

The Warrington Local Plan Inspectors

Date 26 April 2023

Our ref: 1917\61180883.1\203170.1\4022

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Dear Sirs,

WARRINGTON LOCAL PLAN: MAIN MODIFICATIONS

We write on behalf of our client’s Langtree Property Partners Limited in support of representations made by our client’s planning consultants, Spawforths, relating to the main modifications to the Warrington Local Plan.

The process undertaken in relation to the Inspectors’ interim conclusions and main modifications is clearly legally flawed and fails to comply with the Planning and Compulsory Purchase Act 2004.

Section 20(6) of that Act provides that any person who makes representations seeking to change a development plan document “must (if he so requests) be given the opportunity to appear before and be heard by the person carrying out the examination.” On behalf of our clients, we demand that the legal right to be heard before the Inspectors in relation to the Inspectors’ interim conclusions and the main modifications be afforded to our clients. That duty runs throughout the course of the

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independent examination and the process to date and the interim conclusions. Moving to main modifications without a further hearing is unlawful and inconsistent with the legislative framework.

Further, the Planning and Compulsory Purchase Act 2004 in section 20(7c)(b) requires that the Inspectors' recommend modifications of the document that would make it "sound". Whilst the legislation does not define the word "sound", the policy contained within the National Planning Policy Framework at paragraph 35 does do so. That definition includes that the plan will be sound if it is "justified... and based on proportionate evidence". The Inspectors' conclusions are based upon dismissing the evidence base and adopting alternative conclusions which are not based on any evidence that is before the Inspectors which would justify those conclusions and equally on not having heard from affected parties in relation to those matters.

It is our view and our advice to our client that the process adopted to date fails to comply with the legal requirements of the Planning and Compulsory Purchase Act 2004. We therefore require on behalf of our clients that full consultation is undertaken on all matters relating to employment land supply and the South West Warrington Employment Area and all related documents including the Inspectors' interim conclusions and that after the opportunity for written representations to be submitted has been given there must be a full hearing into those matters including any additional information and evidence submitted.

It is clearly the case that the plan is incapable of being lawfully progressed to adoption without these further steps being taken.

Yours sincerely



Andrew Piatt
Partner
for Gateley Legal

Langtree Property Partners

Warrington Local Plan Examination

Main Modifications

April 2023



01 Introduction

Introduction

- 1.1 Spawforths has been instructed by Langtree Property Partners (referred to hereafter as Langtree) to submit representations to the Warrington Local Plan 2021- 2038: Proposed Main Modifications for their site at Grappenhall Lane, Six 56.
- 1.2 Langtree welcome the opportunity to contribute to the emerging Local Plan for Warrington and is keen to further the role of Borough within the Cheshire, Greater Manchester, and Liverpool City Region and the North as a whole. Langtree has significant and deliverable land interests in the area, which can positively contribute towards the economic and housing growth agenda. Langtree have submitted a Planning Application for employment development, on their site referred to as Six 56. Six 56 forms part of the South East Warrington Employment Area (SEWEA), SEWEA is allocated for employment within the Submission Local Plan Policy MD6. Consistent with the emerging plan and the Council's evidence base, the Planning Application was recommended for approval by the Council, and is subject to a current Call In.
- 1.3 Langtree has worked proactively with the Council and has supported the allocation of the SEWEA. Langtree has actively engaged with the Local Plan process, including the ongoing Local Plan Examination. Following the hearing sessions in September and the subsequent Post Hearing letter Langtree has significant legal, policy and procedural concerns. They are as follows:
 - **Procedural Concerns:** Langtree conclude that the proceedings do not accord with national policy; NPPG and the principles established in the Procedure Guide. Langtree conclude that the proceedings have been **unfair and lacked openness**. Full details of Langtree's procedural concerns are provided at Section 2 of this representation. Langtree maintain that this can only be addressed through **additional hearing sessions**. Additionally, Langtree consider that further consultation and hearing sessions should have been undertaken prior to concluding the Proposed Main Modifications
 - Langtree do not consider that the Inspectors have the power to make the modifications recommended, as **they do not satisfy the requirements of Section 20 (7) (c) of the Planning and Compulsory Purchase Act 2004 (as amended) (PCPA 2004)**. The proposed Main Modifications would not result in a sound Plan, and the Main Modifications are not consistent with national policy.
 - The Proposed Main Modifications disregard the Council's employment evidence base, an alternative methodology for calculating employment need is proposed, this methodology is not compliant with NPPG or national policy. The resultant employment land requirement does not represent an objectively assessed requirement. **Langtree strongly object to the 'alternative methodology'** to calculate employment need adopted by the Inspectors, **Langtree object strongly to the reduced employment land requirement, and the deletion of the SEWEA allocation (Policy MD6)**. The recommended Main Modifications are not consistent with national policy and will result in an unsound Plan.

1.4 The Examination proceedings have not been conducted in line with:

- the provisions of the Planning and Compulsory Purchase Act 2004 (PCPA, 2004), with specific regard to Section 20 (7) (C).
- Guidance contained within NPPG, and
- the Procedure Guide for Local Plan Examinations and the Franks principles of fairness, openness and impartiality.

1.5 In summary the proposed Main Modifications:

- Do not comply with the provisions of the Planning and Compulsory Purchase Act 2004 (PCPA, 2004), with specific regard to Section 20 (7) (C).
- Are not consistent with National Planning Policy Framework.
- Not compliant with National Planning Practice Guidance.

1.6 Accordingly, Langtree make representations, containing significant objections on the following proposed Main Modifications:

- Procedural Concerns
- MM 001 covering the Introduction
- MM 002 covering Vision and Spatial Strategy, objective W1, supporting text and figures, Spatial Strategy for meeting our employment land needs, and Warrington's exceptional circumstances
- MM 003 covering Policy DEV1 and supporting text
- MM 005 covering Policy DEV4 and supporting text
- MM 007 covering Policy GB1 and supporting text
- MM 024 covering Policy MD6, the allocation of SEWEA and associated supporting text
- MM 031 covering Policy M1 and the Monitoring Framework
- Policies Map
- Sustainability Appraisal

1.7 In each case, observations are set out with reference to the provisions of the Framework and where necessary, amendments are suggested to ensure that the Local Plan is found sound. Langtree consider that the views expressed in the Inspectors interim letter are flawed and the proposed Main Modifications have not been positively prepared, and are not justified, or consistent with national policy and therefore will result in a Plan that is 'unsound'.

- 1.8** To address Langtree's significant concerns and objections these representations show that further work is required. This includes as a minimum additional consultation and hearing sessions with interest parties in the employment land requirement and the balance between housing and employment land, and the South East Warrington Employment Area.
- 1.9** We trust that you will confirm that these representations are duly made and will give due consideration to these comments.
- 1.10** Please do not hesitate to contact us to discuss any issues raised in this Representation further.

National Planning Policy context and Tests of Soundness and Examination Procedure

1.11 The Governments core objectives as established through the 2021 National Planning Policy Framework (the 2021 Framework) are sustainable development and growth. Paragraph 11 of the 2021 Framework stresses the need for Local Plans to meet the objectively assessed needs of an area. The 2021 Framework sets out to boost significantly the supply of homes and ensure that a sufficient amount and variety of land can come forward where it is needed. In terms of building a strong and competitive economy the 2021 Framework states that planning should help create the conditions in which businesses can invest, expand and adapt. The key focus throughout the 2021 Framework is to create the conditions for sustainable economic growth and deliver a wide choice of high-quality homes and well-designed places.

1.12 In relation to Local Plan formulation, paragraphs 15 to 37 of the 2021 Framework state that Local Plans are the key to delivering sustainable development which reflect the vision and aspirations of the local community. The 2021 Framework indicates that Local Plans must be consistent with the Framework and should set out the opportunities for development and provide clear policies on what will and will not be permitted and where.

1.13 In relation to the Examination of Local Plans, paragraph 35 of the 2021 Framework sets out the tests of soundness and establishes that:

Local plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are 'sound' if they are:

- ***Positively prepared*** – providing a strategy which as a minimum, seeks to meet the area's objectively assessed needs¹; and is informed by agreements with other authorities, so that unmet needs from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development.
- ***Justified*** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence.

¹ NPPF 2021, Footnote 21 – where this relates to housing, such needs should be assessed using a clear and justified method, as set out within paragraph 61 of this Framework

- **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- **Consistent with national policy** – enabling the delivery of sustainable development in accordance with policies in this Framework and other statements of national planning policy, where relevant.

1.14 With specific reference to Local Plan Examinations including Main Modifications, the legislative framework is provided by the Planning and Compulsory Purchase Act 2004(as amended) [PCPA] and the Town and Country Planning (Local Planning) (England) Regulations 20212 (as amended). Section 20 (7)(C) of the PCPA 2004, enables Inspectors, where asked to do so by the local planning authority, to recommend modifications to the Local Plan, where these would satisfy the requirements of sub section (5)(a), having regard to national policies and guidance, and where it would make the Local Plan Sound.

1.15 NPPG provides further guidance relating to Examination procedures and The Procedure Guide for Local Plan Examinations provides an operational framework for Examinations, hereafter referred to as the ‘Procedure Guide’. The purpose is to ensure that there is “reasonable consistency in the way that local plan Examinations are conducted”. Inspectors are required to adhere to the Franks principles of openness, fairness and impartiality. The Procedure Guide sets out the circumstances where it is appropriate to request additional work, allow additional consultation, and have additional hearing sessions. This is made clear in sections 3, 5 and 9.

“During the hearing sessions the Inspector may sometimes decide it is necessary to ask the LPA and/or other participants(s) to prepare further written information or evidence on a particular topic. A deadline will be set for its receipt. Other participants with an interest in that topic may be given the opportunity to comment on it, either at a later hearing session or in writing, where this is necessary to ensure fairness”. Paragraph 5.14 of the Procedure Guide.

“It might occasionally be necessary for the Inspector to arrange one or more further hearing sessions during the reporting period, for example to resolve a fundamental soundness issue. Significant representations on the proposed MMs might also give rise to the need for further hearings (see Section 6 below)”. Paragraph 5.20 of the Procedure Guide.

“The Inspector will raise any fundamental flaws in the plan or the evidence base with the LPA as soon as possible. In some cases, however, it may not be possible for the Inspector to determine whether or not fundamental problems exist until the evidence has been thoroughly tested at the hearing sessions. It may therefore be necessary, after the hearing sessions have concluded, for the Inspector to write to the LPA asking them to undertake further work on the evidence base or to identify additional sites for allocation (Any such post-hearing letters will be sent to DLUHC on a for-information basis at least 48 hours before it is sent to the LPA. See the letter of 18 June 2019 from the Secretary of State to the Chief Executive of the Planning Inspectorate – Local Plan pages). The Inspector will seek to agree a timetable with the LPA for this further work and any necessary SA, HRA and consultation. A pause in the Examination (see Section 9 below) will usually be necessary to allow the further work to take place”. Paragraph 21 of the Procedure Guide

1.16 This document therefore considers the Main Modifications to the Submission Version of Warrington Local Plan on behalf of Langtree in the light of this planning policy context.

02 Procedural Concerns

Introduction

- 2.1** As identified within the introductory text Langtree has fundamental concerns relating to the procedural process undertaken during the ongoing Examination, as well as detailed concerns relating to specific Main Modifications that are proposed. This section focuses on the procedural requirements and clearly establishes Langtree's procedural concerns. Significantly these concerns relate to the Franks principles of fairness, openness and impartiality.
- 2.2** Langtree consider that the Examination Proceedings have not complied with the following legislation and guidance:
- the provisions of the Planning and Compulsory Purchase Act 2004 (PCPA, 2004), with specific regard to Section 20 (7) (C).
 - Guidance contained within NPPG, and
 - the Procedure Guide for Local Plan Examinations and the Franks principles of fairness, openness and impartiality.
- 2.3** Langtree contend that it was **unfair to proceed to Main Modifications, in the absence of the opportunity to comment on the additional notes, and Inspectors Interim Letter**. The Inspectors Interim Letter introduced an alternative method for calculating employment need, one which is flawed, overly simplistic and is not NPPG compliant. The Interim Letter no longer used the EDNA as the evidence base supporting the employment land requirement. The EDNA had been previously consulted upon, and the resultant requirement was subject to Sustainability Appraisal. Langtree address specific points relating to the appropriateness of the method proposed by the Inspectors under MM002. **The alternative methodology was not subject to a separate technical meeting, or the subject of consultation prior to the Main Modifications stage. A further Sustainability Appraisal is also required. Critically, the resultant employment land requirement is no longer evidence based, as required by national policy, it is not justified and therefore unsound.**
- 2.4** Langtree consider that there is **a need for additional consultation on the need for employment land**. As a minimum Langtree consider that **a further hearing session is required** to ensure that the fundamental principles of openness and fairness are adhered to and ensure that Langtree and other interested parties can exercise their right to be heard.
- 2.5** In relation to the procedural concerns addressed within this section, and robustness of the revised approach to calculating employment requirement, Langtree consider that the Inspectors do not have the power to make the Main Modifications under MM001, MM002, MM003, MM005,

MM007, MM024 and MM031. The Main Modifications are not based on a robust NPPG compliant evidence base. The revised employment land requirement is based on a flawed and overly simplistic approach to calculating the scale of employment, it has no regard to market signals and is not evidence based. The Main Modifications do not have regard to national policy, they are not consistent with national policy, are not justified, effective or positively prepared and would result in an unsound Plan. Accordingly, **Main Modifications do not satisfy the requirements of Section 20, sub section 7C of the Planning and Compulsory Purchase Act 2004, as amended.**

Procedural Concerns

Introduction to the Procedural Concerns

- 2.6** Langtree has fundamental concerns with the procedural process undertaken during the ongoing Examination of the Warrington Local Plan. Langtree is concerned that the Examination has not adhered to the principles of openness and fairness, particularly regarding the matters relating to the need for employment land.
- 2.7** The Main Modifications result in significant and substantive changes to the Local Plan as submitted. These changes are not based upon an appropriate level of assessment or a robust methodology. They weaken the relationship between the Plan and its evidence base, which has previously been subject to and Sustainability Appraisal (SA) and consultation.
- 2.8** There has been procedural unfairness and Langtree consider that further consultation and hearing session(s) are necessary. In the light of the Inspectors Interim letter, additional hearings should have occurred prior to the consideration of any proposed Main Modifications. Proceeding with the Main Modifications stage without undertaking further consultation and hearing sessions breaches the procedural guidance set out within 'The Procedure Guide for Local Plan Examiners' and does not comply with NPPG.

Legislative and Procedural Requirements

- 2.9** The legislative requirements for Local Plan Examinations are contained in the Planning and Compulsory Purchase Act 2004(as amended) [PCPA] and the Town and Country Planning (Local Planning) (England) Regulations 20212 (as amended).
- 2.10** The Planning and Compulsory Purchase Act [PCPA] 2004, as amended, makes provisions for Inspectors to recommend Modifications to the Submitted Plan, where asked to do so by the Local Planning Authority (LPA). The PCPA establishes the purpose of Examination, which is to ensure that the Plan satisfies legal requirements, has regard to national policy and is sound. Section 20 (7C) of the PCPA 2004 enables the Inspector, if asked to do so by the local planning authority, to recommended modifications to the Plan.

- 2.11** Fundamentally, sub section (7)(C) requires that modifications that are recommended:
- a) satisfy the requirements of subsection 5(a), this includes ensuring that regard is given to national policy and guidance as required by section 19, and
 - b) that the modifications must result in a plan that is sound subsection (7) (C) (b).
- 2.12** For the reasons set out by Langtree in the following sections of this representation, Langtree, supported by evidence from ICENI and JLL at Appendix 2 and 3, are clear that **the Main Modifications as proposed do not have regard to national policy, and will not result in a plan that is sound. Langtree therefore question whether the Inspector has the power to recommend the Main Modifications.**
- 2.13** The main guidance for Examinations is contained within NPPG, and The Procedure Guide for Local Plan Examinations. The Procedure Guide for Local Plan Examinations provides the operational framework for Examinations, hereafter referred to as the ‘Procedure Guide’. The purpose is to ensure that there is “reasonable consistency in the way that Local Plan Examinations are conducted”. Inspectors are required to adhere to the Franks principles of openness, fairness and impartiality.
- 2.14** Paragraph 6.1 of the Procedure Guide “Throughout *the Examination, the Inspector will explore the potential for MMs to resolve the soundness and legal compliance issues he or she has identified. Section 20(7C) of the PCPA requires the Inspector to recommend MMs if asked to do so by the LPA, provided that the MMs are necessary to make the plan sound and legally compliant. If the LPA wish to make a request under section 20(7C), they must do so before consultation on MMs begins*”. (Spawforths emphasis)
- 2.15** It is clear from paragraph 6.2. that Main Modifications (MM) can range in scope from redrafting parts of an individual policy or of the reasoned justification, to the deletion of whole policies or site allocations and the insertion of new ones.
- 2.16** Paragraph 6.3 of the Procedure Guide is clear that during the hearing sessions the Inspector will aim to identify any Main Modifications that may be needed to achieve a sound and legally compliant plan. However, 6.4 indicates that there may be reasons why this is not possible, and in such cases the Inspector will communicate in writing as soon as possible, but notes that final recommendations and reasons for them will be set out in the Inspectors Report.
- 2.17** Paragraph 6.7 of the Procedure Guide is clear that all proposed Main Modifications must be subject to public consultation and where necessary SA and HRA before the Inspector can make recommendations on them.
- 2.18** Paragraph 6.8 of the Procedure Guide is clear that the agreement of the Main Modifications schedule between LPA and Inspector should be a priority after the hearing sessions conclude. The LPA is to produce a schedule of Main Modifications for the Inspectors comment. Appendix 1 of these representations contains a timeline of published documents during the Examination. The Proceedings at Warrington Local Plan Examination are considered below in the context of the relevant legislation, national policy, national planning practice guidance and the Procedure Guide.

Examination to Date and Procedural Concerns.

- 2.19** The Inspectors wrote to the Council on 16th December 2022, highlighting their concerns regarding employment land. This letter contained an alternative methodology for calculating employment need. Langtree’s concerns relating to the methodology proposed will be addressed in detail under MM002, as stated above this section is concerned with procedure. The Inspectors based on the proposed methodology conclude a much-reduced need, and the deletion of South East Warrington Employment Area (SEWEA).
- 2.20** The Inspectors acknowledge, in paragraph 49, that these conclusions have significant implications for the Local Plan. **In order to be consistent with the Procedure Guide, having accepted that there are significant implications for the Plan, there should have been a consultation with all interested parties.**
- 2.21** The Council responded on 22nd December 2022 to confirm their wish to proceed to consultation on Main Modifications. Importantly, however, the Council highlights that having regard to the conclusions on employment that they will seek their consultants’ views.
- 2.22** The Council’s specialist economic consultants, BE Group, responded on 24th January 2023. BE Group set out significant concerns with the approach to calculate employment land taken by the Inspectors, providing evidence to support their concerns. The details of these concerns and Langtree’s view on the robustness of the Inspectors approach is set out under MM002.
- 2.23** With respect to the procedural matters, there has been **no response to this letter by the Inspectors, and there is no clear agreement on the matter of the employment land requirement between the Council’s Consultants and the Inspectors.** NPPG 61-050-20190315 is clear that Inspectors “can only recommend modifications if they are asked to do so by the LPA and where they are necessary to achieve a sound plan”. This is consistent with the provisions contained at section 20 (7) (c) of the PCPA. Having regard to the Council’s need to seek advice from BE Group, and BE Group’s response, the Council’s agreement is unclear. Furthermore, BE Group’s response challenges the necessity of the Main Modifications relating to the reduction of the employment land requirement and the deletion of SEWEA (Policy MD6). BE Group state that past employment land take up rates provides the best methodology for establishing future employment land needs in Warrington. BE Group challenge the Inspectors approach to calculating employment land needs and state that it does not take account of the variation in job densities and does not reflect the high proportion of B8 type uses in Warrington which have a lower job density than 142 jobs/ha. Therefore, BE Group conclude that if the Local Plan is taken forward on this basis an early review of the Plan will be required. **It is concerning that this letter which advised the Council on the Inspectors methodology has not been subject to consultation.**
- 2.24** Fundamentally, the Inspectors Letter of 16th December 2022 proposes a reduced employment land requirement that is not based on any of the models contained within the EDNA. Langtree’s view on the robustness of the methodology proposed is addressed under MM002. However, procedurally the revised quantum of employment **has not been subject to consultation or Sustainability Appraisal including appropriate consideration of reasonable alternatives**, the latter point is addressed further at Section 11.

- 2.25** The Inspectors proposed methodology for calculating the need for employment land has arisen following additional work/actions requested by the Inspectors during the Examination. Critically **no consultation or additional comments were welcomed or sought from other parties following the publication of CD10; CD10a; the Inspectors Letter of 16th December; or the subsequent response by BE Group in January 2023.**
- 2.26** Furthermore, the additional work produced in CD10 and CD10a was requested following discussions at the Matter 4 Hearing Session into housing growth. Critically, **not all parties with an interest in employment matters would have been in attendance. Langtree consider that the proceedings of the Examination have not adhered to the principles of fairness.**
- 2.27** Both NPPG **61-055-20190315** and the Procedure Guide identify circumstances in which additional work may need to be undertaken, including where Inspectors have significant concerns relating to the Plan as submitted. Paragraph 5.14 suggests that where further written information or evidence on a particular topic is necessary, ***“other participants with an interest in that topic may be given the opportunity to comment on it, either at a later hearing session or in writing where this is necessary to ensure fairness”***. Paragraph 5.20 of the Procedure Guide is clear that where there is a fundamental soundness issues that further hearing sessions during the reporting period may be necessary, as well as highlighting that significant representations on proposed Main Modifications might give rise to the need for additional hearing sessions.
- 2.28** Paragraph 5.21 of the Procedure Guide sets out that the Inspector will raise any fundamental flaws in the Plan, or its evidence base as soon as possible. If this is not clear until after relevant hearing sessions have concluded, it may be necessary to write to the Local Planning Authority to undertake further work on the evidence base, and agree a timetable for the work necessary, Sustainability Appraisal and importantly consultation.
- 2.29** In Warrington’s case, following the initial hearing sessions it was clear that the Inspectors had concerns with the evidence base relating to employment land. However, as stated this arose from discussions regarding the housing requirement and the housing and employment balance at the Matter 4 Housing Need and the Housing Requirement session, and not the Matter 5 Economic Growth and Development session, which raises issues of fairness.
- 2.30** The Inspectors requested additional information from the Council to clarify matters relating to the balance between housing and employment. It is understood the Inspectors sought to try and understand how much employment (jobs growth) would be supported by the planned levels of employment land provision, and if this was balanced with the planned levels of housing growth. **The additional questions were not raised in the context of understanding the scale of employment need. The Inspectors were not open to comments from other interested parties.**
- 2.31** CD10 was produced in response to the Inspectors request, by BE Group, on behalf of the Council, on 14th September 2022. BE Group raised significant limitations relating to the request to forecast jobs growth arising from future land release stating ***“the utility of this exercise for plan making is questioned”***. **CD10 was published and it was stated that comments were not sought by the Inspector from other participants/interested parties.** In a circumstance where the Inspectors’ approach to identifying the housing and employment balance was found to be flawed by the Council’s advisors, it would have been entirely appropriate and indeed necessary to have a separate technical meeting. This should have involved interested parties, providing an opportunity

to agree the appropriate methodology and or assumptions, prior to instructing the consultants to undertake additional work, including Sustainability Appraisal. A period of consultation and separate hearing session(s) should have followed. This approach would be consistent with the Procedure Guide and would ensure openness and fairness.

- 2.32** However, following the issue of CD10, the Inspectors asked the Council some further clarifying questions. BE Group responded on 26th September 2022, providing clarifications, albeit flawed as set out in the Proof by ICENI at Appendix 2, and again stating “*This figure is however heavily caveated for the reasons set out in the original note concerning the reliability of this figure which should be treated as no more than notional*” and “*the margin of error associated with the estimate is likely to be extremely high*”. General comments from other interested parties/participant were not sought on the questions or response by BE Group.
- 2.33** ICENI have been instructed by Langtree to review the evidence on employment need and consider Warrington’s employment land requirement. ICENI have significant experience undertaking employment land needs assessments for local authorities, and economic impact assessments. ICENI’s concerns are set out fully at Appendix 2 and addressed in response to MM002. In summary they identify flaws in the approach to calculating the jobs figures by BE Group, however they agree with the concerns raised by BE Group about the reliability of the ‘labour supply’ approach. Again, as with CD10 **general comments on CD10a were not sought from other participants by the Inspectors, and no suggestion of an additional hearing session was made. This is procedurally unreasonable given the clear problems with utilising the approach suggested to determine a reasonable level of future forecast jobs growth. The status of CD10 and C10a are unclear, Langtree consider that there should have been further consultation and hearing sessions to address the matters arising from the Matter 4 hearing sessions, and that these should have been open to all parties.**
- 2.34** Despite the significant concerns raised by BE Group, the Council’s advisors, the Inspectors have proposed an alternative method to calculating the need for employment land, in their letter of 16th December 2022. Langtree’s objections to the proposed methodology are set out in response to MM002. In relation to procedural concerns, significantly, the Inspectors methodology has arisen from a process attempting to understand the housing and employment balance, and not from the perspective of understanding objectively assessed employment needs. A process which should have regard to the wider stakeholder engagement, such as that was undertaken as part of the EDNA. **The approach has not been the subject of previous consultation, and the outcomes have not been assessed through the Sustainability Appraisal process.**
- 2.35** Finally, comments have not been sought from interested parties during the Examination to date. Separate technical meetings and hearing sessions have not been undertaken. **This is not consistent with the Procedure Guide.** The soundness of the Inspectors approach to calculating employment need itself is considered later within these representations, and at Appendix 2, this section is concerned with procedure.
- 2.36** On 22nd December 2022 the Council responded to the Inspectors letter, noting their intent to proceed to public consultation on a schedule of Main Modifications. Critically, however the Council was clear that they would seek the views from their consultants on the conclusions relating to employment. BE Group responded on 24th January 2023. BE Group highlighted flaws in the Inspectors methodology. In summary BE Group state that the EDNA provides the basis for the

employment land requirement in the Submission Plan and highlight that jobs generation forecasts in the Local Housing Needs Assessment 2021, is distinct from the EDNA. They again reiterated their concerns in attempting to establish a direct link between employment land requirements, and jobs growth having regard to the differing methodological approaches. Whilst BE group acknowledge that NPPG does not identify one methodology for calculating need BE Group consider that the approach by the Inspectors does not account for important changes in employment patterns, and evidence the issues with the approach applied by the Inspectors. ICENI at Appendix 2 also highlight significant flaws in the Inspectors approach, and the robustness of the methodology for calculating need is considered further at MM002. **Despite this level of concern from the Council's consultants, comments are not welcomed by the Inspectors. The status of BE Group's letter of 24th January 2022 is therefore unclear. This provides further justification for the need for additional technical work, and hearing sessions prior to agreeing a schedule of Main Modifications for consultation.**

- 2.37** The Inspectors have accepted in their letter of 16th December 2022 that the matters raised will have significant implications. **Langtree agree and consider the conclusions in relation to employment need and SEWEA are substantive matters with significant implications for the Plan as a whole, and ones which should have resulted a discrete piece of additional work, that was subject to consultation and a subsequent hearing session.** This is necessary to ensure that all relevant interested parties can consider the revised 'evidence' to justify the need for employment land and provide an appropriate opportunity to be heard.
- 2.38** The procedure guide states "*Any proposed changes to the plan arising from the additional work carried out during a pause in the Examination will usually need to be the subject of consultation, equivalent in scope and duration to that carried out at Regulation 19 stage. SA and, in some cases, HRA will also be necessary if the proposed changes are significant. Further hearing sessions are likely to be required to consider the outcome of the further work, any proposed changes to the plan, and the consultation responses*" Paragraph 9.3. It is therefore clear that to undertake additional work relating to the evidence base for employment and the housing and employment balance and allow consultation on something that would result in a significant change is supported by the Procedure Guide. Furthermore, this is Best Practice and is the approach adopted by other Inspectors elsewhere, indeed the matter of housing and employment balance was raised during the ongoing Wakefield Examination.
- 2.39** In the case of Wakefield, a technical note on the assessment of potential jobs growth in Wakefield and the Implication for Housing need was prepared, and this was subject to consultation, open to all parties. A further stage of hearing sessions was held, including a session on the housing and employment land need/requirement.
- 2.40** **As a minimum to address the identified procedural flaws Langtree seek to exercise their right to be heard, and accordingly consider further Examination sessions are necessary.**
- 2.41** Finally with regards to procedural requirements, Langtree note that Section 20 (7)(C) of the PCPA 2004, as amended, which enables Inspectors to recommend modifications, is clear that the modifications, must a) satisfy the requirements of subsection 5(a) of Section 20 of the PCPA 2004. This sub section establishes the need to satisfy the requirements of Section 19. Section 19 (2) states that when preparing local development documents must have regard to national policies and guidance issued by the Secretary of State. Section 20 subsection 5 b) also ensures that

modifications of the document are sound. As set out in the subsequent subsection, Langtree is clear that **the proposed Main Modifications relating to employment land requirement and deletion of SEWEA are not consistent with national policy, and guidance and are not sound, the Main Modifications do not satisfy the requirements of Section 20 (7C) of the PCPA 2004.**

- 2.42** Accordingly, Langtree contend that the Inspector(s) do not have the power to recommend the modifications to the Plan. The modifications being suggested are so substantial and based upon a flawed approach to Employment Land requirements, as set out in the subsequent sections of this response, that is not consistent with national policy, and not sound. Langtree provide further evidence to support this within **the response** to MM002 Paragraph 3.2.3, **can conclude that the Main Modifications as proposed are not necessary for the soundness of the Plan. Section 20 (7) (C) of the PCPA 2004 is not complied with. Langtree contend the Modifications addressed within this response, do not result in a 'sound' Local Plan.**

Conclusion in relation to the Examination and procedural concerns.

- 2.43** Langtree consider that the Examination procedure to date is not consistent with:

- The PCPA 2004, 20 (7)(c);
- the NPPF;
- NPPG;
- Procedure Guide; and
- Best practice.

- 2.44** Langtree conclude that to proceed to Main Modifications, without separate consultation on such a significant change to the Plan, that has been based on an overly simplistic assumption used to calculate a quantum of employment land, which is not PPG compliant, and has not been subject to appropriate sustainability appraisal, consultation, or additional hearing sessions would not comply with legal requirements and is not consistent with national policy and guidance, including the Inspectors Procedure Guide.

- 2.45** To continue the Examination without pausing to allow consultation on additional work, corresponding Sustainability Appraisal, and further hearing session on the evidence base for employment land and the housing and employment balance, prejudices the outcomes and does not comply with the Franks principles of openness, fairness, and impartiality. As will be examined in detail under MM002 the proposed Main Modifications will not result in a Plan that has regard to national policy or guidance nor will they result in a 'sound' Plan, accordingly Langtree contend that, consistent with the provisions of Section 20 (7) (C) of the PCPA 2004, the Inspectors do not have the power to recommend such Main Modifications.

- 2.46** To address these concerns, it is necessary to enable Langtree and other interested parties to exercise their right to be heard, with additional hearing sessions. To address the latter point, the Main Modifications relating to employment land requirement and the deletion of SEWEA should be abandoned.

2.47 Notwithstanding our procedural concerns, Langtree make representations on the Main Modifications (MM), including significant objections to the methodology for determining the level of employment need, which has resulted in Modifications reducing the employment requirement and the deletion of SEWEA.

Proposed Change

2.48 To overcome the objection and address soundness matters, it is proposed that the Main Modifications with respect to the proposed reduction of the employment land requirement and the deletion of SEWEA are abandoned. If the Inspector remains concerned about the balance of housing and employment land:

- An additional piece of work on employment need and the housing and employment balance should be undertaken. A technical meeting should be held to agree the key assumptions to inform this piece of work. The findings should be subject to consultation.
- A Sustainability Appraisal is required to inform the preparation on the Plan, this should be subject to consultation.
- In the interests of fairness and openness interested parties should be allowed to exercise their right to be heard, as a minimum an additional Hearing Session is necessary. This should follow the consultation on additional piece of work, and prior to agreeing the nature of Main Modifications.
- Langtree consider that the above changes are necessary to ensure fairness, and openness, having regard to the substantial nature of changes arising from the Inspectors letter of 16/12/2022

03 MM 001

Introduction

- 3.1** Langtree have set out the procedural concerns relative to the Examination proceedings and the Inspectors ability to recommend main modifications at Section 2 of these representations. To address the clear procedural flaws in the Examination process, this will result in the need to extend the Examination and ensure that interested parties are able to exercise their right to be heard. This has implications for Main Modifications that relate to the Plan period as such at Paragraph 1.1.1. Where this is the case, the full procedural concerns are not repeated within the representations on Main Modifications, please instead refer to comments made at Section 2.
- 3.2** Several Main Modifications are consequential to the Main Modifications which result in the reduction of Employment Need, and or the deletion of allocation SEWEA, Policy MD6. Where relevant cross references are made to the section or subsection where the detailed objections, and justification for the objections are set out.
- 3.3** Langtree set out at Section 2 Procedural Concerns, that the proposed Main Modifications do not comply with Section 20 (7) (C) of the PCPA 2004. Langtree do not consider that the Main Modifications, particularly the changes to the employment land requirement and the deletion of SEWEA, are consistent with national policy and guidance. The Main Modifications will not result in a Plan that is 'sound'. Langtree set out in detail within the subsequent subsections and sections, why the Main Modifications are not consistent with national policy and guidance, and why the modification proposed would not result in a sound plan, demonstrating the lack of compliance with the legal requirements of the PCPA 2004. Langtree do not consider that it is within the Inspectors power to recommend the Main Modifications relating to the employment land requirement and the deletion of SEWEA, because as will be established they are based on a fundamentally flawed approach to identifying employment land, and consequently the Plan is fundamentally flawed and not capable of being found sound.

Paragraph 1.1.1

- 3.4** Main Modifications to Paragraph 1.1.1 revise the Plan Period from 2021/22 to 2038/39. It is accepted that this results in a Plan Period of 15 years post adoption, should the Plan be adopted this year. However, Langtree raise significant concerns in relation to the procedure of the Examination at Section 2. As a minimum Langtree consider that there is a need for additional

hearing sessions following the Main Modifications, **to ensure fairness, and consistency with the Procedure Guide. Langtree consider that there is a need for additional work that should be subject to consultation and a subsequent hearing session prior to preparation of Main Modifications.** This will have implications for the intended timescales for adoption. Therefore, it may be more appropriate **to extend the Plan period to 2039/40 to ensure that the Plan is consistent with national policy.** Extending the Plan period will result in the need to increase the employment land requirement by a year and will require a commensurate increase in the supply of sites.

Paragraph 1.2.12

- 3.5** Main Modification to paragraph 1.2.12 is a consequential amendment resulting from the Main Modification to reduce the employment land requirement and delete SEWEA (MM002 and MM024). **Langtree do not consider that the Main Modifications are necessary for soundness and will result in a Local Plan that is unsound for the reasons set out within this representation. Langtree consider that the methodology applied by the Inspectors is flawed** as established in response to MM002, **and the process undertaken has not been fair or open**, as identified in Section 2. Accordingly, **all consequential amendments are not necessary for soundness, and will result in a plan that is not justified, consistent with national policy or effective.** The proposed Main Modification to paragraph 1.1.12 is therefore unsound.

Proposed Change

- 3.6** To overcome the objection and address soundness matters, the following changes are proposed:
- MM001 Paragraph 1.1.1. The Plan period should be extended to 2039/40 to ensure that the strategic policies look over a minimum of 15 years post adoption, consistent with national policy, with a commensurate increase in the employment land requirement, and supply of sites.
 - MM001 Paragraph 1.2.12 is not necessary, we conclude that retaining the SEWEA is sound, and the figures in paragraph 1.2.12 should reflect the retention of SEWEA within the Plan.

04 MM 002

Introduction

- 4.1 Langtree strongly object to the proposed Main Modifications.** Firstly, Langtree has set out at Section 2 – Procedural Concerns, **that there are significant procedural flaws in the Examination undertaken to date.** Langtree are clear that the Examination proceedings are not in accordance with:
- The PCPA 2004 - 20 (7)(c)
 - National planning policy framework
 - National planning practice guidance
 - Procedure Guide.
- 4.2** Langtree maintain that the Examination proceedings do not comply with the procedure guide and do not abide by the core principles of fairness, openness, and impartiality. Langtree are clear that this can only be rectified through additional hearing session(s). Langtree also consider that additional work, consultation, and sustainability appraisal are also necessary. The sustainability appraisal is required to consider reasonable alternatives.
- 4.3** Langtree note that Section 20 (7C) of the PCPA 2004, as amended, which enables Inspectors to recommend modifications is clear that the modifications, must a) satisfy the requirements of subsection 5(a) of Section 20 of the PCPA 2004, this sub section is clear that there is a need to satisfy the requirements of Section 19. Section 19 (2) states that when preparing local development documents must have regard to national policies and guidance issued by the Secretary of State. Section 20 subsection 5 b) also ensures that modifications of the document are sound. As set out and evidenced in the subsequent subsection, Langtree is clear that the proposed **Main Modifications including MM002 at paragraph 3.2.3 are not consistent with national policy, and guidance and are not sound,** the Main Modifications do not satisfy the requirements of Section 20 (7C) of the PCPA 2004.
- 4.4** Accordingly, Langtree contend that **the Inspector(s) do not have the power to recommend the modifications to the Plan.** This is because the modifications being suggested are so substantial, and based upon a flawed approach to employment land requirements that is not consistent with national policy and will not result in a Plan that is sound. Langtree provide further evidence to support this within the response to MM002 Paragraph 3.2.3, can conclude that the Main Modifications as proposed are not necessary for the soundness of the Plan.

Paragraph 3.2.3

Introduction

- 4.5** There are two components to the Main Modification to paragraph 3.2.3. The first deals with the Plan Period, Langtree consider that this should be extended. This results from the **significant procedural concerns Langtree have with the Examination proceedings to date. As set out in Section 2- Procedural Concerns, Langtree consider that the Examination proceedings have been significantly flawed, and do not accord with the Inspectors procedural guide, and the core principles of fairness, openness, and impartiality. To allow these flaws to be addressed and facilitate the necessary additional work, consultation, sustainability appraisal and hearing sessions, Langtree consider the Plan period ought to be extended.**
- 4.6** The second bullet point relates to a reduced employment need. **Langtree strongly object to the reduction in the employment land requirement and consider that the approach adopted is flawed and is not consistent with the Framework and NPPG. The resultant requirement is not justified, or consistent with national policy, and the proposed Main Modification is not necessary to ensure the soundness of the Plan. The proposed Main Modification will result in an unsound Plan. Accordingly, the legal requirements relating to Main Modifications established in Section 20 (7) (C) are not satisfied.**
- 4.7** Justification of this conclusion is provided in Langtree’s response to paragraph 3.2.3– Bullet Point 2. In response to this Main Modification Langtree’s response reviews the Policy and Practice Guidance to calculating the need for employment, the need for employment in Warrington, including the drivers of demand, supported by JLL’s Proof of Evidence contained at Appendix 3, and an assessment of employment need supported by ICENI’s Proof contained at Appendix 2, a consideration of the flaws in BE Group’s response to the Inspector, and the issues associated with the approach/methodology for calculating the need for employment provided by the Inspector. Having regard to this analysis Langtree consider that the Inspectors’ approach to calculating the employment land requirement is flawed and not consistent with national policy or guidance, that the resultant requirement is significantly below objectively assessed needs for employment, and that the main modifications to reduce the employment land requirement on this basis would result in an unsound plan.

Paragraph 3.2.3 – Bullet Point 1

- 4.8** The Main Modification to paragraph 3.2.3, bullet point 1, revises the Plan period, for the reasons stated to MM 001, and paragraph 4.1 **Langtree consider that the Plan period should be extended to 2039/40 to ensure that the strategic policies cover a period of at least 15 years post adoption consistent with the NPPF.** A commensurate increase in the employment land requirement, and the supply of employment land will be required.

Paragraph 3.2.3 – Bullet Point 2

- 4.9** Main Modification to paragraph 3.2.3 bullet point 2, seeks to reduce the employment need from 316.26 hectares of employment land to 168 hectares of employment land. As highlighted in Section 2, **Langtree have fundamental concerns with Examination proceedings to date. Langtree conclude that the process that has resulted in the Inspectors recommendations for a reduction of employment land has lacked fairness and openness and is not consistent with guidance or the Procedure Guide. The Inspectors accept that their recommendations have significant implications for the Plan as submitted and the need for employment land.**
- 4.10** The employment land requirement is no longer based on the EDNA, which has been subject to consultation, but on a methodology identified by Inspectors, which as set out below, Langtree consider is flawed and lacking in robustness. Procedurally, to ensure fairness and openness the revised justification for the need for employment should have been the subject to further work, preferably informed by a technical meeting to agree the approach, followed by consultation and subsequent hearing sessions. As set out at Section 2, the only course of action to rectify the procedural error is to allow interested parties to exercise their right to be heard, with additional hearing sessions.
- 4.11** Langtree are not just concerned with the procedural flaws in the Examination process, Langtree also have significant and fundamental concerns with the methodology adopted by the Inspector to calculate the employment land requirement. Langtree consider that the approach taken is not consistent with national policy and guidance. The Proposed Main Modifications do not meet the legal requirements established in Section 20 (7) (C) of the PCPA 2004, as amended, and the resultant Plan is unsound. **Langtree strongly object to the reduction of employment land. In order to justify Langtree’s conclusions, regard is given to the Framework, and Practice Guidance in so far as it relates to the need for employment land, an up to date picture of the drivers of demand, the need for employment, including the flaws in both the response by BE Group and the Inspectors letters.**

Nation Planning Policy Framework, July 2021 (NPPF 21)

- 4.12** National Policy is clear that Plans should “*b) be prepared positively, in a way that is aspirational but deliverable.*” Paragraph 16, NPPF 21. Fundamentally the Framework requires that the preparation and review of policies should be underpinned by relevant and up to date evidence and it is clear that this should be focused on justifying the policies concerned and take account of relevant market signals. Paragraph 31. Paragraph 35 establishes the framework for Examination, to ensure that Plans meet the procedural requirements, that they are positively prepared, justified – an appropriate strategy taking into account reasonable alternatives based on proportionate evidence, effective and consistent with national policy. Note that in the context of assessing need for logistics, NPPG requires strategic policy making authorities to consider the ‘most appropriate’ locations for meeting identified needs. 2a-031020190722
- 4.13** National policy seeks to ensure that “*Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed*

on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.” Paragraph 81, NPPF 21 my emphasis.

- 4.14** Paragraph 83, of NPPF 21 establishes that *“Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data driven, creative or high technology industries; and for storage and distribution operators at a variety of scales and in suitably accessible locations.”* My emphasis.

National Planning Practice Guidance (NPPG)

- 4.15** National Planning Practice Guidance (NPPG) establishes guidance for determining the nature and extent of employment needs.
- 4.16** *“What are the steps in gathering evidence to plan for business? Strategic policy making authorities will need a clear understanding of Business requirements in their area. The steps in building up this evidence include: Working together with country and neighbouring authorities, LEPs, Combined Authorities, to define the most appropriate geography. Preparing and maintaining a robust evidence based to understand both existing business needs and likely changes in the market, with reference to local industrial strategies where relevant; and engaging with the business community to understand their changing needs and identify barriers to investment, including a lack of housing infrastructure or viability.”* NPPG 61-040-2019-0315
- 4.17** *“How can authorities use this evidence base to plan for business? Authorities can use this evidence to assess: the need for land or floorspace for economic development including both quantitative and qualitative needs for all foreseeable types of economic activity over the plan period. The existing and future supply of land available for economic development, the likely availability and achievability of employment led development taking into account market signals. Locations of deprivation which may benefit from planned remedial action”* NPPG 61-041-20190315
- 4.18** *“Strategic policy making authorities will need to prepare a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions”* NPPG 2a-025020190220.
- 4.19** *“In gathering evidence to plan for business uses strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy, to understand their current and potential future requirements. They will need to assess ...best fit FEMA, the existing stock of land for employment uses, recent pattern of employment land supply and loss, evidence of market demand, sourced from local data, market intelligence, recent surveys of business needs, discussions with developers, property agents and engagement with business and economic forums, wider market signals relating to economic growth, diversification and innovation, any evidence of market failure.”* NPPG 2a-026020190220.
- 4.20** *“How can market signals be used to forecast future need”* “Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust such as sectoral and employment forecasts, demographically derived assessments of current and

future local labour supply, analysis based on past take up of employment land, consultation with relevant organisations, NPPG 2a-027020190220

- 4.21** *"How can employment land requirements be derived? When translating employment and output forecasts into land requirements, there are four key relationships which need to be quantified. This information can be used to inform the assessment of land requirements: Standard Industrial classification sectors to use classes, standard industrial classification sector to type of property employment to floorspace (employment density) and floorspace to site area (plot ratios based on industry proxies.)* NPPG 2a-030020190220
- 4.22** The need for robust evidence to inform the employment land requirement is clear within NPPG and the Framework. It is accepted that there is not a single methodology. However, there is a clear need to have regard to market signals, market intelligence and the views of stakeholders when determining the need for employment land. The consideration of outputs arising from the various methodologies should be sense checked against the market signals/intelligence along with consideration of other investment strategies and policies.
- 4.23** **The methodology proposed by the Inspectors lacks robustness and is overly simplistic and flawed failing to meet the guidance established within the NPPG. ICENI note at paragraph 6.16 of Appendix 2 that the approach assumes a linear relationship between historic take up and total economic change and projects this forward. Further ICENI highlight that it relies solely on expected changes in labour supply to determine employment land needs.** The matter is further compounded by insufficient evidence and lack of proper analysis of how actual land need and proposed supply would be likely to impact upon the local economy and labour market, ICENI paragraph 6.1.6. It is clear from the Inspectors letter of 16/12/2022 that no regard has been given to the stakeholder engagement set out within the EDNA 2021, market trends or business needs. This is not consistent with the provisions of the Framework and Guidance as highlighted above.
- 4.24** Importantly, it should be noted that the broad approach taken within the EDNA 2021, which included consideration of past take up and the consideration of employment demand is consistent with the approach to assessing need in the NPPG. To be clear the use of past take up, and forecasting this forward is NPPG compliant and should not be considered unreasonable.
- 4.25** The use of past take up as a means of forecasting employment need has been supported at the Examination of the St Helens Local Plan. Paragraph 61 of the Inspectors report confirms the use of the historic take up methodology to calculate the OAN, the Inspector at paragraph 64 has regard to the response from stakeholders which *"supports the view that there is demand for employment land in the area particularly for large scale logistics development"* and had had regard to recent market signals before determining whether the requirement was appropriate. At paragraph 70 the Inspector notes that *"There are several references in the PPG which refer to the need to allocate space for logistics, and the specific needs of the logistics sector, such as the requirement for a significant amount of land and a suitably accessible location. Demand for employment land based on major projects and large-scale logistics has, therefore, been added to the OAN. This is over and above the demand calculated based on past trends"* *"the evidence base highlighted that the logistics sectors as having a strong demand in the area"*. At paragraph 74 the Inspector comments *"As to whether the demand for large scale logistics developments is likely to be sustained during the Plan period, the evidence shows that there is likely to be*

substantial demand for this type of development over the coming years". The Inspector concludes at paragraph 78, that the OAN figures is justified. To confirm the OAN is based on past take up, with an uplift for major projects (related to logistics, see paragraph 76), and a five-year buffer (see paragraph 69).

- 4.26** Significantly, on 21st September 2022, the OMEGA Extension Appeal Decision was added to the Warrington Local Plan Examination, its core document library reference is CD14. The decision is significant because it attributes weight to the Warrington EDNA and notes the shortage of sites in the area. *"I can place more weight on the evidence supporting employment need and options which underpins it especially since that evidence is up to date and is not disputed."* Paragraph 12.33. The EDNA at this point made recommendations on the basis of past land take, the scale of need and shortage of sites within the market was acknowledged.
- 4.27** Employment land requirements based on past take up models have commonly been used elsewhere and found to be sound approaches. The Wakefield Local Plan Inspector, has recently concluded that the baseline requirement based upon projected past take up rates is justified, having regard to market evidence². Iceni note that past take up is the model utilised by Greater Manchester to inform the employment land requirement within Places for Everyone.
- 4.28** Indeed ICENI, paragraph 4.2, Appendix 2 are clear that the consideration of past take up of land and property to be *"the most reliable approach to identifying future needs given the certainty of trend based information"* and that the approach is NPPG compliant. ICENI consider that applying this approach over a more recent past trend would result in a higher need of 346.1 ha, see table 4.7, Appendix 2. ICENI also highlight some other matters relative to the approach by BE Group which are material to the consideration of the relationship between land take and jobs growth, paragraph 4.19 and 4.20, Appendix 2. ICENI note that BE Group does not highlight the difference between greenfield and brownfield development, and therefore incorporates the churn of business on estates. This distinction is important because in cases where sites are redeveloped there may be no net employment gain.
- 4.29** NPPG also provides further guidance with respect of land for logistics. NPPG 2a-031020190722 ***How can authorities assess need and allocate space for logistics.** The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses as well as contributing to local employment opportunities and has distinct locational requirements that need to be considered in formulating planning policies, separately from those relating to general industrial land*".
- 4.30** Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport links, sufficient power capacity and access to appropriately skilled labour. Need can be informed by engagement with developers, analysis of market signals, analysis of economic forecasts, engagement with the LEPS. Strategic policy making authorities will then need to consider the most appropriate locations for meeting these identified needs – Authorities will also need to assess the extent to which land and policy support

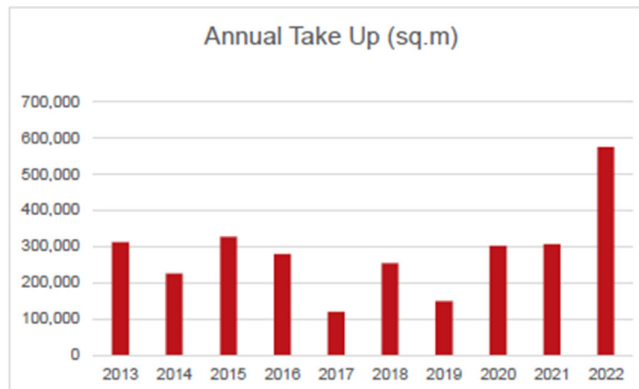
² Wakefield Local Plan Examination – post hearings letter from the Inspector, 2nd March 2023.

is required for other forms of logistics requirements. A range of up to date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.

- 4.31** NPPG 2a-032-20190722 “*When assessing what land and support may be needed for different employment uses it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed*”. “*Strategic policy making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of the relevant evidence and policy within Local Industrial Strategies*”. The guidance recognises that the needs for specialist or new sectors are often more qualitative in nature and the assessment of need will have to be informed by engagement with stakeholders.
- 4.32** Langtree is concerned that the Inspectors approach is not sufficiently robust and consider that it is not compliant with the NPPG. This is explored in further detail in the subsequent subsections. In summary, it is not clear from the Inspectors letter of 16th December 2022 how the distinct locational requirements have been considered separately to those for general industrial land and it is clear there has been little regard to market signals, stakeholder engagement, including the recognised interest and demand for SEWEA as identified in Appendix 3 and summarised below.
- 4.33** Therefore, the Inspectors’ proposed approach does not result in a strategy that is appropriate or indeed allocations that are in the most appropriate locations to meet the specific identified needs for logistics. To consider this further, as previously stated, Langtree has commissioned ICENI to review the need for employment in Warrington.
- 4.34** ICENI highlight the low vacancy rates and rising rental costs which are indicative of shortage in supply. As highlighted earlier ICENI also note the need to consider losses and market churn. Only a small factor has been applied by the Inspector to account for loss of business in the town centre, for the reasons set out in ICENI’s Proof this is erroneous and there is likely to be a significantly larger factor/allowance to address churn/replacement.
- 4.35** ICENI note that replacement demand could be considerable and could exceed 100 ha, based on analysis of the age of stock within Warrington, Paragraph 4.43, Appendix 2. It should be noted that the use of labour demand and labour supply models are not suitable for translating to employment needs without considerable adjustment, and this is not accounted for within the Inspectors approach.
- 4.36** The Proof by ICENI is attached to these representations at Appendix 2. ICENI’s consideration of employment need has had regard to the evidence submitted to Examination EDNA 2021, and previous iterations, CD10, CD10a, The Inspectors Letter of 16/12/2022 and BE Groups response on 24/01/2023. Furthermore, ICENI have had regard to evidence produced to support the current Call In Inquiry for Six 56, which relates to part of the SEWEA/MD6 allocation. This includes evidence by JLL attached at Appendix 3 and a report by Model Logic at Appendix 9 of the JLL evidence.

Update on Market Demand

- 4.37** The evidence by JLL provides a review of the impacts on employment land and the drivers of demand. This includes:
- Covid and Brexit – importance of supply chains; critical role that logistics plays in facilitating movement of goods within UK; importance of import and export markets; need for an established supply chain, to enable storage sale and delivery; and change in demand for e-commerce fulfilment.
 - Brexit – manufacturing companies reflect on supply chains structures, decisions on investment in UK or Europe.
 - Environmental Social and Governance – requirements for sustainable low carbon /carbon neutral buildings
 - War in Ukraine – inflation – instability – repricing in the property market, yields increasing, lower land values. – stalled speculative developments
- 4.38** JLL confirm that the changes have resulted in an increased need for warehousing space, resultant from changing in shopping patterns, working from home, rise in returns (unsuitable goods), the need to carry more stock to prevent shortages, reshoring – resilience, diversify production to avoid overreliance (increasing manufacturing requirements), and automation less reliance on workforce.
- 4.39** JLL conclude that the demand for space is from e-commerce, retailers, and third-party logistics, and that the need to operate automated/part automated facility has resulted in a need for taller buildings with larger floorplates.
- 4.40** As a result of these drivers of demand the market for industrial land recovered in H2 2020 and grew in 2021 and 2022, with a focus on meeting the need for operational and strategic requirements.
- 4.41** JLL highlight the strong performance in the Industrial and logistics market in 2022 – *“Nationally take up of Grade A accommodation was 3.011 m sq. m. This was 8.3% lower than 2021 but higher than the five-year average of 2.778 m sq. m.”*
- 4.42** JLL draw attention to the findings within the report Delivering the Goods in 2020 (Turley for the British Property Federation [BPF]) which highlights that online sales are expected to grow from 11 pence in the retail pound to 19 pence by 2028. In terms of supply the JLL Proof points to low levels of supply nationally, with vacancy rates at the end of 2022 at 6.4 %, below optimal vacancy rates required to alleviate pressure for rental growth.
- 4.43** JLL consider the regional take up of employment land for the area between Crewe in the south to Preston in the north. Importantly this establishes that take up in the last five years has been more than take up over the last 10 years.
- 4.44** Furthermore in 2022 the take up was more than the annual average for both five- and ten-year average trends. **JLL conclude that take up for 2022 was exceptional** confirming the imbalance between supply and demand.



Source: JLL, Page 24, Appendix 3

- 4.45** JLL highlight that the Warrington market area has had 63% of the market take up, within the wider market, and conclude that it is the most successful location.
- 4.46** The supply in April 2023 is 325,823 sq. m. JLL conclude at paragraph 7.15, Appendix 3 that the North West distribution market has a limited supply of buildings providing 12-13 months' supply, based on the average 5 and 10 year take up. JLL note that there are only three buildings more than 27,870 sq. m that are immediately available, one of which is considered to be "*substantially inferior*" location wise to Six 56. JLL highlight that there are no buildings over 9,292 sq. m available or under construction within Warrington Borough Council administrative area.
- 4.47** JLL evidence that the M6 /M62 intersection is a prime location connecting two main motorway corridors, and comment that the surrounding area benefits from access to the motorways (M62 J8 – J11 and M6 J20 – 25), and A road network including the A580 (East Lancs. Road), and A49. SEWEA, is located at the intersection of the M56 and M6 and is 3 miles from the M6/M62 intersection and therefore within a prime location.
- 4.48** JLL review the sites available in the Warrington Market Area and highlight that if all the sites were included, they would only equate to 2.5 years supply based on the five year average take up in the market area. JLL conclude that there is a shortage of deliverable sites in the North West. Critically, JLL note that there are no sites available within Warrington Borough Council's administrative area and that this is having an adverse impact on occupiers who are facing a severely restricted supply and future pipeline of buildings. JLL consider that market failure will occur due to the limited choice of sites and locations. JLL conclude that this is because of local authorities not being able to bring sites forward through the local plan quickly enough in relation to the employment land take up, the change in market requirements, and reliance on older sites which cannot satisfy modern occupier requirements or are poorly located.
- 4.49** The scale of take up and the lack of available supply **confirms the demand for large footprint buildings in these locations. JLL conclude that there is a strong market for logistics in the North West.** Over 652,462 sq. m of predominantly logistics floorspace has been developed in the

Greater Warrington submarket area since 2012 mainly at Omega. M6 Major/Florida Farm and Omega are both located within the core M6 market area the level of take up at these locations confirms the attractiveness of the location to the market.

- 4.50** JLL set out that in order to meet emerging trends in the market sites need to have the ability to accommodate large footprint buildings with physical characteristics such as flat regular shaped serviced sites, with motorway access (NPPF Para 82), landownership (optioned single party, PProW capable of diversion), deliverability, access to labour supply, access to ports and rail and the ability to accommodate 27,870 sq. m (300,000 sq. ft) to 46,450 (500,000 sq. ft) units with appropriate yard areas and parking facilities. SEWEA satisfy these criteria offering the ability to accommodate large floorplates, it is deliverable, with access to a large labour supply, and customer base, as evidenced by the Model Logic Report contained at Appendix 9 of JLL's evidence, benefits from motorway access, proximity to rail terminals and the port of Liverpool, and Liverpool 2 Container terminal. It is noted that the Call-In site located on SEWEA has the best raking site within the EDNA against the comparisons for logistics use in the North West.
- 4.51** In terms of demand, JLL notes, that there are 121 requirements with a search area more than 9,292 sq. m. In terms of enquiries there are six national requirements, seventy nine regional/sub regional requirements, and thirty six Greater Warrington requirements. **This confirms the need for the SEWEA.**
- 4.52** The JLL Proof highlights the limited supply and continued demand for logistics space. Highlighting that historically there was 12-18 months' supply in the market. Having regard to the timescales to obtain planning consent and construct a unit 15-24 months, JLL concludes that the market is currently failing, and will be unable to provide the required supply.
- 4.53** JLL note that only 8.4 ha (31.22 ha) of the Omega West Allocation remains available, with the remainder of site under construction. With respect to **Fiddlers Ferry**, JLL highlight that this site is at the western extreme of the Borough, with poor motorway access, noting that it requires demolition and remediation, the road access needs improvement, and they conclude that it does not have the same locational benefits when compared to Omega and SEWEA.
- 4.54** This challenges the conclusions within the Inspectors letter of 16th December 2022 which will result in a reliance on the allocation at Fiddlers Ferry to meet the majority of the revised employment requirement in a secondary location. **It is considered that the Fiddlers Ferry Site is not likely to meet the identified demand within the Warrington and Wider Warrington area, for large footprint buildings with access to the motorway network. Conversely, the updated Model Logic report at Appendix 9, of the JLL evidence concludes that the SEWEA has access to extensive population within 60 minutes' drive time; is in a prime location to act as import centre linked to Liverpool 2 docks; is an excellent location for local or last mile distribution; is in the best location for the distribution network; and catchment for staff recruitment.**

The employment land requirement

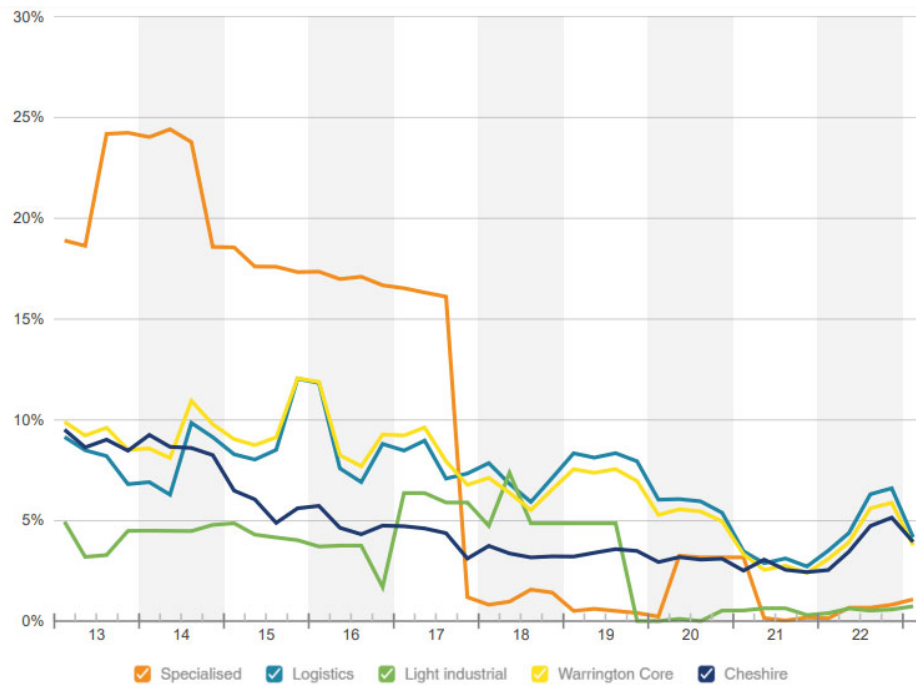
- 4.55** As stated earlier, ICENI have been instructed by Langtree to provide expert advice in relation to the need for employment land in Warrington. ICENI's evidence for the Six 56 Call-In Inquiry is

appended to these representations at Appendix 2. ICENI's Proof builds upon the evidence contained within the JLL Proof relating to the locational requirements, market demand and supply of employment sites, and the drivers for the market. The Proof considers the output from the Inspectors methodology for calculating employment need against the evidence on market demand and supply provided by JLL, the evidence contained within the EDNA, and ICENI's own evidence, prior to concluding on the need for employment. The Proof reviews planning policy and the existing evidence, ICENI go on to revisit the employment land need, and then to consider the Inspectors position, prior to drawing final conclusions on the position presented by the Inspector in the post hearing letter 16th December 2022.

