

Warrington Local Plan Examination

Matters Statements

MATTER 5 – ECONOMIC GROWTH AND DEVELOPMENT

July 2022

Matter 5 – Economic Growth and Development

Issue

Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to economic growth and development.

Relevant policy DEV4

(NB. Examination Library reference numbers are provided in brackets after each document referred to in the Matters Statement)

Questions

- 1. Is the Economic Development Needs Assessment 2021 justified in basing the need for employment land on historic take up rates rather than jobs growth forecasts?**
- 1.1 Planning Practice Guidance (Paragraph: 029 Reference ID: 2a-02920190220) states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment /population change. The Council has assessed both of these methods in its Economic Development Needs Assessment (EDNA) 2021 (E2).
- 1.2 The EDNA does not recommend that economic forecasts are the basis for defining employment land provision up to 2038. The market assessment undertaken in the EDNA, the impacts of the Covid-19 Pandemic on jobs densities and a review of the historic trends in employment change and land take up suggest that these forecasts underestimate land needs significantly.
- 1.3 Nonetheless, the EDNA concludes that there is not a direct relationship between jobs growth and the employment land requirement. 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. These 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.
- 1.4 Table 43 below of the Council’s EDNA 2021 (EC2) shows what the employment land requirement would have been if derived from net jobs growth over the historic period 1996-2020, compared to employment land actually delivered over the same period.
- 1.3 **Table 43 – Employment Land Take-Up/Employment Change Comparison 1996-2020 (Oxford Economics)**

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)

Source: Oxford Economics, WBC, BE Group, Mickledore 2021

- 1.5 As can be seen from Table 43, converting the 48,350 jobs the Borough gained over 1996-2020 into a floorspace and then land requirement, only gives 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.
- 1.6 This calculation reinforces the Council's view that historic take-up of land as recommended by the EDNA (2021), and also by previous versions of the EDNA (2016 and 2019), is the most appropriate and justified method for calculating the Borough's employment land needs, along with a commitment to keep the plan under review.
- 1.7 It is accepted that the method of historic land take up forecast is not foolproof as there will be peaks and troughs in completions and also different time periods taken can also result in different outcomes. For example, a period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up. However, in Warrington it is possible to calculate the future objectively assessed need from a long period of past take up, 24 years, which incorporates several periods of growth and recession, giving the broadest possible base from which to forecast needs. For these reasons forecasts based on historic take up are preferred.
- 2. What effect has the development of the Omega site had on past take up rates and is it justified to assume such take up rates will continue over the plan period?**
- 2.1 Take-up data for the 1996-2020 period includes 144.50 ha of development at Omega, with seven years of on-site delivery, mostly since 2013. The strategic modelling in the EDNA 2021 thus now benefits from seven years of take up evidence at Omega showing the level of completions which can be achieved in Warrington for larger B2/B8 premises, in the contemporary market, when appropriate land is available.
- 2.2 To reflect this available evidence, two forward projections of take-up have been undertaken in the EDNA 2021 – A strategic/local projection, inclusive of recent strategic Omega completions, with an average annual take up rate of 14.22 ha/year, and a local projection excluding Omega of 8.20 ha/year.
- 2.3 This is particularly important in the context of the requirement to assess need and allocate space for logistics in accordance with PPG at Paragraph: 031 Reference ID: 2a-031-20190722.

2.4 The Council's Economic Development Needs Assessment is clear that there is already suppressed demand for employment land and 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.

2.5 The Omega development in the Borough of Warrington is now nearing completion in its entirety and the western extension in St Helens that was granted consent in 2021 is already under construction.

2.6 Given the success of Omega which is now nearing completion in full, the suppressed demand for employment land in the Borough and the strategic location of Warrington seen as desirable by stakeholders for delivering major employment development, the Council considers that take up of employment land comparable to the rates experienced at Omega will continue over the Plan period.

3. Will the supply of employment land from site allocations and planning permissions in neighbouring authorities and the wider area affect demand for employment land in Warrington?

3.1 No. In Section 6.0 of EDNA 2021 (EC2), 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.

3.2 Of the strategic sites which may compete with Omega, and its successors, for B2/B8 requirements, Ma6nitude (in Cheshire East) is the most significant existing site and Parkside (St Helens) is likely to be most significant in the future. Parkside, St Helens is proposed as a Strategic Rail Freight Facility which will differ from the road related logistics facilities proposed in Warrington. Accordingly, the two will compete for differing segments of the logistics market. Ma6nitude will have some overlap with schemes in Warrington. However, a large part of this long established site will be complete by the time new logistics sites in Warrington come to the market.

