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Dear Kerry

I am writing on behalf of our client Liberty Properties Limited to provide additional information in response to the matters raised in ID10 Inspectors' Note on Additional Hearing and the updated version.

I can confirm that we wish to participate in the additional session on Matter 5. Attendees on behalf of Liberty are:

- Darren Wisher - Director at Wisher Consulting;
- Jonathan Atherton - Director Industrial & Logistics – North at Savills; and
- Myself (details below).

We have already submitted information to the Main Modifications. The remainder of this letter provides information addressing each of the bullets in Section 9 of the note which are the specific issues to be discussed on the 13th July 2023.

Past trends in employment land/floorspace take up in different sectors

We have utilised the past take-up data supplied in the Council's EDNA (p140/143), which covers take up by sector for the period April 1996 to April 2020. This is the best long-term data we have seen. We have also utilised more recent data for the period 2021 and 2022 supplied by Savills (see Annex to MMC051). We note that 2021 and 2022 were record years for B8 take up. Other submissions to the Examination have also included market data for 2021 and 2022, that confirms their status as record years.

What is clear from the take up data over the last 20 years is that Warrington has seen two quite different decades:

- 2000 to 2010 was an era where there was notable B1 take up. 85% of all B1 take up in the last 20 years occurred before 2010 (see MMC051).
- 2010 onwards has been dominated by B8 take up. 78% of all B8 take up in the last 20 years occurred after 2010 (see MMC051)

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Looking to the future, it is highly unlikely that Warrington will repeat its pre 2010 run of large-scale out-of-town B1 office development, as that was an historic feature that has now changed in line with national policy and market preferences for town centre office. The future is much more a continuation of Warrington's more recent success in the B8 market driven by its locational advantage as a place for distribution and logistics.

The use of past take-up trends to predict future requirements

Past take up trends is now very firmly the favoured approach for Local Plans, as we set out in MMC051 (see Wisser Consulting Report p2). As we make clear in MMC051, there should be no need for a reliance on proxy measurers/uncertain and partial modelling when it is possible to actually measure the commodity itself and assess future employment land requirement on this basis. Furthermore, past take up trends is the only approach that picks up demand in full and covers demand for employment land from sectors that are either stagnating or declining in employment terms.

We have used the example of the retailing sector throughout the Examination to demonstrate the frailties of relying on employment or labour supply projections. Much of the success of Omega has been driven by requirements of the retailing sector even though retailing is not a growing employment sector. Changing land use patterns within the retailing sector is what is driving demand. Past take up is the only method that can pick this up. The same applies to replacement demand in certain industrial sectors, past take up is the only method that accurately picks this concept up.

Past trends in jobs growth in different sectors

Our understanding is that the Council's EDNA sets out this historic data as part of the Employment Projections Appendix. For reasons we set out in MMC051, our view is that the sectoral employment projections are increasingly flawed as a basis for projecting employment land requirements.

The appropriate time period to analyse past trends

When using past trends there is a need to be cognisant of both long-term patterns and also more recent dynamics. As noted above we use the Council's EDNA for long term trends in employment land take-up and data/insights from property agents (Savills and others) for more recent dynamics.

Job densities in different sectors

Where needed, we would use evidence on employment densities from within the HCA Employment Density Guide 3rd edition (specifically the summary matrix at p29) supplemented with market insights as necessary.

Employment growth forecasts in different sectors, how this relates to "employment land" and "non-employment land" and the implications of this for the amount of land required to be allocated in the Local Plan.

As we set out in MMC105, the issue of precisely how employment growth projections split out into 'employment land' versus 'non employment land' is somewhat of a moot point. It is moot because the employment forecast themselves are not an accurate reflection of how the Warrington economy will change. The problems with the forecasts include:

- The fact they are essentially national forecasts with a degree of local apportionment. The apportionment method is just nowhere near sophisticated enough to pick up local nuances and specialisms, a point made by the BE Group in the EDNA.
- There are worrying blips in the underpinning government employment data. According to both the Oxford Economics and the government data that underpins it, there was a huge increase of some 7,500 financial services sector jobs in Warrington in a single year between 2015 and 2016. All the local evidence suggests this simply did not happen. This data blip is important because it is 'baked into' the future forecasts.

If a split is required, then it is suggested the assumptions set out in our MMC105 (Wisher Consulting Report, Figure 2.1) be used. These assumptions are largely consistent with the approach of the BE Group.

The relationship between the amount of employment land to be provided, the jobs growth that would occur and anticipated total labour supply (as a result of planned housing growth), taking account of the role of different sectors in employment growth and the differing needs for land to be allocated.

There is an important reality we wish to flag here. Employment land demand is not just a function of jobs growth/labour market growth. A significant amount of employment land demand occurs without any jobs growth, as sectors reorganise and modernise. Total employment land demand will always be greater – in some instances substantially greater - than any demand estimates derived solely from employment forecasts or labour demand. That is why the past trends method is to be favoured.

