
Examination of the Warrington Local Plan

Examination in Public Hearing Statement for Matter 5

Hearing Statements prepared by Savills (UK) Limited on behalf of St Modwen Developments Limited

(Respondent No. 1420)

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1. Statement for Matter 5: Economic Growth and Development

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

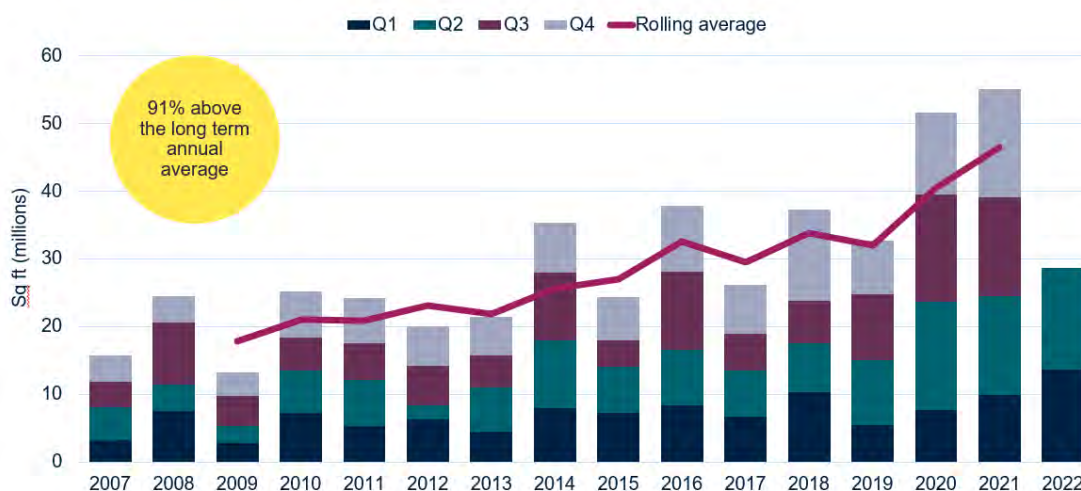
Questions and Statement:

1. *Is the Economic Development Needs Assessment 2021 justified in basing the need for employment land on historic take up rates rather than jobs growth forecasts?*

1.1. Our response to Matter 3, Q19, sets out that the EDNA underestimate future demand for I&L development. It is not justified.

1.2. The failings of the labour demand model are detailed in Paragraphs 3.3.3 to 3.3.5 of the SENA (Appendix D at **Appendix 1**). Both the Oxford Economics and Cambridge Econometric forecasts were extremely low and are clearly not reflective of the strength of the I&L sector which is the strongest commercial sector in the U.K. This is demonstrated in Figures 1 and 2 from Savills latest 'Big Sheds Briefing'¹ and shows I&L demand is at records levels of 90% above the long term trend. Vacant supply is the lowest on record (3%).

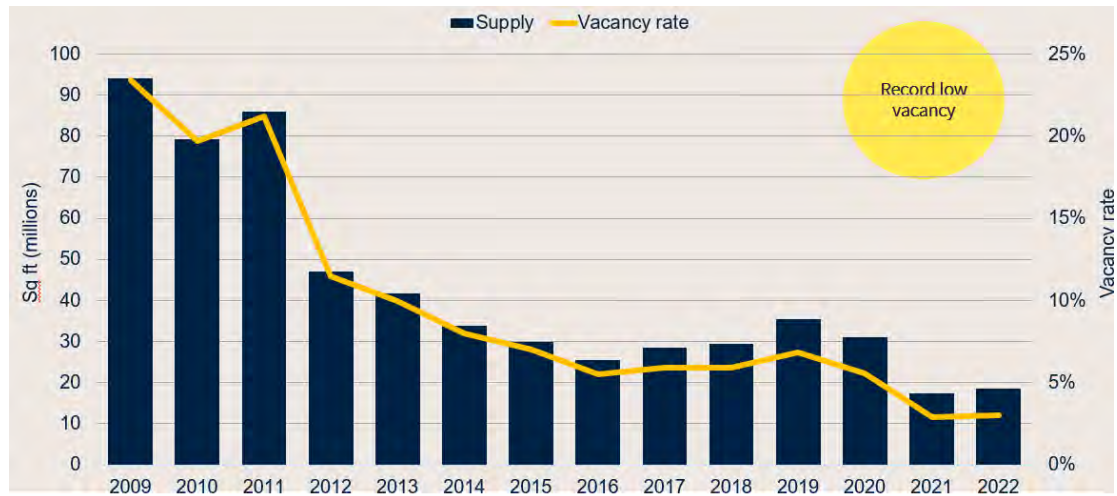
Figure 1: National demand



Source: Savills (2022)

¹ https://www.savills.co.uk/research_articles/229130/330469-0 included at **Appendix 2**.

Figure 2 National vacant supply



Source: Savills (2022)

- 1.3. Labour demand method is not an appropriate evidence base, as employment forecasts often reflect the continued restructuring of the economy away from industry towards services, which underestimate the I&L sector’s performance. Further, changes to the I&L market mean that growth in floorspace/land is not accurately predicted by changes in jobs. The I&L sector does not comprise low skilled and low paid jobs and nor do I&L companies functions neatly fit into Industrial or Logistics.

- 1.4. Appendix A of the SENA (Appendix D at **Appendix 1**) demonstrates that I&L companies are increasingly co-locating office, research & development and administrative functions with I&L operations. Such co-located employment is not estimated by labour demand models. It falls outside warehousing & transport and manufacturing Standard Industrial Classification (‘SIC’) codes for economic activities.

- 1.5. The underestimation of future demand from the labour demand methods is apparent when historic jobs growth in the logistics sector are compared with future job projections from major statistics houses. With reference to Figure 3 below, logistics jobs nationally have grown by 23% over ten years. However, labour forecasting products including Experian, East of England Forecasting Model (‘EEFM’) and Oxford Economics predict much lower levels of growth, including negative growth, over the next 20 years (Figure 4). This is not reality given logistics is performing strongly with recent demand being over 90% above the long term trend.

Figure 3 Historic Growth in Logistics Jobs, England

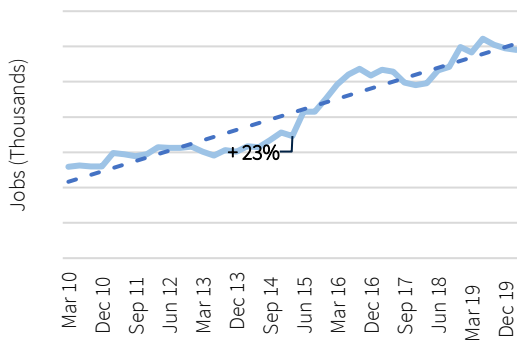
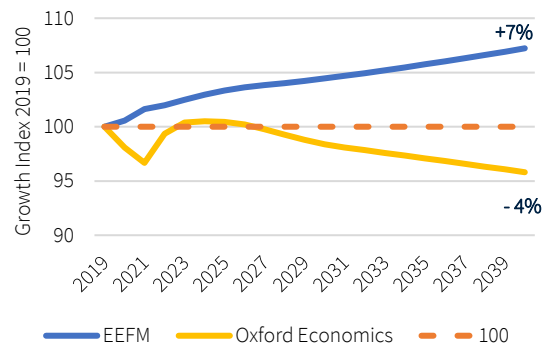


Figure 4 Projected Growth in Logistics Jobs, England



Source: Savills (2022); LFS; EEFM; OE

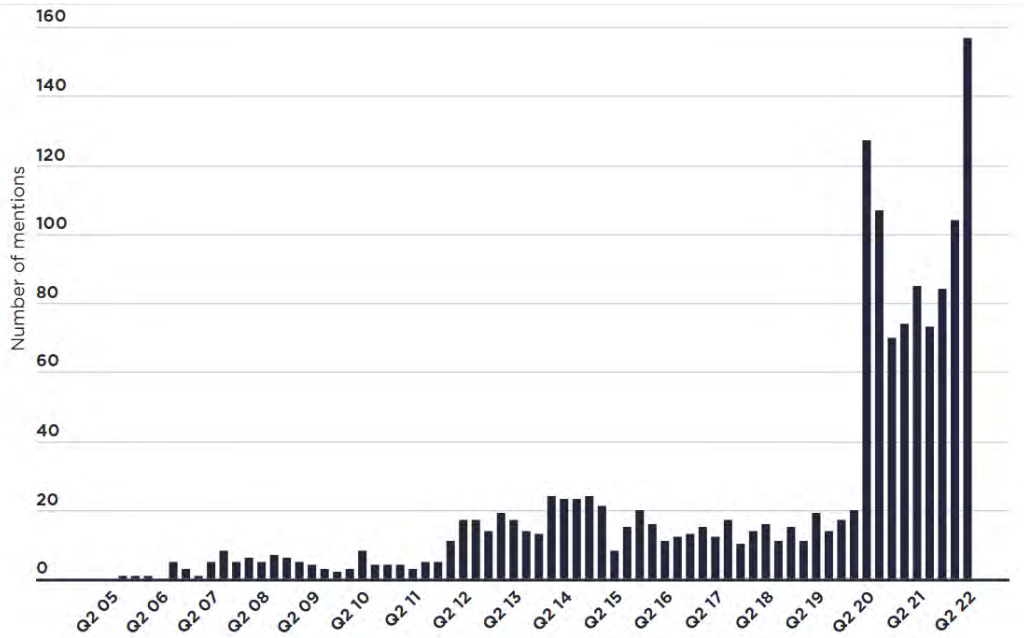
1.6. While the historic completions method generated a higher needs figure and was ultimately preferred in the EDNA, it underestimates market demand, which are discussed at Section 3.4 of the SENA. A summary is provided as follows:

- Past take up is a supply measure, not a demand measure:** (see response to Matter 3, Question 19). The Council’s ability, or willingness, to allocate employment land is not a measure of ‘true’ market demand. The leading measure of demand is net absorption (leasing demand). It measures occupied space (move-ins) versus vacated space (move-outs). Table 3.3 of the SENA sets out that historic net absorption has been higher than past completions. **If the same approach to housing need was adopted (i.e. forecasting on past housing completions) a plan would be unsound.**
- The EDNA’s look-back period is too long:** The EDNA considers past take-up over the period from 1996 to 2020. This is too long. The demand drivers underpinning I&L need, and the characteristics of the sector, have changed significantly. For example, in 2006 internet sales were only at 2.8% versus 26%² today. A long look back period is not representative of today’s growth drivers, let alone the future. A 10-year look back period is soundly representative of market trends and demands.
- Brexit and Covid:** in order to guard against international supply chain shocks many U.K. companies are bringing their operations back to the U.K. (‘reshoring’). Recent data from Sentieo (**Figure 5**), analysed listed

² ONS (2022) Internet sales as a percentage of total retail sales (ratio) (%) Latest Data for May 2022. Available at: <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

companies' annual reports and found that use of the term 'near-shoring' has risen dramatically. Such demand is significantly expected to rise.

Figure 5: 'Near-shoring' on the rise in company reports



Source: Sentieo, an AlphaSense company

- The EDNA doesn't account for 'Suppressed Demand':** When supply is low, demand is suppressed as prospective tenants can't find space. 8% is typically referred to as the equilibrium level at a national level when supply and demand are broadly in balance (as sourced in publications such as the GLA's Land for Industry and Transport SPG (2012)). Below this level available supply becomes tight and rents increase as strong occupier demand competes for limited space. While 8% is a reasonable equilibrium benchmark, it can be higher or lower based on the size and strength of a market. For instance strong, fast paced markets with considerable churn may require a higher than 8% equilibrium benchmark, and the opposite occurs for smaller markets with less churn. Paragraphs 6.3.7 and 6.3.8 of the SENA outline that 9% is Warrington's appropriate equilibrium rate.

- 1.7. We therefore consider that the emerging Local Plan cannot be considered sound as the EDNA has significantly underestimated future demand and therefore the Plan has not allocated enough land. A comparison between Savills and the EDNA demand estimates and subsequent need are outlined in Table 6.6 of the SENA. We estimate there is a shortfall of supply of over 195ha. However, the 'Future Need' number increases to 252ha if only 50% of Fiddler's Ferry is delivered within the Plan-period and the existing land supply is reduced to account for recent developments / leases (see Table 2, Matter 5, Question 6).
- 1.8. Accordingly, the EDNA is not a justified or appropriate evidence base for assessing needs for employment land allocations. Rather, it is demonstrably flawed.
- 1.9. In addition, commercial market evidence is provided at **Appendix 3**, which demonstrates the strategic importance of Warrington as a local, regional and national contributor to the I&L market and provides demand indicators for such floorspace in Warrington to conclude that there are unique circumstances that mean from a market perspective, the forecast level of need set out above is appropriate and justified on a practical level for Warrington.

2. What effect has the development of the Omega site had on past take up rates and is it justified to assume such take up rates will continue over the plan period?

- 1.10. Omega has increased historic take-up over the look-back period assessed by the Council's consultant, but this is true of any high quality I&L site. For instance, if there were two Omega sites then historic take up would increase by the floorspace capacity of this additional site again given the strength of I&L demand that is seen nationally and is forecast in the SENA. We assess that I&L demand into the future will be double the level estimated by the EDNA.

1.11. Our response to Matter 3, Question 19 demonstrates that take-up is a supply measure not a demand measure. The majority of net uplift in floorspace will come from development on new allocations. Local plans allocate (or release) land for new development. In effect, they control supply. If this supply is lower than demand, it places a ceiling on demand. This is called '*Suppressed Demand*', has been and is experienced in Warrington.

1.12. Table 4.2 and 4.3 of the SENA sets out that demand / net absorption (529,479 sq. ft per annum) in Warrington has been outpacing supply / net deliveries (436,952 sq. ft per annum) for the last 10 years (2011-2021). Demand has also been outpacing supply across the wider FEMA. This has placed continual downward pressure on availability in Warrington and the FEMA.

1.13. The details of the link between supply and demand is outlined in Paragraph 5.2.12 of the SENA. From 2013 to 2016 when availability was above the 9% equilibrium rate, net absorption averaged 780,000 sq. ft per annum. However, net absorption has been lower since averaging only 625,000 sq. ft per annum between 2017 to 2021. This has corresponded with the sharp decline in availability from over 12% in 2015 to 5.4% currently. The reason for this reduced average net-absorption is supply constraints given rents have been rising and the demand for I&L floorspace has been significantly increasing with the sector having its strongest years nationally in 2020 - 2022 (see Appendix A of the SENA).

1.14. Warrington needs new supply over the emerging Local Plan period, but also importantly it needs sites that can meet development needs in the short to medium term to meet current strong demand that is identified. Junction 21 Birchwood is deliverable and appropriately located to deliver supply as discussed in Section 2 of the SENA.

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

1.15. The supply of site allocations and planning permissions from neighbouring authorities affects employment land demand, but this is not to the detriment of Warrington.

1.16. Given its prime location, Warrington has been the strongest performer in the FEMA for new deliveries of I&L floorspace over the last 10 years. Linked to this, it has been one of the better performers in facilitating demand along with Halton and St Helens who have recorded net absorption as a % of inventory³ of 2.3% per annum or more, with Warrington recording the highest level in absolute terms (529,479 sq. ft per annum). This analysis is outlined in Table 4.3 of the SENA.

1.17. However the wider FEMA, like Warrington has recorded demand levels well above the rate of new deliveries of stock over the last 10 years. In fact demand across the wider FEMA at 2,502,509 sq. ft per annum has been over 80% higher than new development at 1,384,708 sq. ft per annum. This is why availability within the FEMA has been below the 9% equilibrium rate since 2013/2014 indicating a severely supply constrained market. The FEMA wide availability rate is currently just 3.8%, even lower than Warrington at 5.4%. This analysis is outlined in Tables 4.2 and 4.3 of the SENA.

1.18. This indicates that the entire sub-region is supply constrained with demand outpacing supply. New supply is needed immediately, especially within Warrington given its location. No area within the region appears to have a healthy and immediate surplus of supply to help meet Warrington’s needs.

1.19. Dividing availability by annualised net absorption over the past 10 years indicates Warrington has only 2.4 years of supply while the FEMA supply / demand balance is similar at only 2.5 years of supply. When looking at annualised net absorption over the last 5 years, the supply/demand balance worsens to just 1.8 years of supply for Warrington and 2.4 years for the FEMA. These results are displayed in Table 1 below.

Table 1– I&L Supply in Warrington and the wider FEMA

	Available Supply (sq. ft) (A)	Ave. Annual Net Absorption (10-year average) (B)	Ave. Annual Net Absorption (5-year average) (C)	Years supply using 10 year net absorption trend (A/B)	Years supply using 5 year net absorption trend (A/C)
Warrington	1,251,548	529,479	686,872	2.4 years	1.8 years
FEMA	6,283,734	2,502,509	2,592,582	2.5 years	2.4 years

³ This metric measures demand relative the size of a market area’s inventory

1.20. We therefore consider that whilst the supply of site allocations and planning permissions from neighbouring authorities affects employment land demand, this is not to the detriment of demand in Warrington. Table 1 above indicates that prime and deliverable sites such as Junction 21 are needed immediately (and have been needed for some considerable period of time).

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

1.21. We agree with a three year buffer, which the EDNA refers to as allowing for a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the Plan-period.

1.22. However, the three year buffer is not adequate for uplifting the historic take-up (supply) trend to account for lost demand due to historic supply shortages. The EDNA notes the lack of I&L supply on a number of occasions, as follows:

- *'High rents are attainable in Warrington due to the Borough's position at the centre of the region's communications network and ongoing declines in supply, with the vacancy rates of warehouse premises at 5.48 percent, the lowest ever recorded.(Colliers International, 2021)' ENDA 2021, Page 30.*
- *'Against demand, in the North West the supply of warehouse space has decreased dramatically in the last 12 months, falling from the peak of 7.26 million sqft (670,000 sqm), in early 2020, to 4.24 million sqft (390,000 sqm) in 22 separate units. Using the five-year average, annual take-up of 3.98 million sqft (370,000 sqm) this equates to just 1.07 years worth of supply in the region. (Savills, 2021)' ENDA 2021, Page 31.*
- *'Compared to 2019, in the North West, take up of logistics increased by over half whilst supply fell by 29 percent. (Savills, 2021)' ENDA 2021, Page 31.*
- *'With diminishing levels of existing new build/Grade A stock and a limited future pipeline, the main threat to the North West big box market is the potential supply shortage in next 6 - 12 months. (B8 Real Estate, 2021)' ENDA 2021, Page 31.*
- *'Demand was for units of 9,000-25,000 sqm. Prime rents were firmly established at £6.75 - £6.95/sqft (£73-75/sqm) in 2020 but with the current demand/ supply dynamics, quoting rents will increase to £7.00 –*

£7.50/sqft (£75-81/sqm) on new schemes being brought forward during 2021. B8 Real Estate, 2021)
ENDA 2021, Page 31.

1.23. Despite the EDNA's clear admission that supply in the Industrial and Logistics sector is tight in the face of strong demand (EDNA 2021, Pages 30-31), it merely projects forward the constrained historic supply trend. It does not take account of demand that has been lost from Warrington and the wider FEMA due to supply constraints and therefore presents a need profile based on a supply constrained trend (or 'suppressed demand').

1.24. Unlike the BE Groups' analysis, Savills methodology is considered to be PPG compliant as demonstrated in response to Matter 3, Question 19 as it builds upon historic trends (demand), adjusting past trends for historic supply shortages and the subsequent loss in demand. We refer to this as 'suppressed demand' which is supplemented to the historic demand trend. We also factor in future e-commerce growth which is a key growth driver for the sector.

