

VGS/CW/W152(e)  
13<sup>th</sup> January 2023

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Dear Mr Bell

**Examination of the Warrington Local Plan  
Ref. PINS/M0655/429/2  
BE Group Response to Inspectors Post Hearings Letter to Warrington Borough  
Council (Council Ref. ID06, 16<sup>th</sup> December 2022)**

We have considered the Post Hearings letter dated 16<sup>th</sup> December 2022 which sets out the Inspectors' reasons for finding the Local Plan in its current form to be unsound, but which provides recommendations in which changes could be made to ensure its soundness. These primarily relate to the employment land evidence and the approach taken to determine future employment land needs. This letter sets out our initial views on the content of the Inspectors' letter in the context of the evidence we produced in support of the Local Plan and the evidence we provided during the Examination hearing sessions.

The refresh to the Economic Development Needs Assessment – Document EC2 (the EDNA), produced by BE Group in 2021, provides the basis for the employment land requirement in the Submission Local Plan. The EDNA uses an average annual land take up for strategic and local purposes (i.e., including the Omega site) of 14.22ha/year between 1996 and 2020, projected forward over the plan period to identify needs. It also incorporates a further three year buffer and an allowance for business displacement. Ultimately it identifies a total need for 316.26 ha for the plan period.

This take up derived employment land need is distinct from the jobs generation forecasts used the Local Housing Needs Assessment Update of 2021 – Document H2 (the LHNA) including the estimate that some 18,300 additional jobs could be supported by the housing requirement of 816 homes/year. It was the view of BE Group in the EDNA, and throughout the Examination in Public, that it was not possible establish a direct link between the employment land requirement and jobs growth forecasts, due to the different methodologies used to calculate both.

The Inspectors acknowledge that accurately predicting future economic and jobs growth and available labour supply over the Plan Period is extremely difficult if not impossible and do not suggest that there needs to be an absolute match between employment land provision, estimated jobs growth and labour supply. However, the Inspectors consider there needs to be a broad alignment in order for the local economy and housing market to function effectively and to avoid substantial increases in unsustainable commuting patterns.

To do this, the Inspectors use a methodology, as set out in points 11-17 of the Letter, which divides the total historic jobs increase over 1996-2020, 48,350, by the overall historic take-up over the same period, 341.29 ha. This results in an average figure of 142 jobs/ha.

Using the figure of 142 jobs/ha, the 18,300 additional total jobs which could be supported by the 816 homes/year housing requirement would require some 129 ha of employment land over the plan period. When a three year buffer as in the EDNA is applied and an allowance for business displacement is added, this results in a revised employment land need of 168 ha, for Warrington Borough, to 2038.

### **Comments on the Inspectors Approach to Employment Land Need Modelling**

It is recognised that there is not one definitive methodology for establishing employment land needs and that it is a professional judgement which needs to be made following the guidance set out in the PPGs and taking into account the best available evidence. It is also acknowledged there will always be uncertainty in looking forward over the Plan Period as a whole in terms of economic trends. The effectiveness of long term forecasts of economic change are further complicated by unanticipated events such as Brexit, the Pandemic and more recently the implications of the Russian Invasion of Ukraine.

The approach taken by the Inspector is understood. It provides a level of need within the range considered in the ENDA, between the lower level of need calculated using jobs forecasts and our recommended approach based on past take up rates of employment land.

It is our view however that its application does not consider some important changes that have arisen in employment patterns in Warrington in recent years. By using the gross figures for both employment land take-up and jobs created over the period from 1996 the Inspectors' approach does not take into account the different jobs densities across different uses classes and the changing nature of sectoral growth in Warrington since the mid-1990s.

This section addresses these factors and a number of points arising from the Inspectors' approach.

Firstly, as stated in Submission Local Plan Policy CD10a it is important to note that the estimate that 48,350 jobs have been generated in Warrington Borough over 1996-2020, which informs the Inspectors' calculations, (EDNA Table 43, page 178), was for the sole purpose of demonstrating that it is unreliable to rely on a single methodology. Namely, that converting Oxford Economics /Cambridge Econometrics forecasts to a land requirement using the historic figures could result in a land need figure very different to the actual land take-up rate across the same period.

Secondly, as stated in CD10a, the 48,350 jobs estimate were the total number of jobs generated across all business sectors over the 1996-2020 period including those that are not attributed to B class employment land, for example, jobs generated through retail development. The number of jobs generated just by E(g)/B-Class development over the 1996-2020 period was 30,418.

Thirdly, applying a global figure of 142 jobs/ha across all sectorial take up which has occurred in Warrington since 1996, does not allow for differing relevant Use Classes (E(g), B2, B8) resulting in differing jobs densities and as a consequence, different land needs.

Fourthly, in the Examination, BE Group highlighted that historic jobs figures reflected a high level of office growth in the period 1996-2020, which is not envisaged to continue going forward to 2040, with future development likely to have a greater focus on B8 warehousing with lower jobs densities.

