and off site jobs. It was promoted as well placed to meet identified shortfalls in employment land supply, discussed below. It is also well placed to support a growing market for industrial and logistics premises.	<p>In the EDNA 2021 Refresh the land at J21, Birchwood (referred to as the St Modwen – Rixton Scheme) was put forward as one option for meeting needs. It is important to emphasise that the EDNA 2021 Refresh only undertook a high level review of site deliverability here, as of summer 2021. In particular, BE Group and Mickledore did not complete any viability testing on this, or any other site. However, the following high level comments were made on site deliverability in Table 46 'Land Supply Options', Page 182-183, Section 8.0 of the EDNA 2021 Refresh:</p> <ul style="list-style-type: none"> • <i>“The employment land is at a highly accessible location on the A57, with immediate access to J21, M6. Stakeholders are clear that with Omega South nearing capacity there remains a need for a new large strategic B2/B8 site which is directly accessible to the motorways, to meet ongoing demand. Stakeholders broadly assume that a development in South East Warrington Borough will meet this need however, the Birchwood and Woolston Grange areas were also identified as desirable and well established locations for meeting both local and strategic needs. This site links well to these established employment clusters, particularly if a direct link to Birchwood/Birchwood Station can be provided.</i> • <i>However, the employment land is split into plots by existing road infrastructure, land ownerships and intervening residential/farm properties, which fall outside of the scheme. This makes delivering a single coherent development more difficult and the adjacent housing will likely put limitations on the scale and location of what can be developed here. Both these limitations mean that many of the plots would better suit local rather than strategic schemes</i> • <i>Some, but not yet all, land is under the control of an experienced developer.</i> • <i>However, plans remain at a very early stage and key questions remain such as whether the sizable road infrastructure required, can be delivered and what the impacts on the A57 and J21, M6 would be.”</i> <p>Overall, the land is accessible but faces some sizable delivery constraints.</p>
<p>EDNA 2021 Refresh Review The Representation reviewed the EDNA 2021 Refresh and claimed a number of deficiencies in the methodology for assessing Objectively Assessed Needs (OAN), discussed in Points 2-4</p>		
Point 2 (Para 3.4.5-3.4.13, page 23-26)	<p><i>The Look-back Period was Too Long:</i> the look-back period over which average take-up (demand) was calculated runs for 24 years from 1996 to 2020. This was too long a period as the demand drivers underpinning industrial and logistics need, and the characteristics of the sector itself, have changed significantly in recent years. Specifically:</p> <ul style="list-style-type: none"> • Online shopping, as a proportion of retail activity increased from 2.8 percent in 2006 to 19.1 percent in February to 2020. The Covid-19 Pandemic accelerated this trend further with online shopping sitting at 25.9 percent of all retail sales in September 2021) • Online retail requires three times the amount of warehouse floorspace of traditional shops • Increasing UK freight volumes, UK companies bringing their operations back to the UK to avoid Brexit related supply chain shocks • Continued business and housing growth in Warrington and neighbouring areas. <p>The inclusion of the period of the 2008-2013 National Recession in the period of over which average take-up (demand) was calculated undercuts historic demand as this Recession resulted in a systematic negative impact to the entire UK economy. In the years of the Recession and recovery, Warrington saw negligible take up levels.</p>	<p>BE Group and Mickledore accept that Covid-19 Pandemic and arguably some other features of the macro economic climate have boosted the B2 and particularly the B8 markets in recent years. However, we would argue that this is an extension of an established market trend rather than the creation of a new trend without precedent. In Warrington at least, the growing strategic market for B2/B8 premises has been in evidence since 2013 when regular development began on Omega. Since 2013-2014, Omega saw consistent completions of strategic scale B2/B8 premises, year on year. to 2019, with annual completion rates reaching 60 ha/year here and an average of 22.8 ha/year of land being taken up. Omega thus provides a very strong case study of how a strategic B2/B8 site may perform in a booming market moving forward. This would make the case that any review of past take up should look back to at least 2013.</p> <p>However, the strategic logistics market is not the entirety of Warrington's economy. Market research for the EDNA 2021 Refresh indicated reasonable ongoing demand for smaller office premises. Private office sectors employed some 53,000 locally in 2020 against 11,000 for transport and storage and are forecast to gain 12,300-12,800 jobs to 2038. Birchwood and Warrington Town Centre are both expected to see growth in their office supply to 2038. Demand for local industrial premises, in all sizes up to 9,000 sqm was also identified to be very strong and expected to continue, with development possible in a range of locations. These uses have seen diverse periods of high and low demand over the last few decades, reflecting a changing local market and macro-economic conditions, and will see such variations again in the future, even if the detailed causes of market change differ from those of the past. The best record of how periods of economic boom and bust impact on local development come from the long term take up data and this is therefore the best available evidence we can use to predict how the local development market will perform in the future. As with any source which projects forward on past trends, the further backward your past data the more accurately to can project forward over the long term as short 'backwards' periods may reflect only exceptional points in history that may not be repeated over the long term. With this in mind, it is the view of BE Group and Mickledore that using a shorter 'look back' period would give a less accurate forecast for the whole office, industrial and warehouse market.</p>
Point 3 (Para 3.4.14-3.4.16, page 26-27)	<p><i>The EDNA used Completions (Take Up) rather than Net Absorption: the EDNA 2021 Refresh's measure of take-up was based on completion trends rather than actual take-up of floorspace:</i> What the Representation referred to as Net Absorption or the quantum of net floorspace occupied over a period of time (i.e., move-ins minus move-outs) based on leasing deals recorded by the Co Star database. The estimated Net Absorption rate was 529,000 sqft/year (49,000 sqm) or 16.40 ha/year at 3,000 sqm/hectare, based on the average annual net occupation of floorspace over 2011-2021.</p> <p>The Representation argued that development completions (take up) were a supply measure, not a demand measure. For new development (completions) to come forward new employment sites need to be allocated, and planning permission granted before new floorspace can be built. This takes time and as a result completions rates lag behind, and do not fully account for, actual demand from businesses. Thus, the EDNA 2021 Refresh, which bases its Objectively Assessed Needs calculations on completions/take up, underestimated true need based on actual market demand.</p>	<p>BE Group and Mickledore do not support the use of Net Absorption over average take up rates, as a measure of employment land need, for the following reasons:</p> <ul style="list-style-type: none"> • <i>Net Absorption is a Measure of All Business Relocations, Not Just Relocations to New Build Premises</i> – Net Absorption, as defined by the respondent, includes all relocations by businesses. Most of the moves it recorded will be to and from second hand accommodation. In these cases, the business did not acquire, and may never have sought, new build accommodation on an employment development site. Thus, by allowing for all premises transactions, including those which related solely to existing premises in Warrington, and had no relation to the completion and occupation of newly built units on employment sites, Net Absorption will significantly overestimate the local need for new build premises, and thus the land needed to accommodate those new build premises. • <i>Take Up Rates Allow for Imperfections in the Development Process</i> – The Representation argues that Past Take Up rates do not reflect real demand levels as there will be a lag between what occupiers want and what can be delivered on the ground. We would argue that lags and imperfections in completions are a feature of the real world development process. Ultimately not every business will be able to obtain exactly the new build premises it wants, where and when it wants.