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

1.25. Not comment made.

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

1.26. We consider the Local Plan is proposing a shortfall of supply of over 195ha. Accordingly, the two allocations do not meet the required objectively assessed need. Therefore, it is not reasonable to rely on two allocations to meet employment needs as those allocations will not meet employment needs.

1.27. Even if (which is disputed), two allocations meet the need, reliance on only two large allocations means that if one site fails to deliver during the Plan-period, the intended emerging Local Plan’s employment strategy would fail. Fiddler’s Ferry in particular has several challenges if it is to be delivered within the Plan-period (as discussed in Paragraphs 7.2.25 to 7.2.30 of the SENA and commented on in further detail under Matter 6c).

1.28. In addition, not only is existing availability within the FEMA and Warrington low, but the existing land supply is also being developed and let quickly. As discussed in Section 7.2 of the SENA, Warrington’s existing strategic and local I&L supply reduced from 37.72ha in March 2021 to 29.99ha in October 2021, a reduction of 20%. Since October 2021 to July 2022m this existing supply has reduced even further to 23.27, a further drop of 22% as detail in Table 2 below. This reduction relates to Unit 3 Mountpark and Unit 4 Appleton Thorn Trading Estate no longer being available.

Table 2 – Existing I&L Supply Update

Site Name	Realistic Site Area (ha) (as of March 2021)	Availability (as of May 2021)	Status (as of October 2021)	Status Updated (as of July 2022)
<i>Strategic I&L Supply</i>				
Mountpark Warrington Omega II	12.70	0-1 years	Units 1 and 2 built out (let to Gousto and Amazon, respectively), Unit 3 (approx. 4.93 ha) is under construction (delivery end of 2021/early 2022) and available to let ⁴	Mountpak website reports that Unit 3 has exchanged. This is also confirmed by Novaloca that the premises is no longer available. ⁵ This means 4.93ha

⁴ <https://mountpark.com/warrington/>; CoStar (2021)

⁵ <https://www.novaloca.com/industrial-unit/to-let/warrington/187415?search=true>

				is removed from the existing supply.
<i>Local I&L Supply</i>				
Unit 4 Appleton Thorn Trading Estate, Lyncastle Road	1.79	0-1 years	Completed in May 2021; available to let ⁶	Now let to M Markovitz Ltd according to Costar
Gemini 8 Retail Park, Charon Way, Westbrook	4.34	1-5 years	To be completed by April 2022 ⁷	It appears to be under construction and available on Costar
The Quadrant (South), Birchwood Park	1.87	1-5 years	Four units totalling 7,296 sqm remain to be delivered ⁸	Costar reports part of the site has been leased but we have been unable to verify so we assume this land is still available
Phase 3 - Lingley Mere	3.62	1-5 years	To be completed by February 2022 ⁹	According to Costar some of the plots are under construction but still available
Travis Perkins Barleycastle Trading Estate	4.69	1-5 years	Appears to be built out September 2021; available to let ¹⁰	Now completed and available to let ¹¹
Multiple Plots Birchwood Park	8.75	10+ years	All development will be on a design and build basis, responding to individual requirements as they arise ¹²	Still available
TOTAL EXISTING I&L SUPPLY (as of March 2021)				37.72 ha

⁶ <https://www.my.glenigan.com/#/project/19230049/summary>

⁷ <https://www.my.glenigan.com/#/project/20279604/summary>

⁸ EDNA (2021)

⁹ <https://www.my.glenigan.com/#/project/20495331/summary>

¹⁰ <https://www.winvic.co.uk/live/tungsten-park-warrington/>

¹¹ <https://www.tungsten.uk.com/warrington>

¹² EDNA (2021)

TOTAL EXISTING I&L SUPPLY (as of October 2021)	29.99 ha
TOTAL EXISTING I&L SUPPLY (as of July 2022)	23.27 ha

1.29. This analysis indicates the strength of demand in Warrington's I&L sector. In a little over a year Warrington's existing supply has reduced by circa 40%, demonstrating how quickly sites are being delivered.

7. What evidence is there to suggest that the Town Centre can viably act as the main location for new Class E Office development, noting that the Economic Development Needs Assessment 2021 identifies that demand is mostly focused on Birchwood rather than the Town Centre, as well as the competition from the adjacent cities of Liverpool and Manchester/Salford?

1.30. No comment made.

8. Will the lack of explicit support in the Local Plan for the University and higher education more generally, impact on the ability of the Council to achieve the Local Plan's vision and objectives?

1.31. No comment made.

9. Is the approach to existing employment areas and development within them effective and justified?

1.32. No comment made.

10. In other respects, is Policy DEV4 justified, effective and consistent with national policy?

1.33. No further comment is made as it is demonstrated above that Policy DEV4 is not justified, effective or consistent with national policy.

11. *Are any main modifications to Policy DEV4 necessary for soundness?*

1.34. An update to the level of need specified in Policy DEV4 at Part 1 is required to set out that the need is at least 511.75ha, and the site at Junction 21 of the M6 that is subject to this Statement is required to be included in the supply of sites at Part 4 of the Policy.

Word Count: 2,992



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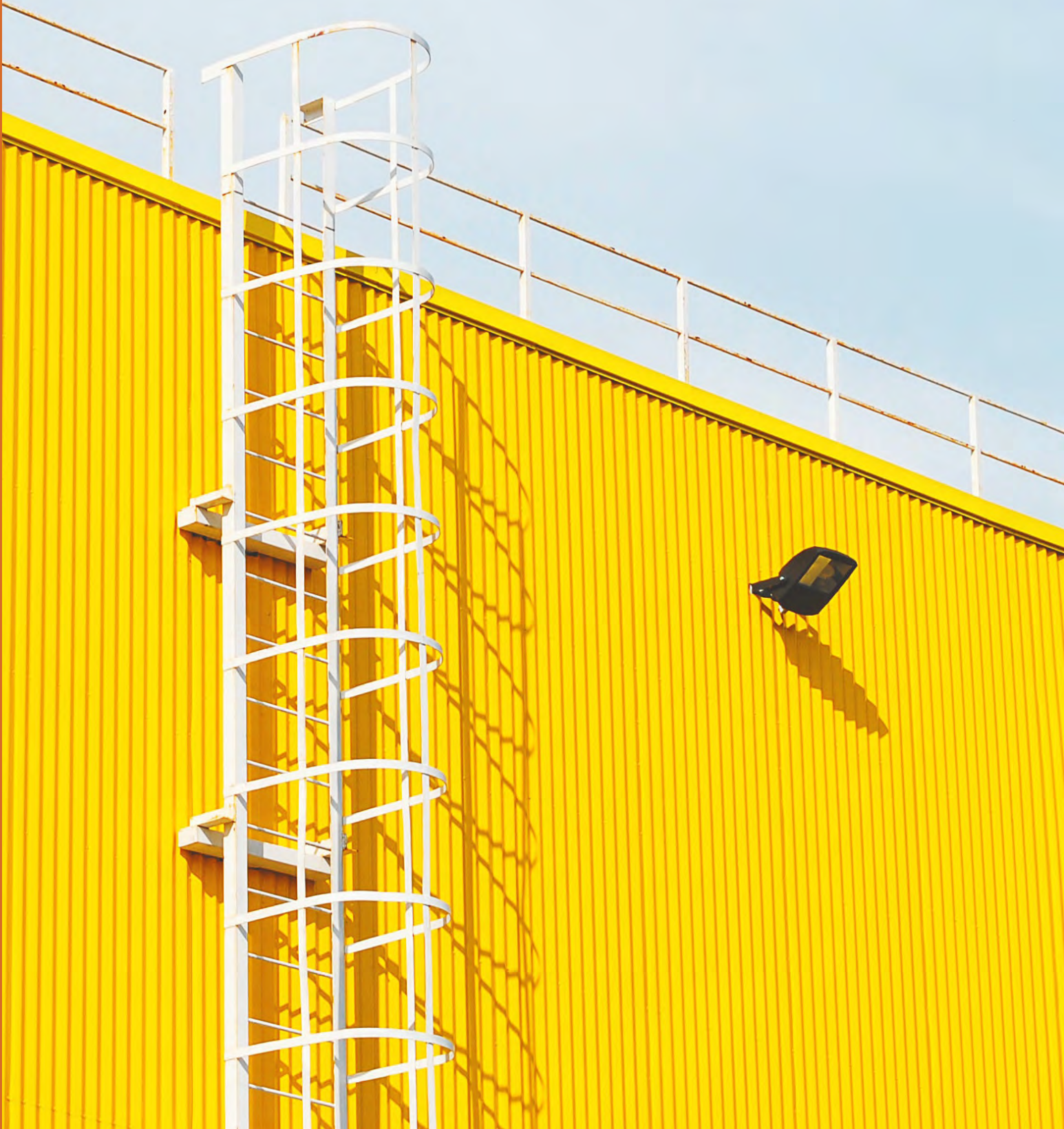
Appendix 1 – Local Plan Promotion Document, dated November 2021



ST.MODWEN

WARRINGTON RIXTON - J21 OF THE M6

November 2021



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1. EXECUTIVE SUMMARY

INTRODUCTION

THE PROMOTION DOCUMENT HAS BEEN PREPARED BY ST. MODWEN DEVELOPMENTS LIMITED TO PROVIDE REPRESENTATIONS ON THE PROPOSED SUBMISSION VERSION LOCAL PLAN 2021 ('THE EMERGING LOCAL PLAN') THAT IS CURRENTLY UNDER CONSULTATION.

The Document relates to the allocation of a site measuring approximately 71.5ha for employment development and associated works including green infrastructure as may be required in order to meet strategic Industrial and Logistics development needs for Warrington.

The site is a highly accessible location on the A57, with immediate access to J21, M6. It provides an exciting opportunity to meet employment growth in Warrington.

The site is presently located in the Green Belt. However, there are no alternative sites within non-Green Belt locations that can meet the identified need for the proposed uses.

All of the land subject to this consultation response is under the control of St. Modwen. St. Modwen can bring considerable experience and knowledge to the deliverability of the site on a national level in terms of Industrial and Logistics development, and on a local level having delivered the Birchwood Park employment development in Warrington. The Birchwood Park site has been developed over the last 30 years and is home to 165 companies. It substantially supports Warrington's economic base. St. Modwen therefore has a unique long-term track-record of employment delivery in Warrington.

The Promotion Document demonstrates the two key requirements that support the allocation of the site, namely that:

1. The allocation of the site would meet an identified need for employment development; and
2. The development of the site is deliverable.

We summarise each in turn below.

MEETING THE IDENTIFIED NEED FOR EMPLOYMENT DEVELOPMENT

Detailed technical analysis that assesses economic development needs in Warrington is included in the Industrial & Logistics ('I&L') Needs Assessment prepared by Savills (UK) Limited at Appendix D of this Document.

The Assessment demonstrates there is a significant shortfall in provision for I&L development in the emerging Local Plan.

The Assessment findings demonstrate that Warrington's future I&L land needs far exceed its existing and planned employment land supply in the emerging Local Plan, with a **shortfall totalling 195.49 ha over the plan-period to 2038.**

Further, having reviewed the information included with the employment allocation at Fiddler's Ferry, the Assessment demonstrates that only approximately half of the employment allocation at Fiddler's Ferry is likely to be delivered within the plan-period up to 2038. Accordingly, this increases the **shortfall to 246.49 ha over the plan period.**

There is therefore an acute need for I&L development in Warrington. The allocation of the site and subsequent proposal for employment development would make a material contribution to the requirement for additional employment development over the plan-period.

The locational characteristics of the site and its highly accessible location close to the strategic road network mean that there will be high demand from the market for I&L development. The proposal will therefore be a successful development in meeting the economic growth requirements for Warrington.

Further, the allocation of the site for employment development will deliver significant economic benefits and social value, including:

- Up to 1,457 operational jobs that will be created for the residents of Warrington at the employment development, generating approximately £53.2m in wages every year.
- Approximately £97.1m gross value added ('GVA') is expected to be generated per annum from on-site employment
- Social value of approximately £31m based on apprenticeship schemes, NHS savings through a reduction in unemployment and through supporting local businesses

THE DEVELOPMENT OF THE SITE IS DELIVERABLE

A key component to ensure the site's allocation is whether it will be deliverable to support meeting the significant need for additional employment development over the plan-period.

As an established national developer with a significant track-record and expertise in major economic development delivery, St. Modwen invests only in projects with a deliverable outcome. This is a critical requirement of its decision to deploy capital and invest and progress development opportunities.

The Promotion Document therefore provides an assessment of key considerations and demonstrates that:

1. There is an appropriate access strategy to provide access to the development site from the A57 for the anticipated land-uses and quantum of development proposed. There is therefore a deliverable access strategy which accords with the requirements for acceptability on highway grounds set out in the National Planning Policy Framework.
2. Any proposed development scheme brought forward for the site would be deliverable, through the use of appropriate mitigation measures where required, without having a deleterious impact upon the ecological receptors present. St. Modwen control significant areas of land that can be used solely for ecological mitigation and biodiversity net gain if required.
3. It has been confirmed by the Environment Agency that the significant majority of the site is located within Flood Zone 1 and the site is at a low risk of surface water flooding. There are no flood risk matters that would prevent the development of the site.
4. A preliminary assessment of ground and groundwater indicates that overall site development is unlikely to be significantly compromised by its natural geology. Similarly, the observed land use history is one which is unlikely to have led to significant land disturbance or ground contamination to an extent which would significantly affect any proposed development or the wider environment.

It follows that there are no known constraints that prevent the deliverability and development of the site.



EXECUTIVE SUMMARY CONCLUSION

THE ASSESSMENT DEMONSTRATES THAT THERE IS A CLEAR LAND-USE PLANNING NEED FOR THE ALLOCATION OF THE SITE FOR EMPLOYMENT USES AND THAT THE DEVELOPMENT WILL BE DELIVERED.

At present, the emerging Local Plan does not meet its objectively assessed need for employment development as demonstrated in the Industrial & Logistics Needs Assessment. It follows that the Plan cannot currently be considered 'sound' as it does not meet the tests included at Paragraph 35 of the National Planning Policy Framework. The emerging Local Plan is not:

1. **Positively** prepared as it does not provide a strategy that meets Warrington's objectively assessed needs.
2. **Justified** as it is not based on proportionate evidence. The proportionate evidence demonstrates that there is a significant requirement for additional land for employment development to meet the area's needs.
3. **Effective** as there are doubts over the complete delivery of a significant employment site in the Plan, based on comparable evidence from sites of a similar nature.
4. **Consistent** with national policy as the Plan does not place 'significant weight' on the need to support economic growth and productivity as required by Paragraph 81 of the National Planning Policy Framework.

In order for the Plan to be found sound, there is a clear requirement for the site to be allocated for employment development. The objectively assessed need requires the Council to re-assess its Green Belt boundary in order to meet that need. As the Council has not done so, the emerging Local Plan cannot be considered to be justified.

We look forward to working with the Council to evolve the emerging Local Plan to ensure that it can be found sound before its submission for Examination and we kindly request a meeting to discuss the exciting opportunity at J21 of the M6 at the earliest opportunity.



2. INTRODUCTION

THIS PROMOTION DOCUMENT HAS BEEN PREPARED BY ST MODWEN DEVELOPMENTS LIMITED TO PROVIDE REPRESENTATIONS ON THE EMERGING LOCAL PLAN.

The Document provides details of the unique and exciting opportunity for the development of the site located at J21, M6, Warrington for employment growth to support Warrington Council's ambitions for growth and action.

The site provides the opportunity to deliver major industrial and logistics development which is critical to the economic growth of both Warrington and the north of England given the strategic location of the site along the M6 and in close proximity to the wider national strategic road network including the M56 and M62.

THE CASE FOR THE PROPOSAL

The site is located within the Green Belt. However, there are 'exceptional circumstances' that are fully evidenced and justified that result in a requirement for Warrington Borough Council to alter its Green Belt boundaries to allocate the site for development. The Promotion Document therefore sets out St Modwen's commitment and evolving strategy to deliver the opportunity given the scale of the development. It demonstrates:

1. There is a substantial need for the proposed development to support Warrington's growth requirements. There is an evidential need that exceeds the need forecast by the Local Planning Authority's advisors, BE Group, in the Warrington Economic Development Needs Assessment Refresh that forms part of the evidence base for the emerging Local Plan. This is a significant positive that supports Warrington's ambitions as a pro-growth location and will enable a wide range and quantum of high quality employment opportunities.
2. There are no known constraints that would prevent the development of the site to meet Warrington's growth requirements.

1. Warrington's Economic Growth and Regeneration Programme: Warrington Means Business published in December 2017 confirms that Warrington is an area of growth and action (see Page 3 of the Programme: https://www.warrington.gov.uk/sites/default/files/2019-09/warrington_means_business_december_2017.pdf)

The above provides the exceptional circumstances to remove the site from the Green Belt. There is a need for the development, the site is deliverable and it meets requirements to meet strategic employment needs.

St. Modwen is committed to working with Warrington Borough Council together with local stakeholders to promote the site and develop a successful and sustainable economic development that meets Warrington's employment needs.

This Document is intended to facilitate constructive and positive discussions with Warrington Borough Council over the allocation of the site for employment purposes within the emerging Local Plan.

THE STRUCTURE OF THE DOCUMENT

The Document is structured as follows:

- **Section 1:** Executive Summary
- **Section 2:** Introduction
- **Section 3:** Background to St Modwen
- **Section 4:** Site Ownership Details
- **Section 5:** Site description including constraints
- **Section 6:** The Proposal
- **Section 7:** The Case for the Allocation – Warrington's Economic Development Needs
- **Section 8:** The Case for the Release of Green Belt Land
- **Section 9:** Highway Considerations
- **Section 10:** Ecological and Environmental Considerations
- **Section 11:** Flooding and Drainage Considerations
- **Section 12:** Technical Engineering Considerations
- **Section 13:** The Planning Case for the Allocation of the Site and the Proposed Allocation
- **Section 14:** Conclusion



THE PROFESSIONAL TEAM

St Modwen is supported by the following professional team who have provided input into this document:

1. **Savills (UK) Limited** as Planning Consultant
2. **Savills (UK) Limited** as Economics Consultant
3. **Broadway Malyan** as Masterplanner
4. **Sweco** as Highway Consultant
5. **SK Environment** as Environmental and Ecological Consultant
6. **HDR Inc** as Flood Risk Engineer
7. **PJA Engineering** as Ground Engineer

ONGOING DIALOGUE

The Promotion Document is submitted in connection with the delivery of land that St. Modwen Developments Limited controls and the case within the Promotion Document justifies the allocation of the site for employment development and associated infrastructure required, including to access that land and further works to support its development.

In the event that the Local Planning Authority is also supportive of proposals that are being promoted on adjoining land for residential-led mixed use scheme, St. Modwen would be open to working with the Local Planning Authority and the adjoining landowners/promoters to agree a joint approach to promotion and delivery.

We welcome the opportunity to review the document and case for the proposal and look forward to working with the Local Planning Authority to delivering St. Modwen's exciting development opportunity through the Local Plan process.

3. BACKGROUND TO ST MODWEN

ST. MODWEN DEVELOPMENTS

ST. MODWEN DEVELOPMENTS LIMITED IS OWNED BY MULTI-NATIONAL INVESTMENT MANAGEMENT COMPANY, BLACKSTONE.

St. Modwen is a financially strong and robust business¹ with an exceptional track record of delivering places that matter across the last 55 years. It's objectives are to create maximum social and financial value through up-front investment in the highest quality development.