**Review of the effect of different jobs densities**

To understand if there is a significant difference in jobs density rates between the different Use Classes, we have analysed the approach used by the Inspectors breaking down the historic land take-up and the estimate of jobs created across the uses classes, using two different methodologies:

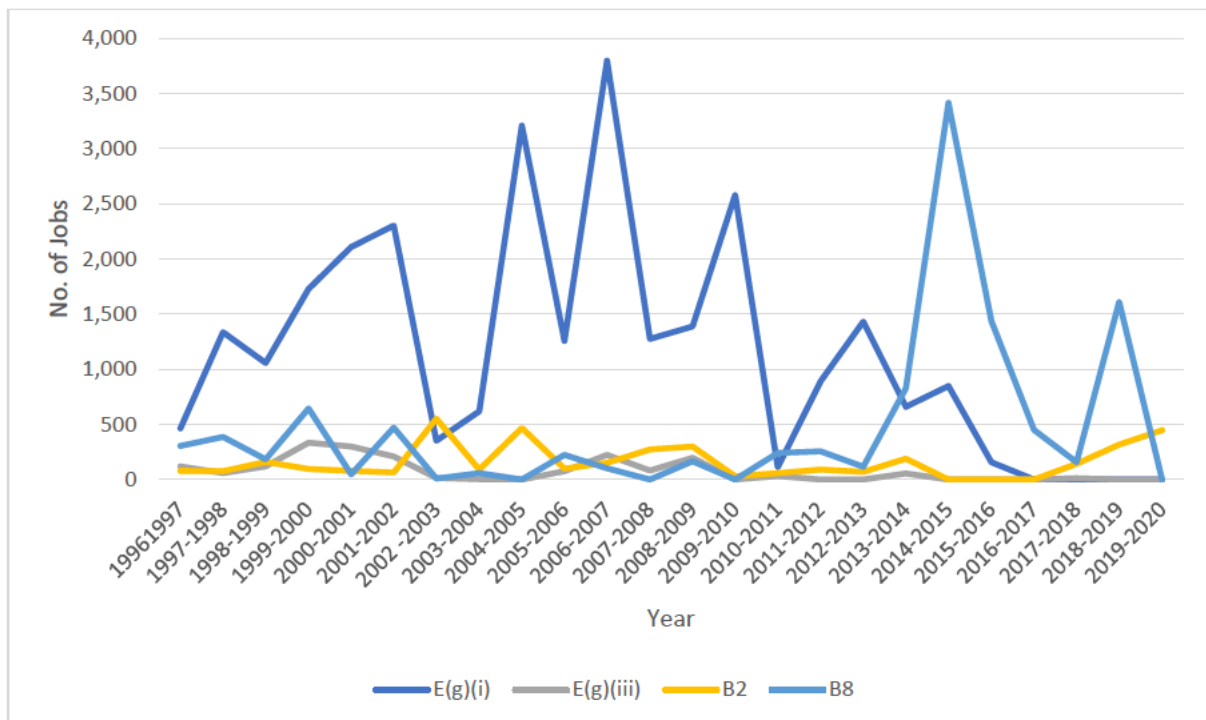
**(1) The Homes England Density Guide 2015**

We have analysed the historic take-up by firstly applying the Homes England jobs densities to the 341.29 ha of recorded take up in Warrington Borough, since 1996, on a Use Class by Use Class basis.

Figure 1 shows an annual breakdown of the jobs generated, by Use Class, using this method. It is notable that before 2013-2014 most jobs were generated by office development, and since 2014 most jobs have been generated by B8 storage and distribution completions.

Overall, using standard densities 341.29 ha of recorded employment land take up would generate 44,307 jobs or 130 jobs/ha. But breaking down this figure further, the ratio for E(g) jobs would be 183 jobs/ha, and B8, now the dominant use being developed in the Borough, is 68 jobs/ha.

**Figure 1 – Jobs Generated, by Year and Use Class**



Source: WBC/BE Group, 2023

**(2) Analysis of the historic jobs estimate by sector**

An alternative way to measure the impact of differing Use Classes on job/hectare rates is to try and split the 48,350 jobs that were actually created. Of the total, as stated in CD10a just 30,418 are relevant, falling within E(g), B2 And B8 Uses Classes. This is shown in Table 1 which uses Council monitoring data to split the historic take up by Use Class and compares that take up to jobs gained in each in sector such as office, industrial or warehouse space.