		<p>Development proposals may fail, or at least be delayed, by failures to secure planning consent, site constraints, viability and ownership issues and/or changing decision making amongst occupiers and developers. Such imperfections will continue to inhibit the development process in the future and need to be allowed for. Take Up does this by projecting forward the amount of development completion that Warrington was able to achieve, given real world constraints, rather than what developers and businesses might have achieved absent all such constraints.</p>
<p>Point 4 (Para 3.4.17-3.4.21, page 27 Para 6.3.2-6.3.8, page 41-42)</p>	<p><i>The EDNA 2021 Refresh did not account for suppressed demand:</i> when supply, as signalled by floorspace availability, is low, demand is suppressed as prospective tenants can't find space in a market. By projecting forward historic take-up, the EDNA 2021 Refresh did not take account of demand that had been lost due to supply constraints and therefore presents a need profile based on a supply constrained trend (or 'suppressed demand'). This was a particular issue in the industrial and logistics sectors where local supply, relative to demand has been declining in recent years and has now dropped below the 9 percent equilibrium rate (the maximum rate at which rental growth occurs) which the Representation considered indicated a balance between supply and demand. It was identified to be at 5.4 percent in Warrington as of late 2021, down from 12 percent in 2015. The rest of the FEMA has been below the 9 percent equilibrium rate since 2014.</p>	<p>The degree to which market demand is 'suppressed' by a lack of supply is hard to measure in a clear quantitative way, for a number of reasons. Firstly, demand from businesses can change regularly reflecting changes in companies internal and external operational conditions. Secondly, while many businesses have growth aspirations, not all those firms have the financial resources to secure the land and property sought. So even if land and premises could be guaranteed locally for every business who indicated a requirement, not all those land and property options would ultimately be taken up. Thirdly, supply constraints will affect different types and sectors of business differently. Some office companies, for example, may be happy to split their operations across two properties of one large suite was not available. A large manufacturing business may develop its own premises if an existing large B2 units, of the right specification, could not be found. SME businesses in multi-occupancy schemes will frequently expand into other units in their schemes as they grow if other expansion property options are not available. Finally, constraints in supply in one locally may be offset by oversupply in others, so a shortage of light industrial space in Warrington could be offset by excess supply in Halton.</p> <p>The Representation attempts to create a quantitative analysis from a qualitative issue by indicating that any market with a vacancy rate of more than 9 percent has sufficient supply and any market with less than 9 percent vacancy is undersupplied. The degree of the undersupply is then calculated and converted into a floorspace figure to be applied as additional need to any calculation of Objectively Assessed Needs. The 9 percent limit appears to be largely arbitrary and based on the experience of Savills that below this rate, i.e., when supply is more constrained against demand, rental levels will grow and above this level rental levels will remain static. A 9 percent 'equilibrium rate' has no basis established methods of analysing commercial property markets that BE Group and Mickledore are aware of. This is a questionable assumption for a number of reasons:</p> <ul style="list-style-type: none"> • The office, industrial and warehouse markets are diverse, and a low overall vacancy rate may conceal oversupplies in some submarkets • Quality of premises can mean as much to businesses and quantity and high vacancy rates may reflect the fact that an area is oversupplied with low grade or otherwise unsuitable premises. Thus, an area may have a high vacancy rate but still lack the premises which businesses need • As noted, undersupplies in one market area may be offset by oversupplies elsewhere • The 9 percent is said to reflect the maximum vacancy rate at which rental growth is likely. While it is certainly true that greater scarcity of property options may encourage owners to seek higher rents there are a range of other factors which can affect rental levels including wider economic conditions, the quality of the premises and any specialist features it offers, desirability of the location and ultimately what businesses are willing and able to pay.
<p>Point 5 (Para 6.3.1-6.4.3, page 41-46)</p>	<p>Reflecting the above, the Representation provided a revised measure of Objectively Assessed Needs. It comprised:</p> <ul style="list-style-type: none"> • An assessment of the regional demand and supply indicators for all districts that neighbour Warrington • A more detailed analysis of Warrington's local the industrial and logistics market. • A review of Warrington's available industrial and logistics employment land (future supply) • An estimate of future industrial and logistics needs (demand). <p>The Representation estimates an industrial and logistics need of 15.97 million sqft (1.48 million sqm) over the 18-year Plan period. This estimate was derived by:</p> <ul style="list-style-type: none"> • Projecting forward Net Absorption, i.e., 529,000 sqft/year (49,000 sqm), over the 18 year plan period, = 9.53 million sqft or 885,000 sqm • Accounting for suppressed demand in years where the market was supply constrained. This was achieved by calculating the quantum of floorspace necessary to achieve 9 percent availability in years where availability was below this rate, and then creating an average annual additional Net Abortion rate, i.e., 23,350 sqft/year = 20,293 sqft or 39,000 sqm • Adjusting for current and future increases in online retail. Assume a 66 percent uplift to the historic and suppressed demand from ecommerce, which was judged to account for 50 percent of future B2/B8 demand = 3.25 million sqft or 302,000 sqm • Adding a 3-year buffer to provide a continuum of supply beyond the end of the plan period and to account for the current day industrial and logistics growth drivers = 2.2 million sqft or 204,000 sqm (as in EDNA 2021 Refresh) • Allowing for business displacement associated with Warrington Masterplan projects = 570,000 sqft and 53,000 sqm (as in EDNA 2021 Refresh). <p>At a 30 percent plot ratio, or 3,000 sqm of floorspace equating to one hectare of land (identified as a normal rate for larger B2/B8 units in the sub region), 15.97 million sqft (1.48 million sqm) of floorspace need equated to 495.62 ha of land need. Against a land supply total of 299.13 ha (new employment allocations, existing land supply and land within the Borough of St. Helens secured to count towards Warrington's land supply) this gives a shortfall 195.49 ha over the plan period.</p>	<p>In Points 3-4 BE Group and Mickledore argue that the core methods of assessing need in the forecast provided in the representation – the use of Net Absorption as the baseline forecast method and then making an adjustment for 'suppressed demand' – are inaccurate tools for making such an assessment. Accordingly, the assessment of Objectively Assessed Needs resulting from those assessment tools is not considered as valid.</p>

<p>Point 6 (Para 7.2.10-7.2.41 Page 49-59)</p>	<p>The Representation reviewed the employment land supply options as they were set out in the UPSVLP:</p> <ul style="list-style-type: none"> • Option One and Option Two: South East Warrington Employment Area Proposed Allocation – identified as a strong and accessible location to meet industrial and logistics needs • Option Three: Six56 Phase II – The deliverability of Phase 2 of Six56 would rely on the assumption that housing is no longer needed on this site. Furthermore, the delivery timeframe of employment floorspace at this location would be dependent on delivery of Phase 1 of the Six56 scheme, which had yet to receive planning permission. Therefore, there was a level of uncertainty as to when the site could be delivered. • Option Four: Fiddlers Ferry Proposed Allocation – Identified constraints/issues on this site include: <ul style="list-style-type: none"> ○ Lack of a delivery partner ○ Costly and time consuming remediation ○ Identified planning timeframes are tight (i.e., most consents by 2023) ○ Significant enabling infrastructure required ○ Unrealistic build out rate of 13 years for the employment uses ○ Site is in a secondary location distant from the Motorway junctions. • Option Five: Port Warrington – Site is disconnected from the rest of Warrington/Motorway junctions and dependent on the proposed Western Link (although also has the potential to increase congestion on that new road). A specialist port facility, it would represent quite a small multi-modal facility of 60 ha, when similar facilities are usually within the range of 100 ha to 150 ha. There were also potential abnormal development costs including dealing with potentially contaminated land, access to the Western Link, Port Berth Expansion and rail link connections. Finally, it was not expected that Port Warrington would be delivered within the Plan period, being a long-term project for Peel • Option Seven: Warrington Commercial Park – A local scale employment opportunity dependent on the delivery of the Western Link Road, and unlikely to be brought forward until later in the Plan period. 	<p>Regarding the supply options, the following comments can be made:</p> <ul style="list-style-type: none"> • Option One and Option Two – Agree with Representation comments • Option Three: Six56 Phase II – Table 46 ‘Land Supply Options’ Page 182-183, Section 8.0 of the EDNA 2021 Refresh makes the following comments about the deliverability of Six56 Phase II: <ul style="list-style-type: none"> ○ <i>“Land under option to a developer, with a history of delivery</i> ○ <i>Links to a wider identified area of strategic/local market demand and several adjacent established industrial estates which are a focus for recent local growth and home to a range of major local and regional/national firms.</i> ○ <i>Access would be from Barleycastle Road to J20, M6, a route which already accommodates a range of high volume logistics operations, including the new HMRC facility.</i> ○ <i>Site is large enough to meet a range of local requirements or a small number of strategic operators, reflecting the fact that the wider area meets both local and strategic needs.”</i> • Option Four: Fiddlers Ferry Proposed Allocation – It is important to emphasise that the EDNA 2021 Refresh only undertook a high level review of site deliverability here, as of summer 2021. In particular, BE Group and Mickledore did not complete any viability testing on this, or any other site. However, in Table 46 ‘Land Supply Options’, Page 182-183, Section 8.0 of the EDNA 2021 Refresh we highlighted a number of strengths the site has: <ul style="list-style-type: none"> ○ <i>“Masterplan in place for delivery, backed by single site owner.</i> ○ <i>No development partners in place, but good initial interest from industrial/warehouse developers is noted</i> ○ <i>Although not stated by the owner/agents, it is likely that the employment uses will be dependent on the housing to provide an element of cross funding, particularly to support the large site clearance and remediation costs. As the housing is to be developed on Green Belt, releasing the Green Belt land will likely be key to delivery of the brownfield land.</i> ○ <i>The site has good A-Road access but its distance from the M62 makes it less desirable to major logistics occupiers than other locations which enjoy direct motorway access. This weaker position will likely have some impacts on the speed at which B2/B8 options are taken up but and may mean that demand from local firms outweighs demand from strategic businesses.”</i> • SSE consider that the site will be developed in full by 2030, although this could be challenging given site conditions. It is, however, considered that the site will be developed in full by the end of the Plan period (2038). In particular, the need to recoup the costs of clearing the power station and remediating the site will give the site owners a strong incentive to progress development here. • Option Five: Port Warrington – Agree with Representation comments • Option Seven: Warrington Commercial Park – Agree with Representation comments
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Source: Representation Authors plus BE Group and Mickledore, 2022

**Table 3 – Representation Three: Warrington Local Plan Issues Report Nov 2021
(Lichfields on behalf of a Consortium developers and housebuilders including Ashall Land, Barratt Developments (Barratt Homes and David Wilson Homes), Metacre, Satnam Developments, Story Homes, and Wainhomes (the Consortium))**