Despite the need to focus on the past trends method, we have also prepared in MMC051 an alternative version of the Inspectors' 'labour supply' scenario. It is an improvement on the original for a number of reasons:

- It is based on a realistic assessment of the structure of future employment growth, rather than assuming the structure of past employment growth will simply be replicated.
- It disaggregates 'employment land jobs' from 'non employment land' jobs.
- It utilises different employment densities for different employment types, rather than a single 'catch-all' density.

Our alternative version of the labour supply scenario yields a requirement of 265 hectares. The figure of 265 hectares is below, but not markedly below, the past take-up based approach of 316 hectares. This therefore means that two of the three approaches to calculating the employment land requirement (past take-up and labour supply) yield a requirement that is either approaching or above 300 hectares, with the most robust approach pointing to 316 hectares.

Specific evidence on the scale of land/floorspace required for storage and distribution uses (Class B8).

The Council's EDNA provides this breakdown at Table 22, replicated below. It shows that 57% of the future 316-hectare need over the plan period is for B8 land. This equates to 180 hectares for B8 use.

	E(g) classes (formerly B1)	B2	B8	Mixed	Total
%	28.3	8.8	56.8	6.1	100.0%
Actual (Ha)	89.5	27.8	179.6	19.3	316 Ha

Source : Copy of EDNA Table 22.

The EDNA Table 22 is a fair starting point. It could be argued, and we do, that this EDNA approach affords too much weight to the performance of the B1 out-of-town market in Warrington pre-2010.

If the post-2010 land take up splits were used instead then Table 22 would look as follows. This shows that 85% of the future 316-hectare need over the plan period is for B8 land. This equates to 270 hectares for B8 use.

	E(g) classes (formerly B1)	B2	B8	Mixed	Total
%	7.8	6.8	85.4	0	100.0%
Actual (Ha)	24.7	21.5	270.12	0	316 Ha

Source : Variant of EDNA Table 22.

Our labour supply approach allocated the 265 hectares as follows (see MMC105):

	E(g) classes (formerly B1)	B2	B8	Mixed	Total
%	4.5	9.9	85.7	0	100.0%
Actual (Ha)	11.8	26.2	227.3	0	265 Ha

Source : MMC105.

Market evidence from Savills shows that in total there have been five separate transactions during Q1 2023 which is in line with the long-term quarterly average. The average unit size sat at c. 300,000 sqft which demonstrates continued demand for larger sized units throughout the region. The average deal (over 100,000 sqft) over the last 3 years is 255,000 sqft.

Savills data which identifies the transactions that have occurred in the last 3 years, shows that over 90% of transactions have occurred from the Logistics sector (B8) during the period

Whatever way this question is approached, the dominant land requirement in Warrington for the plan period is for B8. Good quality sites are needed to meet this demand.

Information on vacancy rates, rental values, net absorption, age of stock and redevelopment of sites and the implications of this.

The following is a summary of key points under this section.

- 4.9m sqft is on the market across 24 units – just 0.75 years’ worth of supply across the region based on a 3 year annual average take up.
- 11% of the vacant stock is Grade A speculatively developed space, 10% is good quality second-hand Grade A space, 49% is Grade B second-hand space and 30% is second-hand Grade C space.
- There is one unit of 308,000 sqft being speculatively developed in Warrington (Omega Loop).
- With a shift towards well specified units with strong ESG credentials, there will not be sufficient space to cater for the demand being experienced.
- Take-up in the North West during 2022 totalled 7.06 million sqft through 24 separate transactions. The strength of the occupational market continued into 2023 where take-up reached 1.49 million sqft in the first quarter, whilst this is slightly down on the level seen in the height of the pandemic it is still 62% above the long-term Q1 average.
- Rental values have grown steadily over the past 3 years with prime rents now achieving over £8psf for units over 100,000 sqft. The recent transaction of the former Royal Mail facility of 90,000 sq ft

at Omega Warrington, let at £9.50psf has set a new benchmark for the region for large logistic units.

- The redevelopment of sites in the region continues, but often will not provide the location or scale suitable for large scale development over 300,000 sqft.

The implications for not providing suitable sites for the growth of the logistics sector will be the loss of these major employers to Warrington.

The relationship of Warrington to other parts of the region/sub-region in terms of the market for employment land and in particular Class B8.

Warrington performs a regional role in the market for employment land and in particular for B8. As we make clear in MMC051, the latest government data shows there was a net inflow of 14,200 workers each day into Warrington. The role of Warrington in the wider region particularly its role as an economic hub serving the Liverpool City Region, the Greater Manchester City Region as well as the Cheshire & Warrington sub-region is well known. This has been agreed by various parties and set in evidence for many years – see our MMC051.

The fact is Warrington will continue to perform this regional role because of its central location and pull for a much larger labour market catchment. That is the economic reality. Open and fluid local labour markets are the key to UK productivity growth.