St. Modwen has a strong focus on strategic partnerships and enhancing social value through development. It has vast experience in being a masterdeveloper of mixed-use large commercial / industrial / logistics schemes and promoting and delivering significant infrastructure to support such developments and wider communities.

On a local level, St. Modwen is a long-term development partner in Warrington, with a local office at Birchwood. St. Modwen developed and operated the Birchwood commercial area over a 30 year period having acquired the area in the early 1990s. It therefore has a strong local background and knowledge of the delivery of development in the area that the site is located within.

Examples of projects which are of comparable scale, require high levels of strategic infrastructure and demonstrate St. Modwen's ability to leverage in and secure additional and public funding to ensure delivery are:

Branston Leas & Burton Gateway, Staffordshire

St. Modwen secured outline permission for the 280 acre site comprising 660 homes and 1million sq. ft of commercial space.

Over 130 homes have been occupied with a further land sale to Bellway completed in 2018. An 8,000 sq. ft retail centre has been completed, let and sold in addition to a one form entry school extension.

Open space has been provided including 54 acres of woodland working in partnership with the Woodland Trust, National Forestry Commission and Staffordshire Wildlife Trust to assist in delivery and management.

The 1million sq. ft / 50 acre industrial and distribution site is serviced from a new access road direct from the A38 which was completed in May 2017. A new 1km link road between the residential and commercial areas was completed in 2018.

The new access was procured by St. Modwen through negotiation with Highways England. The first speculative warehouse of 87,000 sq. ft. was let to Hellmann in 2017.

Phase 2 consists of three warehouse units totalling 119,250 sq. ft, part of which is occupied by Supply Technologies and Keylite Roof Windows while phase 3 will provide 103,067 sq. ft unit and is due for completion in September 2019. Detailed planning consent is also in place for the Phase 4 of 216,000 sq. ft in four units.

St Modwen Park, Chippenham

St. Modwen Park Chippenham comprises a strategically located 78.2 acre (30.1 ha) development site situated at junction 17 of the M4. The park has an outline planning consent to provide approx 1 million sq ft of warehouse accommodation and can provide units of up to 800,000 sq ft.

Glan Llyn, Newport, Wales

Following the closure of the steel production of the Corus steelworks in 2001, St. Modwen purchased the 600 acre site in 2004, which is one of the largest single regeneration sites in the UK. The £1bn redevelopment will create a sustainable, mixed use development on the eastern edge of Newport, by providing 4,000 new homes, schools, 100 acre 1.25million sq. ft. Celtic Business Park, District Centre and over 150 acres of open space over the next 15 years. The scheme is part funded by St. Modwen through the S106 obligations and part by the Welsh Government. The Welsh Government delivered the infrastructure and St. Modwen will pay its contribution over 15 years. To date the following development has been delivered:

- 600 new homes have been completed by St. Modwen Homes, Persimmon and Bellway;
- The first 215,000 sq. ft and associated works on Celtic Business Park including a new rail manufacturing facility including rail connection and a new distribution facility delivered for Amazon;
- A new two form entry primary school;
- The management of parkland (up to 150 acres) by St. Modwen through the management company and service charges paid by each dwelling / commercial occupier;
- The traffic generated by the development required a new 6km dual carriageway which provides an improved link in and out of Newport to the M4 at Magor;
- The largest foul sewerage pumping stations in Wales; and
- A new primary substation and gas pressure reducing stations to serve the development.

Longbridge, Birmingham

This £1bn regeneration project is situated south west of Birmingham city centre and extends to over 468 acres. Following a major remediation programme across the site, St. Modwen commenced this major new community project in 2007 which is expected to take around 20 years to complete. The development has already delivered:

- Over 500 homes built by St. Modwen Homes and Persimmon;
- New town centre comprising 150,000 sq. ft Marks and Spencer, 88,000 sq. ft Sainsbury's, Beefeater Grill, a 75-bedroom Premier Inn, restaurants and independent retailers, surface and multi-storey car parks;
- The £66million, 250,000 sq. ft Bourneville College;
- Cofton Centre business park and Longbridge Technology Park comprising around 50,000 sq. ft of offices providing opportunities for starter and growing businesses;
- St. Modwen has been granted planning permission for One Park Square which will provide 105,000 sq. ft of prime office space;
- A £35million Extra Care retirement village opened in 2017; and
- A new £17million 180 bedroom residential facility for the MOD's medical and support staff.

A further 1,500 homes will be delivered as well as a further 1million sq. ft of commercial space.

In terms of public sector funding, a Regional Growth Fund application made to the LEP secured £8.5million to upgrade highway infrastructure; bus stop facilities; cycle routes; wayfinding and the local railway station concourse.

1. St. Modwen was a FTSE 250 company until the acquisition by Blackstone this year resulted in the de-listing of the company

4. SITE OWNERSHIP DETAILS

THE SITE IS WITHIN A **SINGLE OWNERSHIP**, OWNED BY ONE FAMILY - THE SHARPE FAMILY.

OWNERSHIP

The Sharpe Family and St. Modwen have entered into a legal agreement together that commits St. Modwen to promoting the site through the emerging Local Plan process and putting forward the case to justify its release from the Green Belt.

There are therefore no ownership constraints that would prevent the development from being delivered. The requisite land to deliver an employment development that meets Warrington's needs is all under the control of an experienced and established strategic employment land developer.

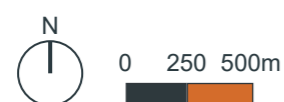
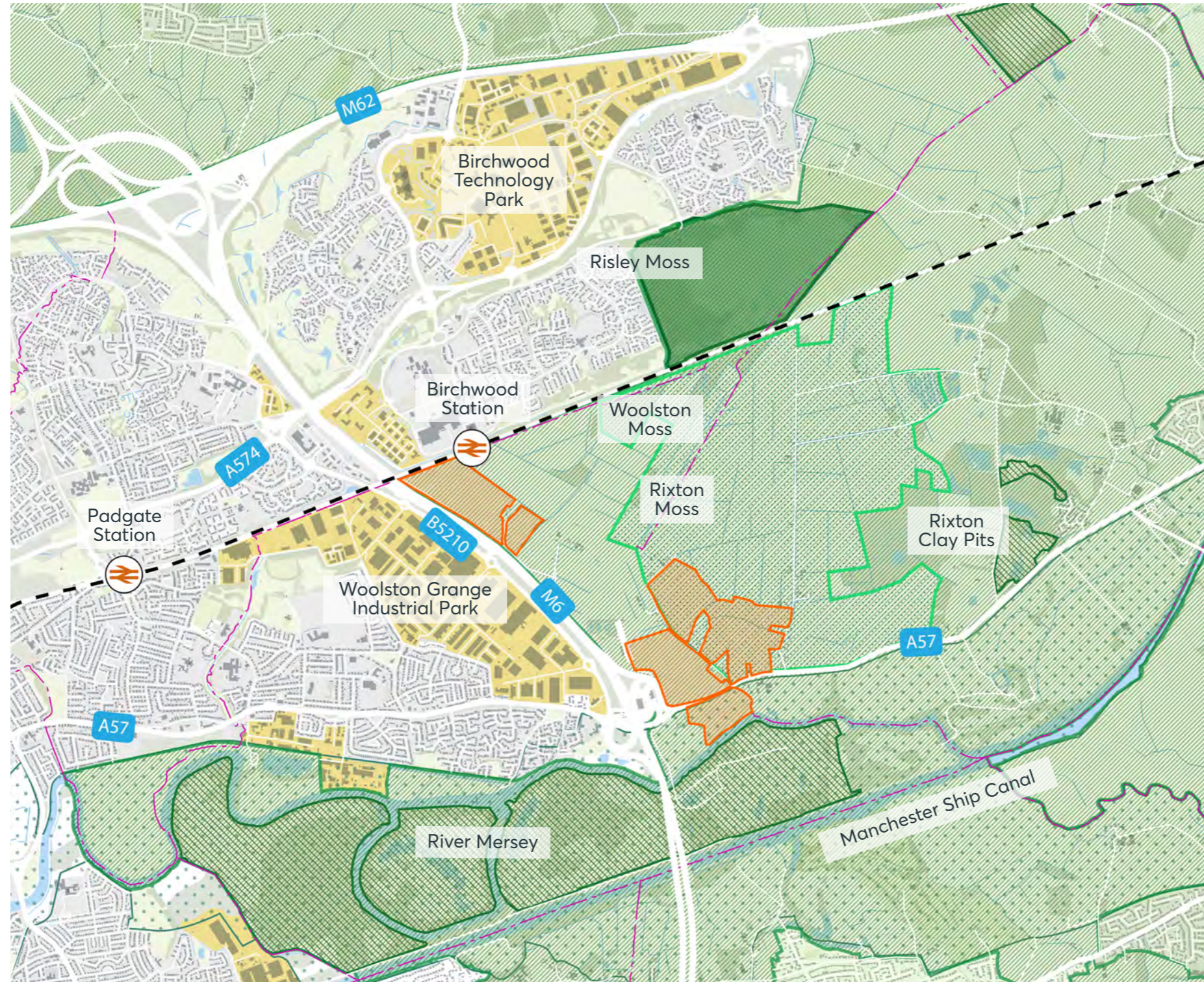


THE SITE IN QUESTION IS **SHOWN OPPOSITE.**



5. SITE DESCRIPTION INCLUDING CONSTRAINTS

-  Indicative Site Boundary
-  Employment / Industrial Area
-  Open Space
-  Woodland
-  Green Belt
-  SSSI
-  Local Nature Reserve
-  LP CS6 Strategic Green Link
-  Local Wildlife Site
-  Surface Water
-  Railway Line
-  Road
-  Ward Boundary



THE SITE IS LOCATED IN RIXTON, WARRINGTON AND COMPRISES AROUND 71.5 HA OF LAND.

SITE LOCATION

The site is at a strategic location off Junction 21 of the M6. J21 is nodal point providing access into the western and central areas of Warrington to the west of the site via the arterial A57 Manchester Road route. The junction provides direct access to the M6 strategic round network and the conurbations located north and south along that route including Cheshire to the south and Wigan and Preston to the north.

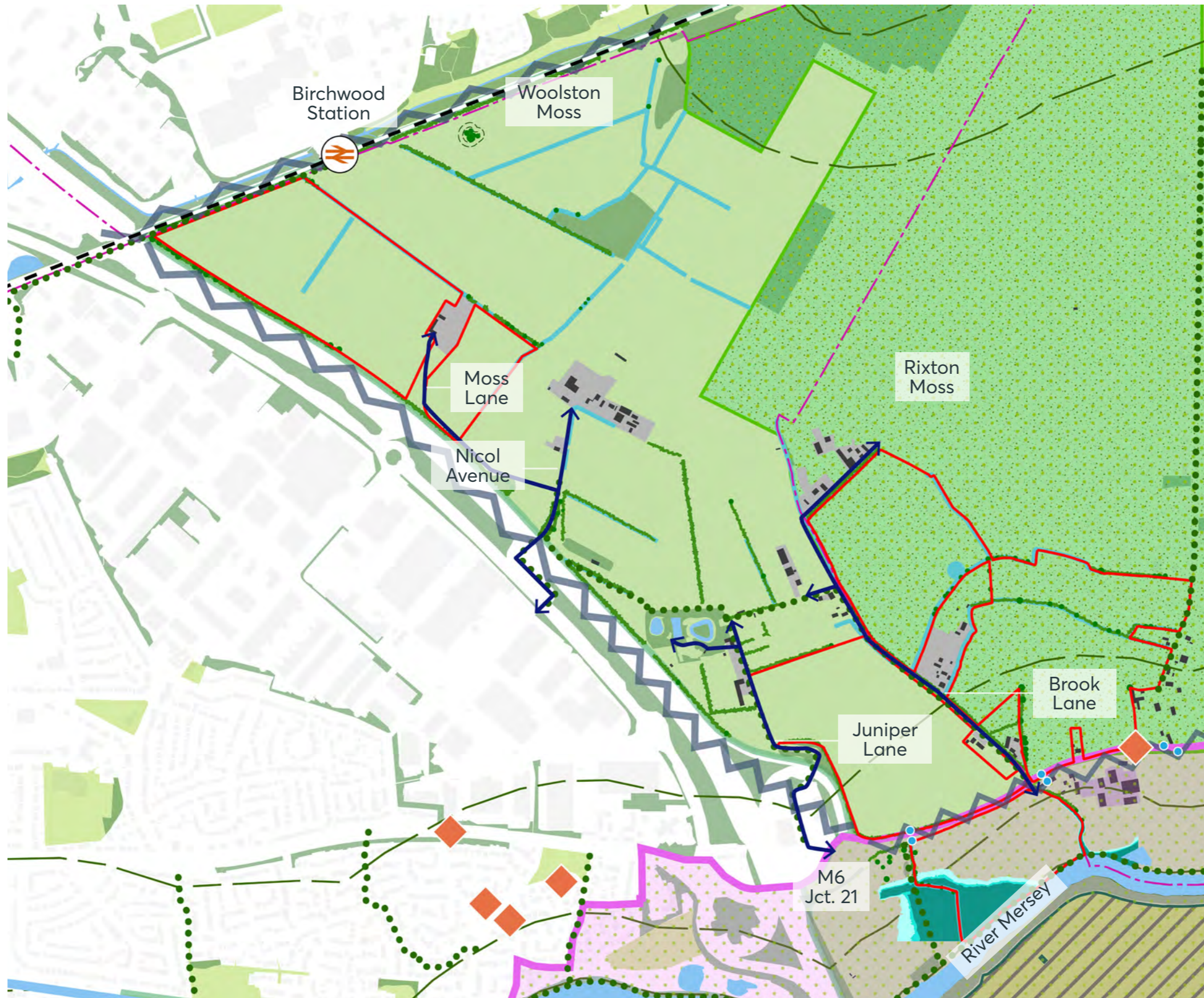
Junction 21 is also located equidistant between the M56 to the south and the M62 to the north that provides access to further conurbations in the surrounding north west area including Manchester, Salford, Liverpool, Chester and St. Helens.

SITE DESCRIPTION

The site comprises six parcels of land. The main 'development' areas of the site are the four parcels of land located either side of Manchester Road, with two parcels of land located at the point where the M6 crosses the railway line. If required, the latter parcels of land are intended for ecological mitigation as described in Section 10.

With the above in mind, the M6 motorway runs along the western boundary of the site, with Junction 21 of the motorway leading to the A57, Manchester Road, which dissects the site. The River Mersey forms the southern extent of the site. To the east, the site is bordered by open farmland and countryside.

- Indicative Site Boundary
- Green Belt
- Rixton Moss (Local Wildlife Site)
- LP CS6 Strategic Green Link
- SSSI
- SSSI 500m Offset
- Tree Belt/Hedgerow
- Tree
- Tree Offset
- Woodland
- Open Space
- Surface Water
- Ditch and 5m offset
- Flood Risk 1 - 100 year
- Flood Risk 1 - 200 year
- Flood Risk 1 - 1000 year
- Listed Building / Feature
- Existing Vehicular Access
- Barrier to Movement
- PRoW
- Railway Line
- Bus Stop
- Ward Boundary



SITE AND SURROUNDING FEATURES

The site area currently comprises open land. The land is predominantly flat, and drains to the south towards the River Mersey. There are a limited number of trees on the site. The site is located approximately 1.2km south of Manchester Mosses Special Area of Conservation (SAC) and Risley Moss Site of Special Scientific Interest (SSSI), 1.3km west of Rixton Clay Pits SAC / SSSI and 75m north of Woolston Eyes SSSI.

Further north of the site, across the railway line, is the established settlement of Birchwood, comprising 4 main areas: Birchwood Shopping Centre which is the closest to the site and the train station, and three distinct residential communities – Locking Stumps, Oakwood and Gorse Covert. Further to the north is Birchwood Technology Park, adjacent to the M62.

6. THE PROPOSAL

THE PROPOSAL IS FOR THE REMOVAL OF THE SITE FROM THE GREEN BELT AND ITS ALLOCATION FOR STRATEGIC EMPLOYMENT DEVELOPMENT THAT WILL MEET LARGE-SCALE INDUSTRIAL AND LOGISTICS NEEDS, PRINCIPALLY IN USE CLASSES B2 AND B8.

A FRAMEWORK MASTERPLAN FOR THE PROPOSAL IS OPPOSITE.

The Framework Masterplan shows the employment land use parcels that can be located at the site to the north and south of Manchester Road (A57). The total site measures approximately 71.5 hectares with the developable area for employment development being approximately 40 ha. This area could deliver a total of almost approximately 115,000 sq. m of based on a development site coverage of approximately 30%. The Land Use Budget Schedule outlining the developable plots and quanta of developable area is included at Appendix C.

The site can be accessed from Manchester Road via two access points. The first access point to the east of Junction 21 comprises a 4-arm roundabout to serve the development land west of Brook Lane. This would access Parcels 1.1, 1.2 and 4 to the north and south of Manchester Road as shown on the Framework Masterplan.

To the east of Brook Lane a ghost island priority junction would serve Parcels 2.1, 2.2, 2.3 and 3 that are all located to the north of Manchester Road.

A proposed development could therefore be served by all necessary highways infrastructure as discussed in further detail in Section 9.

The proposal also includes two parcels of land to the north west of the development site at the point at which the M6 crosses the railway line. This land is dedicated to the re-provision and enhancement of existing green infrastructure if required. This area of land measures approximately 20 ha and would be used for any ecological mitigation and biodiversity enhancement that may be required as a consequence of the development of the site.

Existing green and blue infrastructure (trees, hedges, ditches etc) will be retained as far as possible, particularly to the perimeter of the site, utilising existing features to the benefit of the new development. Landscape and acoustic buffers will be created between proposed uses and adjacent properties, as well as to the open land to the east.

-  Indicative Site Boundary
-  Employment Development
-  Proposed Access
-  Existing Major Road Network



7. THE CASE FOR THE ALLOCATION WARRINGTON'S ECONOMIC DEVELOPMENT NEEDS

INTRODUCTION AND SUMMARY

This section assesses whether there is a need for the proposed development that justifies the case for the removal of the site from the Green Belt and the allocation for the site for Industrial and Logistics ('I&L') development.

Detailed technical analysis that assesses economic development needs in Warrington is included in the Industrial & Logistics Needs Assessment prepared by Savills (UK) Limited that is included at Appendix D.

The Assessment demonstrates there is a significant shortfall in provision for I&L development in the emerging Local Plan.

The Assessment provides an evidence-based overview of the potential for new ('I&L') development at the site, having regard to current and future market supply and demand dynamics in Warrington and the wider Functional Economic Market Area ('FEMA').