3.3 Sites in neighbouring local authority areas, even when of a strategic scale are planned to meet the OAN of those authorities rather than Warrington. The only exception is the proposed Omega South Western Extension in the neighbouring Borough of St Helens. Nonetheless it is recognised that this is a highly dynamic market sector and that this will need to be kept under review.

4. What is the basis for including a three year buffer and is this justified?

4.1 The Borough should have a buffer in supply to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2038 Plan period. This also makes some allowance for the loss of further employment land to non B-Class uses over the period to 2038.

- 4.2 There is no set guidance on how long this buffer should be, however, in over 70 employment land studies completed by BE Group (the Council's EDNA consultant) over the last 15 years, a buffer of 3-5 years has usually been applied. This has been identified as an acceptable margin in Local Plan Examination's in Public (EIP's), in which BE Group's employment needs assessments have been appraised.
- 4.3 It is considered that a three year buffer is reasonable and justified in this instance due to:
- the desire to limit the impact on local Green Belt, given that sizable green belt release will likely already be required to meet the baseline Objectively Assessed Need.
 - 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.

5. What is the basis for including the allowance for business displacement and is this justified?

- 5.1 Warrington and Co, the Council's regeneration arm, have developed detailed development masterplans for various areas of the Borough's main urban areas. Masterplanning in Central Warrington will see occupied employment land, primarily in the Stadium Quarter and Southern Gateway, lost to mostly residential uses. Businesses would be displaced in Warrington Borough and accommodating them locally would generate additional land need.
- 5.2 The amount of business displacement, which equates to 17.64 ha of land, is substantial in the Warrington context and a comprehensive consideration of the Borough's future employment land needs requires that it be taken into account.
- 5.3 Therefore, in calculating the required amount of employment land through the EDNA, an appropriate allowance, based on judgment, has been made for businesses displaced by Masterplanning in Central Warrington.

6. Is it reasonable to rely on two substantial allocations to meet most employment needs?

- 6.1 The rationale for the selection of the two allocated employment sites is detailed in the Council's response to questions under Matters Statement 3.
- 6.2 Based on the EDNA findings and site selection process/SA findings, the Council considers that Fiddlers Ferry should be the obvious priority for employment allocation given it is a brownfield site in need of remediation and redevelopment following the closure of the power station. The Council is confident that the

employment element of this allocation will be developed in full in the Plan Period by the new owners of the site as detailed in the Council's response to Matter 6c. The market analysis undertaken in the EDNA suggests there will be good demand for B2/B8 premises here.

- 6.3 The Council then considers the next priority for allocation are the sites in south east Warrington comprising Land at Bradley Hall Farm, Cliff Road - Six56 (Phase I) and Land around Barleycastle Lane, Barleycastle. The Council considers that these sites should be combined into a single allocation – the South East Warrington Employment Allocation - given their proximity and need for both to contribute to the same supporting highways infrastructure.
 - 6.4 Market research completed for the 2021 EDNA Study (EC2) identifies south east Warrington as the preferred location for new large scale employment development, building on an existing critical mass of premises and strong strategic road links. Developers and finance are in place to deliver this allocation in full within the Plan Period. Further details on this allocation are set out in the Council's response to Matter 6f.
 - 6.5 The Council is therefore confident that the two substantial allocations in the UPSVLP 2021 are capable of delivering the vast majority of the Borough's identified strategic and local employment land needs.
 - 6.5 The Council also considers that there will be a level of 'churn' from existing employment locations which will complement the main allocations in meeting a wide range of needs in different locations across the Borough.
 - 6.6 The Council has considered a number of other employment sites, in particular those which were given the highest grading through the Economic Development Needs Assessment. All of these sites however have one or more significant constraints. Given these constraints, the Council is not proposing to make any further allocations to come forward later in the Plan Period or to provide safeguarded sites.
 - 6.7 The Council is however committed to undertaking a review into Warrington's employment land needs before the end of the Plan period to ensure the long term supply of employment land. At this stage, there is a good chance that key infrastructure improvements, including the Western Link and motorway junction improvements, will have been delivered and the impacts of any further required employment allocations can be fully appraised
- 7. What evidence is there to suggest that the Town Centre can viably act as the main location for new Class E Office development, noting that the Economic Development Needs Assessment 2021 identifies that demand is mostly focused on Birchwood rather than the Town Centre, as well as the competition from the adjacent cities of Liverpool and Manchester/Salford?**