- 4.56** ICENI consider the soundness of the Local Plan employment evidence base provided within the EDNA. ICENI highlight that BE Group have sought to understand the need for employment land based on multiple methodologies prior to recommending a requirement based on past take up. ICENI's evidence highlights that earlier iterations of the EDNA considered the appropriateness of using a labour supply model to calculate employment land requirements in Warrington. A version of labour supply modelling is adopted by the inspector. ICENI highlight that based on working practice BE Group found that labour supply models do not accurately predict future land needs.
- 4.57** **ICENI consider that whilst labour supply is identified within NPPG it is rarely relied upon as a robust method of identifying an employment land requirement.** ICENI conclude that Labour supply modelling/ modelling business needs based on supply of labour is often challenging given lack of info about sectoral breakdown and possibility of mismatches between supply and demand. ICENI note if labour supply is considered appropriate that there is normally a need to include a **replacement demand factor. Requirements derived from employment forecasts, and past take up are traditionally the most frequently used approaches, with established practice guidance.** ICENI note that where labour demand models are used there typically is a need for adjustments, having regard to wider evidence, including top ups for replacing historic/future losses.
- 4.58** **ICENI based on their experience consider that past take up of Land and Property is the most reliable approach to identifying future needs.** ICENI consider that this is due to the certainty of trend-based information. As stated earlier within these representations Past Take up of Land and Property is commonly used, including recently at Wakefield where Inspectors have concluded that the approach to the baseline requirement based on past take up was robust, St Helens, and Greater Manchester, see paragraph 4.25 and 4.26 for more information.
- 4.59** In Warrington's Case ICENI highlight the conclusions from the EDNA, Page 180 with respect to the use of employment forecasts, having regard to market evidence including stakeholder engagement "*from the market assessment and reviewing the historic trends in employment change and land take up, the conclusion is that the employment-based forecasts underestimate land need significantly. When a comparison of past employment change over the period 1996-2020 is made, actual land take-up is far higher than the estimate that even the growth only sectors suggest. Finally, the locally based jobs targets cannot allow for the strategic growth potential of Omega and future strategic sites that will draw labour from outside of the Borough.*"
- 4.60** On this basis BE Group concludes that: "*It is considered that the most appropriate forecasts are based on the historic take up rates. The need to plan for strategic as well as local growth in the Borough favours the Strategic/Local Take Up model over the Local only forecast. This indicates*

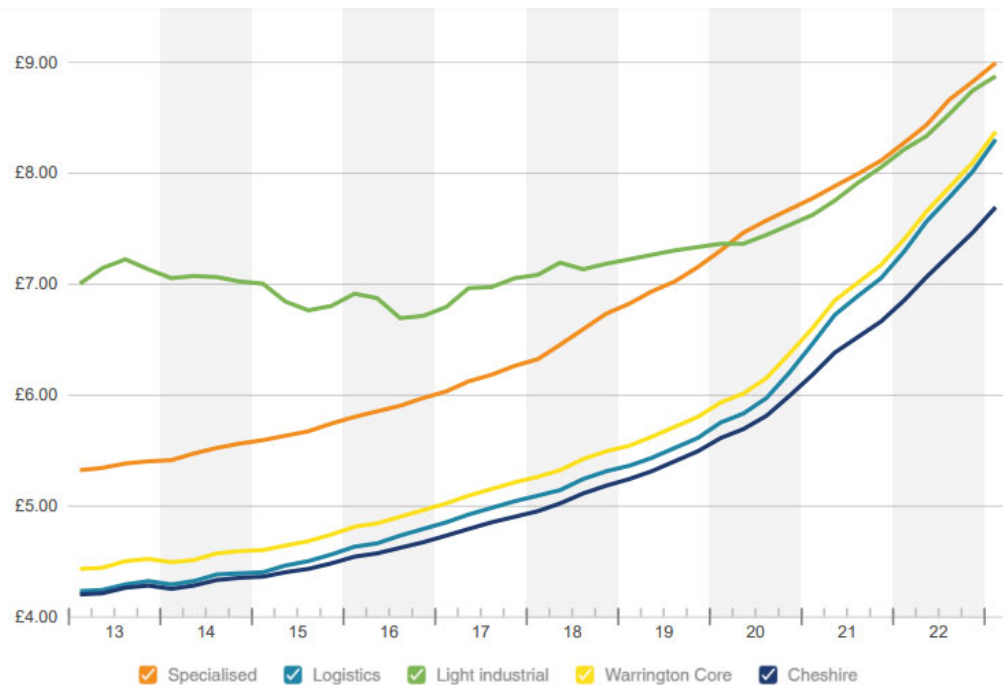
a shortfall in Warrington's employment land supply of employment land, equating to 277.39 ha to 2038. This is largely unchanged on the OANs put forward in the previous two studies 276-277 ha".

- 4.61** ICENI note that the Council's consultants have advised consistently through the EDNAs that the past take up is the most appropriate model for WBC having regard to the local context. ICENI state that Labour demand modelling, can be subjective and contradict past trends, and may present issues around productivity or the need for investment in technology, or need for replacement premises which distort the jobs, floorspace relationship. Little or no new labour may result from the replacement of older premises. ICENI conclude based on the evidence contained within the EDNA's and JLLs evidence, that the employment requirements resultant from the economic forecasts would not result in a requirement that reflects the market signals and would significantly underestimate the need for employment land within Warrington.
- 4.62** ICENI confirm that in Warrington's circumstances that the **past take up of employment land and property is the most reliable approach to identify future needs, given the certainty of trend based information, acknowledging that this can be constrained by past land supply policies or market failures.**
- 4.63** ICENI go on to consider the scale of the employment need in Warrington. This reflects the evidence of demand and drivers of demand for premises within JLL's evidence referenced above and contained at Appendix 3. This evidence highlighted a strong market for logistics in Warrington and the M6 market and the wider North West. ICENI consider the market indicators including net absorption. This highlights that vacancy rates have climbed slightly to 5% in 2022 but note that **this sits below the preferred point of 7.5/% necessary to alleviate rental growth pressures** and that 5% or below is considered to be excessively compressed and **suggests that there is not enough choice in the market for business to move in and grow.** Having regard to the recently high levels of take up, **this highlights that demand could be constrained by supply and therefore there is a risk that forecasts based on past take up do not fully reflect the scale of demand.**



Source ICENI Table 4.1 Proof of Evidence – CoStar March 2023.

4.64 The relationship with the recent levels of vacancy and industrial rents can be seen on the image below. This illustrates that rent has climbed consistently over the last 10 years reflecting the demand and lack of supply.



Source ICENI - table 4.2 Warrington Industrial Rents

- 4.65** The ICENI Proof also highlights the age of existing stock within Warrington and notes that the majority of stock is pre-2000. This has significant implications for the need for employment land, having regard to ESG and the drive for increased sustainability, automation and the need for larger floorplates, and the need for electrical power. It indicates that increasing levels of existing stock will be unsuitable to meet the needs of businesses and will require replacement. ICENI note that replacement of old stock cannot always be achieved on the same site, due to the changing requirements. Given the age of stock in Warrington ICENI consider that replacement demand could have significant implications on the need for employment land, and that this is not fully reflected within the BE Group evidence.
- 4.66** ICENI, at Appendix 2, review past take up of land and net absorption. In terms of net absorption ICENI highlight that the average ten-year annual net absorption is 620,000 sq. ft or 57,600 sqm.
- 4.67** Against the context of the review of drivers of demand and market signals, consistent with the PGG, **ICENI conclude that Warrington EDNA 2021 focus on past take up is a suitable approach.** However, ICENI highlights that the NPPG emphasises the need to consider 'recent' patterns of take up and losses, for which a 20+ year period can be considered to be excessive, having regard to the changing employment land requirements, and the drivers for employment land that are forecast to continue during the plan period. ICENI also note that BE Group amalgamate office and industrial uses.

4.68 In the table below ICENI replicates the forward projection of the long term past trend for 18 years in the future. However, ICENI include sensitivity analysis for the 2011 – 2020 position. IcenI conclude that **it is appropriate to consider a more recent post 2011 trend since the financial crisis, the marked slowdown in the delivery of office space and the growth in B8 requirements.** ICENI also highlight that the NPPG requires consideration of recent patterns of land take.

	E(g)(i)	E(g)(iii)	B2	B8	Mixed	Total
1996/97-2019/20 total	79.6	16.8	30.0	194.0	20.9	341.3
Omega total	-	-	1.3	143.2	-	144.5
1996/97-2019/20 all average	3.3	0.7	1.2	8.1	0.9	
Omega av. 1996/97-2019/20	-	-	0.1	6.0	-	
2020/21-38/39 need exc. Omega (X2)	59.7	12.6	21.5	38.1	15.7	147.6
2020/21-38/39 Omega (X3)	-	-	1.0	107.4	-	108.4
2020/21-38/39 all need (X1)	59.7	12.6	22.5	145.5	15.7	256.0
2011/12-2019/20 total	12.3	0.8	11.6	148.4	-	173.1
Omega total (unchanged as delivered from 2012)	-	-	1.3	143.2	-	144.5
2011/12-2019/20 average	1.4	0.1	1.3	16.5	-	19.2
Omega av. 2011/12-2019/20	-	-	0.1	15.9	-	
2020/21-38/39 need exc. Omega (Y2)	24.5	1.6	20.5	10.4	-	57.1
2020/21-38/39 Omega (Y3)	-	-	2.6	286.4	-	289.0
2020/21-38/39 need (Y1)	24.5	1.6	23.1	296.8	-	346.1

Source table 4.6 and table 4.7 ICENI Land Take Up, Source Table 21 of EDNA 2021

- 4.69** The ICENI evidence, highlights that when having regards to trends over the 10 year period 2011 to 2019/2020, and continuing at this rate over the plan period, that this results in an even higher **land take requirement of 346.1 hectares**. This approach would be PPG compliant and have regard to the need to consider recent patterns of take up.
- 4.70** It should be noted that the EDNA reflects land take only and does not highlight the difference between greenfield or brownfield development and therefore incorporates the churn on existing estates. This is material to understanding the relationship between jobs growth and land take. Where sites are being redeveloped, there will not necessarily be a net gain in employment. Not accounting for this will result in an error in the calculation of jobs arising from employment land.
- 4.71** ICENI highlight that the EDNA 2021 does not provide information on losses, however having regard to VOA records significant losses have clearly taken place. This should be reflected within the requirement.
- 4.72** ICENI has also had regard to the past trends in net absorption and consider that these are useful in indicating future needs. ICENI highlight that net absorption models are increasingly considered to be the most effective method in determining future needs for industrial space, as reflected in the BPF' levelling up of logistics, 2022 and a number of other logistics evidence-based studies, including Warehousing and Logistics in the South East Midlands, ICENI South East Midlands LEP, 2022.

	Offices	Small industrial (<9,300 sqm)	Large industrial (>9,300 sqm)	Total (Warr.)	Large industrial (>9,300 sqm) Warr., St Helens, Wigan
2011-2020 total (sqm)	22,000	72,700	381,700	476,400	697,900
2011-2020 average (sqm)	2,200	7,300	38,200	47,700	69,800
2021-39 projection (sqm)	39,600	131,400	687,600	858,600	1,256,400
2021-39 projection (ha)*	10.1	33.7	176.3	220.1**	322.2

Source IcenI - Table 4.8 property take up mode (net absorption)

- 4.73** Projecting forward the past trends for net absorption, ICENI’s modelling indicates that **220.1 ha would be needed for the period 2021 to 2039**. ICENIS table 4.8 also highlighted that Warrington has delivered around half of the growth in large scale occupiers over the last decade. The projections for net absorption reflect this and it is concluded that given Warrington’s location it is reasonable to expect the pattern to continue.
- 4.74** BE Group have set out within the EDNA Addendum 2022 that they consider that net absorption will significantly overestimate the local need for new build premises. However, ICENI has demonstrated that this assumption is incorrect. ICENI conclude that net absorption provides a picture of total change in occupied stock and therefore the pressure on demand for additional stock.
- 4.75** Following the review of past take up ICENI review labour demand. ICENI identify four reasons not to re-run labour demand-based estimates. This includes that:
- assumptions on densities used are generic and can fail to reflect local trends,
 - they don’t account for improvements in investment and investment in productivity, which weaken the relationship between capital and labour, and therefore densities.
 - forecasts derived from national/regional shift share models are weaker at the local level, and don’t fully reflect latest trends such as e-commerce.
 - that replacement of older stock is a significant factor that can drive the need for new premises without generating additional employment.
- 4.76** With respect to labour supply, ICENI reiterate the drawbacks associated with the labour demand model, and state that these can artificially constrain the land required. This is relevant to the consideration of the appropriateness of the approach to calculating employment land being proposed by the Inspector. ICENI note that the **Warrington EDNA rejects the labour supply model as failing to be a useful indicator of need, ICENI agree with BE Group in this regard**.
- 4.77** ICENI identify a set of adjustments to be considered when determining future requirements for employment land. Adjustments include the use of a Margin, ICENI conclude that the use of a 3 year margin of **42.7 ha** in the EDNA 2021 is reasonable, although they note that higher margins can be used in practice. Importantly ICENI also set out the need to consider adjustments relative to replacement demand. ICENI conclude that it is appropriate to include known loss of employment land from Warrington Town Centre regeneration activities at **17.6 hectares**. However, ICENI consider that based on the review of the age of existing stock in Warrington that replacement demand is likely to be significant and “*may exceed 100 ha*”.
- 4.78** Drawing conclusions on need, having regard to the NPPG factors across land take, property take up, labour demand and supply models. The key conclusions of ICENI’s work are:
- The BE Group model of land take trend for 1996 to 2019, **identifies a need of 316.2 hectares inclusive of a margin. ICENI conclude that this is a NPPG compliant methodology, and that the assumptions are not unreasonable**. The key deficiency is the length of time that the model considered past take up over (1996-2019), the period amalgamates office and industrial needs, which results in an overstatement of office needs going forward. **If office need is adjusted as set out in paragraph 4.47**

of ICENI's evidence the need would be 220.8 ha, with a margin and adjustment for known replacement needs the total requirement would be 280.2 hectares.

- The projection of recent past take up from 2011 to 2019 results in a higher requirement of 346.1 hectares, when including a margin and replacement of town centre sites, **this equates to 406.4 hectares. ICENI consider this "is reasonable and that the Borough could choose to pursue this if it wished to continue to play a significant and market leading role in strategic warehousing."**
- Net absorption model equates to 220.1 ha, **a requirement of 279.5 hectares** when including a margin and accounting for the replacement of town centre sites.

4.79 Having regard to the appropriate models, **ICENI conclude that the overall employment need is a minimum of 280 ha, which ensures a strong contribution to sub regional requirements as well as local needs.**

4.80 This analysis is fully compliant with NPPG, and further undermines the robustness of the requirements calculated by the Inspector. The MM002 at paragraph 3.2.23 is not justified, it would not be consistent with the requirements of national policy, or NPPG, and therefore is not sound. The Main Modifications, which would significantly reduce the employment land requirement, are not necessary to make the Plan sound, and do not have regard to national policy and accordingly do not satisfy Section 20 (7)(c) of the PCPA 2004.

4.81 In addition to the above assessment of need ICENI, at Appendix 2, also reviews the content of CD10 and CD10a. This provides further evidence which challenges the robustness of the Inspectors methodology. As highlighted earlier ICENI highlight that the land take by BE Group does not highlight the difference between greenfield development and brownfield development, and therefore does not understand the scale of redevelopment. This limits the ability to make any conclusions about the relationship between land take and jobs. ICENI note that where sites are being redeveloped there may be no net employment gain. Thus, **the Inspectors initial conclusions and line of questioning may be based on an erroneous calculation** that did not have regard to this factor.

4.82 ICENI analyse VOA data and highlight over the time when there have been gross changes in land take that there is evidence of significant losses during the same period and demonstrates the weakness in the correlation between jobs for gross land take and actual jobs growth. **There have been improvements in investment productivity and automation, as stated earlier this weakens the relationship between capital and labour (in manufacturing in particular) and therefore employment densities.**

4.83 ICENI also conclude that Employment forecasts from national model/regional shift share models are weaker when applied to local levels, and poorly reflect the latest trends towards e-commerce, a key driver for growth in Warrington. As stated earlier, the replacement of older stock is a significant factor that can drive need or new premises without generating additional employment and is a particular factor in areas with a long history of industrial activity such as Warrington.

4.84 ICENI conclude that labour demand and supply forecast future jobs change should be viewed with caution if there is not considerable adjustment. In Warrington's case displacement of business has been significant and is likely to continue and would therefore warrant a significant adjustment.

- 4.85 ICENI does not consider that the approach taken by the Inspectors represents a robust approach to calculating need.** It has already been highlighted that the EDNA does not highlight the difference between greenfield development or brownfield, and incorporates the churn of businesses on existing estates, noting that where sites are being redeveloped there may be no net employment gain. Therefore, **the starting point for drawing conclusions about the balance of housing and employment land was founded on an incorrect basis.**
- 4.86** The approach refers to LHNA and the jobs estimated to be supported by housing growth. The purpose of the LHNA is not to determine the scale of employment need. The reliance on this to derive the employment land requirement is therefore not consistent with NPPG or the Framework. Secondly, **the Inspectors approach assumes that all jobs growth would be associated with employment land delivery. Langtree assert that this is incorrect.**
- 4.87** Fundamentally, the approach taken by the Inspectors, assumes that the demand patterns will follow those of the late 1990's, for which up to 2009, office development with higher employment densities was a big part. Current evidence indicates that office development forms a smaller proportion of the employment need, and this is set to continue, with the need for industrial and warehousing land forming a larger part of the demand. The ratios of land take to job creation are therefore not reflective of the likely future requirements, or indeed recent past trends. BE Group in their response to the Inspectors on 24 January 2023 also set out significant concerns which are aligned to those of ICENI, and evidence of JLL.
- 4.88** BE Group again highlight that the Inspectors approach does not account for the important changes in employment patterns and changing sectoral growth in Warrington since the 1990's. They note that the historic jobs growth reflects the high office growth, which is not envisaged to continue going forward to 2040, with a greater focus on B8 warehousing at lower densities.
- 4.89** ICENI conclude that the issues with the Inspectors methodology *"are not merely technical, they are fundamental problems in correlating jobs and land trends. The approach is highly simplistic. The question posed by the inspectors regarding the impact of future employment land needs on the labour market is an absolutely appropriate one to ask by the methods used to assess the answer fall short of any depth of analysis or understanding"*. The figures derived from the Inspectors methodology of 142 jobs per hectare, bare no relationship to an objectively assessed employment need when considering the questions as posed in the Planning Practice Guidance.
- 4.90** Accordingly, Langtree conclude that the methodology proposed by the Inspectors is not adequately justified, or robust, and results in a requirement that significantly underestimates the need for employment land based on higher employment densities which reflect a time when office development formed a significant proportion of the take up. It is overly simplistic and does not reflect the market signals. Langtree strongly object to the methodology proposed by the Inspector and the resultant requirement, it is not justified or positively prepared.
- 4.91** For the purposes of completeness ICENI review the level of jobs that could be generated by the employment allocations. Table 5.2 ICENI demonstrates that the evidence presented to the Examination did not have regard to the need to account for displacement and multipliers, which

would result in net additional jobs of 10,079 to 14,636, lower than the LHNA forecast. ICENI's Proof is clear that the supply of 308.6 hectares of land and consideration of jobs arising from non b class uses would not result anywhere near 44,900 jobs suggested by the Inspectors, following review of CD10 and CD10a. ICENI indicate that the actual supply of land, and allowance for jobs in non-employment sectors, is expected to accommodate between 15,948 and 19,434 Jobs, prior to considering reduced levels of unemployment or changing commuting patterns.

- 4.92** The Main Modification to 3.2.3 is not justified and is unsound. Langtree strongly object to the reduction in the need for employment land on this basis. The need for employment land is at least 280 hectares. The Inspectors calculation of need has been based on a misunderstanding of the relationship between land take and jobs growth, having regard to the nature of evidence presented, and is a flawed methodology which lacks consistency with the NPPG. The Inspectors' identified need does not resemble an objectively assessed need and will unduly constrain the economic growth potential of Warrington. The Main Modifications does not satisfy the requirements of section 20 (7)(C). The Main Modification should be abandoned.
- 4.93** Furthermore, as previously highlighted the procedural process has been unfair and lacked openness. Langtree consider that there should have been additional consultation and hearing sessions prior to the consideration of the schedule of Main Modifications. This can only be redressed through an additional hearing session.

Figure 3

- 4.94** The Main Modification to Figure 3 is a consequential amendment to the key diagram to reflect the Main Modification which removes the allocation of South East Warrington Employment Area (SEWEA). This is a consequence of the Inspectors revised employment need calculations.
- 4.95** Langtree consider the soundness of the reduced requirement under paragraph 3.2.3 above and conclude that the Inspectors approach was flawed and there remains a significant need for employment land of at least 280 ha. The scale of need is justified in evidence provided by ICENI in Appendix 2, and JLL in Appendix 3. Langtree consider the soundness of MM024 which results in the deletion of the whole of Policy MD6 and conclude that MM024 is not necessary for the soundness of the Plan, and that the allocation of SEWEA is justified and consistent with national policy and therefore sound.
- 4.96** Accordingly, MM002 in so far as it relates to Figure 3 is not necessary for the soundness of the Plan. The deletion of SEWEA would be unsound and consequently the Main Modification to Figure 3 is unsound. Langtree strongly object to the deletion of SEWEA and consider that Figure 3 should therefore retain the SEWEA allocation.

Paragraph 3.3.8

- 4.97** MM002 to paragraph 3.3.8 is a consequential amendment to the extent of the Plan Period to 2038/39. For the Reasons set out in MM001 1.1.1 Langtree consider that the Plan period should extend to 2039/40. **The modification as proposed is not consistent with national policy and therefore not sound, and the Plan period should be extended to 2029/40. Accordingly, there should be a corresponding increase in the employment land requirement and the supply of employment land.**

Paragraph 3.3.19

- 4.98** Main Modification MM002 to paragraph 3.3.19 removes the reference to the updated Economic Development Needs Assessment EDNA 2021 and modifies the paragraph to state that “*The Council has identified a total need of 168 hectares of employment land up to 2038/39.*”. The Main Modification is factually incorrect as the Council has not identified a requirement of 168 hectares. The EDNA produced on behalf of the Council recommended a requirement of 316.26 hectares. The subsequent notes prepared by BE Group CD10 and CD10a, do not revise conclusions on employment land need, and their response to the Inspectors Letter on 24th January 2023 does not identify a requirement of 168 hectares. The Council refer matters relating to employment to their consultants, BE Group. **The BE Group’s response on 24th January provides evidence that does not support a requirement of 168 hectares and challenges the appropriateness of the Inspectors approach.**
- 4.99** Langtree has addressed the matter of the employment land requirement and the scale of employment need in response to MM002 paragraph 3.2.3. Langtree conclude that the methodology applied by the Inspectors to calculate the employment land requirement expressed at paragraph 3.3.19 and 3.2.3 is flawed and conclude that the need for employment land is a minimum of 280 ha as set out in Appendix 2. This is supported by updated market evidence contained in Appendix 3, this is broadly consistent with the conclusions of BE Group EDNA 2021.
- 4.100** Langtree has set out fundamental concerns with the proceedings at Examination that have resulted in the Inspectors concluding a reduced need for employment land. This includes but is not limited to the lack of consultation on the revised evidence, and the lack of additional hearing sessions, necessary to ensure that the Examination has been conducted in a fair and open manner, and that no party has been unduly prejudiced.
- 4.101** Accordingly, Langtree is extremely concerned by the removal of the reference to the EDNA, which removes the justification for the employment land requirement within the Plan. **This Main Modification further amplifies the lack of evidence and justification for the Inspectors approach and the amended employment land requirement.**

4.102 It is concluded that the Main Modification to 3.3.19 does not provide a positive strategy and will not meet Warrington's Objectively Assessed Needs. The Main Modification is not based on robust evidence and is therefore not Justified and results in a requirement which would not be consistent with National Policy. The Examination proceedings that have led to the reduced need have not been fair or open and have unduly prejudiced parties, particularly those with an interest in employment land. The MM002 to paragraph 3.3.19 is therefore unsound.

Paragraph 3.3.21

4.103 The Main Modification MM002 to paragraph 3.3.21 makes a consequential amendment to the shortfall in employment land to be met through the Local Plan, the Main Modification is resultant from the Inspectors conclusions in relation to the need for employment. For the reasons set out response to MM002 with regards to Paragraph 3.2.3 Langtree do not consider that revised employment requirement is appropriately justified, and is not based on suitably robust evidence, it is not positively prepared and therefore unsound. Accordingly, the Main Modification which reduces the shortfall to be addressed within the Local Plan is also unsound. **The shortfall should reflect the employment need as established in response to MM002, paragraph 3.2.2, i.e., a minimum of 280 ha, and be supported by robust evidence compliant with NPPG and National Policy from ICENI and JLL, and broadly consistent with the evidence by BE Group on behalf of the Council.**

Paragraph 3.3.23

4.104 Main Modification MM002, paragraph 3.3.23 results in the deletion of SEWEA. The Inspectors conclusions in relation to the deletion of SEWEA are contained within their letter, dated 16/12/2022, and stem from the Inspectors conclusions that the employment land requirement of 316.26 is not justified, paragraph 24. The Inspectors conclude at paragraph 30 that there is no strategic need for the SEWEA allocation in terms of the need for employment land or the range and type of employment land that would be available. The Inspectors conclude that exceptional circumstances do not exist. Paragraph 24 of the Inspectors letter states "*We have concluded that the supply of employment land provided by existing commitments and the proposed Fiddlers Ferry Main Development Area would be sufficient to meet this reduced requirement. There is also the potential for additional supply to come from the larger consented site in St Helens*".

4.105 Critically, as set out in response to MM002 paragraph 3.2.3 Langtree conclude that the approach taken to identify the revised employment requirement by the Inspector in their letter is not justified, it is not consistent with national policy or planning practice guidance. The Inspectors calculation

of need is flawed and overly simplistic. Langtree maintain that a higher employment land requirement of at least 280 hectares is justified and supported by evidence provided by ICENI at Appendix 2, and JLL at Appendix 3. These conclusions are broadly consistent with the scale of development need recommended by BE Group in the EDNA. None of BE Group's further submissions to the Examination in response to the Inspectors questions recommend a reduced employment requirement.

- 4.106** Furthermore, ICENI conclude that the methodology applied by BE Group was PPG compliant. Langtree consider that the Local Plan, including the higher employment land requirement as submitted would not be unsound. The Main Modification proposed by the Inspectors to reduce the need for employment are neither necessary to make the Plan sound, nor are they based on an objective assessment of employment need, and do not represent a PPG compliant approach. The Main Modification reducing the need to employment land are not consistent with national policy and would result in an unsound Plan. Accordingly, Langtree contends that the Inspectors do not have the power to make such modifications, consistent with Section 20 (7)(C) of the PCPA, 2004.
- 4.107** Furthermore, in Section 2 of these representations Langtree identify fundamental concerns relating to the Examination proceedings and establish that the proceedings have not been consistent with the Procedure Guide. The employment land requirement has been determined without due regard for the need for a 'fair and open' Examination, with no consultation with interested parties, or additional hearing session prior to concluding appropriate Main Modifications.
- 4.108** Langtree maintain that there remains a strategic need for employment, with a need for at least 280 hectares of employment land, as evidenced by ICENI (Appendix 2) and JLL (Appendix 3). Langtree maintain that exceptional circumstances remain to justify the release of Green Belt to ensure that the employment needs of Warrington can be met over the Plan period. Langtree are clear that this level of need would justify the release of SEWEA in order to ensure that Warrington's needs for employment land can be met over the Plan period.
- 4.109** With regards to the adequacy of supply to meet the identified needs. In the context of the Inspectors reduced requirement, the Inspectors Letter, paragraph 15, when concluding the requirement, does not provide a split for different use classes. It is therefore unclear how the identified figure responds to the specific needs for storage and distribution. However, as set out in response to 3.2.3 Langtree conclude there is a significant need for employment land and this need is likely to be driven by the needs for storage and distribution operations. Notwithstanding Langtree's conclusions relative to the scale of employment need, it is considered that the supply that remains as a result of the Inspectors recommendations is not suitable to meet the scale of need proposed by the Inspector.
- 4.110** An updated Alternative Sites Assessment has been produced to support the Call-In Inquiry for Six 56, which forms part of the SEWEA allocation. This concludes that the Application Site, which is part of SEWEA, is the highest ranked in terms of meeting market needs and delivery, having regard to evidence contained within the Councils evidence base, including the EDNA. It confirms that the OMEGA West site has three out of four units under construction, and therefore these are already committed and no longer available. Fiddlers Ferry is not as well located, as the SEWEA, to meet the needs of logistics operators. This is supported by the Model Logic Report contained

at Appendix 9 of Appendix 3. The Fiddlers Ferry site specific and policy constraints would mean that it would only be available to meet medium to long term employment needs and is more likely to be of a local employment nature. This reflects the conclusions as set out in the EDNA and reflects the EDNA grading of the Fiddlers Ferry site as A-/B-. It is considered that Fiddlers Ferry is better suited to specialist uses as well as smaller industrial and last mile logistics and due to the need for cross subsidy from the residential development is unlikely to be available in the short to medium term.

- 4.111** The Model Logic Report (Appendix 9 of the JLL proof), and JLL Proof of Evidence (Appendix 3) conclude that the SEWEA is ideally placed to meet the identified need for and specific locational requirements for strategic warehousing. The EDNA graded the site as the highest A+. Langtree’s previous representations and SOCG with WBC set out the site’s suitability, availability, and deliverability. Having regard to the suitability of alternative sites to meet strategic warehousing and distribution needs, the supply as proposed by the Main Modifications is either committed (OMEGA West) or would not be sufficient to meet short term needs for strategic distribution and warehousing (Fiddlers Ferry), EDNA 2021, JLL Proof at Appendix 3. The Proof by JLL at Appendix 3 confirms that there are several active enquiries within the Warrington M6 Market, that cannot be satisfied by OMEGA West alone, highlighting a shortage of supply. JLL conclude that there is only 12.3 to 13.7 months’ supply in the market, compared to 12-18 months historically, and noting the timescales to obtain planning consent of 15-24 months. JLL conclude that the market is currently failing. Having regard to the demand for industrial land, as evidenced by JLL (Appendix 3) and stakeholder evidence, the suitability of the available supply, as evidenced by JLL and the Councils EDNA 2021, Langtree consider that the resultant supply within the Local Plan, as proposed to be modified, will be insufficient/unsuitable to meet immediate to medium term needs. The resultant supply lacks the choice needed to ensure that strategic needs can be met. This is not consistent with the Framework and NPPG which seeks to ensure that policies and decisions create conditions in which businesses can invest and adapt, and that policies recognise and address the specific locational requirements of different sectors. It is concluded that the supply would be inadequate even when considered against the reduced need of 168 hectares identified by the Inspectors. Langtree has concluded that this scale of need is not based on a robust evidence base and is not justified, and that the scale of need is significantly higher, at a minimum of 280 hectares. **The scale and nature of employment need, and the locational qualities, and lack of available alternatives provides the exceptional circumstances to justify the release of the SEWEA.**
- 4.112** Langtree conclude that additional work and consultation and hearing sessions are required to ensure that no party is unduly prejudiced and that the Examination proceedings are fair and open. Langtree strongly object to the deletion of the SEWEA and Policy MD6 and consider that the MM002 to paragraph 3.3.23 to delete SEWEA is unjustified, it would lead to a shortfall in supply in qualitative terms particularly, in the Short to Medium Term, and a quantitative shortfall across the Plan period and would not be consistent with national policy and therefore unsound. Langtree consider that the SEWEA (Policy MD6) should be retained.

Paragraph 3.3.24

4.113 Main Modification MM002 at Paragraph 3.3.24 is as result of consequential amendment to the deletion of the SEWEA, and the Inspectors conclusions on employment need as set out in the letter of 16/12/2022. For the reasons set out in response to 3.2.3 and 3.3.23 the consequential amendments which reduce the resultant supply of sites referenced from 237.92 to 101.0 ha, and the deficit against the requirement of 8 hectares to a surplus of 3 hectares, are not considered necessary for the soundness of the Plan. **Langtree consider that the proposed Modifications are unsound, and that the figures should reflect the level of need identified in response to paragraph 3.2.3. As set out in 3.2.23 the deletion of SEWEA is not justified and therefore the reference to SEWEA in para 3.3.24 should be retained.**

Paragraph 3.3.26

4.114 Main Modification to MM002 to paragraph 3.3.26 removes the reference to not making further allocations or safeguarded land. Having regard to the Inspectors conclusions in relation to the need for employment land, and the retention of the commitment to review the Plan before the end of the plan period to ensure the long-term supply of employment land Langtree would reiterate their earlier representations which highlighted the need for safeguarded land. The Inspectors Letter of 16/12/2022, paragraph 21 acknowledges that there is insufficient supply to meet the past take up rates over the Plan period, this is based on take up since 1996, and supply would be significantly lower if based on take up since 2011 as advocated as a reasonably option by ICENI in Appendix 2. At paragraph 21 the Inspector considers that the 12-year supply would enable sufficient time to monitor and review the situation and deal with the issue through a review of the Plan. Langtree do not consider that this is an appropriate strategy within the context of the Framework.

4.115 The Framework states that safeguarded land should be identified to meet longer term development needs well beyond the Plan period. It also establishes that when reviewing Green Belt regard should be given to the intended permanence of the Green Belt Boundaries, this is considered to be at least two Plan periods, as set out in guidance by PAS³. The need for safeguarded sites is heightened with the reduced supply as proposed by the Main Modification, which is overly reliant on Fiddlers Ferry. Fiddlers Ferry is not the most suitable site to meet the

³ PAS 'good plan making guide – question and answers section

specific needs and locational requirements of storage and distribution and may not be able to come forward in the short term, as set out in the Councils evidence.

- 4.116** Langtree consider that to meet the Frameworks requirements for permanence of the Green Belt Boundaries that sufficient land for at least two plan periods should be safeguarded. **The MM002 3.3.26 is not sound** and does not provide an appropriate strategy for safeguarded land and the need for permanent Green Belt boundaries. This is particularly needed due to the divergent views of employment land and the potential for an early review of the Plan which increases the need for an appropriate strategy for Safeguarded Land/Reserve sites.
- 4.117** It is noted that MM002 to 3.3.26 retains the commitment to review within the Plan period. The triggers for review of the Plan contained in Part 3 of MM030 do not relate to the take up of employment land, but to jobs growth and housing delivery. Whilst Appendix 2 of the Plan identifies the need to monitor take up of employment land, and having regard to the Inspectors conclusions that land should be monitored. **It is appropriate to establish an effective trigger for the review of the Plan in relation to employment land take up.** For reasons set out earlier in response to MM002 3.2.3, the relationship between take up of land and jobs growth would not be an appropriate trigger in relation to the need for employment land.

Paragraph 3.4.7

- 4.118** Main Modification MM002, paragraph 3.4.7 relates to Warrington's Exceptional Circumstances, the modification proposes to delete "*Similarly if Warrington is to provide sufficient employment land to meet its future needs, then this can only be achieved with the release of Green Belt Land*". This is a direct consequence of the Inspectors conclusions in their letter of 16/12/2022 relative to the need for employment land. For the reasons set out in response to MM002 paragraph 3.2.3, the Main Modification MM002, paragraph 3.4.7 is not justified. The Inspectors conclusions in relation to the need for employment have not been based on a robust methodology. Langtree maintain that the need for employment land remains at least as high as established within the Submission Version Local Plan as justified by evidence contained in ICENI's Proof at Appendix 3. Accordingly, **the exceptional circumstances to release Green Belt to ensure that sufficient employment land is available to meet future needs is maintained.** As set out in the previous paragraph, even based on the lower requirement the supply is not sufficient. it is either committed, or not available to come forward in the short term and would not meet the requirements to consider the intended permanence of the Green Belt in the long term, i.e., at least beyond a Plan period.

Paragraph 3.4.10

4.119 Paragraph 3.4.10 relates to the area specific exceptional circumstances, it states that “The South East Warrington Employment Area will make a significant and sustainable contribution towards meeting Warrington’s current and long-term employment development needs”. The Main Modification MM002, paragraph 3.4.10 proposes the deletion of this sentence. For the reasons set out in the subsections relating to 3.2.3 and 3.2.23 Langtree conclude that the allocation of SEWEA is still needed to meet the needs for employment in the current and short term. The proposed Main Modifications is not justified by the evidence for need for employment land, or the evidence relating to the supply of land relative to the nature of the employment needs. **The proposed Main Modification is unsound, and the wording should be retained.**

Summary

- 4.120** Main Modification MM002 is multiple modifications to paragraph 3.2.3, Figure 2, Paragraph 3.3.8, 3.3.19, 3.3.21, 3.3.23, 3.3.34, 3.3.26, 3.4.7, and 3.4.10. A number of these modifications are substantive changes, including the reduction of the employment land requirement, the removal of the link between the employment land requirement and the Council’s evidence base (EDNA), and the deletion of the SEWEA employment allocation. Others have been consequential because of these substantive changes. Langtree has therefore made clear their objections on all the substantive and consequential modifications.
- 4.121** In Section 2 Langtree set out significant procedural flaws in the Examination proceedings. Langtree are concerned that the proceedings lack openness and have been unfair. The implications of which have meant that new evidence has not been robustly examined, and Langtree have been prejudiced. These flaws in procedure have ultimately culminated in the production of a flawed justification for the reduced employment land requirement and the deletion of the SEWEA. To address these concerns as a minimum further hearing sessions are required.
- 4.122** This will extend the Examination process, as a result the Plan period will require extending, and as considered at Paragraph 3.2.3, the Main Modification to bullet point 1 is not considered sound. Langtree have requested that the Plan period is extended and that there is a corresponding uplift to the employment requirement and supply of employment sites.
- 4.123** Fundamentally, at paragraph 3.2.3, the Main Modification reduces the employment land requirement. Langtree, supported by ICENI and JLL, have set out that there is no justification for the reduction in employment land. The approach to calculating the requirement by the Inspectors, does not represent an objective assessment of employment need, it is overly simplistic and fundamentally flawed. The new requirement, and the approach to its calculation is not consistent with national policy or the NPPG. The reduced requirement would lead to the Plan being unsound.

Accordingly, the Inspectors do not have the power to recommend these modifications, Section 20 (7)(C), PCPA, 2020.

- 4.124** Main Modification MM002 modifies the justifying text, for the employment requirement. Critically this removes the link between the Council’s evidence base, which is compliant with NPPG, and the employment land requirement. As a result, the employment land requirement is not suitably justified. As set out above the approach to the calculating the need for employment land proposed by the Inspector is flawed and does not comply with NPPG. The main modifications to the supporting text are therefore not justified or necessary to make the Plan sound.
- 4.125** Langtree maintain in response to the Main Modifications to paragraph 3.3.24 that the SEWEA is sound, and its release from the Green Belt and allocation for Employment is justified. Langtree, and their advisors, have established that the employment land requirement is at least 280 hectares, and that there is limited suitable supply for meeting the identified needs. SEWEA is suitable, deliverable, and achievable. Model Logic and JLL confirm the sites locational advantages and the lack of supply of suitable sites. SEWEA is required to ensure that Warrington’s identified needs, both qualitative and quantitative, can be met. The consequential amendments removing references to SEWEA, such as at Figure 3, are therefore not justified and are unsound.
- 4.126** MM002 also introduces changes to the text as paragraph 3.3.23 that referred to safeguarded land. As set out herein Langtree maintain earlier representations which conclude that there is a need for Safeguarded Land. This need is even more critical in the light of the Inspectors conclusions, which conclude a reduced employment land requirement. Langtree also highlighted that the Inspectors acknowledged that if take up of employment land continues at past rates of take up there would be insufficient supply of employment land over the plan period. Langtree conclude that this would not be consistent with the provisions of the Framework.
- 4.127** Langtree also object to the Main Modifications which alter the monitoring framework, including the reduction in the employment land requirement. Langtree also object to the lack appropriate trigger for review of the Plan based the need for employment land.
- 4.128** In summary, Langtree conclude that MM002 is not adequately justified, the Inspectors approach to calculating the need for employment land is fundamentally flawed and is not consistent with national policy or NPPG. The reduced need which has been based on a flawed methodology results in a recommendation to delete SEWEA, this is unsound. There remains a significant need for employment land, and the release of SEWEA from the Green Belt remains justified, having regard to the scale of employment need (quantitative and qualitative), the locational characteristics of the site, and the lack of suitable alternatives. The proposed Main Modifications MM002 will not result in an effective policy that ensures the supply of employment land across the Plan period. Furthermore, the Main Modifications will also not ensure the permanence of the Green Belt beyond the Plan period. There have been significant procedural errors, to redress these, **additional consultations and hearing sessions are required**. This will extend the Plan period and result in a need for a corresponding increase in the employment requirement and supply.
- 4.129** MM002 is not positively prepared, justified, effective, or consistent with national policy. MM002 will not make the Plan sound. The Main Modification is not consistent with the provisions of Section 20 (7) (C) of the PCPA 2004. The Main Modification should be abandoned.

Proposed Change

4.130 To overcome the objection and address soundness matters, the following changes are proposed:

- To address concerns relating to fairness and openness there is a need for a technical meeting to agree the methodology for determining the need for employment, consultation on the updated evidence base, including updated sustainability appraisal, and an additional hearing session.
- MM002 which reduces the quantum of Employment Land, removes the justification for the employment land requirement, and deletes the SEWEA is not necessary to ensure the soundness of the Plan. The need for employment land should be based on evidence.
- The SEWEA allocation should be retained to ensure that employment needs of Warrington can be met, and to ensure that there is sufficient choice and land available in suitable locations to meet the specific locational requirements of storage and distribution.
- The need for employment land should be retained as an exceptional circumstance to support the release of land from the Green Belt.
- Extend the Plan period to 2039/40, resulting in a corresponding increase in the employment land requirement, and supply of employment sites.
- Identify safeguarded land sufficient to meet the needs of two plan periods.
- Identify a trigger for review of the Plan based on employment land take up (ha).

05 MM 003

Dev 1 Part 1

- 5.1** MM003 to Dev 1 Part 1 alters the Plan period to 2038/39 for the reasons set out in response to MM001, para 1.1.1 **Langtree consider the Plan period should be extended to 2039/40. A corresponding increase in the employment land requirement and supply of employment sites would be required to reflect the extended Plan period.**

Proposed Change

- 5.2** To overcome the objection and address soundness matters, the following changes are proposed:
- Extend the Plan period to 2039/40, include a corresponding increase in the employment land requirement and supply of sites.

06 MM 005

Dev 4 Part 1

- 6.1** Main Modification MM005 to Dev 4 Part 1 alters the Plan period to 2038/39 for the reasons set out in response to MM001 para 1.1.1 **Langtree consider the Plan period should be extended to 2039/40. A corresponding increase in the employment land requirement and supply of employment sites would be required to reflect the extended Plan period.**
- 6.2** MM004 to Dev 4 Part 1 reduces the need for employment land from 316.26 to 168 hectares. For the reasons set out in response to Main Modification MM002 paragraph 3.2.3 Langtree conclude that this would not be justified, consistent with the framework and therefore would be unsound. **The Employment Land Requirement should be a minimum of 280 ha as evidence by ICENI, at Appendix 2.**

Dev 4 Part 4

- 6.3** Main Modification, MM005 to Dev 4 Part 4 proposes the deletion of SEWEA and relies on a sole allocation at Fiddlers Ferry Power Station alongside existing supply to meet the employment needs of Warrington. For the reasons set out in response to MM002 3.2.3, 3.3.19 and 3.2.23 **the allocation of SEWEA should be retained.** This is to ensure that the plan is consistent with the provisions of the Framework and to ensure that the employment needs of the area can be met in full, and therefore are necessary for the Plan to be capable of being found sound. **The proposed Main Modification to delete the SEWEA is unjustified and unsound.**

Dev 4 Part 11

- 6.4** Main Modification, MM005 to Dev 4 Part 11, proposes to delete the reference to SEWEA as a preferred location for major warehousing and distribution developments. For the reasons set out in response to MM002 3.2.3, 3.3.19 and 3.2.23 the allocation of SEWEA should be retained, in order for the plan to be consistent with the provisions of the Framework and be capable of being

found sound. The deletion of the reference to the SEWEA as a preferred location for major warehousing and distribution developments, is not justified, or consistent with the Framework and is unsound.

Figure 4

- 6.5** Main Modification, MM005 to Figure 4, proposes to delete the reference to SEWEA. For the reasons set out in response to MM002 3.2.3, 3.3.19 and 3.2.23 the allocation of SEWEA should be retained for the plan to be consistent with the provisions of the Framework and be capable of being found sound. **The deletion of the reference to the SEWEA at Figure 4 at Appendix 1 of the Main Modification, is not justified, or consistent with the Framework and is unsound.**

Paragraph 4.2.13

- 6.6** Main Modification, MM005 at paragraph 4.2.13, proposes the deletion of 4.2.13 as currently written “*In determining the amount of employment land needed for the Plan period, the Economic Development Needs Assessment (2021) concluded that the preferred forecasting method for establishing need, is a projection forward of past take-up rates that considers both strategic and local needs, resulting in a need of 316.26 hectares of employment land up to 2038.*”. This paragraph provides the justification for the employment land requirement established within the Plan, as submitted. This justification alongside the evidence base had therefore been subject to consultation at Regulation 19 stage.
- 6.7** The Main Modification proposes to replace the above paragraph with the following text “*In determining the amount of employment land needed for the Plan period, an exercise was undertaken to broadly align jobs growth with the planned level of housing provision. Between 1996 and 2020, 341.29 ha of employment land was actually taken up, and 48,350 new net jobs created. A simple calculation shows that for every 1 ha of land taken up, 142 jobs were created. The delivery of 816 new homes per annum could support an additional 18,300 jobs in the Borough. Using the 18,300 figure and the 142 jobs per hectare figure gives an employment land figure of 129 ha over the Plan period. Adding a 3-year buffer (21.5 ha) and allowing for business displacement (17.64 ha) results in a need of 168 hectares of employment land to 2038.*”
- 6.8** This justification has not been subject to any consultation with interested parties, nor have reasonable alternatives been considered through the Sustainability Appraisal process, in advance of concluding that the Modifications necessary to make the Plan sound. As identified at Section 2, Langtree do not consider that the Examination procedures have been fair and open in this

respect and consider that additional consultation and hearing sessions are necessary prior to concluding the schedule of Main Modifications.

- 6.9** The new paragraph sets out the need for employment land which has arisen from an exercise which seeks to understand the relationship between housing and employment land and to conclude whether the two were balanced. Fundamentally, the approach was not derived from the objective assessment of the need for employment land having regard to a range of factors including market signals. **The approach to calculating the need by the Inspector, is overly simplistic, flawed and lacks consistency with NPPG.**
- 6.10** Notwithstanding that point the NPPG is clear that the standard method for assessing local housing need is the minimum starting point for determining the number of homes needed. NPPG establishes that there are circumstances where housing need may be higher than the standard method, and this includes growth strategies. Thus, if there was an imbalance between the level of housing proposed, and the need for employment to be compliant with the NPPG there is a case to justify the uplift to the need for housing. The PPG does not consider that it is appropriate to constrain the economic growth of an area by reducing the employment land requirement. This would not result in a plan that was positively prepared.
- 6.11** Langtree set out in response to 3.2.3 and 3.3.19 that the approach to the calculation of employment need is not robust, it is not consistent with NPPG. The approach adopted by the Inspectors results in a requirement that will not meet Warrington's employment needs or respond to the Frameworks requirement to plan positively, create conditions in which businesses can invest, expand, and adapt. Nor does it recognise the need to place significant weight on the need to support economic growth and productivity, taking into account both local business needs and opportunities for development, and it does not respond to the need to address the specific locational requirements of different sectors. The proposed approach as set out in MM002 3.2.3 is not positively prepared, justified, or consistent with the Framework. The proposed Main Modification is therefore unsound. Accordingly, **the Main Modification to Paragraph 4.2.13 is not justified or consistent with the Framework and is unsound.**

Table 6 Employment Land Needs

- 6.12** Main Modification, MM005 Table 6 sets out the total requirement and total supply. The MM005 proposes to reduce the identified requirement from 316.26 hectares to 168 hectares, reduce the available supply at St Helens Omega Extension from 31.80 to 31.2 ha, delete the SEWEA allocation and reduce the total supply to 171.06 ha from 308.58 hectares.
- 6.13** For the reasons established at MM002 3.2.3 and 3.3.19 and 3.2.23, Langtree do not consider the Main Modification to be sound, the requirement should reflect the need established at 3.2.3, and the allocation of SEWEA should be retained to ensure that the Plan is positively prepared, justified, and consistent with national policy and therefore sound.

Paragraph 4.2.18

- 6.14** Main Modification, MM005 to paragraph 4.2.18, proposes the deletion of the SEWEA. For the reasons established at MM002 3.2.3 and 3.3.19 and 3.2.23, **Langtree do not consider the Main Modification to be sound. The requirement should reflect the need established at 3.2.3, and the allocation of SEWEA should be retained to ensure that the Plan is positively prepared, justified, and consistent with national policy and therefore sound.**

Paragraph 4.2.19

- 6.15** Main Modification, MM005 to paragraph 4.2.19, proposes the deletion of the SEWEA. For the reasons established at MM002 3.2.3 and 3.3.19 and 3.2.23, Langtree do not consider the Main Modification to be sound, the requirement should reflect the need established at 3.2.3, and the allocation of SEWEA should be retained to ensure that the Plan is positively prepared, justified, and consistent with national policy and therefore sound.
- 6.16** As a consequence, the calculation of a 3 hectare oversupply, is not correct, and the proposed Main Modification is not justified, and would not result in the Plan being capable of being found sound.

Paragraph 4.2.22

- 6.17** Main Modification MM005 to paragraph 4.2.22 removes the reference to not making further allocations or safeguarded land. Having regard to the Inspectors conclusions in relation to the need for employment land, and the retention of the commitment to review the Plan before the end of the plan period to ensure the long-term supply of employment land. Langtree would reiterate their earlier representations which highlighted that the Plan should identify safeguarded land. The Inspectors Letter of 16/12/2022, paragraph 21, acknowledges that there is insufficient supply to meet the past take up rates over the Plan period, this is based on take up since 1996, and supply would be significantly lower if based on take up since 2011 as advocated by ICENI in Appendix 2. At paragraph 21 the Inspector considers that the 12-year supply would enable sufficient time to monitor and review the situation and deal with the issue through a review of the Plan. Langtree do not consider that this is an appropriate strategy in the context of the Framework.

- 6.18** The Framework states that safeguarded land should be identified to meet longer term development needs well beyond the Plan period. It also establishes that when reviewing Green Belt regard should be given to the intended permanence of the Green Belt boundaries, which is considered to be at least two plan periods, as set out in guidance by PAS⁴. The need for safeguarded sites is heightened with the reduced supply as proposed by the Main Modification, which is overly reliant on Fiddlers Ferry. Fiddlers Ferry is not the most suitable site to meet the specific needs and locational requirements of storage and distribution and may not be able to come forward in the short term, as set out in the Councils evidence.
- 6.19** Langtree consider that to meet the Frameworks requirements for permanence of the Green Belt boundaries that sufficient land for at least two plan periods should be safeguarded. **The MM005 4.2.24 is not sound and does not provide an appropriate strategy for safeguarded land**, which in the context of the divergent views of employment land, the potential for early review and the need for intended permanence of Green Belt, increases the need for an appropriate strategy for Safeguarded Land/Reserve sites.
- 6.20** It is noted that MM005 to 4.2.22 retains the commitment to review within the plan period. The triggers for review of the Plan contained in Part 3 of MM030 do not relate to the take up of employment land, but to jobs growth and housing delivery. Whilst Appendix 2 of the Plan identifies the need to monitor take up of employment land, and having regard to the Inspectors conclusions that land should be monitored. **It is appropriate to establish an effective trigger for the review of the Plan in relation to employment land take up.** For reasons set out earlier in response to MM002 3.2.3, the relationship between take up of land and jobs growth and would not be an appropriate trigger in relation to the need for employment land.

Proposed Change

- 6.21** To overcome the objection and address soundness matters, the following changes are proposed:
- Adjust the employment land requirement to at least reflect the identified need for employment within the EDNA 2021/reflect the identified need for employment in ICENI Proof at Appendix 2.
 - Retain the allocation SEWEA and reflect this at Figure 4 and Table 6.
 - Allocate Safeguarded Land sufficient for two plan periods.
 - Identify a trigger for review based on the monitoring of the take up of employment land.

⁴ PAS 'good plan making guide – question and answers section

07 MM 007 GB 1

Part 3

- 7.1** Main Modification, MM007 to GB1 Part 3 proposes the deletion of SEWEA. For the reasons set out in response to MM002 the proposed Main Modification to GB1 Part 3 is not necessary for the soundness of the Plan. **The deletion of the reference to SEWEA would result in a Plan that is not justified, or consistent with policy and would be unsound.**

Figure 6

- 7.2** Main Modification MM007 to Figure 6, which spatially illustrates the amendments to the Green Belt Boundaries, would result in the retention of land at SEWEA within the Green Belt. For the reasons set out in response to MM002 this is not sound. **SEWEA should be released from the Green Belt to meet the established needs for employment, as supported by evidence contained at Appendix 2 and 3 and ensure that specific locational requirements for storage and distribution can be met.**

Paragraph 5.1.5

- 7.3** Main Modification MM007 to paragraph 5.1.5 removes the reference to the significant identified needs for employment land provision. For the reasons established in response to MM002, **Langtree maintain that significant identified needs for employment land provision remain. The Main Modification to paragraph 5.1.5 is not necessary for the soundness of the plan. The Plan would not be effectively justified or consistent with national policy if the reference to significant employment needs was deleted.**

Paragraph 5.1.9

- 7.4** Main Modification, MM007 at Paragraph 5.1.9 would result in the deletion of the reference to “employment development” needs in the context of the starting point for exceptional circumstances. For the reasons set out at MM002, there is a significant need for employment land, and to meet the identified needs for employment Green Belt release would be required. The scale of employment need in Warrington remains an exceptional circumstance that is sufficient to justify the release of land from the Green Belt and is consistent with the Plans vision to consolidate its position as one of the most important economic hubs in the UK, with the development of major new employment locations.
- 7.5** The reference to employment development should be retained in order for the plan to be consistent, positively prepared, justified and consistent with national policy.

Proposed Change

- 7.6** To overcome the objection and address soundness matters, the following changes are proposed:
- The allocation of the SEWEA should be retained and reflected in GB1 and Figure 6
 - Employment development should be retained as an exceptional circumstance.