Point No. (Rep. Para and Page Reference Nos.)	Relevant Issues Raised	BE Group/Mickledore Comments															
Point 1 (Para 3.14-3.25, page 8-9)	The EDNA 2021 Refresh identified Objectively Assessed Need of 316 ha, as relayed in the UPSVLP, does not align with the jobs forecasts as set out by Oxford Economics and Cambridge Econometrics and used in both the housing and employment evidence bases. If, as expected, the majority of the identified employment land need was delivered by 2038 it would accommodate far higher levels of employment than were shown in the forecasting which fed into the UPSVLP housing target of 816 dpa	<p>It is not possible to align jobs targets, based on forecasts which also inform the UPSVLP housing target, with the employment land target, which is based on a forward projection of past take up. This is because businesses will seek to grow their operations, generating needs for premises and land, for a range of reasons, many of which are unrelated to the number of people they employ and their jobs density. For example, a manufacturing business may require additional space to accommodate a new automated production process which generates no additional jobs or may indeed lead to a net reduction in jobs if that automation replaces a process previously undertaken by personnel. Similarly, a company may require additional storage space for parts or products without needing to take on more staff. Conversely, experience suggests that even where businesses are contracting in terms of employment, they will continue to hold onto land and property in anticipation of future improvement and change, putting the excess space to other uses, such as storage.</p> <p>In terms of warehousing, physically identical logistics facilities may be sought by logistics companies which have very different jobs densities. For example, a warehouse processing Fast Moving Consumer Goods (FMCG) which are picked on an intensive basis by staff and where stock turns over on a regular basis will have a dramatically different employment density to an identical warehouse where spare parts for machinery or transport equipment are required to be stored for long periods of time, with a low turnover of stock. Employment density within warehousing will also be determined by the level of automation employed. In the future, fully automated 'dark warehouses' may operate with no basic warehouse staff.</p> <p>In the office sector, the link between jobs and floorspace/land needs is further broken by growing trends for hot desking and homeworking, trends which have massively increased during the Covid-19 Pandemic when a majority of office staff were actively encouraged to work from home. High levels of homeworking, hot desking, etc. are forecast to continue even after all Covid-19 related restrictions are lifted. Thus, the size of office a company occupies has much less to do with the number of staff it employs than was true in the past. Additionally, office development which takes place in town centre locations will have higher jobs densities than development in low-density business parks. Warrington, with its twin office centres of Birchwood and the Town Centre will likely see development at a mix of densities.</p> <p>Businesses, across all sectors, may relocate simply to be in more modern or higher quality premises or to access a new geographic market, without gaining staff. They may also acquire land to support longer term expansion aspirations, which may or may not materialise. Finally, businesses may grow within existing multi-occupancy property schemes or within their own land and property holdings, without generating additional requirements.</p> <p>For these, and many other reasons, it is therefore not possible to say that x amount of employment land need will generate x number of extra jobs which can then be translated to a housing requirement.</p> <p>To further test how closely jobs change translates to land take-up, Table 43 (Page 178, Section 8.0) of the EDNA 2021 Refresh compared recorded historic take up since 1996 with the jobs growth which has occurred in Warrington over that period. Using the same methodology used to calculate Labour Based forecasts in the EDNA 2021 Refresh, the land needs based on employment change was calculated. For this analysis, the Oxford Economics baseline (policy-off) forecast was used.</p> <p>Table 43 – Employment Land Take-Up/Employment Change Comparison 1996-2020 (Oxford Economics)*</p> <table border="1" data-bbox="1516 1562 2555 1808"> <thead> <tr> <th>Employment Change</th> <th>Total Jobs</th> <th>Land (Ha)</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td>55,000</td> <td>149.58</td> </tr> <tr> <td>Decline</td> <td>(6,650)</td> <td>(79.13)</td> </tr> <tr> <td>Net growth / (loss)</td> <td>48,350</td> <td>70.5</td> </tr> <tr> <td>Historic land take-up</td> <td>-</td> <td>341.29 (196.79 less omega)</td> </tr> </tbody> </table> <p><i>Source: Oxford Economics, WBC, BE Group, Mickledore 2021</i> <i>*Figures in brackets are negative, i.e., jobs/property/land losses.</i></p>	Employment Change	Total Jobs	Land (Ha)	Growth	55,000	149.58	Decline	(6,650)	(79.13)	Net growth / (loss)	48,350	70.5	Historic land take-up	-	341.29 (196.79 less omega)
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		<p>Table 43 showed that the net jobs growth over 1996-2020 would have resulted in extremely modest land needs which represented only a fraction of what was taken up. The results of this exercise indicatively suggest that approximately 70.5 ha (20.7 percent) of the 341.29 ha of recorded take up over 1996-2020 can be specifically attributed to jobs growth with the remaining 79.3 percent occurring for other reasons.</p>
<p>Point 2 (Para 3.14-3.25, page 8-9)</p>	<p>The EDNA 2021 Refresh identified Objectively Assessed Need was based on a forward projection of the last 24 years (1996/97-2019/20) of historic take up, which gives an annual average take up rate of 14.22 ha/year. Over the same 24 year period over which past take up was measured, and Warrington Borough saw 341.29 ha of employment land completions, Oxford Economic Forecasting indicated that employment in the Borough grew by 48,350 jobs, or 2,015/year (see Table 43, Page 178 of the EDNA 2021 Refresh). In the view of the Representation therefore, the UPSVLP is planning for a level of employment land growth, at 316.26 ha or 14.22 ha/year, that in the past sustained 2,015 jobs annually – a figure 87 percent higher than the 1,078/year job growth the 816 dpa housing target equates to (945 jobs/year less commuting). Reflecting this the UPSVLP's employment land target of 316.26 ha is likely to generate at least 34,255 jobs at 2,015/year, a figure that was more than double the mid-point figure of the housing evidence base (14,855). The Council should ensure that the housing target aligns with its employment land target. The Representation's view was that a housing rate of 816 dpa cannot sustainably accommodate the increase in workforce that would be associated with 316 ha of employment land. 316 ha of employment land could be expected to align with a level of job growth equal to over 36,000 – more than triple the level realistically associated with 816 dpa. The actual housing target that could robustly accommodate this level of job growth would range from 1,545 dpa to 1,592 dpa by 2039.</p>	<p>As is discussed in Point 1 above It is not possible to align jobs targets, based on forecasts which also inform the UPSVLP housing target, with the employment land target, which is based on a forward projection of past take up. It is also worth noting that the figure of 48,350 net additional jobs gained in in Warrington over 1996-2020, taken from Table 43 (Page 178, Section 8.0) of the EDNA 2021 Refresh, which the Representation uses to calculate alternative jobs and housing growth scenarios represents all jobs growth, in all sectors, not just sectors which will require office, industrial or warehouse space.</p> <p>In the view of BE Group and Mickledore it is also not viable to project forward past jobs growth as a method of forecasting future employment growth and, from that, housing needs. Changing working practices and an evolving economy mean that employment trends of the future will differ from those of the past. Examples of such changes include:</p> <ul style="list-style-type: none"> • Increasing automation in the manufacturing, transportation and storage sectors leading to lower, and perhaps negative, employment growth compared to the past • Growing office-based sectors and a broader range of employment opportunities in sectors such as ICT • More uncertain growth prospects in the retail and hospitality sectors following the impact of the Covid-19 Pandemic, resulting lockdowns and the growth of online retail • The impacts on economic growth of Brexit and the Covid-19 Pandemic • Variation in inflation and unemployment rates to 2038. <p>The EDNA 2021 Refresh and LHNA utilised up to date forecasting from two recognised forecasting organisations to create assessments of jobs growth which account for these changing factors.</p>
<p>Point 3 (Para 6.12-6.64, Page 24-31)</p>	<p>The Fiddlers Ferry employment and housing site is subject to a range of site constraints which may inhibit its ability to viably deliver both housing and employment uses, specifically:</p> <ul style="list-style-type: none"> • Highway constrains and access issues • Areas of flood risk • The site falls within the Impact Zone of the Mersey Estuary Site of Special Scientific Interest, Special Protection Area and Ramsar Sites • Confirmed presence of protected species including Bats, Badgers and Great Crested Newts • A series of archaeological and heritage constraints • Contamination issues on the surrounding land associated with the power station • Underground pipelines such as a major Ethylene pipeline and gas pipelines and a chemical works immediately to the west • Overhead high voltage power lines and associated pylons and underground cabling • The value of the Green Belt allocation <p>Also, an unrealistic timescale for delivery.</p>	<p>Option Four: Fiddlers Ferry Proposed Allocation – It is important to emphasise that the EDNA 2021 Refresh only undertook a high level review of site deliverability here, as of summer 2021. In particular, BE Group and Mickledore did not complete any viability testing on this, or any other site. However, in Table 46 'Land Supply Options', Page 182-183, Section 8.0 of the EDNA 2021 Refresh we highlighted a number of strengths the site has:</p> <ul style="list-style-type: none"> • <i>"Masterplan in place for delivery, backed by single site owner.</i> • <i>No development partners in place, but good initial interest from industrial/warehouse developers is noted</i> • <i>Although not stated by the owner/agents, it is likely that the employment uses will be dependent on the housing to provide an element of cross funding, particularly to support the large site clearance and remediation costs. As the housing is to be developed on Green Belt, releasing the Green Belt land will likely be key to delivery of the brownfield land.</i> • <i>The site has good A-Road access but its distance from the M62 makes it less desirable to major logistics occupiers than other locations which enjoy direct motorway access. This weaker position will likely have some impacts on the speed at which B2/B8 options are taken up but and may mean that demand from local firms outweighs demand from strategic businesses."</i> <p>SSE consider that the site will be developed in full by 2030, although this could be challenging given site conditions. It is, however, considered that the site will be developed in full by the end of the Plan period (2038). In particular, the need to recoup the costs of clearing the power station and remediating the site will give the site owners a strong incentive to progress development here</p>