- 7.1 It is acknowledged that the EDNA 2021 states that interest is focused in Birchwood. However it also notes that both Birchwood and Warrington Town Centre are expected to see growth in their office supply to 2038.
- 7.2 The Council also acknowledges the strength of the Liverpool and Manchester Office markets, but competition from these cities is not new and Warrington Borough has been able to attract large office businesses in the past, despite their proximity and frequently building on its position between the two. In the present market, Warrington also may derive some benefits from Manchester/Liverpool based businesses looking for lower density options, outside of urban areas, for socially distanced working. The Council thus remains confident that Warrington is able to establish itself as a viable town centre office location in its own right to complement, rather than directly compete with, these larger office locations in the wider sub region.
- 7.3 The regeneration and evolution of the Town Centre is a priority for the Council forming a key component of Warrington's economic growth and regeneration strategy - Warrington Means Business 2020 (EC7). The Town Centre is a highly accessible location, benefiting from two mainline railway stations and is the focus of Warrington's bus network. An increasing working population in the Town Centre will also help support the retail and leisure functions of the town centre.
- 7.4 The Council is leading on investment in the Town Centre office market having developed the Base Business Hub opposite Warrington Central Station and the Council's new Town Centre Offices as part of the wider Time Square development. It is anticipated that further lettings of office space to private sector occupiers will shortly be confirmed in the Time Square development. The Council is also actively planning for Phase 2 of the Time Square Development having acquired the former DW Sports building and associated car parking. The Council is planning on bringing forward this site for office development in response to market interest.
- 7.5 The Council is confident that public sector investment will stimulate wider private sector investment in the Town Centre office market. Longer term, the potential of Northern Powerhouse Rail serving the town centre may further act to enhance the town centre as an attractive and viable office location.
- 8. Will the lack of explicit support in the Local Plan for the University and higher education more generally, impact on the ability of the Council to achieve the Local Plan's vision and objectives?**
- 8.1 The Council acknowledges that the Policy should have provided explicit support for such uses. The Council is therefore proposing a Main Modification to Policy DEV 4 as set out under question 11 below to address this point.
- 9. Is the approach to existing employment areas and development within them effective and justified?**

- 9.1 The Council carried out a detailed review of its existing employment locations in its 2016 EDNA (EC5) which has informed the designated areas for protection. Through annual monitoring and subsequent updates of the EDNA, the Council has tracked permissions, completions and vacancies and considers that the 2016 conclusions on these locations remains robust.
- 9.2 Much of the lower grade industrial uses have been lost to housing development over recent years. The Council has also identified other areas in inner Warrington through Masterplanning work which are considered more appropriate for higher density residential led development.
- 9.3 Given the demand for employment land and the need to release Green Belt land to meet identified need, it is essential that existing high quality employment areas within the urban area are protected to maintain and enhance the employment capacity they provide.
- 9.4 Therefore, the Council considers the approach to existing employment areas and development within them to be required, effective and justified.
- 10. In other respects, is Policy DEV4 justified, effective and consistent with national policy?**
- 10.1 Yes, the Council considers Policy DEV4 to be justified, effective and consistent with national policy.
- 11. Are any main modifications to Policy DEV4 necessary for soundness?**
- 11.1 The Council In response to question 8 proposes the following wording to Policy DEV4 under the additional heading of Supporting Colleges and Higher Education: **The Council and its partners will support the operational needs of and the expansion of the Borough's Colleges and Higher Education establishments.**
- 11.2 As detailed under Matter 6f, the Council acknowledges that inclusion of Omission site 51 into the site boundary of the South East Warrington Employment Area (MD6), as shown in Figure 4 of the UPSVLP 2021, would strengthen the permanence of the Green Belt in the specific locality of that part of the allocation without having any material impact on any of the assessments undertaken in respect of the allocation as a whole. It is therefore proposed to include this land within the allocation as a main modification. This proposed modification would be subject to demonstrating appropriate access arrangements and the SA/SEA process.