08 MM 024

Deletion of MD6

- 8.1** Main Modification MM024 proposes the deletion of Policy MD6 Paragraphs 10.6.1. through to 10.6.10, Figure 22, the key evidence, Council wide strategies and delivery partner text.
- 8.2** For the reasons set out in response to MM002, **Langtree strongly object to the deletion of the South East Warrington Employment Area (Policy MD6). Langtree briefly repeat those concerns and objections below:**
- 8.3** The Inspectors conclusions in relation to the deletion of SEWEA are contained within their letter, dated 16 the December 2022, and stem from the Inspectors conclusions that the employment land requirement of 316.26 is not justified, paragraph 24. The Inspectors conclude at paragraph 30 that there is no strategic need for the SEWEA allocation in terms of the need for employment land or the range and type of employment land that would be available. The Inspectors conclude that exceptional circumstances do not exist. Paragraph 24 of the Inspectors letter states “*We have concluded that the supply of employment land provided by existing commitments and the proposed Fiddlers Ferry Main Development Area would be sufficient to meet this reduced requirement. There is also the potential for additional supply to come from the larger consented site in St Helens*”.
- 8.4** Critically, as set out in response to MM002 paragraph 3.2.3 Langtree conclude that:
- the approach taken to identify the revised employment requirement by the Inspector in their letter is fundamentally flawed.
 - The reduced requirement **It is not justified, or consistent with national policy or planning practice guidance.**
 - **The Inspectors calculation of need is flawed, and overly simplistic.**
 - A higher employment land requirement of at least 280 hectares is justified and supported by evidence provided by ICENI at Appendix 2, and JLL at Appendix 3. These conclusions are broadly consistent with the scale of development recommended by BE Group in the EDNA.
 - None of BE Groups further submissions to Examination in response to the Inspectors questions recommend a reduced employment requirement.
- 8.5** Furthermore, ICENI conclude that the methodology applied by BE Group was PPG compliant. Langtree consider that the Local Plan, including the higher employment land requirement as submitted would not be unsound. The Main Modification proposed by the Inspectors to reduce the need for employment are neither necessary to make the Plan sound, nor are they based on

an objective assessment of employment need, and do not represent a PPG compliant approach. The Main Modification reducing the need to employment land are not consistent with national policy and would result in an unsound Plan. Accordingly, Langtree contends **that the Inspectors do not have the power to make such modifications, consistent with Section 20 (7)(C) of the PCPA, 2004.**

- 8.6** Additionally, in section 2 of these representations Langtree identify fundamental concerns relating to the Examination proceedings and establish that the proceedings have not been consistent with the Procedure Guide. The employment land requirement has been determined without due regard for the need for a ‘fair and open’ Examination, with no consultation with interested parties, or additional hearing session prior to concluding appropriate Main Modifications. Langtree maintain that there remains a strategic need for employment, and that exceptional circumstances remain to justify the release of Green Belt to ensure that the employment needs of Warrington can be met over the Plan period.
- 8.7** With regards to the adequacy of supply to meet the identified needs. In the context of the Inspectors reduced requirement, the Inspectors Letter, paragraph 15, when concluding the requirement, does not provide a split for different use classes. It is therefore unclear how the identified figure responds to the specific needs for storage and distribution. However, as set out in response to 3.2.3 Langtree conclude there is a significant need for employment land and this need is likely to be driven by the needs for storage and distribution operations. Notwithstanding Langtree’s conclusions relative to the scale of employment need, it is considered that the supply that remains as a result of the Inspectors recommendations is not suitable to meet the scale of need proposed by the Inspector.
- 8.8** An updated alternative sites assessment has been produced to support the Call-In Inquiry for Six 56, which is on part of the SEWEA allocation. This concludes that the Application Site, which is part of SEWEA, is the highest ranked in terms of meeting market needs and delivery, having regard to evidence contained within the Councils evidence base, including the EDNA. It confirms that the OMEGA West site has three out of four units under construction, and therefore these are already committed and no longer available. Fiddlers Ferry is not as well located, as the SEWEA, to meet the needs of logistics operators. This is supported by the Model Logic Report contained at Appendix 9 of Appendix 3. Fiddlers Ferry site specific and policy constraints would mean that it would only be available to meet medium to long term employment needs and is more likely to be of a local employment nature. This reflects the conclusions as set out in the EDNA and reflects the EDNA grading of the Fiddlers Ferry site as A-/B-. It is considered that Fiddlers Ferry is better suited to specialist uses as well as smaller industrial and last mile logistics and due to the need for cross subsidy from the residential development is unlikely to be available in the short to medium term.
- 8.9** The Model Logic Report (Appendix 9 of the JLL proof), and JLL Proof of Evidence (Appendix 3) concludes that the SEWEA is ideally placed to meet the identified need for and specific locational requirements for strategic warehousing. The EDNA graded the site as the highest A+. Langtree’s previous representations and SOCG with WBC set out the site’s suitability, availability, and deliverability. Having regard to the suitability of alternative sites for strategic warehousing and distribution, the supply as proposed by the Main Modifications is either committed (OMEGA West) or would not be sufficient to meet short term needs for strategic distribution and warehousing

(Fiddlers Ferry), EDNA 2021, JLL Proof at Appendix 3. The Proof by JLL at Appendix 3 confirms that there are a number of active enquiries within the Warrington M6 Market, that cannot be satisfied by OMEGA West alone, highlighting a shortage of supply. JLL conclude that there is only 12.3 to 13.7 months' supply in the market, compared to 12-18 months historically, and noting the timescales to obtain planning consent of 15-24 months. JLL conclude that the market is currently failing. Having regard to the demand for industrial land, as evidenced by JLL, Appendix 3, and stakeholder evidence, the suitability of the available supply as evidenced by JLL at Appendix 3, the Councils EDNA 2021, Langtree consider that the resultant supply within Local Plan as proposed to be modified will be insufficient/unsuitable to meet immediate to medium term needs. The resultant supply lacks choice needed to ensure that strategic needs can be met. This is not consistent with the Framework and NPPG which seeks to ensure that policies and decisions create conditions in which business can invest and adapt, and that policies recognise and address the specific locational requirements of different sectors. It is concluded that the supply would be inadequate even when considered against the reduced need of 168 hectares identified by the Inspectors. Langtree has concluded that this scale of need is not based on a robust evidence base and is not justified, and that the scale of need is significantly higher, a minimum of 280 hectares. **The scale and nature of employment need, and the locational qualities, and lack of available alternatives provides the exceptional circumstances to justify the release of the SEWEA.**

- 8.10** Furthermore, attached at Appendix 4 is a Socio-Economic supporting document prepared by Amion Consulting, which forms part of the Planning Proof of Evidence at the Call-in Inquiry. The socio-economic document evaluates the nature of the socio-economic baseline for Warrington in terms of employment, local labour market, unemployment and worklessness, capacity of social infrastructure and deprivation and shows that the Application proposals will help support the regeneration of the area and provide a range of accessible jobs. Amion have also assessed the types of jobs that will be created by the Application proposals against the nature of the current local labour market and those who are currently unemployed. Amion conclude that employment and the labour market impacts of the Application proposals are likely to be most pronounced within areas experiencing relatively high levels of deprivation. Therefore, the Application proposals will deliver significant economic benefits which are needed in Warrington.
- 8.11** Langtree conclude that additional work, consultation, and hearing sessions are required to ensure that no party is unduly prejudiced and that the Examination proceedings are fair and open. Langtree strongly object to the deletion of the SEWEA and Policy MD6 and consider that the MM002 to paragraph 3.3.23 to delete SEWEA is unjustified. It would lead to a shortfall in supply in qualitative terms, particularly in the Short to Medium Term, and a quantitative shortfall across the Plan period and would not be consistent with national policy and is therefore unsound. SEWEA should therefore be retained.
- 8.12** Langtree has set out that there is significant evidence to support a requirement for employment land that is at least consistent with the recommendations of the EDNA 2021. These conclusions are supported by evidence prepared by JLL, ICENI and Model Logic contained at appendix 2 and 3. Langtree maintain that exceptional circumstances exist to support the release of land from the Green Belt to meet the needs for employment and that exceptional circumstances exist to support the release of SEWEA from the Green Belt to meet the identified needs. The main modification is therefore not justified and is not consistent with

national policy. Langtree, as set out in response to MM002, therefore consider that the deletion of SEWEA is unsound. In order for the Plan to be found sound, as set out in MM002, SEWEA and Policy MD6 should be retained.

- 8.13** Langtree has previously sought some minor amendments to the specific wording of MD6 as set out in paragraph 12.9 of the representations at Regulation 19 stage. This request for changes is maintained to ensure that the policies are clear and precise, and consistent with the Framework.

Proposed Change

8.14 To overcome the objection and address soundness matters, the following changes are proposed:

- There is a need for additional consultation and hearing sessions.
- Retain Policy MD6, the Paragraphs 10.6.1. through to 10.6.10, Figure 22, the key evidence, council wide strategies and delivery partner text.
- Amend the policy as set out in 12.9 of Langtree's earlier representations to ensure that the policy is clear and precise.

09 MM 031

Appendix 2 _ Monitoring Framework

- 9.1** The table at Appendix 2 sets out the Monitoring Framework. There have been consequential amendments at Policy Dev 4 to reduce the employment land requirement to 168 ha. As set out in the response to MM002, the reduction in the employment requirement is not justified and is not sound. Accordingly, this modification is unsound, the employment land requirement should at least reflect the requirement for employment land recommended within EDNA 2021. Whilst employment land completions are monitored the Main Modification does not result in an appropriate trigger for review of the plan in relation to employment. This is necessary to respond to the Inspectors considerations within their letter of 16th December 2022.
- 9.2** The row in relation to Policy MD6 has been deleted as a consequence of the Main Modification to reduce the employment land requirement and delete Policy MD6 from the Plan. As set out in response to MM002 and subsequently in response to MM024, the deletion of MD6 is unsound. **Langtree strongly object to the deletion of the SEWEA and MD06 and the consequential amendments proposed in the MM consultation including MM031. The reference to MD6 should be retained.**

Proposed Change

- 9.3** To overcome the objection and address soundness matters, the following changes are proposed:
- Retain the reference to employment need that is at least consistent with the recommended requirements contained in ENDA 2021.
 - Retain the reference to MD6.

010 Policies Map

Policies Map

- 10.1** CD69 is the updated Proposed Submission Version Local Plan Policies Map, MD6/SEWEA is no longer identified as employment allocation. For reasons set out in response to MM002, Langtree strongly object to the deletion of MD6/SEWEA and consider that the proposed amendment is not necessary for the Plan to be sound. **The deletion of MD6/SEWEA is not justified, positively prepared or consistent with national policy, and is unsound. Therefore, there is a strong objection to the consequential change to the Policies Map.**

Proposed Change

- 10.2** To overcome the objection and address soundness matters, the following changes are proposed:
- Retain the spatial representation of the SEWEA/MD6 on the Policies Map to ensure consistency with the Local Plan having regard to Langtree's Response to MM002.

011 Sustainability Appraisal

Sustainability Appraisal

- 11.1** A Sustainability Appraisal addendum has been published with the Main Modifications. Langtree have two primary concerns relative to the Sustainability Appraisal. Firstly, as set out in Section 2 of this representation Langtree have highlighted significant flaws in the Examination proceedings. In the circumstances where an Inspector has concerns relating to the need for employment land and these concerns were likely to lead to substantive changes in the Plan, applying the principles established within the Procedure Guide and NPPG, additional work would be anticipated to be undertaken and this would be expected to include a Sustainability Appraisal.
- 11.2** Section 19 of the PCPA 2020 requires an appraisal of each of the proposals within the Plan during its preparation. The Sustainability Appraisal should be integral to the preparation of the Plan and needs to assess the likely significant effects of the Plan, and it needs to “*consider and compare all reasonable alternatives as the plan evolves, and assess these against the baseline environmental, economic and social characteristics of the area and the likely situation if the plan were not to be adopted*” Paragraph 11-018-2014-036. Paragraph 11-021-20140306 requires that in circumstances where a change is likely to be significant or substantially alter the Plan, this is likely to give rise to the need for a further assessment and a further round of consultation. It has been acknowledged by the Inspectors that the Interim Letter had significant implications for the Local Plan. Accordingly, Langtree maintain that the additional work that should have been undertaken in advance of the Main Modifications, should have been accompanied by a Sustainability Appraisal and that this should have been subject to consultation.
- 11.3** Secondly, a Sustainability Appraisal has now been produced to support the Main Modifications. Langtree have several concerns in relation to the published Sustainability Appraisal. Paragraph 4.3 states “*The Inspectors have recommended that the employment land requirement is reduced and subsequently, the South East Warrington Employment Area site has been removed as an allocation (and therefore is no longer proposed for Green Belt release). With regards to the overall scale of employment land, the SA has already assessed higher and lower levels of land supply, and it is considered unnecessary to undertake further alternatives*”. While the pre-submission local plan has considered a lower level of growth, the level of growth tested was significantly higher than the requirement proposed by the Main Modifications, at 223.71 ha.
- 11.4** The Pre-Submission Sustainability Appraisal, SA Report August 2021, states in relation to the lower level of growth “*the Council considers a lower scale of growth to be less appropriate as it would not meet the Boroughs full needs*”. The SA Report August 2021 is clearly related to the Councils evidence at the time, the EDNA, and the commentary in relation to the scale of growth is made within this context. It is clear therefore that there has not been an assessment of a lower level of growth at the scale that is currently proposed, and that a higher ‘lower’ growth option had

been assessed and not considered appropriate. The SA Addendum has not dealt with the strategic matter relating to the reduction in the employment requirement. Langtree consider that the reduced level of growth, the reasonable alternative and current preferred option, has not been adequately assessed, and therefore there has been limited consideration of the wider environmental implications associated with a reduced employment land requirement. This is notwithstanding Langtree's concerns that the reduced requirement is not a reflection on needs.

- 11.5** Paragraph 4.4 of the SA Addendum states “*With regards to specific site allocations, the alternative of including the SEWEAA has already been considered as part of the submission version of the Plan (alongside a range of other site options). There are no other reasonable alternatives with regards to employment land that have not already been explored. Furthermore, the Fiddlers Ferry employment land was prioritised given its brownfield status and that it performed better than other alternative site allocations assessed.*”.
- 11.6** Langtree acknowledge that SEWEA has been assessed, alongside Fiddlers Ferry, Omega West, Warrington Waterfront, and Birchwood. At Pre-Submission 2021 Stage each site was assessed individually. The SA Report August 2021 confirms that these options were not mutually exclusive as the level of employment required could not be delivered at one of these locations alone. It does not appear that alternative distributions or alternative combinations of sites was tested at Pre-Submission 2021, stage. Some testing of distribution had been undertaken at the 2019 Pre-Submission Stage. This is confirmed in the SA Report August 2021, this highlight that Fiddlers Ferry was not included in the tested options - Options 1a, or 2a to 2c. The implications of the distribution of employment sites in combination, inclusive of Fiddlers Ferry should be tested.
- 11.7** Notwithstanding Langtree's concerns and objections to the reduction of employment requirement, if the reduced requirement is to be appropriately assessed through the sustainability appraisal, a wider range of reasonable alternatives for the scale, distribution and sites should be tested. Langtree consider that options including parts of sites, depending on the boundary could constitute reasonable alternatives. Consistent with Langtree's wider representations safeguarded land should be assessed.
- 11.8** With regards to the assessment that has been undertaken as part of the SA Addendum, March 2023, Langtree are concerned that the assessment is not sufficiently transparent or robust. Paragraph 5.4 of the Addendum, with respect to the reduction of employment land and removal of SEWEA states “*This reduces the certainty of major positive effects arising for the economy and employment SA theme. The amount of employment land being planned for is significantly less and reduces some of the synergies between the proposed south east urban extension and an enhanced employment hub at the M56/M6 junction. This is less positive than the submitted version of the local plan in terms of employment and economy. However, the inspectors have concluded that the level of employment need is lower than was being planned for, and so the effects remain significantly positive.*”.
- 11.9** The SA conclusions with respect to the effects arising for the economy and SA theme, are made in the context of the Inspector's conclusions that the need is lower than previously planned for. As stated within these representations, the Inspectors' conclusions are based on erroneous information, and the approach to calculating the need is overly simplistic and flawed. The SA will need to be reviewed. Notwithstanding this fundamental issue, a table to illustrate the appraisal of the modifications against the SA Framework would be helpful.

- 11.10** Langtree do not consider that the full implications of deletion of the SEWEA have been captured and adequately assessed. Langtree consider that as well as the reduction in the scale of employment land, there are implications for the distribution of employment land which will now be significantly different. This will impact on the Economy and Regeneration Theme, including strengthening the local economy, improving education and skills, reduction of poverty, deprivation and social exclusion and economic inclusion. Having regard to the scale of the SEWEA, the scale of need, and the ability of alternatives to meet the identified employment need, Langtree disagree with the conclusions of the SA that the economy and employment themes remain significantly positive.
- 11.11** Langtree consider that the synergies being referred to in paragraph 5.4 should be explained to aid the readers consideration of the implications. The assessment appears to be too limited in focus, and lacks regard to wider implications relating to the reduction of employment land and deletion of SEWEA. For example, Langtree consider that the health and well-being theme is not robustly addressed. Furthermore, implications on the Accessibility theme, with respect to infrastructure, are not fully addressed in paragraph 5.8. The National Highways and Infrastructure note, March 2023, acknowledges that SEWEA was intended to contribute to improvements to M6/M56 interchange. The implications of the potential loss of contribution arising from SEWEA, or land within Langtree's control for the infrastructure project, and the environmental effects of the delay or insufficient funding to deliver the mitigation do not appear to have been assessed.
- 11.12** In summary Langtree do not consider that the SA Addendum, March 2023 represents an adequate assessment. The full range of reasonable alternatives in terms of scale, distribution and sites have not been identified or adequately assessed. This does not meet the legislative or policy requirements. The Plan as Modified has not been fully assessed, i.e., the lower range of employment land need has not been assessed. The structure of the assessment undertaken lacks clarity and has been too narrowly focused and does not enable a full consideration of the environmental effects of the modifications.

Proposed Change

- 11.13** To overcome the objection and address soundness matters, the following changes are proposed:
- If additional work is undertaken with respect of the employment land requirement, due to the potential significance on the Plan, a SA Update/Addendum will be required to inform this process and should be available for consultation.
 - An SA Update is required, this should assess the reasonable alternatives in relation to the scale of employment need, the distribution of employment need and a wider section of reasonable alternative sites.
 - The SA of the Main Modification is not robust enough, and needs further detailed assessment, with respect of testing the implications of a reduction in the quantum of employment and the change in the distribution of employment allocations.

Appendix 1: Timeline

Item	Publication Date	Commentary
Schedule of Proposed Modifications	15/03/2023	<p>Responded to within this document, Main Modifications amend the justification and calculation of employment land requirement and reduce the requirement, reference to the EDNA is no longer made in reference to the justification of the requirement. Employment land requirement is reduced to 168 ha, and SEWEA is deleted. The need for Employment Land is no longer identified as justification for exceptional circumstances to justify the release of the Green Belt</p>
CD70 SA Report Addendum	15/03/2023	<p>The removal of SEWEA is identified as Main Modification that requires further consideration through the SA process.</p> <p>Paragraph 4.3 States that with regards to overall scale of employment land the SA has already assessed higher and lower levels of land supply, and it is considered unnecessary to undertake further alternatives.</p> <p>Paragraph 4.4 The alternative of including the SEWEAA has already been considered as part of the submission. There are no other reasonable alternatives regard to employment land that have not been explored. <i>“Furthermore, the Fiddlers Ferry employment land was prioritised given its brownfield status and that it performed better than other alternative site locations assessed”.</i></p> <p>Paragraph 5.4 <i>“This reduces the certainty of major positive effects arising from the economy and employment SA theme. The amount of employment land being planned for is significantly less and reduces some of the synergies between the proposed south east urban extension and an enhanced employment hub at the M56/M6 Junction. This is less positive than the submitted version of the local plan in terms of employment and economy. However, the inspectors have concluded that the level of employment need is lower than was being planned for and so the effects remain significantly positive.</i></p> <p>Paragraph 5.5 removal of the site results in less Green Belt release and lesser effects on several environmental factors.</p> <p>Paragraph 5.8 lower level of transport movements might be anticipated, could have some minor benefits in relation to climate change and air quality at M62 junctions.</p>

5.9 Health and well-being – considers that a decrease in development could reduce negative effects on amenity, but reduce employment opportunities.

5.10 Considers that the removal of the allocation will avoid the plan having negative effects on landscape at this location.

5.11 Considers that removal of the site likely to lead to reduced negative effects in terms of the historic environment

Cumulative effects of Main Modification

5.26 reduction in employment land with lower housing land provision likely to reduce the extent of positive effects with regards to the economy. Inspectors have concluded the plan will provide sufficient employment land to meet identified needs and so significant positive effects remain (with greater degree of uncertainty)

ID08 Inspectors Note of Main 03/02/2023 Modifications Required

This highlights that the reasons for the proposed Main Modifications should not be included. Reasons will be set out fully in the Inspectors Report.

It also requests a single ref (i.e.) MM1 for all bullet points under each policy which may incorporate a number of specific amendments to a policy and or associated reasoned justification.

Scope of Main Modifications bullet pointed within the letter include the revised employment land requirement, removal of SEWEA, and employment land no longer to be referred to as exceptional circumstances to justify release of Green Belt.

Calls for Amendments to para 4.2.13, table 6 paragraphs 4.2.18 and n4.2.19 *“to reflect the revised employment land requirement of 168 ha and the removal of the South Weast Warrington Employment Area. Amend para 4.2.22 to remove the first two sentences.*

ID07 Letter to Council Regarding Main 03/02/2023 Modifications

Letter from the Inspectorate setting out the Main Modifications (MM) required to make the plan sound. Inspectors confirm that the MM are to be published for consultation for a period of at least six weeks. Confirming that they will need to be subject to SA and where necessary HRA.

The Inspectors confirm that they are not seeking comments from the Council on the merits or justification for the MM, Inspectors also not seeking comments from other parties on the outline of the MM, noting the opportunity to comment in due course.

CD67 BE Group Response to ID06

24/01/2023

The Inspectors confirmed that the Inspectors are not accepting any comments on this document or in in response to their letter of 16th December 2022 ID06.

BE Group Highlight that the EDNA, 2021 provides the basis for the employment land requirement in the Submission Local Plan. It confirms the identified need based on past take up over the period 1996 – 2020, with a three year buffer and an allowance for business displacement, resulting in 316.26 ha for the Plan Period.

BE Group highlight that this is distinct from the jobs generation forecasts in the LHNAU, 2021. Including estimate of 18,300 jobs, supported by a requirement of 816 homes per annum.

BE group view it is not possible to establish a direct link between the employment land requirement and jobs growth forecasts due to the different methodologies applied to both.

BE Group comment on the methodology applied by the Inspector in paragraphs 11 -17. They note it is not one methodology and professional judgement need to be made in line with guidance in the NPPG and best available evidence. BE Group also acknowledge uncertainty over the Plan Period.

Indicate that the Inspectors approach is understood, and results in a need within the range considered within the EDNA.

BE Group consider that the approach by the Inspectors does not account for important changes in employment patterns, such as the different job densities across different use classes, and changing nature of sectoral growth in Warrington since 1990's.

Estimate of 48,350 jobs to demonstrate 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.*

The jobs estimate in CD10a is the total number of jobs across all business, including those through retail. The number of jobs generated by just E(g)/B Class development over 1996 to 2020 was 30,418 .

Applying global 142 jobs/ha does not allow for differing relevant use classes with different jobs densities and differing land needs.

Historic jobs growth reflected high office growth, not envisaged to continue going forward to 2040, with greater focus on B8 Warehousing with lower densities.

BE Group assess Inspectors approach using 2 approaches.

Homes England Density Guide 2015, BE Group has applied HE job densities to 341.29 hectares of take up, on a use class basis (Based on Jobs Generated by Year by use class). Using the Standard Densities, the

341.29 hectares would generate 44,207 jobs or 130 jobs per hectare. The figure for E(g) jobs would be 183 Jobs/ha, B8 would be 68 jobs/ha.

Split the 48,350 jobs created over historic period, of which 30,418 fell within E(g), B2 and B8 Use Classes. In Table 1. Split of use classes in land take is based on Council monitoring. This identifies a Jobs per Hectare of 396 for office jobs, and 17 jobs per hectare for warehousing, an average of 89 jobs per ha.

The future supply is proposed to be primarily for B8 uses, where as calculations above show the jobs/hectare are likely to be significantly lower than 142 jobs per hectare. BE Group highlights that market evidence supports demand in WBC will continue to be dominated by large logistics enquiries with larger scale warehousing typically involving ever lower employment densities, as warehousing creates storage for wider distribution and automation is built into the warehousing operations.

Table 2 of the BE Group letter estimates the number of jobs the local plan allocations could generate, applying jobs density ratios on a per sqm basis, from HCA Density Guide 2015. This concludes that the Proposed Development in WBC is unlikely to generate more than 17,019 direct FTE jobs, even with SEWEA. Falls below the 18,300 jobs in the LHNA update. Excluding SEWEA the jobs is 10,344 below the LHNA target. BE Group considered a plot ratio of 0.39.

If lower jobs ratios derived from historic take up the number of jobs generated could be even lower.

BE Group maintain that past employment land take up rates provide the best methodology for establishing future needs in Warrington.

BE Group recommend that if the plan is taken forward on the basis of the level of need recommended by the Inspectors, monitoring and appropriate review mechanisms are recommended.

CD66 Councils Response
Inspectors Post Hearing Letter

ID06 22/12/22

The Council confirms they wish to proceed towards public consultation on schedule of Main Modifications in accordance with the conclusions on the key issues of soundness set out in the letter of 16/12/2022. However, highlights that the Council will seek consultants views on conclusions relating to employment.

ID06 Inspectors Post Hearing Letter to 16/12/22
Council Dec 2022

Outlines the Inspectors concerns regarding employment land.

Paragraph 49 *“We appreciate that our conclusions in relation to the employment land requirement, the SEWEA, Fiddlers Ferry and Warrington Water front have **significant implications**. However the Local Plan process can now proceed to the main modifications stage, there is no need for any substantial additional work,*

and not need to identify alternative site allocations." My emphasis. The paragraph goes on ask that the council confirms if it wishes to proceed towards public consultation on a schedule of main modifications.

Paragraph 4 – The Inspectors note that the EDNA provides the basis for the employment land requirement in the submitted Local Plan, and notes average take up of 14.22 ha for the period between 1996 – 2020. The EDNA recommends past take up is projected forward, with a three year buffer and an allowance for ‘business displacement’. Resulting in a requirement of 316.26 ha over the Plan Period.

Paragraph 5 – “The council has maintained its view that it is not possible or appropriate to establish a direct link between the employment land requirement and jobs growth forecasts. It has maintained that there is not a direct relationship between employment and housing requirements”.

Paragraph 6 – Inspectors note the importance of taking account of past land take up rates, but that it is necessary to base assessments on a range of data, with reference to NPPG which references employment forecasts and assessments of current and future labour supply.

Oxford Economics and Cambridge Econometrics models were used. Jobs forecasts (baseline) for the Plan period were 12,319 and 17,391 respectively. Council consider midpoint realistic – 14,855 over the plan period.

Paragraph 8 – The Inspectors highlight that the LHNA update 2021 estimates that 18,300 additional jobs could be supported by the growth in labour supply as a result of the housing requirement of 816 homes per annum, assuming existing commuting patterns. If the commuting ratio was 1:1 for new jobs, this would fall to approximately 16,100 additional jobs. The Inspectors note that the Council is committed to the housing requirement, and that the Inspectors consider this to be justified.

Paragraph 9 - The Inspectors comment that the figure of 18,300 is above the CE forecasts, noted by councils consultants to be optimistic, and above the ‘realistic’ mid point.

Paragraph 10 - The Inspectors remarked that the jobs identified in CD10/CD10a are ‘very substantially’ different from the 18,300 additional jobs in the LHNA. The Inspectors state “whilst we acknowledge the misgivings on behalf of the Council in relation to these calculations and the use of such figures, they indicate that in the order of 33,300 jobs could be created... Notwithstanding the difficulties of accurately predicting likely jobs growth from the amount of employment land to be provided the difference between this figure and the 18,300 additional jobs referred to above is very substantial”.

Paragraph 11 - The Inspectors state that table 43 of the EDNA demonstrates that 48,350 jobs equated to 341.29 hectares of employment land, whilst acknowledging theoretically modelling would indicate that this quantum of jobs would result in 70.5 hectares of employment land where as take up was 341.29 “This analysis does indeed show that land take up has been substantially in excess of that which would have been predicted by the modelling exercise and casts some doubt on the use of such modelling to estimate future land requirements”. The Inspectors remark that it demonstrates that between 1996 and 2020, for every 1 ha of employment land taken up, there were approximately 142 additional jobs in the economy. Applying this to

future need of 316.3 ha could see some 44,900 additional total jobs. Allowance for displacement reduced this to 42,400 jobs

Paragraph 12 – Inspectors acknowledge that there have been changes in the economy between 1996 and 2000, and consider that such changes will continue over the Plan period, and requirements for land and associated jobs densities will continue to evolve. The Inspectors note that the full effects of Covid 19 and Brexit are not yet known. However despite uncertainty analysis of jobs growth over a sustained period (1996-2020) provides a reasonable and perhaps most robust basis for estimating, in broad terms at least, the potential jobs growth implications of the employment requirement. It also provides a basis to estimate the employment land requirement which could be supported by increased labour supply resulting from the level of housing growth planned.

Paragraph 13 – Inspectors apply 142 jobs per hectare to the ENDA employment land requirement of 316.26 ha and consider it would result in 44,900 jobs. Discounting for the town centre business displacement results in 42,000 additional jobs. The Inspectors consider that this is significantly in excess of the number of jobs likely to be supported by increased labour supply from housing growth.

Paragraph 14 The Inspectors state “accurately predicting future economic and jobs growth and the labour supply that will be available is extremely difficult if not impossible, particularly over a whole plan period. We are not suggesting that there needs to be an absolute match between employment land provision, estimated jobs growth, and labour supply, or that such an absolute match is even possible. However there needs to be a broad alignment at least; in order for the local economy and housing market to function effectively and to avoid substantial increases in unsustainable commuting patterns. There is significant disparity between the employment land requirement in the submitted Local Plan and the level of housing proposed. This is in the context of a Local Plan which proposes alterations to the Green Belt to allocated land for employment and housing. The employment land requirement of 316.26ha is not justified therefore”

Paragraph 15 Inspectors use the figure of 142 jobs/1 hectare of employment land and apply this to the 18,300 jobs in the HEDNA. The Inspectors conclude that this would result in 129 ha of employment land over the plan period. The Inspectors then apply a three-year buffer consistent with the EDNA and allowance for the displacement of town centre businesses, sourced from the EDNA and **conclude that 168 ha of employment land is required.** In paragraph 16 the Inspectors compare the resultant calculation with the employment land forecasts resultant from labour demand models.

Paragraph 17 – Inspectors conclude that an employment requirement of 168 ha would be broadly aligned with the projected increase in labour supply as a result of the housing requirement of 816 homes, and consider that this accounts for past trends in land take and overall jobs growth. “It would be significantly above a requirement derived directly from jobs growth modelling, even when based only on growth sectors and including the additional optimistic growth from the Strategic Economic Plan. Such a requirement would enable the Local Plan to be aspirational and positively prepared. In order for the Local Plan to be justified in this respect the employment land requirement should be reduced to 168 ha. My emphasis.

Paragraph 18 the Inspectors acknowledge that some have argued that the housing requirement should be increased to align more closely with employment requirement. The Inspectors dismiss this on the basis that it would result in a substantial increase in the housing requirement, involving further alterations to the Green Belt. The Inspectors go on to comment that the requirement of 816 dpa represents a significant increase when compared to recent trends in completions. The Inspector considers it would not be justified and would raise concerns in relation to realistic delivery, concluding it would not be appropriate.

Supply

Paragraph 19 Inspectors conclude the existing supply of employment land in Warrington is 38.86 hectares. 31.22 hectares of employment land adjacent to Omega was allocated in the St Helens Local Plan. To contribute towards WBC needs. The Inspectors refer to the wider permission relating to 75 ha (granted by the SoS in November 2021), Warrington's Matter 3 statement considers that the same rationale applies to the larger site, i.e. that it should all be counted towards Warrington's supply. The Inspector considers that the additional 44 ha cannot be relied upon when calculating WBC supply, it provides potential for some flexibility.

The committed supply is considered to be circa 70 ha, excluding the potential 44 ha in the wider Omega west extension. The Inspector concludes that allocation of 101 ha land for employment at Fiddlers Ferry is justified, effective and consistent with national policy. Resulting in a supply of 171 ha, sufficient to meet the requirement of 168 ha . Paragraph 20.

Paragraph 21 – the Inspectors state *“based on past strategic local take up of 14.22 ha per annum there would be 12 years supply and 20 years supply based on local take up rates of 8.2 ha. There would be adequate time to monitor and review the situation and deal with the issue through a review of the Local Plan.*

SEWEA

Paragraph 22 sets out that the SEWEA would involve removal of 137 ha of land from the Green Belt and its allocation for employment development.

The Inspectors note at Paragraph 24 that a key element of the councils case for exceptional circumstances is that there is an employment land requirement of 316.26 ha, and that this can't be met without haltering the Green Belt. *“However, we have concluded that the requirement of 316.26 hectares is not justified and it should be reduced to 168 ha. We have concluded that the supply of employment land provided by existing commitments and the proposed Fiddlers Ferry Main Development Area would be sufficient to meet this reduced requirement. There is also the potential for additional supply to come from the larger consented site in St Helens.” Paragraph 24.*

The Inspectors acknowledge that SEWEA is *“clearly attractive to the development industry, particularly with respect to the logistics sector. There is strong interest in progressing proposals for the site and it would be*

likely to come forward for development relatively quickly. In itself the SEWEA would likely to provide for a substantial number of jobs and have significant benefits for the economy.” Paragraph 25

At paragraph 26 the Inspectors determine that Fiddlers Ferry and existing commitments would provide a range of sites in different locations across the Borough, including B8 Uses.

Paragraph 30 concludes that there is no strategic need for the SEWEA allocation in terms of the need for employment land or the range and type of employment that would be available and concludes that exceptional circumstances to alter the Green Belt in this case do not exist.

11/10/2022 During hearings sessions for the local plan Examination the Inspectors have asked Warrington Borough Council to provide various pieces of updated information. Inspectors asked PO to write to participants of Matters 3a, 3b, 3 c 4, 5, 6b, 6c and 8 advising them that Inspector is allowing brief statements on specific documents that have recently been produced by Warrington in relation to the Inspectors Requests for Information.

11/10/2022 Inspectors notified Warrington BC that this had satisfied the DTC in relation to the preparation of the Local Plan. Inspectors awaiting further information on number of matters before determining next steps for Examination

CD10 a Additional Note responding to 26/09/2022
Inspectors Queries

Series of CD's including CD26 and CD10a

General comments not sought by Inspectors for these documents.

CD 10 A The Inspectors questioned the exclusion of buffer for the choice (3 years) and allowance for losses, because there will be no mechanism to prevent the land included as a buffer from coming forward.

BE Groups response included a re-calculation of jobs on the basis of 298.62 ha of employment land and concluded that this would result in a notional capacity 31,068. However the response highlighted “*This figure is however heavily caveated for the reasons set out in the original note concerning the reliability of this figure which should be treated as no more than notional.*”

The total amount of land accounts for displacement in so far as it relates to 17.65 ha for the displacement of employment uses from the Town Centre as a result of regeneration. The calculation of jobs arising is based on a plot ration of 0.39, and Job densities from the HCA Employment Densities Guide. The calculation is simplistic does not account for uses where density should be applied to net internal area or gross internal area (such as office use, and b2 uses) leakage, displacement or multipliers for indirect and induced effects.

The Inspectors asked –*“we understand jobs forecast from LHNA 14,855 mid point and the number jobs that would be supported by 816 dwellings per year, are figures for the total numbers of jobs in all sectors and not just those requiring land provision”*. The inspectors also noted that they understood the figure in CD10 of 26,104 was not an estimate of all jobs, and would like to know all jobs arising from 316 ha (298.62 ha net) and jobs for the other sectors, the Inspectors presumed that this could be calculated by adding jobs growth for other sectors from the economic forecasts (Oxford/Cambridge)?

BE Group add additional employment forecast to arise from food and accommodation section by 2038 of 2,300, based on the mid-point of the forecasts. It is not clear why other non b-class jobs have been discounted.

BE group note that the additional jobs are the total uplift associated with the additional land but highlight that it takes no account of losses elsewhere within the Borough through productivity, or automation improvements, for example in manufacturing or logistics (paragraph 1.10). BE Group highlight that both econometric forecasts predict further job losses over the plan period in manufacturing. Paragraph 1.11 confirms that ***“the margin of error associated with the estimate is likely to be extremely high”*** Paragraph 1.11.

At question 3. The inspectors sought confirmation that the figure of 48,350 jobs from Table 43 of the EDNA was total actual jobs growth in all sectors for 1996 to 2020 and *“if so can a figure be derived for jobs growth over that period just in sectors requiring land provision.”*

BE Group confirmed that the figure represented actual jobs growth across all sectors, and that it was net the reduction of jobs that declined in the period highlighting the loss of 6,656 jobs in manufacturing. BE Group Strip out the growth from food and accommodation sector, resulting in a figure of 46,160.

This would not reflect jobs in this period that are likely to have occurred in other sectors that are not 100% B Class Use. This is likely to overestimate the number of jobs arising on B Class employment land.

CD26 6FNote Status of existing 26/09/2022 employment land adjoining SEWEA

Series of CD's including CD26 and CD10a

General comments not sought by Inspectors for these documents.

Brief note setting out the at the land adjoining SEWEA is an existing employment allocation, is identified as such within the adopted Local Plan, and identified as a preferred distribution location. It does not specify the extent of available land at this location.

CD14 Omega Extension Appeal Decision 21/09/22

General comments not sought by Inspectors for these documents.

Note containing a copy of the Call in Decision APP/H4315/V/20/3265899, and Deed of Agreement in relation to the Inclusion of 31.80 ha of land from Omega extension in St Helens and potential to include consented land 75 ha in total. See para 4.3, 4.4, 5.2, 5.5, 6.33, 6.43, 7.19 of the Call in Decision.

Note para 7.22 relative to the Councils Case “*Whilst work on the replacement core strategy for Warrington has been paused its evidence base should be given significant weight. Warrington BC will have to release very significant amounts of Green Belt to meet the minimum requirement for employment land in the next Plan period. This would be at least 215 ha.*”

Note Para 12.29 “*it is clear from the evidence presented that there is a shortage of readily available sites to meet the needs of major logistics operators in the North West*”. Para 12.31 “*I give little weight to this proposed allocation given the plan is not adopted and still in Examination. I am however able to give weight to the evidence behind it, the evidence which is before me*” Para 12.33 “*The Warrington Economic Development Needs Assessment Identified an OAN of 361.71 ha, 2017-2037. Mr Meulmans evidence references that Warrington Borough Council intended to meet this need through an existing supply of 81 ha plus Green Belt releases and allocations including the 31 ha on the application site. The Green Belt releases and allocations in Warrington were identified within Policy Dev 4 of the Warrington Proposed Submission Version Local Plan. Work on that Plan has paused, and it can only be afforded very limited weight in any case. Nevertheless, I can place more weight on the evidence supporting employment need and options which underpins it especially since that evidence is up to date and is not disputed. The evidence would tend to support the justification for the outline element of proposed development as an extension to Omega.*”

CD15 Matter 4 Monitoring jobs growth 21/09/22 and housing delivery.

General comments not sought by Inspectors for these documents.

CD 15 is a note setting out how the council intend to monitor jobs growth and housing delivery. **The note proposes a modification to Policy M1 Local Plan Monitoring and Review.** The proposed modification includes a trigger for review or partial review based on where jobs growth exceeds that of the forecasts used to inform the Plans housing requirement for three years. To be based on the annual increase in Jobs from the ONS BRES. “*the need for review of the Plan will depend on more detailed analysis including the scale of*”

increase in jobs growth relative to the original forecasts and any other relevant changes relating to housing need'

CD18 Matter 6f Officer Report relating to 21/09/22
Six 56

comments not sought by Inspectors for these documents.

General This provides a copy of the officer report to development management committee.

Paragraph 10.28 deals with the weight afforded to the evidence of the emerging local plan including the EDNA “It is considered that its evidence base, including the Economic Development Needs Assessment (EDNA) can be given considerably more weight as it is up to date, with the latest version having been produced in 2021. In reaching this view regard has been had to the view of the Inspector who considered the Scheme at Parkside Phase 1 in St Helens, which is analogous to this proposed development for being large scale employment floorspace (B8 with ancillary B1a, and who expressly considered the St Helens Employment Land Needs Study to be a material consideration and opined that it should carry significant weight at a time when the Local Plan was still in draft form.

The report considers the need for employment in the context of the evidence contained within the EDNA 2021

CD11 Green Belt Note

13/09/22

General comments not sought by Inspectors for these documents.

CD 11 related to matter raised at Matter 6b SEWUEA on 12th September clarifying the percentage of land within the Green Belt being proposed for release.

CD12 Additional EDNA Site Assessment
note

CD 12 Provides a review of an additional source of employment land, using the EDNA site assessment criteria. This is for site R18/P2/125C Land North of Cliff Lane. BE Group assess the site as B- (Constraints raising questions over deliverability) to B+ in the future (Represents a strong candidate for inclusion in the local plan)

CD10 Note on employment capacity of 14/09/2022
development land matter 4

General comments not sought by Inspectors for these documents.

This note was prepared following discussion on Thursday 8th September relating to the level of additional jobs that may be created by the proposed allocation of employment land and the subsequent housing demand generated.

Note is by BE Group Sets out reservations – previous take up of employment land was difficult to forecast from employment growth (and vice versa) Section 7 EDNA 2021. *“As a result, future employment arising from employment land release could not be calculated using standard employment density ratios”*

Preferred method for estimating future employment land requirements was based on the long term historic take up, development of E(g)/B Class land in Warrington for which a large amount of data was available. In comparison jobs-based forecasts seriously underestimate the amount of land required (EDNA 2021 page 178)

Any attempt to estimate future employment from the land allocation, based solely on past take up rates, is likely to significantly overestimate the employment impacts on Warrington.

Employment capacity estimated but difficulties in approach set out *“large variation in employment density vary substantially away from average national density ratios. Some sectors will record declining employment but does not mean that less space is needed. Manufacturing employment forecast to decline but need for space remain or increase. Does not take into account movements in the remainder of the economy.*

“For these reasons the ability to forecast employment land requirements from job forecasts and vice versa is considered unreliable” “the utility of this exercise for plan making is questioned for the reasons set”.

In the exercise a requirement of 255.96 ha requirement has been used. Total employment land requirement less land required for displaced town centre activities. And less the three year buffer for losses rather than growth.

Standard employment densities applied to land classifications, uses HCA Employment density Guide, and assumes 3,900 sq. m per hectare. Equated to 26,104 jobs.

Issues with taking this approach set out in page 178 of the HEDNA jobs growth would have equated to 70.5 ha rather than the 341.29 ha

Emp land figure base on OE forecast employment change by sector 1996-2020 (period where monitoring was available) multiplied by employment density calculations, and anticipated percentage of staff occupying employment floorspace by sector. Assumptions are in Table 29 of EDNA 2021 (pages 153/4.

Employment gains of 55,000 the majority were in office uses, 43,900 created in office type uses and as a result office development accounted for significant employment floorspace.

CD08 Matter 2 References to Fiddlers 12/09/2022
Ferry Power Station

No note whether comments accepted or not.

Letter indicates that Fiddlers Ferry in the adopted LP at PV2 and previous proposed submission LP DEV4 but *“there was not at that stage sufficient certainty for the site to be included within the Council’s developable employment land supply”*

CD02 Local Plan Site Allocations Site 27/07/2022
Profiles.

CD03 Local Plan Omission Site Profiles

ID01 Guidance Notes 23/06/2022

ID 02 Inspectors Matters, issues and Questions,

ID03 Hearing Programme

Matter 1 - Q 8 How has the SA informed the preparation of the LP at each Stage, Q9. How and when were options for growth considered and distribution, MDA’s

Matter 2 Economic growth and employment land provision and DTC.

Matter 3 19 What is the basis for the calculation of the existing supply – is it robust and justified.

20 – is it justified to include 31.80 ha from Omega Extension in St Helens, should a greater area be included given consent has been granted for 75ha

21 On a strategic Borough Wide level does the scale of employment land and existing supply provide the exceptional circumstance for justifying altering the GB.

22 how were the MDA for employment selected, what factors were used to assess potential options,

23 – what evidence fed into this process – EDNA – GB

24 – How has process been recorded – role of SA

25 – why were alternatives discounted and MDAs chosen

26 Was the methodology appropriate and were conclusions justified.

Matter 4 LHNA need for 816 homes, to provide sufficient increase in working age population to support number of additional jobs likely to be created over the plan period, are assumptions and calculations which support this analysis robust. is it justified. What is the relationship between 816 homes and 316 ha employment land. **Is it possible/reasonable to estimate the number of jobs likely to be created from this amount of employment land using past trends, evidence from recent proposed and permitted schemes in Warrington and the wider region or analysis in the EDNA 2021, noting that it estimates the amount of land needed for project jobs growth using OE and CE M. Does the scale of emp land provision justify an increase in the housing need figure?**

Matter 5 – 1 Is the EDNA 2021 Justified to base need for employment land on historic take up rates rather than jobs growth forecasts.

2 What are the effects of Omega on past take up rates. Is it reasonable to assume such take up will continue over the plan period

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

What is the basis for three-year buffer?

What is basis for allowance for business displacement and is this justified.

Are any MM's needed for soundness to Dev 4?

Matter 6b justification for SE Warrington urban extension

6c Fiddlers Ferry

Matter 6f SEWEA – basis for scale of development is it justified. What is basis for scale and types of uses envisaged, what are implications in terms of employment land floorspace and overall jobs growth, how would this contribute to requirements outside the borough?

Appendix 2: Employment Land Quantum, PoE, ICENI



Proof of Evidence of MATTHEW KINGHAN (for the Applicants) on NEED FOR EMPLOYMENT LAND

Call-in by the Secretary of State of an application made by LANGTREE PROPERTY PARTNERS LLP

LOCAL PLANNING AUTHORITY – WARRINGTON BOROUGH COUNCIL REFERENCE 2019/34799

PLANNING INSPECTORATE REFERENCE APP/M0655/V/22/331187

RELATING TO: Land to the west of junction 20 of the M6 motorway and junction 9 of the M56 motorway and to the south of Grappenhall Lane and Cliff Lane, Grappenhall, Warrington – known as Six:56

Iceni Projects Limited on behalf of LANGTREE PROPERTY PARTNERS LLP, March 2023

Iceni Projects

Birmingham: [REDACTED]
Edinburgh: [REDACTED]
Glasgow: [REDACTED]
London: [REDACTED]
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ICENI PROJECTS LIMITED
ON BEHALF OF LANGTREE
PROPERTY PARTNERS LLP,
MARCH 2023



Proof of Evidence of MATTHEW KINGHAN (for the Applicants) on NEED FOR EMPLOYMENT LAND
CALL-IN BY THE SECRETARY OF STATE OF AN APPLICATION MADE BY LANGTREE PROPERTY



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Appendix A1: Summary of Proof

1. QUALIFICATIONS AND EXPERIENCE

- 1.1 I am Matthew Kinghan, BSc (Hons) MSc Assoc.MRTPI MIED, an associate member of the Royal Town Planning Institute and member of the Institute of Economic Development. I have a masters in Local Economic Development from the London School of Economics. I commenced working in the profession in 2004.
- 1.2 I have worked in planning and economic development since 2004. I have advised over 50 local authorities on employment land needs and a range of developers and occupiers. I have dealt with economic impact assessment matters on a range of projects including the delivery of HS2 and London Luton Airport Expansion.
- 1.3 I am a Director in the Iceni Project's Economics Team which I joined in 2020. I was previously a Director of GL Hearn's Economic Team from 2016.
- 1.4 Examples of my work include:
- Liverpool City Region: Strategic Housing & Employment Land Market Assessment: Areas of Search Assessment (Liverpool City Region Combined Authority) 2019 (CD4.123)
 - Greater Manchester Places for Everyone Spatial Plan Examination: Site promotion and client representation at Examination
 - Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, (Leicester and Leicestershire Authorities) 2021
 - Warehousing and Logistics in the South East Midlands (South East Midlands Local Economic Partnership) 2022 (CD4.163)
 - Nottingham Core and Outer HMA Logistics Study (Nottinghamshire County Council) 2022
 - Warehousing and Logistics in the South East Midlands (South East Midlands Local Economic Partnership) 2022

-
- Bassetlaw Economic Development Needs Assessment 2019 / A1 Corridor Logistics Assessment 2021 (Bassetlaw District Council)
 - Greater Cambridge Employment Land and Economic Development Evidence Study (2020 / 2022 Update)
 - Housing and Economic Development Needs Assessments (HEDNAs) for Birmingham City Council, Leicester & Leicestershire, Hastings & Rother, West Northamptonshire, Lichfield & Tamworth, Selby, Blackburn with Darwen, Hambleton, Eastbourne & Wealden and Solihull.
- 1.5 Recent Local Plan examinations where I have provided evidence include Liverpool City, Bassetlaw, Eastleigh, Blackburn with Darwen, Charnwood, Solihull and North Warwickshire.
- 1.6 I confirm that my Proof has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 1.7 I confirm that I understand and have complied with my duty as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 1.8 I confirm that I am not instructed under any conditional or other success-based fee arrangement.
- 1.9 I confirm that I have no conflicts of interest.
- 1.10 I confirm that I am aware of and have complied with the requirements of the rules, protocols and directions of the appeal.
- 1.11 I include my Summary Proof of Evidence as Appendix A1.

2. INTRODUCTION

2.1 I am instructed by Langtree Property Partners LLP to provide expert witness evidence in relation to employment land need evidence.

2.2 This Inquiry related to the development of land to the land to the west of junction 20 of the M6 motorway and junction 9 of the M56 motorway and to the south of Grappenhall Lane and Cliff Lane, Grappenhall, Warrington – known as Six:56 as identified in planning application reference P/2019/34799.

2.3 The application is an outline planning application with all matters reserved apart from access for:

“Construction of up to 287,909 sq m (gross internal area) of employment floor space (Use Class B8 and ancillary B1(a) offices), demolition of existing agricultural outbuildings and associated servicing and infrastructure, including car parking and vehicle and pedestrian circulation, alteration of existing access road into the site including works to the M6 junction 20 dumbbell roundabout and realignment of the existing A50 junction, noise mitigation, earthworks to create development platforms and bunds, landscaping including buffers, creation of drainage features, electrical substation, pumping station and ecological works”.

2.4 The Application Site is 98.09 ha and includes land within the administrative boundaries of Warrington Borough Council and Cheshire East Council. 92.16ha of the site lies within the Borough of Warrington, with the remaining 5.93ha in Cheshire East.

2.5 The site is located to the north west of the intersection of the M6 and M56 motorways, to the south east of Warrington.

2.6 The development site is irregular in shape and is bounded by Cliff Lane and Grappenhall Lane to the north and the slip road connecting the M6 and M56 motorways to the east. The land is predominantly in arable agriculture use.

-
- 2.7 The proposal is to create up to 287,909 sq m gross internal area floorspace falling within employment Use Class B8 Storage and Distribution. There will be ancillary E(g)(i) offices.
- 2.8 The site benefits from immediate motorway access at Junction 20 of the M6. The site is within 3 miles of the M6/M62 intersection providing access to the regional and national motorway networks.

3. POLICY AND EVIDENCE REVIEW: EMPLOYMENT NEED POSITION

- 3.1 Initially it is necessary to consider the policy and guidance relating to employment land needs, as well as the existing (and conflicting) local evidence relating to employment land need.

National policy and guidance

National Planning Policy Framework (NPPF) 2021 (CD1.1)

- 3.2 Of note:
- 3.3 Para 16. Plans should: ... b) be prepared positively, in a way that is aspirational but deliverable;
- 3.4 Para 81. Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.
- 3.5 Para 83. Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

Planning Practice Guidance (PPG) - Housing and economic needs assessment (CD4.158)

- 3.6 Of note:

Paragraph 026:

3.7 How can strategic policy making authorities prepare and maintain evidence about business needs?

3.8 ... They will need to assess:

- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;

Paragraph: 027:

3.9 How can market signals be used to forecast future need?

3.10 Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.
- authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios.

Para 029:

- 3.11 How can current market demand be analysed?
- 3.12 It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.
- 3.13 Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.

Paragraph: 030

- 3.14 How can employment land requirements be derived?
- 3.15 When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:
- Standard Industrial Classification sectors to use classes
 - Standard Industrial Classification sectors to type of property
 - employment to floorspace (employment density) and
 - floorspace to site area (plot ratios based on industry proxies)
- 3.16 Paragraph: 031
- 3.17 How can authorities assess need and allocate space for logistics?

... This can be informed by:

- engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;
- analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and
- engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.
- Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).

Local Plan policy position

Warrington Updated Proposed Submission Version Local Plan 2021 – 2038 (September 2021) (CD3.1)

3.18 The submitted Local Plan identifies:

3.19 *Para 4.2.13 In determining the amount of employment land needed for the Plan period, the Economic Development Needs Assessment (2021) concluded that the preferred forecasting method for establishing need, is a projection forward of past take-up rates that considers both strategic and local needs, resulting in a need of 316.26 hectares of employment land up to 2038.*

3.20 Para 4.2.18 ... the Council is proposing to allocate the following 2 additional Employment Areas (as identified in Figure 4):

-
- *Fiddlers Ferry Power Station (101.0 ha gross) – Redevelopment of a former Brownfield Power Station site to provide for a mix of industrial and distribution uses.*
 - *South East Warrington Employment Area (136.92ha ha gross) – this is located at the junction of the M6 and M56 and will meet a large proportion of the Borough’s identified B8 requirement.*

Local Plan evidence

Economic Development Needs Study 2016, BE Group for Warrington Borough Council

- 3.21 This report provides an economic development (employment land) needs study for Warrington Borough. Whilst it is superseded by the 2021 version, the key findings are relevant.
- 3.22 P4 identifies that *The success of Omega [xxx] over the last three years has been a key feature of the local economy. With a realistic supply of 69.68 ha now remaining at Omega, stakeholders are now considering further strategic scale sites in the Borough, particularly in South Warrington with access to the M56.*
- 3.23 P5 reports: *At 31st March 2016, there was a headline supply of 231.87 ha of available employment land, made up of 30 sites. This comprises a local supply of 82.24 ha in 23 sites (35.5 percent of the floorspace total), a strategic supply of 149.63 ha in seven sites at Omega (64.5 percent). Of this supply, 127.34 ha comprises land now developed, held to meet the needs of individual companies only and land proposed for non B-Class uses. Excluding these gives a realistic land supply of 104.53 ha in 14 sites. Of this, 34.85 ha in 11 sites is the local supply.*
- 3.24 To assess future need two recognised methods of forecasting are used – historic land take up and labour demand. It is of note that these are both PPG compliant methods. The report also notes that (p147) *In some forecast methodologies, a third, Resident Workforce forecast model is used. This uses the same method of forecasting as the employment based method but takes forecast changes in the working population i.e. labour supply, rather than jobs – labour demand. However,*

in completing previous Employment Land Studies BE Group has found that labour supply figures do not accurately predict future land needs.

3.25 The preferred methods are used to generate 4 models summarised below:

- Strategic (Omega) / Local Take Up from 20 years plus 5 year buffer = 276.4 ha shortfall of which 117.4 ha strategic
- Local Take Up from 20 years plus 5 year buffer = 203.3 ha shortfall
- Employment forecast derived need, Oxford Economics plus 5 year buffer = 73.2 – 102.0 ha shortfall .
- Employment forecast derived need, Cambridge Econometrics plus 5 year buffer = 51.3 – 94.6 ha shortfall .

3.26 P7 states that *The preferred forecasting method is therefore a projection forward of past take-up rates that considers both strategic and local needs... This suggests that the Borough has a further land need, additional to the current realistic supply, of 276.37 ha, to 2037*

Warrington Economic Development Needs Assessment Refresh 2021, BE Group for Warrington Borough Council (CD4.159)

3.27 This report provides an economic development (employment land) needs study for Warrington Borough as an update and refresh of the 2016 report. It notes that engagement has been undertaken with property market stakeholders and that the methodology follows the Planning Practice Guidance on employment land reviews.

3.28 It notes *p1&2 growth in e-commerce has boosted an already strong logistics market and delivered record national take up B8 uses in 2020. The North West reflects this high demand but lacks the supply to fully capitalise on this growth. This is reflected in Warrington where only 12.7 ha remains at Omega and that 12.7 ha will be taken up by 2022. Unsurprisingly, given this limited supply, stakeholders are clear that the Borough needs further land allocations.*

3.29 The report comments on economic issues in the wider economic geography - *Of the strategic sites which may compete with Omega, and its successors, for B2/B8 requirements. Magnitude is the most significant existing site and Parkside is likely to be most significant in the future. Existing schemes in Cheshire and the Liverpool City Region, such as 3MG, Widnes, continue to grow. However, against the scale of potential needs from the growing Port of Liverpool, the programmed strategic supply in the Liverpool City Region remains modest, creating ongoing opportunities for sites in Warrington.*

3.30 The modelling of need is undertaken in the same fashion as the 2016 report, with two approaches, being the take up of past land and then labour demand modelling (sensitivity / policy on). The use of a labour supply based assessment is again rejected as not accurately predicting future need (p138). The preferred models are summarised below:

- Strategic / Local Take Up from 20 years plus 5 year buffer plus displacement allowance = 316.2 ha need, or 277.4 ha shortfall of which 117.9 ha strategic
- Local Take Up from 20 years plus 5 year buffer plus displacement allowance = 189.8 ha of need, or 163.7 ha shortfall
- Employment forecast derived need, Oxford Economics plus 5 year buffer plus displacement allowance = 6.5 – 81.3 ha shortfall including SEP Targets.
- Employment forecast derived need, Cambridge Econometrics plus 5 year buffer plus displacement allowance = 19.0 – 78.9 shortfall including SEP Targets.

3.31 The report concludes on p180 *from the market assessment and reviewing the historic trends in employment change and land take up, the conclusion is that the employment-based forecasts underestimate land need significantly. When a comparison of past employment change over the period 1996-2020 is made, actual land take-up is far higher than the estimate that even the growth only sectors suggest. Finally, the locally based jobs targets cannot allow for the strategic growth potential of Omega and future strategic sites that will draw labour from outside of the Borough.*

3.32 In conclusion, as in the 2016 and 2019 EDNAs, it is considered that the most appropriate forecasts are based on the historic take-up rates. The need to plan for strategic as well as local growth in the Borough favours the Strategic/Local Take Up model over the Local only forecast. This indicates a shortfall in Warrington's employment land supply of employment land, equating to 277.39 ha to 2038. This is largely unchanged on the OANs put forward in the previous two Studies of 276-277 ha.

3.33 Again, the preferred forecasting method is therefore a projection forward of past take-up rates (p6).

Warrington Economic Development Needs Addendum 2022 – Warrington Local Plan Consultation Responses Review, BE Group for Warrington Borough Council

3.34 This report provides responses by BE Group to the representations on the Local Plan and its evidence based in autumn 2021. Where relevant these are discussed in other sections of this proof.

Local Plan Examination

Examination hearings

3.35 Issues related to employment land were discussed under Matter 3 – The Spatial Strategy and Matter 5 - Economic growth and development. Issues relating to the role of housing and labour were considered under Matter 4.

3.36 Post hearings a number of documents were produced and information exchanged relevant to employment land need in Warrington.

Local Plan Examination Document CD10 (CD4.160)

3.37 This note was produced by Warrington Borough Council to consider the employment (jobs) capacity of allocated employment land, in order to understand its relationship with the demand for housing.

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- 3.38 Various concerns are raised regarding this capacity led approach – including the effects of productivity improvements and automation which can weaken linear relationships between floorspace and jobs.
- 3.39 The land requirement, after discounting for displaced sites and the buffer (apportioned on the same percentages as the total), is 255.96 ha. The projected land need is split by Use Class, reflecting the Use Class of past development in the Borough since 1996. Converting the land to floorspace at a 0.39 ratio, then applying HCA Employment Density Guide 2015 (4.165) densities brings the resulting employment capacity to 26,104. Of note this is a gross figure with no consideration of churn or ‘replacement demand’ of businesses moving to new premises.
- 3.40 Examination Document CD10 (CD4.160) cross references the 2021 EDNA (p178) where a ‘reverse labour demand model’ is applied for 1996-2020 historic jobs change. This is then converted to employment land need. This reports the model generating a requirement of 70.5 ha of land (based on the BE Group model) whereas in reality a take up of 341.29 ha was recorded.

Local Plan Examination Document CD10a (CD4.161)

- 3.41 Local Plan Examination Document CD10a was produced in response to further queries regarding employment land capacity. Updated figures for land capacity were provided including the 3 year buffer. The employment capacity was then revised up to 31,068 jobs.
- 3.42 The inspectors also sought the total jobs requirement for all sectors, not just those contributing to the employment land capacity. Only workers involved in accommodation and food service were added to the total since the sector involves no employment land taking the total to 33,368 jobs. Even though only a proportion of other sectors are active on employment land (according to BE Group table 29 EDNA 2021 CD4.159) the non employment based workers are not included as “*the view was taken that it would have been inappropriate to discount those staff not actually working within facilities within the employment land – their employment was judged to be linked to it and the employees involved would be likely to live within the*”

travel to work area of the facility” Examination Document CD10a pg 3&4 (CD4.161).
I do not consider this statement to be clear or necessarily correct.

3.43 Finally the inspectors sought to clarify the 1996-2020 employment growth in employment land sectors, which WBC estimate as 46,160 excluding accommodation and food, or 30,418 after adjusting for assumptions in terms of the actual percentage of sectoral employment on employment land (derived from Group 2021 table 29).

3.44 This was derived using BE Group assumptions about the percentage of different sectors estimated to utilise employment land.

PINS letter to WBC 16th Dec 2022 ref: PINS/M0655/429/2 (CD3.2)

3.45 This letter outlines the inspectors’ concerns regarding employment land, summarised as:

- The ‘baseline’ employment growth forecasts for Warrington from Oxford Economics and Cambridge Econometrics indicate a mid point jobs growth for the plan period of 14,855 additional jobs.
- The Local Housing Needs Assessment Update of 2021 (the LHNA) estimates that 18,300 additional jobs could be supported by the growth in labour supply as a result of the housing requirement of 816 homes per annum, assuming existing commuting patterns. If the commuting ratio was 1:1 for new jobs, this would fall to approximately 16,100 additional jobs.
- The 33,300 total additional jobs identified in Local Plan Examination Documents CD10 / CD10a is substantially different from the 18,300 additional jobs.
- The Inspectors calculate that between 1996 and 2020, for every 1ha of employment land taken up, there were approximately 142 additional total jobs in the local economy overall. Applying this to the ‘future need’ of 316.3 ha could see some 44,900 additional total jobs. Allowing for displacement reduces this to 42,400 jobs.

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- Applying the same ratio to the labour supply of 18,300 jobs results in e129ha of employment land over the plan period, or 168 ha allowing for the buffer and business displacement.
 - The letter concludes on the matter “In order for the Local Plan to be justified in this respect, the employment land requirement should be reduced to 168ha.”
 - As a result, in terms of employment land supply, above existing commitments, only the allocation of 101ha of land for employment development at the Main Development Area at Fiddlers Ferry (Policy MD3) on the part of the site that is previously developed and not in the Green Belt, is concluded as justified. The South East Warrington Employment Area (SEWEA) allocation (including the Six:56 site) is not considered as justified. Contributions from St Helens are noted.