**Table 1 –Jobs Generated in Period vs Employment Land Take-Up 1996-2020**

	Use Class						Total (ha)
	E(g)(i)	E(g)(ii)	E(g)(iii)*	B2*	B8	Mixed**	
Jobs 1996-2020 Relevant to B-Class (Oxford Forecast)	33,563		-2,496	-4,073	3,424	-	30,418
Total (percent) Inclusive of Omega, ha	84.82	-	21.99	35.23	199.25	-	341.29
<b>Jobs per Hectare</b>	<b>396</b>		<b>-114</b>	<b>-116</b>	<b>17</b>	<b>-</b>	<b>89</b>

*\*Industrial jobs split 38 percent light industrial, 62 percent general industrial, reflecting take up patterns*

*\*\*20.94 ha of land listed as Mixed Use, divided equally amongst the other four categories*

*Source: BE Group, 2023*

Splitting those 30,418 jobs by Use Class suggests that office development generated a substantial 396 jobs/ha, warehouse uses only 17 jobs jobs/ha. As the Borough has had a net loss of manufacturing jobs since 1996, applying the jobs to take up in this manner gives negative figures for E(g)(iii) and B2 industrial development. On this basis, an average 1 hectare of employment land completed since 1996, in Warrington, generated 89 jobs/ha.

#### **Looking forward and applying the sectoral split to the Proposed Local Plan Allocations**

The majority of the proposed sites in the Submission Local Plan and the SEWEA will be developed primarily for B8 uses where, as the calculations above show, the jobs/hectare ratios are likely to be much lower than 142 jobs/ha. This is borne out in the market evidence where demand for employment land in Warrington continues to be dominated by large logistics enquiries. Larger scale warehousing typically involves ever lower employment densities as warehousing creates storage for wider scale distribution and automation is built into the warehousing operations.

To provide an estimate of the number of jobs the Local Plan employment allocations could generate, Table 2 takes the proposed land supply and applies the standard jobs density ratios, on a per sqm basis, from the Homes England Jobs Density Guide (2015), consistent with those used in the EDNA. I.e., for B8 use this means a rate of one job per 80 sqm for high bay, large scale warehousing.

As Table 2 shows, based on average densities, proposed development in Warrington Borough is unlikely to generate more than 17,019 direct FTE jobs, even with SEWEA. This falls below the 18,300 jobs that are calculated under the LHNA. Excluding SEWEA reduces the number of jobs to 10,344, i.e., well below the LHNA target.

If we applied the lower jobs ratios, derived from historic take up calculations above, the number of jobs generated could be even lower.

It must be stressed that these are estimates and the actual number of jobs will vary depending on the nature of the companies who will take up the land.

**Table 2 – Jobs Generated by Proposed Employment Land Allocations**

Proposed Allocation Site	Size, ha	Floorspace, sqm	Assumed Use Class (s) of Development (Jobs Density Applied)	Jobs Generated	Comments
Existing Supply	38.87	168,791	Multiple	3,870	Based on EDNA analysis of different sites
St Helens Omega Extension	31.80	124,020	B8 (One job per 80 sqm)	1,550	Assumes a strategic scheme, predominately comprising B8 warehousing comparable to past development at Omega Floorspace conversion at the standard developer ratio of 3,900 sqm/hectare
Fiddlers Ferry Brownfield Site	101.00	393,900	B8 (One job per 80 sqm)	4,924	Assumes a strategic scheme, predominately comprising B8 warehousing comparable to past development at Omega Floorspace conversion at the standard developer ratio of 3,900 sqm/hectare
SEWEA	136.92	533,988	B8 (One job per 80 sqm)	6,675	Assumes a strategic scheme, predominately comprising B8 warehousing comparable to past development at Omega Floorspace conversion at the standard developer ratio of 3,900 sqm/hectare
<b>Total Supply</b>	<b>308.58 (171.67 less SEWEA)</b>	<b>1,220,699 (686,711 less SEWEA)</b>	-	<b>17,019 (10,344 less SEWEA)</b>	

Source: BE Group, 2023

## Conclusions

As stated in the EDNA and advanced at the Examination, BE Group consider that past employment land take up rates provide the best methodology for establishing future employment land needs in Warrington.

BE Group recognise that there is not one definitive methodology for establishing employment land needs and there is significant uncertainty in establishing economic trends over the whole of the Plan Period.

The approach taken by the Inspectors provides a level of need within the range considered in the ENDA, between the lower level of need calculated using jobs forecasts and our recommended approach based on past take up rates of employment land.

It is the view of BE Group that the revised approach to calculating employment land needs in the Inspectors letter does not take account of variation in jobs densities between different Use Classes which in turn when applied, could show very different future land needs. Future development in Warrington Borough is expected to have a high proportion of B8 type uses and overall, jobs densities are expected to be below 142 jobs/ha.

If the Local Plan is to be taken forward on the basis of the level of employment land need as recommended by the Inspectors, we would advise the Council to ensure robust monitoring of employment land take up and job creation. If it becomes apparent through monitoring that additional employment land is required before the end of the Plan Period, then this could be

addressed through a review of the Local Plan. Indeed, we note that the Inspectors recognise this at point 21 of their letter.

Yours sincerely



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**For and on Behalf of BE GROUP**

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