The Assessment findings demonstrate that Warrington's future I&L land needs far exceed its existing and planned employment land supply in the emerging Local Plan, with **a shortfall totalling 195.49 ha over the plan period to 2038.**

Further, having reviewed the information included with the employment allocation at Fiddler's Ferry, the Assessment demonstrates that only approximately half of the employment allocation at Fiddler's Ferry is likely to be delivered within the plan-period up to 2038. Accordingly, this increases the **shortfall to 246.49 ha over the plan period.**



ASSESSMENT

Industrial & Logistics Requirements in Warrington

In order to assess the required demand for I&L development, Savills assess the ENDA Refresh and identify a number of deficiencies in the way future needs have been assessed, namely:

- The Look-back Period is Too Long:** the look-back period over which average take-up (demand) is calculated runs for 24 years from 1996 to 2020. This is far too long a period over which the demand drivers underpinning I&L need, and the characteristics of the sector itself, have changed significantly. For example, the last decade has seen a significant increase in online shopping from 2.8% in 2006 to 19.1% in February to 2020. The Covid-19 pandemic has accelerated this trend further with online shopping currently sitting at 25.9% of all retail sales (September 2021). Growth in online retailing has a direct impact on I&L demand as going online requires 3 times the amount of warehouse floorspace compared to traditional bricks & mortar shops. Such a long look-back period also dampens the impact of other, more recent, growth drivers for I&L demand such as increasing UK freight volumes, UK companies bringing their operations back to the UK to avoid Brexit related supply chain shocks and continued business and housing growth in Warrington and the wider FEMA. Finally the inclusion of the Global Financial Crisis ('GFC') in the 24 year look back period also undercuts historic demand as this resulted in a systematic impact to the entire UK economy. In the years immediately following the GFC, I&L demand in Warrington was negative (-91,411 sq. ft net absorption per annum) vs 638,000 sq. ft of net absorption per annum since 2012.
- The EDNA uses Completions rather than Net Absorption:** the EDNA's measure of take-up is based on completion trends rather than actual take-up of floorspace (what Savills refer to as net absorption). Development completions are a supply measure, not a demand measure. For new development (completions) to come forward new employment sites need to be allocated, and planning permission granted before new floorspace can be built. The length of time and complexities involved is why supply measures (completions) typically lag actual demand (net absorption). Therefore the use of a lagging supply factor, and projecting this forward into the future, results in an underestimate of true need based on actual market demand.
- The EDNA doesn't account for suppressed demand:** when supply, as signalled by floorspace availability, is low, demand is suppressed as prospective tenants can't find space in a market. By merely projecting forward historic take-up, the EDNA has taken no account of demand that has been lost due to supply constraints and therefore presents a need profile based on a supply constrained trend (or 'suppressed demand'). Since 2015, I&L availability has been a downward trajectory and has now dropped below the 9% equilibrium rate for Warrington that is considered to indicate a balance between supply and demand. The rest of the FEMA has been below the 9% equilibrium rate since 2014 demonstrating, as a whole, the entire FEMA has been supply constrained for much of the last decade.

The Savills methodology for estimating future demand is therefore more realistic than the EDNA as it attempts to understand true demand rather than project forward historic trends that have been suppressed by historic supply constraints.

In terms of future I&L demand, it is estimated that there is a need of 15.97m sq. ft over the 18-year Plan period. This estimate is derived by projecting forward historic take-up over the plan period (9.53 million sq. ft), accounting for suppressed demand in years where the market was supply constrained (420,293 sq. ft), adjusting for current and future increases in online retail (3.25m sq. ft), adding a 3-year buffer to provide a continuum of supply beyond the end of the plan period and to account for the current day I&L growth drivers (2.2m sq. ft), and allowing for business displacement associated with Warrington Masterplan projects (570,000 sq. ft).

At a 30% plot ratio the 15.97m sq. ft of floorspace need equates to **495.62 ha** of land. This is considerably higher than the future I&L demand estimated by the EDNA (2021) at **242.26 ha**.

Current I&L supply totals 299.13 ha. This is made up of proposed new employment allocations, existing land supply and land within the Borough of St. Helens secured to count towards Warrington's land supply via Duty to Co-operate. Subtracting the Supply from Future Demand, there is a **shortfall totalling 195.49 ha over the plan period**.

Further, a significant level of the floorspace demand is forecast to be delivered at the Fiddler's Ferry power station site (101 ha). The owner of the Fiddler's Ferry site considers that employment development will be delivered by 2030. This is incredibly optimistic. Therefore, and having reviewed the information included with the employment allocation at Fiddler's Ferry and comparable employment developments that have been delivered on former power station sites, the Assessment demonstrates that a more realistic assessment is that only approximately half of the employment allocation at Fiddlers Ferry is likely to be delivered within the plan-period up to 2038. Accordingly, this increases the **shortfall to 246.49 ha over the plan period**.

Even setting aside the consideration in relation to Fiddler's Ferry, which we do not consider the Local Planning Authority can given it would not be robust to consider that all of the employment development at Fiddler's Ferry will come forward in the plan-period, there remains a substantial shortfall in land allocated for I&L development in the emerging Local Plan.

The overwhelming case for additional land for I&L development justifies the allocation of the site for such purposes. The location and deliverability of the site meets known planning criteria for the allocation of the site to support the Local Planning Authority in meeting identified needs for I&L development. It has a number of advantages over other sites that could be considered.

Advantages of developing the site, including:

- The site is large (40.25 ha) enough to accommodate a variety of unit sizes and benefit from supply chain linkages and other agglomeration benefits such as knowledge spill overs between firms, sharing the costs of estate wide maintenance and security for instance.
- The site is level which is a key requirement for I&L developers.
- The site is likely to benefit from 24-hour access due it not being nearby to sensitive uses. This has become a key operation requirement for I&L occupiers.
- The site is a prime I&L location on the M6 with limited infrastructure requirements given it benefits from direct access to Junction 21 of the M6 via Manchester Road (A57).
- The site is within a 2-hour drive time, the Subject Site can access a third of England and Wales' resident and business population.
- The site benefits from high levels of workforce accessibility, with the ability to reach 1.1 million people of working age within a 24-minute drive time.
- The site is also conveniently located with respect to key freight handling infrastructure including ports, freight handling airports and Strategic Rail Freight Interchanges (SRFI) within a 2-hour drive time.
- The site is under single ownership which St Modwen has a development agreement in place for.

The allocation of the site for employment purposes is therefore fully justified.



Economic Benefits & Social Value

The Assessment at Appendix D also provides details of the economic benefits and social value created by the proposed development. The forecasts are summarised as follows:

- **1,457 operational jobs** will be created for the residents of Warrington at the employment development
- **171 construction jobs** will be per annum over a seven year construction period
- **£97.1m gross value** added ('GVA') is expected to be generated per annum from on-site employment
- **£53.2m of private income** is anticipated to be generated per annum for on-site workers
- **£1.2m of estimated business rates** for Warrington is expected to be generated by the proposed development
- **The total social value of the proposed development is £31m** based on apprenticeship schemes, NHS savings through a reduction in unemployment and through supporting local businesses

It follows that the economic benefits and social value created by the development is significant and a material factor in supporting the allocation of the site for employment development.

CONCLUSION

There is a substantial forecast demand for I&L development over the plan-period. The level of demand forecast and evidence in the Industrial & Logistics Needs Assessment prepared by Savills (UK) Limited is significant. The Local Planning Authority's evidence base has wrongly identified the level of need required. It is estimated that there could be a shortfall in provision in the emerging Local Plan of up to approximately 250 ha.

Accordingly, there is an evidential basis to support the removal of the site from the Green Belt and its allocation for employment development. The need identified is significant and the site meets known criteria for sound land-use planning to be allocated to support meeting that need.

8. THE CASE FOR THE RELEASE OF GREEN BELT LAND

INTRODUCTION

THIS SECTION ASSESSES THE CASE FOR THE RELEASE OF THE SITE FROM THE GREEN BELT TO MEET IDENTIFIED EMPLOYMENT NEEDS.

ASSESSMENT

Paragraph 140 of the NPPF confirms that Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified.

It is already well-established that Warrington is altering its Green Belt boundaries to meet its residential and employment development needs.

In employment land terms, the principal strategic employment development allocation in the emerging Local Plan is currently located wholly in the Green Belt (South East Warrington Employment Area).

Further, aside from the employment component of Fiddler's Ferry, all of the land supply options considered for employment development as part of the emerging Local Plan are located within the Green Belt¹.

Section 7 demonstrates that Warrington's future I&L land needs far exceed its existing and planned employment land supply in the emerging Local Plan, with a shortfall totalling up to approximately 250ha. There is therefore a critical requirement to allocate additional land for employment development.

Paragraph 141 sets out three considerations that need to be taken into account in a strategy when considering amendments to the Green Belt to meet identified needs. The strategy considerations along with our comments on each are as follows:

- **That the Local Plan makes as much use as possible of suitable brownfield sites and underutilised land** – The emerging Local Plan allocated 101ha of brownfield land at Fiddler's Ferry to meet employment needs. All other sites assessed in the EDNA are located in the Green Belt. Given the under provision of land to meet employment needs, the only option is to consider land for release that is located within the Green Belt.
- **The Local Plan optimises the density of development in line with the policies in Framework, including whether policies promote a significant uplift in minimum density standards in town and city centres and other locations well served by public transport** – there are no suitable sites within the town centre to meet strategic I&L development needs.
- **The Local Plan has been informed by discussions with neighbouring authorities about whether they could accommodate some of the identified need for development** – Green Belt land in St. Helens is proposed to be released as part of the emerging Local Plan to meet Warrington's Green Belt needs. A neighbouring authority is already making a meaningful contribution to employment development needs in Warrington.

Given that there is a significant requirement to meet additional employment land needs there are fully evidenced and justified exceptional circumstances to change the Green Belt boundary.

Given the only option is to consider Green Belt land, it follows that it is appropriate to remove the site from the Green Belt and allocate it for employment needs. The site is a prime I&L location on the M6 with limited infrastructure requirements given it benefits from direct access to Junction 21 of the M6 via Manchester Road (A57) as demonstrated in the Industrial & Logistics Needs Assessment included at Appendix D.

At approximately 40ha, the site will make a meaningful contribution to meeting Warrington's employment land needs. Section 7 demonstrates the advantages that the site has in terms of the delivery of employment land required to meet Warrington's need and the site is graded as A+ / B+ for employment development if potential constraints can be overcome. The following sections assess the constraints and demonstrate that there are no constraints that would prevent the site from meeting employment needs.

Paragraph 143(e) of the NPPF confirms that plans should be able to demonstrate that Green Belt boundaries will not need to be altered at the end of the plan-period. Given the substantial objectively assessed need for additional employment development, the Council is required to act on that need and amend the boundary now in accordance with the requirements of Paragraph 143(e). To wait for a future plan review, would undermine the policy approach that Green Belt boundaries should likely be permanent.

It follows that in order for the Plan to be found sound, there is a clear requirement for the site to be allocated for employment development. The objectively assessed need requires the Council to reassess its Green Belt boundary in order to meet that need. As the Council has not done so, the emerging Local Plan cannot be considered to be justified.

The site's allocation would therefore be justified to meet the substantial need for additional employment land allocations in the emerging Local Plan and there are no constraints to its delivery.



1. Table 46 of the EDNA

9. HIGHWAY CONSIDERATIONS

LAND ADJACENT TO M6 J21: LOCAL PLAN REP (SWECO SUMMARY)

Introduction

A Traffic and Access Appraisal examining the opportunities for the development of land to the east of the M6 J21 for industrial and logistics land-uses has been undertaken. Discussions have been initiated with Warrington Borough Council ('WBC') and National Highways ('NH') regarding the key transport planning principles to be addressed within a future Transport Assessment. Agreement has been reached with both parties to enable a preliminary assessment to be undertaken examining access opportunities from the A57.



A57 Manchester Road

The land for development is located to the east of the M6 J21 and comprises areas to the north and south of the A57 Manchester Road. The land to the north is bisected by Brook Lane. There are no active points of access onto the A57.

The A57 is a single carriageway road with a typical width of 7.3m from its junction with M6 J21 eastwards where it forms the boundaries of the site areas to the north and south of Manchester Road. It is street lit and subject to a 50mph speed limit. There are no Traffic Regulation Orders (TROs) in force. Footway provision is intermittent and of a variable quality and width.



Accessibility

The areas to the west of the M6 and the north of the railway line are highly urbanised with a dense development pattern. In contrast, the development land and the adjacent areas east of the motorway are largely undeveloped. As such, there is currently limited pedestrian, cycle and public transport infrastructure adjacent to the A57 and within the site. This is not entirely unexpected given the minimal historical pedestrian demand and therefore need for supporting infrastructure.

The development of the site will facilitate the provision of significantly improved facilities and infrastructure for sustainable transport modes, both within the site and on the A57 frontage, providing opportunities to establish links into the adjacent areas and the existing PRoW network which would benefit all users.



Road Safety

Personal Injury Accident data for the period 2016 – 20 (incl) have been examined for the section of the A57 passing the development site. There are no clusters of accidents on the A57 and the overall number in the five year period examined (11 in total – 8 slight and 3 serious) does not suggest a historical road safety issue. There were no fatal accidents, only one accident involving a cyclist and no accidents involving pedestrians, or HGVs.



Traffic & Access Appraisal

Trip rates, traffic generation and trip distribution for LGVs (staff traffic) and HGVs have been agreed with WBC / NH and applied to 2037 base traffic flows to produce a 2037 'with development' scenario, against which the operation of the A57 / site access junctions and the impact of the proposed development can be evaluated.

To derive an estimate of multi-modal trips, mode split data has been sourced from the 2011 Census. This reveals that the public transport, walking and cycling mode share in the area is currently low, suggesting that the development could act as a catalyst for improving the existing bus, pedestrian and cycle infrastructure on the A57 frontage and within the site, with connections provided to the wider footpath / PRoW and cycle networks. The vehicle mode share is currently high, however this is not unexpected given the close proximity to the M6 and wider motorway network and the current limited public transport, walking and cycling provision.

The development will provide an excellent opportunity to improve the existing bus, pedestrian and cycle infrastructure and to promote sustainable transport to future occupiers through a robust Travel Plan.



Access Strategy

An access strategy option from the A57 has been identified and tested using modelling software TRANSYT 15. This comprises a 4-arm roundabout serving the development land west of Brook Lane (north and south of the A57) and a ghost island priority junction serving the land east of Brook Lane. Access between the west and east land parcels to the north of the A57 will be provided via a new link crossing Brook Lane. Appropriate emergency services and PT access would also be provided.



Assessment Summary

The results of the preliminary operational assessment indicates that the access strategy is appropriate to provide access to the development site from the A57 for the anticipated land-uses and quantum of development proposed. There is therefore a deliverable access strategy which accords with the requirements for acceptability on highway grounds set-out in the NPPF.

10. ECOLOGICAL AND ENVIRONMENTAL CONSIDERATIONS

INTRODUCTION

SK ENVIRONMENTAL SOLUTIONS LIMITED HAS BEEN COMMISSIONED BY ST MODWEN DEVELOPMENTS LIMITED TO ASSESS LAND, TO THE SOUTH OF BIRCHWOOD STATION.

This section considers the likely potential ecological and environmental considerations for any future development.

DEFINITION OF TERMS

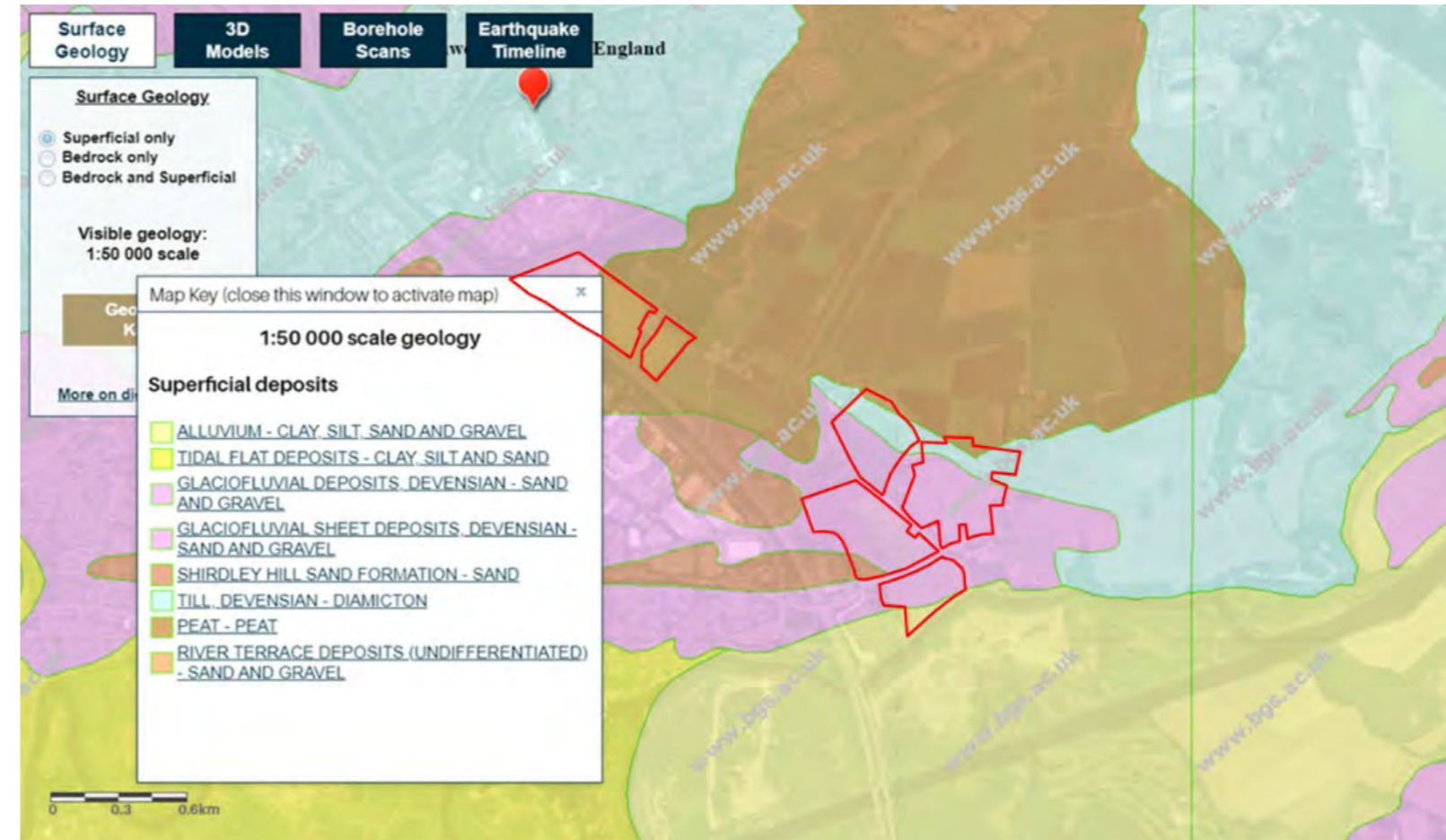
The term 'site' is used to refer to the six parcels of land denoted by the red line boundary on the image below.

The site is primarily agricultural in nature and during the walkover survey undertaken in March 2021, the majority of the site comprised winter cereal crops, or oil seed rape.

The site is located approximately 1.2km south of Manchester Mosses Special Area of Conservation (SAC) and Risley Moss Site of Special Scientific Interest (SSSI), 1.3km west of Rixton Clay Pits SAC / SSSI and 75m north of Woolston Eyes SSSI and the closest points.



Red Line Boundary



Peat and Sand and Gravel Plan

The Discretionary Advice Service ('DAS') provided by Natural England has been used to get impartial commentary from Natural England on the potential constraints to development for the site. Natural England's comments have been summarised below:

PEAT CONSIDERATIONS

Natural England state that 'There is an extensive area of peat across the proposal site, especially to the north and middle of the submitted location plan'. However, when provided with a copy of the information used by Natural England it is quite clear that the site is not located over deep peat, but a mixture of sand and gravel (see plan above).

In addition, we understand that other parties who have looked at land to the north of the site have undertaken ground investigation works across their site and have observed that the peat layer does not stretch as far south as indicated on the plan above.

It follows that as only a very small amount (if any) of the site is located over peat, there should be no requirement for mitigation.