Source: Representation Authors plus BE Group and Mickledore, 2022

Table 4 – Representation Four: Representations to the Warrington Proposed Submission Version Local Plan (2021)

- Paper 1: Main representation
- Paper 2: Technical Review of the Proposed Housing Requirement (Turley on behalf of Peel L&P Holdings (UK) ('Peel'))

Point No. (Rep. Para and Page Reference Nos.)	Relevant Issues Raised	BE Group/Micklethorpe Comments																						
Point 1 (Paper 1, Para 8.3-8.20, page 45-48)	The Representation promotes a 13 ha site at Statham Meadows, in the Green Belt, adjacent to Junction 21, M6 for general employment uses. This site also has the potential to be used for motorway services or roadside retail purposes, or part of a mix of uses alongside some employment development, reflecting its strong strategic road access. A planning application for a Motorway Service Area (MSA) here was called in to the Secretary of State in 2002 but rejected because of lack of evidenced need at that time to outweigh the conflict with the development plan and 'inappropriate' development in the Green Belt. The Representation argues that the position has now changed with current guidance recommending MSAs be no more than 28 miles apart, and shorter on congested parts of the network where travel between service areas may take longer. The Representation was aware of proposals by the Extra MSA Group for a new MSA at Junction 11, M62, to the north east of Warrington. It noted that the planning application was refused in June 2021 and so any local gap in provision has not yet been met.	The EDNA 2021 Refresh did review this site (Site Ref. R18/135) in Table 13 'Regulation 18 Site Review Summaries', page 93, Section 5.0. However, it was reviewed in the context of the adjoining and overlapping St Modwen proposal for a large mixed use development on a range of adjoining sites. Seen as an individual site, the land sits on a very strong location at Junction 21, M6 with prospects to access it from the junction roundabout to the north. It would certainly suit uses such as services, offices of B8 warehousing which require such a prominent location. However, in addition to being in the Green Belt, the site is subject to a number of other constraints, notably that it is in Flood Zone 3 with the River Mersey to south and other watercourses on site. BE Group and Micklethorpe cannot comment on the need for an MSA on the Warrington stretch of the M6 and the suitability of this site for such a facility.																						
Point 2 (Paper 2, Para 5.2-5.4, page 20-21)	The Representation objects to the use of a mid-point between the Oxford and Cambridge Economic forecasts as the guide for assessing housing need, and also when considering jobs change in the EDNA 2021 Refresh. The mid point suggests a future jobs growth rate of 875 jobs/year. By comparison and analysis of past jobs growth suggests growth rates, over 2009-2019, of 1,338-2,234 jobs/year.	In the EDNA 2021 Refresh, paras 7.34-7.35, pages 147-149, Section 7.0, notes that the two forecasts used by the EDNA 2021 Refresh and the LHNA show significant variation, particularly towards the end of the forecast period in 2040. This was shown in Table 25 (page 148) of the EDNA 2021 Refresh which showed Cambridge Econometrics forecasting employment in Warrington at a level 9,900 jobs higher than the position forecast by Oxford Economics by 2040. Table 25 – Difference in Forecasts at 2040* <table border="1"> <thead> <tr> <th></th> <th>Difference in Jobs (Positive Figure shows where Cambridge Econometrics is higher)</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>500</td> </tr> <tr> <td>Manufacturing</td> <td>1,400</td> </tr> <tr> <td>Utilities</td> <td>200</td> </tr> <tr> <td>Construction</td> <td>(1,600)</td> </tr> <tr> <td>Transport, distribution and retail</td> <td>3,500</td> </tr> <tr> <td>Accommodation & food services</td> <td>4,400</td> </tr> <tr> <td>Private sector services</td> <td>(4,700)</td> </tr> <tr> <td>Government services</td> <td>6,000</td> </tr> <tr> <td>Other services</td> <td>200</td> </tr> <tr> <td>Total</td> <td>9,900</td> </tr> </tbody> </table> <p>Source: Oxford Economics and Cambridge Econometrics, 2021 *Figures in brackets are negative, i.e., jobs/property/land losses.</p> <p>Forecasting employment growth is extremely challenging at this time since it requires significant assumptions to be made concerning the economic impact of the Covid-19 Pandemic and any subsequent economic recovery whilst at the same time over-laying the impact of Brexit.</p> <p>Cambridge Econometrics have taken a more optimistic position on overall prospects and expect a stronger bounce back in consumer spending reflected in the Accommodation and food service and Retail sectors. Cambridge Econometrics also forecast employment growth to be higher than the Oxford Economics in the public sector, with the reverse position in private office-based sectors. Both forecasting companies expect trend growth to have been impacted but Oxford expect the impact to be more significant.</p> <p>The Oxford forecast starts from a higher position than Cambridge, which may prove over optimistic given the likely short term economic impacts of the Covid-19 Pandemic, Brexit and related factors such as high inflation, but then takes a more pessimistic longer-term view, which may prove too pessimistic given Warrington's strong economic performance in the past. These uncertainties between the two forecasts created the rationale to consider a mid-point between the two forecasts, something undertaken in the LHNA.</p>		Difference in Jobs (Positive Figure shows where Cambridge Econometrics is higher)	Primary	500	Manufacturing	1,400	Utilities	200	Construction	(1,600)	Transport, distribution and retail	3,500	Accommodation & food services	4,400	Private sector services	(4,700)	Government services	6,000	Other services	200	Total	9,900
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		As is discussed in Point 3 below It is not possible to align jobs targets, based on forecasts which also inform the UPSVLP housing target, with the employment land target, which is based on a forward projection of past take up.															
Point 3 (Paper 2, Para 5.8-5.17, page 22-24)	As in the Lichfields Representation, this (Peel) Representation argued for alignment of Local Housing Needs, which were based on Oxford and Cambridge Economic forecasts, with employment land needs, which were based on the forward projection of past take up. Indeed, it noted that employment land need has increased slightly in the EDNA 2021 Refresh from the 2019 EDNA Update, reflecting a strong recent development (take up) market. It was inconsistent that the EDNA 2021 Refresh plans for more employment than previously while economic forecasts used in the EDNA 2021 Refresh suggest there would be fewer jobs generated over the UPSVLP period.	<p>It is not possible to align jobs targets, based on forecasts which also inform the UPSVLP housing target, with the employment land target, which is based on a forward projection of past take up. This is because businesses will seek to grow their operations, generating needs for premises and land, for a range of reasons, many of which are unrelated to the number of people they employ and their jobs density. For example, a manufacturing business may require additional space to accommodate a new automated production process which generates no additional jobs or may indeed lead to a net reduction in jobs if that automation replaces a process previously undertaken by personnel. Similarly, a company may require additional storage space for parts or products without needing to take on more staff. Conversely, experience suggests that even where businesses are contracting in terms of employment, they will continue to hold onto land and property in anticipation of future improvement and change, putting the excess space to other uses, such as storage.</p> <p>In terms of warehousing, physically identical logistics facilities may be sought by logistics companies which have very different jobs densities. For example, a warehouse processing Fast Moving Consumer Goods (FMCG) which are picked on an intensive basis by staff and where stock turns over on a regular basis will have a dramatically different employment density to an identical warehouse where spare parts for machinery or transport equipment are required to be stored for long periods of time, with a low turnover of stock. Employment density within warehousing will also be determined by the level of automation employed. In the future, fully automated 'dark warehouses' may operate with no basic warehouse staff.</p> <p>In the office sector, the link between jobs and floorspace/land needs is further broken by growing trends for hot desking and homeworking, trends which have massively increased during the Covid-19 Pandemic when a majority of office staff were actively encouraged to work from home. High levels of homeworking, hot desking, etc. are forecast to continue even after all Covid-19 related restrictions are lifted. Thus, the size of office a company occupies has much less to do with the number of staff it employs than was true in the past. Additionally, office development which takes place in town centre locations will have higher jobs densities than development in low-density business parks. Warrington, with its twin office centres of Birchwood and the Town Centre will likely see development at a mix of densities.</p> <p>Businesses, across all sectors, may relocate simply to be in more modern or higher quality premises or to access a new geographic market, without gaining staff. They may also acquire land to support longer term expansion aspirations, which may or may not materialise. Finally, businesses may grow within existing multi-occupancy property schemes or within their own land and property holdings, without generating additional requirements.</p> <p>For these, and many other reasons, it is therefore not possible to say that x amount of employment land need will generate x number of extra jobs which can then be translated to a housing requirement.</p> <p>To further test how closely jobs change translates to land take-up, Table 43 (Page 178, Section 8.0) of the EDNA 2021 Refresh compared recorded historic take up since 1996 with the jobs growth which has occurred in Warrington over that period. Using the same methodology used to calculate Labour Based forecasts in the EDNA 2021 Refresh, the land needs based on employment change was calculated. For this analysis, the Oxford Economics baseline (policy-off) forecast was used.</p> <p>Table 43 – Employment Land Take-Up/Employment Change Comparison 1996-2020 (Oxford Economics)*</p> <table border="1" data-bbox="1516 1230 2555 1478"> <thead> <tr> <th>Employment Change</th> <th>Total Jobs</th> <th>Land (Ha)</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td>55,000</td> <td>149.58</td> </tr> <tr> <td>Decline</td> <td>(6,650)</td> <td>(79.13)</td> </tr> <tr> <td>Net growth / (loss)</td> <td>48,350</td> <td>70.5</td> </tr> <tr> <td>Historic land take-up</td> <td>-</td> <td>341.29 (196.79 less omega)</td> </tr> </tbody> </table> <p><i>Source: Oxford Economics, WBC, BE Group, Mickledore 2021</i> <i>*Figures in brackets are negative, i.e., jobs/property/land losses.</i></p> <p>Table 43 showed that the net jobs growth over 1996-2020 would have resulted in extremely modest land needs which represented only a fraction of what was taken up. The results of this exercise indicatively suggest that approximately 70.5 ha (20.7 percent) of the 341.29 ha of recorded take up over 1996-2020 can be specifically attributed to jobs growth with the remaining 79.3 percent occurring for other reasons.</p>	Employment Change	Total Jobs	Land (Ha)	Growth	55,000	149.58	Decline	(6,650)	(79.13)	Net growth / (loss)	48,350	70.5	Historic land take-up	-	341.29 (196.79 less omega)
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Source: Representation Authors plus BE Group and Mickledore, 2022