BE Group response 13th January 2023 to PINS letter ref: PINS/M0655/429/2 (CD4.162)

3.46 BE Group set out the following issues with the PINS approach:

- P2 “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... does not allow for differing relevant Use Classes (E(g), B2, B8) resulting in differing jobs densities and as a consequence, different land needs.”
- BE Group consider (approach 1) the historic take up of land on a use class basis. This demonstrates that the E(g) density is 183 jobs per Ha whilst B8 is 68 jobs per Ha.
- BE Group then apply the historic jobs change (relevant to employment land being 30,418) to the delivered land of 341.3 ha. This provides negative relationships between E(g)(iii) and B2 but 396 jobs per Ha for E(g)(i) offices and 17 jobs per Ha for B8. The average is 89 jobs per Ha.
- Finally BE Group consider a capacity based exercise for the allocations. Applying standard HCA Employment Density Guide (CD4.165) densities to the

proposed allocations indicates an employment capacity of 17,019 jobs, including SEWEA (encompassing the six:56 site).

4. REVISTING WARRINGTON EMPLOYMENT LAND NEED

4.1 Here we consider the key issues in terms of identifying needs reflecting the PPG requirements. Paragraphs 26-30 of the PPG are of particular relevance whilst para 31 should also be considered given the relevance of the logistics sector to the nature of demand in Warrington.

4.2 As a preamble to the more detailed review, the following considerations are made across the PPG methodologies for forecasting employment land need. These are discussed briefly below here and examined in more detailed later:

- Market area geography: whilst Local Plan needs assessments are for individual authorities, particularly for larger scale units the sub region is a common area of search for businesses. Increasingly authorities are working together to consider the large scale logistics sub regional needs including Leicestershire, Nottinghamshire, Liverpool City Region, Greater Manchester and the South East Midlands¹. Modelling techniques for these studies use: gross completions trend (land take); net lease deal trends; or a freight growth model adjusted for replacement of older stock, or triangulation between all three. As Warrington has

¹ See studies across

Leicestershire,

https://www.nwleics.gov.uk/files/documents/warehousing_and_logistics_in_leicester_and_leicestershire_managing_growth_and_change_april_20211/Warehousing%20Report%20Leics%20FINAL%2021%2002%2022%20V4.pdf

Nottinghamshire, <https://www.gnplan.org.uk/media/3375066/nottinghamshire-logistics-study-august-2022.pdf>

South East Midlands, <https://www.semlep.com/warehousing-and-logistics/> (CD4.163)

Liverpool City Region, <https://www.sefton.gov.uk/planning-building-control/planning-policy-including-local-plan-and-neighbourhood-planning/evidence-and-studies/shelma/>

not participated in such a sub regional approach, whereas some its neighbours have, it has a greater onus on identifying and meeting its own need.

- Past take up of land and property: I considered that this is the most reliable approach to identifying future needs given the certainty of trend based information, although this can be constrained by past land supply policies or market failures. Past take up of land is one of the most commonly accepted models for local plan industrial needs including for example Greater Manchester². More recently the use of net lease deals (or net absorption, total lease deals minus lease breaks) has been introduced which provides a business rather than development trend in occupied space³.
- Labour demand modelling: the models required to translate jobs to future floorspace needs can contradict past trends and market signals of need. In particular the issues around productivity increases distort the jobs – floorspace relationship, with premises required to house capital investments in technology as well as the need for new and larger premises which may require little or no new labour as older premises are replaced (replacement demand). Where labour demand models are used for identifying future employment land needs they tend to include a top up for replacing historic / future losses⁴.
- Labour supply modelling: modelling business needs based on labour supply is often challenging given a lack of information about sectoral breakdown and the possibility of mismatches between supply and demand. This is not commonly

² Places for Everyone Employment Topic Paper July 2021 para 4.8 <https://www.greatermanchester-ca.gov.uk/GMCAFiles/PFE/Supporting%20documents/05%20Places%20for%20Jobs/05.01.04%20Employment%20Topic%20Paper.pdf>

³ See British Property Federation's 'Levelling Up - The Logic of Logistics' p20 <https://bpf.org.uk/our-work/research-and-briefings/levelling-up-the-logic-of-logistics/>

⁴ See for example 'Employment Land Review Update for Sheffield Final Report Sheffield City Council 2021' para 6.79

used but where considered appropriate may need to include a replacement demand factor.

- 4.3 What is essential for any approach is to undertake and review the different approaches and to triangulate and consider these in light of the market signals and consultation with business to ensure they are meeting objectively assessed needs.

Market signals and market area

- 4.4 The Proof of Evidence on Demand for Employment Land and Premises (Andrew Pexton, JLL) provides extensive information about the demand for premises across a number of geographies. This includes:

- Para 4.6 “Changes in the market have resulted in an increase in the need for warehouse space”
- Para 4.10 “The national industrial and logistics market has had a strong performance in 2022. Nationally take up of Grade A accommodation was 3.011 m sq. m... higher than the five-year average of 2.778 m sq. m.”
- Para 4.20/21 “The North West market is an attractive location for the industrial and logistics sector... The effective market area is from Crewe in the south to Preston in the north, and from the west coast to the Pennines. The area includes the major conurbations of the North West and the principal motorway corridors.”
- Para 4.28 “The average five- and ten-year annual take up of Grade A accommodation in the North West is 316,885 sq. m and 284,844 respectively.” By implication the last five years of take up (premises leased) has been higher than the previous five years.
- Para 4.35 “The North West regional market can be defined [inter alia] along the main motorway corridors of M6 Crewe to Preston... there are more defined sub-regions/markets:
- **M6** - This can be divided into ...

-
- J19 – 21 Specific Warrington market/J20 – 25 The wider M6 corridor including Haydock, St. Helens and Wigan...
 - **M62** - This can be divided into...
 - J8 – J11 – the main Warrington and surrounding area market

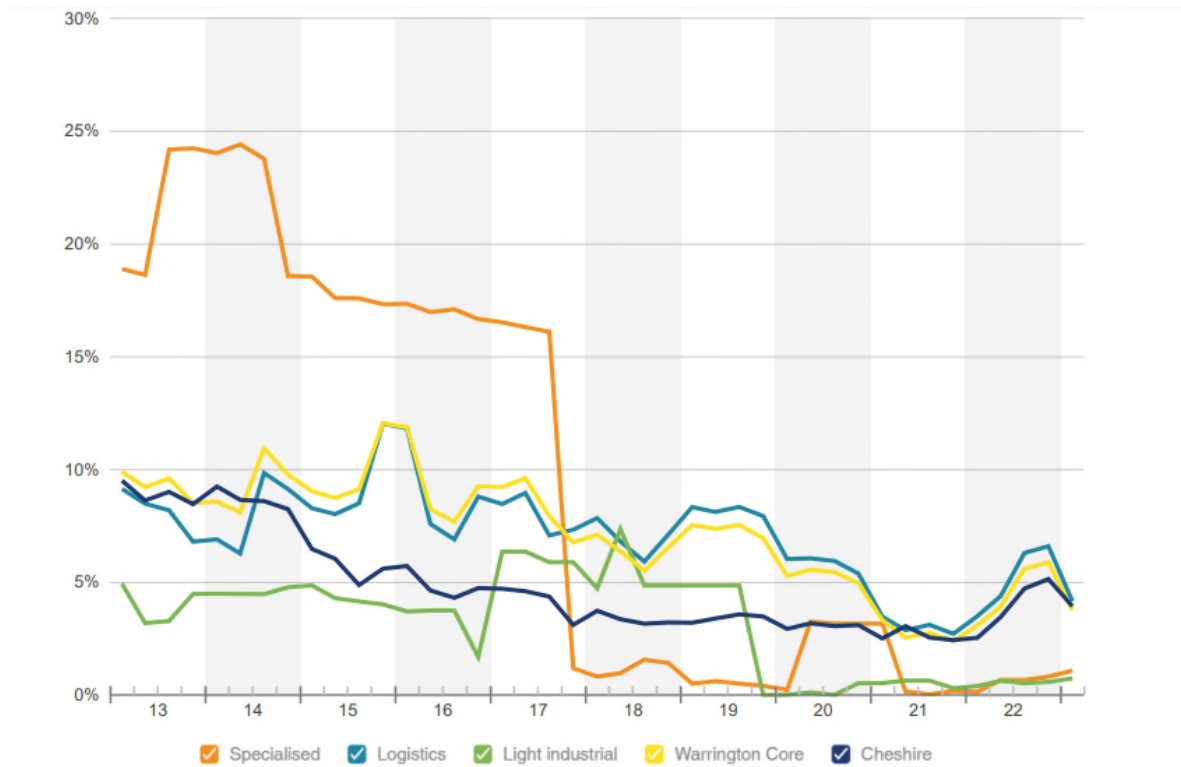
4.5 Market demand information therefore indicates a strong market for logistics premises in Warrington, the M6 market and the wider North West.

4.6 Additionally it is helpful to consider basic market indicators in Warrington and surrounds that are indicators of the demand – supply balance: rents, vacancy and net absorption, as derived from CoStar. These focus on the industrial market. Of note, CoStar does not record all transactions and often does not record activities in smaller units. It also tends to lag real time information.

Vacancy rate (industrial)

4.7 CoStar reports the Warrington vacancy rate for the last ten years. This is currently around 5% having climbed slightly in 2022. Overall the last ten years has seen a fall from around 10% to below 5%. Typically 5-10% vacancy is functional with a preferred point of at least 7.5% (to alleviate rental growth pressures); and 5% or below is excessively compressed suggesting there is not enough choice for businesses to move in or grow.

Table 4.1 Warrington industrial vacancy rate

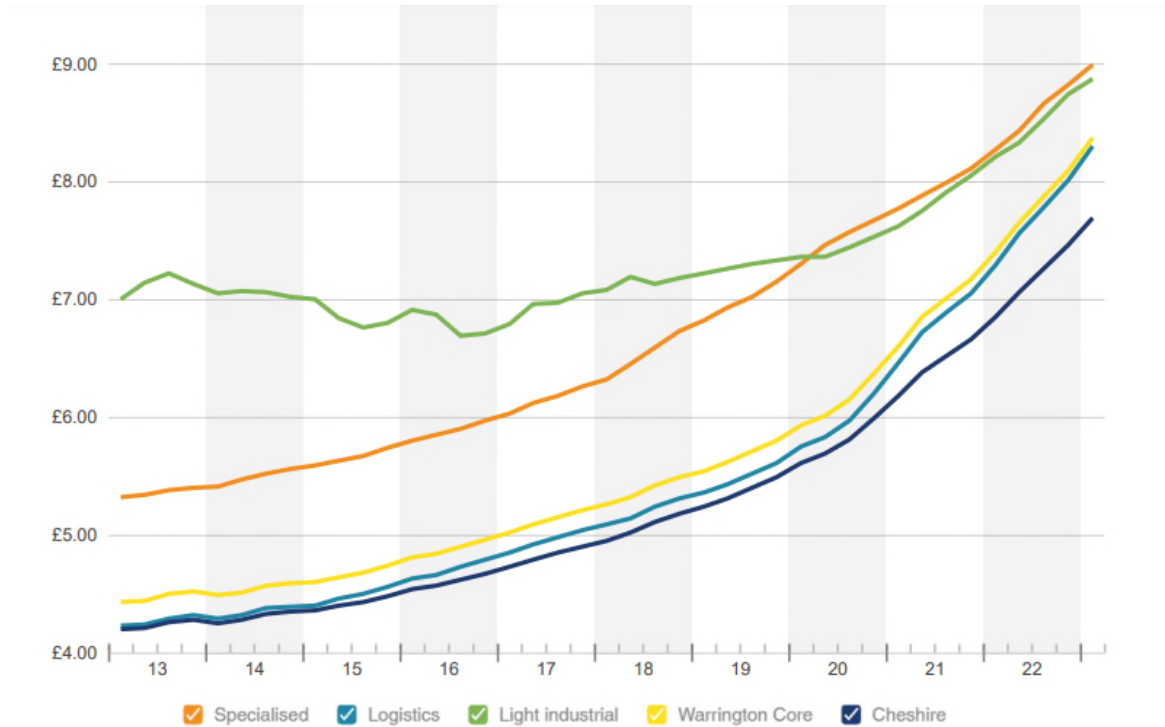


Source: CoStar March 2023

Rents (industrial)

4.8 CoStar reports the Warrington industrial rents for the last ten years. These have climbed consistently, reflecting the demand in the sector and a lack of supply.

Table 4.2 Warrington industrial rents

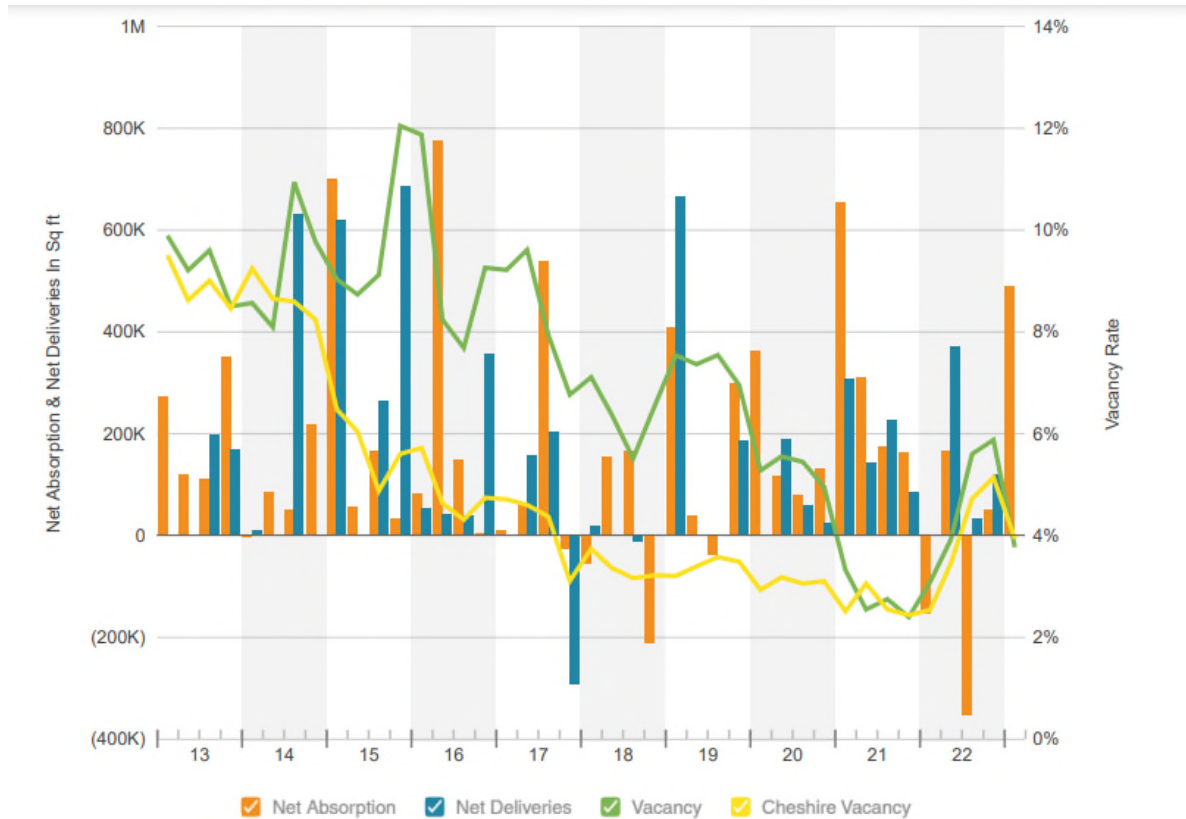


Source: CoStar March 2023

Net absorption (industrial)

- 4.9 Net absorption is the total amount of space occupied, allowing for move ins and move outs.
- 4.10 Below we see the long term quarterly net absorption data for Warrington, alongside deliveries and vacancy. The average ten year annual net absorption is 620,000 sqft or 57,600 sqm. Net absorption can be a useful indicator of future need as discussed later.

Table 4.3 Warrington industrial net absorption, delivery and vacancy



Source: CoStar March 2023

Age of stock (industrial)

4.11 CoStar reports the age of stock in Warrington. This is useful to understand when considering the future lifetime of stock and the need to replace it. The majority of stock is pre 2000.

Table 4.4 Warrington industrial stock age

	All		Small (<10,000 sqft / 930 sqm)		Medium (>10,000 sqft / 930 sqm, <100,000 sqft / 9,300 sqm)		Large (>100,000 sqft / 9,300 sqm)	
	No	Sqm	No	Sqm	No	Sqm	No	Sqm
Pre 1990	364	879,500	171	70,600	177	499,300	12	308,900
Pre 2000	509	2,352,000	227	97,400	238	744,900	21	517,800
Post 2000	189	956,000	39	19,200	124	370,800	26	566,000

N/A	27	111,851	20	97,451	7	14,400	-	-
All stock	742	3,616,100	287	1,402,200	392	1,130,100	63	1,083,800

Source: CoStar March 2023

Offices

4.12 Given the emphasis on industrial land, a more limited review is made of the office market. CoStar highlights:

- A current vacancy of 7.3% (2023) and a ten year average of 6.8%.
- A 5 year net absorption average to end 2022 of -300 sqm and a ten year average of +1,700 sqm
- Rents having increased 9% in the last 5 years and 26% in the last ten years.

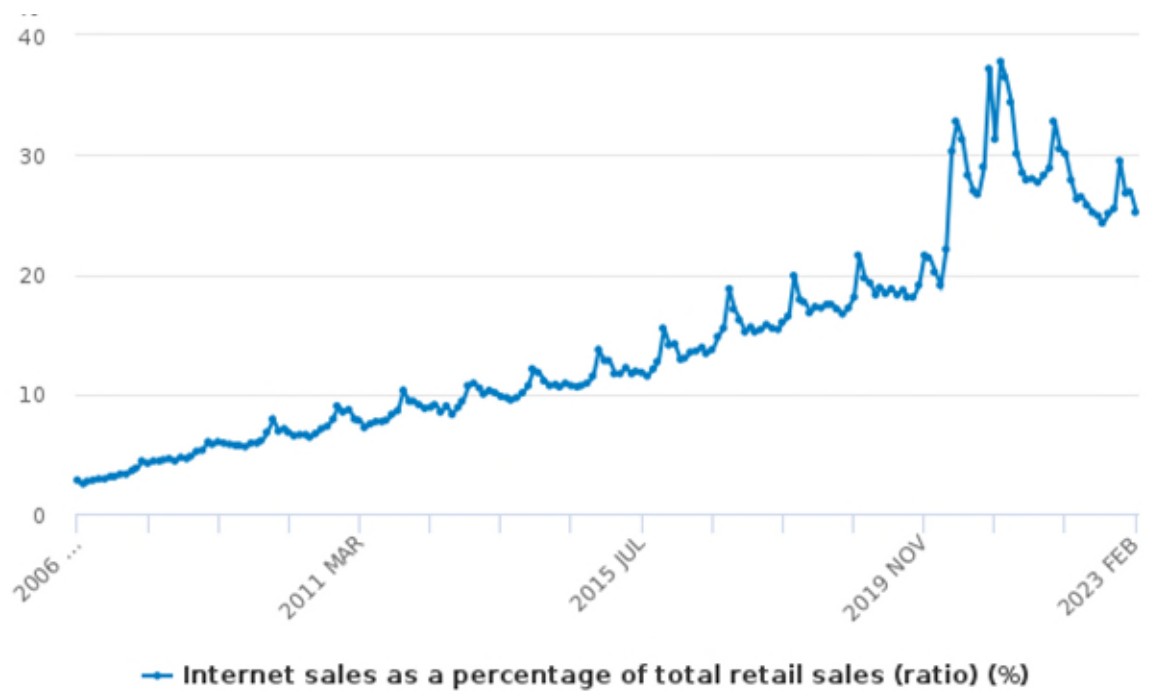
Market drivers for large B8 units

4.13 There are a number of reasons for the recent and anticipated continual demand for new B8 space, notably⁵:

- The ongoing growth in online retailing. Covid 19 impacted traditional retailing resulting in a focus in online shopping. This brought about an immediate need for additional logistics facilities to store and distribute goods currently in transit and accommodate the change/demand for e-commerce fulfilment. Whilst this has abated post pandemic, the long term trend has been a steady and continuous move towards further online shopping.

⁵ Adapted from 'Warehousing and Logistics in the South East Midlands' Icen Projects Limited on behalf of South East Midlands Local Economic Partnership (2022) (CD4.163)

Table 4.5 Internet sales as a percentage of total retail sales (ratio) (%)



Source: ONS

- As online retailing has grown so has the returns structure, with online retail returns around 20%, double traditional retailing⁶. This requires a disproportionate increase in space as goods now flow both ways to a greater extent.
- The growth in direct delivery e-commerce is having a significant impact with respect to the need for, size, height and location of distribution centres. Many older warehouse units cannot accommodate the equipment and facilities required for on-line sales. Many new warehouse developments are being designed and built with increasing levels of automation from the start. New developments are replacing existing physically sound capacity that cannot accommodate automation and are in the wrong locations. New units are larger, improving efficiency, and taller, enabling racking, mezzanines and automation.

⁶ 2020 Data for the US, Consumer Returns in the Retail Industry 2020, National Retail Federation

- The automation equipment requires significant levels of electrical power which some older units are not capable of providing. Electrical vehicle charging is also a demand on modern units.
- Industry is increasingly concerned with their sustainability credentials. Older units may not be suitable to retrofit or provide the level of sustainability required by investors and shareholders.

Market demand: Past take up of land

- 4.14 The 2021 Warrington EDNA (CD4.159) focuses on the past take up land from 1996. This is a suitable approach in line with the PPG, although the PPG emphasises “*recent employment land take-up*” for which a 20+ year period may be excessive. Another and more important issue is the amalgamation of office and industrial uses by BE Group.
- 4.15 The 2021 EDNA (CD4.159) provides a breakdown by Use Class of land take up by use class in table 21. Using data from this table we can replicate the forward projection of this trend for 18 years in the future (Local Plan period) as below.

Table 4.6 Land take up needs model 1996/97-2019/20

	E(g)(i)	E(g)(iii)	B2	B8	Mixed	Total
1996/97-2019/20 total	79.6	16.8	30.0	194.0	20.9	341.3
Omega total	-	-	1.3	143.2	-	144.5
1996/97-2019/20 all average	3.3	0.7	1.2	8.1	0.9	
Omega av. 1996/97-2019/20	-	-	0.1	6.0	-	
2020/21-38/39 need exc. Omega (X2)	59.7	12.6	21.5	38.1	15.7	147.6
2020/21-38/39 Omega (X3)	-	-	1.0	107.4	-	108.4
2020/21-38/39 all need (X1)	59.7	12.6	22.5	145.5	15.7	256.0

Source: 2021 EDNA (CD4.159) Table 21

- 4.16 A sensitivity is also included regarding the 2011-2020 position. It is appropriate to consider a more recent post 2011 trend since the previous financial crisis. From this period there has been a marked slow down in the delivery of office space (and none since 2016) whilst B8 space delivery has grown with the Omega site.
- 4.17 The reasons for the requirement for new larger B8 space units are set out previously. These trends suggest that the longer term trend from 1996 may not represent the current and therefore future need. The modelling for the two periods is set out below.

Table 4.7 Land take up needs model 2011/12-2019/20

	E(g)(i)	E(g)(iii)	B2	B8	Mixed	Total
2011/12-2019/20 total	12.3	0.8	11.6	148.4	-	173.1
Omega total (unchanged as delivered from 2012)	-	-	1.3	143.2	-	144.5
2011/12-2019/20 average	1.4	0.1	1.3	16.5	-	19.2
Omega av. 2011/12-2019/20	-	-	0.1	15.9	-	
2020/21-38/39 need exc. Omega (Y2)	24.5	1.6	20.5	10.4	-	57.1
2020/21-38/39 Omega (Y3)	-	-	2.6	286.4	-	289.0
2020/21-38/39 need (Y1)	24.5	1.6	23.1	296.8	-	346.1

Source: 2021 EDNA (CD4.159) Table 21

- 4.18 Key finding from this modelling exercise are:

- Following the BE Group approach, arrives at the same conclusions for 1996-2019 period. The benefits of this are a long run average of land completions, although the reasoning for the 1996 start is not established. It is of note that Offices (E(g)(i)) make up 59.7 ha in this model.
- The more recent modelling highlights the significant role of Omega that has been largely responsible for much of the B8 land take up since 2012. The small B8 sector may be undersupplied in this scenario. Continuing at this rate for the future period results in an even higher land take requirement figure for the Local Plan. The office component has fallen to less than half the long run average.

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- 4.19 Since this is land take (or total completions) only, it does not highlight the difference between greenfield development or brownfield, so incorporates the churn of redevelopment on existing estates. This has been confirmed by Warrington Council officers.
- 4.20 The difference between gross and net completions (net including discounting for sites lost or redeveloped) is material because where sites are lost or redeveloped there is a change in the nature of the relationship and ratio between completions and jobs. Where sites are being redeveloped there may be no net employment change as businesses and jobs simply move from one nit to another.
- 4.21 No information on losses is provided in the EDNA 2021 (CD41.59) (analysis of losses is a matter the PPG recommends undertaking) however it is clear that significant losses have taken place when VOA records are considered (see below). This issue is revisited later.

Market demand: Past take up of property

- 4.22 Lease deals represent the take up of property. All deals (gross absorption) represent all lease market activity whereas net absorption incorporates the lease breaks / move outs.
- 4.23 The net absorption model below is increasingly considered one of the most effective methods in determining future needs for industrial space, as reflected in the British Property Federation's (BPF) 'Levelling up of Logistics' 2022 (CD4.116)⁷ and a number of other logistics evidence based studies⁸. The BPF, with the report undertaken by Savills, also argue for uplifts above the net absorption trend where the market has historically been suppressed below its normal optimum of 8% vacancy / availability. The Warrington industrial market has been suppressed below

⁷ <https://bpf.org.uk/our-work/research-and-briefings/levelling-up-the-logic-of-logistics/>

⁸ See Warehousing and Logistics in the South East Midlands (Iceni Projects on behalf of the South East Midlands LEP) 2022 (CD4.163)

this in recent years however the introduction of a buffer / flexible margin helps to mitigate this issue.

4.24 It is acknowledged that the market for larger industrial units stretches beyond the Warrington authority. Larger units are generally recognised as those being over 100,000 sqft or 9,300 sqm⁹. According to JLL the immediate Warrington sub market includes Haydock, St Helens and Wigan, although the market for units of the scale proposed at Warrington’s larger sites such as SEWEA is even larger. As an acknowledgement of this, the net absorption of for smaller industrial units in Warrington is separated from larger units, and the wider submarket including St Helens and Wigan is also reported. It is beyond the scope of this proof to deal with the supply and demand factors at the sub regional level as this requires inputs and participation from those authorities in terms of historic completions and future supply. Furthermore, as noted previously, both Greater Manchester and Liverpool City Region have undertaken their own collective strategic needs based studies.

Table 4.8 Property take up model (net absorption)

	Offices	Small industrial (<9,300 sqm)	Large industrial (>9,300 sqm)	Total (Warr.)	Large industrial (>9,300 sqm) Warr., St Helens, Wigan
2011-2020 total (sqm)	22,000	72,700	381,700	476,400	697,900
2011-2020 average (sqm)	2,200	7,300	38,200	47,700	69,800
2021-39 projection (sqm)	39,600	131,400	687,600	858,600	1,256,400
2021-39 projection (ha)*	10.1	33.7	176.3	220.1**	322.2

Source: CoStar 2023 (figures differ from Warrington EDNA 2021 Fig 4 which reports gross deals not net absorption)

⁹ See for example Warehousing and Logistics in the South East Midlands (Iceni Projects on behalf of the South East Midlands LEP) 2022, p104 (CD4.163)

* 0.39 ratio assumed

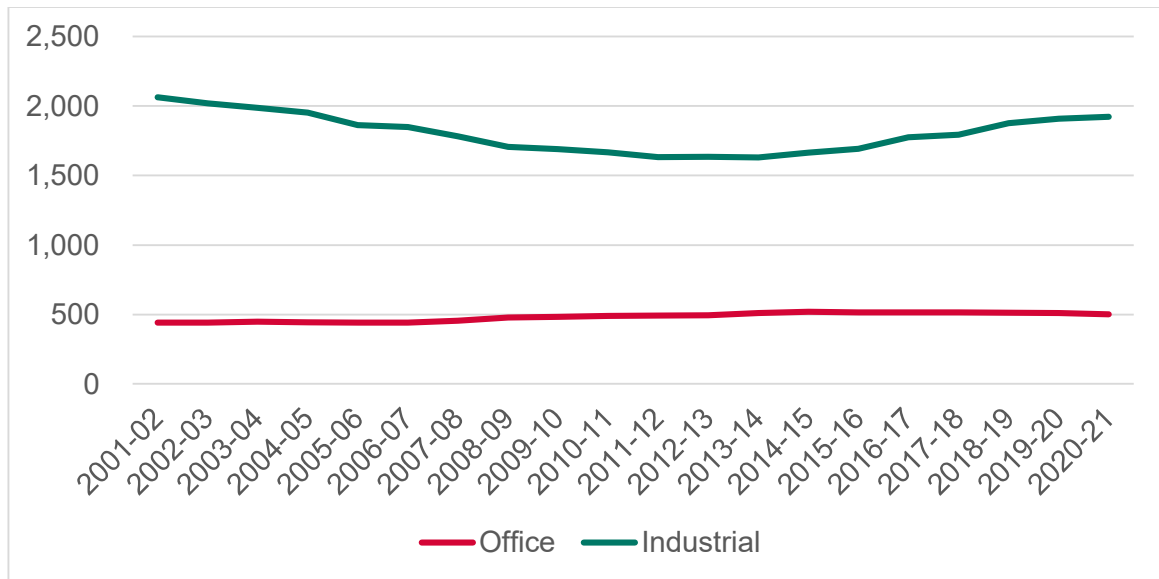
- 4.25 The Warrington total need is reported as 220.1 ha using the 2011-2020 period. This is comparable to the 256 ha of land take in the 1996 onwards BE Group model but lower than the 346.1 ha for the 2011-2019 land take model. This implies that
- 4.26 Looking at the wider sub market, Warrington has delivered around half of the growth in large scale occupiers over the last decade. Given its prominent location at the M6 / M62 and M6 / M56 interchanges, an approximate continuation of this is considered reasonable. JLL evidence on the M6/M62 intersection highlights the reasons for the strength of demand in its prime location *The M6/M62 intersection is generally regarded as the prime location as it connects the two main motorway corridors (p13). The M6 and M62 are the main trunking motorways in the north west for logistics with the M56 providing a route to North Wales; the Wirral peninsular and access to Manchester. The site's location provides access to the Liverpool City Region, Liverpool 2, Warrington and the Greater Manchester conurbation. p39)*
- 4.27 It is of note that the Warrington EDNA Addendum 2022 seeks to deal with the issue of net absorption. Table 2 – Representation Two: Response Appendix D J21 Birchwood: Employment Needs Assessment (St Modwen with input from Savills) argues for the inclusion of a net absorption model (amongst other matters). BE Group reject this as *“Net Absorption is a Measure of All Business Relocations, Not Just Relocations to New Build Premises – 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.”*
- 4.28 Considering the BE Group response:

-
- Comparing tables 4.4 (land take) and 4.5 (net absorption) for the 2011-2020 periods, the land take model provides a higher and not a lower outcome, so the over estimation point is fundamentally incorrect.
 - I disagree with the BE Group position because whilst net absorption does include lease deals for second hand premises, it provides a picture of the total change in occupied stock and therefore the pressure on demand for additional stock. This is the benefit of the separation of gross absorption (all deals) from net absorption (discounting for lease breaks / exits). Clearly a continual rise in net absorption is an indicator of occupied space growth that can only be facilitated by more stock not 'more secondary stock', so it is a good proxy of the need for additional space. The issue of business churn is built into difference between net and gross absorption which land completions alone fails to consider. Furthermore, businesses don't look for secondary space but rather premises at a particular price / rental point. This is a matter of viability not of demand for premises. The rejection by BE Group of net absorption is unfortunate as the model helps to deal with the issue of the net change in employment land (including losses, not considered by BE Group) alongside that of gross land take.

4.29 A further useful indicator of business trends is Valuation Office Agency (VOA) data on stock levels, as set out below. This describes net changes in the stock by type over time.

4.30 This clearly shows the decline in industrial stock from 2001/02 to 2013/14 and then a rise subsequently. Meanwhile the total office stock has seen little change over the last ten years.

Table 4.9 Commercial stock ('000s sqm)



Source: VOA

- 4.31 The decline in industrial stock from 2001/02 to 2013/14 is likely to be associated with manufacturing decline. The subsequent rise responds to the growth in logistics demands.
- 4.32 The VOA indicates a gain of industrial stock of 276,000 sqm between 2011/12 and 2019/20. At a plot ratio of 0.39 (3,900 sqm of floorspace for every 1 ha, assumed by BE Group) this equates to 70.8 ha net gain. Meanwhile using actual authority monitoring data projected for the same period in table 4.6, indicates a change in gross land take of 160.8 ha (excluding E(g)(i)).
- 4.33 Evidently significant losses occurred during the 2011/12-2019/20 period to enable such a difference between gross land take and actual net stock change. Historically then over the last decade the ratio of gross land take to net gain is more than double. This is material as it demonstrates the weakness in correlation between jobs densities for gross land take and actual jobs change in the Borough – explored further below.

Labour demand models

- 4.34 It is appropriate to consider labour demand based needs as prescribed by the PPG. The Warrington 2021 EDNA (CD4.159) finds needs range from 6.5 – 81.3 ha including a policy on position. These outcomes are significantly below the market signals based position in terms of business consultation and historic trends. This clearly indicates that the model alone does not reflect employment land needs in the Borough.
- 4.35 When developing labour demand models are a range of assumptions around the split between employment sectors and use classes. The BE Group assumptions are set out in the EDNA Table 29. Different assumptions are utilised by different consultants for similar exercises. The Warrington EDNA assumptions are relatively simplistic (as do not appear to differentiate the Use Classes, nor consider differences between jobs and Full Time Equivalents).
- 4.36 Notwithstanding potential shortfalls in the BE Group models it is not considered a worthwhile exercise to re run the labour demand based estimates of need through a new model. This is for the following reasons which are particularly applicable to the industrial (rather than office) use classes:
1. Assumptions on densities are generic and can fail to reflect local trends.
 2. Particularly for the manufacturing sector, and to a lesser degree for the warehousing sector, improvements and investment in productivity and automation weaken the relationship between capital and labour – and therefore densities.
 3. Employment forecasts tend to be derived from national / regional shift share models and are weaker at the local level, they also tend to poorly reflect latest trends such as the drive towards e-commerce.
 4. The replacement of older stock (replacement demand) is a significant factor that can drive the need for new premises without generating additional employment. Reasons for this have been reported above and include the need to deliver modern, larger units with higher quality sustainability credentials and greater

access to power to support robotics and automation¹⁰. This is likely to be a factor in former areas with a long historic of industrial activity such as Warrington. The Warrington EDNA 2021 reports p141 that “*the bulk of Warrington’s stock of E(g)/B2/B8 premises is modern and well occupied*”. However this statement lacks evidence (with the last assessment of sites in Warrington appearing to date back to the 2012 Employment Land Review). Analysis of CoStar data suggests the statement may be incorrect. CoStar (table 4.4 above) reports 448 industrial properties over 10,000 sqft that have a recorded build date and a total of 715 of all sizes (a further 27 have no date and there will be further stock not identified on the CoStar database). Of medium / larger buildings over 10,000 sqft (where modern requirements are more likely to be sought), 57% are dated 1999 or before, and 42% are dated before 1990. Industrial properties typically have a lifespan of 30-40 years so a considerable proportion of pre 1990s older stock may need renewal by the end of the next Plan period - if not before. If built in the 1980s units are less likely to be upgraded to modern standards. Looking across all sized units, 52% are pre 1990. The issue of replacement of stock is being further driven by increased government requirements to achieve higher EPC ratings for commercial stock in coming years¹¹. By analysing CoStar data (see table 4.10 below) we can identify that replacement of medium / large unit floorspace built prior to 1990 over the next 40 years is equivalent to 0.8m sqm or 207 ha (at a 0.39 plot ratio). If only the larger units are replaced then this

¹⁰ See discussion in Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change, (Leicester and Leicestershire Authorities) 2021, p103; and Warehousing and Logistics in the South East Midlands (South East Midlands Local Economic Partnership) 2022, p79 (CD4.163)

¹¹ See for example <https://www.freeths.co.uk/2023/01/18/minimum-energy-efficiency-standards-meets-requirements-and-energy-performance-certificates-epc-rules/#:~:text=It%20has%20been%20indicated%20that,B%20or%20better%20by%202030.&text=The%20requirement%20for%20the%20EPC,place%20since%201%20April%202020.>

equates to 0.3m sqm (or 79 ha) although including those built in the 1990s increases this to 0.5m sqm or 133 ha, as below. Some units can be upgraded or redeveloped on site, but the range of issues discussed earlier in terms of the need for enhanced power and larger, taller unit sizes combined with site acquisition and viability challenges means that on site redevelopment and brownfield intensification means this is not always the case. Logistics studies typically assumed only 20% of future need derived from brownfield sites¹². If, optimistically, half of the unit replacement can be met on existing sites, the land need could be in the range of 104 ha (for all medium and large pre 1990s units) and this should be considered a minimum. This is a significant issue which has implications for both land need and the relationship with jobs displaced rather than generated.

Table 4.10 Indicative industrial stock replacement requirements based on current age

	Medium (>10,000 sqft / 930 sqm, <100,000 sqft / 9,300 sqm)			Large (>100,000 sqft / 9,300 sqm)			Medium + Large		
	No	Sqm	Ha.	No	Sqm	Ha.	No	Sqm	Ha.
Pre 1990	177	499,300	128	12	308,900	79	189	808,200	207
Pre 2000	238	744,900	191	21	517,800	133	259	1,262,700	324

Source: CoStar March 2023

¹² See Warehousing and Logistics in the South East Midlands (South East Midlands Local Economic Partnership) 2022, 104 (CD4.163)

Labour supply

- 4.37 Considering labour supply is a recommended approach in the PPG. It has a number of the same drawbacks as the labour demand model, not least leading to an artificial constraint on land required.
- 4.38 A key issue for labour supply models is lacking an employment sector split. However it is reasonable to pro rate the sectors of any employment demand sector based forecast (i.e. Oxford Economics / Cambridge Econometrics) to the labour supply outcomes. For Warrington, Oxford Economics and Cambridge Econometrics indicate a mid point jobs growth for the plan period of 14,855 additional jobs whereas the Local Housing Needs Assessment Update of 2021 (the LHNA) estimates that 18,300 additional jobs could be supported by the growth in labour supply as a result of the housing requirement of 816 homes per annum, assuming existing commuting patterns. In this sense the supply of jobs may exceed the baseline labour demand based models.
- 4.39 The Warrington EDNA 2021 rejects the labour supply model outright as failing to be a useful indicator of need. I agree with this. For the reasons stated above (in relation to labour demand) it is not considered useful to develop a labour supply based employment land demand model. However in basic terms the 23% increase from 14,855 jobs growth to 18,300 labour supply would uplift the employment land requirements by 23% from the labour demand model.

Further adjustments

Margin

- 4.40 Inclusion of a flexible margin is standard practice in employment land needs modelling. A range of 2-5 years is typical. This allows for:
- Fallibilities in modelling
 - In increase in choice of sites that may be available at any one time
 - Allows for delays in site coming forward

4.41 The use of a 3 year margin in the EDNA 2021 is considered reasonable at 42.7 ha.

Replacement demand

4.42 A point of note is that BE Group (in CD4.159) suggest that the margin also covers loss of future industrial sites to non E(g) / B Class Uses, as this is expected (by BE Group) to be limited. However as the analysis herein suggests, much of the existing Warrington stock is pre 1990 and is likely to need replacing which cannot always be achieved on existing sites.

4.43 Without analysis of existing estates stock quality and potential intensification, or instead patterns of historic loss trends, which is an omission from the 2021 EDNA, it is difficult to specify a real world replacement demand factor for Warrington. However as discussed at length above, based on age of stock in Warrington this is likely to be significant and may exceed 100 ha. Aggregating this figure to the upper end labour demand outcomes from BE Group begins to parallel with the completions data.

4.44 Replacement demand is one of the fundamental reasons for the difference between the labour demand and the land take model, as its allows for the displacement and movement of jobs between sites.

4.45 More widely it is appropriate to include the known loss of 17.6 ha of land for Warrington Town Centre Development.

Conclusions on need

4.46 The discussion above covers PPG based factors across land take up, property take up, labour demand and supply models. The key model findings and recommendations are:

- The BE Group model of land take trend for the 1996-2019 period reports a total need of 316.2 ha with margin. This is a PPG compliant methodology and the assumptions are not unreasonable. The deficiency in this model is the long look back period which amalgamates office and industrial needs leading to a clear overstatement of office type needs projected forward.

-
- A more recent land take model from 2011 to 2019 results in a far higher need of 346.1 ha, plus margin and replacement of town centre sites, totalling 406.4 ha. This is a reasonable model that the Borough could choose to pursue if it wished to continue to play a significant and market leading role in provision of strategic warehousing.
 - The net absorption model for 2011-2019 results in a need for 220.1 ha, plus margin and replacement of town centre sites, totalling 279.5 ha.

4.47 Looking at the BE Group 1996-2019 model excluding offices, the employment need is 196.3 ha. The 2011-19 office development model results in a 24.5 ha need. The aggregate of this is 220.8 ha. By using BE Group's long run model we reduce the emphasis of Omega on the future employment need. Including margin and known replacement needs, the total is 280.2. **I view this this 280 ha as a minimum in terms of future employment land provision, ensuring a strong contribution to sub regional requirement as well as local needs.** This also almost exactly ties to the 2011-2019 net absorption model which reinforces the position.

4.48 Drawing on the supply of 38.9 ha as set out in the EDNA 2021, at least 240 ha of additional land should be planned for. Considering the allocations in the submission version of the Warrington Local Plan 2021, the committed St Helens Omega extension (31.8 ha) as well as the South East Warrington Employment Area (136.9 hectares) and Fiddlers Ferry Power Station (101.0 hectares) are required.

4.49 The labour demand and supply models provide forecasts for future jobs change. These are not suitable for translating to employment land needs without considerable adjustment.

5. EMPLOYMENT (JOB) REQUIREMENTS FOR FORECAST NEED

5.1 A known site supply has been established to meet the forecast need. Using government guidance on standard densities it is possible to estimate the jobs required to support this forecast need. Further assessment is required to determine the total number of net additional employment associated.

Considering FTEs from supply

5.2 BE Group's letter dated 13th January 2023 (CD4.162) in table 2 sets out the proposed supply in land and floorspace terms and uses the HCA Density Guide 2015 (4.165) recommended densities to calculate the employment to be generated. For completeness this is repeated here. This approach is considered a reasonable start point in determining the direct relationship between floorspace and employment. For the B8 warehousing sites BE Group assume 80 sqm per FTE however it is likely that the majority of units will be larger, carrying a density of 95 sqm / FTE (as per the Density Guide). Both these scenarios are considered.

Table 5.1 Site supply – jobs supported (standard densities)

Allocation	Size (ha)	Floorspace (sqm)	Use Class density (high)	Jobs [FTEs]	Use Class density (low)	Jobs [FTEs]	Comment
Existing supply	38.9	168,800	Various	3,870	Various	3,870	EDNA analysis
St Helens Omega extension	31.8	124,020	B8 (80 sqm / FTE)	1,550	B8 (95 sqm / FTE)	1,305	Warehousing – BE Group assumed 80 sqm / FTE
Fiddlers Ferry Brownfield Site	101.0	393,900	B8 (80 sqm / FTE)	4,924	B8 (95 sqm / FTE)	4,146	for general warehousing, 95 sqm / FTE
SEWEA	136.9	533,988	B8 (80 sqm / FTE)	6,675	B8 (95 sqm / FTE)	5,621	guidance for larger units
Total supply	308.6	1,220,708		17,019		14,943	

* 0.39 ratio assumed

Source: Warrington EDNA 2021 / CD4.162 / HCA Density Guide 2015 (4.165)

- 5.3 The table reports the outcome of the sites capacity for 14,943 - 17,019 gross FTEs, the net additionality of which is considered below.

Considering FTEs from supply

- 5.4 The HCA Guidance (CD4.165) advises that the densities provided determine the capacity of full time equivalent (FTE) roles rather than jobs, due to trends in part time working. Often part time jobs help to fulfil FTEs. Data from the Business Register and Employment Survey 2021 reports that in Warrington's Transport and storage sector, most likely to represent roles in the proposed sites, 10% of workers are part time. Therefore a 0.9 ratio can be applied to the FTE jobs to estimate all jobs.

Considering additionality

- 5.5 The HCA Additionality Guide 2014 (CD4.164) provides guidance on assessing the net additional gain in employment growth when assessing individual projects. The issue of additionality takes into account a wider range of issues beyond direct job capacity and in particular considers displacement, multiplier effects and leakage. These effects are also carried forward and considered in the HM Treasury Green Book 2022 latest edition p90-95. These issues are discussed in turn.
- 5.6 Displacement – “the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by.” (HM Treasury Green Book 2022 p92). Displacement is likely to be a factor in the creation of jobs on new employment land as this directly relates to the issue discussed early of industrial stock replacement demand. As noted previously, from 2011 to 2019 the actual growth in industrial stock registered by the VOA was 70.8 ha whilst the gross land take was 160.8 ha. This suggests a replacement rate of 56%. The HCA Additionality Guide (CD4.164) suggests that a medium displacement rate is 50% (p30 of the Additionality Guide 2014 CD4.164 table 4.8), so this appears reasonable. As a result only half the jobs on the allocations would be net gain due to displacement of other jobs from businesses elsewhere. BE Group suggest that losses of sites will slow in

the future, although evidence is not provided. In fact the ratio of medium and large units built in the 1990s of before to all stock is 57%. The most optimistic outcome would be to run displacement at 40%, assuming some improvements in the ability in the future to upgrade rather than replace older stock, and 40% being the HCA Additionality Guide (CD4.164) past research. A sensitivity is run to test this outcome.

5.7 Multipliers – “Further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases.” (HCA Additionality Guide 2014 pg 33 CD4.164). Multipliers are associated with the spend of wages or the supply chains of businesses. New business and employment generate additional spend, employment and GVA as a result. Assessing multiplier effects is complex however the Additionality Guide (table 4.14) advises that the majority of interventions will be in the ‘medium’ category. This is 1.1 and the neighbourhood level and 1.5 at the regional level. Local area data for B2/B8 (the predominant floorspace type) is reported as 1.29 (table 4.12 of the Additionality Guide CD4.164) which is considered appropriate for Warrington and is the approximate mid point of the neighbourhood and regional averages.

5.8 The table below brings these issues together.

Table 5.2 Site supply – jobs supported (net additional)

	Gross FTEs	Gross jobs	Displacement (high/low)	Multiplier	Net additional jobs
Ratio	100%	÷ 90%	x (1-0.5)	x (1.29)	
Count (high density, high displacement)	17,019	18,910	9,455	12,197	12,197
Count (low density, high displacement)	14,943	16,603	8,302	10,709	10,709
Ratio	100%	÷ 90%	x (1-0.4)	x (1.3)	
Count (high density, low displacement)	17,019	18,910	11,346	14,636	14,636
Count (low density, low displacement)	14,943	16,603	9,962	12,851	12,851

* 0.39 ratio assumed

Source: Own calculations / HCA Additionality Guide (CD4.164)

- 5.9 This process suggests that the future supply could generate around a net gain of 10,709 - 14,636 jobs depending on density assumptions and displacement rate.
- 5.10 Not all jobs will be created on 'employment land' sites. Some of these other jobs are captured in the multiplier above. Relating planned growth to theoretical forecasts with any certainty is challenging particularly with the forecasts likely to be influenced by regional and national outcomes rather than the local market. This issue is discussed in Examination Document CD10a (CD4.161) 'EIP Note Employment Capacity of Development Land Answer to Queries'. This argues that only workers involved in Accommodation and food services, which involves no employment land, should be counted, and the mid point of growth from the forecasts for this sector is 2,300 jobs.
- 5.11 I consider that this is not realistic and underestimates the contribution of non employment land based jobs.
- 5.12 To deal with this more robustly, the BE Group model assumptions are applied to all forecast sectors and the percentage and count outside of employment land considered.

Table 5.3 Future Warrington total jobs derived from Oxford / Cambridge forecasts

Sector	Forecast growth*	% in employment land **	Total in employment land	Total <u>not</u> in employment land
Agriculture, etc.	0	N/A	0	0
Mining and quarrying	0	N/A	0	0
Manufacturing	-1,600	100%	-1,600	0
Electricity, gas and water	-150	26%	-39	-111
Construction	900	26%	234	666
Distribution	500	48%	240	260
Transport and storage	400	48%	192	208

Accomm. and food	2,300	0%	0	2,300
ICT	500	100%	500	0
Financial and business	8,050	100%	8,050	0
Government	3,500	22%	770	2,730
Other	500	22%	110	390
Sub Total	14,900		8,457	6,443
Site supply – jobs				

Source: EDNA table 27* and table 29** (CD4.159)

* mid point of Oxford and Cambridge forecasts

5.13 This model suggests that around 6,443 jobs are not on employment land.

5.14 The final step is to consider the site supply jobs as assessed and the non employment land aggregated. There is some duplication because the multiplier jobs included above are both employment land (supply chain) and non employment (worker wage spend). The non employment land jobs are already assumed to be counted in the 6,443. The most reasonable position is to assume half of the multiplier jobs are in non employment land.

5.15 The table below brings these issues together.

Table 5.4 Warrington future jobs: employment land & non employment land

	Net additional jobs	Adjustment for non employment land multiplier jobs	Total non employment land jobs	Total jobs
Count (high density, high displacement)	12,197	-1,371	6,443	17,269
Count (low density, high displacement)	10,709	-1,204	6,443	15,948
Count (high density, low displacement)	14,636	-1,645	6,443	19,434

Count (low density, low displacement)	12,851	-1,444	6,443	17,849
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* 0.39 ratio assumed

Source: Own calculations

5.16 Aggregating the total jobs is a net total gain of 15,948 – 19,434 jobs.

5.17 This range can be considered against the Local Housing Needs Assessment Update of 2021 (the LHNA) estimates for 18,300 additional jobs supported by the growth in labour supply as a result of the housing requirement of 816 homes per annum (assuming existing commuting patterns).

5.18 All of the jobs scenarios excluding the highest fall within the labour supply range. Given the number of assumptions required to reach these figures the employment outlook overall should be considered as well balanced.

5.19 There are further factors that can be considered.

- As of February 2023, there were 3,370 claimants in Warrington. It would be desirable to see more of these in employment. This reduces the demand on forecast growth in labour supply. From 2015-2020 the claimant count average was below 3,000 therefore this should be seen as achievable and desirable.
- Many of these are large proposed supply sites are on the edge of Warrington Borough which means they will attract a higher rate of in commuting than the Borough wide average, which would reduce pressure on the Warrington labour position.

5.20 On the basis of this work the future labour supply can readily support the forecast employment land supply.

5.21 It is of note that the same concerns were raised by the Inspector at the Bassetlaw Local Plan examination and these issues were discussed at length at the hearings in 2022. Whilst the Inspector's report has not yet been published, the approach was accepted by the Inspector. The methodology for considering the same issues

around additionality can be found in the Bassetlaw Housing and Economic Development Needs Assessment (2020)¹³ p34-36.

Conclusions on jobs requirements for forecast need

5.22 The key findings and recommendations are:

- The actual supply of land is expected to accommodate 14,943 - 17,019 FTEs depending on future employment densities.
- Considering Government guidance on additionality, which takes into account displacement and multiplier effects, the actual jobs growth is expected to be between 10,709 and to 14,636.
- Allowing for job creation in non employment land sectors, the total economy outlook including the proposed supply is estimated **at 15,948 – 19,434 jobs. This is in line with the potential labour supply generated by the standard method housing delivery programme of 18,300.** This is before considering reduces levels of unemployment or changed commuting patterns, likely to reduce pressure on Warrington labour supply.

¹³ <https://www.bassetlaw.gov.uk/media/6017/bassetlaw-hedna-nov-2020.pdf>

6. CONSIDERING THE INSPECTORS' POSITION

6.1 The inspectors consider the employment land allocations excessive as set out in letter PINS/M0655/429/2 (CD3.2). They are two approaches which lead them to this conclusion. Firstly, the information provided by Warrington Borough Council in Local Plan Examination Document CD10 (CD4.160) and CD10a (CD4.161) and secondly their own conclusions on historic employment land jobs densities. Both of these approaches are inadequate for use as judgements on employment land needs.

CD10 / CD10a position – historic land take up projection

6.2 In Local Plan Examination Documents CD10 and CD10a, the Council, at the Inspectors' request estimate the jobs supported by the forecast Local Plan need in order to test the relationship with the labour supply generated by housing growth.

6.3 They Council use the historic take up of employment land by Use Class from 1996 to 2019 distribute Use Classes against the future need of 316.3 ha. This includes some 56.4 ha of offices (after discounting displacement of Town Centre sites). The inclusion of such a large volume of offices drives high employment densities and therefore a high employment capacity. The jobs capacity arrived at is 31,068. This is a misdirection for two reasons. Firstly, it is simply a capacity exercise and does not take account of displacement and other economic additionality factors considered earlier in this proof in section 5, which are in line with government guidance and best practice. Secondly, it assumes the same pattern of land use take up in the future as the (very) long term past, with an over emphasis on offices, rather than considering the actual allocations.

6.4 Evidence on employment land delivery highlights a change from around 2012 from a focus on offices to warehousing (see Table 4.7 above as well as EDNA Table 21). There is no evidence that offices will start to be required or delivered at a rate last seen since prior to 2011, if anything the post 2022 pandemic market is likely to greater focus on warehouses and industrial rather than office space. BE Group's market commentary notes that "Office demand is really quiet" and "Strongest demand for office units sub 500 sqm" (EDNA pg 55).

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- 6.5 When we review the net absorption model for office space since 2011 (Table 4.8), the trend in the total change in office space is only around 10 ha for the future Plan period whereas the recent completions trend is 24.5 ha. The office component should therefore be 10.1 – 24.5 ha, less than half the historic rate.
- 6.6 The over inflation of the office component leads the Council in CD10 to produce a misleading assessment of future employment capacity which simply will not be delivered. This, combined with the lack of proper assessment of the net employment impact of the future supply, mean the results do not reflect the actual economic impact of the potential supply.
- 6.7 The Council's failure to respond to the Inspectors' questions with robustness leads them to question whether the employment needs and allocations are appropriately balanced with labour supply growth.

Inspectorate position – historic land jobs density

- 6.8 In letter PINS/M0655/429/2 (CD3.2) the Inspectors take their judgement of employment land need for Warrington. The inspectors are evidently unsatisfied with the approach estimating the land to jobs relationship supplied by the Council in Local Plan Examination Documents CD10/CD10a and therefore seek to essentially overrule all of the EDNA 2021 evidence and more to establish their own employment land needs mechanism derived solely from labour supply. It is necessary to understand their approach and the reasons why this is unsound.
- 6.9 They note that the historic relationship between gross employment land delivery 1996-2019 (341ha) and total employment change (48,350) has been 142 additional jobs per hectare since 1996. They apply this to the future EDNA 2021 need of 298.6 ha (excluding displacement), suggesting 44,900 jobs are required. This is fundamentally problematic as:
- Firstly it associates all jobs growth in the economy with employment land delivery, which is evidently not the case. BE Group in the 2021 EDNA seek to establish a model demonstrating that only a proportion of activity in most sectors takes place in employment land. Irrespective of the details, the premise is

correct, employment takes place in a wide range sectors from health and education to finance and warehousing. There is simply no justification for relating all economic sector activity to employment land take. The inspectors make no attempt to check future employment forecast sectors with past employment change to sense check the outcome.

- Secondly, as a part of their assumptions and as Warrington Council did in CD10/CD10a, the Inspectors' assume the demand pattern for land Use Classes in the future will follow that of the past, including from the late 1990s onwards, which up to 2009 had a considerable office component. As discussed above, all the current evidence, including the market analysis by BE Group in the 2021 EDNA and the Council's land delivery records, as well as the net absorption data herein, indicates that offices will have a much lower component in the future than the past. Applying the historic ratio of land take to job creation is not appropriate because a different kind of employment space is required on land in the future, with a definitive change from offices to warehousing and an accompanying change in density.

6.10 The above issues are not merely technical, they are fundamental problems in correlating jobs and land trends. The approach is highly simplistic. The question posed by the Inspectors regarding the impact of future employment land needs on the labour market is an absolute appropriate one to ask, but the methods used to assess the answer fall short of any in depth analysis or full understanding of the matters involved.

6.11 The Inspectors in their conclusions go on to apply the figure of 142 jobs per hectare to the known labour supply of 18,300 jobs, coming to a new 'need' figure of 168 ha.

6.12 This figure bears no actual relationship to an 'objectively assessed' employment land need for Warrington when considered the questions posed by the Planning Practice Guidance - including the need assess business needs through an assessment of market demand (para 026), properly relate jobs forecast between employment sectors (Standard Industrial Classification sectors) to use classes and types of property (para 30) and consider a range of data which is robust (para 027). The approach used by the Inspectors is not compliant with the Planning Practice

Guidance and would not be considered sufficient or robust in any Economic Needs Assessment.

- 6.13 When we look at the data collated by BE Group and furthered in this proof, it is clear that the objectively assessed needs for Warrington are considerably higher than calculated by the inspectors, whether using long run trends or shorter run trends on employment land take up. The market demand indicators reported by BE Group and reinforced by JLL's evidence on market demand indicate that the level of demand remains very strong and supply is short, therefore there is no justification in objective business terms for curtailing the objectively assessed need.
- 6.14 The underlying issue with the information provided to the inspectors is a lack of deeper understanding about the challenges of using labour demand and supply models - the biggest shortfall is the lack of recognition of the relationship between gross stock delivery and net change in jobs – the replacement demand factor of older stock and displacement of labour. By only providing for a net change in labour supply, the wider market characteristics including needs of businesses in existing older stock that needs to be replaced are ignored.
- 6.15 Fundamentally the trend based models – whether land or deals based - are more accurate in forecasting future employment land needs because they draw on a known quantity of space taken up by business. Looking at different historic periods provides greater insight as to how the needs are changing over time. These trend based models can be reasonably triangulated against the market signals and levels of market demand.
- 6.16 There will be adverse consequences to curtailing the employment land requirement in Warrington. As set out JLL evidence on Demand for Employment Land and Premises a lack of supply leads to market. This means businesses locate in sub optimal locations or have to remain in sub optimal locations. It leads to increase travel time for their vehicle stock, additional emissions and additional costs for the customer causing inflation. There is also a knock on effect of other businesses who in turn may be forced out of their preferred locations.

Conclusions on Inspector's position

- The Inspectors take a position on Warrington's employment land need which is highly simplistic and flawed, one which fails to meet the government's guidance as set out in the PPG on economic needs. It assumes a linear relationship between historic land take and total economic change; and simply projects this forward. It relies solely on expected changes in labour supply to determine employment land needs. There is no consideration of market trends or businesses needs.
- The inspectors are forced to this unfortunate conclusion due to insufficient evidence and proper analysis on how the actual land need and proposed supply is likely to impact the Warrington economy and labour market. The analysis in this proof demonstrates the proposed labour supply provided through housing delivery is sufficient and placed to support the employment growth arising from the Warrington Submission Plan allocations, including the SEWEA. Such analysis having been available at the time of the Local Plan Examination should have avoided the need for the Inspectors' intervention in the allocations.
- This proof establishes that the objectively assessed employment land need for Warrington is for at least **280 ha** of land, close to the original Warrington EDNA 2021 of around 300 ha. This is appropriately derived from market trends and it is shown herein that the labour supply for Warrington can indeed support this level of growth. At this level of forecast need, the Warrington Submission Plan supply and allocations, including Fiddlers Ferry Power Station and the South East Warrington Employment Area (that includes the Six:56 site) are all required.

