

Warrington Local Plan 2021-2038: Examination in Public

Hearing Statement by Peel L&P (Holdings) UK
Ltd (representor no. UPSVLP 0426)

Matter 6c: Main Development Area:
Fiddlers Ferry

July 2022

Contents

1.	Introduction	1
2.	Matter 6c: Main Development Area: Fiddlers Ferry	2
	Appendix 1: CBRE advice on employment land demand	6

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Client

Peel L&P (Holdings) UK Ltd

Our reference

PEEM3056

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1. Introduction

- 1.1 This Statement is prepared by Turley on behalf of Peel L&P (Holdings) UK Ltd (hereafter called 'Peel') in respect of the examination of the Warrington Local Plan 2021-2038. It provides Peel's response to the Matters, Issues and Questions ('MIQs')¹ identified by the Inspectors in respect of Matter 6c: Main Development Area: Fiddlers Ferry.
- 1.2 Peel has recently acquired the Freehold interest in the former Fiddlers Ferry Power Station ('FFPS'). FFPS is the largest brownfield development opportunity in the Warrington Borough and Peel is working in partnership with Warrington Borough Council ('WBC') to secure its regeneration to create a new, sustainable community comprising c. 1,800 new homes and 101 hectares of employment land with supporting community uses and infrastructure.
- 1.3 Peel supports the draft allocation at Policy MD3 of the Updated Proposed Submission Version Local Plan ('UPSVLP') which identifies the development opportunity at the FFPS site.
- 1.4 WBC has requested that Peel, as principal landowner, attend the Matter 6c hearing session which is currently scheduled for Thursday 15 September 2022². In order to assist WBC, this statement focuses on supplementing the Council's response to Q16 – 18 of the MIQs in relation to Matter 6c: Main Development Area: Fiddlers Ferry.
- 1.5 A Statement of Common Ground ('SOCG') between WBC and Peel in relation to the FFPS site is currently being prepared and will be shared with the Inspectors by 15 August 2022.

¹ ID02

² Based on the hearing programme as of 23 June 2022 [ID03]

2. Matter 6c: Main Development Area: Fiddlers Ferry

Q16: Is the development proposed viable and deliverable within the plan period? What is the situation in relation to land ownership and developer interest?

- 2.1 Peel NRE, part of Peel L&P, acquired the Freehold interest in the Fiddlers Ferry site from SSE Thermal on 30 June 2022. Peel's acquisition represents the vast majority (c. 97%) of the land that comprises the MD3 allocation in the UPSVLP, including the former power station and lagoons as well as agricultural land to the east and south.
- 2.2 Peel L&P is responsible for some of the country's most transformational projects, including the Trafford Centre, MediaCity at Salford Quays and Liverpool Waters. Peel L&P will act as 'master developer' incorporating other entities within the Peel Group, including Northstone as Peel's housebuilding arm and PLP to deliver employment floorspace. Peel NRE's track record includes transforming redundant and heavy industrial sites to support local and regional aspirations and development needs for employment and housing.
- 2.3 The Council's viability assessment³, prepared by Cushman & Wakefield, was informed by indicative abnormal and infrastructure costs provided previously by Aspinall Verdi on behalf of SSE. Relevant costs are currently being reviewed in detail by Peel's consultants and any update on the position on viability will be included within the Statement of Common Ground between WBC and Peel which is currently being prepared.
- 2.4 Peel is confident that there is strong demand for new, high-quality commercial development and new homes in this location. PLP is a specialist UK logistics and industrial property business, founded in 2015 and part-owned by Peel L&P. PLP develop and manage prime UK logistics real estate on behalf of institutional capital partners. PLP's core business strategy is to develop prime, large-scale logistics assets.
- 2.5 Peel and PLP are confident that there will be strong occupier demand for employment floorspace at FFPS. CBRE has provided some initial commentary on the current market position and take-up rates and anticipated market demand; this is presented at **Appendix 1**. Further detail is being prepared and will be provided as part of the SOCG between WBC and Peel.
- 2.6 Northstone is Peel's new northern-based place-maker and provider of quality, innovative homes. Northstone will assist in the delivery of high-quality family homes as part of the Fiddlers Ferry masterplan. At this stage, it is anticipated that a number of housing outlets will be established on the site once construction commences. The delivery of dwellings will be phased alongside the provision of associated infrastructure and community uses, including a new local centre and primary school. This provision is

³ Documents V1 and V2

secured through the draft allocation policy (Policy MD3) and will be further detailed through the comprehensive Development Framework.

- 2.7 Peel's emerging masterplan is based on the design and technical work undertaken by SLR on behalf of SSE and which forms part of the Council's evidence base for the UPSVLP; Documents MP2, MP2a and MP2b particularly relate. Strong place-making principles will ensure that the residential areas to be created will be attractive, pleasant and desirable places to live; supported by the provision of complementary and supporting community infrastructure.