**Table 5 – Representation Five: Draft Local Plan 2021 (Nov 2021)
(Residents)**

Point No. (Rep. Para and Page Reference Nos.)	Relevant Issues Raised	BE Group/Mickledore Comments															
<p>Point 1 (Para 6.1 and 6.8, page 8-9)</p>	<p>The EDNA 2021 Refresh considers both analytical forecasting from Oxford Economics and Cambridge Econometrics (based on projected growth and employment change) and historical evidence of take-up over the last 20 years or so (as summarised in Table ES1, page 5 of the EDNA 2021 Refresh). Oxford and Cambridge backed estimates of the employment land need ('Employment based on adjusted stock') lead to calculated shortfalls of between 6.5 to 36 ha.</p> <p>As is stated in the EDNA 2021 Refresh "<i>The Oxford and Cambridge Forecasts represent two realistic projections for how jobs might change in Warrington to 2037, reflecting factors such as the economic impacts of Covid-19 and the Christmas 2020 Brexit Deal...</i>" (Para 8.4, page 176). Given the apparent robustness of these jobs-based forecast models, the representation finds it surprising that they are subsequently disregarded in favour of the historical take up model (Strategic/Local Take Up – predicting a shortfall of 277 ha based on 24 years of growth), which "<i>uses the simplistic assumption that forward growth will mirror past growth.</i>" This assumption is invalid due to changing national circumstances nationally, due to factors such as Brexit, the ongoing Covid-19 Pandemic and climate change, and locally (see Point 2).</p> <p>Also noted is that since the Oxford and Cambridge Forecasts are used elsewhere, including in the in the LHNA, to disregard them in the EDNA is not consistent across the evidence base.</p> <p><i>"Noting the clear downward trend and economic forecasts, the evidence presented is insufficient to support the level of employment area land recommended to be set aside, particularly since the majority is currently Green Belt land, which is protected anyway (and therefore does not need reserving as an employment area). The Strategic/Local Take-up model should therefore be discounted."</i></p>	<p>The EDNA 2021 Refresh, paras 7.78-7.84, pages 161-163, Section 7.0 sets out the reasons why, on balance, the Strategic/Local Take Up Model is the preferred model for change over Employment based on adjusted stock', specifically:</p> <ul style="list-style-type: none"> The accuracy of the Base employment forecast of this Study can be questioned given how much the Oxford and Cambridge employment forecasts have changed in the last five years since the EDNA 2016 Study Given that, at the time of writing the EDNA 2021 Refresh (Apr 2021) the nature of the UK's post Brexit and Covid economy, and the global economy generally, remain uncertain, it is impossible to say if these 2021 long term projections are in any way accurate. In addition, employment change does not translate to land provision in the way set out in the employment-based models. Factors which introduce uncertainty in this area include: <ul style="list-style-type: none"> <i>"To what extent the growth in office employment takes place in town centre locations, at higher densities, rather than in low-density business parks. Warrington, with its twin office centres of Birchwood and the Town Centre will likely see development at a mix of densities. Where growth is predicted in town or city centres different densities would be applied, closer to 100 percent site coverage</i> <i>Will the decline in jobs lead to the release of land? Experience suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvement and change. Where jobs are being lost to automation, those new automated processes will still require land on which to operate and can lead to higher productivity and growth</i> <i>Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, land banking for future needs</i> <i>Expansion may also be within existing premises or on expansion land not accounted for in land allocations</i> <i>Due to the Covid-19 Pandemic, the focus has been on working from home where possible. This trend is likely to continue to some degree moving forward, meaning some companies will need less space even if they increase their workforces, as most staff will be fully/partly working from home. Conversely, some firms may need more space, relative to the number they employ, if they wish to continue social distancing practices after 2021."</i> <p>To further test how closely jobs change translates to land take-up, Table 43 (Page 178, Section 8.0) of the EDNA 2021 Refresh compared historic take up since 1996 with the jobs growth which has occurred in Warrington over that period. Using the same methodology used to calculate Labour Based forecasts in the EDNA 2021 Refresh, the land needs based on employment change was calculated. 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The results of this exercise indicatively suggest that approximately 70.5 ha (20.7 percent) of the 341.29 ha of recorded take up over 1996-2020 can be specifically attributed to jobs growth with the remaining 79.3 percent occurring for other reasons.</p> <p>For these reasons the EDNA 2021 Refresh determined that net jobs growth is not an accurate method of calculating employment land need. Past Take up by comparison reflects 24 years of real world change and investment in Warrington Borough, including periods of national and local economic recession and periods of economic growth, caused by a variety of macro-economic factors, cycles which Warrington will face again over the UPSVLP Period. For these reasons Take Up represents the best available modelling of Warrington's future needs.</p>	Employment Change	Total Jobs	Land (Ha)	Growth	55,000	149.58	Decline	(6,650)	(79.13)	Net growth / (loss)	48,350	70.5	Historic land take-up	-	341.29 (196.79 less omega)
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<p>Point 2 (Para 6.2-6.3, page 8)</p>	<p>The EDNA 2021 Refresh ignores a number of recent property market trends, which show a notable decline in demand/take-up for E(g)/B-Class property, including:</p> <ul style="list-style-type: none"> • Council enquiries (detailed in Figure 1, page 34 of the EDNA 2021 Refresh) which dropped by almost two thirds from 2016/17 to 2020/21. • Number of deals completed (detailed in Figure 3, page 36 of the EDNA 2021 Refresh), which have fallen for three out of four property types from 2015. • Floorspace transacted (detailed in Figure 4, page 36 of the EDNA 2021 Refresh), which has reduced over the last five years even considering the recent uptick from occupancies at Omega, which skews the local trend considerably. • The value of investment deals, (detailed in Figure 5, page 37 of the EDNA 2021 Refresh), which has fallen sharply from 2014, when corrected for the sale of Birchwood Park to the Council, which was not market-led, and is now at its lowest for twenty years. • Vacant industrial floor space, which has risen from 82,000 sqm (as detailed in Table 13, page 59, of the 2016 EDNA) to 173,000 sqm (actually 179,000 sqm as detailed in Table 8, page 42-43, of the 2019 EDNA Update) to 248,000 sqm in February 2021 (detailed in Table 3, page 42-43 of the EDNA 2021 Refresh). • Vacant office space, which has risen from 49,000 sqm (as detailed in Table 10, page 47-48, of the 2019 EDNA Update) to 70,000 sqm in February 2021 (detailed in Table 5, page 48-49 of the EDNA 2021 Refresh). <p><i>“The argument put forward that declining take-up is due a lack of availability and choice is not supported by other evidence (as listed above), most poignantly a year-on-year increase in vacant floorspace.”</i> Para 8.9 (page 168) EDNA 2021 Refresh is therefore erroneous that 13 percent vacant industrial floorspace <i>“points to a lack of availability and choice”</i>. <i>“To put this into context, this equates to approximately 125 ha, which is 3.5 times the shortfall predicted by the highest of the economic forecasts (36 ha).”</i></p>	<p>The EDNA 2021 Refresh looks at a range of market evidence to provide an overview of the Borough’s property market with a particular emphasis on long term trends which give a view of how the demand for E(g)/B-Class premises will evolve over the UPSVLP Period. Birchwood-based BE Group is particularly suited to undertake this having operated within Warrington’s property market for several decades and, since 1998, researched and written an annual review of Warrington’s economy and property market.</p> <p>The Representation has selectively taken a number of short term and misleading data trends to provide evidence that demand/take-up for E(g)/B-Class property is reducing, and therefore that less employment land will be needed in the future. Specifically:</p> <ul style="list-style-type: none"> • <i>A reduction in Council (Warrington and Co.) enquiries since 2016/17</i> – Enquiries received by the Council have fluctuated sharply over the last 15 years. From a peak in 2006/07 of 266 enquiries, enquiries dropped sharply from 2008/09 onwards, likely reflecting the impact of the national recession on industrial and office demand. Enquiries remained low for all types of property over the recessionary period and reduced to only 35 in 2012/13. Demand increased after that point, with a peak of 149 in 2016/17. Since 2016/17 enquiry levels have reduced by approx. a third as indicated in the Representation, although it is worth noting that 2020/21 saw more enquiries, 59, than 2019/2020, which saw 42. However, only a modest number of businesses, seeking premises, will enquire through the Council, as opposed to via private property agents/agents’ websites. Thus, this data source only captures a small element of the total annual demand for office, industrial and warehouse property in Warrington Borough. Additionally, experience of reviewing this data source in local authority areas across England and Wales suggests that companies are using public sector sources to enquire about property less and less frequently, particularly as private property databases become more comprehensive and user friendly. Thus, the drop in Council enquiries from 2016/17 onwards is more likely to reflect reductions in the number of businesses enquiring via the Council rather than indicate a significant reduction in local demand for land and property, particularly given that other sources used in the EDNA 2021 Refresh, such as discussions with property stakeholders, suggest demand remains strong. • <i>The number of deals fell for three out of four property types</i> – Those three types are investment, offices and speculative development for industrial uses. Investment deals are transactions for the acquisition of property by investors not businesses seeking to occupy space. They are thus not a measure of local demand for land and property (see below). The number of office deals has fluctuated since 1998, responding to national and local trends. Deals dropped to their lowest point, 19, in 2010 during the national recession, before recovering well, to 46 in 2013. The period 2014-2019 saw a more modest drop and then recovery of deals. The number of office deals in 2020 is reduced on 2019, 29 against 39, unsurprising as for much of 2020 Lockdowns associated with the Covid-19 Pandemic, inhibited normal business activity in the office sector. The latest slump in office transactions is so far less significant than that which occurred in 2010. It reflects the short term impacts of the Pandemic and there is no reason to assume there will not be a recovery in demand once restrictions end. Finally, while there have been no recorded speculative industrial deals since 2017, an analysis of transaction rates since 1998, as shown in Figure 5, page 37 of the EDNA 2021 Refresh shows that speculative transactions have only ever had a modest role in Warrington’s property market, even during comparatively active periods in the 2000s. Figure 5, page 37 of the EDNA 2021 Refresh also shows a healthy and growing number of industrial deals in Warrington, with transactions increasing from 39 in 2019 to 64 in 2020. Industry has the largest land and property needs of any relevant use, with each industrial job requiring 36-47 sqm of floorspace to operate (70-80 sqm per job for warehousing), against only 10-12 sqm per job for office uses. • <i>The floorspace transacted has reduced over the last five years</i> – Changes in floorspace transaction rates largely reflect changes in the numbers of deals, with the same reasons for