A1. APPENDIX: SUMMARY OF PROOF

- Changes in the market have resulted in an increase in the need for warehouse space. Market demand information indicates a strong market for logistics premises in Warrington, the M6 market and the wider North West.
- There are a number of reasons for the recent and anticipated continual demand for new B8 space. These include the ongoing growth in online retailing, parcel returns, and the need for new units that are more sustainable, are taller, with larger footprints and access to more power.
- The Planning Practice Guidance seeks the use of a number of market and economic indicators in the production of economic needs assessment – these need to be considered jointly to come to evidenced judgements.
- In terms of future land need, the Warrington 2021 EDNA (CD4.159) recommends a long term historic trend from 1996 which is projects forward for the Local Plan period. With adjustments this requires around 300 ha of future land, which the Submission Version of the Local Plan allocates for, including the SEWEA.
- This proof finds that, broadly, the approach used by BE Group in the EDNA is sound, although it is lacking in certain aspects including omitting any examination of historic losses and reflections on the implications of using such a long 'look back' period which leads to an over emphasis on office development seen prior to 2012. The lack of analysis of historic losses is unfortunate as it fails to unpack the differences in land delivered and land lost, which has a bearing on jobs growth and change.
- This proof looks at alternative trend based periods, as well as a model based on lease deals (net change in space occupied) to test the 2021 EDNA's findings. This testing finds the BE Group recommendations should be adjusted for an over emphasis on office type future needs, leading to a limited reduction of the forecast need to around 280 ha. The Submission Version of the Warrington Local Plan allocations including the South East Warrington Employment Area (which includes the six:56 site) are required to meet this need.

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- This proof considers the questions put to Warrington Borough Council at the Local Plan examination – chiefly how the forecast employment land need will impact on the economy in terms of jobs demand, and how this can be reconciled with the anticipated labour supply. This proof establishes that the way in which the Council responds to the question is inadequate. The Council simply project forward the historic pattern of land take up from 1996, including a significant offices component, and calculate the gross capacity of that theoretical land. That jobs figure vastly exceeds the labour supply being generated in Warrington by future housing growth.
 - This proof uses government guidance on assessing the net additional economic impact of development to undertake a robust assessment of the actual net additional jobs expected to be generated by the Local Plan allocations. This is then combined with non employment land based jobs to come to a justified range in expected jobs growth. This range is well aligned to the labour supply associated with the Borough's housing growth as established in the Housing Needs Assessment. This demonstrates that the allocations including the SEWEA without adverse impacts on the Borough's labour supply.
 - Based on the evidence provided to them at the examination, the Inspectors are unable to reconcile the labour demand for land allocations against the labour supply balance. As a result they go on to establish their own mechanism for determining Warrington's employment land needs (in CD3.2). This relies on the historic relationship between total jobs change in the economy and total employment land delivery – a relationship which is unfortunately flawed and overly simplistic. It lacks any analysis of the Borough's actual need or expected future employment make up. It also falls short of PPG requirements to properly consider market signals and a wider range of evidence to justify the need.
 - This proof gives proper consideration to the relationship between the proposed allocations and labour demand and demonstrates that the Inspectors' original concerns about excessive labour market pressure can be resolved in full.

Appendix 3: Employment Land and Premises, PoE, JLL

Jones Lang LaSalle



**Proof of Evidence of ANDREW PEXTON
(for the Applicants) on DEMAND FOR
EMPLOYMENT LAND AND PREMISES**

Call-in by the Secretary of State of an application made by
LANGTREE PROPERTY PARTNERS LLP

LOCAL PLANNING AUTHORITY – WARRINGTON BOROUGH
COUNCIL REFERENCE 2019/34799

PLANNING INSPECTORATE REFERENCE
APP/M0655/V/22/331187

RELATING TO: Land to the west of junction 20 of the M6
motorway and junction 9 of the M56 motorway and to the south
of Grappenhall Lane and Cliff Lane, Grappenhall, Warrington –
known as Six:56

06 April 2023

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1 Qualifications and Experience

I am Andrew Pexton, BSc (Hons) MRICS, a member of the Royal Institution of Chartered Surveyors, and I commenced working in the profession in 1988.

I have worked in the Industrial Agency and Development sector since 1988. I have acted for occupiers, investors and developers advising on aspects of industrial development and agency.

I am the Lead Director in the North West Industrial and Logistics Team, based in the Manchester office of Jones Lang LaSalle.

In the Manchester office the Industrial and Logistics team currently advise on over 260,000 sq. m of built stock and over 107 hectares of development land. Examples of my work include

- Advice to B&M Retail on the acquisition of 56,762 sq. m, Speke.
- Development advice to IPIF on letting a 23,225 sq. m unit and the development of a 3.44-hectare site in Trafford Park.
- Advice to Miller Developments at Omega, Warrington on the 237 hectare development site including agency advice for the letting/sale of over.
- Letting and development advice to Mountpark on the development of 68,280 sq. m of logistics buildings.
- Acting on behalf of Exeter Property Group / Panattoni on the letting of 34,950 sq. m to Dixons Retail Group.
- Acquisition advice to LSE Retail Group on the letting of 12,654 sq. m new build.
- Disposal advice to Stoford Developments at Icon, Manchester Airport for over 65,055 sq. m of both build to suit and speculative units.

- I have given evidence in the Called In Inquiries for Parkside, St. Helens, Omega West, St. Helens and Bredbury, Stockport. In all inquiries the Inspector endorsed my evidence.

I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.

I confirm that I understand and have complied with my duty as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.

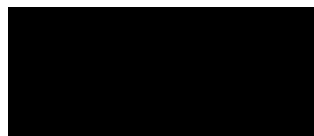
I confirm that I am not instructed under any conditional or other success-based fee arrangement.

I confirm that I have no conflicts of interest.

I confirm that I am aware of and have complied with the requirements of the rules, protocols and directions of the appeal.

I confirm that my report complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS practice statement ‘Surveyors acting as expert witnesses’.

Signed

A solid black rectangular box used to redact the signature of the expert witness.

Date

6th April 2023

2 Introduction

2.1 I am instructed by Langtree Property Partners LLP to provide expert witness evidence in relation to employment land and market need for the development of land to the land to the west of junction 20 of the M6 motorway and junction 9 of the M56 motorway and to the south of Grappenhall Lane and Cliff Lane, Grappenhall, Warrington – known as Six:56 as identified in planning application reference P/2019/34799.

2.2 The application is an outline planning application with all matters reserved apart from access for:

“Construction of up to 287,909 sq. m (gross internal area) of employment floor space (Use Class B8 and ancillary B1(a) offices), demolition of existing agricultural outbuildings and associated servicing and infrastructure, including car parking and vehicle and pedestrian circulation, alteration of existing access road into the site including works to the M6 junction 20 dumbbell roundabout and realignment of the existing A50 junction, noise mitigation, earthworks to create development platforms and bunds, landscaping including buffers, creation of drainage features, electrical substation, pumping station and ecological works”.

2.3 The Application Site is 98.09 ha and includes land within the administrative boundaries of Warrington Borough Council and Cheshire East Council. 92.16ha of the site lies within the Borough of Warrington, with the remaining 5.93ha in Cheshire East.

3 The Appeal Site

- 3.1 The site is located to the north west of the intersection of the M6 and M56 motorways, to the south east of Warrington.
- 3.2 The development site is irregular in shape and is bounded by Cliff Lane and Grappenhall Lane to the north and the slip road connecting the M6 and M56 motorways to the east. The land is predominantly in arable agriculture use. It is generally level.
- 3.3 The employment sites of Appleton Thorn Trading Estate, Barleycastle Trading Estate and Stretton Green Distribution Park lie to the west.
- 3.4 The proposal is to create up to 287,909 sq. m gross internal area floorspace falling within employment Use Class B8 Storage and Distribution. There will be ancillary E(g)(i) offices.
- 3.5 The site benefits from immediate motorway access at Junction 20 of the M6. This is accessed off Cliff Lane and the Lymm Interchange.
- 3.6 The site is within 6 miles of the M6/M62 intersection providing access to the regional and national motorway networks.

4 Market Overview

National Overview

- 4.1 The impact of Covid 19 and Brexit has shown the importance of supply chains. This has emphasised the critical role that the logistics sector plays in facilitating the movement of goods within the UK and its importance in the import and export markets. Essentially, businesses need an established supply chain as a pre-requisite to enable the storage, sale and delivery of goods to their specific market.
- 4.2 The industrial and logistics market has also expanded and developed over the last 20 to 30 years due to the impact of a number of technological factors. This has included increasing volumetric capacity as technology/handling systems improved, larger buildings and more bespoke units to satisfy changing occupier need.
- 4.3 Covid resulted in changes in shopping habits with the major expansion of internet shopping and onshoring of both finished goods and manufacturing materials to bring resilience to the sector. Storage of adequate supplies of goods became more important than the lean supply chain created by just-in-time procurement/delivery. This resulted in an increase in additional logistics facilities to store and distribute goods currently in transit and accommodate the change/demand for e-commerce fulfilment. The impact of Covid is a diminishing factor especially with the re-opening of China and immunisation.
- 4.4 Brexit has also impacted the sector with additional bureaucratic processes resulting in more goods being stored to deal with potential shortages of materials and finished goods due to delays at customs borders.

- 4.5 The impact of the Environmental Social and Governance (ESG) agenda on occupiers, developers and investors has resulted in occupiers requiring sustainable low carbon or carbon neutral buildings and improved staff facilities. This combined with the imposition of minimum EPC ratings on building transactions with a minimum requirement in 2025 of 'C' and by 2030 of 'B' has a major impact on existing stock, occupier and investor perspectives and future development.
- 4.6 The impact of the war in Ukraine, inflation and the economic instability have resulted in a repricing across the property market with yields increasing and projected lower land values. This has stalled a number of speculative developments due to market conditions impacting viability. Some occupiers are also reconsidering their business plans due to the impact on the economy.
- 4.7 Changes in the market have resulted in an increase in the need for warehouse space including
- the change in shopping patterns with an increase in internet sales,
 - home working has made home delivery more convenient,
 - the increase in internet sales has also resulted in an increase in returns of unsuitable goods,
 - supply chains are adapting to carry more stock to prevent future shortages for manufacturers and consumers
 - manufacturers are re-shoring (i.e., returning to the UK) elements of production to ensure that they have resilience in their network
 - diversification of production and storage to avoid over reliance on a single supplier is increasing manufacturing and storage requirements

- automation will place less reliance on the workforce in terms of the availability of indigenous and migrant labour (post Brexit). This will increase the resilience of the business.
- The sector has taken on board the issue of sustainability impacted by the ongoing need for net zero carbon in construction buildings by occupiers and investors.

4.8 The main sectors for demand have been from e-commerce, retailers and third-party logistics providers. The requirements are mainly to enable the occupier to operate an automated/part automated facility and for taller buildings with larger floorplates to give economies of scale that are necessary for the level of investment required in the handling systems.

4.9 Over the last two years Environment Social and Governance (ESG) has become a major requirement from corporate governance and customers. This is now a major issue in all new and second-hand buildings as investors and occupiers require ESG compliant property. This will mean that poorer quality stock could be viewed as obsolete or unlettable. There is a circle of commitment as occupiers need compliant buildings from which to run contracts and attract the labour force to a pleasant working environment; investors need compliant buildings to attract tenants to and provide liquidity of product in the market and developers require a property which will attract a tenant and achieve the best market value.

4.10 Behind the changing demand from the above there are the ongoing requirements from occupiers which are driven by lease events and structural changes within the business. The lease event could be an expiry or break clause. This enables the business to adapt their occupational strategy in line with the business plan.

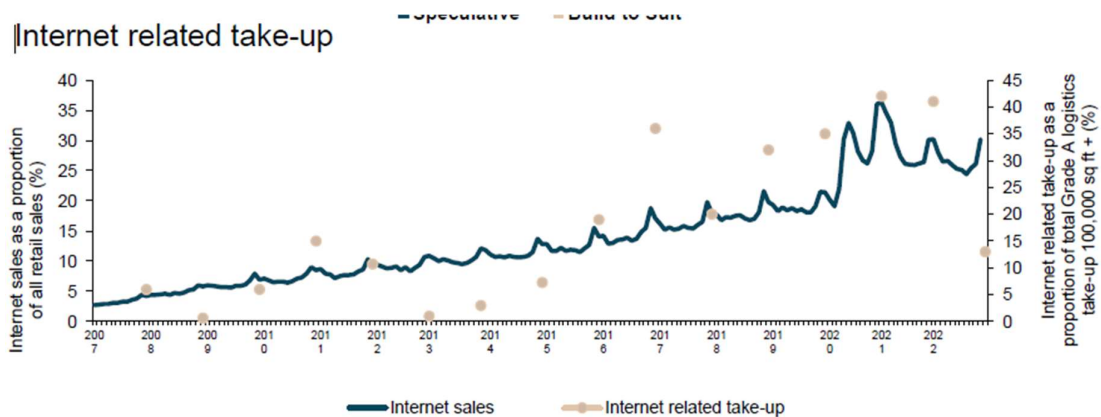
4.11 The market recovered from the initial impact of Covid in the second half of 2020 and grew in 2021 and 2022. Companies were able to focus on

both operational and strategic requirements rather than the short-term operational needs created in Q1 and Q2 2020. The market is now frustrated by a lack of supply of available buildings against the high levels of take up and ongoing demand.

Demand

4.12 The national industrial and logistics market has had a strong performance in 2022. Nationally take up of Grade A accommodation was 3.011 m sq. m.ⁱ This was 8.3% lower than 2021 but higher than the five-year average of 2.778 m sq. m.

4.13 In 2022 logistics companies accounted for the largest amount of floorspace with 38% of the total. The retail sector acquired 29%, the lowest in the last five years. Manufacturing companies accounted for 16% of the take up. E-commerce only acquired 13%, reflecting weaker online spending as highlighted in the table below.



4.14 New floorspace contributed 2.58 m sq. m of the take up in 2022. 1.366m sq. m (53%) was speculative space with 1.22 m sq. m (47%) being build to suit.

4.15 Speculatively built units can satisfy some occupiers with conventional space needs, with an immediate requirement in a limited lead time. This has enabled the supply chain to react swiftly to the change in shopping habits and offer short term solutions to increase capacity to satisfy the

increased demand for fulfilment and parcel delivery sortation centres. This has however created a new problem due to units being acquired whilst still under construction which has impacted the supply of units into the market given the period of time to secure planning and build a unit. The build to suit requirements reflect longer term more structural requirements for businesses.

- 4.16 A number of research publications have highlighted the expansion of the logistics sector by e-commerce.
- 4.17 **Delivering the Goods in 2020** (Turley for the British Property Federation [BPF]) highlights that online sales are expected to grow from 11 pence in the retail pound to 19 pence by 2028. (Core Document Ref 4.158, page 5 para 8)
- 4.18 The BPF report **What Warehousing Where 2018** concluded that the average household required 6.41 sq. m of warehouse space for its e-commerce requirements. (Core Document Ref 4.156 page 29). Based on the relationship between the government's target of 300,000 new homes per annum this creates an increased need of 1.95m sq. m of warehousing per annum. This would create the equivalent of 25,000 Full Time Equivalent jobs. The report acknowledges that the ratio of warehouse area to households has been increasing with the growth of e-commerce. The report also concludes that there will be market saturation for the online sector by 2035.

Supply

- 4.19 At the end of 2022 there was 2.55 m sq. m of Grade A floorspace available split 2.239 m sq. m new build and 0.316 m sq. m Grade A second-hand buildings.

- 4.20 The Grade A new build comprised 0.641m sq. m of immediately available floorspace and 1.599 m sq. ft under construction.
- 4.21 In summary Grade A take up was 3.01m sq. m – 8.3% higher than the five-year average. Supply at the end of 2022 was 2.55 m sq. m, higher than the 2021 supply of 2.528 m sq. m. Grade A supply at December 2022 equated to only 10 months demand. The North West accounted for 20% of the national take up. Nationally, JLL’s vacancy rate for modern logistics stock is 6.4% at the end of 2022.

Regional Overview

- 4.22 The North West market is an attractive location for the industrial and logistics sector. The area has excellent motorway access, demographics and catchment population to distribute to and provide a workforce. The North West industrial and logistics market is dominated by the M6 and M62 motorways and the conurbations of Greater Manchester and Liverpool.
- 4.23 The effective market area is from Crewe in the south to Preston in the north, and from the west coast to the Pennines.
- 4.24 The sector has a number of submarkets. These can be broadly defined along the motorway corridors. Sites in close proximity to motorway intersections are usually the more favoured locations. There are a number of sub regional motorways which serve smaller market sectors, reflecting their geographic location such as the M58 (Liverpool to Wigan/Skelmersdale) and the M57 serving the Liverpool conurbation.
- 4.25 The impact on the regional market mirrors the points discussed in paragraphs 4.1 –4.11 in the national overview.
- 4.26 Regional take up in 2022 was 573,907 sq. m,

4.27 The retail sector acquired 252,391 sq. m (43%) of the regional grade A take up. The e-commerce sector acquired 88,690 sq. m (15%) of the total take up with manufacturing 125,163 sq. m (22%) and logistics 108,449 sq. m (19%).

4.28 Take up over the year was split as shown in the table below.

Q1 2022	165,000 sq. m
Q2 2022	251,830 sq. m
Q3 2022	85,702 sq. m
Q4 2022	71,375 sq. m
Total	573,907 sq. m

4.29 New floorspace contributed 98.2% or 563,564 sq. m of the take up in 2022. 229,535 sq. m (40%) was speculatively built with 334,300 sq. m (58.2%) being build to suit.

Take Up

4.30 The average five- and ten-year annual take up of Grade A accommodation in the North West is 316,885 sq. m and 284,844 respectively.

4.31 In 2022 the Grade A take up was 573,907 sq. m. This is in excess of the five-year average and double the ten-year annual average.

4.32 There has been a dominance of transactions to retailers in the region as opposed to e-commerce activity.

- 4.33 Retail transactions in 2022 included:
- TJ Morris 81,600 sq. m at Omega West, Warrington
 - Iceland Group 46,933 sq. m at Omega West, Warrington
 - Farm Foods – 22,676 sq. m at Stretton Distribution Estate, Warrington
 - Lidl – 89,870 sq. m at Logistics North, Bolton
- 4.34 Major non-retail transactions in 2022 have included
- Stellantis - 61,989 sq. m at Hooton Park, Ellesmere Port - manufacturer
 - SCCL - 36,477 sq. m –at Gorsey Point, Widnes - distribution
 - Golden Crown Foods – 30,483 sq. m at Kingsway, Rochdale – manufacturing and distribution
 - Victorian Plumbing – 50,558 sq. m at Connect 6, Chorley – e commerce
- 4.35 Committed take up in 2023 to date is 42,750 sq. m at a single unit in Crewe with a further unit at Magnitude, Middlewich (13,842 sq. m) under offer.

Supply

- 4.36 The availability of Grade A accommodation at April 2023 in the North West is 325,823 sq. m. in eighteen buildings. There are six speculatively constructed buildings, seven units under construction and five existing building available. These are listed in Section 7 of the proof.

Market Areas

4.37 The North West regional market can be defined along the main motorway corridors of

M6 Crewe to Preston.

M62 Liverpool to Manchester and

M60 Manchester Orbital motorway

4.38 At Appendix 2 is a regional map highlighting the main market sectors.

4.39 Within these three corridors there are more defined sub-regions/markets

M6 - This can be divided into three main sectors

J16 – 18 Crewe to Middlewich/Winsford

J19 – 21 Specific Warrington market/J20 – 25 The wider M6 corridor including Haydock, St. Helens and Wigan

J26 – 31 North Wigan/Chorley/Leyland and Preston

M62 - This can be divided into

J1 – J3/M57 corridor – the core Liverpool market

J8 – J11 – the main Warrington and surrounding area market

J12 – J21 – the west/north Manchester market

M60 - This can be divided into

J12 – 15 - M60(W)/M61 Salford/Bolton

J17 – 21 – North/NE Manchester – Bury/Oldham/Rochdale

J23 – 2 – East/SE - Stockport/Ashton

J4 – 10 – M56/ West Manchester/Trafford Park

M6 j16 – j18 – Crewe to Middlewich. This includes the three main employment towns/areas of Crewe, Middlewich and Winsford. All market locations are distant from the motorway intersections, and the appeal site. In the last five years 161,307 sq. m has been built out in these locations in nine buildings.

M6 j20 – j25 - Warrington to Wigan - The M6/M62 intersection is generally regarded as the prime location as it connects the two main motorway corridors. The surrounding area benefits from access to the motorways (M62 J8 – J11 and M6 J20 – 25) and A road network including the A580 (East Lancs. Road) and A49. J19 – 21 is the specific Warrington market/J20 – 25, the wider M6 corridor including Haydock, St. Helens and Wigan. Six 56 is located at the intersection of the M56 and M6 and is 3 miles from the M6/M62 intersection. The M6 corridor between junctions 20 – 25 has historically had a mixture of manufacturing and more latterly distribution companies locating in the area.

Within the last five years 411,398 sq. m has been built out in 14 buildings

M6 j26 – j31 – North Wigan – Preston - this sector serves a smaller population base and connects the M58, at junction 26M6 to Liverpool on the M61 and M65 motorway at junction 30 and 29 respectively. The main population centre is the past Preston/ Central Lancashire including Chorley and Leyland. Over the last five years approximately 50,557 sq. m has been built out in one building and let in the area.

M62 j4 – j6 and M57 corridor - this area represents the core Liverpool market including the majority of the southern part of the conurbation. This includes Knowsley, Speke, Huyton and Cronton. The area tends to attract local companies or national companies requiring a facility in the area. The area includes Gorsey Lane and the former

Fiddlers Ferry power station. In the last five years 222,227 sq. m has been taken up in nine buildings.

M62 – j8 – j11 - this is part of the main core area (Warrington market) discussed earlier and spans the intersection with the M6 (Croft Interchange).

M62 – j12 - M60 j11 – the M60 connects to Trafford Park and Salford both of which are in the immediate vicinity and forms part of the Greater Manchester conurbation which is part of an identified separate market on a sub-regional level. Over the last five years there has been 97,491 sq. m constructed in five buildings.

M56 – j4 - j10 – the M56 connects the southern part of Manchester with The Wirral and North Wales. The M56 at its intersection with the M60 adjoins a number of industrial estates and Manchester Airport and connect to the M6 at Stretton. Recent development in the last five years totalled 94,191 sq. m in five buildings.

M60 sub- markets - given their location I have discounted the M60 sub markets to the north and east as they compete in a different market with focus on Greater Manchester.

The table below summarises the take up in the last 5 years in these markets

Market Area	Take up (Sq. m)	Number of Units
M6 j16 – j18	161,307	9
M6 j19 – j25	411,938	14
M6 j26 – j31	50,557	1

M62 j4 – j7	222,227	9
M62 – j8 – j11	<i>SEE M6 j19 – j25</i>	<i>N/A</i>
M62 j12/M60 j11	97,491	5
M56 j4 – j10	94,191	5

The above highlights the popularity of the Warrington sub market/subject sites market area with 14 buildings constructed totalling 411,398 sq. m - substantially higher than any other submarket in the region.

Major Regional Development Sites

- 4.40 The main development sites for major logistics development over the last 10 years have been Omega, Warrington; Logistics North, Bolton, and latterly M6 Major/North Florida Farm, Haydock and Kingsway, Rochdale. Omega and M6 Major/North Florida Farm are located in the market area that is relevant to Six 56.
- 4.41 **Omega, Warrington** has been developed out since 2012 with over 621,840 sq. m having been built out/ under construction. This equates to an average annual build out of 56,531sq. m per annum. The site is located at junction 8 of the M62 and is to the east of the subject site. It has been developed by Omega Warrington Ltd. There are currently twenty buildings over 9,292 sq. m that have been built out with a further three under construction. The Omega West extension granted consent for a further 213,755 sq. m – 157,156 sq. m is already under construction.
- 4.42 **Logistics North, Bolton** was granted planning consent in 2014 and has subsequently built out over 185,800 sq. m with a site purchase for a plot for 90,577 sq. m distribution facility for Lidl. The development is located

at Junction 4, M61 and was developed by Harworth Group. There are seven buildings over 9,292 sq. m. The average unit size is 27,664 sq. m. The completion of Lidl's unit will complete development at Logistics North.

4.43 **M6 Major/North Florida Farm, Haydock** was granted outline planning permission in April 2017 and received reserved matters consent in late 2018, part was pre let to Amazon 33,536 sq. m and a speculative unit of 48,884 sq. m was let within 8 months of practical completion to Kellogg's. The development was undertaken by Bericote Properties, the average unit size was 41,136 sq. m. The site was built out and occupied by April 2020 – three years after the grant of outline planning permission and 19 months from the grant of the reserved matters planning consent, showing the demand in the area.

4.44 **Kingsway, Rochdale**, the 170-hectare mixed use scheme is accessed off j21 M62. The main occupiers on the estate include JD Sports, ASDA. 316,000 sq. m has been built out. The main issue is that all plots capable of accommodating units of over 27,870 sq. m have now been built out.

4.45 All four sites have excellent access to a motorway junction. Omega, Logistics North and Kingsway are located adjacent to motorway junctions and M6 Major/North Florida Farm is within 1.5 miles of junction 23, M6.

The Appeal Site Market

4.46 The appeal site is located along the M6 corridor within the Warrington sub market area – the most popular market area in the North West. The Stretton industrial area is located to the south east of Warrington. It consists of a number of smaller industrial estates and has been expanded/redeveloped as buildings have become functionally obsolete. The major occupiers in the area are Eddie Stobart and Farm Foods who occupy approximately 15,000 sq. m and 22,676 sq. m respectively. There

are a number of logistics/storage operators in the locality including DPD, DX and Iron Mountain.

- 4.47 Lack of development sites have stifled the expansion of the estate/area. Its popularity is confirmed by the recent redevelopment of the former Travis Perkins site for a single 22,676 sq. m distribution unit which was let pre practical completion to Farm Foods Ltd in late 2022.

Warrington Industrial and Logistics Market

- 4.48 The current Warrington market area was created with the construction of the M6 and M62 motorways and the designation of Warrington as a New Town. The Commission for the New Towns (CNT) designated three main employment areas.
- 4.49 These were Risley/Birchwood at j11, M62; The Grange at j21, M6 and Gemini at j8 M62. These were the main areas promoted for development within the borough and have been successful and built out.
- 4.50 Omega which is adjacent to Gemini on the M62 corridor was originally designated as a strategic site partially for inward investment with a focus on office campus development. After being marketed for this use it was accepted by Warrington Council that there was no market for the use and planning was submitted for a mixed use development of the site to include residential, manufacturing and logistics uses. This site has been built out with Omega West being within St. Helens administrative boundary.
- 4.51 The estates/employment areas are all located on the periphery of the town with good motorway access. They have proven popular and are regarded as prime market locations. Stretton has also been a popular location, but its expansion has been limited by the green belt designation of the surrounding area.

4.52 In summary there is a strong market for logistics in the North West. Over 652,462 sq. m of predominantly logistics floorspace has been developed in the Greater Warrington submarket area since 2012. Over the period 2018 – 2022 63% of this total floorspace (411,938 sq. m) has been developed showing the increasing demand from the sector in recent years. The redevelopment of the former Travis Perkins site at Stretton and the letting pre practical completion show the suitability of the site for logistics operators.

5 Market Trends

5.1 The logistics sector is adapting to the current requirements of both occupiers and customers. There have been a consistent number of requirements from companies needing to undertake structural relocations for their businesses. These requirements are driven by lease events and operational changes. In contrast in response to the Covid 19 there have also been structural changes in the market which have resulted in the need for more warehouse space. These have been outlined in Paragraph 4.4 above.

5.2 The main trends are

- taller buildings - 15 m internal clear height from floor slab to the underside of the steel frame was regarded as the industry standard but this is increasing with the requirements of automation. Due to the bespoke nature of automation, it is likely that a greater number of units will be constructed on a build to suit basis. There is an increase in bespoke buildings of up to c. 30m internal clear height (and in some cases higher) at large distribution centres.
- larger building floorplates - these offer the economies of scale and enable centralisation of storage into regional or national distribution centres. Typical building sizes are increasing with the needs of automation.
- sustainability – the ability for occupiers to occupy net zero carbon buildings with BREEAM Very Good/EPC A as a minimum is being driven by their own and their customers Environmental Social and Governance (ESG) agenda. This is resulting in more companies requiring better quality buildings that they can operate as net zero carbon in operation. To put this in context 51% of logistics operators

in the UK now have a positive ESG strategy, they occupy c 81% of the UK logistics buildings.

- electricity supply - warehouses which are automated require larger power requirements for both the handling systems and the IT needed to run the facility. Combined with the move to electric vehicles and the need for charging points, this increases the power requirements.

5.3 Development sites should satisfy the following criteria to enable large scale distribution development.

- Large footprint
- Physical Characteristics- flat, regular shaped serviced sites
- Motorway access
- Land Ownership
- Deliverability
- Labour Supply
- Access to Ports and Rail

5.4 Large footprint – the site should have the ability to offer a range of building sizes from 27,870 sq. m to 46,450 sq. m or larger with appropriate yard areas and parking facilities.

5.5 Physical Characteristics – there should be no site-specific barriers to development such as

- Topography/Shape of site – delivery of regular shaped plots capable of accommodating a range of building sizes
- Service provision – the availability of adequate utility services and drainage or ability to deliver within a reasonable timescale

- Environmental – no on-site constraints, flood risk, ecology, trees
 - Proximity to sensitive uses- ensuring 24/7 operation.
- 5.6 Motorway/Strategic Road Access – the uses require access to motorway junctions and the strategic road network. This is supported in the latest NPPF at paragraph 82.
- 5.7 Land Ownership – sites should be optioned or in the control of a single party to ensure deliverability. Public rights of way should be capable of diversion.
- 5.8 Deliverability – sites should not be affected by issues outside the owners/developer’s control.
- 5.9 Labour Supply – access to workforce, availability of public transport. Salaries for staff working in warehousing have had the perception of being low. By contrast the average salaries in the logistics sector are now higher than the average in all other sectors in the Northern Powerhouse - £30,500 per annum as opposed to £27,800 per annum for all sectors. (BPF [Economic Contribution of Logistics in the Northern Powerhouse](#)). (Core Document Ref. 4.157 Page 7)
- 5.10 Access to Ports and Rail – the ability to offer multi-modal transport is becoming an important factor for a number of logistics companies and their clients.
- 5.11 The impact of the Green Agenda and requirements for reduced emissions from vehicles by 2040 all add to the need for distribution centres to be in accessible locations.
- 5.12 The effect of the above on the sector will create further demand for warehousing and have a greater impact on those existing functionally obsolete buildings. Occupiers will need to relocate to more efficient facilities for their own purposes or as part of a corporate or contractual

requirement with the end user. Immediate requirements will focus on a speculative development whilst longer term requirements can consider units on a build to suit basis.

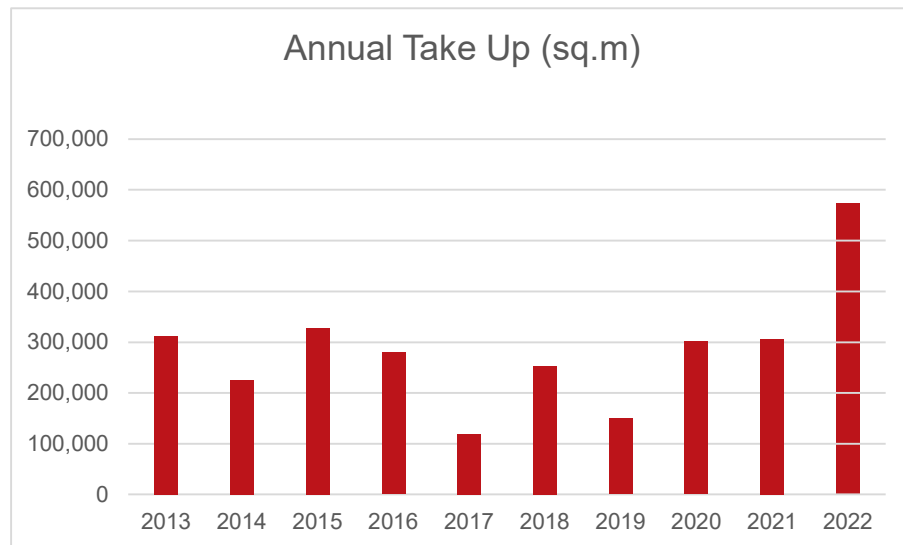
- 5.13 Six 56 will satisfy these criteria as it can offer large floorplates, is deliverable, has a large labour supply, excellent motorway access, proximity to both rail terminals and the Port of Liverpool/Liverpool 2 Container Terminal for both container and general port related cargo.

6 Demand

6.1 The average five- and ten-year annual take up of Grade A accommodation in the North West is 316,885 sq. m and 284,844 sq. m respectively.

6.2 In 2022 the take up was 573,907 sq. m. This is in excess of both the five- and ten-year average for a full year.

6.3 The last ten year take up is shown in the Table below



6.4 The annual take up for Grade A units in excess of 9,292 sq. m between 2013 – 2022 is listed at Appendix 3.

6.5 The take up from 2015 to 2022 has been analysed between existing, speculatively built and build to suit floor areas as shown in the table below

Year	Existing (Grade A)	Speculative Build	Build to Suit
2015	35%	14%	51%
2016	13%	56%	31%
2017	0%	40%	60%

2018	33%	37%	30%
2019	39%	40%	21%
2020	4%	72%	24%
2021	21.7%	48.3%	30%
2022	1.8%	40%	58.2%
Average	18.4%	43.4%	38.2%

6.6 Speculative build and build to suit have been the dominant sectors with existing/second-hand buildings having a lower take up. The existing stock will generally be older and of a poorer specification. This highlights the availability of types of stock, occupier requirements and timescales for occupation.

Requirements

6.7 JLL keep a database of requirements across the UK. I have analysed the requirements which are relevant to the Warrington area for the period January 2022 to March 2023. The total number of requirements with an upper search in excess of 9,292 sq. m is 121 with a total requirement of 3.77m sq. m

6.8 These requirements are on several levels and can be divided into the following – national/wide search area requirements; regional requirements within a specified search area and Warrington focussed requirements.

6.9 From an analysis of the data base there are six national requirements, seventy-nine regional/sub regional requirements and thirty-six Greater Warrington focussed requirements. This corresponds to approximately 800,000 sq. m with a focus on the Greater Warrington area, 2,834,312 sq.

m of sub regional /regional requirements and 135,688 sq. m of national requirements

6.10 In summary, 81.6% of the take up in the North West is new build highlighting occupiers' preference for new or bespoke buildings. The wider Warrington/M6 market is a strong location. The area has the largest take up in the last five years at 411,938 sq. m or 63% of the take up (Para4.54). Regional demand and local demand are also strong. In terms of demand regionally there are seventy nine enquiries, with a further thirty six enquiries with a specified search area of the wider Warrington area. This confirms the need for the subject site.

7 Supply

7.1 The availability of existing Grade A, speculative build and units under construction which are over 9,292 sq. m is 325,823 sq. m as at April 2023. The map at Appendix 4 and the hyperlink shows their locations. [Appendix 4- Supply- Buildings](#) The supply is outlined below and at Appendix 5.

Speculative build units under construction

7.2 There are seven units currently under construction totalling 117,642 sq. m.

Under Construction	Sq. m
Omega Loop 308	28,698
Viking Park, Widnes	18,587
Imperial 164, Kingsway	15,357
Bryn Lane, Wrexham	16,196
Skylink 147	13,662
Botany Bay, Chorley	15,198
Knowsley 107	9,944
Total	117,642

Speculative Build

- 7.3 There are six speculative build units immediately available with a total floor area of 150,013 sq. m.

Existing Speculative Build	Sq. m
Link Logistics Park, Ellesmere Port	60,778
Link Logistics Park, Ellesmere Port	9,987
Ergo Park, Oldham	34,111
Magnitude 149, Middlewich – <i>Under offer</i>	13,842
Aviator Park, Ellesmere Port	18,475
PLP Ellesmere Port	12,820
Total	150,013

Existing Buildings

- 7.4 The supply of Grade A existing stock is limited there are five buildings available totalling 58,168 sq. m.

Unit	Size sq. m
L 175 Speke`	16,264
Icon 4, Manchester	9,572
Icon 3, Manchester	12,860
W105, Winsford	9,825

Matrix Court, Chester	9,647
Total	58,168

7.5 The total available supply is summarised in the table below.

Type	No. of Units	
Units under construction	7	117,642 sq. m.
New speculative build	6	150,013 sq. m.
Existing Grade A units	5	58,168 sq. m
Total	18	325,823 sq. m

7.6 If the supply is analysed by size

83.33% (15 units) of the stock is within the 9,292 – 18,588 sq. m size range,

11.1% (2 units) are within the 27,882 – 37,174 sq. m size range

5.55% (1 unit) is within the 46,460 sq. m size range

7.7 Based on current supply of 325,823 sq. m, the 5-year average annual take up of 316,885 sq. m there is 12.3 months' supply.

7.8 Based on the 10-year average annual take up of 284,843 sq. m there is 13.7 months' supply.

- 7.9 If Magnitude , Middlewich is let, this will reduce the supply to 311,981 sq. m in 17 units. This will reduce the supply to 12 or 13 months based on the five and ten year average take up respectively.
- 7.10 This shows a limited of supply, and the continued level of demand for logistics premises. Historically, there has been c 12 – 18 months’ supply available to the market. This has enabled a steady throughput of development to capture occupier requirements. Given the timescale to obtain planning consent and construct a unit of 15 – 24 months this highlights that the market is currently failing and will be unable to provide the required supply.
- 7.11 There are only three units (17.4%) in excess of 27,870 sq. m available, with no units in this size range under construction.
- 7.12 Omega Loop 308 is located on Omega, junction 8 M62 within St. Helens administrative boundary. The unit is within the Warrington market area.
- 7.13 Link Logistics Park is located in Ellesmere Port, a very secondary location. The unit is in an inferior location to Six 56, with good motorway access to the M53 but is distant from the M6/M56 intersection.
- 7.14 Ergo 367 is located in Oldham and focussed on the North Manchester/M62 market
- 7.15 In summary, the North West distribution market has a limited supply of buildings, providing 12 - 13 months’ supply based on the 5- and 10-year average take up in eighteen units. There are only three building in excess of 27,870 sq. m immediately available, one is in a substantially inferior location to Six 56. There are no buildings over 9,292 sq. m available or under construction within Warrington Borough Councils administrative area.

8 Employment Land – Regional Sites

- 8.1 Sites across the North West within the main motorway corridors have been considered based on their ability to accommodate a single unit of 9,292 sq. m. This assumes a minimum site area of 2 hectares. There is approximately 1,336,978 sq. m of sites with outline or detailed planning consent in the North West for units over 9,292 sq. m. these are located over 21 locations. A map highlighting the locations is attached at [Appendix 6- Regional Sites](#) Appendix 6, a table listing the sites is at Appendix 7.
- 8.2 The table has been broken down by size range with a number of miscellaneous sites listed with the developable floor areas where there is an outline consent and limited information on the eventual unit sizes.
- 8.3 There are 42 sites in total. No sites are within the Warrington borough area.
- 8.4 There are 18 sites that can accommodate/have consent for units of between 9,292 – 18,584 sq. m totalling 230,131 sq. m.
- 8.5 There are seven sites that have consent for units between 18,554 sq. m to 27,876 sq. m totalling 149,171 sq. m
- 8.6 There are five sites that have consent for units between 27,876 sq. m to 37,168 sq. m totalling 159,110 sq. m.
- 8.7 There are three site that have consent for units between 37,168 – 46,460 sq. m totalling 126,268 sq. m
- 8.8 There is one site that has consent for units between 46,640 - 55,752 sq. m totalling 48,792 sq. m

- 8.9 There are two sites with planning consent for units of over 55,752. Both are located in Heywood, North Manchester.
- 8.10 There are no consented sites in Warrington, and one site with consent at Omega West, St. Helens
- 8.11 The table highlights the limited availability of sites capable of accommodating larger requirements of over 27,876 sq. m with only 16 of the 42 sites being able to accommodate this size requirement.
- 8.12 The sites located within the subject site market area can offer approximately 237,082 sq. m of buildings, including Omega 400, Warrington, three plots at Parkside and a single plot at Haydock. Based on the 5 year total take up in the market area of 411,938 sq. m (at Para 4.52) this would equate to an annual take up of 82,387 sq. m per annum. This would provide 2.87 years supply. This does not offer a wide choice of sites as they are focussed in three locations along the corridor.
- 8.13 The sites do not offer direct competition to Six56 as they will cater for a different market in locational terms. The available sites are clustered around Widnes, North Manchester, Crewe, Deeside and the Central Lancashire conurbation. The main competing site within the Warrington market area at Parkside is likely to be built out in three units. Given the current take up rate in the Warrington market area (82,387 sq. m per annum) Parkside could be built out in 13.5 months from date of start on site. Alternatively Parkside can only provide 13.5 months supply for the Warrington market area. If all the sites in the Warrington market area are included they will only provide 2.87 years supply.
- 8.14 In summary the table shows that whilst there are a number of sites that can accommodate a range of unit sizes across the North West, no sites/plots are available within the Warrington administrative boundary. There are a limited number of deliverable sites across the North West that can

accommodate units in excess of 27,870 sq. m. There is a limited supply within the Warrington market area. The sites are in geographically diverse locations and offer limited competition within the core market area for Six 56.

9 Warrington Borough Council Employment Land – Qualitative and Quantitative Assessment

9.1 Within the Warrington Borough administrative area there are currently no available sites with either an allocation or implementable planning consent capable of accommodating a unit in excess of 9,292 sq. m.

9.2 The table below lists the Omega West site which is allocated within St. Helens. Approximately 8.4 ha of this allocation remain available the remainder of the site is currently under construction. The table also lists the former Fiddlers Ferry power station site.

	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
St. Helens Draft Local Plan Ref:1EA	Omega South Western Extension, (to meet employment land needs arising in Warrington)	31.22	8.44	The allocated site is regarded as meeting Warrington BC's employment needs.
Warrington	The former Fiddlers Ferry Power Station site	330	330	Located at the western extreme of the borough with poor motorway access approximately 5.5

	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				miles away. The site requires demolition and remediating prior to being redeveloped. Road access will require improvement.

Qualitative Assessment

- 9.3 Warrington BC are relying on a single large allocation to the west of the borough with poor local and regional access. Given the boroughs location and access to the M62 and M6 the Fiddlers Ferry site does not have any locational benefits as compared to Omega which has a direct access to j8, M62. Six 56 also offers direct motorway access to the M6/M56.
- 9.4 Omega West provided 75.43 ha of employment land. 31.22 ha of the allocation has counted towards the Warrington land supply.
- 9.5 The Omega West site has been developed with work starting on site upon receipt of the Secretary of State’s decision after the Called In Inquiry. This confirms the demand for the area.

10 Subject Site

10.1 Six 56 has been assessed on the criteria for large scale development discussed in Section 4. The site satisfies the criteria which are discussed below.

10.2 **Large footprint** – Six 56 can offer a number of development plots capable of accommodating units of 9,292 sq. m or over. The indicative masterplan identifies the plots.

10.3 **Physical characteristics** –

- the topography/shape of the site does not prevent its development – the site does have a slight rise and fall but this does not inhibit development. The masterplan identifies how the larger buildings ‘fit’ on the site.
- there is an adequate timescale to provide utility/service provision to the site
- the site is greenfield and has no physical barriers to development.
- The site can be operated on a 24/7 basis – there are no residential properties in close proximity to be affected by 24/7 operations on the site. The site is accessed directly from Junction 20 of the M6/j9 of the M56.

10.4 **Motorway/strategic road access** – Six 56 has direct access to Lymm Interchange j9, M56/j20, M6. The site has excellent access to the region’s motorway network. The M6 and M62 are the main trunking motorways in the north west for logistics with the M56 providing a route to North Wales, the Wirral peninsular and access to Manchester. The site’s location provides access to the Liverpool City Region, Liverpool 2, Warrington

and the Greater Manchester conurbation. This is supported by the Model Logic Logistics Study.

- 10.5 **Land ownership** – the site is in the control of the developer.
- 10.6 **Deliverability** – the site has no impediments on delivering distribution units to the market.
- 10.7 **Labour supply** – the area’s demographics provide a large catchment area.
- 10.8 In summary, Six 56 satisfies all the relevant criteria for large scale floorplate development. The site can be brought forward subject to receipt of an implementable planning consent.

11 Call In Sites

11.1 There were seven sites that were ‘called in ‘ in the North West. The sites were

- Parkside, St. Helens – 92,900 sq. m
- Wingates, Bolton – 92,900 sq. m
- J25, Wigan – 133,966 sq. m
- Omega West, St. Helens – 205,500 sq. m
- Haydock Point, St. Helens – 167,225 sq. m
- Bredbury Gateway, Stockport – 93,184 sq. m
- Barleycastle , Appleton Thorn, Warrington -

These are shown in Appendix 8 [Appendix 8- Called In Sites](#)

11.2 The top four sites were all granted consent in 2021, providing approximately 525,266 sq. m of hybrid planning consent.

11.3 At Omega West, 157,156 sq. m (76%) of the consented floor area has already been committed and is in development. The take up at Omega West represents a land sale and a pre let development to TJ Morris and Iceland respectively. The third building is a speculatively developed warehouse which will be available September 2023.

11.4 The three other sites that were granted consent are all working towards being able to offer plots available for development in the next 12 – 24 months. This involves dealing with pre development planning conditions, site preparation such as plateauing and provision of utilities/services to the sites.

11.5 The lack of development on the other sites reflects the complexity of some sites and the timescale needed to deliver a serviced site capable of

development rather than a lack of demand in the market. With the exception of j25 Wigan (Symmetry Park, Wigan), the sites have not been promoted for marketing purposes.

11.6 At para 4.7 of Mr Rolinson’s proof he details the Secretary of States conclusions in determining the called in sites. Mr Rolinson summarises the SoS conclusions where there was an ‘ *evident and compelling planning policy imperative for high-quality logistics floorspace regionally, sub-regionally and locally*’; *that employment land supply in the M6 corridor is “critically low”*; *that the evidence base underpinning the emerging Local Plans should be afforded “significant weight”*; *that the need for new employment land carried “very significant weight”*; *that the “locational benefits carry further significant weight”*; *and that the “socio-economic benefits carry further significant weight”*. *The Secretary of State granted planning permission for four of the five Call-In schemes as he concluded that “very special circumstances” exist.*’ The comments are applicable to the Six 56 site.

11.7 In summary the take up of buildings/land at Omega West has removed a large amount of supply out of the market place in the subject market area. From the list of sites which were granted consent only Parkside, St. Helens can be considered as being able to compete with Six 56 along the Warrington/M6 market area. The remaining consented sites are too distant to be considered as competition. Given the size of Parkside (9,292 sq. m) consented it can only offer three relatively fixed plot sizes which will not offer the variety of unit sizes that could be offered at Six 56.

12 Logistics Report

12.1 Model Logic have prepared an updated logistics study dated March 2023.

The study assesses the locational characteristics of the site based on operator and end user requirements. The report is attached at Appendix 9

12.2 The report compares in the Competitor Site Comparison (page 14) a range of alternative sites in the North West against drive time comparisons of between 60 – 240 minutes. The report ranks Six 56 as the fourth for the various individual drive time scenarios but the best location overall.

12.3 The report concludes the following points regarding the subject site.

- It is located near the centre of the high population belt of Manchester, Warrington and Liverpool, giving an extensive population base being capable located within a 60-minute drive time – the typical drive time for electric vehicle deliveries.
- Six 56 is an ideal site for a logistics network with multiple sites being as good as or within 2% of the transport performance of the ideal network
- Six 56 is a prime location to act as an Import Centre linked to Liverpool 2 docks
- Six 56 is an excellent location to operate a local or last mile distribution centre and is capable of utilising electric vehicles
- Six 56 has an excellent catchment area for staff recruitment

12.4 In summary the logistics report confirms the location as being in the top four locations for all drive times between 60 – to 240 minutes and overall, as the best location for a distribution network. This supports the suitability of the location for distribution uses.

13 Economic Issues

- 13.1 The limited supply of existing buildings across the North West and specifically in the Warrington sub region creates issues for businesses in locating to their preferred location. This also has an economic impact on the business in increasing relocation, transport and labour costs.
- 13.2 This situation will cause market failure. Market failure is when the market cannot satisfy the needs of occupiers due to a lack of supply of built product or additionally in this instance a lack of built product and the supply of land to be able to construct the required distribution facilities. Occupiers are having to consider short term solutions or alter their supply chain strategy due to a lack of stock. By way of an example, TK Maxx were searching for a building in the Midlands and took a unit at Crewe – this removes stock from the market, reducing the options for other companies who may then need to locate outside their preferred area, potentially creating a domino effect.
- 13.3 The current situation has been brought about by a number of factors which include – a step change in the market, local authorities not being able to bring sites through the employment allocation/ local plan process quickly enough in relation to (1) employment land take up, (2) the change in market requirements outpacing local plans and (3) a reliance on older employment sites which could never satisfy modern occupier requirements or are poorly located. This is the situation in Warrington. The Council are relying on a former power station site which needs to be demolished and remediated with timing implications. The site is located at the most western extremity of the borough and is approximately 5.5 miles from junction 7 of the M62. Companies relocating within or to the

borough could prefer to be in a more central location closer to the M6 intersection.

- 13.4 To prevent market failure the market should provide up to 24 months supply of units under construction or available to provide a suitable choice for occupiers. There should be a range of sites in various suitable locations that occupiers and developers can consider for build to suit requirements.

14 Conclusions

- 14.1 Six 56 is located in a prime location with immediate access to the M6/M56 and adjoins an existing industrial estate. Occupiers include Eddie Stobart, Kammac, Farm Foods and DPD. It is an established distribution location.
- 14.2 As a result of Covid 19 and Brexit there has been a change in shopping habits, increased inventory and reshoring of business. This has resulted in the logistics/warehousing sector expanding its property footprint creating a need for an increased need for larger buildings.
- 14.3 Occupiers, investors and developers all require buildings to be built to a more sustainable quality to comply with the Environmental, Social and Governance requirements of most businesses.
- 14.4 Specifications are being driven by automation/technology, sustainability of the built product both in construction and operation. Government regulations require minimum EPC ratings of C in 2025 and B in 2030 which will impact the availability of existing stock by reducing it and putting more pressure on the supply of new buildings.
- 14.5 The current supply of Grade A buildings in the North West is 325,823 sq. m in eighteen units. This represents only 12 or 13 months' supply based on the five- and ten-year average take up respectively.
- 14.6 Take up for 2022 was 573,907 sq. m – it was an exceptional level of take up, and double the ten-year average of 284,844 sq. m. This confirms the imbalance between supply and demand. Take up has historically been led by new speculative build units or buildings being built on a build to suit basis. These account for c 80% of the market over the last eight years. This shows the need for more land to enable development.

- 14.7 The Warrington market area has 63% of the market take up when compared against the seven sub markets. The Warrington sub market is the most successful location.
- 14.1 If all the sites in the Warrington market area are included they will only provide 2.5 years supply based on the five year average take up in this market area.
- 14.2 There is a shortage of deliverable sites in the North West and there are no sites available within Warrington Borough Councils administrative area. This is having an adverse effect on occupiers who are now in the situation where the available supply of buildings and pipeline are severely restricted.
- 14.3 Market failure will occur in the region as companies will have a limited choice of sites and locations. The locations or sites may not be suitable for their business needs. The companies will either locate elsewhere either in or outside of the borough or region.
- 14.4 The current situation has been brought about by a number of factors which include – a step change in the market, local authorities not being able to bring sites through the employment allocation/ local plan process quickly enough in relation to (1) employment land take up, (2) the change in market requirements outpacing local plans and (3) a reliance on older employment sites which could never satisfy modern occupier requirements or are poorly located. This is precisely the issue that Warrington BC are creating by relying on the former Fiddlers Ferry power station site.
- 14.5 The Fiddlers Ferry site is approximately 5.5 miles from j7 of the M62. It is 8.6 or 11.8 miles from the M6/M62 intersection. Six 56 is located at a motorway intersection. The market for the subject site is focussed on the wider Warrington market predominantly along the M62 (j8 - j11), M56

(j9 – j11) and M6(j20 – j25) corridors. Six 56 can offer a deliverable site with direct motorway access

- 14.6 There are a 121 enquiries that will consider the subject location within their search area. 800,000 sq. m of requirements are focused on the Greater Warrington area, 2,834,312 sq. m of sub regional /regional requirements will consider the market area. This confirms the demand within the market area that Six 56 is located.
- 14.7 The changing logistics requirements are driving a need for larger, taller distribution units to enable automation. The size and height of the buildings is determined by the automation system. This requires larger regular shaped sites with good motorway access capable of accommodating large unit sizes. Six 56 can offer plots to satisfy these requirements. There are no other sites within Warrington BC administrative area that can do this.
- 14.8 The logistics study undertaken by Model Logic confirms that the site has an overall ranking of being the best site against the comparisons for logistics use in the North West. The report also confirms that there is a plentiful labour supply for the location.
- 14.9 In summary, the North West has an extremely limited supply of available buildings and land capable of delivering modern logistics facilities with motorway access. More specifically Warrington does not have a deliverable land supply, has relied on ‘the duty to cooperate’ with St. Helens Council to provide Omega West which is 73% built out. Six 56 can satisfy the borough’s need.

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ⁱ (Grade A floorspace is defined as being up to c 20 years old with a minimum 10 to eaves and a 50m deep yard area)

Jones Lang LaSalle



Appendix 1 – Summary Proof

Call-in by the Secretary of State of an application made by
LANGTREE PROPERTY PARTNERS LLP

LOCAL PLANNING AUTHORITY – WARRINGTON BOROUGH
COUNCIL REFERENCE 2019/34799

PLANNING INSPECTORATE REFERENCE
APP/M0655/V/22/331187

RELATING TO: Land to the west of junction 20 of the M6
motorway and junction 9 of the M56 motorway and to the south
of Grappenhall Lane and Cliff Lane, Grappenhall, Warrington –
known as Six:56

06 April 2023

Appendix 1 – Summary Proof

1. Changes to the market have resulted in an increased demand for warehouse accommodation. These have included the growth in internet shopping, onshoring of goods and raw materials, the requirement of occupiers to have more sustainable properties due to environmental, social and government (ESG) strategies and the impact on companies requiring taller and bigger buildings which offer economies of scale.

Market Area

2. The north west market is an attractive location with extensive motorway network focussed on the M6 and M62 corridors serving the Liverpool, Greater Manchester and Central Lancashire conurbations.
3. The suggested market areas are highlighted at Appendix 2. The subject site is in the J19 to J25 M6 Warrington/wider M6 market area. The specific Warrington market area includes J11 to J8 of the M62 and J19 to J21 of the M6. This overall area has had the highest level of take-up in the north west highlighting its popularity.
4. Regional take up in 2022 was 573,902 sq. m. 98.2% of the take up was in new build floor space. The average five year take up is 316,885 sq. m, the average 10 year take up is 284,844 sq. m. Take up in 2022 was in excess of the five-year average and double the ten year average.
5. The regional supply is 325,823 sq. m in 18 buildings. There are seven units under construction, six units speculatively built and five existing buildings.

Market Trends

6. The sector has a number of trends. These include requirements for taller buildings, with larger floor plates and with sustainable construction to enable the buildings to be net zero carbon in construction and operation. The buildings now have substantially higher power requirements to reflect the needs of EV charging, automation and IT systems.
7. Developments sites need to satisfy a range of criteria to enable this development. These include capacity for large building footprints, regular shaped plots, motorway access, availability of labour, deliverability and access to ports and rail. Six 56 can satisfy all these criteria.

Demand/Take Up

8. An analysis of take up from 2015 to 2022 highlights that 81.6% of take up since 2015 of Grade A units has been new build stock either on a build to suit or speculative basis.
9. JLLs enquiry database has highlighted that there are 121 requirements between January 2022 to March 2023 inclusive. These requirements were for the size range between 1.93 million sq. and 3.7 million sq. m. These are divided between six national requirements, 79 sub-regional requirements (2,83m sq. m) and 36 Greater Warrington specific requirements (800,000 sq. m). This confirms the strength of the market in the Warrington area and the need for this subject site.

Supply

10. Of the 18 units that are available in the market place, only one unit (under construction) is within the Warrington market area.

11. No buildings are available within Warrington BC's administrative area or are under construction. Based on the regional market area and take up, there is approximately 12.3 or 13.7 months' supply of buildings based on a five and 10 year average take up. If one unit at Middlewich is let, this will reduce this to approximately 12-13 months' supply.

Employment Sites

12. A list of sites with planning consent are listed at Appendix 6. Whilst there are a number of plots available, the total number of sites is 21. This reflects the size of some of the larger plots. The total potential floor area is 1,336,978 sq. m. However, one plot of 48,792 sq. m is currently under offer at Deeside. Likewise, whilst the other plots at Deeside are included, this market is somewhat distant from the M6 market place. None of these sites are in the Warrington area. Within the wider M6 market/ Warrington area there is approximately 237,082 sq. m. Based on the five year average take up within this area of 82,837 sq. m this equates to 2.87 years supply in three locations.
13. The quantitative/quality of land supply in the Warrington BC area is mainly proposed with the site of Fiddlers Ferry Power Station. The quantitative need is addressed in Mr Rowlinson and Mr Kinghan's Proof's.
14. Qualitatively the site is located in the most westerly section of the Borough with poor motorway access and is distant from the M6/M62 intersection. By comparison the Omega West site has been substantially built out (76%) and is a superior location with direct motorway access.

Suitability of Six 56 for Large Scale Development

15. The subject site has been assessed against all the criteria for being suitable for large scale development discussed in Section 4 of the main Proof. The site can offer large development plots, is in the control of a single developer with excellent motorway access and is deliverable within a realistic timescale.
16. Six 56 therefore satisfies all the criteria for being able to undertake large scale development.

Called In Sites

17. Three of the four Called In sites which secured consent are currently being prepared for development. Omega West is 76% committed, with the other three sites have uncertain timescales for delivery. I understand the Parkside's will be approximately circa 24 months before development can commence, and Wingates, Bolton does not offer a competition due to its location. Symmetry Park, Wigan has an uncertain timescale, and again is to the northern extremity of the wider Warrington market area.

Model Logic Logistics Report

18. The model logic logistics report addresses the suitability of the site as a logistics location when compared against competing sites/locations. The report rents the site fourth in a number of various drive time scenarios between 60 and 240 minutes.
19. The report confirms the site is the best overall location for a logistics facility. This supports the sites suitability for distribution uses.