HABITAT REGULATIONS ASSESSMENT

Natural England also state that as the site is close to (approximately 1.2km south at its closest point) to Manchester Mosses SAC, that a Habitat Regulations Assessment would be required to assess the implications for changes in hydrological regimes and air quality in relation to the degraded raised bog.

As part of any potential future formal planning application, St Modwen will look at the hydrological connectivity of the two areas (if any) and assess the potential impacts of any proposed development upon the Manchester Mosses SAC and Rixton Clay Pits SAC, approximately 1.4 km to the west.

However, at this stage and given the distances to those areas, it is considered unlikely that any proposal in this location of a commercial nature will have any impact upon the two SAC's in relation to either hydrology or air quality.

ECOLOGICAL CONSIDERATIONS

Breeding and Wintering Birds

The site is located within 70m of Woolston Eyes SSSI and within 1.2km of Risley Moss SSSI, both of which are designated for the breeding / wintering bird assemblages.

It is considered that habitats within the site, primarily agricultural / pastoral land are fairly ubiquitous in the area and the likelihood of them being used by significant amount of notified species (for the SSSI's) is unlikely. However, St Modwen have commissioned a suite of wintering (October – March) and breeding bird (March – August) surveys. The results of these surveys will be used to inform any mitigation considered necessary, if any.

Local Sites / Priority Habitats / Species

The northerly two fields of the site are located within Rixton Moss Local Wildlife Site ('LWS'). The overall LWS covers an area of 278ha, with 28ha located within the site (i.e. approximately 10%). The LWS is designated for the following:

- **Birds** – corn bunting *Emberiza calandra* (which is a Cheshire Biodiversity Action Plan species) and yellow wagtail *Motacilla flava*; and
- **Invertebrates** – black darter dragonfly *Sympetrum danae*

Any future development at the site would result in the removal of approximately 28ha of the LWS. However, St Modwen own another parcel of land close to the site which is to be used for mitigation for the loss of the LWS area. The parcel of land, located to the northwest of the site (see Red line plan on previous page) is approximately 20ha in size and currently comprises agricultural grassland, hedgerows and a wet ditch.

This area could be enhanced to provide improved habitat for the target species for the LWS as well as being enhanced for other notable species. It is considered that this will be sufficient to offset the loss of the comparable area of land from LWS and any further mitigation as may be required, including achieving a at least a 10% biodiversity net gain from the baseline for the site.

Other Protected Species

Great Crested Newts *Triturus cristatus*

The site is surrounded by a network of wet ditches and a small number of ponds, mainly ornamental ponds, associated with dwellings. Given the proximity of the site Rixton Clay Pits SAC / SSSI, which supports one of the largest populations of great crested newts (GCN) in the UK, the possibility of GCN being present cannot be ruled out. However, no evidence of GCN presence has been recorded to date in this area and if presence was detected Natural England have confirmed that through the utilisation of the District Level Licensing scheme which is place in the area, that a financial contribution through the DLL would remove the constraint of GCN. As such GCN would not be considered to be a constraint to the proposed development of the site.

Water Vole *Arvicola terrestris*

The network of ditches have the potential to support water vole *Arvicola terrestris*. Future survey work will be undertaken. If the species is present the site itself has only one ditch, and the surrounding area and the potential mitigation site contain ditches that could be planted and improved to encourage water vole in the area resulting in a net benefit to any water vole populations. As such, water vole are not considered to be a constraint to any proposed development of the site.

CONCLUSION

It is considered, that given the information provided above, any proposed development scheme brought forward for the site would be deliverable, through the use of appropriate mitigation measures where required, without having a deleterious impact upon the ecological receptors present.

Habitat creation/improvement within the proposed mitigation area, would offset the removal of a small section of the LWS. Liaison between the developer and local wildlife groups would ensure that appropriate levels of mitigation / compensation will be delivered to secure the long-term favourable conservation status of the key species for which the LWS is designated, whilst contributing to the nature conservation targets for the local area.

It is considered that the comments raised by Natural England will be addressed through appropriate surveys, alongside detailed and well considered mitigation design, which will be supported throughout by regular communication with stakeholders. Future development in the area will maximise the biodiversity potential of the site, with nature conservation being a paramount consideration at all stages of any proposal.

11. FLOODING AND DRAINAGE CONSIDERATIONS

INTRODUCTION

A TECHNICAL NOTE PREPARED BY HDR | BRADBROOK CONSULTING IS INCLUDED AT APPENDIX A THAT CONSIDERS FLOODING AND DRAINAGE MATTERS.

FLOODING CONSIDERATIONS

The technical note confirms that flooding matters are a straightforward consideration. The significant majority of the site is located within Flood Zone 1. This is an update from earlier consultations on the emerging Local Plan where the site had been considered to be in Flood Zone 3. Detailed site level information and technical modelling analysis was provided to the Environment Agency in early 2021, which resulted in the declassification of the site from Flood Zone 3 to principally being located within Flood Zone 1 and an updating of the Environment Agency's 'Flood Map for Planning' as can be seen from Figure 1 of the appended technical note. A small section of the site towards the south where the site abuts the River Mersey remains in Flood Zone 2. However, as can be seen from the Framework Masterplan included at section 6, no development is currently proposed in this area.

In addition to the above, Figure 2 provided with the technical note at Appendix A confirms that the site is at a low risk of surface water flooding.

It follows that there are no flood risk matters that would prevent the development of the site.

DRAINAGE CONSIDERATIONS

The site presents the opportunity to deliver sustainable urban drainage solutions to ensure the future betterment of the development. Detailed drainage would form part of a detailed future planning application, but St. Modwen will consider the inclusion of sustainable drainage design and any attenuation required at an early stage in the process to ensure the site is delivered with drainage betterment in mind.

Two plans are included at Appendices E and F as follows:

- 1. Contour plan** – based on LIDAR information, containing contours and gradient information.
- 2. Outline Drainage Strategy** – this calculates storage requirements and utilises OS mapping to identify indicative outfall locations. A Greenfield Qbar rate has been estimated at 2.2l/s/ha which has allowed for discharge rates for each parcel to be calculated, see table below. The storage volumes provide storage up to and including the 1 in 100 year plus 40% climate change allowance.

Infiltration may be suitable for the site, and this can be confirmed later by intrusive onsite tests in line with BRE365. The overall strategy can be, but not limited to, a mix of above ground attenuation pond, swales, and lined permeable paving. The site's drainage strategy will look to provide a sustainable solution that enhances amenity and water quality where possible, whilst ensuring that the hydrology of the site is the same as pre-development conditions or better. Should the site layout have spatial constraints, tanks and/or geocellular storage tanks can be used but only as part of the wider SUDS strategy, rather than instead of.

An outline drainage strategy has therefore been formulated which takes account of the existing site topography, gradients and subcatchments. Storm water outfalls have been tentatively identified and utilise the existing south flowing drainage network which ultimately outfalls to the River Mersey. A sustainable approach to drainage will be taken which seeks to reduce the effects of the development on the surrounding drainage network to ensure no increase in flood risk. Based on the outline masterplan a water storage strategy has been adopted which provides resilience up to the 1 in 100 year event with an additional 40% climate change allowance. Water attenuation will be provided by a mix of open storage ponds which can be co-located to enhance the landscape and

bio-diversity aspects of the scheme. A proportion of the storage can also be provided as tanks or geo-cellular storage. The geology of the site also provides further opportunities for the sustainable management of stormwater by enhancing infiltration into the underlying Glacial Sands and Gravels. The current attenuation volumes calculated is provided in the table below. The plan attached at Appendix F provides an individual catchment analysis and a plausible locations for the attenuation feature and outfall.

It follows that there are opportunities to ensure the development is delivered with appropriate drainage.

Catchment	Parcel(s)	Area (ha)	Limiting Discharge Rate (l/s)	Attenuation Volume (m3)
A	1.1, 1.2	11.13	24.4	9,600
B	2.1, 2.2a, 2.3a	10.68	23.4	9,200
C	2.2b, 2.3b	3.39	7.4	2,900
D	3	9.93	21.8	8,500
E	12	4.50	9.9	3,900

12. TECHNICAL ENGINEERING CONSIDERATIONS

CONSIDERATION

The natural geology of the site has been assessed by reference to the British Geological Survey on-line viewer.

The site has a covering of superficial soils overlying the regional bedrock strata.

Superficial deposits comprise:

- **Recent Alluvium.** Typically soft or loose silts, sands and gravels often with organic bands. These are located within the southern part of the plot adjacent the River Mersey overlying Glacial Sand and Gravel.
- **Peat/Organic Soil.** Typically soft organic rich compressible deposits. These are shown to be located on the northern margins of the site directly overlying the Glacial Till. The location of Peat is discussed in Section 10 and confirmed that as only a very small amount (if any) of the site is located over peat, there should be no requirement for mitigation
- **Glacial Sand and Gravels.** Shown to be underlying the majority of the site at the surface.
- **Glacial Till.** Typically firm to stiff clays and silts with sand and gravel bands. The Till is likely to underlie all other superficial deposits and overlie the bedrock. Till is shown to be at the surface towards the north west of the site.

Bedrock Strata Comprises:

- **Triassic Wilmslow Sandstone Formation.** This deposit underlies the whole site beneath the superficial deposits.

A selection of publicly held boreholes to the west of the site confirms the near surface geology as comprising sand, gravel and clays which is broadly as indicated by the published geology. The depth to the various strata is not indicated although it is expected that the depths to the upper surface of the bedrock is likely deepen towards the south and the margins of the River Mersey.

GROUNDWATER

The bedrock strata is classified a sensitive Principal Aquifer. Overlying superficial strata is likely exhibit varying sensitivities and classified as variable Secondary Aquifers.

LAND USE INFLUENCES

The site is predominantly agricultural in nature with farmsteads and scattered residential properties. The land use appears to comprise predominantly arable farming. Public database searches indicate the absence of historic landfills within the site boundary.

GENERAL CONCLUSIONS

A preliminary assessment of ground and groundwater would indicate that overall site development is unlikely to be significantly compromised by its natural geology. Similarly the observed land use history is one which is unlikely to have led to significant land disturbance or ground contamination to an extent which would significantly affect any proposed development or the wider environment.

Ground aspects and risks to be explored in the later design process include:

- Localised presence of contamination associated with site activities and the need for localised waste management or remediation
- Depth of ground water and the impacts on the use of soakaways
- Competence of the glacial Sand and Gravel and Glacial Till for utilisation in foundations. Both these strata offer plausible shallow pad options although the weathering profile will need to be confirmed. Underlying sandstone bedrock provides alternative founding strata for piled structures although the depth will require confirmation through additional ground investigation.



13. THE PLANNING CASE FOR THE ALLOCATION OF THE SITE AND THE PROPOSED ALLOCATION

THE PLANNING CASE FOR THE ALLOCATION

The preceding sections of the Promotion Document demonstrate the two key requirements that support the allocation of the site, namely that:

1. The allocation of the site would meet an identified need for employment development; and
2. The development of the site is deliverable.

There is a clear objectively assessed need for need for I&L development land in Warrington. The current emerging Local Plan does not meet its objectively assessed need for employment development as demonstrated in the Industrial & Logistics Needs Assessment. It follows that the Plan cannot currently be considered 'sound' as it does not meet the tests included at Paragraph 35 of the National Planning Policy Framework. The emerging Local Plan is not:

1. Positively prepared as it does not provide a strategy that meets Warrington's objectively assessed needs.
2. Justified as it is not based on proportionate evidence. The proportionate evidence demonstrates that there is a significant requirement for additional land for employment development to meet the area's needs.
3. Effective as a more realistic assessment is that only approximately half of the employment allocation at Fiddlers Ferry will likely be delivered within the plan-period up to 2038. This will increase the objectively assessed need for employment development over the Plan-period.
4. Consistent with national policy as the Plan does not place 'significant weight' on the need to support economic growth and productivity as required by Paragraph 81 of the National Planning Policy Framework.

It follows that in order for the Plan to be found sound, there is a clear requirement for the Council to re-assess its Green Belt boundaries and to allocate the site for employment development in order to assist in meeting objectively assessed needs. As the Council has not assessed its Green Belt boundaries in the light of that correctly identified need, the emerging Local Plan is not justified.

It is already well-established that Warrington is altering its Green Belt boundaries to meet its residential and employment development needs as it does not have brownfield land that can meet those needs.

As demonstrated in Section 8, aside from the employment component of Fiddler's Ferry, all of the land supply options considered for employment development as part of the emerging Local Plan are located within the Green Belt¹, including the principal allocation at South East Warrington.

There are therefore no non-Green Belt sites that can meet the identified need for additional employment development. Further amendments to the Green Belt boundary will therefore be required.

The level of need required and the deliverability of the site to make a meaningful contribution to that need meet the requirement for exceptional circumstances to allocate the site for employment development.

Table 46 of the EDNA assesses the Land Supply Options including the site, which is considered as 'Option 6'.

The consideration text confirms that the employment land is at a highly accessible location on the A57, with immediate access to J21, M6 and that the Birchwood area, which includes the site is a desirable and well established location for meeting both local and strategic employment needs. Further, the text at Table 46 confirms that the site links well to established employment clusters.

However, Table 46 considers that:

1. The site make-up poses challenges to delivering a single, coherent development
2. Some, but not all of the land is under the control of an experienced developer
3. There are questions over the road infrastructure required to support the development of the site

The EDNA considered a wider parcel of land that is put forward by the Promotion Document. As demonstrated in the preceding sections:

1. A single, coherent development can be delivered as evidenced by the Masterplan and proposal information included in Section 6 and the access strategy included in Section 9.
2. All of the land required to deliver the employment development proposed is under the control of St. Modwen.
3. The access strategy at Section 9 demonstrates there is a deliverable access strategy which accords with the requirements for acceptability on highway grounds set-out in the National Planning Policy Framework.

Accordingly, the development of the site is deliverable and given the substantial contribution to meeting that objectively assessed need for employment development, the allocation of the site is justified. There are no better sites that are not presently allocated to meeting that need for I&L development as demonstrated in Section 7 of the Industrial & Logistics Needs Assessment included at Appendix D. The site is deliverable, will meet objectively assessed needs and a market demand for employment development in Warrington.

THE PROPOSED ALLOCATION

With the above in mind, the site is required to be removed from the Green Belt to assist in ensuring that the emerging Local Plan can be found sound.

The allocation of the site for employment development is therefore evidenced and justified and we request that the site shown on the plan included in Section 6 is allocated for employment development as an allocation in Section 10 of the emerging Local Plan and the associated Policies Map, known as Policy MD7 – Junction 21, M6 – Rixton Employment Area.

The allocation can include details of uses, which we would described uses within Classes E(g), B2 and B8 and associated appropriate employment uses. An allowance would also be required for ancillary economic uses required to support the needs of employees and deliver sustainable development, which for example would include associated small-scale retail and also restaurants and cafes.

In addition, the policy would include details of phasing and site-specific requirements including green and blue infrastructure and utilities information as may be required.

As confirmed in Section 2, the case is put forward for the allocation of the St Modwen site for employment purposes, and we request the allocation on that basis.

However, in the event that the Local Planning Authority is also supportive of proposals that are being promoted on adjoining land for residential-led mixed use scheme, St. Modwen would be open to working with the Local Planning Authority and the adjoining landowners/promoters to agree a joint approach to promotion and delivery.

We welcome the opportunity to discuss the proposed allocation's terms in details to agree a form of wording that would enable the sustainable delivery of the site.

1. Table 46 of the EDNA

THE PROMOTION DOCUMENT DEMONSTRATES THAT THERE IS A **FULLY EVIDENCED AND JUSTIFIED REQUIREMENT** FOR THE ALLOCATION OF THE SITE AT J21 OF THE M6 FOR APPROXIMATELY 40HA OF EMPLOYMENT DEVELOPMENT TO MEET STRATEGIC INDUSTRIAL AND LOGISTICS DEVELOPMENT NEEDS FOR WARRINGTON.

The site is presently located in the Green Belt. However, there are no alternative sites within non-Green Belt locations that can meet the identified need for the proposed uses.

All of the land subject to this consultation response is under the control of St. Modwen. St. Modwen bring considerable experience and knowledge to the deliverability of the site. As demonstrated above, St. Modwen already has a unique long-term track-record of employment delivery in Warrington.

The Promotion Document demonstrates the two key requirements that support the allocation of the site, namely that:

1. The allocation of the site would meet an identified need for employment development; and
2. The development of the site is deliverable.

The need for the allocation of the site is substantial with a current shortfall in provision of land for employment development between approximately 195 – 250ha.

There is therefore an acute need for Industrial and Logistics development land in Warrington. The allocation of the site and subsequent proposal for employment development would make a material contribution to the requirement for additional employment development over the plan-period.

The assessment above also demonstrates that there are no constraints that would prevent the development of the site. To reach this conclusion the proposed development has been assessed from a highway, ecological, environmental, flood risk, drainage and geo-technical perspective.

It follows that, and as demonstrated in Section 13, the allocation of the site is required in order for the emerging Local Plan to meet the tests of soundness included at Paragraph 35 of the National Planning Policy Framework. Based on the evidence contained within this document, an Inspector would not be able to conclude that the emerging Local Plan as currently drafted would be sound under the terms required at Section 20 (5)(b) of the Planning and Compulsory Purchase Act 2004.

The allocation would also accord with the pro-growth basis on which the emerging Local Plan is based, and accord with the need to Plan for growth over the longer term so as to avoid the need to make further revisions to green belt boundary in a plan review.

We look forward to working with the Council to evolve the emerging Local Plan to ensure that it can be found sound before its submission for Examination and we kindly request a meeting to discuss the exciting opportunity at J21 of the M6 at the earliest opportunity.



Framework masterplan

St. Modwen Properties Plc



T: + [redacted]



ST.MODWEN



ST.MODWEN

WARRINGTON APPENDIX

November 2021



APPENDIX A
FLOOD RISK
TECHNICAL NOTE



Project:	Junction 21, Birchwood	Job No:	20-063
Subject:	Flood Risk Technical Note		
Prepared by:	Mazedur Rahman (Divisional Director)	Date:	08/11/2021

HDR | Bradbrook Consulting Limited (Bradbrook) have been commissioned to assess the flood risk from various sources for the proposed development site located off M6 Junction 21 in Warrington. The Fishington Brook is classified as an ordinary watercourse which runs through the southern part of the site before discharging into River Mersey.

Background Information

The Level 1 Strategic Flood Risk Assessment (SFRA) produced by JBA Consulting in 2018 for Warrington Borough Council (WBC), assessed most parts of the proposed development site to be located in flood zone 2 and 3 (Appendix A). The flood map (Appendix B) produced by the Environment Agency (EA) as part of the Product 4 Flood Data is in line with the flood map shown with the SFRA. This is due to the fact the EA flood map was produced using the same model as the SFRA. Upon checking with the EA, it has been confirmed that *“The flood zone appears to be coming from JFLOW data, which is a generalised model and not suitable for Flood Risk Assessments.”*

WBC used the available flood data, although based on a generalised model, to assess the development site allocations. The assessment carried out based on the information provided within the Level 1 SFRA and the EA flood date.

The site allocation assessment concluded that although the sites are located in a strategically important areas, the recommendation was not progress with from the allocation as most part of the site is shown to be within Flood Zone 2 and 3.

An assessment was carried out by HDR | Bradbrook Consulting in 2020 to establish the risk associated with the fluvial and tidal flooding from the River Mersey and Manchester Ship Canal. A comparison between the EA modelled flood level data and the site levels suggest that the site is located at higher level than the flood water level. It is understood that the Flood Map for Planning is produced using a simplified JFLOW model. The Flood Map for Planning is also differs from the flood map produced by the EA’s more detailed modelling of the Manchester Ship Canal.