change as noted above. It should also be noted that floorspace take up is also affected by supply levels, i.e., if there are no large properties on the market to meet requirements, businesses will have to go elsewhere, and transactions rates will be reduced by floorspace. In recent years little large accommodation, of any type, has been developed outside of Omega. It is worth noting though that in 2020, 25,225 sqm of office floorspace was transacted. This is slightly above the 23-year annual average take up rate of 24,360 sqm. BE Group/Mickledore would also argue that development at Omega does not ‘skew’ any market trends but rather reflects regional trends which have seen such strategic B2/B8 schemes delivered in local authority areas across the North West and particularly on the Motorway corridors. • <i>The value of investment deals has decreased</i> – Investment deals are transactions for the acquisition of property by investors not businesses seeking to occupy space. Investment is also supply driven, dependant on what opportunities are on the market locally at any one time; the interest of investors in acquiring commercial property as a source of investment, as opposed to other investment options such as stocks and shares; and the interest in investing in the North West property market over opportunities elsewhere, notably in London. Investment deals are thus a measure of economic activity rather than the demand for premises in Warrington. It should also be noted that the list of investment deals produced by BE Group for its Annual Property Reviews, and relayed in the EDNA Reports, is not a comprehensive list of all local investment deals which take place annually, only those which are actively publicised. Some deals will be confidential transactions with the details not publicised. • <i>The amount of vacant industrial floorspace has increased over the 2016, 2019 and 2021 EDNAs</i> – As is noted in the relevant EDNA reports, the increase in vacant floorspace was due to an increase in the number of larger units on the market in 2019 and 2021, specifically: <ul style="list-style-type: none"> ○ 2019 EDNA Update – There was a greater availability of large units in Warrington, greater than 5,000 sqm in size – 11 in 2019, against only two in 2016 – with 16.4 percent of the 2019 available space accounted for by one building,
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		<p>the 28,391 sqm Warehouse One, Warrington 379 at Dallam Court (plus another 6,813 sqm in Warehouse Two). This was by far the largest property on the market in Warrington at that time, with the second largest option being of 15,921 sqm found at Warehouses 1-3, Howley Lane, Latchford (EDNA 2019 Update, Para 3.21-3.23, Page 41, Section 3.0)</p> <ul style="list-style-type: none"> EDNA 2021 Refresh – A greater availability of units larger than 2,000 sqm in size, in 2021 – 26 in 2021, against 19 in 2019. Around a third of the space available in 2021 was accounted for by just two units – the 35,205 sqm, Warrington 379 at Dallam Court and the 23,742 sqm, Warrington 255, Hardwick Grange, Woolston (EDNA 2021 Refresh, Para 3.20-3.22, Page 41, Section 3.0) <p>The inclusion of these very large units skews the floorspace figures and makes it appear there is more availability in Warrington than there is. One way to illustrate this is by reviewing the occupancy rates, by premises numbers rather than floorspace, of Warrington’s industrial stock as set out in Section 3.0 of the EDNA Reports. In 2016, Warrington’s industrial premises were 93.2 percent occupied, by 2019-2021 the stock was 96-97 percent occupied. Occupancy rates of 90 percent or higher mean a lack of choice for businesses in terms of property options and Warrington has consistently lacked such choice since 2016.</p> <ul style="list-style-type: none"> <i>The amount of vacant office floorspace has increased over the 2016, 2019 and 2021 EDNAs – As was the case for industrial premises, there were more large properties on the market in 2019 and 2021, which skews the floorspace figures. Also as was seen in the industrial market the number of individual offices on the market has decreased noticeably since 2016, reducing choice for businesses. The EDNA 2016 identified 299 marketed office premises, reduced to 164 in 2019 and 118 in 2021. Occupancy rates, by premises, for offices increased from 81.1 percent in 2016, to 90.5 percent in 2019 and 93.9 percent in 2021.</i> <p>To summarise, while transaction and enquiry rates for some sectors have reduced, there are a number of factors behind this, not related to demand, and any dip in demand is likely to be a short term effect only. Short term reductions in demand in some sectors are also offset by ongoing strong demand/property take up in the industrial and warehouse sectors which will generate the majority of the land needs in Warrington over the UPSVLP Period. Also, while the vacant floorspace levels have increased between the 2016 and 2021 EDNAs, this reflects the increasing number of larger units on the market. The actual number of individual marketed premises, available to businesses, has been decreasing.</p> <p>Finally, it must be noted that second hand space within Warrington will primarily be used to meet the needs of existing firms in Warrington. It cannot contribute to meeting employment land requirements, the development of which are required to allow further economic growth in Warrington and correct any gaps in the existing premises supply, against demand.</p>																
<p>Point 3 (Para 6.4, page 8)</p>	<p>No robust evidence is provided of genuine market demand as the representation argues <i>“that anecdotal comments from property agents are an unreliable means of market assessment, given their vested interest.”</i></p>	<p>BE Group/Mickledore would argue that comments provided by agents to the EDNA 2021 Refresh are far from anecdotal. The majority of medium to large scale property transactions for commercial property involve property professionals, giving them a great deal of knowledge of the local property market. Since 1998 those professionals, have contributed transactional data to the annual Warrington Property Review, produced and published by BE Group as one of the most long standing and accurate local property market reports in the country. The market assessment in the EDNA 2021 Refresh incorporates both the data of the Warrington Property Reviews and comments from professionals to provide a balanced analysis of demand.</p>																
<p>Point 4 (Para 6.5, page 8)</p>	<p>The EDNA 2021 Refresh notes <i>“that competition for logistics and warehousing business will be high given existing and future developments in the area (Omega, Omega extension, Ma6nitude (Middlewich), Parkside (St Helens), Port of Liverpool and several in greater Manchester) and describes the opportunities for Warrington as modest only. However, there is no assessment of this risk and its impact on the planned M6/M56 employment area or, indeed, the existing Omega complex (and its extension).”</i></p>	<p>In Section 6.0 of EDNA 2021 Refresh, strategic schemes across neighbouring local authority areas are reviewed to consider their impacts on the Warrington market. A key finding is that the M6/M62/M56 Corridor area is a major and well established hub for the logistics market that can, and is, supporting the development of multiple strategic logistics schemes simultaneously. For example, both Omega and Ma6nitude (Midpoint 18), Middlewich have successfully delivered premises, at the same, time, over the last decade without issue. Demand for logistics space has further increased since then, driven by expanding e-commerce and a growing Port of Liverpool.</p> <p>Differing schemes are also expected to focus on differing market segments. For example, Parkside, St Helens is proposed for a Strategic Rail Freight Facility which will differ from the road related logistics facilities proposed in Warrington.</p>																
<p>Point 5 (Para 6.6, page 8-9)</p>	<p>In the three years following the opening of Omega North (2015), Warrington Borough’s employment rate steadily fell from a peak of 105,600 to 101,400 in 2018 despite the new employment development in the area (e.g., Omega)), which suggests that Omega North had little or no impact on direct employment locally. Given the accessibility of Omega to the labour forces in surrounding areas, this is of little surprise. <i>“Similarly, any new, similarly located/connected logistics and warehousing facilities without adjacent affordable housing are unlikely to benefit Warrington directly, and certainly not on the South side [of Warrington Borough], where house prices are the highest.”</i></p>	<p>The source of the jobs figures used in Point 5 of the Representation is unclear. Analysis of employment figures from the Office of National Statistics (ONS) Annual Population Survey - Workplace Analysis (see the below Table) suggests that while Warrington Borough did see a reduction in overall employment in 2016/2017 and 2017/2018, employment recovered well over the next three years, Employment in the Borough was around 10,000 jobs higher in 2020/2021 than was the case in 2014/2015.</p> <p>Annual Population Survey - Workplace Analysis, Warrington Employment</p> <table border="1" data-bbox="1427 1507 2264 1816"> <thead> <tr> <th>Period</th> <th>Total Employment, Warrington Borough</th> </tr> </thead> <tbody> <tr> <td>Oct 2014-Sep 2015</td> <td>119,600</td> </tr> <tr> <td>Oct 2015-Sep 2016</td> <td>127,900</td> </tr> <tr> <td>Oct 2016-Sep 2017</td> <td>124,500</td> </tr> <tr> <td>Oct 2017-Sep 2018</td> <td>118,000</td> </tr> <tr> <td>Oct 2018-Sep 2019</td> <td>120,000</td> </tr> <tr> <td>Oct 2019-Sep 2020</td> <td>127,800</td> </tr> <tr> <td>Oct 2020-Sep 2021</td> <td>129,400</td> </tr> </tbody> </table> <p>Source: ONS Annual Population Survey, 2022</p> <p>While the exact economic impact of Omega North, or Omega South, is not known, consideration of Business Register and</p>	Period	Total Employment, Warrington Borough	Oct 2014-Sep 2015	119,600	Oct 2015-Sep 2016	127,900	Oct 2016-Sep 2017	124,500	Oct 2017-Sep 2018	118,000	Oct 2018-Sep 2019	120,000	Oct 2019-Sep 2020	127,800	Oct 2020-Sep 2021	129,400
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		<p>Employment Survey (BRES) data indicates that the number of people employed locally in Transport and Storage (logistics) increased from 8,000 in 2015 to 11,000 in 2020. Omega is by far the largest warehouse related development to be completed in Warrington over this period and it is thus likely that a significant proportion of the gain of 3,000 jobs, in this sector, is a result of developments at Omega. Warrington has derived employment benefits from Omega and will gain comparable benefits from future schemes.</p>
<p>Point 6 (Para 6.7, page 9)</p>	<p><i>“Overall, the economic forecasting evidence presented supports an employment area shortfall of somewhere between 6.5 and 36 ha. However, this does not take into account the extent of current vacant floor space, which is more than sufficient to accommodate the shortfall many times over. Where premises quality may be low, clearly it is a matter of principle to refurbish or redevelop existing sites rather than encroach on Green Belt land and exacerbate the number of empty premises.”</i></p>	<p>As is discussed above, Warrington’s employment land needs far exceed the 6.5-36 ha projected by employment forecasting. Second hand property in the Borough will only meet a small proportion of the overall needs generated by businesses, even if refurbished, and will not, for example, provide new high quality options to attract inward investors, provide businesses the flexibility to expand into whatever size and specification of property they need (since the only choice they would have would be whatever properties are on the market at that time) or allow for the evolving needs of businesses over the UPSVLP Period. Additionally, the rates of available premises will fluctuate over the UPSVLP Period and experience suggests there will never be sufficient property to meet all business requirements locally.</p> <p>The analysis of employment land in Section 4.0 of the EDNA 2021 Refresh also indicates that the amount of brownfield development land in the Borough, suitable for redevelopment for employment uses (i.e., not already in use by businesses), at 26.17 ha, is negligible compared to the scale of identified needs.</p>