The primary policy question flowing from this is not to try and artificially suppress commuting but to shape the sustainability of commuting flows. Suppressing commuting is in direct conflict with the Government's Levelling-up agenda which seeks to invest in successful locations and in conflict with the UK Government's productivity growth agenda which relies on open and fluid local labour markets.

Evidence on building the sustainability of B8 commuter flows through more use of public transport, more care sharing, cycling etc is encouraging. There are examples of logistics clusters throughout the UK that are embracing public transport connectivity and achieving a significant modal shift.

The evidence in Warrington is also encouraging. Warrington is acknowledged as being one of the best-connected places in the UK and is already an exemplar in smart and sustainable travel:

- The award-winning Birchwood Park Travel Planning approach.
- Successful travel planning at Omega – an active partnership between occupiers, the Borough Council and Warrington's Own Buses, that has boosted cycle and bus journeys to this large logistics location.
- Active travel planning leadership within the council's transportation service – both coordination (including a Council Travel Plan Officer) and its Travel Planning Policy for new development.
- Warrington's Own Buses, in partnership with Warrington Borough Council and Government, replacing its entire current bus fleet with new electric buses.
- Advanced plans to make Warrington Bank Quay station a hub and interchange on the HS2 and Northern Powerhouse Rail network – thereby enhancing the Town's sustainable connectivity.
- The Council's proactive programme of active travel improvements, in part funded through the Government's Levelling-up Fund.

We also make the following comments in respect of our site interests at the SEWEA. The Local Plan major housing allocations in the South Warrington for some 3,000 new homes, supported by the

Inspectors, will bring the Warrington active travel network very close to the SEWEA. It will also enable employees in the SEWEA to buy new homes close to where they work – living and working in close proximity. This will encourage cycling and walking for these short, more local commuter journeys.

The developers of the SEWEA will work with Warrington Borough Council's Transportation team and planners, Warrington's own buses, occupiers and local residents to make the SEWEA an exemplar in sustainable travel management and smart mobility, using as a starting point the Council's own Travel Planning policy (DGN2).

The regional/sub-regional picture in terms of the requirements for employment land overall and in particular Class B8.

We have not had the opportunity to examine all B8 requirements across the region/sub-region, and we do not think this is a necessary step in any event. What is clear, however, is that because of its locational assets Warrington will continue to be the premier location in North West England for B8 logistics.

The availability of sites in the region/sub-region (those with planning permission and those allocated in Local Plans), particularly those in locations competing with Warrington. The specific position regarding land at Omega West in St Helens.

On Omega West in St Helens, we note the points identified in the Inspectors' letter of 16 December 2022:

- There is 31 hectares of land at St Helens Omega West that is assumed to count towards Warrington's needs. This is factored into the Council's EDNA calculations.
- There is a further 44 hectares on the same Omega West site that is not currently identified as contributing towards Warrington's needs. The Inspectors float the idea (para 19 of the 16 December letter) that this 44 hectares of land could eventually be designated as meeting Warrington's needs.

The whole issue of Omega West in St Helens warrants further examination on 13 July. It is clear to us that very little practical reliance at all can be placed on the St Helens Omega West site to meet Warrington's needs. This applies to both the 31 hectares and the 44 hectares. We say this for two reasons:

- There is actually very limited land left. Our understanding is that 2.1m sq ft of the 2.3m sq ft potentially available across the 75 hectares on Omega West is already the subject of detailed consent, with much of it already under construction. This covers all the four main sheds identified on the original Omega West masterplan. We can provide the individual consents if required, but all are in the public domain.
- The Secretary of State's call-in decision on Omega West makes clear that the consent was primarily to serve St Helens' employment and labour market needs and not Warrington's. The SoS letter states (para 25) that..."Secretary of State agrees with the Inspector that the proposal would provide a critical boost to the St Helens economy and support the regeneration objectives of the Council as set out in the CS (IR12.76). He has taken into account the locational benefits of the site, and the fact that provisions in conditions and planning obligations can be used to secure opportunities for the most deprived communities in St Helens". Warrington does not feature in the SoS's economic reasoning. The SoS's decision was clearly predicated on the benefits the site

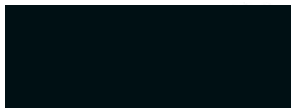
brings to St Helens. The land can't be double counted to justify both decision-taking in St Helens and plan-making in Warrington.

It should also be noted that in the above call-in letter even the SoS states – “The SoS agrees that there is clear evidence there is a shortage in the supply of readily available sites to meet the needs of major logistics operators in the North West”.

The clear implication of the proposed Main Modifications is that only one year into the Local Plan period there is only one site (Fiddlers Ferry) in Warrington's strategic employment land portfolio for the period to 2038. This is an incredible, bordering on unbelievable, situation to have arrived at for an economic area of the significance of Warrington. We have set our evidence on the attractiveness of the Fiddlers Ferry site to the logistics market in MMC051 and will not repeat it here.

We look forward to discussing matters further on the 13th July and would be happy to clarify any points in advance if required.

Yours sincerely



[Richard Woodford](#)
Director

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