Following consultation, the EA has accepted (Appendix C) the inaccuracy of the flood map and advised that the existing flood map produced using JFLOW model is not suitable for a Flood Risk Assessment (FRA). Therefore, an industry standard model, HECRAS river model, has been produced by HDR | Bradbrook using a combination of surveyed and LIDAR data.

The model results have been assessed against the Flood Modelling data and report produced by the EA, which confirms that the proposed development site is not at a risk of fluvial flooding (Appendix D).

Flood Risk Assessment Based on Updated Flood Model

As stated in the EA letter (Appendix C), the EA have produced an updated Manchester Ship Canal flood model in April 2021 and updated the Flood Map for Planning (Figure 1 below). The updated flood map is in line with the map produced by HDR | Bradbrook Consulting using HECRAS model.

Based on the latest flood map (Figure 1 and Appendix E), most of the site is located within Flood Zone 1, defined as land having a less than 1 in 1,000 annual probability of river or sea flooding. Only a small land parcel located adjacent to the River Mersey is shown to be within Flood Zone 2 and 3. The proposed development plan in Appendix E shows the updated flood extent next to Parcel 12.

The National Planning Policy Framework (NPPF) considers the vulnerability of different forms of development to flooding; and classifies the proposed development as ‘Less Vulnerable’. Any type of development is allowed within Flood Zone 1.

Following the updated flood data, the WBC has issued a SFRA Addendum in August 2021 to take account of the updated flood maps.



Figure 1: Flood Map for Planning (Source: <https://flood-map-for-planning.service.gov.uk/>)



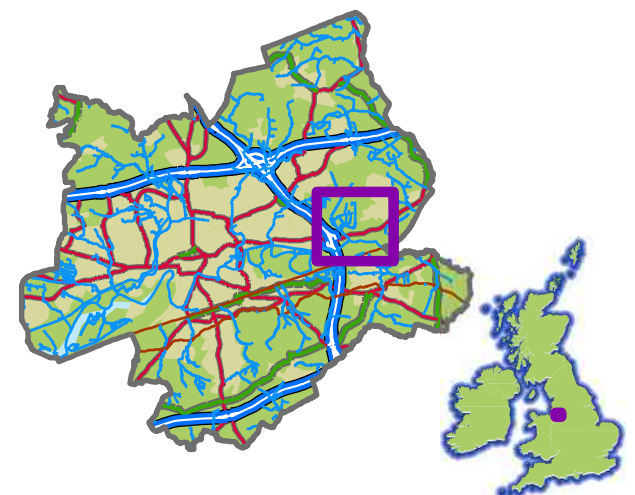
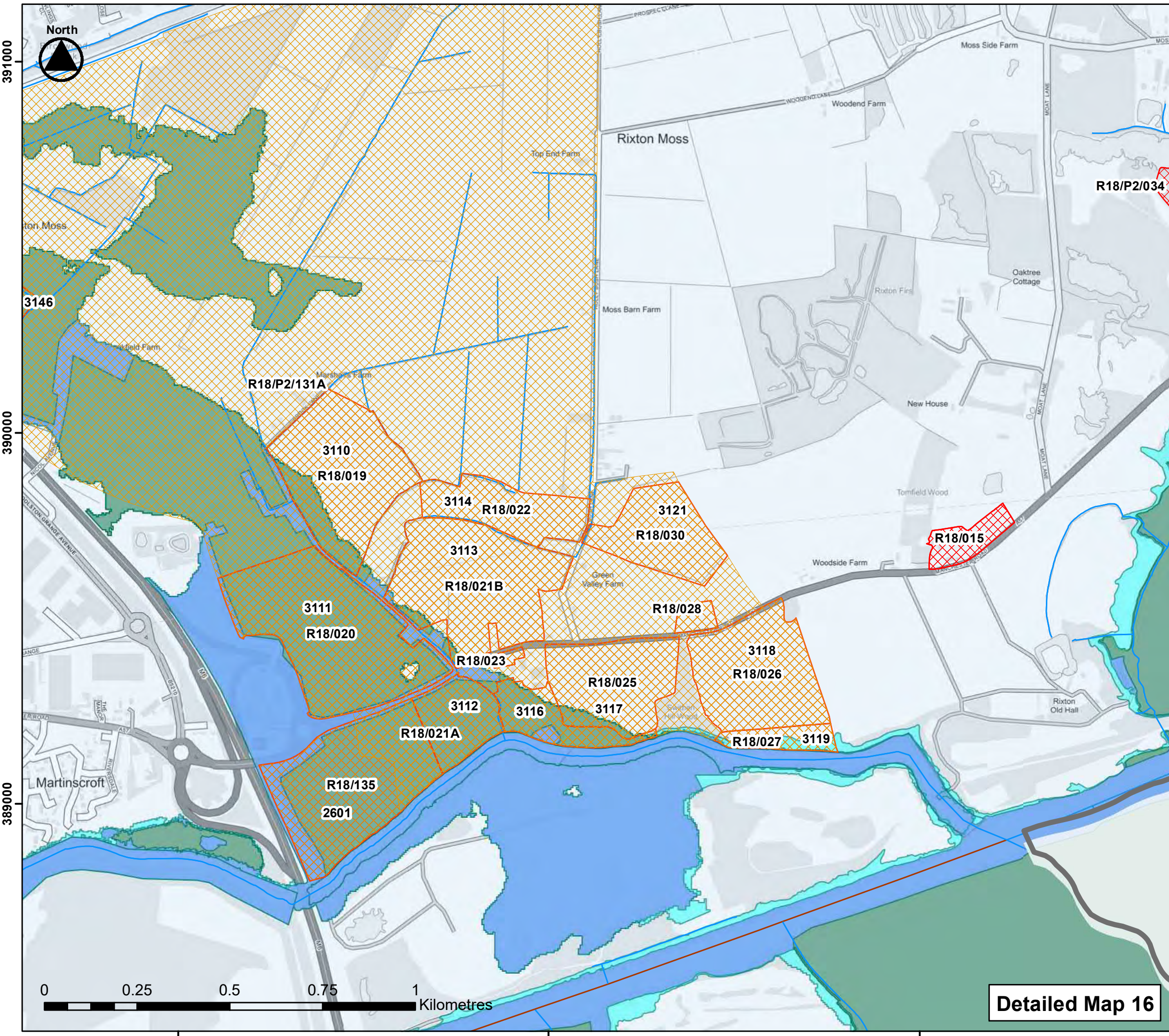
Figure 2: Surface Water Flood Map (Source: <https://flood-warning-information.service.gov.uk/>)

The proposed development site has also been assessed against surface water flood risk. The extent of flooding from surface water is presented in the GOV.UK online map at a strategic scale. It can be seen from the surface water flood extent map in Figure 2 that the site and surrounding areas are at low risk of surface water flooding.

The proposed development site has also been assessed against sewer, groundwater and flooding from artificial sources and concluded as low risk.

Therefore, in summary, the site is assessed to be at low risk from all sources of flooding and development of any vulnerability class can be built. It is recommended to utilise sustainable surface water drainage design and construction methods for future betterment of the development.

Appendix A – Flood Map from Level 1 SFRA



**LEVEL 1
STRATEGIC FLOOD RISK ASSESSMENT**
For
WARRINGTON BOROUGH COUNCIL

Please select a data type from the dropdown menu below that you wish to view:

- | | |
|---------------|--------------------------|
| WBC Boundary | Development Sites |
| Canal | Employment |
| Watercourse | Gypsy & Traveller |
| | Mixed Use |
| | Residential |
| Flood Zone 3b | |
| Flood Zone 3a | |
| Flood Zone 2 | |

Show Site Reference Labels

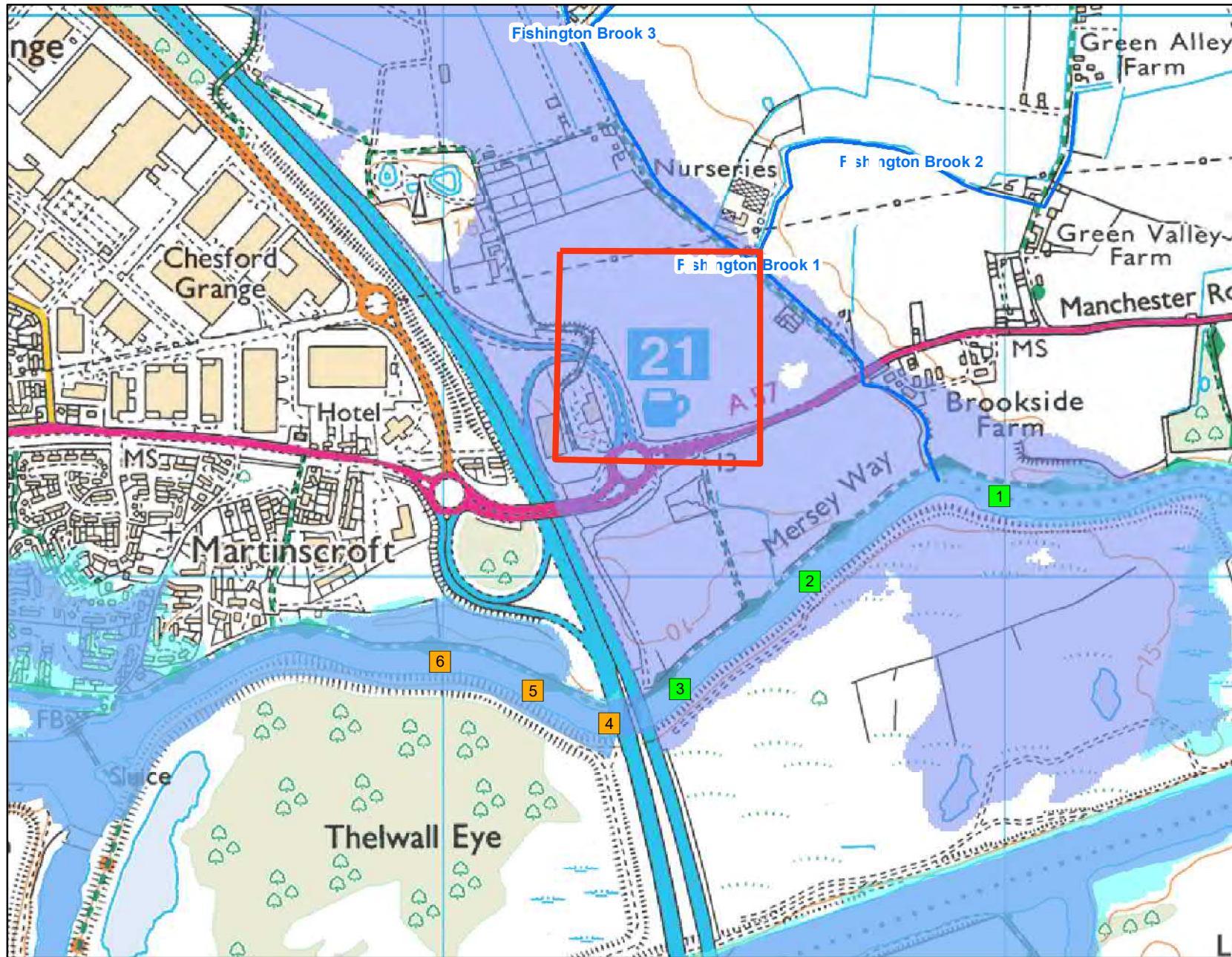


Detailed Map 16

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Appendix B – EA Flood Map from Product 4 Data, dated 02.12.2019







Detailed Flood Map centred on Manchester Road, Warrington, WA3 6DR. Created on 02/12/2019 [GMMC152641CC]



1:10,001



Legend

-  Site Location
-  Mersey Estuary 2016
-  River Mersey 2017
-  Main River
-  Flood Zone 3
-  Flood Zone 2

Appendix C – EA consultation Letter

Bradbrook Consulting



Our ref: SO/2020/120793/02-L01

Agreement No: ENVPAC/1/GMC/00315

Your ref: A57, Warrington

Date: 11 March 2021

FAO Mazedur Rahman

Dear Sir

**COMMERCIAL AND RESIDENTIAL LED MIXED-USE DEVELOPMENT
OFF THE A57 IN WARRINGTON, TO THE EAST OF THE M6 MOTORWAY
ALONGSIDE JUNCTION 21, AND SOUTH OF BIRCHWOOD STATION ON THE
LIVERPOOL-MANCHESTER MAINLINE RAILWAY**

Thank you for accepting our offer to provide detailed planning advice. We are providing this advice under Agreement No. ENVPAC/1/GMC/00315. Please note we have taken 2.5 hours to review your notes from our meeting on 17 December 2020, and provide our response.

Detailed comments

We have reviewed your meeting notes and can confirm that they are an accurate account of the meeting apart from DH should read CE, as it was Caroline Edwards who was giving the advice, and note 12, I have recorded that the model was to be sent into us for review.

Our Partnership and Strategic Overview and Sustainable Places teams do not review models so any topography or modelling work that requires review to support the idea that the current flood map and model for that area is incorrect is by proving it through your own model, which is where we believe we are at with your enquiry, or waiting for the Environment Agency to remodel the whole area, which can take some considerable time.

We therefore recommended that if you wanted us to change the flood map or advise that our flood map is wrong then you would need to provide the evidence. This is why your model needed to be reviewed when it was first sent in. If our Evidence & Risk team would have been able to approve the model, then that would have been an easy way to change the flood map quickly to save waiting for the Manchester Ship Canal (MSC) outlines to be published, which could be many months. So we gave two options: either wait for the MSC model outlines to be published or send in your own model to prove that the area wasn't in flood zone 2 or 3 and then we would have been able to provide a statement of confidence around the current flood zones so that Warrington Borough Council could have some confidence in this development. We did recommend a flood

Environment Agency



Customer services line: 
www.gov.uk/environment-agency

Cont/d..

map challenge be undertaken should you need the flood map status changing before the MSC outlines are published.

We have received approval that we can share the draft outlines from the new MSC 2018 model for you to use as a reference point (see attached). Please be aware that this model is still in draft form and so the outlines are still subject to change, although unlikely at this late stage.

Please also be aware that we are providing these maps only as an exception for Warrington Borough Council, this is not something we would normally share until they have been published.

Next Steps

We recommend that you either continue with the model review, to allow us to have the confidence that development can go ahead on this site and follow this with a flood map challenge, if you require the flood maps to be changed within the next 6 months. If not urgent, then wait for the MSC outlines to be published.

If there is any further work you anticipate needing our detailed advice on in relation to this project let me know so it can be incorporated into this charging statement.

Yours faithfully

Ms DAWN HEWITT
Planning Advisor

Direct dial [REDACTED]
[REDACTED]



Manchester Ship Canal Flood Map Comparison - Flood Zone 2
Created on 01/03/2021 [GMMC152641CC - ENVPAC/1/GMC/00315]



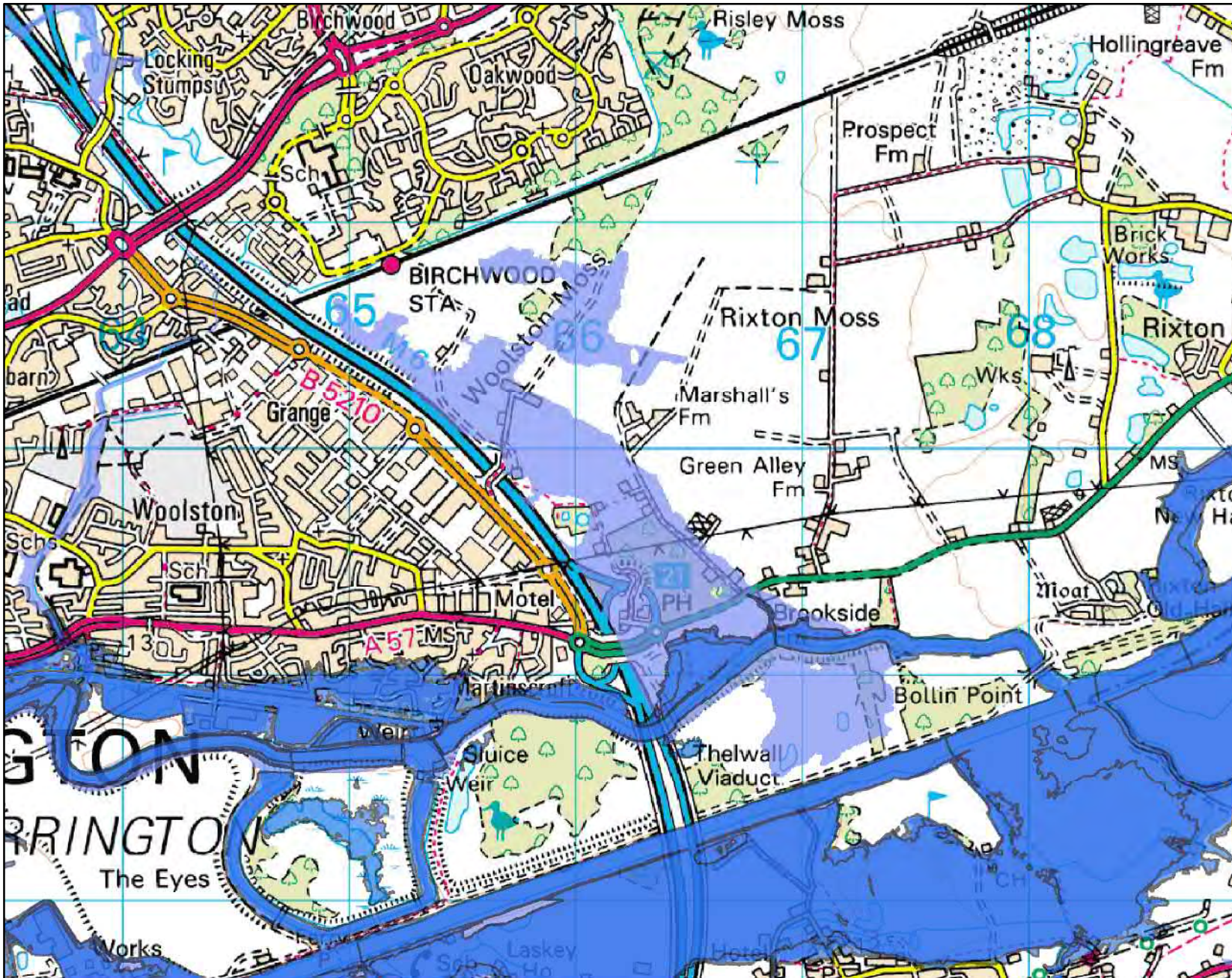
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Legend

-  MSC 2018 Model DRAFT FZ2
-  Current Flood Zone 2



Manchester Ship Canal Flood Map Comparison - Flood Zone 3
Created on 01/03/2021 [GMMC152641CC - ENVPAC/1/GMC/00315]



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Legend

-  MSC 2018 Model DRAFT FZ3
-  Current Flood Zone 3

Appendix D – Flood Map Produced By HDR | Bradbrook Using HECRAS Model



LEGEND

- PROPOSED SITE BOUNDARY
- FLOOD ZONE 2 (1:1000 YEAR EVENT)
- FLOOD ZONE 3 (1:100 YEAR EVENT)

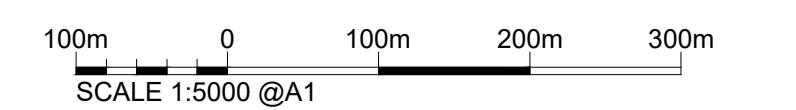
NOTES:

1. THIS DRAWING IS NOT TO BE SCALED. ALL DIMENSIONS ARE IN METRES UNLESS OTHERWISE STATED.

THIS SECTION OF WATERCOURSE IS UNACCESSIBLE DUE TO VEGETATION. THEREFORE, LIDAR DATA HAS BEEN USED, WHICH USES A MORE UNIFORM LEVELS BASED ON THE RESOLUTION AND MAY HAVE RESULTED IN FLOODING DUE TO A LOWER BANK LEVEL.