Economic Issues

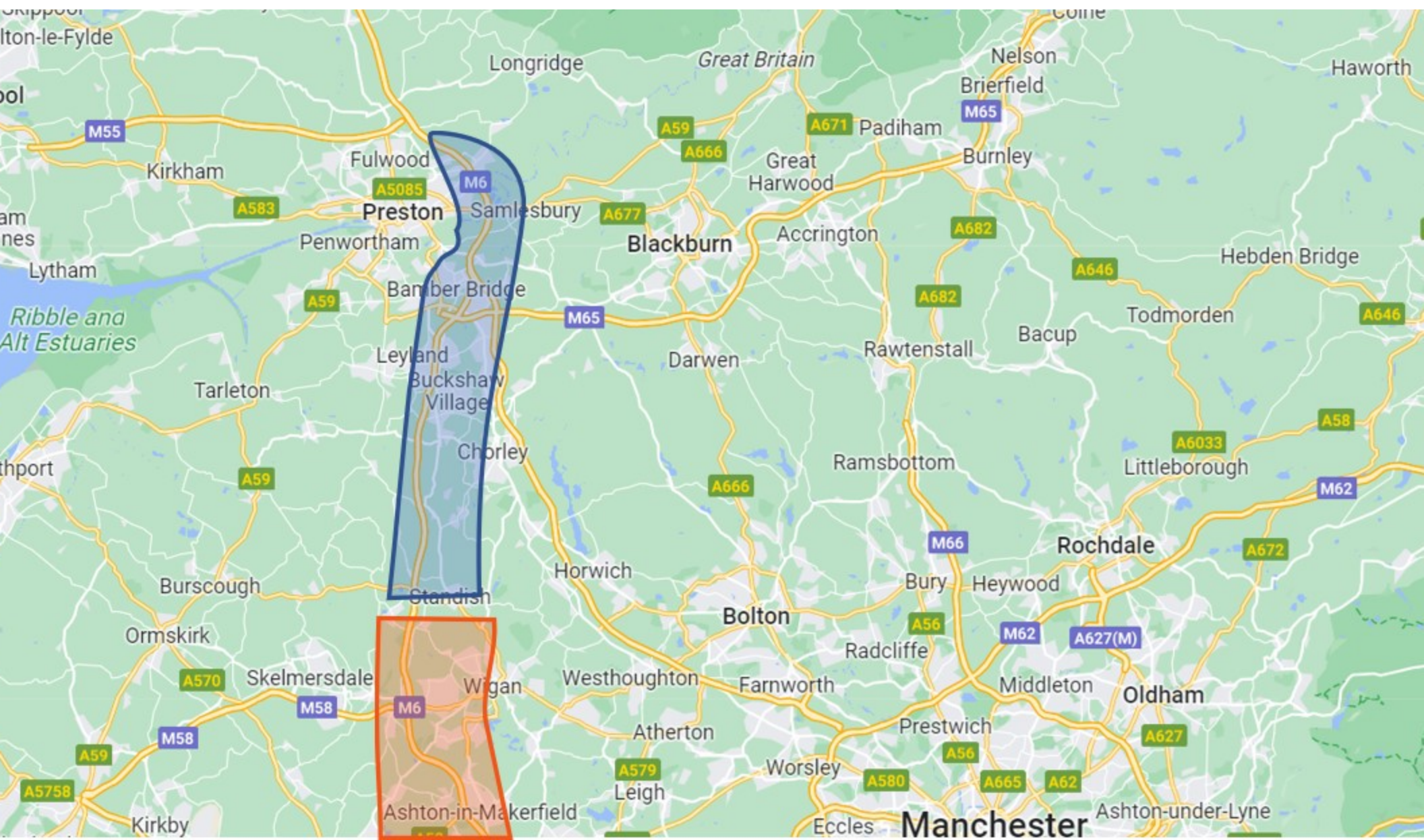
20. The limited supply of existing buildings and sites limits opportunities for business to relocate. Warrington BC are relying on the former Fiddlers Ferry power station site - a single large site located in a poorly located approximately 5.5 miles from j7 of the M62. Occupiers will consider other more accessible locations on the main motorway network which could result in loss of businesses from the borough.
21. At present the borough has no land or Grade A buildings over 9,292 sq. m within the borough to satisfy this demand.

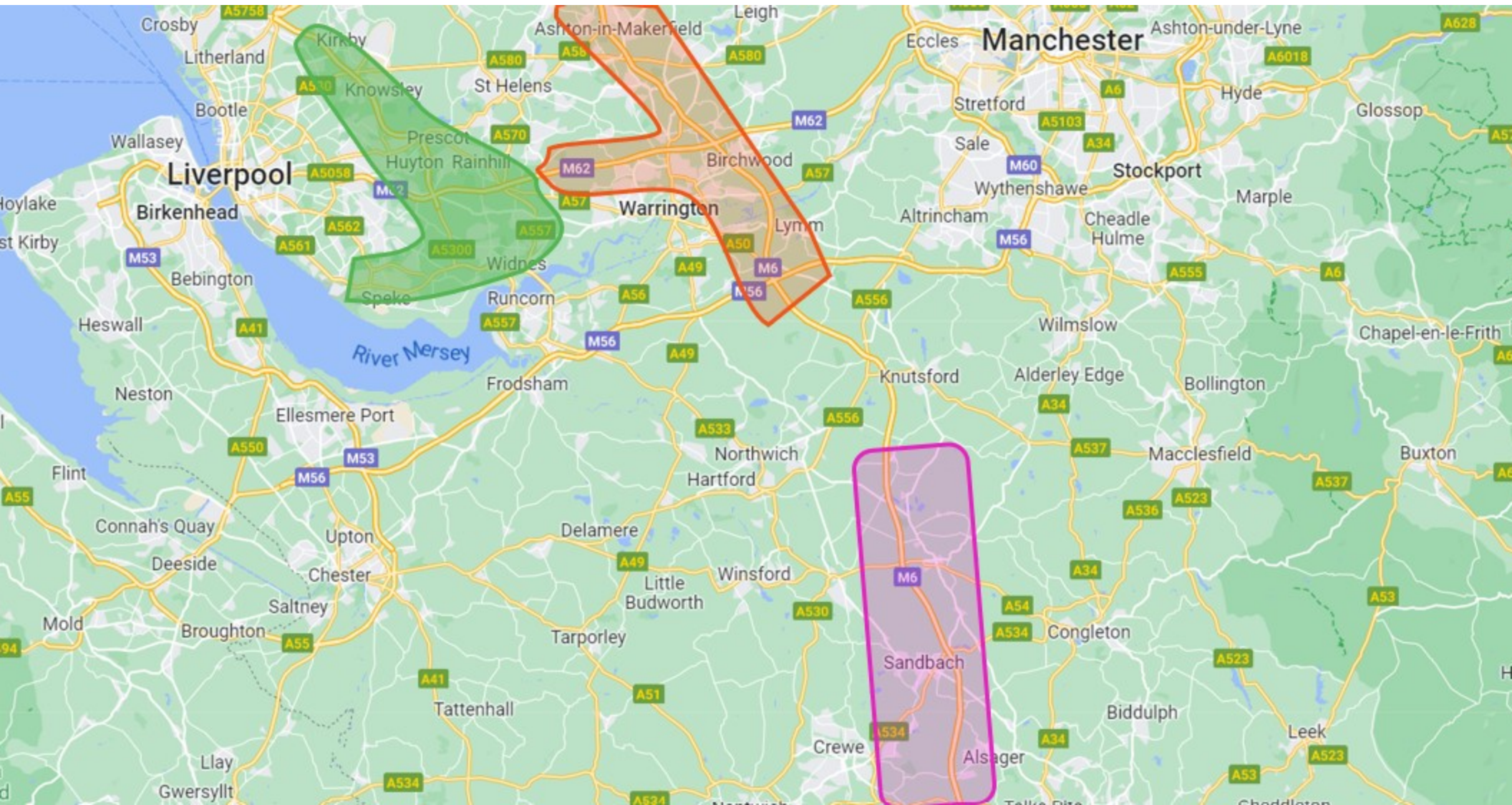
Conclusions

22. Six 56 is in a prime location with immediate access to the M6/M56, in an established distribution location.
23. Occupiers require modern buildings to offer economies of scale and satisfy their ESG credentials. Over 80% of the last eight years take up has been new build and was at a figure of 98% in 2022.
24. We have shown that there is a limited supply of buildings available or under construction. This equates to between 12 and 14 months supply based on the five and ten year take up rates.
25. There are no deliverable sites in Warrington Councils administrative area, and a limited number of sites in the wider Warrington market area.
26. The proposed land supply at Fiddlers Ferry is at the western extremity of the borough and is 8.6 miles or 11.8 miles from the M6/M62 intersection. Six56 has direct access to the M6.

27. The changing needs of the market require larger, taller buildings creating larger floorplates to enable economies of scale and automation. Six 56 can offer suitable sites to satisfy these needs.
28. Model Logic' logistics report reinforces the suitability of the site as the best all round location to locate a logistics hub.
29. The strength of the Warrington market is reinforced by the fact that the Omega West site is being developed at present with 73% of the site under construction within 12 months of securing planning consent.
30. Six 56 can satisfy the boroughs ongoing need for logistics development, the above and its proximity to the M6, M56 and M62 make it suitable to satisfy the boroughs need.

Appendix 2 – Regional Maps of Market Areas





Appendix 3 – Annual Take Up

Appendix 3

Ten Year Annual Take Up

Year	Take Up (sq.m)
2013	311,710
2014	225,878
2015	327,578
2016	279,698
2017	119,146
2018	253,363
2019	149,260
2020	301,717
2021	306,179
2022	573,907
Total	2,848,436
Ten Year Average	284,843 sq.m
Five Year Average	316,885 sq.m

Appendix 4 – Location Map – Building Supply

Existing Spec Units

 Sequence of numbers

- 1 Link Logistics Park, Ellesmer...
- 2 PLP, Ellesmere Port
- 3 Aviator Park, Ellesmere Port
- 4 Ergo Park, Oldham
- 5 Magnitude149, Middlewich

Existing Second Hand Units

 Sequence of numbers

- 1 L175, Speke
- 2 Icon 4, Manchester
- 3 Icon 3, Manchester
- 4 W105, Winsford
- 5 Matrix Court, Chester

Under Construction

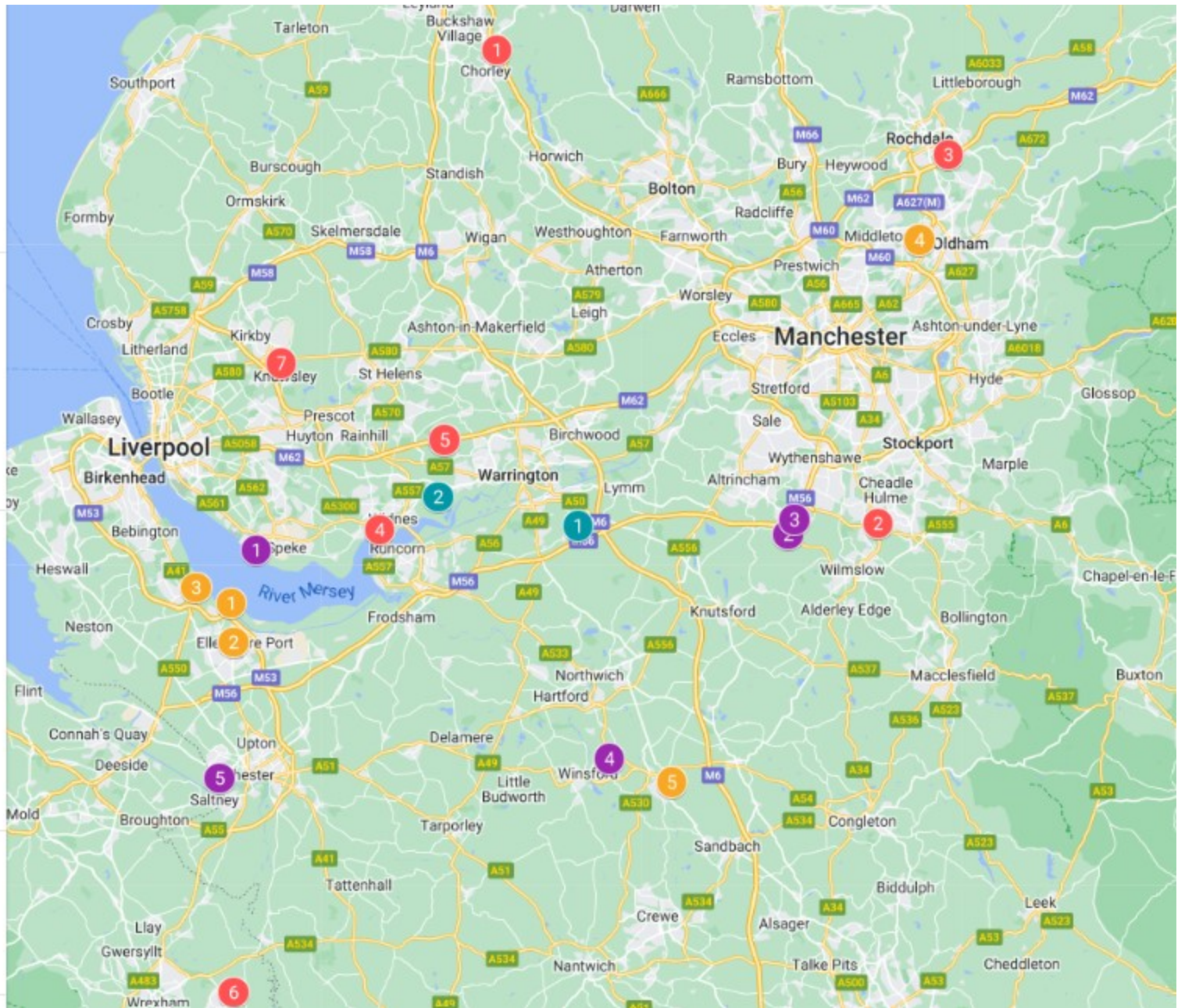
 Sequence of numbers

- 1 Botany Bay, Chorley
- 2 Skylink 147, Stanley Green
- 3 Imperial 164, Rochdale
- 4 Viking Park, Widnes
- 5 Omega Loop 308, Warrington
- 6 Bryn Lane, Wrexham
- 7 Knowsley 107, Knowsley

Warrington Sites

 Sequence of numbers

- 1 Subject Site- Six 56
- 2 Fiddlers Ferry



Appendix 5 – Table of Available Units

Appendix 5

	Under Construction (Red)	Sq. m
1	Botany Bay, Chorley	15,198
2	Skylink 147	13,662
3	Imperial 164, Kingsway	15,357
4	Viking Park, Widnes	18,587
5	Omega Loop 308	28,698
6	Bryn Lane, Wrexham	16,196
7	Knowsley 107	9,944
	Total	117,642
	Existing Speculative Build (Orange)	Sq. m
1	Link Logistics Park, Ellesmere Port	60,778
1	Link Logistics Park, Ellesmere Port	9,987
2	PLP Ellesmere Port	12,820
3	Aviator Park, Ellesmere Port	18,475
4	Ergo Park, Oldham	34,111
5	Magnitude 149, Middlewich – <i>Under offer</i>	13,842

	Existing Unit (Purple)	Size sq. m
1	L 175 Speke`	16,264
2	Icon 4, Manchester	9,572
3	Icon 3, Manchester	12,860
4	W105, Winsford	9,825
5	Matrix Court, Chester	9,647
	Total	58,168

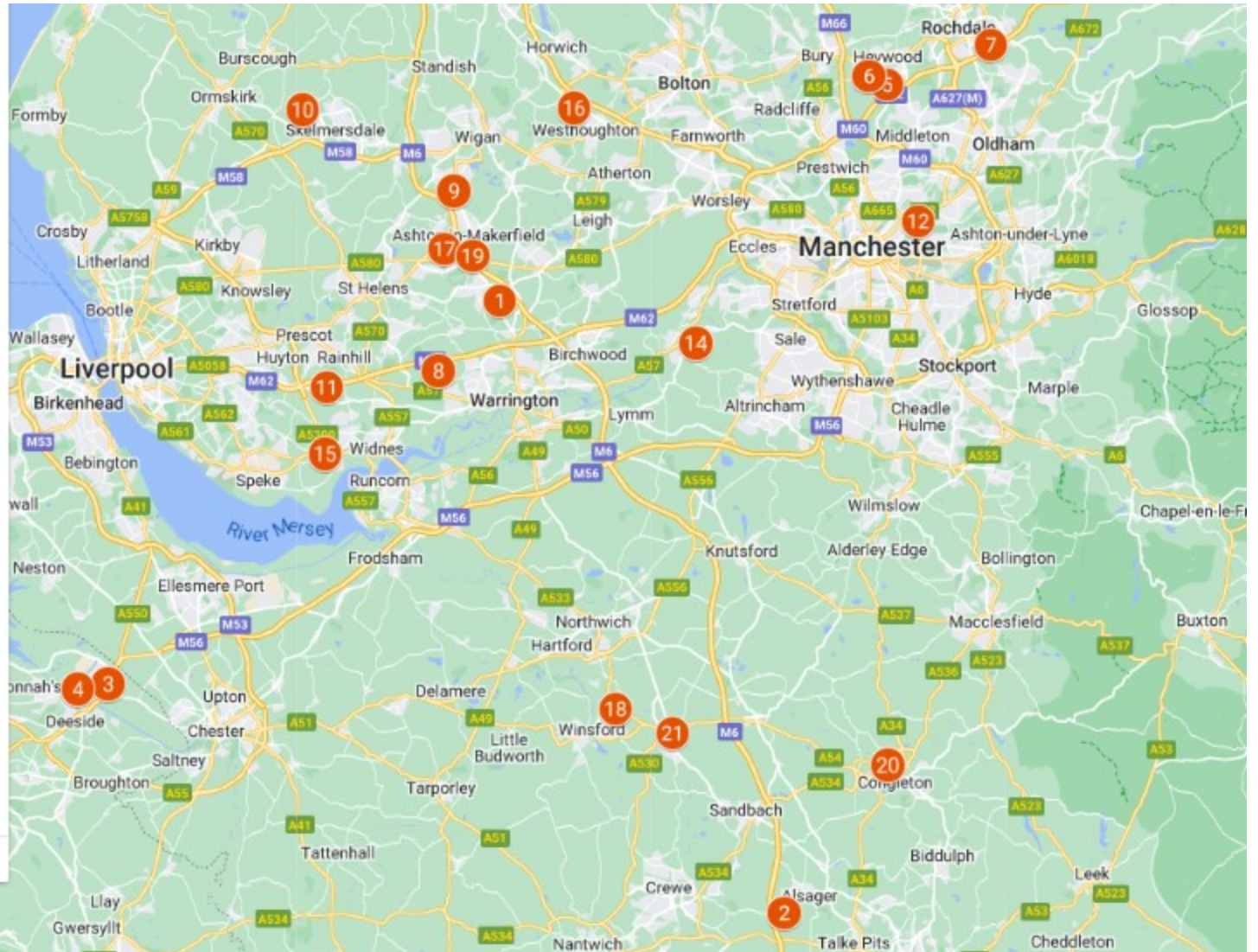
Appendix 6 – Location Map – Regional Sites

Consented Sites

 Sequence of numbers

- 1 Parkside, Newton-le-Willows
- 2 Panattoni Park, Crewe
- 3 The Airfields, Deeside
- 4 Northern Gateway, Deeside
- 5 H Park, Heywood
- 6 Heywood Distribution Park, ...
- 7 Kingsway Business Park, Ro...
- 8 Omega 400, Warrington
- 9 Symmetry Park, Wigan
- 10 G Park, Skelmersdale
- 11 Symmetry Park, Liverpool
- 12 Lowry Park, Manchester
- 13 Pendle Park, Nelson
- 14 Voltage Park, Carrington
- 15 Widnes 360, Liberty Park Wid...
- 16 Wingates, Bolton
- 17 Haydock 134, Haydock
- 18 Winsford Industrial Estate, W...
- 19 Haydock Green 124, Haydock
- 20 Viking Park, Congleton
- 21 Magnitude Midpoint 18, Mid...

Base map



Appendix 7 – Regional Sites – Commentary

Appendix 7

Property/Site by Unit Size	Authority	Unit Size (sq. m)	
9,292 – 18,584 sq. m			
Viking Park, Congleton	Cheshire East	9,637	Located in Congleton, 8.5 miles from j17, M6. This is a secondary location and does not compete with Six 56
V1, Voltage Park, Carrington	Trafford	9,882	Serves the Greater Manchester conurbation. Road access will improve, it is c 22 miles from Six 56.
Unit 2, G-Park Skelmersdale,	West Lancs	10,008	Accessed off j4, M58, the site serves the West/Central Lancashire area. It is 23 miles from Six 56 and doesn't compete
Unit 2, Symmetry Park Wigan,	Wigan	10,223	Accessed off j25, M6 – a north off /south on junction. The site is 14 miles north of Six 56 and does not compete.
Unit 2B, Gateway Deeside	Flintshire	10,515	Located c 26 miles from Six 56, the site is focussed on the local North Wales market. The site does not compete with Six 56.
Plot J2, Kingsway Business Park, Rochdale	Rochdale	10,966	Located 31 miles from Six 56, the location serves Greater Manchester and the M62 corridor. The site does not compete.
Unit 5, Lowry Park, Manchester	Manchester	11,487	Located in Manchester close to the city centre, the focus is last mile delivery. The site is 22 miles from Six 56 and doesn't compete.
Panattoni Park, Crewe	Cheshire East	11,617	Located off j16, M6 25 miles south of Six 56. The location serves the south Cheshire/Potteries area. The site is not competition to Six 56.
H Park, Heywood	Rochdale	11,802	Located off j3, M66 and j19, M62. The site requires infrastructure provision. The site is not competition and is located in North Manchester.

Appendix 7

Property/Site by Unit Size	Authority	Unit Size (sq. m)	
Haydock 134, Penny Lane, Haydock	St.Helens	12,453	Located at j23,M6, the site is within the wider Warrington market area.
V4, Voltage Park, Carrington	Trafford	13,090	Serves the Greater Manchester conurbation. Road access will improve, it is c 22 miles from Six 56.
Panattoni Park, Crewe	Cheshire East	13,476	Located off j16, M6 25 miles south of Six 56. The location serves the south Cheshire/Potteries area. The site is not competition to Six 56.
T150, Trafford Park, Manchester	Trafford	13,777	Located in Trafford Park, the site will serve the Manchester conurbation and does not compete with Six 56.
Unit 4, Lowry Park, Grimshaw Lane	Manchester	14,284	Located in Manchester close to the city centre, the focus is last mile delivery. The site is 22 miles from Six 56 and doesn't compete
Unit 8, Phase 2, Pendle Park, Nelson	Pendle	15,334	Pendle Park is 53 miles from Six 56 along the M65 corridor. It is remote and serves a local market.
Plot L, Kingsway Business Park, Rochdale	Rochdale	15,799	Located 31 miles from Six 56, the location serves Greater Manchester and the M62 corridor. The site does not compete.
Unit 1, Symmetry Park Wigan,	Wigan	17,658	Accessed off j25, M6 – a north off /south on junction. The site is 14 miles north of Six 56 and does not compete.
Unit 9, Phase 1, Pendle Park, Nelson	Pendle	18,123	Pendle Park is 53 miles from Six 56 along the M65 corridor. It is remote and serves a local market.
Sub Total – 18 sites		230,131	
18,584 – 27,876 sq. m			

Appendix 7

Property/Site by Unit Size	Authority	Unit Size (sq. m)	
Unit 2, Phase 2, Symmetry Park, Huyton	Knowsley	19,352	Located off j6 M62/M57 intersection, the site serves the Liverpool conurbation and is 17 miles from Six 56. The site is not competition.
Crewe 210, Panattoni Park Crewe,	Cheshire East	19,361	Located off j16, M6 25 miles south of Six 56. The location serves the south Cheshire/Potteries area. The site is not competition to Six 56.
Magnitude, Midpoint 18, Middlewich	Cheshire West & Chester	19,516	Located off j18, M6, the site is 16 miles south of Six 56. The location caters for the local/South Cheshire market
Unit 3, Phase 2, Symmetry Park Huyton	Knowsley	19,979	Located off j6 M62/M57 intersection, the site serves the Liverpool conurbation and is 17 miles from Six 56. The site is not competition.
Unit 1, G-Park Skelmersdale,	West Lancs	20,550	Accessed of j4, M58, the site serves the West/Central Lancashire area. It is 23 miles from Six 56 and doesn't compete.
Unit 3, G-Park Skelmersdale,	West Lancs	23,898	Accessed of j4, M58, the site serves the West/Central Lancashire area. It is 23 miles from Six 56 and doesn't compete.
V5, Voltage Park, Carrington	Trafford	26,515	Serves the Greater Manchester conurbation. Road access will improve, it is c 22 miles from Six 56.
Subtotal 7 sites		149,171	
27,876 – 37,168 sq. m			

Appendix 7

Property/Site by Unit Size	Authority	Unit Size (sq. m)	
Panattoni Park, Crewe	Cheshire East	28,346	Located off j16, M6 25 miles south of Six 56. The location serves the south Cheshire/Potteries area. The site is not competition to Six 56.
Unit 4, Phase 2, Symmetry Park Huyton	Knowsley	29,033	Located off j6 M62/M57 intersection, the site serves the Liverpool conurbation and is 17 miles from Six 56. The site is not competition.
H-346, H Park, Heywood	Rochdale	32,157	Located off j3, M66 and j19, M62. The site requires infrastructure provision. The site is not competition and is located in North Manchester.
Widnes 360, Liberty Park, Widnes	Halton	33,531	Located off j6, M62 the site serves the local Merseyside market. The site is not competition to Six 56.
1 Gateway Deeside	Flintshire	36,043	Located c 26 miles from Six 56, the site is focussed on the local North Wales market. The site does not compete with Six 56.
Subtotal 5 sites		159,110	
37,168 – 46,460 sq. m			
Plot 400, Omega South, Warrington	Warrington /St. Helens	38,769	Located on Omega West, and accessed off j8, M62. The site is competition but is in St. Helens administrative area. The site will accommodate a single unit, a river needs diverting before the site can be developed.
4 Gateway Deeside	Flintshire	45,655	Located c 26 miles from Six 56, the site is focussed on the local North Wales market. The site does not compete with Six 56.

Appendix 7

Property/Site by Unit Size	Authority	Unit Size (sq. m)	
H-450, H Park, Hareshill Road, Heywood	Rochdale	41,844	Located off j3, M66 and j19, M62. The site requires infrastructure provision. The site is not competition and is in North Manchester.
Subtotal 3 sites		126,268	
46,640 sq. m – 55,752 sq. m			
Stealth, Deeside	Flintshire	48,792	Located on a former Airfield, the site has planning consent and is under offer to a local occupier. The location does not compete with Six 56
Subtotal - 1 site		48,792	
Over 55,752 sq. m			
H4, Heywood Distribution Park, Heywood	Rochdale	58,337	Located off j3, M66 and j19, M62. The site is located within an existing distribution park. The site is not competition and is in North Manchester.
H-688, H Park, Hareshill Road, Heywood	Rochdale	63,967	Located off j3, M66 and j19, M62. The site requires infrastructure provision. The site is not competition and is in North Manchester.
Subtotal – 2 sites		122,304	
Midpoint 18 Phase 3, Middlewich	Cheshire East	80,576	The phase cannot be brought forward until the Middlewich bypass has been constructed. The site should be discounted on timescale and location – 16 miles south of Six 56.

Appendix 7

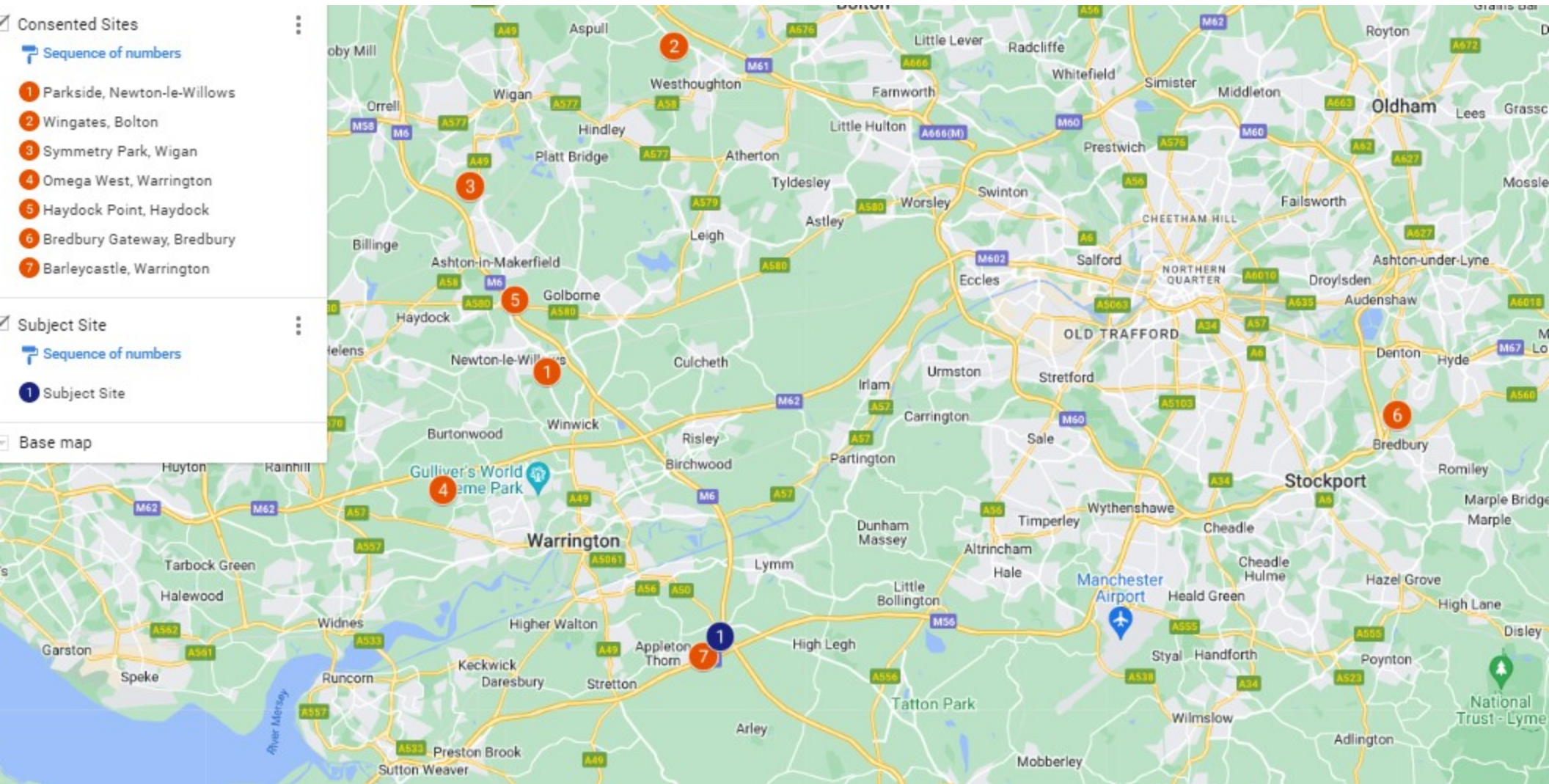
Property/Site by Unit Size	Authority	Unit Size (sq. m)	
Phase 2, Panattoni Park Crewe,	Cheshire East	92,936	Located off j16, M6 25 miles south of Six 56. The location serves the south Cheshire/Potteries area. The site can accommodate a requirement of up to 92,936 sq. m.
Units 1, 2 & 3 Parkside, Newton-le-Willows	St. Helens	92,396	A 'Called In' site, the site is currently being prepared for development. Th site will not be developed for c 2 years, will benefit from the new link road to j21, M6. The site will not directly compete with Six 56.
Wingates, Manchester Road, Westhoughton	Bolton	102,230	A 'Called In' site, the site is currently being prepared for development the largest unit size that can be accommodated is c 55,762 sq. m. The site is on a slope and will need plateauing. It is focussed on the Greater Manchester/M60/M61 market area and is 29 miles from Six 56. It does not compete with Six56.
Symmetry Park Wigan	Wigan	106,134	Located off j25, M6 – a north off /south on junction. The site is 14 miles north of Six 56 and does not compete.
Winsford Industrial Estate, Winsford	Cheshire West And Chester	39,962	Located off Road One, the site has been granted consent but will need substantial design work before development. The site will serve the local Cheshire market, is accessed off j17 or 18, M6 and is 16 or 19 miles from Six 56.
Subtotal 6 sites		513,694	
Total		13,384,487	

Appendix 8 – Location Map - Called In Sites

- Consented Sites
 - Sequence of numbers
 - 1 Parkside, Newton-le-Willows
 - 2 Wingates, Bolton
 - 3 Symmetry Park, Wigan
 - 4 Omega West, Warrington
 - 5 Haydock Point, Haydock
 - 6 Bredbury Gateway, Bredbury
 - 7 Barleycastle, Warrington

- Subject Site
 - Sequence of numbers
 - 1 Subject Site

Base map



Appendix 9 – Logistics Report – Model Logic

Model Logic Ltd

Six 56

Logistics Study

Updated Report

March 2023

Introduction to the Six 56 Logistics Study

Background

Model Logic has been instructed by Langtree PP and Pannatoni to prepare an independent Logistics Study to support the outline planning application for a warehouse development (Use Class B8 with ancillary B1(a) offices) and associated infrastructure on land adjacent to Junction 20 of the M6 Motorway and Junction 9 of the M56 Motorway (referred to as Six 56 Warrington).

This Study will assess the locational characteristics of the Six 56 site and whether this would be an optimal location for a Logistics Park based on operator and end user requirements. In the absence of a named end user for this site at this stage in the planning process, this report has been undertaken to determine an identified need from large scale logistics and distribution end users to operate in this location within the Borough as well as the wider region.

This Study should also be read in conjunction with the Jones Lang LaSalle (JLL) Marketing Report (2020) which focuses on the current need and supply and provides an up-to-date market overview and assessment of alternative employment sites including those within Warrington and outside the Borough on a regional and sub-regional level, along principal motorway corridors, including sites to the west of Manchester along principal motorway corridors, the M6 corridor between junctions 23 and 16, which is approximately 36 miles, which covers the market areas of North to Mid Cheshire and South Cheshire respectively. The report considers the current market for logistics and industrial buildings in excess of 100,000 square feet.

Model Logic is a supply chain and logistics consultancy with a 30 year track record of delivering complex strategic supply chain projects to a wide range of Blue Chip organisations across numerous industry sectors – from grocery, food and drink, pharmaceuticals, media and entertainment, through to DIY, building and gardening supplies.

Model Logic offers extensive supply chain knowledge and experience, supported by a range of strategic and operational modelling tools and have worked with a number of Blue Chip Logistics Operators to provide a framework for evaluating optimum locations for their distribution hubs and warehouses.

Notes on the Update to the 2023 Report

The initial Logistics Study for Six56 was undertaken in 2020. This report is an update for 2023 and reflects a number of changes since 2020, including:

Population

The population figures used within this updated report are based upon a combination of the 2021 Census and calculations made based upon 2020. The data used increases the population by 6% compared to the 2011 figures used in the previous report.

Driving Speeds

The updated report uses average driving speeds that are slightly lower than in the 2020 report. The speeds used are based upon statistics gathered for individual stretches of road. As a result, the average speed has reduced from 36mph to 35mph which is a 3.8% decrease.

Drive Time Zones

Due to the reduction in driving speed the area covered within the drive time zones is reduced, along with the number of households. The increase in population, means that in many situations, although the area covered is reduced there is a net increase in population within the drive time zone.

Supply Chain Considerations

Since 2020 there have been numerous world events that have led companies operating in the UK to consider near-shoring and increasing their levels of stockholding. These events have included: Brexit; Covid; war in Ukraine; ocean and air freight price volatility; major disruptions due to the container ship Ever Given going aground in the Suez Canal and strikes at some major international ports.

Definition of Terms (1)

A **Supply Chain Network** is a configuration of facilities arranged to allow the movement of materials from their source locations to their final customers. A network can take many different forms dependent upon the nature of the company's business, its role in the supply chain and its size. The diagrams below show three alternative networks for a retail company.

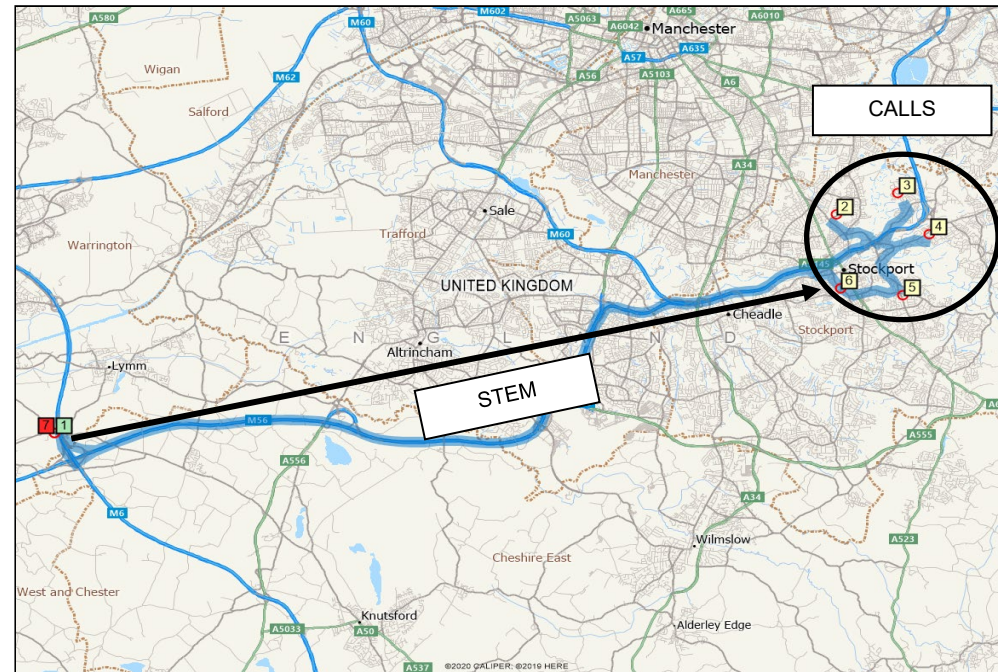
Network Design is the process of evaluating alternative configurations of facilities, in terms of their number, size and roles. The design process is usually supported by using computer models together with digital maps and road networks to evaluate a range of options. The objective of the modelling has historically been to identify the minimum cost network, but can be extended to include other parameters including service level and carbon footprint.



Example Retail Network Configurations

Definition of Terms (2)

A transport route can be described as a combination of a **Stem** element and a series of **Calls** (petal element). In the example, a vehicle is planned to travel from Six 56 to make five calls in the Stockport area. The distance from the start to the first call is described as the **Stem Distance** and the time to travel is the **Stem Time**. The distance between each of the calls is described as the **Inter-drop Distance** and the time between calls is the **Inter-drop Time**.



An **Import Centre** is a facility, usually a warehouse, where goods are received from a port or an airport. Goods are received in bulk form, typically by container or airline unit load device (ULD). The containers or ULDs are emptied (de-stuffed) and the products are either re-stacked onto pallets or fed into an automated storage system. The Import Centre either supplies directly to end customers or feeds a number of regional or local warehouses across the country. An **Export Centre** is a facility that prepares goods for export and involves filling (stuffing) containers or airline ULDs.

Introduction to Network Design and Warehouse Location

This report has been prepared through the eyes of an end user or operator who may be a retailer, manufacturer, wholesaler or service provider and identifies the steps taken by these operators when undertaking a search to identify an optimum location. A third party logistics company may be contracted to operate a specific site, however the principles of network design will still apply. Designing an effective distribution network is one of the key elements of an end user's sustainability strategy. Configuring a network of warehouses of the correct size in their ideal locations determines the efficiency of transport routes both of a primary and secondary nature. Locating warehouses in the wrong configuration can lead to inefficient routes and incurring excess mileage and carbon usage.

Although the shape and size of an operator's network will vary dependent upon the nature and size of the business, the principles of network design remain the same. A range of parameters are included within an analysis, including:

- Location and demand of customers, either Business-to-Consumer (B2C) or Business-to-Business (B2B)
- Required service offering to customers in terms of supply lead time
- Source location of products together with their characteristics in terms of size, weight, stock levels and value
- Primary and secondary transport parameters, including vehicle capacities and operating costs
- Warehouse parameters, in terms of size, operating methods and costs, both development and operational
- Motorways, regional and local road network, including road speeds
- Availability of local labour and ease of travel to work

To evaluate the ideal network for an end user it is usual to construct a network computer model of the supply chain which takes into account all of the parameters described above. Where the location and sizing of new facilities is being evaluated the model will provide a ranking of possible locations based upon the required balance between service, cost and sustainability. The ranking can be categorised into gold, silver and bronze locations in order to provide a brief to commercial agents to undertake a search. Evaluating the potential of specific development sites in order to attract end users turns the objective of the exercise on its head. The question becomes how well suited is the location and size of the site to synchronise with the network strategies of a range of end users. The methodology used in this report is to analyse the theoretical performance of the Six 56 site against other locations using end user objectives as a guide.

Six 56 Location

Six 56 is situated in a prime location to service the North West (NW) of England. Six 56 is located to the southeast of the town of Warrington (approximately 4 miles from the town centre) and between the cities of Liverpool and Manchester (approximately 24 miles and 21 miles respectively). It is also located approximately 10 miles from Manchester Airport.

The M56 Motorway and M6 Motorway interchange (Junction 20 and 20A of the M6 and Junction 9 of the M56 Motorways) is located adjacent to the south east of the Site, with the M56 Motorway running east-west to the south of the Site, providing links to Cheshire and Greater Manchester; and the M6 Motorway running north-south to the east of the Site, provide links to Lancashire, Staffordshire and Greater Manchester, as well as the M62 Motorway at Junction 22A of the M6 Motorway to the north, which provides links east-west to Liverpool, Greater Manchester and Yorkshire.

The Drive Time to Population Centres Table shows the population by postcode area (PCA), ranked by the closest PCA. This shows that within a 1 hour drive time a population of 8.1 million can be reached and within 2 hours the catchment is 22.4 million (based upon the latest 2021 census). The NW has a dense network of connected motorways which means that a high proportion of business journeys over 10 miles will involve using a motorway. This is reflected in the large area that can be covered within a drive time zone of one hour. Given the high population densities of Liverpool, Manchester and Warrington the drive time area yields an attractive local customer base for business development.

Drive Time to Population Centres					
Postcode Area (PCA)	Postcode Area Name	Population	Distance from Six56 (miles)	Time from Six56 (mins)	Cumulative Population
WA	Warrington	649,000	7	13	649,000
WN	Wigan	325,000	15	20	974,000
M	Manchester	1,228,000	20	22	2,202,000
CW	Crewe	326,000	19	22	2,528,000
SK	Stockport	635,000	19	25	3,163,000
BL	Bolton	400,000	24	29	3,563,000
CH	Chester	694,000	27	30	4,257,000
L	Liverpool	901,000	24	31	5,158,000
PR	Preston	547,000	31	37	5,705,000
OL	Oldham	487,000	32	38	6,192,000
ST	Stoke-on-Trent	684,000	36	43	6,876,000
BB	Blackburn	514,000	41	44	7,390,000
HX	Halifax	166,000	45	53	7,556,000
HD	Huddersfield	273,000	47	58	7,829,000
FY	Blackpool	291,000	52	59	8,120,000
TF	Telford	226,000	56	64	8,346,000
LL	Llandudno	545,000	67	69	8,891,000
BD	Bradford	600,000	60	71	9,491,000
LS	Leeds	803,000	62	72	10,294,000
WF	Wakefield	532,000	64	72	10,826,000
WS	Walsall	478,000	66	72	11,304,000
SY	Shrewsbury	363,000	68	76	11,667,000
DE	Derby	786,000	67	78	12,453,000
WV	Wolverhampton	421,000	67	79	12,874,000
S	Sheffield	1,408,000	60	81	14,282,000
LA	Lancaster	346,000	82	87	14,628,000
DY	Dudley	436,000	79	87	15,064,000
B	Birmingham	2,022,000	77	89	17,086,000
HG	Harrogate	143,000	81	102	17,229,000
WR	Worcester	306,000	97	104	17,535,000
NG	Nottingham	1,253,000	82	105	18,788,000
LE	Leicester	1,061,000	93	107	19,849,000
CV	Coventry	872,000	96	107	20,721,000
YO	York	584,000	101	108	21,305,000
DN	Doncaster	784,000	106	116	22,089,000
CA	Carlisle	335,000	120	119	22,424,000

Principles of Drive Time Analysis

Digital Maps and the Road Network

Digital maps, including the latest road network have been used to calculate the distances and travel times between selected points.

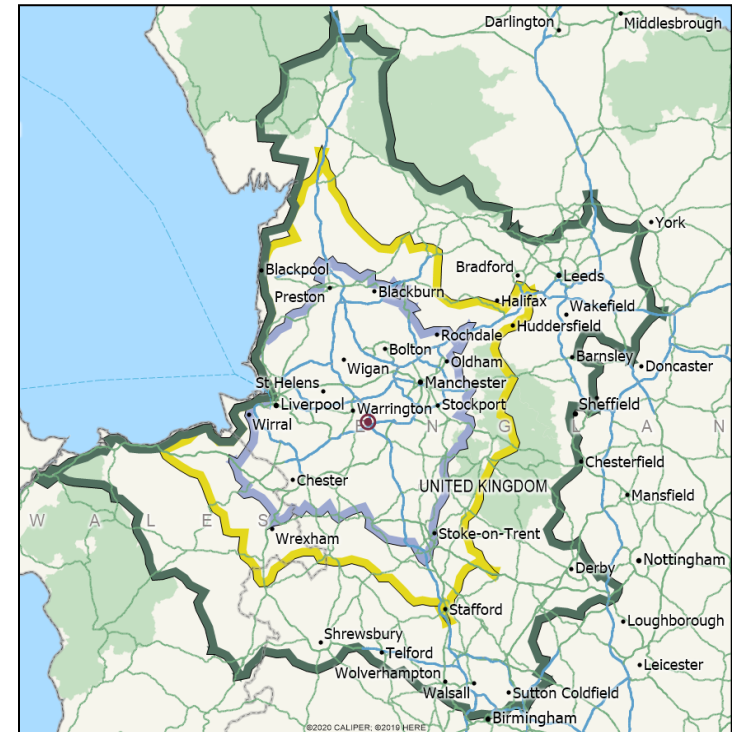
Population Data

Where information on specific end users' business isn't available the most robust method of analysis is to use population as an indicator of consumer or customer demand. The last national census took place in 2021 and this information is used as the basis of analysis. In addition to population the census data that has been used also includes the number of households and the weekly income per household.

Drive Time Analysis

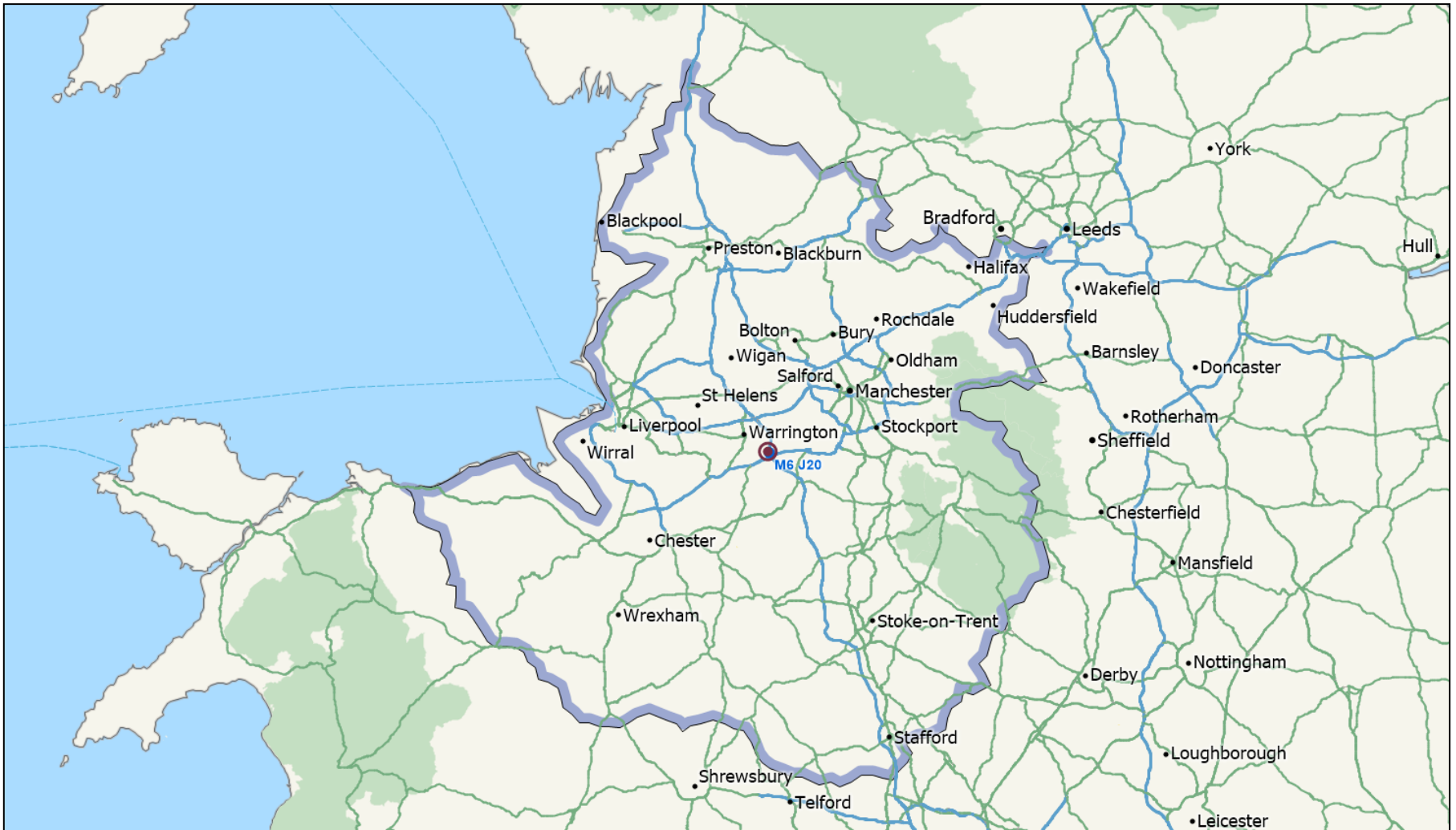
A key aspect of using digital maps is the ability to undertake drive time analysis which creates drive time zones from a selected start point. The shapes of the zones that are created depend upon where the roads are located and the driving speeds for the different road types. There can be a choice of whether the quickest or shortest route is taken. For this Study the quickest route is used.

Once the drive time zone has been established it is then possible to summarise the population characteristics within it and also calculate its area, in square miles.



The map shows the boundaries of the zones that can be reached within 45, 60 and 90 minutes drive from the Six 56 site. Based upon average drive speeds.

M6 J20 – 60 mins Drive Time Zone – Local Delivery



Why use 60 minutes for Drive Time for Local Analysis?

In order to emphasise the green credentials of the Six 56 site it is assumed that local deliveries are made using Electric Vehicles (EVs). EVs currently have a maximum driving distance of 150 miles, which could be less in cold weather. From a sample of routes the average speed for the stem element of the delivery route is approximately 48 mph (see table Sample Stem Journeys from Six 56).

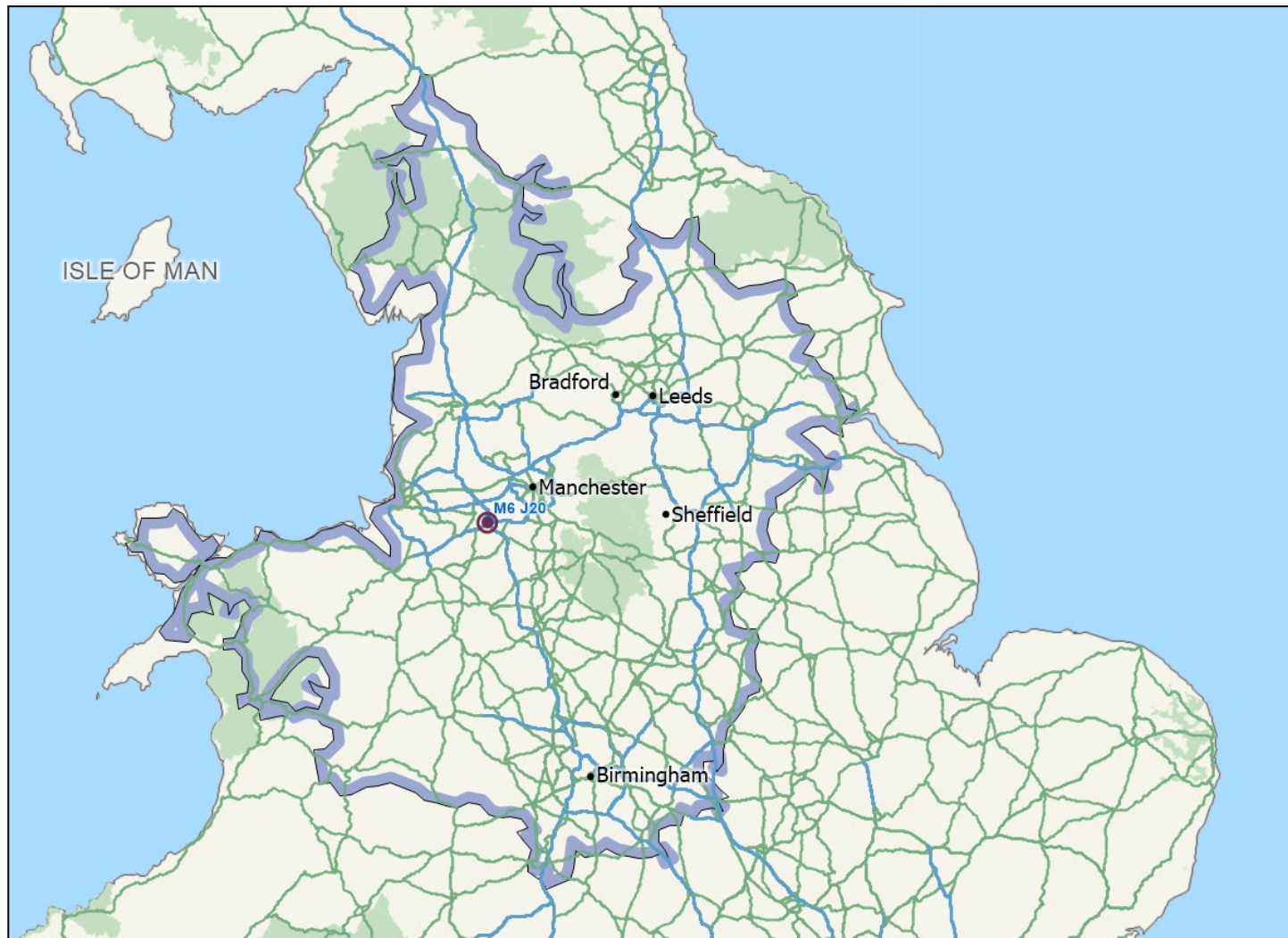
Using the route parameters for a typical local delivery operation (eg grocery home delivery) the ideal stem time is 60 minutes (see table Typical Local Delivery Route), which provides a practical working day for the driver of 9.2 hours. Increasing the stem drive time to 90 minutes reduces the effective time for making deliveries and produces a working day of only 3.8 hours.

Based upon this high level analysis, the 60 minutes stem time is deemed as the best basis for comparing catchment areas for siting a local delivery facility within the vicinity of Six 56.

Sample Stem Journeys from Six56				
From	To	Distance (miles)	Time (mins)	Speed (mph)
M6 J20	Stockport	20	28	43
M6 J20	Oldham	32	42	45
M6 J20	Stoke-on-Trent	33	40	49
M6 J20	Wrexham	40	45	53
M6 J20	Flint	31	35	53
M6 J20	Wallasey	37	39	57
M6 J20	Liverpool Centre	24	33	44
M6 J20	Bootle	26	35	44
M6 J20	Warrington	5	8	38
M6 J20	Manchester Centre	21	27	46
Total		268	332	48

Typical Local Delivery Route				
Stem time	30	60	90	mins
Stem speed	48	48	48	mph
Stem distance	24	48	72	miles
Two way	48	96	144	miles
Max EV Distance	150	150	150	miles
Two way stem time	60	120	180	mins
Non Stem Distance	102	54	6	miles
One interdrop time	5	5	5	mins
One drop time	5	5	5	mins
Interdrop speed	15	15	15	mph
Interdrop Distance	1.25	1.25	1.25	miles
Max No Drops	81.6	43.2	4.8	
Total drop time	408	216	24	mins
Total interdrop time	408	216	24	mins
Total Non Stem Time	816	432	48	mins
Total time (mins)	876	552	228	mins
Total time (hours)	14.6	9.2	3.8	hours

M6 J20 – 120 mins Drive Time Zone – Regional Delivery



M6 J20 – 240 mins Drive Time Zone – National Delivery



The map shows the boundary of the zone that can be reached within 240 minutes drive from the Six 56 site. Based upon average drive speeds.

Motorway Junction Comparison

This section of the Study assesses how the site performs against a selection of other motorway junctions when considering a range of drive times zones (DTZs) from 60mins to 240mins. The range of drive times has been selected to represent various catchment areas for the warehouse: 60mins – local; 120mins – regional; 180mins and 240 mins – national.

The table shows the populations within the DTZ from a selection of motorway junctions in close proximity to Six 56. The junctions are then ranked for each DTZ together with a total for them all. The results show that Six 56 has the best combined ranking of all of the selected motorway junctions.

Motorway Junction	Population withinin DTZ (m)				Ranking				
	60 mins	120 mins	180 mins	240 mins	60 mins	120 mins	180 mins	240 mins	All
M6 J20	8.48	21.25	32.15	54.94	5	1	3	2	1
M6 J19	8.01	21.22	33.08	56.27	9	2	1	1	2
M56 J7/8	8.09	21.17	32.30	54.94	7	3	2	3	3
M6 J21	8.55	21.15	31.59	54.16	4	4	4	4	4
M62 J11	9.06	21.10	31.00	52.81	1	5	6	8	5
M6 J22	8.72	20.99	30.95	53.12	2	6	7	6	6
M56 J10	8.07	20.94	31.49	53.89	8	7	5	5	7
M62 J9	8.58	20.81	30.75	52.56	3	8	9	9	8
M56 J11	7.77	20.64	30.81	52.82	11	9	8	7	9
M62 J8	8.34	20.50	30.47	51.87	6	10	10	10	10
M56 J12	7.48	20.18	29.92	51.29	12	11	11	11	11
M62 J7	7.99	19.87	29.67	50.53	10	12	12	12	12

The population figures are based upon estimates for 2020

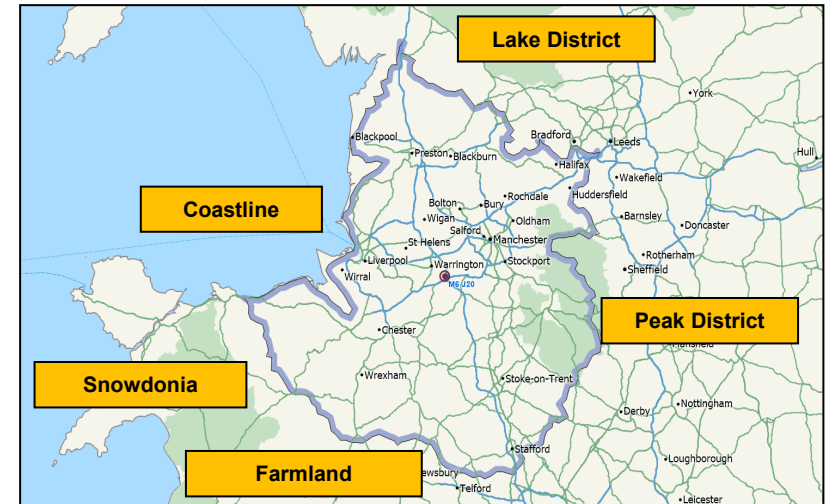
Competitor Site Comparison

This section of the Study assesses how the site performs against a selection of competitor sites when considering a range of drive times zones (DTZs) from 60mins to 240mins. The range of drive times has been selected to represent various catchment areas for the warehouse: 60mins – local; 120mins – regional; 180mins and 240 mins – national. The table shows the populations within the DTZ from a selection of sites in close proximity to Six 56. The sites are then ranked for each DTZ together with a total for them all. The results show that Six 56 has the best combined ranking of all of the selected sites.

Competitor Sites	Population within DTZ (m)				Ranking				
	60 mins	120 mins	180 mins	240 mins	60 mins	120 mins	180 mins	240 mins	All
Six56	8.48	21.25	32.15	54.94	4	4	4	4	1
J16 Business Park, Radway Green	7.32	21.77	36.30	56.62	14	1	1	1	2
Magnitude, Middlewich	7.39	21.29	33.84	56.25	13	3	3	2	3
Icon 138, Manchester Airport	8.38	21.12	30.91	52.16	5	5	6	6	4
Barley Castle Lane, Warrington	8.15	20.99	31.53	53.91	8	6	5	5	5
Eclipse, Irlam	8.66	20.69	30.54	51.61	2	7	7	8	5
Q110, Crewe	6.89	21.42	35.40	56.18	19	2	2	3	7
Parkside, St Helens	8.27	20.36	30.29	51.74	6	8	8	7	8
Haydock Green	8.18	20.12	29.97	51.43	7	10	10	9	9
Carrington Gateway, Carrington	8.12	20.26	30.04	50.60	9	9	9	11	10
Haydock 525	8.08	19.92	29.72	51.03	10	11	11	10	11
Logistics North, Bolton	8.77	18.82	28.44	46.76	1	15	14	15	12
Omega, Warrington	7.85	19.81	29.61	50.42	12	12	12	13	13
M6 Major, Haydock	7.96	19.61	29.32	50.58	11	13	13	12	13
H2 Heywood Distribution Park	8.62	18.73	28.12	44.84	3	16	16	21	15
Liberty Park, Widnes	7.23	18.98	28.36	48.43	16	14	15	14	16
Venus 217, Knowsley	7.06	17.12	27.08	46.37	17	19	19	16	17
Academy BP, Knowsley	7.06	17.12	27.08	46.37	17	19	19	16	17
Fiddlers Ferry Power Station	6.87	17.72	27.41	46.35	20	17	18	18	19
Matrix/Revolution, Chorley	7.30	16.51	27.51	44.62	15	21	17	22	20
Aviator Park, Ellesmere Port	6.21	17.15	26.59	45.08	22	18	22	20	21
K800, Knowsley	6.75	16.47	26.69	45.42	21	22	21	19	22

Catchment Area Considerations

The local delivery area of the Six56 site covers the Liverpool-Manchester population belt, but is constrained by a number of geographical features that reduce the population density in other directions. These include the coastline, the hilly regions of The Lake District, Snowdonia and The Peak District together with the farmland areas of south Cheshire and Shropshire.