Source: Representation Authors plus BE Group and Mickledore, 2022

2.3 *Our Response:* A buffer of 3 years was chosen in the EDNA 2021 Refresh, over the maximum of 5 years, for several reasons:

- The desire to limit the impact on local Green Belt, where possible, given that sizable greenfield development will likely already be required to meet the baseline OAN
- The lack of older stock/surplus land which could be converted to other uses, such as housing or retail/trade, the loss of which needs to be allowed for in the buffer. In Central Warrington the loss of employment land and property through regeneration programmes is allowed for separately
- The need to make some allowance for the extensive provision of strategic B2/B8 land by many of Warrington's neighbours, particularly St Helens.

Representation: Response Appendix D J21 Birchwood: Employment Needs Assessment (St Modwen) – Table 2

2.4 *Comments:* To support the allocation of 71.56 ha of land at J21, Birchwood for employment (and housing) the Representation completed an alternative review of Objectively Assessed Needs based on Net Absorption, the quantum of net floorspace occupied over a period of time (i.e., move-ins minus move-outs) based on leasing deals recorded, rather than past take up (development completions). It also made an allowance for 'suppressed demand', allowing for the degree to which available premises supply in Warrington dropped below a 9 percent vacancy rate (equilibrium rate) judged to be the maximum rate at which rental growth occurs. Projecting forward on these factors, with other allowances similar to the EDNA 2021 Refresh, gave a 495.62 ha of land need and a shortfall against supply of 195.49 ha over the plan period.

2.5 *Our Response:* BE Group and Mickledore do not support the use of Net Absorption over average take up rates, as a measure of employment land need, for the following reasons:

- Net absorption is a measure of all business relocations, not just relocations to new build premises, i.e., it counts relocations to and from second hand space which do not generate any need for new development. Thus, it massively overestimates demand for new build accommodation, which is what is relevant to any discussion of the need for employment development land
- Take up rates allow for imperfections in the development process. In the real world businesses' ability to access the land and property they need are inhibited by a range of factors including the planning process and legal and physical

constraints on land, as well as their own finances. Past take up allows for this by providing a measure of what developers were actually able to bring forward on employment land as opposed to what they might aspire to bring forward.

- 2.6 We further argue that the degree to which market demand is 'suppressed' by a lack of supply is hard to measure in a clear quantitative way, as demand from individual businesses can change regularly and not all businesses can gain the finance, they need to meet their growth aspirations. So even if land and premises could be guaranteed locally for every business who indicated a requirement, not all those land and property options would ultimately be taken up. Additionally, businesses may find creative ways to grow, such as expanding in an existing multi-let scheme or in a neighbouring local authority area, which do not impact on local land needs.
- 2.7 The choice of 9 percent vacancy as the cut off between a 'suppressed' and 'un-suppressed' market appears somewhat arbitrary and an inaccurate measure, for reasons including that:
- The office, industrial and warehouse markets are diverse, and a low overall vacancy rate may conceal oversupplies in some submarkets
 - Quality of premises can mean as much to businesses and quantity and high vacancy rates may reflect the fact that an area is oversupplied with low grade or otherwise unsuitable premises. Thus, an area may have a high vacancy rate but still lack the premises which businesses need
 - As noted, undersupplies in one market area may be offset by oversupplies elsewhere.
- 2.8 BE Group and Mickledore therefore argue that the core methods of assessing need in the forecast provided in the Representation – the use of Net Absorption as the baseline forecast method and then making an allocation for 'suppressed demand' – are inaccurate tools for making such an assessment. Accordingly, the assessment of Objectively Assessed Needs resulting from those assessment tools is not considered as valid.

Representation: Warrington Local Plan Issues Report Nov 2021 (Lichfields on behalf of a Consortium developers and housebuilders) – Table 3

- 2.9 *Comments:* The core argument is that the EDNA 2021 Refresh identified Objectively Assessed Need of 316 ha, as relayed in the UPSVLP, does not align with the jobs

forecasts as set out by Oxford Economics and Cambridge Econometrics and used in both the housing and employment evidence bases. If, as expected, the majority of the identified employment land need was delivered by 2038 it would accommodate far higher levels of employment than were shown in the forecasting which fed into the UPSVLP housing target of 816 dpa.