POINTS TABLE				
POINT #	EASTING	NORTHING	1:1000 WATER LEVEL	1:100 WATER LEVEL
1	366,266.958	390,332.162	14.95m AOD	14.39m AOD
2	366,241.954	390,288.863	14.95m AOD	14.39m AOD
3	366,217.703	390,245.149	14.95m AOD	14.39m AOD
4	366,188.882	390,205.306	14.95m AOD	14.38m AOD
5	366,175.930	390,159.384	14.95m AOD	14.38m AOD

THIS IS A HIGH LEVEL FLOOD ZONE MAP PRODUCED USING A COMBINATION OF HEC-RAS MODELLING RESULTS, TOPOGRAPHICAL SURVEY AND LIDAR DATA IN CIVIL 3D.



Appendix E Updated Flood Map for Planning (Source : EA)

Flood map for planning

Your reference
Birchwood

Location (easting/northing)
366516/389387

Created
2 Nov 2021 16:30

Your selected location is in flood zone 1, an area with a low probability of flooding.

This means:

- you don't need to do a flood risk assessment if your development is smaller than 1 hectare and not affected by other sources of flooding
- you may need to do a flood risk assessment if your development is larger than 1 hectare or affected by other sources of flooding or in an area with critical drainage problems

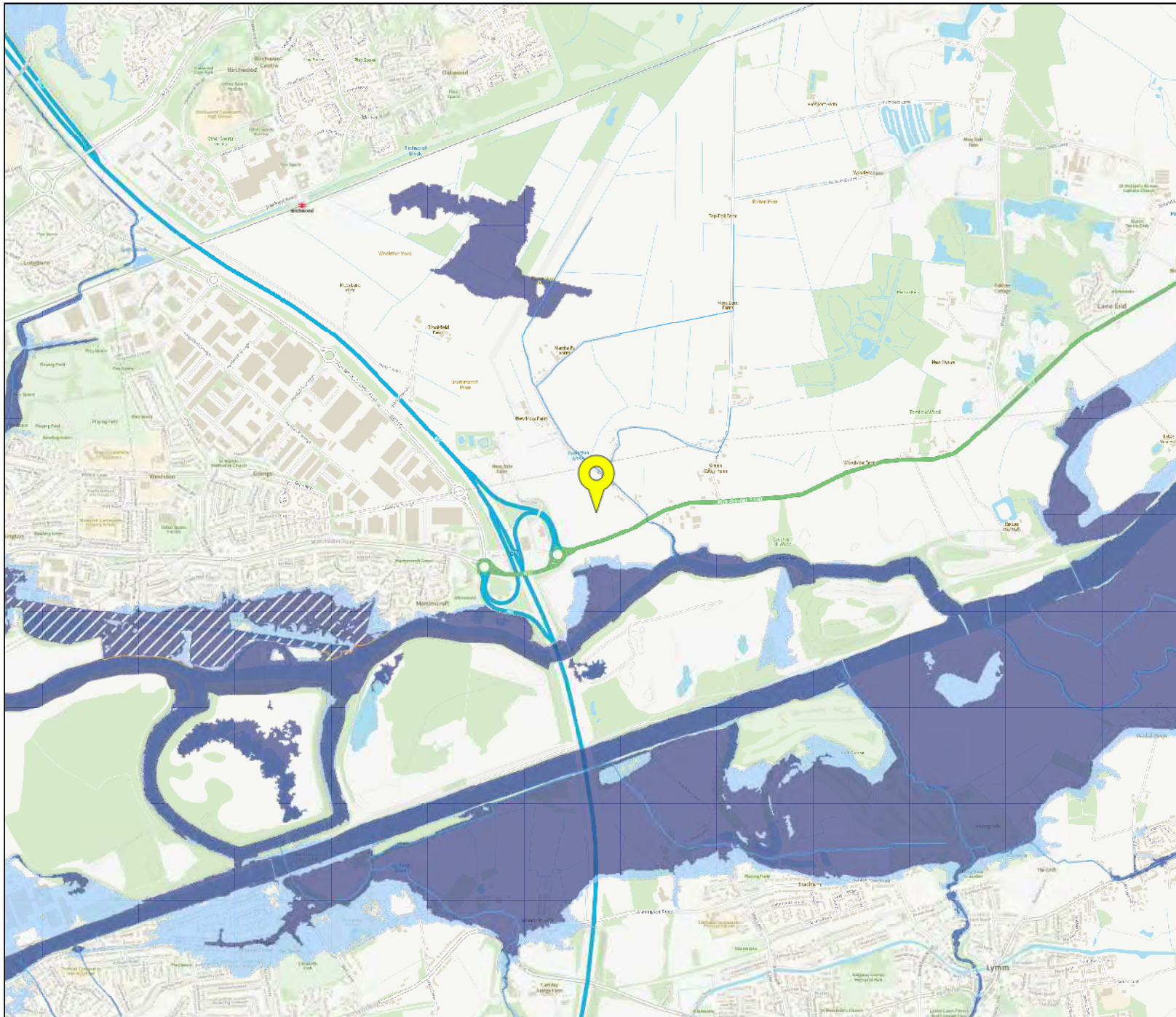
Notes

The flood map for planning shows river and sea flooding data only. It doesn't include other sources of flooding. It is for use in development planning and flood risk assessments.

This information relates to the selected location and is not specific to any property within it. The map is updated regularly and is correct at the time of printing.

Flood risk data is covered by the Open Government Licence which sets out the terms and conditions for using government data. <https://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

Use of the address and mapping data is subject to Ordnance Survey public viewing terms under Crown copyright and database rights 2021 OS 100024198. <https://flood-map-for-planning.service.gov.uk/os-terms>











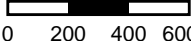
Flood map for planning

Your reference
Birchwood

Location (easting/northing)
366516/389387

Scale
1:25000





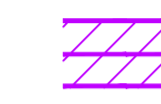




Created
2 Nov 2021 16:30

-  Selected point
 -  Flood zone 3
 -  Flood zone 3: areas benefiting from flood defences
 -  Flood zone 2
 -  Flood zone 1
 -  Flood defence
 -  Main river
 -  Flood storage area
- 
 0 200 400 600m

Appendix F – Proposed Development Masterplan

Contractors are not to scale dimensions from this drawing

Key

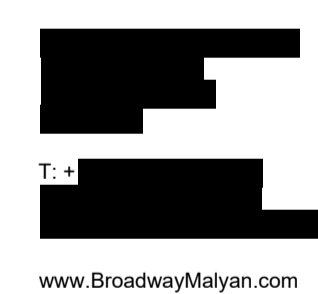
-  Site Boundary
-  I&L
-  Open space
-  Primary access(18.8m width)
-  Opportunity for link across Brook Lane
-  Land for potential ecological mitigation
-  Overhead power line and easement -22.5m(TBC)
-  Flood Risk 1:100 yr (Lidar)
-  Flood Risk 1:200 yr (Lidar)
-  Flood Risk 1:1000 yr (Lidar)
-  Listed milestone on A57



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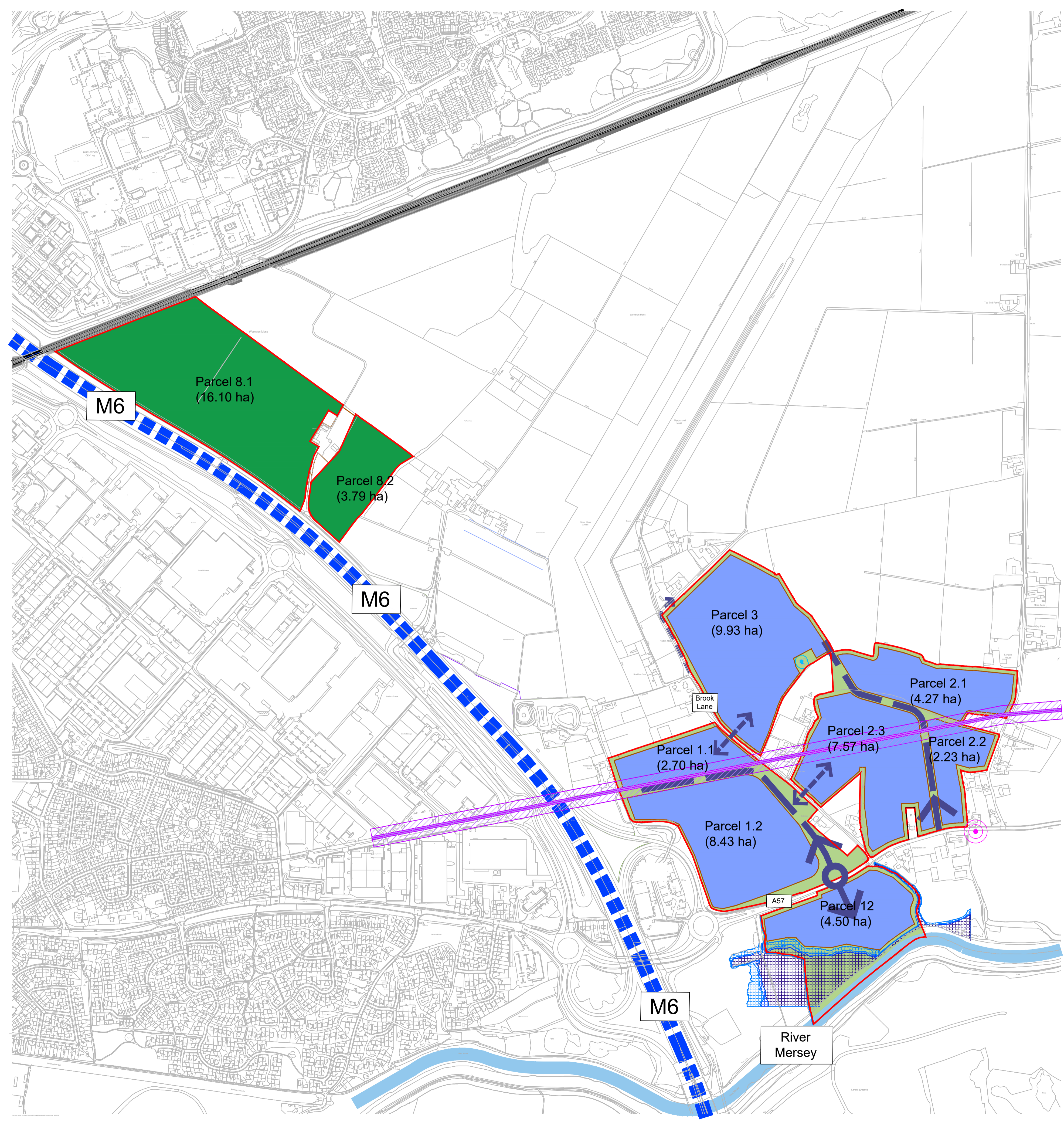
Client
St Modwen
Project
Warrington M6 J21

Description
Framework masterplan

Status
DRAFT

Scale	Drawn	Date
1:5000@A1	BM	October '21
Job number	Drawing number	Revision
34799	03-200	C

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APPENDIX B
TRAFFIC & ACCESS
APPRAISAL



Land adjacent to M6 J21
Warrington
Traffic & Access Appraisal

Sweco UK Limited



01/11/2021
Project Reference: 65201825
Document Reference: Rep02
Revision: 3
Prepared For: St Modwen Logistics

Status / Revisions

Rev.	Date	Reason for issue	Prepared	Reviewed	Approved
0	01.11.21	Final (Draft)	JS 01.11.21	NJR 05.11.21	NJR 08.11.21
1	09.11.21	Final	JS 09.11.21	NJR 09.11.21	NJR 09.11.21
2	10.11.21	Change in development quantum	JS 10.11.21	NJR 10.11.21	NJR 10.11.21
3	11.11.21	Minor amendments	JS 11.11.21	NJR 11.11.21	NJR 11.11.21

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Reg. Office Address:
Sweco UK Limited

██████████
██████████
██████████
██████████

Reg. No.: 2888385
Reg. Office: Leeds

www.sweco.co.uk

Sweco UK Limited

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1 Introduction

1.1 Background

This report presents the results of a Traffic and Access Appraisal examining the opportunities for the development of land to the east of the M6 J21 for industrial and logistics land-uses.

Site visits have been undertaken to observe the background highway conditions on the A57 Manchester Road site frontage and surrounding highway network to inform the study.

Discussions have been initiated with Warrington Borough Council (WBC) and National Highways (NH) regarding the key transport planning principles to be addressed within any future Transport Assessment. Agreement has been reached with both parties on assessment parameters to enable a preliminary assessment to be undertaken examining access opportunities from the A57.

1.2 Scope of Study

This study is focussed on establishing the baseline traffic / highway and transport planning characteristics of the site and assessing the deliverability of an access strategy to the development site from the A57.

The key aims of the study are to:

- Review the accessibility of the site for pedestrians, cyclists, and public transport;
- Establish the baseline highway conditions and opportunities for taking access to the development land from the A57 frontage;
- Review the historical injury accident record for the A57;
- Formulate an access strategy for the development land to the north and south of the A57 Manchester Road;
- Identify the likely traffic generation from the proposed development and test this against the identified access strategy; and
- Inform the development of the masterplan.

2 Site Context

The potential development site comprises the parcels of land shown in **Figure 2.1** below and. The total site area is 40.25ha with a net developable area of 38.64ha.. In addition to the land identified for employment, there are two further parcels of land (within the area to the north west of the A57) which are identified as 'land for ecological mitigation / biodiversity net-gain' (see **Appendix A**).

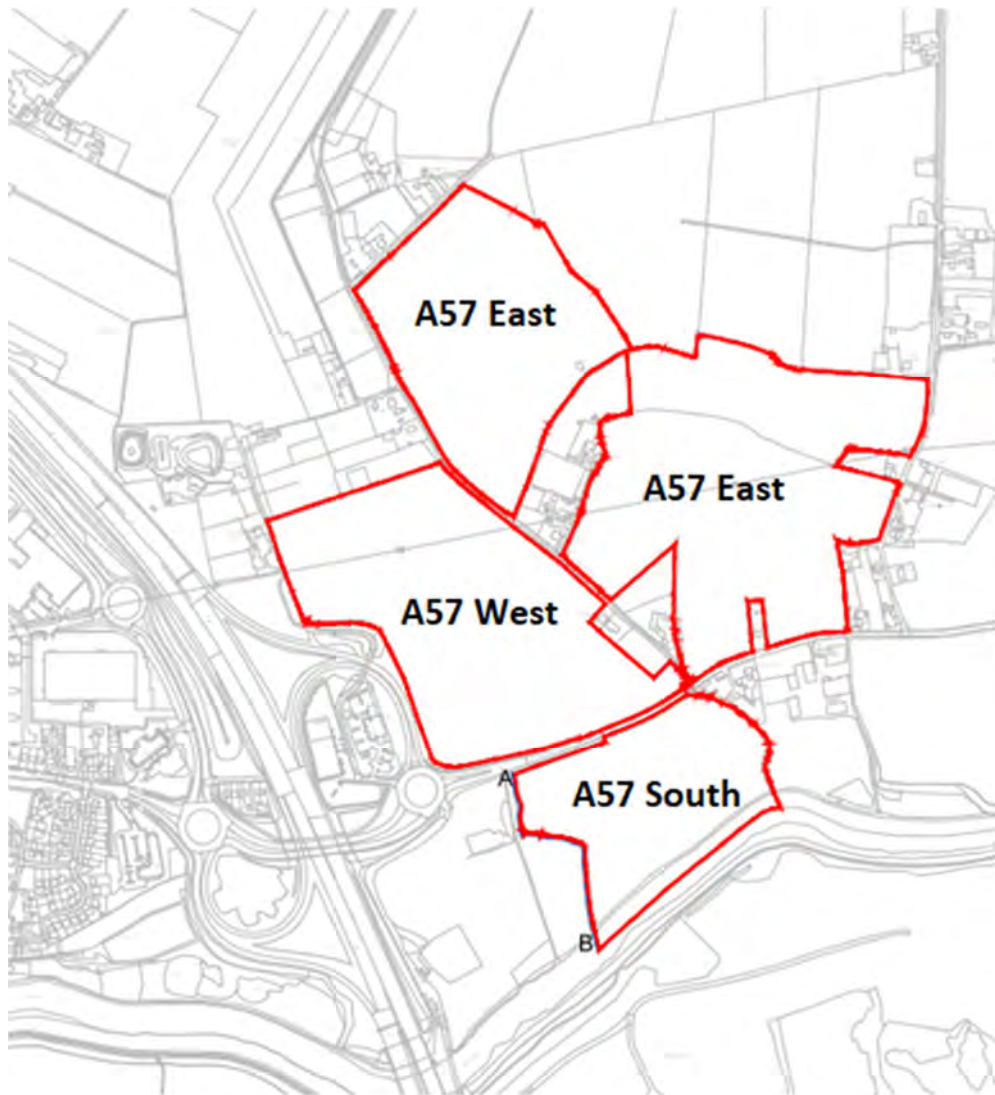


Figure 2.1 – Development Site land parcels

The land for development is located to the east of the M6 J21 and comprises areas to the north and south of the A57 Manchester Road. The land to the north is bisected by Brook Lane. There are no active points of access onto the A57. The land is undeveloped and in agricultural use.

2.1 Accessibility

2.1.1 Walking

The areas to the west of the M6 (Martinscroft / Woolston / Fearnhead) and the north of the railway line (Birchwood) are highly urbanised with a dense development pattern. In contrast, the development land and the adjacent areas east of the motorway, (prior to reaching Cadishead), are undeveloped, being predominantly agricultural land with scattered residential properties and small scale business premises. As such, there is currently limited pedestrian infrastructure adjacent to the A57 and within the site. This is not entirely unexpected given the minimal historical pedestrian demand and therefore need for supporting infrastructure.

A footpath of between 1m to 1.5m width is provided on the northern frontage of the A57 adjacent to the site frontage. This is of a variable quality with some sections in poor condition and of a sub-standard width. There is no footway on the southern frontage. The existing provision is shown in **Photo 2.1** and **Photo 2.2**. The photographs were taken from a point approximately 80m west of the Brook Lane/ A57 junction.



Photo 2.1 – A57, looking east



Photo 2.2 – A57 looking west

To the west, a segregated cycle / footpath is provided on the A57, with uncontrolled crossings through the dumb-bell-roundabout junction at M6 J21.

The development of the site for employment land-use would facilitate the provision of significantly improved pedestrian facilities within the site and on the A57 frontage. This will provide an opportunity to establish links into the adjacent areas and the existing PRoW network which would benefit all users.

2.1.2 Public Rights of Way

There are a number of Public Rights of Way (PRoW) which pass through, or are adjacent to the site, and which provide connections to the PRoW network in the surrounding area. The PRoW network is shown on **Figure 2.2**. A larger scale map identifying the individual PRoW is enclosed as **Appendix B**.