Q17: How is it intended to bring the site forward for development? What mechanisms will there be to ensure a comprehensive and co-ordinated approach to development, ensuring that all infrastructure requirements are provided?

- 2.8 The former power station was decommissioned in March 2020 in line with Government policy to phase out coal-fired facilities by 2025.
- 2.9 As noted above, Peel L&P now controls the vast majority of the allocation and will act as 'master developer' for the site as a whole. Peel is fully committed to applying its significant experience and track record to the delivery of a high-quality place and sustainable new community at Fiddlers Ferry.
- 2.10 Part MDA3.2 (Delivery and Phasing) of the draft policy requires a comprehensive Development Framework for the FFPS site to be prepared and agreed with WBC in advance of planning applications being submitted. The Development Framework will demonstrate how the site as a whole will be brought forward and accord with the site-specific requirements of Policy MD3 and the other relevant UPSVLP policies. It will be subject to consultation with Halton Council, key statutory consultees and the local community.
- 2.11 Part 7 of the draft policy confirms that the Development Framework should provide a comprehensive spatial masterplan for the entire allocation, an infrastructure delivery strategy and an allocation-wide approach to infrastructure funding, including planning obligations.
- 2.12 Peel is committed to working in partnership with WBC to realise the strategic ambitions and full potential of the FFPS allocation. This includes through the preparation of a Development Framework which will ensure a coordinated approach to development across the whole site.
- 2.13 The Development Framework will be a material consideration in the determination of planning applications across the allocation site and will be reviewed and updated alongside future reviews of the Local Plan to ensure that it remains up-to-date and flexible in identifying and responding to any changes in circumstances given the expected 15-20 year timeframe for the development of the site.

- 2.14 A Masterplan Delivery Programme is provided on page 5 of SSE’s Masterplan document prepared in April 2021 [Document MP2a]. Peel has reviewed this masterplan and is confident that the key milestones and timescales set out remain achievable.
- 2.15 An indication of how Peel anticipates that the site will be brought for development is provided in response to Q18 below.

Q18: What is the expected timescale and rate of development and is this realistic?

- 2.16 Peel has significant experience of delivering transformational regeneration projects across the North West region. Peel will apply all of this experience to successfully deliver the demolition and regeneration of the former power station and the place-making objectives of the UPSVLP.
- 2.17 As ‘master developer’, other specialist entities within the Peel Group will help to deliver the scheme including Northstone as Peel’s housebuilding arm and PLP to deliver employment floorspace along with land sales to other selected third parties.
- 2.18 Extensive due diligence work has been undertaken by Peel as part of the acquisition process. Peel is fully aware of the policy expectations within the UPSVLP and is confident – in the context of Peel’s significant experience in developing complex sites – that the programme previously provided by SSE remains achievable.
- 2.19 Peel has already commenced discussions with WBC in relation to the Development Framework and future planning applications on the site. Extensive survey and technical work have also been commissioned. The outcomes of this work will help to inform a more detailed masterplan and infrastructure delivery plan for the site.
- 2.20 Peel is currently preparing a ‘prior approval’ application to agree the methodology of demolition works with WBC. The first phases of demolition will include the coal stockyard, four northern cooling towers and some of the former administrative and office buildings. These demolition works will be phased, with the first phase comprising the former coal stockyard as this is generally the least constrained element of the demolition. The demolition and reclamation works on the coal stockyard are expected to begin before the end of 2022 and will take around 9 months to complete.
- 2.21 Peel has begun the work required to inform a detailed planning application for the first phase of employment development on the site. This is expected to comprise c. 1 million sq ft of employment floorspace (Use Classes B2/ B8) on the former coal stockyard area. Peel is targeting submission of the application before the end of 2022, with determination expected in Spring 2023; by which time it is hoped that there will be further certainty that the Green Belt release at Fiddlers Ferry will be confirmed. This additional certainty around future development prospects will be required before Peel can commit the significant capital expenditure required to implement the planning permission and commence the delivery of employment floorspace on the site.
- 2.22 A planning application for the residential units to the north of the railway line / canal is expected to be submitted following the adoption of the UPSVLP which will ‘remove’ the land from the Green Belt. The masterplanning and technical work required to

inform the planning application has commenced so that an application can be submitted shortly after the plan is adopted. At this stage, Peel expects to submit a hybrid planning application for the northern residential parcel, seeking full planning permission for the first phase to be delivered by Northstone and outline planning permission for the remainder of the parcel so as to retain flexibility on detailed housing mix and design for these later phases.