- 2.10 More specifically, the Representation noted that over the last 24 years, Warrington Borough saw 341.29 ha of employment land take up, while Oxford Economic Forecasting indicated that employment in the Borough grew by 48,350 jobs, or 2,015/year. This rate of linked employment land and jobs growth needs to be aligned with the housing target which is based on forecast employment growth of 1,078/year (945 jobs/year less commuting).
- 2.11 *Our Response:* It is not possible to align jobs targets, based on forecasts which also inform the UPSVLP housing target, with the employment land target, which is based on a forward projection of past take up. This is because businesses will seek to grow their operations, generating needs for premises and land, for a range of reasons, many of which are unrelated to the number of people they employ. A selection of the reasons for businesses to acquire additional/replacement land and property holdings, other than expansions in employment, are set out in Table 3 and include the need to accommodate automated equipment, greater storage space or simply the desire for a more modern accommodation or to relocate to a better trading market. In the manufacturing and warehouse sectors, automation is reducing jobs densities while changing working practices in the office sector are similarly reducing densities.
- 2.12 Converting the 48,350 jobs the Borough gained over 1996-2020 into a floorspace and then land requirement, only give a net employment land total of 70.5 ha or 20.7 percent of the 341.29 ha of employment land take up actually recorded over that same period. From this it is possible to conclude that jobs growth and employment land take up are not strongly related at all, with only a modest proportion of the take up specifically the result of a growing labour force.
- 2.13 **For these reasons it is therefore not possible to say that x amount of employment land need will generate x number of extra jobs which can then be translated to a housing requirement.**
- 2.14 In the view of BE Group and Mickledore it is also not viable to project forward past jobs growth as a method of forecasting future employment growth and, from that, housing

needs. Changing working practices and an evolving economy mean that employment trends of the future will differ from those of the past. Examples of such changes include:

- Increasing automation in the manufacturing, transportation and storage sectors leading to lower, and perhaps negative, employment growth compared to the past
- Growing office-based sectors and a broader range of employment opportunities in sectors such as ICT
- More uncertain growth prospects in the retail and hospitality sectors following the impact of the Covid-19 Pandemic, resulting lockdowns and the growth of online retail
- The impacts on economic growth of Brexit and the Covid-19 Pandemic
- Variation in inflation and unemployment rates to 2038.

2.15 The EDNA 2021 Refresh and LHNA utilised up to date forecasting from two recognised forecasting organisations to create assessments of jobs growth which account for these changing factors.

Representation: Representations to the Warrington Proposed Submission Version Local Plan (2021) (Turley for Peel L&P Holdings (UK) ('Peel')) – Table 4

2.16 *Comments:* As in the Lichfields Representation, this (Peel) Representation argued for alignment of Local Housing Needs, which were based on Oxford and Cambridge Economic forecasts, with employment land needs, which were based on the forward projection of past take up. Indeed, it noted that employment land need has increased slightly in the EDNA 2021 Refresh from the 2019 EDNA Update, reflecting a strong recent development (take up) market. It was inconsistent that the EDNA 2021 Refresh plans for more employment than previously while economic forecasts used in the EDNA 2021 Refresh suggest there would be fewer jobs generated over the UPSVLP period.

2.17 The Representation objects to the use of a mid-point between the Oxford and Cambridge Economic forecasts as the guide for assessing housing need, and also when considering jobs change in the EDNA 2021 Refresh.

2.18 *Our Response:* BE Group and Mickledore's response to the first point is as for the Lichfields Representation, i.e., that employment land and property can be taken up for a diverse range of reasons which have nothing to do with jobs growth. For these reasons it is not possible to link jobs growth forecasts to projections of employment

land needs, derived from past take up.

- 2.19 A discussion of why a mid-point between the two forecasts is preferable was undertaken in the EDNA 2021 Refresh, paras 7.34-7.35, pages 147-149, Section 7.0. It notes that the Oxford forecast starts from a higher position than Cambridge, which may prove over optimistic given the likely short term economic impacts of the Covid-19 Pandemic, Brexit and related factors such as high inflation, but then takes a more pessimistic longer-term view, which may prove too pessimistic given Warrington's strong economic performance in the past. These uncertainties between the two forecasts created the rationale to consider a mid-point between the two forecasts, something undertaken in the LHNA.

Representation: Draft Local Plan 2021 (Nov 2021) (Residents) – Table 5

- 2.20 *Comments:* The core argument is that the EDNA 2021 Refresh overstates the need for employment land in Warrington due to factors including:

1. The unnecessary focus on annual take up over jobs based forecasting, the latter suggesting that the Borough needs far less land than the former
2. Various aspects of EDNA 2021 Refresh's market analysis which suggest demand for uses including offices, along with investment activity is declining
3. That the 2016, 2019 and 2021 EDNA reports show growing amounts of vacant floorspace in the Borough which can meet needs going forward
4. That there is increasing competition amongst strategic logistics schemes in the North West, making the further provision of such schemes in Warrington a risky prospect
5. That Omega has contributed little to local employment and that indeed, local employment rates in the Borough declined over 2015-2018.

- 2.21 For these reasons, the real employment need in Warrington, to 2038 is only 6.5 and 36 ha, needs which can be met from the reuse and refurbishment of existing vacant premises, without the need for any release of Green Belt land.

- 2.22 *Our Response:* In terms of point one raised above, in the view of BE Group and Mickledore it is not viable to project forward past jobs growth as a method of forecasting future employment growth. Changing working practices and an evolving economy mean that employment trends of the future will differ from those of the past. Examples of such changes include:

- Increasing automation in the manufacturing, transportation and storage sectors

leading to lower, and perhaps negative, employment growth compared to the past

- Growing office-based sectors and a broader range of employment opportunities in sectors such as ICT
- More uncertain growth prospects in the retail and hospitality sectors following the impact of the Covid-19 Pandemic, resulting lockdowns and the growth of online retail
- The impacts on economic growth of Brexit and the Covid-19 Pandemic
- Variation in inflation and unemployment rates to 2038.

2.23 Converting the 48,350 jobs the Borough gained over 1996-2020 into a floorspace and then land requirement, only give a net employment land total of 70.5 ha or 20.7 percent of the 341.29 ha of employment land take up actually recorded over that same period. From this it is possible to conclude that only a modest proportion of the employment land need in the Borough is specifically the result of a growing labour force.

2.24 In terms of point two while transaction and enquiry rates for some sectors have reduced, there are a number of factors behind this, not related to demand, and any dip in demand is likely to be a short term effect only. Short term reductions in demand are also offset by ongoing strong demand/property take up in the industrial and warehouse sectors which will generate the majority of the land needs in Warrington over the UPSVLP Period. In terms of point three, while the vacant floorspace levels have increased between the 2016 and 2021 EDNAs, this reflects the increasing number of larger units on the market. The actual number of individual marketed premises, available to businesses, has been decreasing.

2.25 In terms of point four, in Section 6.0 of EDNA 2021 Refresh strategic schemes across neighbouring local authority areas are reviewed to consider their impacts on the Warrington market. A key finding is that the M6/M62/M56 Corridor area is a major and well established hub for the logistics market that can, and is, supporting the development of multiple strategic logistics schemes simultaneously. For example, both Omega and Magnitude (Midpoint 18), Middlewich have successfully delivered premises, at the same, time, over the last decade without issue. Demand for logistics space has further increased since then, driven by expanding e-commerce and a growing Port of Liverpool.

2.26 Differing schemes are also expected to focus on differing market segments. For

example, Parkside, St Helens is proposed for a Strategic Rail Freight Facility which will differ from the road related logistics facilities proposed in Warrington.

- 2.27 In terms of point 5, although overall employment in Warrington Borough did reduce slightly in 2016-2018, it has since increased and there are now some 10,000 more jobs in the Borough than there were in 2015. The number of people employed locally in Transport and Storage (logistics) increased from 8,000 in 2015 to 11,000 in 2020, at least in part due to the development of Omega,
- 2.28 Finally, it must be noted that second hand space within Warrington will primarily be used to meet the needs of existing firms in Warrington. It cannot contribute to meeting employment land requirements, the development of which are required to allow further economic growth in Warrington and correct any gaps in the existing premises supply, against demand.
- 2.29 ***Overall BE Group and Mickledore Response:*** The key point raised by the Representations is that the EDNA 2021 Refresh land need target, derived from past take up, and the LHNA jobs growth target, informing a housing target, need to be aligned. As shown here, the two cannot be aligned because the EDNA 2021 Refresh employment land target reflects a much broader range of reasons for business growth other than just increases in employment. Thus, any attempt to translate take up rates into a revised jobs growth rate would give a massive overestimate of the number jobs that will be created in Warrington to the end of the Plan period. Conversely, the Oxford and Cambridge Economic forecasts cannot, by themselves, accurately predict employment land needs as they do not account for all the other reasons businesses might seek new or expanded land and property, other than to accommodate new employees.
- 2.30 For this reason, the EDNA 2021 Refresh concluded the Oxford and Cambridge Economic forecasts cannot be used as a basis for forecasting for the Objectively Assessed Need for employment land. It does not imply the jobs forecasts are themselves inaccurate and not suitable for other uses, including in assessments of housing market need, with proper analysis and consideration of the issues they raise. For example, the EDNA 2021 Refresh highlights some strong variation between the two forecast models at the start and end of the forecast period, which could prove to be at odds with the real world economy. To smooth out this variation, the EDNA 2021 Refresh therefore recommends taking a

midpoint between the two for jobs based forecasting.