The main links to other large areas of population are via the motorway network. The M6 south opens routes to the major cities of Birmingham, London and the South East. Whilst the M62 east links to Leeds, the East Midlands and the North East.



Multiple Warehouse Scenarios – Analysis by Postcode Area

The table below shows the results of an analysis to identify the optimum locations of a warehouse network of various sizes, based upon travel time weighted by the 2020 population, assuming warehouses located at the centre of Postcode Areas. The analysis does not consider land values, rental costs or the costs of labour.

Number of Warehouses	Network with Minimum Travel Time, Based upon Locations at Postcode Areas, Weighted by 2020 Population
1	Coventry (CV)
2	Manchester (M), Uxbridge (UB)
3	Manchester (M), Uxbridge (UB), Glasgow (G)
4	Enfield (EN), Worcester (WR), Wakefield (WF), Glasgow (G)
5	Manchester (M), Enfield (EN), Bristol (BS), Derby (DE), Glasgow (G)
6	Manchester (M), Enfield (EN), Bristol (BS), Birmingham (B), Wakefield (WF), Glasgow (G)
7	Manchester (M), Dartford (DA), Uxbridge (UB), Bristol (BS), Birmingham (B), Wakefield (WF), Glasgow (G)
8	Manchester (M), Dartford (DA), Uxbridge (UB), Bristol (BS), Birmingham (B), Sheffield (S), Newcastle (NE), Glasgow (G)

The centre of population of mainland Great Britain is located within the CV (Coventry) postcode. This location provides the least travel time to all postcode areas (PCA), weighted by the 2020 population of the PCA. The location is close to the area known as The Golden Triangle which has been the focus for development of large distribution facilities.

The analysis highlights how prevalent Manchester (PCA=M) is within the ideal solution for a multiple warehouse network, appearing in six out of eight of the minimum travel time networks.

Multiple Warehouse Scenarios – Analysis by Motorway Junction

The table below shows the results of an analysis to identify the optimum locations of a warehouse network of various sizes, based upon travel time weighted by the 2020 population, assuming warehouses located at motorway junctions. The analysis does not consider land values, rental costs or the costs of labour. The first table, allows a free selection from all motorway junctions, whilst the second assumes that Six56 (M6 J20) is included as one of the warehouse locations.

Number of Warehouses	Network with Minimum Travel Time, Based upon Locations at Motorway Junctions, Weighted by 2020 Population	Average Distance to Population (miles)
1	M42 J9	136.2
2	M25 J14, M60 J11	94.7
3	M25 J14, M60 J11, M9 J1	78.9
4	M25 J21A, M5 J16, M73 J2, M1 J42	66.6
5	M25 J2, M5 J9, M73 J2, M62 J22, M6 J2	59.1
6	M25 J28, M5 J19, M73 J2, M62 J22, M42 J9, M25 J11	53.8
7	M25 J28, M5 J19, M73 J2, M62 J11, M25 J11, M6 J2, A1M J44	48.8
8	M25 J28, M5 J19, M73 J2, M62 J11, M25 J11, M6 J2, A1M J66, M1 J42	45.9

Number of Warehouses	Network with Minimum Travel Time, Based upon Locations at Motorway Junctions including Six56 (M6 J20), Weighted by 2020 Population	Average Distance to Population (miles)	%Increase in Average Distance
1	M6 J20	161.4	18.5%
2	M6 J20, M25 J14	96.0	1.4%
3	M6 J20, M25 J14, M9 J1	79.3	0.6%
4	M6 J20, M25 J21A, M5 J19, M9 J1	68.0	2.2%
5	M6 J20, M25 J21A, M5 J19, M73 J2, M1 J42	60.3	2.0%
6	M6 J20, M25 J2, M5 J19, M73 J2, M6 J2, A1M J44	54.2	0.6%
7	M6 J20, M25 J28, M5 J19, M73 J2, M6 J2, A1M J44, M25 J11	48.9	0.2%
8	M6 J20, M25 J28, M5 J19, M73 J2, M6 J2, A1M J66, M25 J11, M1 J42	46.0	0.2%

The analysis highlights that although Six56 is not ideal as a single, national distribution centre, based upon transport costs, it is close to the best for multi-location networks. Comparisons with sites within the Golden Triangle need to include rental rates, labour costs and availability.

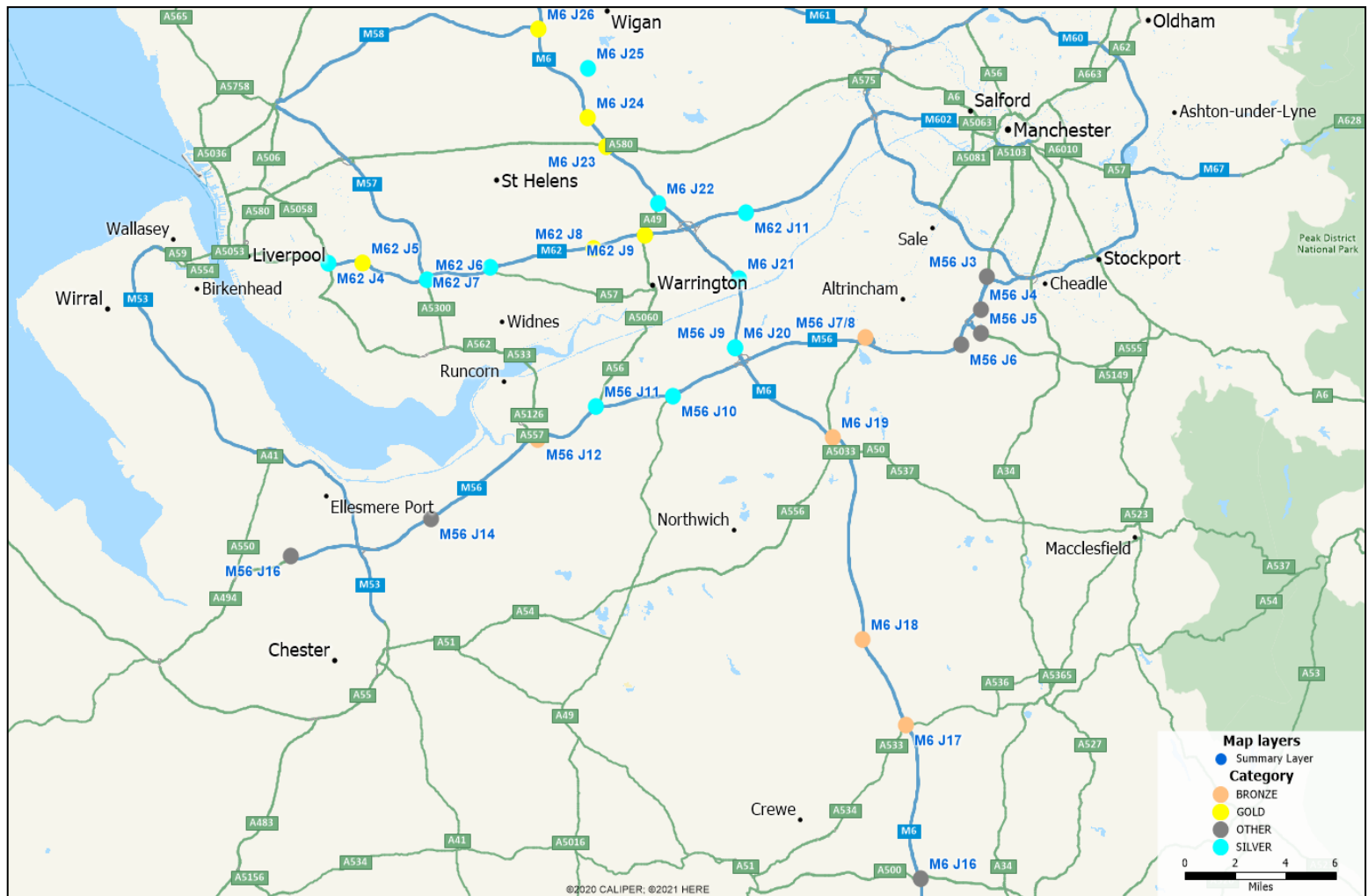
Evaluation of Sites as an Import Centre (via Liverpool2)

Motorway Junction	National Network of 8 RDCs								Liverpool Docks	Total Mileage	Outbound Mileage
	A1M J66	M1 J42	M25 J11	M25 J28	M5 J19	M6 J2	M62 J11	M73 J2			
M6 J23	30,022	22,373	153,143	143,704	76,751	63,450	4,012	68,218	60,954	622,628	561,675
M62 J5	31,763	25,759	160,134	150,055	81,009	69,104	8,941	74,232	31,559	632,557	600,998
M6 J26	29,302	24,623	157,626	147,776	79,482	67,076	7,288	66,442	53,437	633,053	579,616
M62 J9	29,497	21,350	151,353	142,079	75,661	62,003	2,524	69,809	78,981	633,257	554,276
M6 J24	30,316	22,944	154,282	144,739	77,445	64,372	4,845	67,772	67,395	634,110	566,715
M62 J8	29,897	22,130	152,906	143,489	76,607	63,259	3,659	70,968	71,901	634,816	562,915
M62 J7	30,688	23,668	155,969	146,272	78,473	65,736	5,898	72,352	58,757	637,813	579,056
M62 J6	31,278	24,815	158,254	148,347	79,864	67,584	7,568	73,383	47,030	638,123	591,093
M62 J4	32,161	26,533	161,675	151,454	81,948	70,351	10,068	74,928	29,236	638,354	609,118
M6 J21	29,875	22,087	147,780	138,833	73,485	59,113	3,597	70,869	95,031	640,671	545,640
M62 J11	28,670	19,742	151,068	141,820	75,488	61,773	0	70,633	92,722	641,916	549,194
M6 J22	29,727	21,799	152,332	142,968	76,257	62,795	3,177	69,943	84,008	643,006	558,998
M6 J20	30,308	22,928	145,619	136,870	72,169	57,366	4,821	71,625	102,387	644,094	541,707
M56 J9	30,308	22,928	145,619	136,870	72,169	57,366	4,821	71,625	102,387	644,094	541,707
M6 J25	30,680	23,653	155,692	146,020	78,304	65,512	5,876	68,527	74,735	649,000	574,265
M56 J10	31,020	24,314	147,507	138,585	73,319	58,893	6,838	72,872	96,605	649,954	553,348
M56 J11	31,589	25,419	149,709	140,585	74,660	60,673	8,447	73,866	85,669	650,617	564,948
M6 J19	31,347	24,949	141,688	133,300	69,775	54,187	7,762	73,443	120,058	656,509	536,451
M56 J12	32,283	26,769	152,396	143,026	76,297	62,847	10,411	75,079	80,346	659,454	579,108
M56 J7/8	30,521	23,343	144,729	136,062	71,627	56,646	8,229	73,731	122,859	667,746	544,887
M6 J18	32,937	28,041	135,438	127,622	65,968	49,131	12,263	76,223	147,096	674,719	527,623
M6 J17	33,661	29,450	132,550	125,000	64,209	46,796	14,313	77,490	159,416	682,887	523,470
M56 J6	29,692	21,731	148,067	139,094	73,660	59,346	10,136	73,620	135,125	690,471	555,346
M56 J14	33,211	28,575	155,994	146,294	78,488	65,756	13,040	76,703	97,141	695,203	598,062
M6 J16	34,867	31,794	127,903	120,778	61,379	43,038	17,725	79,598	179,916	696,997	517,081
M56 J5	29,614	21,579	149,077	140,011	74,275	60,162	9,915	73,483	139,557	697,673	558,116
M56 J3	29,069	20,518	150,195	141,027	74,956	61,066	8,372	72,530	142,943	700,676	557,733
M56 J16	34,457	30,998	160,819	150,677	81,427	69,659	16,566	78,882	87,386	710,872	623,486
M56 J4	29,345	21,055	151,277	142,010	75,615	61,942	9,153	73,012	147,634	711,042	563,409

Figures show a calculation of the annual one-way mileage travelled from the Import Centre location to each of eight regional distribution centres in proportion to population. Product is assumed to be imported by container through Liverpool2 docks. The example assumes 100,000 delivered pallets per year .

Categorisation of Sites as an Import Centre (via Liverpool2)

Junction	Category
M6 J23	GOLD
M6 J5	GOLD
M6 J26	GOLD
M62 J9	GOLD
M6 J24	GOLD
M62 J8	GOLD
M62 J7	SILVER
M62 J6	SILVER
M62 J4	SILVER
M6 J21	SILVER
M62 J11	SILVER
M6 J22	SILVER
M6 J20	SILVER
M56 J9	SILVER
M6 J25	SILVER
M56 J10	SILVER
M56 J11	SILVER
M6 J19	BRONZE
M56 J12	BRONZE
M56 J7/8	BRONZE
M6 J18	BRONZE
M6 J17	BRONZE
M56 J6	OTHER
M56 J14	OTHER
M6 J16	OTHER
M56 J5	OTHER
M56 J3	OTHER
M56 J16	OTHER
M56 J4	OTHER



Categorisation compared to Best: GOLD < 2%, SILVER < 5%, BRONZE < 10%, OTHER > 10%
Six56 classified as Silver as 3.45% from Best

Comparison of Port Logistics Factors

In their 2023 report “Future Gazing”, Knight Frank present the results of their appraisal of 41 ports across the UK aimed at identifying which one has the best potential. The assessment ranks each port against twelve different requirements. Liverpool ranks top overall and scores highly in terms of capacity, expected export and import growth. It also scores well for the size of the logistics market, the availability of land, access to consumer markets and skilled labour. Liverpool will also benefit from Freeport status.

Port logistics scoring model - Top 15 results														
PORT	PORT CAPACITY	IMPORT GROWTH FORECAST	EXPORT GROWTH FORECAST	SIZE LOGISTICS MARKET	LOGISTICS DEVELOPMENT	LOGISTICS RENTS	AVAILABILITY OF LAND	ACCESS TO CONSUMER MARKETS	AVAILABILITY OF LABOUR	SKILLED LABOUR	COST OF LABOUR	CONNECTIVITY	INVESTMENT INCENTIVES	OVERALL RANK
	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Low-High	Freeport Status	
Liverpool	4	4	1	4	14	23	3	3	13	3	21	5	Y	1
Grimsby & Immingham	3	5	2	12	13	6	14	20	24	26	10	5	Y	2
London	1	2	4	5	3	41	6	1	31	4	34	2	Y	3
Tees & Hartlepool	8	7	3	9	1	16	10	14	36	14	25	5	Y	4
Hull	7	6	12	8	11	9	11	25	5	28	19	16	Y	5
Bristol	12	9	14	2	2	32	8	4	2	2	38	8		6
Southampton	5	3	7	9	12	38	17	9	14	8	40	1	Y	7
Felixstowe	2	1	6	27	5	31	25	27	17	24	11	8	Y	8
Tyne	16	14	20	1	9	19	6	11	27	13	1	2		9
Newport	15	17	16	7	21	19	9	7	21	6	8	8		10
Medway	10	11	18	18	18	36	13	6	33	11	4	8		11
Sunderland	25	21	29	3	10	17	5	13	4	16	3	16		12
Portsmouth	13	12	19	13	15	37	16	8	16	7	37	8	Y	13
Forth	10	10	5	23	28	11	28	33	19	29	35	16		14
Harwich	9	13	15	23	5	30	23	28	18	27	22	20	Y	15

Source: Knight Frank Research

Source: Future Gazing – Resilience, Reshoring and Rethinking First Mile Logistics – Knight Frank January 2023

The conclusions from the Knight Frank report, reflect positively on the Port of Liverpool and indirectly on the Six56 site which could attract clients with operations linked to the port.

Client Considerations – Types of Companies

This section of the Study describes some of the likely types of end users who should be attracted to the Six 56 site.

Companies with a Network of Regional Warehouses (120-240 minutes stem drive time)

- Grocery retailers (eg Asda, Tesco, Waitrose)
- Non grocery retailers, including electrical and fashion (eg John Lewis)
- Food and drink wholesalers
- General wholesalers
- Parcels hub (eg DPD, Parcelforce, UPS)
- E Commerce hub (eg Amazon, DHL, Hermes)
- If national, could have 6-10 sites around the country

North West Manufacturing Companies wishing to Operate a National Distribution

- Local food and drink producers (eg Kelloggs, Heinz, Princes, Halewood, Interbrew, Diageo)
- Local non food manufacturers (eg Astra-Zeneca, Unilever)

Importers (via Liverpool)

- Imports from USA, Canada and S America
- Raw materials and ingredient suppliers
- Imports on behalf of retailers (eg Adidas, Asda, Asos, John Lewis, Primark)
- Irish food and drink producers (eg Diageo, Glanbia, Oaklands)

Companies undertaking Local deliveries (within 60 minutes stem drive time)

- Any company undertaking “last-mile” deliveries
- Home grocery delivery (eg Amazon Fresh, Ocado, Waitrose)
- Home non grocery delivery (eg Amazon, John Lewis)
- Parcels depot (eg DPD, Parcelforce, UPS)
- If national, could have 20-25 sites around the country

Client Considerations – Sizing of Facilities

The ideal sizing of a client or end user facility will depend upon the scale and type of business. Some general estimates are:

Regional Warehouse or Hub

- 150,000 – 300,000 sqft (14,000 – 28,000sqm)
- 10 – 15 acres (4 – 6 hectares)
- 10-20 metres high
- Typical maximum travel time to customers - 120 mins

Large Regional / National Warehouse or Hub

- 250,000 – 800,000 sqft (24,000 – 75,000sqm)
- > 15 acres (> 6 hectares)
- 10-40 metres high, dependent upon the level of automation
- Typical maximum travel time to customers, large regional - 180mins, national - 240mins

Local Warehouse or Fulfilment Hub

- 50,000 – 150,000 sqft (5,000 – 14,000sqm)
- 5 – 10 acres (2 – 4 hectares)
- 8-10 metres high
- Typical maximum travel time to customers - 60mins, or via parcel network
- For small fulfilment hubs there is a proportionately larger requirement for vehicle parking

Conclusions

Based upon the detailed modelling and analysis undertaken within the Study, Six 56 ranks highly when compared to other sites and locations. The main observations are:

1. Six 56 is located near the centre of the North West's motorway network, which means that the geographical area that can be covered within a range of drive time zones (60mins-240mins) is large, when compared to other locations. The site is ranked number one when compared to local competitor sites and motorway junctions
2. Six 56 is located near the centre of the high population belt of Liverpool, Warrington and Manchester. This means that the 60mins drive time zone is extensive and contains a large population of potential customers
3. Six56 is an ideal location for a logistics network with multiple sites, being as good as, or within 2% of, the transport performance of the ideal network
4. Six 56 is a prime site to locate an Import Centre linked to Liverpool2 docks. The Import Centre could be considered as a stand alone site or its role could be combined with providing regional distribution
5. The Port of Liverpool has recently been ranked as the number one port for potential for port-centric logistics (Future Gazing – Frank Knight January 2023)
6. Six 56 is an excellent location to operate local or “last-mile” distribution and utilise sustainable electric vehicles
7. Given its location, Six 56 has an excellent catchment area for recruiting staff
8. Due to uncertainty within the global supply chain over the last three years, there has been a recent trend for companies operating in the UK to increase their stockholding levels and also operate near-shore supply routes.
9. Recent research indicates that the North West supply of “big box” units is at a record low (B8 Real Estate – Industrial Market Update January 23 and Savills – Big Shed Briefing January 23).

Appendix 4: Socio-Economic Supporting Document, Amion Consulting



Spawforths

Warrington SIX56

Socio-economic Supporting Document

April 2023

LIVERPOOL [REDACTED]

www.amion.co.uk

AMION Consulting is the trading name of AMION Consulting Limited.

Registered Office: [REDACTED] No: 3909897

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1 Introduction

This report sets out the results of analyses of the potential socio-economic effects of the proposed Warrington Six56 development. It draws upon the assessment previously reported within the Environmental Statement (ES) submitted in support of the planning application for the proposals.

Warrington Council resolved to grant planning permission in respect of the application. However, the Secretary of State has subsequently decided to call it in for determination and the application will therefore be the subject of an inquiry.

The analysis for the proposals will be outlined at the inquiry, supported by Proofs of Evidence. This report provides an overview of the expected socio-economic effects to inform the Planning Proof of Evidence by Spawforths.

The report summarises and updates the case presented within the ES report. It continues in five sections as follows:

- Section 2 sets out the economic context based on an updated review of alignment with the strategic policy framework, socio-economic conditions within the impact area and wards, a review of socio-economic implications of former colliery sites, and a brief review of the market and demand for logistics accommodation;
- Section 3 provides an overview of the methodology and summarises the results of the impact assessment;
- Section 4 outlines labour market conditions and expected requirements, having regard to local employment arrangements;
- Section 5 provides an overview of other wider socio-economic benefits; and
- Section 6 concludes the report.

1.1 Project overview

The Warrington Six56 project proposes the development of up to 287,909 m² (gross internal area) of new logistics (B8 use class) and ancillary office floorspace. The site is strategically positioned on Junction 20 of the M6 and Junction 9 of the M56, located on the south eastern border of Warrington and close to its boundary with neighbouring local authorities of Cheshire East and Cheshire West and Chester.

Through the construction and operation of these facilities, it is envisaged that the project will result in a range of economic effects within a defined area of impact. This report reviews and updates the assessment of gross and net additional employment and Gross Value Added (GVA) impacts arising temporarily from the construction of the new floorspace and the longer-term effects of the scheme when operational.

2 Economic context

2.1 Policy context

The 2019 ES set out a comprehensive review of relevant socio-economic policy at the national, regional, and local levels. The proposed scheme was shown to align strongly with key socio-economic objectives. The policy context was reviewed and updated within the July 2020 Addendum Report. This is summarised and updated (where appropriate) in respect of the identified policy documents as follows:

- **National Planning Policy Framework** – The National Planning Policy Framework (NPPF), set out by the Government and refreshed in 2019, describes the planning policies for England with the primary purpose of contributing to sustainable development. The Proposed Development is consistent with the Government’s commitment to economic growth, job creation and prosperity, as outlined within the Framework and the priority of sustainable development, particularly in relation to “contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation”.
- **Northern Powerhouse Strategy** – published in 2016, the Northern Powerhouse strategy explains how the Government will work with local stakeholders to address key barriers to productivity in the region. The proposed development will contribute to rectifying the economic imbalance in England’s regions. By expanding the logistics sector in Warrington, the proposed development will make an important contribution to achieving the aspirations of the NPS. The logistics sector is seen as a key enabler of growth for the North’s other sectors (particularly linked to port and airport activity) and, while historically logistics has been associated with relatively low-level skill requirements, the sector has begun to move towards a higher skill business model, providing a routeway towards improved productivity. The logistics sector’s economic productivity is projected to grow by 83% between 2013 and 2035.
- **Gateway to the Northern Powerhouse** - The Devolution Growth Deal Bid (DGDB) establishes an ambitious plan of development for the Cheshire and Warrington’s sub-region, promoting the regions contribution to the Northern Powerhouse project. The economic ambition for the area is to create a “£50 billion economy, adding £27 billion per annum to our GVA and creating 127,000 new jobs and 139,000 new homes” by 2040. In order to realise these ambitions, the DGDB highlights the regions need to create “excellent transport connectivity” and a “skilled and productive workforce”.

The main objectives of the DGDB such as ‘increasing business productivity’ and ‘enabling business growth and investment’ interlink with the objectives of the Proposed Development. Efficient supply chains are critical to economic competitiveness and productivity and logistics and transport will continue to be key economic drivers for a number of industries, ‘improving the productivity of the supply-chain’.

- **Cheshire and Warrington SEP** - The Cheshire and Warrington Matters (CWM) paper is a strategic economic plan establishing the region’s investment proposals to build additional housing and create “12,473 jobs over the next three years”. CWM sets out the vision for growth within the area in the hope of creating “an economy of £26.6bn with GVA per head 110% of the UK average” by 2021. By 2030, Cheshire and Warrington sub-region hopes to become “an economy of £35bn with GVA per head 115% of the UK average. Home to an additional 100,000 residents, 75,000 new jobs and 70,000 new homes”. The Proposed Development will directly contribute to realising the aims identified in the Cheshire and Warrington Strategic Economic Plan, including ‘job creation and economic growth which benefits as many communities as possible’
- **Warrington’s Economic Growth & Regeneration Programme (Warrington Means Business) (2017)** – Warrington Means Business (WMB) outlines the Council’s significant ambitions for the borough to reinforce ‘Warrington as a strong national driver of prosperity’. Acknowledging Warrington’s economic success up to this point, WMB cites Warrington’s ‘skilled people’, ‘business clustering’ and ‘connectivity’ as key drivers for the region’s economic growth. Warrington is ‘the largest catchment area in the UK outside of London’, sitting at the ‘heart of Northern Powerhouse’ surrounded by neighbouring economic hubs such as Manchester and Liverpool. Future rail and development proposals such as HS2 and Northern Powerhouse Rail (HS3) will reinforce Warrington’s strategic position.
- **Economic development needs study** - The Economic Development Needs Study for Warrington (EDNS) aims to identify future land allocation in the region, pursuing the national planning framework’s aim of sustainable economic growth in the region. The assessment outlines the context which shaped the calculation of employment land and floorspace necessary, including the necessary expansion of ‘offices, industrial spaces, warehouses and distribution sites’ in the region.

According to the EDNS, the expansion of Warrington’s logistics sector ‘would require an adjustment to Warrington’s Green Belt boundaries’ with a need for additional ‘industrial and warehouse units of 2,000-5,000 sqm’. A forecast of future employment indicates an expanding logistics sector is likely to strengthen job creation in the area despite automation, translating into job numbers and additional employment floorspace requirements.

Subsequent to the submission of the ES and subsequent Addendum Report, relevant updates in policy and guidance include:

- **Levelling up white paper** – DLUHC published its flagship Levelling Up White Paper in February 2022. This contains detailed plans to improve equality of opportunity and prosperity across the whole of the UK. The White Paper contains a detailed diagnosis of geographical inequalities across the UK and captures these in a framework of six types of capital which interact and reinforce each other to determine the performance of an area: human, financial, social, physical, intangible and institution. Levelling up is ultimately about ensuring each part of the UK is richly endowed in these six capitals.

The key objectives of levelling up include spreading opportunities and improving public services, and restoring a sense of community, local pride and belonging. Subsequently, education, well-being and pride in place are included as focus areas for the following levelling up missions which the government has announced that, by 2030:

- the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas;
 - well-being will have improved in every area of the UK, with the gap between top performing and other areas closing; and
 - pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
- **Cheshire and Warrington Delivery Plan (2022)** – sets out a vision for Cheshire and Warrington to be the most healthy, sustainable, inclusive and growing economy in the UK, and thereby making levelling up a reality. The strategic recognizes the importance of supporting economic growth and maximizing localized impacts of investment – in terms of generating opportunities for employment and for skills growth.
 - **Cheshire and Warrington LEP Local Industrial Strategy (LIS) (2021)** – Cheshire and Warrington LEP have been working to build a robust evidence base to develop its LIS. The priorities of the emerging LIS are to raise productivity, increase business resilience and increase the earning power of residents, where inclusive growth will ensure that all residents and businesses benefit from the sub-region’s prosperity. Under the ‘place’ foundation of productivity, the LEP will build on priorities set out in the SEP to make Cheshire and Warrington a great place to live, work, invest and

visit. The LIS identified the sub-region's core 'super strengths' in energy and clean growth, life sciences, manufacturing, logistics and distribution, and finance and business services.

- **Warrington Draft Local Plan 2021 to 2038 (2021)** – The Plan contains a vision, a range of objectives and an overall strategy for development. The Local Plan will be used to guide decisions on planning applications and to identify areas where investment and growth should be prioritised. A key objective of the Plan is to support Warrington's ongoing economic success by ensuring provision is made to meet the need for employment land between 2021 and 2038.

2.2 Socio-economic baseline

2.2.1 Scope

This section of the report provides an update of the socio-economic baseline contained within the ES and Addendum Report. The baseline analysis focuses on geographical areas relevant to the site, including the Borough of Warrington, and the Cheshire and Warrington LEP, reflecting the location of the site and identified area of impact. Trends of key socio-economic indicators have been analysed compared to those for the Cheshire and Warrington LEP area, the North West and nationally.

The following indicator groups have been updated:

- Employment (economic activity rate and sectoral employment analysis);
- Local labour market (resident employment by occupation, resident earnings, and qualifications);
- Unemployment and worklessness;
- Capacity of social infrastructure (local education and health facilities); and
- Deprivation.

The report updates analysis to cover the period 2020-22 during which the Covid Pandemic and energy crisis impacted on economic activity across the UK. Nationally, the March 2023 Economic Outlook published by the OBR confirms that inflationary pressures and supply side factors - including within the labour market - are expected to continue to impact on economic growth prospects over the short to medium term.

2.2.2 Economic activity and employment

Between October 2021 and September 2022, economic activity rates were higher in Warrington (80.7%), than the LEP (80.2%) and the North West (76.3%) and the national average (78.4%).

Consistent with wider trends, economic activity rates have decreased in Warrington since 2019/20 as workers left the labour market during the pandemic and associated lockdown. Nevertheless, Table 2.1 shows that economic activity rates for Warrington have generally remained above those for Great Britain, the region and LEP areas.

The economic activity rates for Warrington and comparator areas are shown in Table 2.1. The resident based employment rate for Warrington was 78.1% in the period October 2021-September 2022, signalling that around 97% of the economically active population was in employment. This was broadly consistent with wider trends indicates that is relatively limited additional capacity within the local labour market.

Table 2.1: Economic Activity				
Economic Activity (% of resident population aged 16-64)	Oct 2018-Sep 2019	Oct 2019-Sep 2020	Oct 2020-Sep 2021	Oct 2021-Sep 2022
Warrington	79.7%	84.8%	81.7%	80.7%
Cheshire and Warrington LEP	81.6%	81.3%	79.6%	80.2%
North West	77.4%	77.4%	77.0%	76.3%
Great Britain	78.9%	79.0%	78.5%	78.4%

Source: ONS annual population survey

In 2021, total workplace employment in Warrington stood at 144,900, representing an increase of approximately 1,900 jobs since 2018. This 7.3% change in total employment from 2018 to 2021 was higher than the change across all comparator areas over the same period (Table 2.2). This growth is in spite of the impact of the pandemic on economic output over the period 2020-21.

Table 2.2: Employment	
Change in total employment (2018-2021)	
Warrington	+9,800 jobs (7.3%)
Cheshire and Warrington LEP	+15,000 jobs (3.0%)
North West	+115,000 jobs (3.4%)
Great Britain	+600,000 jobs (2.0%)

Source: ONS Business Register and Employment Survey

A breakdown of sectoral employment is provided within Table 2.3, showing the absolute levels of employment by broad industry group for Warrington in 2021, together with the proportion of employment in each industrial group for comparator areas in 2021.

Table 2.3: Sectoral employment (2021)					
Breakdown of sectoral employment	Warrington	Warrington (%)	Cheshire and Warrington LEP (%)	North West (%)	Great Britain (%)
Agriculture, forestry & fishing	400	0.3%	1.7%	1.1%	1.5%
Mining, quarrying & utilities	2,500	1.7%	1.0%	1.0%	1.3%
Manufacturing	6,000	4.1%	7.6%	8.4%	7.4%
Construction	10,000	6.9%	5.5%	5.5%	5.0%
Motor trades	3,000	2.1%	1.9%	1.6%	1.7%
Wholesale	6,000	4.1%	3.6%	3.7%	3.5%
Retail	10,000	6.9%	9.0%	9.2%	9.2%
Transport & storage (inc postal)	12,000	8.3%	5.9%	5.4%	5.1%
Accommodation & food services	8,000	5.5%	7.5%	7.8%	7.5%
Information & communication	4,500	3.1%	3.1%	2.8%	4.3%
Financial & insurance	2,250	1.6%	5.7%	3.4%	3.5%
Property	2,250	1.6%	1.9%	2.1%	1.9%
Professional, scientific & technical	24,000	16.6%	11.7%	8.8%	8.9%
Business administration & support services	21,000	14.5%	9.4%	8.2%	8.7%
Public administration & defence	5,000	3.5%	2.9%	4.8%	4.5%
Education	7,000	4.8%	6.1%	7.7%	8.5%
Health	17,000	11.7%	11.9%	14.8%	13.3%
Arts, entertainment, recreation & other services	4,000	2.8%	3.6%	3.7%	4.3%
TOTAL	144,900	100.0%	100.0%	100.0%	100.0%

Source: ONS BRES

Consistent with the previous baseline report, in 2021 the highest proportions of employment in Warrington were in the business administration and support services, Professional, Scientific, and Technical sector, Business administration & support services and Health sectors. The proportion of total employment in the Transport & Storage (inc. postal) sector was also significant (8.3%) and higher than in all other comparator areas as was the case in 2018.

Overall job density in Warrington (as measured by the ratio of total jobs to resident population aged 16-64) was 1.17 in 2021. This represents a relatively high level of job density, with the figures for the LEP (0.96), North West (0.84) and Great Britain (0.85) all being significantly lower. This confirms the status of Warrington as an important focus for employment within the Cheshire and Warrington LEP and across a wider catchment along the M56 and M62 motorways.

2.2.3 Local labour market

(i) Occupations

The proportion of resident employment by occupation between October 2021 and September 2022 is set out in Table 2.4 for Warrington and comparator areas.

Table 2.4: Occupational profile (% of residents in employment, Oct 21 Sep 22)				
	Warrington	Cheshire and Warrington LEP	North West	Great Britain
Managers, directors, and senior officials	8.1%	11.6%	9.5%	10.5%
Professional occupations	27.2%	25.9%	24.6%	26.0%
Associate prof & tech occupations	12.9%	14.4%	15.0%	14.9%
Administrative and secretarial	8.9%	10.6%	10.9%	10.1%
Skilled trades occupations	6.8%	7.8%	8.0%	8.6%
Caring, leisure, other service	9.2%	8.5%	8.2%	8.0%
Sales and customer service occupations	8.0%	6.0%	7.3%	6.5%
Process, plant, and machine operatives	6.1%	6.9%	6.1%	5.5%
Elementary occupations	12.5%	7.9%	9.9%	9.5%

Source: ONS annual population survey

Warrington has a lower proportion of all residents in employment who were managers, directors, or senior officials than the LEP, regional or national figures. In addition, at the opposite end of the occupational data, a greater proportion of Warrington residents work in elementary occupations.

(ii) Earnings

From 2020 to 2022, resident earnings in Warrington increased by 12.3%, whilst there was an increase of approximately 7.5% across the LEP area, whilst the North West increased

by around 8.2%, an increase of 9.3% was seen across Great Britain.¹ As of 2022, median resident earnings were marginally higher in Warrington than the national average, but more significantly higher than the regional average (7.3%). This may be indicative of high labour demand within the local area.

Table 2.5: Median resident earnings (£ per week)				
	2020	2021	2022	Change 2020-2022 (%)
Warrington	558.8	617.1	617.1	12.3%
Cheshire and Warrington LEP	601.2	617.9	617.9	7.5%
North West	558.1	575.2	575.2	8.2%
Great Britain	587.4	612.2	612.2	9.3%

Source: ONS annual survey of hours and earning – resident analysis

(iii) Qualifications

From January-December 2021, the proportion of 16–64-year old’s with an NVQ4+ qualification in Warrington (41.6%) was slightly below the average for the wider Cheshire and Warrington LEP area and Great Britain as a whole. At the other end of the scale, Warrington had the lowest of all comparator areas with individuals aged 16-64 who held no qualifications. A relatively high proportion of residents aged 16-64 are qualified up to NVQ2 level.

Table 2.6: Qualification level (% of resident population aged 16 64, 2021)						
	NVQ4+	NVQ3	NVQ2	NVQ1	Other quals.	No quals.
Warrington	41.6%	61.0%	82.4%	90.7%	4.7%	4.6%
Cheshire and Warrington LEP	43.9%	62.3%	82.1%	90.6%	4.3%	5.1%
North West	38.6%	58.2%	77.2%	87.2%	5.2%	7.5%
Great Britain	43.6%	61.5%	78.1%	87.5%	5.9%	6.6%

Source: ONS annual population survey

2.2.4 Unemployment

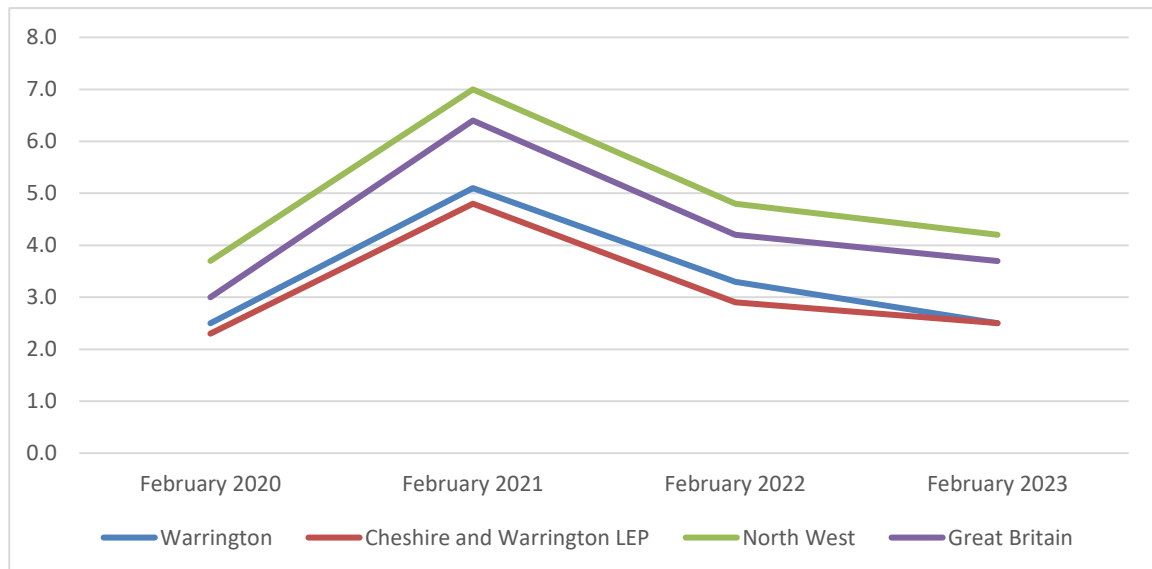
As of February 2023, the claimant count for Warrington was 3,370 persons, as measured by combining the number of people claiming Job Seeker’s Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed. This represented 2.5% of the resident population aged 16-

¹ ONS (2020) ‘Annual Survey of Hours and Earnings – resident analysis’, Median weekly pay (gross), full time workers

64, which is consistent with the average for the LEP area and below regional and national averages.

Following the onset of the COVID-19 pandemic in March 2020, there was a significant increase in the number of claimants across the country. This is evidenced in Figure 2.1, showing a sharp increase across all comparators in between February 2020 and 2021. As restrictions have lifted, there has been a reduction in the claimant rate back to the levels recorded in 2019 prior to the pandemic.

Figure 2.1: Claimant count unemployment



Source: ONS Claimant Count (2020)

The unemployment claimant rate in February of each of the last four years is set out in Table 2.7 for each of the comparator areas.

Table 2.7: Unemployment Claimant rate (% of resident population aged 16 64)				
	February 2020	February 2021	February 2022	February 2023
Warrington	2.5%	5.1%	3.3%	2.5%
Cheshire and Warrington LEP	2.3%	4.8%	2.9%	2.5%
North West	3.7%	7.0%	4.8%	4.2%
Great Britain	3.0%	6.4%	4.2%	3.7%

Source: ONS claimant count

2.2.5 Deprivation

The Index of Multiple Deprivation (IMD) 2019 includes seven distinct domains of deprivation which are combined and weighted. The 2019 update replaced the IMD 2015,

and separate rankings have been produced for local authorities and Local Enterprise Partnership (LEP) areas. Out of the 317 local authorities across England, Warrington was ranked the 175th most deprived local authority in the country. Cheshire and Warrington is ranked as the 30th most deprived LEP area in England (out of 38).

Wider trends mask the presence of significant clusters of deprivation, focused particularly around the town of Warrington including suburbs to the south of the town centre – for example around Latchford – which includes LSOA areas ranked amongst the 10% most deprived nationally. This reflects evidence of deprivation across the income, employment, health and skills domains.

A map showing deprivation within Warrington is attached at Appendix A.

2.3 Ward profiles

A Ward profile has been prepared for Warrington (plan attached at Appendix B). Data has been collected from the following sources:

- 2021 Census;
- ONS Business Register and Employment Survey; and
- ONS Claimant Count.

Table 2.9 sets out the socio-economic profiles for each ward and the local authority averages. The Warrington Six56 site is predominantly located within the Grappenhall ward adjacent to the boundary with Cheshire East and to the south of the town of Warrington. Based on data from the above sources, the Grappenhall Ward has a job employment density, reflecting the presence of established employment locations along the M56. A high proportion of the resident population is qualified to NVQ4 (45.6%) and while the economic activity rate is low (58.8%), this reflects the relatively high proportion of retired residents as levels of unemployment (based on 2021 Census data and 2023 claimant data) are below the average for the local authority.

The wards which are adjacent to the Warrington Six56 site are Appleton, Lymm North and Thelwall and Lymm South. The profile of these wards is similar to that for Grappenhall, as illustrated in Table 2.9. Overall, data for the wards to the south of Warrington generally suggests the existing communities are relatively prosperous, consistent with data from the Index of Multiple Deprivation (2019, See Appendix A).

The analysis indicates that areas within Warrington Town have a different profile. Latchford East and Latchford West to the south of the town centre have a relatively low job density, with higher a higher proportion of residents identified as unemployed and generally lower qualification levels. Unemployment is particularly high in Bewsey and Whitecross (in spite of the significant number of jobs based in this area), Poplars & Hulme and Orford.

	Population aged 16+	Employment	Job density	Claimant rate	Economic activity		Qualifications	
	(2021 Census)	(BRES, 2021)	(2021)	(Feb 2023)	Economic activity rate (2021)	Unemployment rate (2021)	Qualified to NVQ4 (2021)	No qualifications (2021)
Appleton (Warrington)	8,780	2,500	0.28	0.6%	55.9%	2.5%	48.4%	10.8%
Bewsey and Whitecross	9,684	42,000	4.34	5.0%	66.2%	5.7%	28.3%	21.5%
Birchwood (Warrington)	8,788	23,000	2.62	2.2%	58.9%	4.9%	30.6%	16.5%
Burtonwood and Winwick	5,242	5,000	0.95	1.3%	54.9%	3.5%	31.0%	18.4%
Chapelford and Old Hall	9,377	2,000	0.21	1.1%	68.3%	3.0%	41.4%	10.6%
Culcheth, Glazebury and Croft	9,924	5,000	0.50	1.1%	52.9%	3.9%	38.9%	14.5%
Fairfield and Howley	9,575	3,500	0.37	3.7%	65.1%	5.4%	25.2%	20.6%
Grappenhall	5,714	5,000	0.88	0.7%	58.8%	3.6%	45.6%	9.9%
Great Sankey North and Whittle Hall	8,326	9,000	1.08	0.9%	64.4%	2.6%	39.0%	11.4%
Great Sankey South	9,149	1,500	0.16	1.8%	63.9%	3.7%	26.8%	17.5%
Latchford East	7,069	1,750	0.25	3.4%	65.5%	4.7%	24.7%	20.5%
Latchford West	6,470	5,000	0.77	2.4%	60.2%	4.1%	27.6%	19.1%
Lymm North and Thelwall	9,531	2,000	0.21	0.9%	59.6%	2.6%	42.6%	12.1%
Lymm South	5,134	2,500	0.49	1.1%	57.6%	3.0%	50.9%	10.3%
Orford	9,679	4,500	0.46	3.4%	61.1%	5.2%	19.5%	25.0%
Penketh and Cuerdley	8,434	2,500	0.30	0.8%	55.7%	2.8%	30.1%	17.3%
Poplars and Hulme	9,576	3,500	0.37	4.1%	60.3%	5.9%	18.9%	24.7%
Poulton North	8,139	4,500	0.55	1.5%	56.3%	4.6%	28.8%	17.3%
Poulton South	5,364	1,250	0.23	1.4%	61.0%	2.9%	27.2%	17.0%
Rixton and Woolston	7,775	8,000	1.03	1.2%	58.1%	2.9%	29.6%	16.9%
Stockton Heath	5,628	2,250	0.40	0.8%	62.0%	2.4%	46.2%	10.4%
Westbrook (Warrington)	5,363	8,000	1.49	0.7%	64.2%	2.2%	37.9%	12.5%

2.4 Demand for distribution land and premises

The overview outlined below draws key points of relevance from market advice prepared by JLL (March 2023) on behalf of Langtree Property Partners LLP. Points of importance to assessing the socio-economic impact of the scheme are outlined below.

As a result of Covid 19 and Brexit there has been a change in shopping habits, increased inventory and reshoring of business. This has resulted in the logistics/warehousing sector expanding its property footprint creating demand for larger buildings with good access to the strategic road network.

Changing logistics requirements are driving a need for larger, taller distribution units to enable automation. The size and height of the buildings is determined by the automation system. There is also increasing demand for more sustainable buildings as occupiers move towards net zero operation.

The proposed Six56 site is located in an established location for distribution activities on the M6 corridor. This includes DPD, Eddie Stobbs and Kammac at the Apple Thorn Trading Estate. The M6 Corridor forms a core part of the wider North West market area for the distribution sector extending from Crewe to Preston, along the M62 between Liverpool and Manchester, and around the M60 motorway.

Over 652,462 sq. m of predominantly logistics floorspace has been developed in the Greater Warrington submarket area since 2012 mainly at Omega. M6 Major/Florida Farm and Omega are both located within the core M6 market area the level of take up confirms the attractiveness of the location to the market. Key demand factors for new sites include land availability for large footprints, access and deliverability.

Regional take up for 2022 was 573,907 sq m – double the ten year average of 284,844 sq m. There are twenty seven enquiries for units of 27,870 sq. m or over. The wider Warrington/M6 market is a strong location. The area has the largest take up in the last five years at 411,938 sq m or 63% of the take up, with JLL confirming that regional and local demand are also strong. There are currently 36 enquiries with a specified search area of the wider Warrington area. Some 800,000 sqm of requirements are focused on the Greater Warrington area, while 2,834,312 sqm of sub-regional and regional requirements will consider the market area. This confirms the demand within the market area that Six 56 is located.

JLL has advised that the current supply of Grade A buildings in the North West is 315,879 sq. m in 17 units. This represents around 12 months' supply based on the five and ten-year average take up – confirming an imbalance between existing supply and demand.

The advice from JLL indicates that there is a shortage of deliverable sites in the North West and specifically in the Warrington area. There are significant barriers to the delivery of regional sites in the locale. The delivery of distribution space at the Fiddlers Ferry site to meet employment need in the short term is identified as challenging due to long lead

in times associated with decommissioning, remediation, the phased nature of the proposals and the location of the site - which does not have the same locational benefits and direct access to the motorway that Omega and Six56 have. Overall, JLL has advised that the number of sites capable of meeting modern requirements is now very limited, with the majority of sites cluster around Greater Manchester and Central Lancashire.

3 Economic Impact Assessment

3.1 Methodology

The assessment of socio-economic impacts has been undertaken using the following approach:

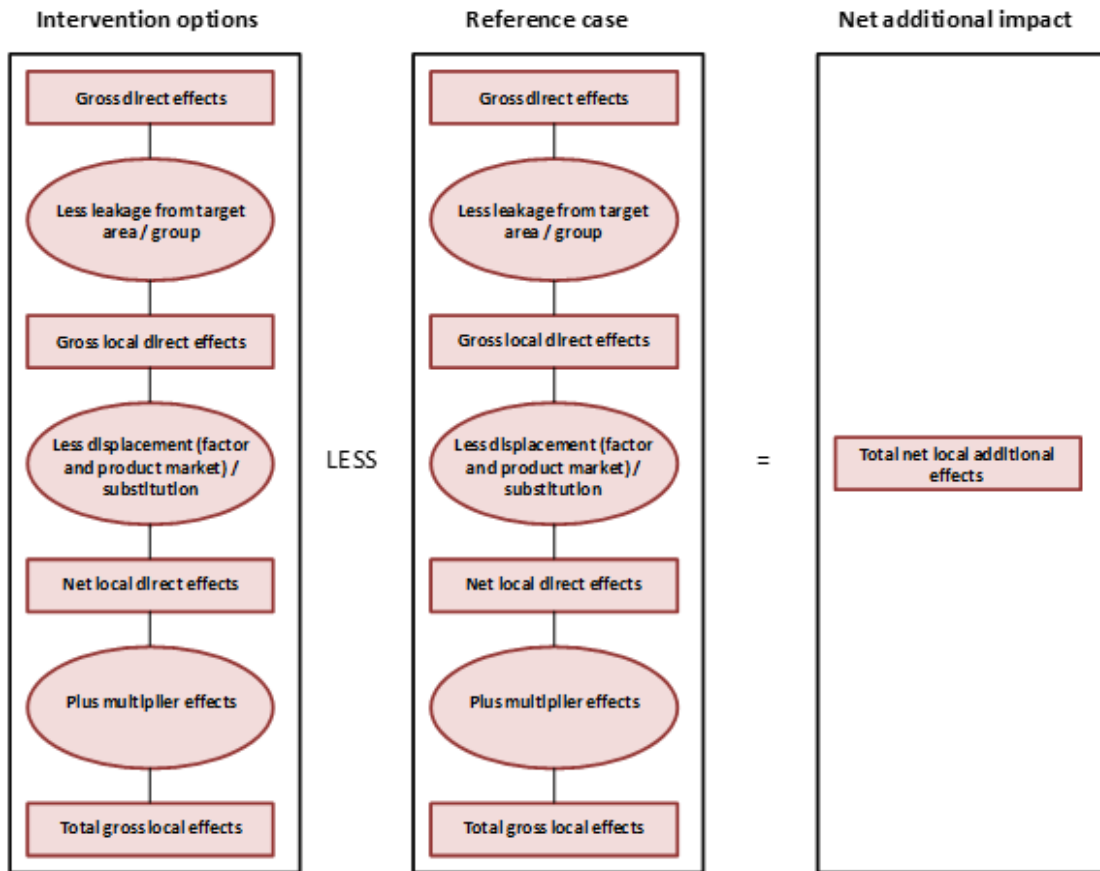
- a review of the strategic policy context to provide an outline of the relevant national, sub-national and local social and economic objectives relevant to the local and wider areas of impact;
- identification of the impact area, in relation to each potential socio-economic impact for the assessment of the Proposed Development, taking into account the potential scale of activity within the existing market having regard to updated analysis carried out by JLL and summarised in Section 2.4;
- a desktop review of publicly available information on current socio-economic and labour market conditions in Warrington and the wider LEP sub-region to establish the baseline using accepted Government sources, such as the Census and ONS data; and
- assessment of likely significant socio-economic effects (jobs and Gross Value Added – GVA) of the proposed Six56 development during the construction and operational phases based on the development of an economic impact model.

The assessment has also had regard to an assessment of employment land need for Warrington over the local plan period prepared by Icen Projects Limited. Assumptions have been reviewed and revised where appropriate to reflect updated conditions and supplementary information.

Qualitative and quantitative assessments have been undertaken using assessment methodologies from published guidance, including the HCA's Additionality Guide (3rd Edition, 2014) and Employment Densities Guide (3rd Edition, 2015). In addition, regard has been had to 'Guidance for using additionality benchmarks in appraisal' published by the former Department for Business Innovation & Skills (BIS). Guidance has been applied with appropriate professional judgement, informed by a review of wider research findings and literature relating to employment and labour market characteristics for the Transport and Distribution sector. The approach adopted has been broadly consistent with assessments for comparable projects in the North West of England (Parkside Phase 1 and Parkside Link Road) which have been tested at public inquiry.

Key to understating the socio-economic effects of the proposed development involves determining its net additional impact or 'additionality'. This is the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention. The approach to assessing the net additional impact of a project is shown diagrammatically in Figure 3.1.

Figure 3.1: Approach to calculating net additional impact



In order to assess the additionality of the proposed Six56 development, the following factors were considered:

- Leakage – the proportion of outputs that benefit those outside of the area of impact.
- Displacement – the proportion of outputs accounted for by reduced outputs elsewhere in the area of impact. Displacement may occur in both the factor and product markets.
- Multiplier effects – further economic activity associated with additional local income and local supplier purchases.
- Deadweight – outputs which would have occurred without the Proposed Development. This is referred to as the reference case.

A summary of additionality adjustments applied in the assessment of construction and operational phase impacts is outlined in Table 3.1. Adjustments for displacement in the operational phase have been reviewed in light of updated evidence outlined within the Proof of Evidence prepared by Icen Projects Ltd. Displacement has been adjusted to 50% at the Warrington level and 60% at the Cheshire and Warrington level (from 25% and 35% respectively within the ES Addendum report). This is based on Valuation Office Agency

data for land uptake in Warrington for the period 2011-19. In light of the property market analysis which identifies a very high level of regional demand for distribution premises within the Warrington sub-market, the updated displacement adjustments are considered to support a prudent assessment of net additional employment and the net additional impact could be considerably higher.

Table 3.1: Additionality ratios			
	Warrington	Cheshire & Warrington LEP	Assumptions
Construction phase			
Leakage	60%	50%	Census 2011 commuting data for Warrington and wider LEP area adjusted to allow for contractor resourcing
Displacement	20%	30%	Limited displacement allowing for phasing of delivery over 6.5 years
Multiplier effects	1.25	1.46	Additionality benchmarks (BIS) for capital projects reflecting targets for maximizing supply chain impacts
Deadweight	0%	0%	No development assumed under counterfactual scenario
Operational phase			
Leakage	50%	40%	Census 2011 commuting data for Warrington and wider LEP area
Displacement	50%	60%	Updated benchmarks reflecting VOA data as outlined in Proof of Evidence presented by Icen Projects Ltd (2023)
Multiplier effects	1.29	1.46	Local benchmark for B2/B8 in HCA Additionality Guide (2014) and sub-regional benchmark for capital projects in BIS guidance (2009)
Deadweight	0%	0%	No development assumed under counterfactual scenario

3.2 Construction phase impacts

The socio-economic assessment has considered the following potential impacts during the Construction Phase:

- temporary employment generated as a result of the construction works – this includes direct employment associated with site remediation and redevelopment, as well as indirect and induced employment (multiplier effects) from supply chain

expenditure and the expenditure in the local economy of workers employed during the Construction Phase;

- short-term increase in economic output (GVA) – in line with the temporary employment impact, again this takes account of the direct, indirect and induced economic output impact during the Construction Phase; and
- creation of training and apprenticeship opportunities during the Construction Phase.

An overview of the expected temporary employment and GVA output effects in the construction phase are set out in Table 3.2. Estimates of temporary construction employment set out within the ES Addendum report were based on employment coefficients outlined in Cost per Job Guidance published by the former HCA. This guidance is no longer available and as such, a revised basis for the assessment has been applied. The updated assessment is based on construction sector benchmarks for turnover and GVA per job supported derived from the ONS Annual Business Survey 2020.

Table 3.2: Construction phase employment and GVA		
	Warrington	Cheshire and Warrington LEP
Gross temporary jobs (average annual jobs over the construction period)		
- Direct	183	183
- Direct, indirect and induced	46	84
Net additional temporary jobs (average annual jobs over the construction period)	73	93
Net additional GVA (£m)	£81.75	£83.55
Net additional GVA (£m per annum over construction period)	£12.58	£12.85

The employment and GVA benefits have been assessed as a minor positive impact at the Warrington and wider impact area level.

Based on accepted multipliers, it is estimate that investment in the construction phase will potentially support in the order of 180 apprenticeship trainees over the 6.5 year construction period. Within the context of overall apprenticeship numbers, this is assessed as being a minor positive impact.

3.3 Operational phase impacts

The socio-economic assessment has considered the following potential impacts during the Operational Phase:

- creation of direct, indirect and induced long-term employment opportunities from the proposed B8 uses on the proposed development;
- long-term increase in economic output (GVA) resulting from the direct, indirect and induced impacts of the Proposed Development during the Operational Phase;
- increase in business rate revenue generated due to the provision of new B8 floorspace on the Application Site;
- creation of training and apprenticeship opportunities during the Operational Phase; and
- commuting and migration impacts resulting from the creation of long-term employment opportunities.

The effects on the local labour market are considered in Section 4 below and the wider economic benefits in Section 5.

The estimate of gross employment set out in the ES Addendum report is based on an employment density of 70 m² per full time equivalent (FTE) job, having regard to benchmarks for storage and distribution activities (HCA guidance). While at the lower end of the range, the ES Addendum report notes that the published guidance recognizes that “as logistics becomes more specialised both a greater number of employees and range of skills are required to operate a modern distribution facility” (HCA, p.22). In addition, there is a high level of variability across the sector, including in relation to the treatment of drivers as direct employees linked to premises.

The ES Addendum report is also supported by evidence presented for established projects:

- According to Warrington & Co., since 2013 the development build-out and consented to date at Omega is some 358,747 m², while the number of permanent secured jobs is 7,785. These estimates were subsequently refined, suggesting that 7,150 jobs have been created across almost 400,000 m². Allowing for an adjustment of 90% (to account for some part-time working), this would equate to an overall employment density of 61 m² per FTE;
- The British Property Federation’s (BPF’s) 2015 study on the economic impact of the UK logistics sector also points towards increasing employment densities within logistics floorspace, highlighting examples of schemes which support densities of 48 m² (a logistics facility) and 34 m² (supermarket distribution centre) per FTE job.

Based on an updated review of employment density for distribution facilities in the UK, further benchmarks have been identified which are outlined in Table 3.3. It is noted that the level of detail provided in respect of these benchmarks is limited making direct comparison difficult.

Table 3.3: Employment Density evidence for distribution facilities in the UK			
Type of property	Source	Year	Value (sqm per job)
'Final mile' distribution	HCA Employment Density Guide 2015	2015	70
Regional distribution	HCA Employment Density Guide 2015	2015	77
National distribution	HCA Employment Density Guide 2015	2015	95
Logistics facilities	Prologis	2019	80-120
Warehouses	UK Warehousing Association	2023	125-150
Fulfilment centre	2020 Amazon Data	2020	117
Distribution centre	Ocado Annual Report 2019	2019	65
Distribution centre	Tesco Annual Report 2021	2021	85-100
Distribution centre	DHL Annual Report 2020	2020	150-200
Logistics facilities	XPO Logistics 2020 Sustainability Report	2020	120
Distribution centre	JLP Annual Report and Accounts 2021	2021	80-120
Logistics facilities	Wincanton Annual Report Accounts 2021	2021	90-110

As presented in the addendum report, further analysis suggests that levels of employment, and the nature of the jobs created, will be subject to a range of pressures as the take-up of new technologies by the logistics sector accelerates. This has been informed by a macroeconomic review of automation and implications for employment, alongside evidence relating to the potential scale of employment displacement at the microeconomic level.

Consideration has been given to the impact of increased automation on levels of future employment. This has been based on a review of research that reflects both empirical work looking at recent overall employment trends relating to automation and 'foresight' analyses examining the potential impact of automation (Appendix C). Both strands point to the likelihood of sustained automation penetration across the economy, and for the transportation, storage and logistics sectors to be at the forefront of any associated displacement. However, broader sector-related evidence suggests that logistics companies have approached the issue of automation with caution and may not transition fully to emergent technologies for a decade or more.