- 2.23 Peel's expenditure on the work required to inform the Development Framework and detailed planning applications demonstrates Peel's commitment to the delivery of the site at the earliest possible opportunity and will ensure that the Development Framework and first planning application(s) can be determined shortly after the adoption of the Local Plan.
- 2.24 WBC's trajectory anticipates a build-out rate of 35 dwellings per annum (dpa) on the northern parcel during the first year (2025/26) increasing to 70 dpa between 2026-2031. Peel considers that these build-out rates are realistic based on the potential for two separate outlets / developers delivering dwellings on the site concurrently. Northstone generally aims to deliver 40 dpa (excluding affordable units if delivered by an RP / third party contractor), so an assumed build-out rate of 35 dpa per outlet provides a realistic assumption for the purposes of informing WBC's trajectory.
- 2.25 Residential dwellings on the southern part of the site are expected to be delivered from 2031 onwards at similar build-out rates to the above. This start date reflects the timescales involved in the reclamation of the ash lagoons on this part of the site and the infrastructure requirements associated with accessing the site over the railway line and canal. Peel is confident that the assumed timescales and build-out rates are achievable.
- 2.26 In summary, Peel is confident that the timescales set out within the Masterplan Delivery Programme prepared by SSE⁴, and incorporated into WBC's trajectory at Appendix 1 of the UPSVLP, remain achievable and realistic.

⁴ Page 5, Fiddlers Ferry Masterplan (SLR on behalf of SSE, April 2021) [Document MP2a]

Appendix 1: CBRE advice on employment land demand

The national and regional (North West) summary as at the end of H1 2022 in respect of Grade A units of a minimum 100,000 sq ft plus, with minimum 10m eaves height was as follows:

National Market Take-Up

Take-up of UK logistics space in Q1 2022 totalled 10.43 million sq ft, representing an increase of 100% compared to Q1 2021's figure of 5.21 million sq ft. Q2 2022 was 12.081M sq ft in 39 deals. This is the 8th quarter (5th in a row) out of the past 9 quarters where take-up has exceeded 10M sq ft.

Take-up in H1 2022 at 22.564M sq ft (80 deals) is a record high for an H1 period. The previous best was H1 2021 at 20.502M sq ft.

Vacancy levels are now at record low levels at 1.18%. By comparison, in Q1 the vacancy level was 1.55%. This is clearly placing further upward pressure on rental levels.

There are only 29 built warehouses in the UK that are available for immediate occupation totalling 5.725M sq ft. This comprises 18 second-hand units (3.575M sq ft) and 11 speculative buildings (2.150M sq ft). At end of Q1 2022 there were 39 vacant warehouses (7.315M sq ft).

The current availability of built vacant units represents only 3 months of supply when looking at take-up of speculative and second-hand units.

Local Market (North West) Take-up

The North West saw unprecedented levels of take-up during the course of 2021 with 4.16 million sq ft Let versus a 10-year average of c. 3.45 million sq ft, and there are now severe supply constraints.

By the end of H1 2022 take-up reached 3.5 million sq ft across 9 deals split between take up of speculatively constructed units and Build to Suit transactions as follows:

Spec Build:	1,676,967 sq ft (7 deals)
BTS:	2,060,185 sq ft (3 deals)
Total:	3,737,152 sq ft (10 deals)

This is c. 1.2 million sq ft ahead of H1 2021 which saw take-up as follows:

Spec Build:	810,657 sq ft (4 deals)
BTS:	835,675 sq ft (1 deal)
Grade A*:	725,935 sq ft (3 deals)
Total:	2,372,267 sq ft (8 deals)

Fiddlers Ferry Power Station Site

In respect of market demand, with specific reference to the quantum of development and size / type of units proposed at the Fiddlers Ferry Power Station ('FFPS') site, CBRE is of the opinion that 101 ha (c. 250 acres), with 4 million sq ft proposed in total is deliverable over the 15-year plan period and this conclusion is drawn in the context of the 10 year annual average take-up for the North West standing at c. 3.45 million sq ft. As a result, when viewed in the context of the 15-year plan period, the total delivery represents just under 8% of the total floorspace required to meet the average regional take up – thus representing an important, but modest contribution to meeting occupier demand.

In addition, 2021 take-up levels exceeded the 10-year annual average, finishing at 4.16 million sq ft and H1 2022 already stands at 3.7 million sq ft. The North West is on course, therefore, for another record year of take-up. Viewed through this lens, and assuming strong take-up continues, this would mean that the contribution of Phase 1 of FFPS (c. 1 million sq ft) to meeting occupier demand for floorspace would represent an even more modest contribution than if solely considering a longer-term average take-up rate.

In summary, viewed on either a current market, or longer-term trend base, and given the regional supply / demand imbalance, CBRE considers that there will be ample occupier demand to absorb the floorspace proposed at FFPS over the plan period.

Reference to the supply situation as at the date of this report emphasises the supply v demand imbalance in the North West, with only 721,000 sq ft of immediately available Grade A stock available (< 3 months' supply in the context of 10-year annual average take-up). Of this 721,000 sq ft, 246,000 sq ft is under offer to an occupier, which, assuming the deal proceeds to completion, would leave the 'as built' supply availability in the North West at 475,000 sq ft, which equates to less than 2 months' supply.

Turley Office



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