Noting evidence that, to date, logistics companies have approached the issue of automation with caution, it may be reasonable to apply a moderate adjustment of between 10% and 15% future developments over the next 10 to 15 years to reflect continued investment in automation across the sector. On this basis, it is reasonable to assume that logistics will remain an important driver of employment over the next ten years and beyond.

Evidence suggests that the occupations with the highest estimated automation potential are those requiring basic skills. On this basis, higher skilled activities are likely to be largely

retained. The adoption of increased automation over coming years may create pathways to higher value roles for established and new employees.²

It would be expected that employment displacement at the local level would in part be offset by income effects (reduced production costs which are passed on to consumers through lower prices, leading to an increase in spending power). Studies have suggested that this could potentially offset the effect of losses associated with employment displacement to a factor of around 50%.

The ES Addendum report estimated that the proposed development would support 4,113 gross direct FTE jobs, resulting in a net additional employment impact of 1,990 FTE jobs at the Warrington level and 2,342 FTE jobs at the Cheshire and Warrington LEP level. As this exceeded a net increase of 1,000 FTE jobs at the LEP level, it was assessed within the ES Addendum report as of a substantial positive magnitude. Based on the identified employment effects, the net additional GVA impact was estimated at £216 million and £210 million respectively at the Warrington and Cheshire and Warrington LEP levels.

The assessment of gross employment effects outlined in the ES Addendum report has been reviewed in light of the comparator evidence outlined above, alongside the review of potential effects associated with the adoption of new technologies and automation. While recognizing that levels of activity – both in terms of job numbers and labour market requirements - are highly variable, it is considered that this estimate is at the upper end of the range for gross direct employment. On this basis, further analysis has been carried out to inform an appraisal of the potential employment effects.

Based on evidence outlined in Table 3.3, a density of around 80 sq m (GEA) per FTE employee (broadly consistent with benchmarks for regional distribution centres published within the HCA employment density guide alongside other published sources) is considered to be consistent with expected demand for units proposed at Six56 based on the market advice prepared by JLL.

A further scenario has been assessed to provide an estimate of potential employment and economic output allowing for increased automation in the logistics sector over a ten year period. Consistent with the forecasts outlined above, allowance under this lower range scenario has been made for a 15% reduction in staffing levels across the proposed development. Allowance has been made for this to be offset by an increase in productivity (based on GVA per FTE employee benchmarks) in the appraisal of economic output.

Table 3.4 outlines the result of the analysis of each scenario at the Warrington and LEP levels, allowing for revised additionality ratios based on updated evidence. The updated assessment of operational effects confirms that net additional employment impacts at the Cheshire and Warrington level will be of a substantial positive magnitude under each

² Price Waterhouse Coopers (PwC) (2018), Will robots really steal our jobs? An international analysis of the potential long term impact of automation

of the scenarios. The net economic output effects (based on the estimate of net additional GVA per annum) are also expected to be of a substantial positive magnitude.

Table 3.4: Operational phase employment and GVA			
	ES Chapter	Reduced density 80 sqm per FTE job	Reduced density and 15% automation adjustment
Warrington Level			
Gross operational jobs (FTE)			
- Direct	4,113	3,599	3,129
- Direct, indirect and induced	5,306	4,643	4,037
Net additional jobs	1,326	1,161	1,009
Net additional GVA per annum (£m)	£149.0	£130.4	£130.4
Cheshire & Warrington LEP Level			
Gross operational jobs (FTE)			
- Direct	4,113	3,599	3,129
- Direct, indirect and induced	6,005	5,254	4,569
Net additional jobs	1,441	1,261	1,097
Net additional GVA per annum (£m)	£134.9	£118.0	£118.0

Further analysis has been undertaken to demonstrate the sensitivity of employment and GVA estimates to changes in key assumptions relating to employment density and displacement. As outlined below, allowing for increased levels of displacement to 65%, the net additional employment impacts under the reduced density case remain of a substantial positive magnitude.

	ES Chapter	Reduced Density	Reduced Density and 15% automation adjustment
Displacement	70 sqm / FTE	80 sqm / FTE	92 sqm / FTE
Net additional employment (FTE)			
35%	2,342	2,049	1,782
60%	1,441	1,261	1,097
65%	1,261	1,103	959
Net additional GVA (£ million p.a.)			
35%	£219.19	£191.79	£191.79
60%	£134.88	£118.02	£118.02
65%	£118.02	£103.27	£103.27

In addition to the employment and GVA impacts, other positive impacts are expected to arise from:

- Increased business rate revenue – estimated at £7.1 million per annum once fully developed, representing a substantial positive benefit. It is noted that based on the latest valuation, the level of business rates income could be significantly higher (in the order of 25%);
- Training and apprenticeship opportunities – the potential to align operations with sector focused skills provision to ensure that local opportunities are maximised is considered an impact of minor positive magnitude;
- Labour market benefits – there will be significant opportunities for local residents to benefit from new highly paid employment opportunities. National statistics show that mean earnings for workers in Warehousing and Support Activities for Transportation (SIC 52) are £37,962 per annum, above the all-sector average of £33,402. The sector offers a range of roles including highly-skilled and more basic employment opportunities. The scheme promoters are committed to implementing a transport strategy that enables the workforce to gain sustainable and affordable access to employment.

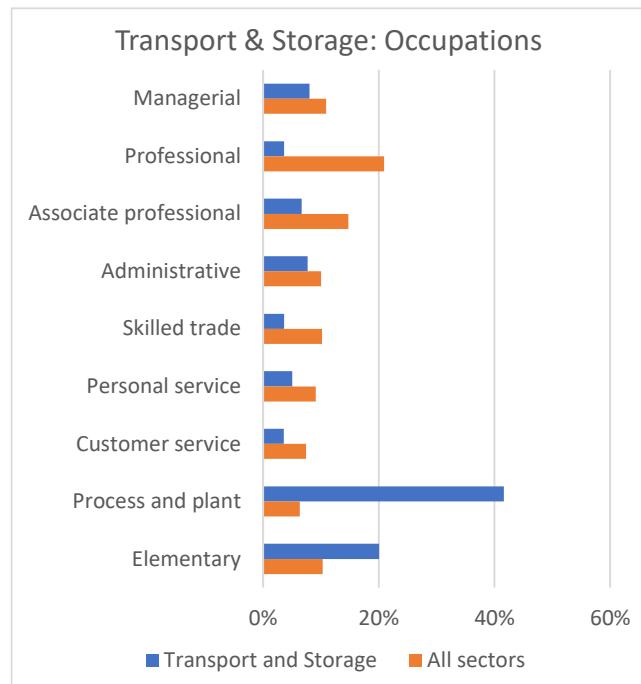
4 Labour market effects

4.1 UK labour market conditions

As noted above, a range of opportunities will be created, including more elementary roles that will be accessible to those with lower level or no formal qualifications and those who are looking to re-enter the labour market.

Based on data from the ONS Business Register and Employment Survey, 1.59 million individuals were employed in the Transport and Storage Sector in 2021, amounting to 5% of total employment in Great Britain. Total sector employment has increased by around 4% since 2015, broadly consistent with the all sector average.

Data from the ONS Annual Population Survey (2019) confirms that the Transport and Storage sector remains dominated by ‘process, plant and machine operative’ and elementary’ roles (accounting for 62% of jobs).³ ‘Transport and drivers and operatives’ account for almost all of the ‘process, plant and machine operative’ occupations, amounting to more than 40% of the sector workforce (compared to 6% for all sectors). It is envisaged that elementary roles relate mainly to warehousing activities.



The greatest proportion of logistics jobs are level 2, which is low to middle-skilled (41.8%), followed by low-skilled (26.1%). The proportion of logistics jobs considered to be low and low-middle skilled is greater than the national average, where they represent only 9.4% and 32.4% respectively of all jobs in the economy. Level 2 qualifications are a requirement for HGV drivers and other machine operatives within the sector.

According to a UKCES Employer Skills Survey, in 2014 only 18% of logistics employers had recruited an individual to their first job after they had left education, which is lower than the 24% average for the rest of the UK. Overall, only 9% of the workforce in the UK logistics sector is under 25. Additionally, 14% of logistics employers in the UK reported

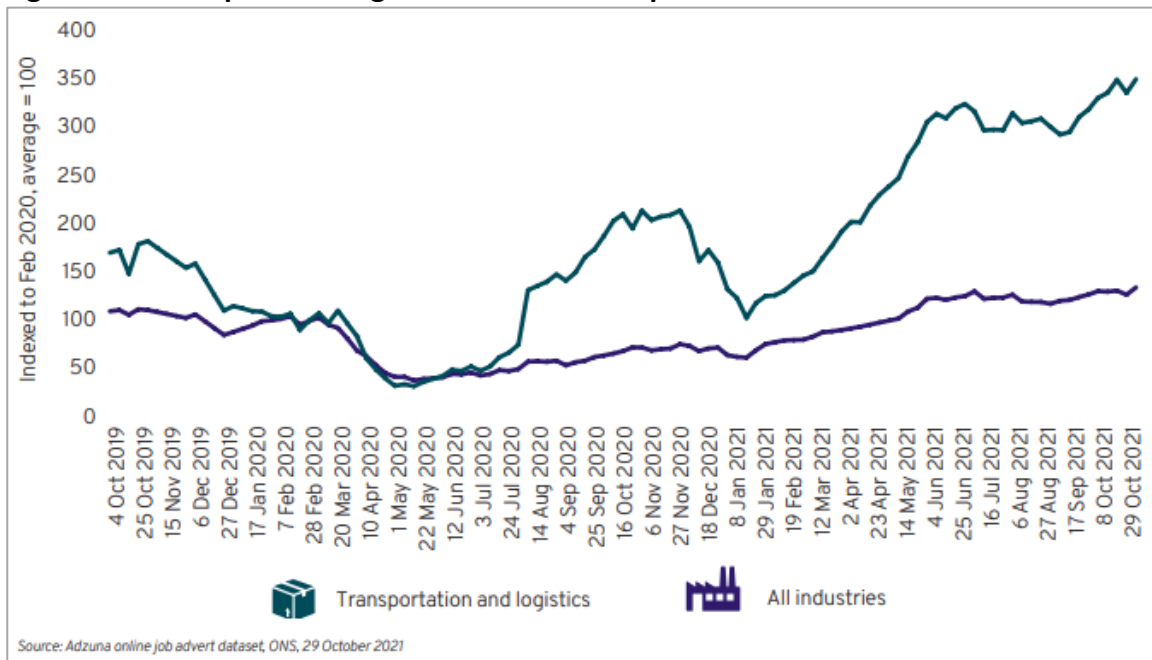
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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/10663occupati onatuklevelbysectorindustryageandethnicity>

skills gaps within their workforce in 2013, meaning their employee was not able to do their job to the required level. Nonetheless, a majority of logistics employers surveyed within the UKCES either funded or arranged training for their staff (62%). The 2021 Skills and Employment Report published by Logistics UK⁴ reports that skills gaps represent a significant issue for operators within the sector, with businesses investing to train staff to an appropriate level of qualification – albeit, only 37% of logistics companies indicated they would hire apprentices. Nevertheless, it is envisaged that businesses locating at Six56 would have capacity to provide further training, particularly in light of labour market constraints.

The Logistics UK Skills and Employment Report (2021) confirms that acute shortages of HGV drivers, alongside difficulties filling other roles, remain a major concern at the UK level. Brexit and the Covid pandemic are identified as playing a significant role in creating the conditions for skills shortages and vacancies, with 1.2 million unfilled job vacancies identified in the period August to October 2021 – the highest level since records began.

Figure 4.2: Transport and logistics vacancies compared with all UK industries



Shortages are particularly acute for HGV drivers, with significant losses from the profession in the UK as EU nationals left the UK following the Brexit vote. In addition, HGV drivers have a significantly older age profile than the general population – indicating the current challenges may worsen over coming years if the issue is not addressed. Shortages are also severe in other areas including warehousing, particularly for lower paid, lower skilled jobs. This factor is driving demand for greater automation. Labour market constraints are an issue across all areas of the sector, including both skills and lower skills

⁴ <https://logistics.org.uk/CMSPages/GetFile.aspx?guid=24a6a7cd-351e-471b-bc7a-8550a8264537&lang=en-GB>

occupations. It is reported that between 63%-76% of employers experience recruitment difficulties associated with a lack of suitably qualified candidates.

4.2 Local labour market effects

It is estimated that premises delivered at Six56 could support between 2,576 and 4,113 gross FTE jobs. Leakage has been estimated at 50% based on 2011 Census commuting data, while allowance is made for total employment based on a mix of full and part time roles based on ONS data for the Transport and Storage sector. On this basis, the local labour requirement is expected to range from 1,407 to 2,247 jobs.

Based on the labour market profile outlined above, many of the jobs created would be accessible to new entrants to the labour market and those who are currently unemployed. Based on the skills-mix typically associated with the logistics sector, it is anticipated that close to 70% of jobs will be at NVQ level 2 or lower, relating to 'process, plant and machine operative' and 'elementary occupations'. Based on published data for occupations sought by claimants of Jobseeker's Allowance (February 2023), around 55% of claimants at the UK level seek elementary occupations. On this basis, it is reasonable to assume that employment opportunities and labour market impacts would be significant for these groups.

A spatial analysis of employment effects within the local (Warrington) labour market has been undertaken, having regard to the level of available capacity (claimant count) alongside an analysis of existing employment trends at the local level. The data is summarized in Table 4.1.

More than 50% of Warrington residents claiming out-of-work benefits currently reside in five wards: Bewsey and Whitecross; Fairfield and Howley; Orford; Poplars and Hulme and Latchford East. Based on February 2023 data, there were 1,800 residents claiming out-of-work benefits in these wards. Subject to securing appropriate transport provision, it is estimate that around 50% of the local labour requirement will be met by workers residing in these areas.



Based on data from the 2021 Census, these wards (Bewsey and Whitecross; Fairfield and Howley; Orford; Poplars and Hulme and Latchford East) also have the highest percentage of resident employees working in the Transport and Storage sector and the highest proportion engaged in 'process, plant and machine operative' and 'elementary occupations'.

Based on data from the 2021 Census, there are high levels of household deprivation within the identified wards. In each area, more than 50% of households demonstrated at least one characteristic of household deprivation and the highest average number of characteristics of all wards within Warrington. This suggest that the labour market impacts of the Six56 scheme are likely to be most pronounced within areas experiencing relatively high levels of deprivation.

We understand provisions in the S106 have made to provide a £600,000 financial contribution to pump-prime and establish a new bus service that would provide a connection between the Six56 site and surrounding areas, with a particular focus on the most deprived areas outlined above to support access to employment for local residents with greatest need.

Table 4.1: Six56 Local Labour Market analysis

	Six56 Local Labour Origin			Claimant count		Economic activity		Household deprivation		Existing employment	
	High Range	Central Case	Low Range	No.	%	Economic activity rate	Un-employment	% Households with 1 or more characteristic	Average number of characteristics per household	% Transport distribution	SOC 8 & 9
Appleton (Warrington)	33	29	25	50	1%	56%	125	39%	0.49	4%	8%
Bewsey and Whitecross	323	283	246	485	14%	66%	363	57%	0.86	10%	33%
Birchwood (Warrington)	130	114	99	195	6%	59%	255	53%	0.77	6%	20%
Burtonwood and Winwick	47	41	35	70	2%	55%	102	50%	0.68	5%	14%
Chapelford and Old Hall	70	61	53	105	3%	68%	193	39%	0.52	5%	13%
Culcheth, Glazebury and Croft	73	64	56	110	3%	53%	203	45%	0.60	4%	12%
Fairfield and Howley	237	207	180	355	11%	65%	334	56%	0.85	9%	30%
Grappenhall	27	23	20	40	1%	59%	120	33%	0.41	4%	10%
Great Sankey North and Whittle Hall	50	44	38	75	2%	64%	139	40%	0.50	5%	13%
Great Sankey South	110	96	84	165	5%	64%	214	49%	0.69	7%	22%
Latchford East	160	140	122	240	7%	66%	219	52%	0.78	8%	25%
Latchford West	103	90	79	155	5%	60%	160	50%	0.73	7%	21%
Lymm North and Thelwall	57	50	43	85	3%	60%	147	41%	0.52	4%	10%
Lymm South	37	32	28	55	2%	58%	88	39%	0.49	3%	7%
Orford	220	192	167	330	10%	61%	307	58%	0.89	9%	32%
Penketh and Cuerdley	47	41	35	70	2%	56%	130	48%	0.63	5%	14%
Poplars and Hulme	260	227	198	390	12%	60%	342	62%	0.96	9%	30%
Poulton North	83	73	63	125	4%	56%	212	51%	0.73	6%	19%
Poulton South	50	44	38	75	2%	61%	96	47%	0.62	6%	17%
Rixton and Woolston	60	52	46	90	3%	58%	131	47%	0.62	6%	15%
Stockton Heath	30	26	23	45	1%	62%	85	37%	0.47	4%	9%
Westbrook (Warrington)	27	23	20	40	1%	64%	74	41%	0.53	5%	14%

 Local labour origin - top five wards
 Five wards showing highest levels within selected indicator/category

4.3 Local employment agreement

As outlined within the Planning Obligations Supplementary Planning Document for Warrington Council, the Council will seek to negotiate a reasonable proportion of employment in the construction and operational phases to be provided for local residents. In addition, it will seek to ensure that a reasonable proportion of orders in the construction phases are placed with local businesses. In both instances, a minimum threshold rate of 20% has been applied. The Council will seek to ensure that measures are targeted towards groups in greatest need – particularly residents within neighbourhoods ranked amongst the 25% most deprived in England.

Consistent with best practice adopted in respect of other schemes, the lead developer would seek to put in place Local Employment Schemes (LES) for the construction and operational phases in advance of delivering the project, working closely with Warrington Council or other nominated bodies (including Warrington & Co or the LEP). The LES will document how the development will aim to ensure that at least 20% of the workforce is drawn from the local authority area, with a focus on areas of high deprivation. In addition to employment and training opportunities, the agreement will include action that will be taken to promote the use of local suppliers of goods and services during the construction phase, for example through the use of local/online SME capacity registers; meet the buyer events; and use of a dedicated procurement portal for promoting opportunities.

The Local Employment agreement will outline plans for:

- **Identifying job and training opportunities** – this initial profiling of opportunities that can be accommodated or delivered as part of the development will need to include volumes, type, and skills levels for both the construction and operational phases:
 - intermediate labour market opportunities;
 - apprenticeships; T-levels;
 - work/industry placements for graduates;
 - higher level graduate placements; and
 - jobs – for people with skills, currently unemployed
- **Promotion of the opportunities** – this will require actively working with local agencies to advertise these opportunities and prepare local people to access them (see below re pre-recruitment training) – for example, Warrington & Co; local providers including Warrington and Vale Royal College (apprenticeships; T-levels) and local Universities if there are higher level opportunities for graduates (e.g. year in industry or graduate placement opportunities);
- **Brokerage** - in terms of matching individuals to the opportunities, the lead promoter would envisage working with local providers to target hard to help groups in the

area or individuals from deprived areas (for example, young people/NEETS/16-24yr olds; unemployed/LTU – to match supply and demand more effectively);

- **Pre-recruitment/work readiness** – the delivery of pre-recruitment training courses will be explored – again at both the construction and operational phase, for example:
 - **Construction pre-recruitment** – focused on employability skills (motivation to get out of bed in the morning, time keeping, team working) and technical skills (e.g. CSCS card), with a guaranteed interview if they are successful and/or complete the course – in line with best practice models such as those offered through FUSION 21 for example;
 - **Operational pre-recruitment** – for example Brakes who recruited 450 during phase 1 of the OMEGA development - offered a two-week bespoke training programme for all candidates who were to be interviewed which included classroom based training during week 1 (introduction to warehousing; general health and safety; interview skills and techniques; and basic literacy and numeracy), followed by two days based at a local company Linde to undergo and qualify for a FLT Licence during Week 2.
- **Cascading commitments through the supply chain** - ensuring the commitments are passed down to contractors and on to end users of the development (where possible) through the use of contract clauses; and local agreements/charters; and
- **Monitoring and evaluation** – to promote accountability and compliance – monitoring and evaluation mechanisms will be established (with action for non-compliance) and a timetable agreed for regular reporting to the Planning Authority.

It is noted that the Council has previously worked collaboratively alongside Omega Warrington Ltd to ensure construction and labour market benefits are maximised. This has been undertaken under a ‘Local Employment Agreement’ and sets out targets for OWL along with its construction contractors, and eventual on-site businesses, to deliver contracts, jobs, apprenticeships, school involvement and other initiatives for local people. These targets were included as conditions attached to each planning application that came forward. The agreement aimed to ensure that:

- local businesses were able to bid for tender opportunities (subcontracting and supply chain);
- local businesses were able to apply to join preferred lists for other ongoing work;
- new vacancies were offered as job and apprenticeship opportunities for local people;
- opportunities were made available for unemployed people including young people not in education, employment or training (NEET);

- work experience placements were offered for pupils, students and unemployed people; and
- local schools were invited for site visits or presentations at local schools.

Local job opportunities were an important part of OWL’s (Omega Warrington Ltd) commitment to Warrington. With this in mind, OWL and Warrington Borough Council similarly entered into a ‘Local Employment Agreement’. This set out targets for OWL along with its construction contractors, and eventual on-site businesses, to deliver contracts, jobs, apprenticeships, school involvement and other initiatives for local people. These targets were included as conditions attached to each planning application that came forward.

The OMEGA agreement aimed to ensure that:

- local businesses were able to bid for tender opportunities (subcontracting and supply chain);
- local businesses were able to apply to join preferred lists for other ongoing work;
- new vacancies were offered as job and apprenticeship opportunities for local people;
- opportunities were made available for unemployed people including young people not in education, employment or training (NEET);
- work experience placements were offered for pupils, students and unemployed people; and
- local schools were invited for site visits or presentations at local schools.

OWL and Warrington Borough Council regularly reviewed information provided in relation to job opportunities and training provided for infrastructure works plus the construction of buildings for Omega’s occupiers. On one of their regular online updates they reported – tenders worth over £37 million had been awarded to businesses within a 25 miles radius of Omega – and 42 of these, worth almost £8 million, were awarded to Warrington businesses.

The Employment Development Manager at Warrington Borough Council commented, “So far, the total construction spend within Warrington and a 25 miles radius comes in at 26%, which for large scale construction projects is not bad. However, we will continue to strive, not just to hit our local employment targets for Omega, but to beat them.”

5 Qualitative economic benefit

In addition to the quantified benefits outlined above, consideration has been given to qualitative effects arising from the proposed scheme. This considers the extent to which opportunities will benefit communities with greatest need for support, the effects of supply chain and employee expenditure within the local economy, facilitating wider economic growth and measures aimed at mitigating the environmental impact of the scheme.

the Proposed Development will create a significant number of new jobs within Warrington and across the wider LEP area. It is envisaged that a number of these opportunities will be taken-up by local residents, helping to generate increased economic activity, retain skilled people within the area and bring more people into employment. Despite the overall relative strength of the economy, there are still communities within Warrington suffering from severe levels of income and employment deprivation – as highlighted in Section 2. The Proposed Development can potentially help to support the regeneration of these neighbourhoods, providing a range of accessible jobs. While there is no certainty that residents within these areas will seize the new opportunities created, further labour market support, working with organisations such as Warrington & Co., will help to ensure that the uptake of employment by economically inactive residents can be optimised.

The increase in economic activity and investment will have knock-on effects in terms of the local supply chain, as well as supporting the growth of local services and facilities through the attraction of additional expenditure. Under the Reduced Density Case, it is estimated that the Proposed Development, once fully occupied, could generate £73 million of net additional supply chain and employee spend per annum in Warrington. Based on ONS business survey data for all sectors, this would be enough to sustain up to 52 local businesses. This will help to encourage further investment, as well as enabling existing businesses to expand, attract new businesses, and retain and create further jobs for local residents.

More generally, the provision of new logistics space will also play an important role in supporting the economic growth of the wider economy of Cheshire and Warrington LEP. The logistics sector is recognised as key enabler of growth in terms of its relationships with other sectors, such as manufacturing and the wider transport sector. Cost-effective and efficient logistic operations have cross-sector benefits, helping to improve the productivity and competitiveness of other businesses in the region. The sector itself is seen as providing an opportunity to drive growth in Warrington and neighbouring areas, with the Borough enjoying a competitive advantage as a result of its location and strong transport links.

Finally, a package of measures will be proposed to help integrate the development with its surrounding environment. Ecological movement throughout the site will be encouraged, leading towards the Ecological Mitigation Area proposed within the south-

eastern corner of the site. This includes measures that are designed to protect the ecological areas and setting of the scheduled monument (and interpretation boards to improve awareness of the monument) whilst enhancing the surrounding green space. Limited recreational opportunities will be incorporated through the retention of the existing public footpath and the incorporation of a new walking route through the wildflower meadow, encompassing the scheduled monument.

Overall, in addition to the economic impacts that will be created during the operational phase, the proposed SIX56 development will generate a range of important wider socio-economic benefits that are expected to be sustained for a number of years.

6 Conclusion

This report has set out an updated assessment of the expected socio-economic effects of the Six56 development scheme, reflecting current assessments of distribution sector demand and local employment land need, alongside updated evidence relating to operational activity within the transport and distribution sector. The key conclusions are as follows:

Socio-economic context

- the proposed scheme continues to provide broad alignment with socio-economic objectives at a national and local level, including strategic objectives for levelling-up given the potential job creation and economic output effects adjacent to areas of deprivation within Warrington;
- The report updates analysis to cover the period 2020-22 during which the Covid Pandemic and energy crisis impacted on economic activity across the UK. Nationally, the March 2023 Economic Outlook published by the OBR confirms that inflationary pressures and supply side factors - including within the labour market - are expected to continue to impact on economic growth prospects over the short to medium term.
- Rates of economic activity and employment within Warrington and the wider LEP area remain high, with low levels of unemployment. Claimant rates have fallen to pre-pandemic levels.
- There were almost 145,000 jobs based in Warrington in 2021, with Transport and Storage accounting for 8.6% of employment. Overall job density (jobs per working age resident) was high at 1.17, with significant net commuter inflows, with Warrington benefiting from good accessibility via the M6, M56 and M62 motorways.
- A relatively high proportion of Warrington residents are employed in lower order occupations (sales, process and elementary roles). Average qualification levels are also below the national average, although the proportion with no qualifications is low. In spite of the occupational profile, median resident earnings are higher than the national average.
- Warrington is ranked the 175th most deprived local authority in the country based on the 2019 IMD. However, there are pockets of severe deprivation with the urban core of the town, around Bewsey and Whitecross; Orford; Poplars and Hulme; and Fairfield and Howley.
- There is evidence of demand and need for new distribution floorspace within the wider Warrington area, based on known requirements and evidence of take-up over the last 10 years. Based on the evidence provided by JLL, allocated and approved sites do not offer sufficient capacity or are subject to significant constraints.

Economic Impact Assessment

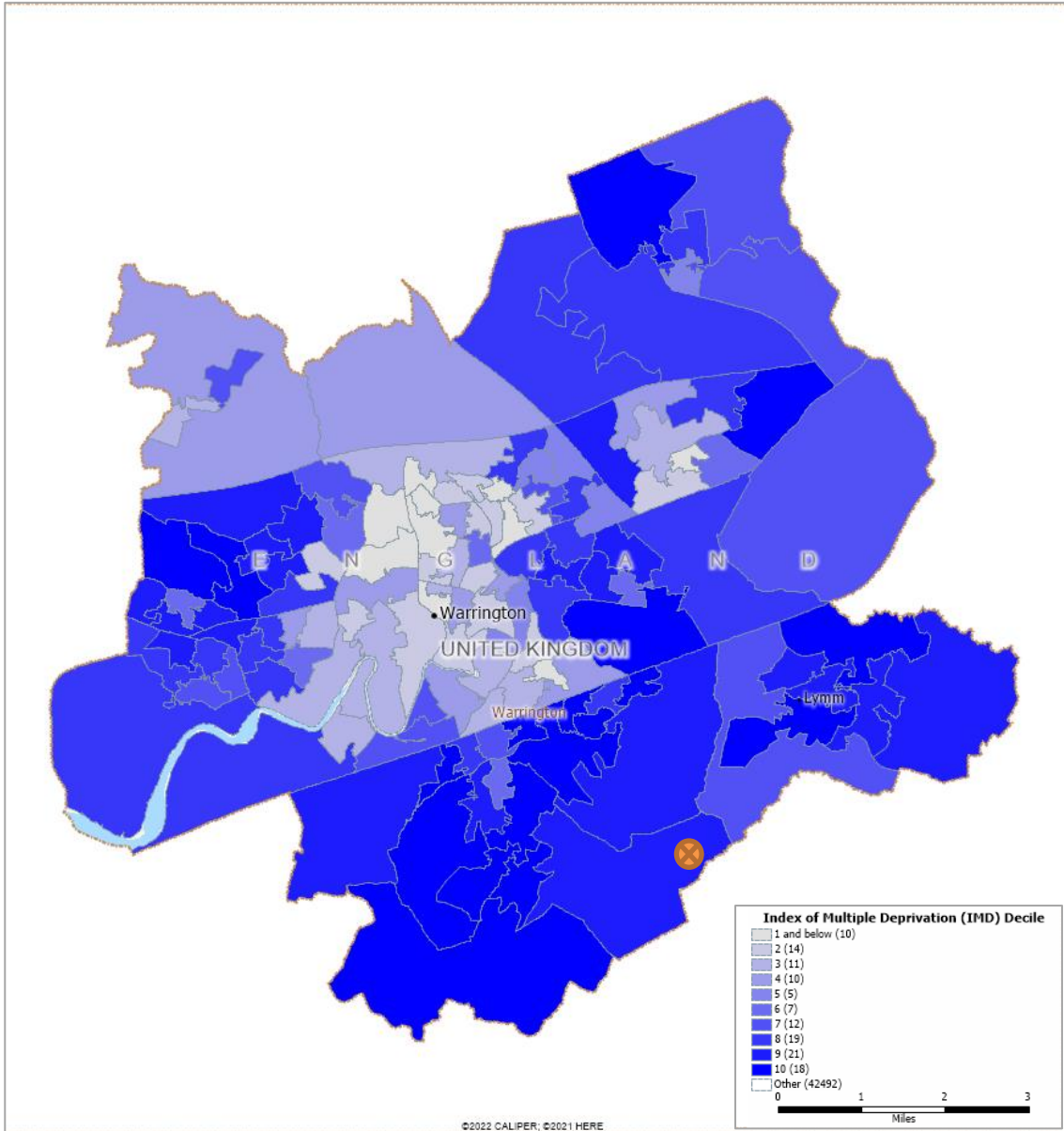
- The construction phase of the project is expected to result in 73 net additional temporary jobs in Warrington, increasing to 93 in the wider impact area. It is forecast to generate around £82 million of net additional GVA in Warrington.
- In the operational phase, the employment and GVA impacts in the wider impact area are assessed as being of substantial positive magnitude. Under the Reduced Density case analysis, it is estimated that the scheme will result in 1,226 net additional FTE jobs at the Cheshire and Warrington level, generating £118 million of net GVA per annum once fully developed out. Upper and lower ranges have been assessed, reflecting changing patterns of activity in part relating to automation within the Transport and Storage sector.
- Other positive impacts which are expected to arise include business rate revenue, training opportunities and opportunities for elementary labour market roles.

Local labour market effects

- Many of the operational jobs that would be created are expected to be accessible to new entrants to the labour market and those who are currently unemployed. The employment opportunities provided would match well with the skills profile for Warrington and help to address issues for those people with relatively low-level skills. It is envisaged that significant opportunities will be created for residents of more deprived communities.
- Provisions in the S106 have made to provide a £600,000 financial contribution to pump-prime and establish a new bus service that would provide a connection between the Six56 site and surrounding areas, with a particular focus on more deprived areas and those with highest unemployment, to support access to employment for local residents with greatest need.
- Local Employment Schemes will help to ensure that at least 20% of the workforce associated with the development (at both construction and operational phases) is drawn from the Warrington local authority area. In addition, the development will be committed to using local suppliers of goods and services wherever possible.
- The Local Employment agreements will also provide details on relevant training opportunities, how job opportunities will be promoted, the possible delivery of pre-recruitment training courses and the monitoring and evaluation mechanisms which will be established. Best practice from Omega Warrington Ltd and Warrington Borough Council's Local Employment Agreement will be followed.

Appendix A – Deprivation map

Overview Map – 2019 IMD decile ranking for the Wider Impact Area



Appendix B – Ward Map

Attached separately

Appendix C – UK Logistics and Automation

A. Introduction: UK Logistics

Logistics is a key component of modern, developed economies. British Property Federation (BPF) research reports that the UK logistics sector directly supports 93,000 businesses, generates Gross Value Added (GVA) of £80bn and sustains an employment base of some 960,000⁵.

The sector has experienced robust growth over recent years and the 2020 Colliers International Logistics Viewpoint report (pre Covid19) envisaged a positive outlook for the sector in the near-term⁶. Indeed, recent analysis by Turley, on behalf of the BPF, draws attention to the link between expected population/housing growth and associated warehouse requirements to sustain anticipated continued development of online purchasing patterns⁷.

The logistics sector is pivotal to the efficient functioning of everyday business supply chains and business/consumer interactions. As such, the location, scale and growth of logistics operations is likely to remain a key supporting feature of wider productivity ambitions within the UK.

The nature of logistics operations, on the other hand, is undergoing substantive change with developing and challenging market conditions coinciding with new and emerging automation technologies

McKinsey (2019) point to a range of automation options that are likely to prove of value in the sector, making the point that warehouse automation technologies can be broadly categorized into devices that assist the movement of goods and those that improve their handling⁸.

While the use of automated guided vehicles (AGVs) to move cases and pallets is already established, McKinsey reference developments such as equipment and software designed to retrofit standard forklifts rendering them autonomous and providing capacity to switch between traditional and autonomous modes as required. Other emerging technologies include:

- swarm robots that move shelves with goods to picking stations;
- advanced conveyors that can move goods in any direction;
- advanced automated storage/retrieval systems (AS/ RS) to store goods in large racks, with robotic shuttles moving in three dimensions on rails attached to the structure; and

⁵ BPF, Delivering the goods in 2020, The Economic Impact of the UK logistics sector.

⁶ Colliers International (2020), Industrial and Logistics Viewpoint 2020.

⁷ Turley (2019) What Warehousing Where.

⁸ McKinsey (2019), Automation in logistics: Big opportunity, bigger uncertainty

- new handling devices that will automate the picking, sorting, and palletising of goods.

Beyond automation that replaces human activity, other extensions may include drones for internal inventory or exterior management and exoskeletons to augment human motion. Indeed, McKinsey point to a large number of potential technologies, not yet widely implemented that might lead to further automation.

Allied to claims of the future benefits of development relating to blockchain technology, 3PL and 5PL, IoT, elastic logistics, chatbots and cobots, the logistics sector is at the forefront of an evolving automation architecture.

The objective of this paper is to examine the implications of such developments for future employment within the sector and, more particularly, for Warrington Six56. Following sections (i) highlight the broad macroeconomic background in which debates about automation impacts reside (ii) review evidence as to the potential scale of employment displacement at the microeconomic level and (iii) discuss the implications of research for the logistics sector alongside consideration of density profiles used to evaluate employment impacts.

The review covers research that reflects both empirical work looking at recent overall employment trends relating to automation and ‘foresight’ analyses examining the potential impact of automation.

Both strands point to the likelihood of sustained automation penetration across the economy, and for the transportation, storage and logistics sectors to be at the forefront of any associated displacement. A reading of sector-related materials, on the other hand, suggests that logistics companies have approached the issue of automation with caution and may not transition fully to whatever dominant technologies emerge for a decade or more.

The review concludes suggesting that there may be a case for considering a broader employment density range in relation to size of premises than is contained in the 2015 density guide but that moderate adjustments (10%/15%) over the next 10 to 15 years may be required for future developments to reflect continued automation in the sector.

B. Automation and Employment: Background

Until recent decades, a feature of industrial economies was that despite a century of technological advancement, the labour share of national income had remained broadly constant. This provided some optimism that automation need not reduce the role of labour as a factor of production. That regularity, however, is no longer evident and the

labour share of national income has fallen in many nations with notable decline since the turn of the century⁹.

Production requires tasks which are allocated to capital or labour. New technologies impact on production not only by increasing the productivity of capital and labour at tasks they currently perform but by adjusting the balance of tasks assigned (task content) to factors of production¹⁰.

Automation changes the task content of production negatively for labour due to a displacement effect as capital takes over tasks previously undertaken by labour. This displacement effect generally implies that automation reduces the labour share of value added. On the other hand, in permitting a more flexible allocation of tasks to factors, automation may also increase productivity and generate demand for labour in non-automated tasks.

As such, the net impact of automation on labour depends on how displacement and productivity effects combine. Historically, the displacement effect of automation has been offset by technologies that create new tasks in which labour has a comparative advantage. In addition, these new tasks generate not only a positive productivity effect but also a reinstatement effect— they reinstate labour into a broader range of tasks and thus change the task content of production in favour of labour (Acemoglu and Restrepo, 2019). This reinstatement effect is the opposite of the displacement effect and directly increases both labour share and demand for labour.

On the basis of this framework, Acemoglu and Restrepo (2019) – building on Acemoglu and Restrepo (2018)¹¹ - point to the fact that:

- the presumption that all technologies increase (aggregate) labour demand simply because they raise productivity is incorrect. Some automation technologies may reduce demand for labour because they bring sizable displacement effects but only modest productivity gains;
- given the displacement effect, one should not expect automation to create wage increases commensurate with productivity growth. Automation, by itself, always reduces the share of labour in value added and tends to reduce overall labour share in the economy.

From this perspective, the explanation of a stable historical labour share of national income is simply that new tasks for labour counterbalanced the effects of automation on the task content of production.

⁹ Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Harvard University Press; Autor, David, David Dorn, Lawrence F. Katz, Christina Patterson, and John Van Reenen. 2017b. “The Fall of the Labor Share and the Rise of Superstar Firms.” NBER Working Paper No. 23396; Dao, Mai, Mitali Das, Zsoka Koczan, and Weicheng Lian. 2017. “Why is Labor Receiving a Smaller Share of Global Income? Theory and Empirical Evidence,” IMF Working Paper

¹⁰ Acemoglu D and Restrepo P (2019), *Automation and New Tasks: How Technology Displaces and Reinstates Labor*, IZA Discussion Paper

¹¹ Acemoglu D and Restrepo P (2018a) *The Race Between Machine and Man: Implications of Technology for Growth, Factor Shares and Employment* American Economic Review.

The authors subsequently undertake a detailed analysis of the US economy since 1945, though the similarity between the nature of the issue with the UK is such to warrant consideration of the findings. Ultimately, they estimate stronger displacement effects and considerably weaker reinstatement effects during the last 30 years than the decades before. Such patterns hint at an acceleration of automation and a deceleration in the creation of new tasks in recent times.

These observations broadly reinforce work by Autor and Salomons (2018) using the EU KLEMS (industry-level panel) dataset to provide another longer-term perspective¹². Their findings are that while labour share-displacing effects of productivity growth were essentially absent in the 1970s, they have become more pronounced over time, and most substantial in the 2000s. Once again, this finding is consistent with automation having become less labour-augmenting in recent decades and more labour-displacing.

C. Automation and Employment: Displacement Vs Productivity

The broad macroeconomic patterns described above have encouraged a significant body of research – both theoretical and empirical – seeking to explain underlying trends. Much of this work concentrates on the potential scale of employment displacement though more recent studies have tended to consider both displacement and productivity effects.

One of the early studies to focus on the issue at the microeconomic level was that by Frey and Osborne (2013) which is often used as a basis for more recent work¹³. Frey and Osborne use an online database of US job descriptions (O*NET) and develop a machine learning algorithm for estimating what they define as the probability of computerisation for different occupations. Based on a (expert guided) division of occupations between those that can/cannot be performed by ‘computer controlled equipment’, they suggest that 47% of jobs in the US are at high risk of being automated within a 10 to 20 year period. This study raised considerable alarm upon publication and a later Office for National Statistics (ONS) replication for the UK produced a figure of 35%¹⁴.

Frey and Osborne were subsequently followed in a 2016 study by the OECD (Arntz et al) which makes the point that automation is likely to impact more on specific task than broad occupations and jobs¹⁵. They use the OECD Survey of Adults Skills (International Assessment of Adult Competencies – PIAAC) which contains individual-level data on the task composition of jobs. Following the approach of Frey and Osborne, but focusing on tasks rather than occupations, they estimate that some 9% of OECD area jobs are at high risk of automation. This is primarily due to the fact that bundles of tasks are difficult to

¹² Autor, D and Salomons A (2018) Is Automation Labor-Displacing? Productivity Growth, Employment, and the Labor Share, Brookings Papers of Economic Activity, BEPA Conference, 2018

¹³ Frey, C and Osborne, M (2013), The future of employment: How susceptible are jobs to computerisation? Working Paper, University of Oxford, Oxford later published (2017) in Technological Forecasting & Social Change

¹⁴ ONS (2019) The probability of automation in England: 2011 and 2017.

¹⁵ Arntz M, Gregory T and Zierahn U (2016), The Risk of Automation for Jobs in OECD Countries, OECD Social, Employment and Migration Working Papers No. 189

automate and the study suggests that more jobs are likely to experience change than be automated. This set of outcomes is substantially more conservative than those from Frey and Osborne.

Price Waterhouse Coopers (PwC) take the matter further also using an OECD dataset that details jobs tasks across 200,000 workers¹⁶. They suggest that the process of automation is likely to contain three overlapping waves, namely an:

- algorithm wave that focusses on automation of simple computational tasks and analysis of structured data in areas like finance, information and communications and viewed as already underway;
- augmentation wave that focusses on automation of repeatable tasks such as communicating and exchanging information through dynamic technological support, and statistical analysis of unstructured data in semi-controlled environments viewed as underway but likely to reach full maturity in the 2020s; and
- autonomy wave that focusses on automation of physical labour and manual dexterity as well as problem solving in dynamic real-world situations that require responsive actions as in manufacturing and transport (e.g. driverless vehicles) viewed as under development and expected to reach full maturity economy-wide in the 2030s.

PwC develop an automation-rate prediction algorithm trained on the OECD data (as per Arntz et al) for the UK, US, Germany and Japan before being extended to 29 countries. The results for the UK suggest automation rates of 2% for the algorithm wave, 20% for the augmentation phase and 30% for the autonomy wave.

PwC comment that countries like the UK and the US, with services-dominated economies but also relatively long ‘tails’ of lower skilled workers, could see intermediate levels of automation in the long run. They also point to significant differences in potential impact across types of workers with much lower automation rates for highly educated workers.

McKinsey Global Institute (2017) assess the technical potential for automation of the global economy via analysis of component activities within occupations¹⁷. The analysis covers 46 countries representing more than 80% of the global economy and uses databases including the US Bureau of Labor Statistics O*Net database to break down 800 occupations into more than 2,000 activities, determining the performance capabilities needed for each activity. These activities are then broken down into 18 capabilities each of which is assessed for technical potential.

A machine-learning algorithm scores work activities in relation to the 18 performance capabilities and adoption is modelled across four phases - technical feasibility, solution development, economic feasibility and end-user adoption - using a standard diffusion

¹⁶ Price Waterhouse Coopers (PwC) (2018), Will robots really steal our jobs? An international analysis of the potential long term impact of automation

¹⁷ McKinsey Global Institute (2017) A Future That Works: Automation, Employment, And Productivity

model. Overall, they estimate that some 49% of the activities that people are paid to do in the global economy have the potential to be automated by adapting currently demonstrated technology. That said, fewer than 5% of all occupations are at risk of full automation though this is based on a high risk of automation threshold 100% rather than the 70% adopted by the other studies. Adjusted to 70%, their model suggests around 30% of jobs are automatable, a figure similar to PwC.

Nedelkoska and Quintini, also (2018) build on the study of Arntz, et al (2016) study and seek to exploit the PIAAC dataset further, accounting for variation in tasks within narrowly-defined occupational groups¹⁸. Coverage is extended to all 32 countries participating in PIACC and the authors claim that the approach is better aligned to the original expert assessment of potential automation used in Frey and Osborne (2013). The study also includes workers who lack basic computer skills and/or are in jobs that do not require using a computer. The main study findings are that:

- 14% of jobs in participating OECD countries are highly automatable (i.e., have a probability of automation above 70%).
- 32% of jobs have a risk of between 50 and 70% pointing to the possibility of significant change in the way these jobs are carried out as a result of automation;
- there exists wide variation in automation potential across countries though this reflects cross country differences in occupational mix within sectors;
- the occupations with the highest estimated automation potential typically only require basic to low level of education. At the other end of the spectrum, the least automatable occupations almost all require professional training and/or tertiary education.

Within the UK, the Office for National Statistics (ONS) have also examined the scope for automation¹⁹. ONS adopts the OECD analysis framework using UK data from the PIACC survey, taking just under 9,000 individuals and applying Frey and Osborne probabilities of automation (converted to UK occupation codes). Since the PIAAC data uses two digit occupation codes, and the Frey and Osborne probabilities use four digit codes, each individual in PIAAC is assigned multiple probabilities of automation.

ONS run regressions to determine the influence of job characteristic on the probability of automation. Results are mapped to the Annual Population Survey (APS) though some compromise is required due to the absence of job task information from the latter and the APS covers England rather than the UK. Probabilities of automation are grouped in three categories:

- low risk of automation: probabilities lower than 30% to which are assigned 28%; of UK occupations;

¹⁸ Nedelkoska L and Quintini G, (2018) Automation, skills use and training, OECD Social, Employment and Migration Working Papers No. 202

¹⁹ ONS (2019) The probability of automation in England: 2011 and 2017.

- medium risk: probabilities between 30 and 70% and assigned to some 60%; of occupations; and
- high risk: probabilities greater than 70% to which 7% of occupations are assigned.

More generally, and as Carbonero, Ekkehard and Weber (2018) point out, there exists a strand of academic research into the impact of robots and automation on employment that falls into two broad strands²⁰. The first uses industry-country panel settings -Graetz and Michaels (2015)²¹; De Backer et al (2018)²² while the second focusses on local labour markets - Acemoglu and Restrepo(2017)²³; Chiacchio et al. (2018)²⁴. They also point out that evidence of impact is ambiguous, both within and between the two approaches:

- Graetz and Michaels (2015) find no link between robots and overall employment in developed countries, while De Backer et al. (2018) show a positive correlation between robot investment and employment within multinational enterprises in developed countries.
- Acemoglu and Restrepo (2017) report that one more robot per thousand workers negatively affects the US employment-to-population ratio by 0.37 percentage points, while Chiacchio et al. (2018) find a figure of 0.16-0.20 in the EU.

Brynjolfsson, Mitchell and Rock (2018) provide an interesting counterpoint as they address the issue of which tasks will be most affected by machine learning (ML) and which will be relatively unaffected²⁵. Their work draws attention (as per Arntz et al) to the insight of Autor, Levy, and Murnane (2003) whereby an occupation can be viewed as a bundle of tasks, some of which offer better applications for technology than others²⁶.

In the first instance, they examine the channels by which ML can affect the workforce and evaluate the potential for applying ML to tasks against the 2,069 work activities, 18,156 tasks, and 964 occupations in the O*NET database. This allows them to build measures of “suitability for machine learning” (SML) for labour inputs in the US economy and to conclude that:

- most occupations in most industries have at least some tasks that are SML;
- few if any occupations have all tasks that are SML and

²⁰ Carbonero F, Ekkehard E and Weber, E (2018), Robots worldwide: The impact of automation on employment and trade, ILO, Working Paper 36

²¹ Graetz, G.; Michaels, G. (2015) Robots at work, in CEP Discussion Paper No 1335

²² De Backer, K. DeStefano T. Menon, C. and Suh, J (2018). Industrial robotics and the global organisation of production, in OECD Science, Technology and Industry Working Papers, 2018/03, OECD Publishing, Paris.

²³ Acemoglu D, Restrepo P (2017) Robots and jobs: Evidence from US Labour Markets, in NBER Working Paper No. w23285.

²⁴ Chiacchio F; Petropoulos G, Pichler D (2018). The impact of industrial robots on EU employment and wages: A local labour market approach, Bruegel Working Papers.

²⁵ Brynjolfsson E, Mitchell T and Rock D, What Can Machines Learn and What Does It Mean for Occupations and the Economy?, AEA Papers and Proceedings 2018, 108: 43–47

²⁶ Autor, David H., Frank Levy, and Richard J. Murnane. 2003. “The Skill Content of Recent Technological Change: An Empirical Exploration.” *Quarterly Journal of Economics* 118 (4): 1279–333.

- unleashing ML potential will require significant redesign of the task content of jobs, as SML and non-SML tasks within occupations are unbundled and rebundled.

The implication that automation may change the nature of existing work, rather than eradicate whole occupations, provides a timely reminder that linear application of ‘full automation’ assumptions in automation impact analysis may not serve well. Indeed, a more recent trend in analysis takes a broader perspective and potential benefits are examined alongside the potential downsides of automation.

Oxford Economics (2017) undertake a study on behalf of Cisco that seeks to combine a “bottom-up” analysis of the tasks that will be automated with a “top-down” analysis of the economic growth and job creation that the same technological progress will bring about in the US economy²⁷. To do this, they model two effects:

- displacement effects: technological change impacts related to displacement of workers from performing tasks that technology can now do better;
- income effects: labour saving innovations reduce production costs which are passed on to consumers through lower prices, leading to an increase in spending power.

In practice, the OE displacement effect follows much of the same path as others, using datasets from O*NET as the basis for analysis. As elsewhere, the approach is to work with experts to define the advances technology will likely make over the next 10 years and to assess how such changes will impact on the working environment.

In terms of outcomes, OE suggest that the displacement effect - in isolation - would affect 8.4 percent of workers by 2027, a proportion very similar in magnitude to OECD outcomes though substantially smaller than Frey and Osborne (2013). The estimated income effect, on the other hand, is such that overall employment from automation is a net positive.

Vermeulen et al (2018) provide supporting evidence. They employ the standard approach of O*NET occupations assessed for automation potential by robotics experts²⁸. Their analysis concludes that, overall, job loss related to automation is likely to be limited and to be offset by job creation both in new and spillover sectors – a process typical of conventional historical structural change.

Following on from their previous work, and using data from the International Federation of Robotics (IFR), Oxford Economics investigate the ways in which the installation of additional industrial robots have affected local manufacturing employment in Japan, the European Union, the United States, South Korea, and Australia²⁹. Constructing an 11 year regional panel dataset of robot stock alongside other labour market indicators enables them to isolate the impact of robotisation from other strong influences on local labour markets.

²⁷ Oxford Economics (2017) The AI Paradox: How Robots Will Make Work More Human

²⁸ Vermeulen B , Kesselhut J, Pyka A and Saviotti p (2018) The Impact of Automation on Employment: Just the Usual Structural Change, mdpj,

²⁹ Oxford Economics (2019) How Robots Change the World

Using IFR growth projections for new robot installations (allowing for replacement of existing robots) econometric modelling suggests that each newly installed robot displaces 1.6 manufacturing workers. As such, by 2030, they estimate that as many as 20 million additional manufacturing jobs worldwide might be displaced due to robotisation. Analysis also suggests that full impact will take time to materialize with displacement of some 1.3 workers in the first year extending to 1.6 over subsequent years.

OE also point out that while loss of jobs is inevitable, the wider population also benefits from a “robotics dividend”— lower prices for manufactured goods, higher real incomes, and stronger tax revenues. Their modelling suggests that a 1% increase in the stock of robots per worker in the manufacturing sector alone leads to a 0.1% boost to output per worker across the wider workforce.

As far as displacement is concerned, studies tend to fall into two broad categories which estimate the proportion of employment at high displacement risk in the 7% to 14% range or 30% to 40% range. Study methodologies are both varied and complex which may account for part of the difference, but it is clear that the general expectation is for continued displacement activity over the next decade. Productivity effects are considered in far fewer studies but, in broad terms, are placed at around 10% of employment across the economy as a whole.

D. Automation and Employment: Transport/Logistics

Many of the studies reviewed focus on broad economy wide impacts related to automation but those that consider occupations also provide some perspective on potential impacts at sector-level. In terms of displacement, most are consistent in suggesting that the transportation/storage/logistics sector is at particular risk through the automation process,

Frey and Osborne (2013) draw attention to the fact that most workers in transportation and logistics operation (together with of office and administrative support workers production occupations) not only have a high probability of substitution but are likely to be substituted by ‘computer capital’ relatively early in the automation process.

While PwC (2018) anticipate significant variations in potential automation levels both between industry sectors and waves, transportation and storage stands out as a sector with particularly high potential for automation – some 52% of the sector are ultimately viewed as ‘at risk’ - though change is expected to be modest in the algorithm wave and peak in the autonomy wave envisaged by the 2030s.

In line with other studies Nedelkoska L and Quintini G, (2018) find that automation is mainly likely to affect jobs in the manufacturing industry and agriculture, although a number of service sectors, such as postal and courier services, land transport and food services are also found to be ‘highly automatable’. Likewise, and directly tuned to the UK, ONS (2019) report that all transport-related operatives have potential automation rates above 50% with some driving occupations above 60%.

In the Oxford Economics AI study (2017) of the US, displacement impact is aggregated into 22 occupational groups with transportation and material moving jobs defined as the most heavily disrupted. These jobs are not eliminated entirely as many workers will evolve, retrain and remain in their jobs. Nevertheless, the analysis implies a 17 percent displacement of these workers focusing mainly on roles characterized by tasks such as operating mechanized equipment and performing general physical activities.

Mapping occupations to industries, the greatest workplace disruption is experienced in ‘transportation and warehousing’ industry where more than 15% of full time equivalent (FTE) jobs are likely to be displaced. This is offset to some degree by a projected income effect gain of some 7% but leaves the sector in a net deficit position equivalent to 8% of FTE jobs.

McKinsey Global Institute(2017) provide a breakdown of potential automation across US industry sectors. As elsewhere, transportation and warehousing is ranked fourth with a score of 57 from a maximum of 100. This contrasts with a score of 73 for accommodation and food services, 60 for manufacturing; 58 for agriculture and 53 for retail.

Regardless of the variation in approaches and timing, most of the studies reference the transportation and storage industry as a primary candidate for automation. It is difficult to take a view other than that automation is likely to impact on the sector over the course of the next decade. The timing and scale of impact is difficult to discern though anywhere between 10% and 15% would not appear an unreasonable assumption with full effects more likely to appear towards the end of the decade.

E. Automation and Employment: Employment Density profiles

The projected nature of automation induced change in transportation/storage/logistics brings with it implications for the use of density profiles in calculating future employment in new transport and warehouse developments. Current density calculations are typically based on the HCA Employment Density guide published in 2015³⁰. The guide indicates that densities should be of the order of 95 employee per m² for national distribution centres, 77 employees per m² for regional distribution centres and 70 employee per m² for ‘final mile’ distribution centres³¹. This range is slightly wider than the range used previously (2010).

In developing guidance, the HCA document references the surveys undertaken by Prologis across distribution centre customers, providing details of average employment densities for a typical 500,000ft² building and covering 2006, 2010, 2014 and 2018. The 2019 Prologis study (covering 2018) reports that in 2006 customers employed one person for every 95m² of floor space which increased to one for every 77m² in 2010, 69m² in 2014 and back to 95m² in 2018³². There is no definition of the employment base but the

³⁰ Homes & Communities Agency (2015), Employment Density Guide, 3rd Edition

³¹ All GEA-based.

³² Prologis Technical Insight (2019), Delivering the future: the changing nature of employment in distribution warehouses.

questions asked in the survey imply that it is absolute rather than FTE employment that is used in calculations³³.

The figures clearly reflect variation in the pattern of customers over the period but a differential of close to 30% in density, alongside a 'u' shaped profile over time, does not help in terms of consistency. The HCA Guide indicates some degree of caution in employing the higher densities and suggests that consultations do not generally provide support for their use, a conclusion that would appear justified in retrospect.

Beyond provision of generic densities, Prologis reports detail on the size of premises, type of employment and number of employees from the customer sample, with some rounding adjustments to ensure anonymity. The permits further analysis of density profiles within size bands of premises.

In terms of 2014, the data suggests (mean) employment densities of 46 employees per m² for premises less than 10,000m²; 72 per m² for premises between 10,000m² and 20,000 m²; 50 per m² for premises between 20,000 m² and 30,000 m² and 101 per m² for premises over 30,000 m². Overall sample density is put at 69 per m² which corresponds with the figure reported.

For 2018, the data suggests (mean) employment densities of 65 employees per m² for premises less than 10,000m²; 84 per m² for premises between 10,000m² and 20,000 m²; 60 per m² for premises between 20,000 m² and 30,000 m² and 187 per m² for premises over 30,000 m². Overall sample density is put at 100 per m² which is marginally higher than the figure reported

Some caution is necessary in dealing with these numbers. Not only is the number of observations within any one size band relatively small, there also exist differences in premises size, both of which may influence calculation of mean values. In practice, the 2014 figures are more compressed than the 2018 figures – removing the 3 largest/smallest premises reduces the 2014 mean density from 69m² to 65m² compared to a fall from 100m² to 85m² for 2018 – a figure well within the range in the HCA guide.

Nevertheless, two observations are worth making, and apply whether with the full or reduced sample range as described:

- there appears to exist a density differential connected to larger premises which appear to have a lower employment per unit of floorspace;
- contrasting 2018 with 2014 suggests a reduction in employment numbers per unit of floorspace across all size-bands

These observations have to be balanced by the fact that the Prologis profiles are not FTE equivalent and that there is a decline the proportion of full-time workers reported from 89% in 2014 to 78% in 2018. As such, differentials with HCA densities are less extensive than might appear, prima-facie.

³³ The proportion of full time employees declined by 10 percentage points between 2014 and 2018.

Inferring the impact of automation from a comparison of the 2014 and 2018 Prologis profiles may be misleading in that the earliest (2006) survey also suggested an employment density of some 95m² per employee. Likewise, despite the caution referenced in the HCA about the 2010 and 2014 densities, they are broadly consistent.

It is difficult to make definitive statements about the Prologis evidence other than that it is far from inconsistent with the displacement hypothesis and evidence for the sector outlined in the research review above. On the basis of this limited evidence, there may be a case for considering a broader employment density range in relation to size of premises than is contained in the 2015 density guide but that moderate adjustments (10%/15%) over the next 10 to 15 years may be required for future developments to reflect continued automation in the sector.

F. Overview

Changes in the underlying features of industrial economies, coinciding with increasing automation, have resulted in a wave of academic and professional research. An emerging perspective appears to be that although recent patterns of automation are intrinsically no different from other previous periods of technical change, the balance between displacement downsides and productivity upsides may have altered towards the former.

Estimates of the scale of potential labour displacement range from a conservative 7%/14% to a more disruptive 35%/40%. This range can partly be explained by different study methodologies but it is clear that most analysts anticipate some degree of displacement which, at sector level, may not be compensated by productivity/income effects even if the latter are sufficient to globally offset the former. It is also clear that analysts anticipate the transportation, storage and logistics sectors to be at the forefront of displacement, perhaps moderately so over the next few years but very definitely so a decade into the future.

A reading of sector-related materials suggests that logistics companies have approached the issue of automation with caution. This is a rational response to a fast-evolving technical environment when it is far from clear which technology will win-out and it is more cost effective to streamline current processes. This trend may well persist though, ultimately, as the highest priority for companies is to identify and implement technologies that support more efficient order delivery, large firms will typically prove to be first-movers and bring smaller units in their wake. If the analysis discussed proves in any way accurate, however, it may still take the best part of a decade before implementation progresses apace and the full implications of automation become more evident.

Overall, the evidence available does appear to intimate steadily increasing automation penetration within the logistics sector. What limited evidence exists as to employment/floorspace densities suggests that there may be a case to consider scale of premises as an element in density calculations. There exists implicit recognition of scale in existing HCA guidance through the national/regional distinction applied to distribution

centres. The Prologis profiles, on the other hand, suggest that the density range may be conservative in relation to larger premises that are more likely to introduce automation.