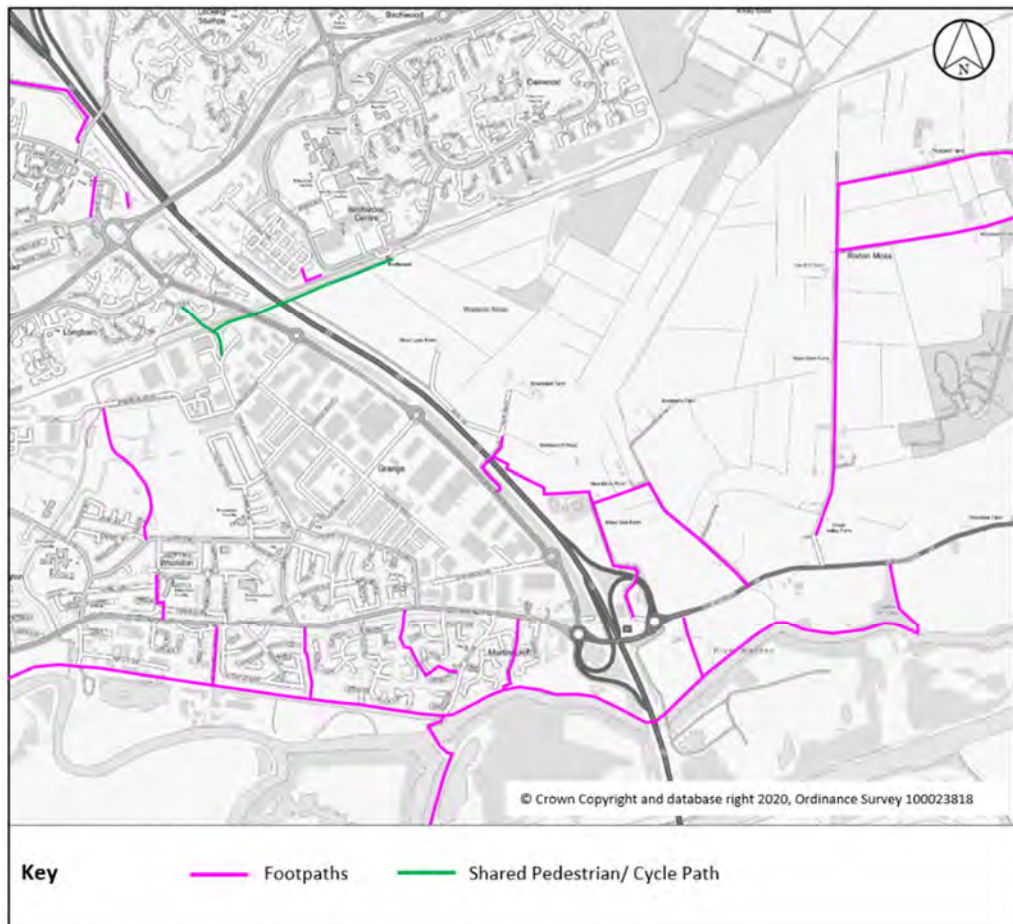


Figure 2.2 – PRoW network

Footpaths 00329/15, 00329/14, 00329/12 and 00329/11 run through the site from Juniper Farm at the M6 J21 to Nicol Avenue to the north west. Nicol Avenue connects to Woolston Grange Avenue via a bridge over the M6, however this is a private road and no pedestrian facilities are present on Woolston Grange Avenue to provide onward links.

Footpath 00329/17 runs in a roughly north-south direction along Brook Lane, which is narrow and is unadopted from its junction with the A57. It connects to Footpath 00329/15 at its northerly extent.

Footpath 00255/2 runs along Holly Bush Lane, which at two points forms the eastern boundary of the site. This connects to footpaths 00255/4 and 00255/3 running

eastwards along Woodend Lane and Prospect Lane, respectively. Holly Bush Lane is unadopted to the north of Green Valley Cottage.

The PRow record also shows a footpath running from the southern frontage of the A57 to connect with an east-west footpath along the River Mersey. Its location and the connecting point with the A57 is marked with a finger post sign, although the entrance is overgrown, which suggests that it is rarely used. The footpath is on the boundary of the parcel of land south of the A57 and connects the Woolston New Cut Canal to Mile's Bite Canal comprising various PRow (00255/1, 00329/27, 00329/25-25a, 00329/23, 00329/21, 00329/20, 00246/5, 00246/3, 00246/4, 00246/27). There are onward connections to footpaths 00329/26 on Statham Lane, 00329/24 on Battery Lane, 00329/31 along the River Mersey and 00329/30 / 00329/22 on Bridge Lane.

To the north, a combined pedestrian / cycle path runs from Kingsland Grange to Sage Close and Birchwood Railway Station to the east (shown on **Figure 2.2** in green). Although the route is signed from each access point, it is not identified as a PRow.

Information on the PRow in the area has been extracted from WBC Interactive Web Map and correlates with the footpaths shown on the adopted highway information. The Web Map does not show any bridleways in the vicinity of the site.

As indicated above, the development of the site will enable the improvement of pedestrian facilities on the A57 frontage and within the site and will facilitate links with the PRow network offering a major improvement in connectivity to and through the area.

2.1.3 Cycling

Cycle infrastructure in the vicinity of the site is shown on the Warrington Cycle Map, attached as **Appendix C**.

No dedicated cycle infrastructure is provided on the A57 along the site frontage. A segregated cycle / footpath is provided to the west on the A57 through the dumb-bell roundabout junction with the M6 J21. All of the crossings are uncontrolled, but advanced signage is provided to warn approaching motorists. On the A57 to the east of J21 the cycle path terminates, and cyclists are required to join the main carriageway.

A combined pedestrian / cycle path runs from Kingsland Grange to Sage Close and Birchwood Railway Station and provides a connection between Woolston Grange Industrial Estate, the residential areas to the north and the railway station.

An unpaved cycle path runs along Birchwood Brook parallel to Dewhurst Road and provides a traffic free route from the railway station to Millennium Business Park to the west and the residential areas to the east of Birchwood Shopping Centre. A shared cycle / footway is also provided on the southern frontage of Dewhurst Road.

A number of shared cycle / footpaths run along the River Mersey, the Manchester Ship Canal and Woolston New Cut Canal. These provide traffic free scenic routes within easy reach of the site to the south west, although the connections to them from

the north are poor and the A57 is currently a barrier to movement for both cyclists and pedestrians.

The closest National Cycle Route (NCR) is NCR62 which runs in an east-west direction through Lymm as shown on **Figure 2.3**. It can be accessed via connections to the existing cycle paths alongside the River Mersey and the Manchester Ship Canal but is a significant distance from the site and is therefore of interest only in the broadest sense.

The development of the site for employment land-use will facilitate the provision of new combined pedestrian / cycle facilities within the site and on the A57 frontage.

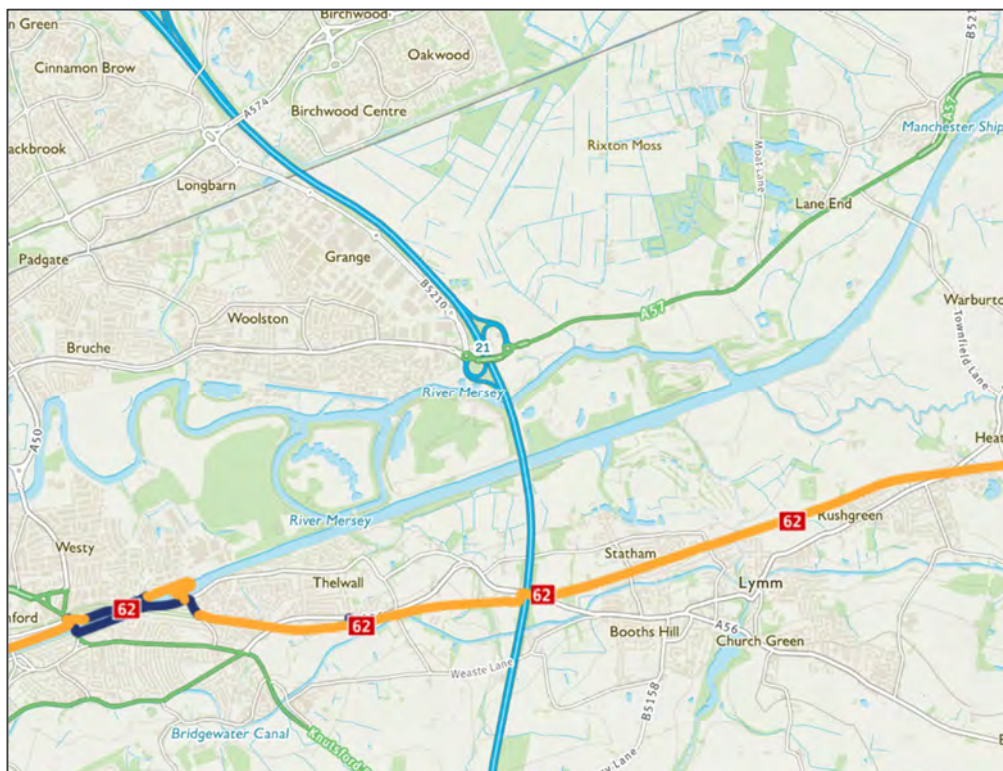


Figure 2.3 – NCR 6 (Sustrans/ OS Maps)

2.1.4 Public Transport

2.1.4.1 *Bus*

Given the largely undeveloped nature of the area between the M6 and Cadishead, the existing public transport infrastructure on the A57 in the vicinity of the site is limited.

The closest bus stops are located on the site frontage, approximately 100m to the east of the A57 / M6 Southbound roundabout. The bus stops comprise a pole and yellow 'bus cage' marked on the carriageway. There are no shelters and on the westbound frontage of A57 there is no footway, (as shown on **Photo 2.3**).



Photo 2.3 – Bus stop on the southern frontage of the A57

An eastbound bus stop is also provided adjacent to the A57 / Brook Lane junction. This is of a similar quality to those further to the west although there is no bus cage marked at this location. A corresponding westbound bus stop at this location is shown on the Google and Traveline journey planner websites.

The bus stops provide access to three services, namely the 40B, P5 and 100. Two of these (40b and P5) are school services only. Service 40B is a school bus which runs between Martinscroft and Lymm High School on schooldays, with one service in the morning and one in the afternoon. Service P5 is a school bus running between Priestley College and Irlam, with one service in the morning and one in the afternoon. The No100 service is currently the only public bus passing the site and runs between Warrington and Manchester, via Cadishead, Irlam and Eccles. The service runs hourly Monday to Sunday.

The development of the site for employment land-use will enable the provision of significantly improved public transport facilities on the A57, with internal connections provided to deliver PT access into and through the development.

2.1.4.2 Rail

The closest railway station is at Birchwood to the north of the development site.

The station is on the Liverpool / Manchester line, with trains running via Warrington Central. The latest timetable for the station was published in June 2021. There are services every 15 to 30 minutes to Liverpool Lime Street and Manchester Oxford

Road Monday to Saturday and services every 20 minutes to an hour on Sundays. There are hourly services to Manchester Piccadilly and Manchester Airport Monday to Saturday and limited services on Sundays. The service also provides connections to a number of local destinations, including Urmston, Irlam, Widnes and Hough Green.

2.2 Existing Highway Network

2.2.1 A57 Manchester Road

The A57 is a single carriageway road with a typical carriageway width of 7.3m from its junction with M6 J21 eastwards where it forms the boundaries of the site areas to the north and south of Manchester Road. It is street lit and subject to a 50mph speed limit. There are no Traffic Regulation Orders (TROs) in force. Footway provision is intermittent and of a variable quality and width.

The extent of highway adoption along the A57 site frontage is as to be expected, with no obvious anomalies. The adopted highway record is provided in **Appendix D**.

Signs repeated along the route highlight that the A57 is identified as a road safety 'Red Route' due to the number of recorded casualties. However, this is not borne out by analysis of the recent personal injury accident record presented in Section 2.3. We understand from subsequent discussions with WBC that the Red Route classification is now somewhat historical for this section of the A57, but the signs have been left in-situ to act as a visual speed deterrent.

The A57 is an important local distributor road which provides a link from the M6 J21 to the M60 Junction 11 Manchester Ring Road via Cadishead, Irlam and Barton Moss.

In the vicinity of the site, the A57 provides direct access to a number of residential properties, farms and small businesses and forms simple priority junctions on its northern frontage with Brook Lane and Holly Bush Lane.

2.2.2 Brook Lane

Brook Lane is a single-track road which provides direct access to several light industrial businesses, residential and farm properties. The highway is adopted for approximately 30m from its junction with the A57 after which it is a private road which bisects the east and west development areas north of the A57. It terminates at the existing farm. The extent of adoption at the A57 / Brook Lane junction is greater than it appears on-site due to the poor condition of the carriageway within the mouth of the junction.

2.2.3 Holly Bush Lane

Holly Bush Lane is a single-track road and provides direct access to a number of residential, light industrial and farm properties. To the north it has connections with Woodend Lane and Prospect Lane before terminating at the railway line. The highway is adopted for approximately 130m from its junction with the A57 and is a private road thereafter. Holly Bush Lane is out-with the development land and forms the easternmost extent of the site where it abuts at two locations.

2.2.4 Juniper Lane

Juniper Lane is a private single-track road from its junction with the eastern M6 J21 dumb-bell roundabout adjacent to the Mercedes car dealership. It crosses the M6 slip

roads via a bridge which has a 32 tonne weight limit restriction and continues northbound, providing access to a residential and light industrial property. It is out-with the development site, but runs immediately adjacent to the site boundary.

2.3 Personal Injury Accident Data

STATS19 accident data has been requested from WBC to enable a detailed assessment of the accident record for the A57 in the vicinity of the development site. Pending receipt of this data a review of information within the CrashMap database has identified a total of 11 injury accidents over the last full five year period (2016 -2020 inclusive). The accident locations are shown on **Figure 2.4**.

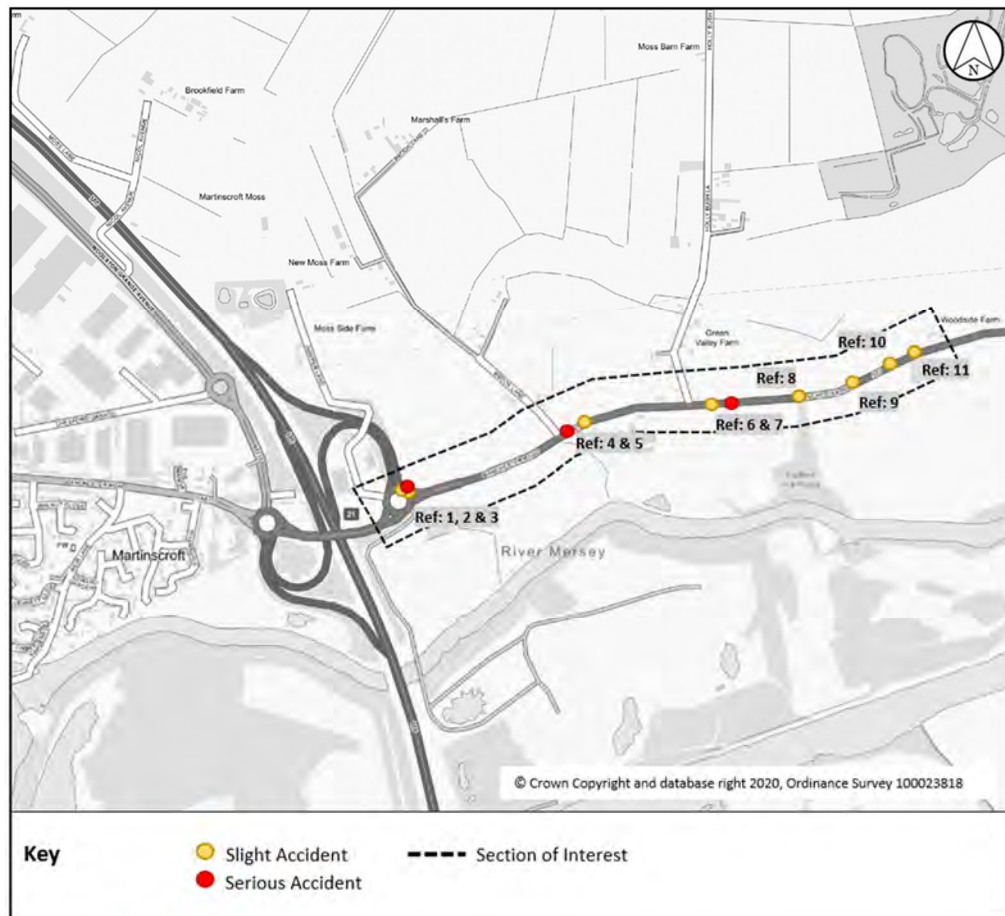


Figure 2.4 – Recorded Injury Accidents (2016 – 2020 inc)

A total of 11 injury accidents were recorded in the five year period examined. The majority of the accidents on the A57 were recorded as being of slight severity, however three serious accidents also occurred in the area of interest, two of which involved a motorcycle. One serious accident occurred at the A57 / M6 Southbound Off-Slip roundabout (Ref: 1) and a further two occurred on the A57 itself (Refs: 4 & 7), one close to the Brook Lane junction and the other to east of Holly Bush Lane.

The serious accident at the roundabout (Ref: 1) occurred in 2018 and involved a motorcycle losing control. The accident adjacent to the A57 / Brook Lane junction (Ref: 4) occurred in 2016 and involved an offside collision between a car and a motorcycle when the car was making a right-turn into Brook Lane. The accident east of Holly Bush Lane (Ref: 7) occurred in 2016 and involved a front-end collision involving a car and an 'object' in rainy conditions.

Examining the slight injury accidents recorded, one involved a motorcycle (Ref: 5) colliding with a car whilst overtaking. The other eight accidents included one single vehicle accident during bad weather and six collisions involving two or more vehicles.

Overall, there are no clusters of accidents on the A57 and the overall numbers in the five year period examined does not suggest a historical road safety issue. There were no fatal accidents, only one accident involving a cyclist and no accidents involving pedestrians, or HGVs.

The statistics indicate that there are no historical road safety issues of concern on the section of the A57 passing the development site. The existing character of the surrounding area and the A57 itself means that currently pedestrian and cycle numbers are likely to be low, which would change if the proposed development comes forward, as would the proportion of HGVs as a percentage of total traffic. Taking this into account, the scheme will provide a high standard of infrastructure for cyclists and pedestrians.

3 Design Guidance

3.1 Prevailing Design Criteria

3.1.1 Design Manual for Roads and Bridges

The Design Manual for Roads and Bridges (DMRB) contains requirements and advice relating to works on motorway and all-purpose trunk roads. Whilst the A57 is not a designated trunk road, it is a primary distributor road and therefore DMRB is considered to offer appropriate design guidance for any new, or upgraded, highway infrastructure.

The preliminary access strategy, comprising proposals for infrastructure changes on the A57 site frontage, including the establishment of new site access junctions, have been informed by DMRB standards.

3.1.2 WBC Design Guidance

The WBC Design Guide for Residential and Industrial Estate Roads was published in 2008 and has been partially superseded by more recent guidance. However, the advice on the design of roads and junctions remains the prevailing guidance for new highway infrastructure on the local highway network.

3.2 Internal Road Layout

As the main estate infrastructure will be required to provide access for industrial and logistics development, the spine roads within the site will be designed to accommodate the specification for an industrial distributor road serving a quantum of industrial development greater than 125,000 sqm, (as specified within WBC design guidance).

The primary WBC design criteria specified for an industrial distributor road (serving +125,000 sqm) are:

- 60m centreline radii
- No direct access to properties from the main estate road.
- Junction separation of 40m opposite / 90m adjacent
- Carriageway width of 7.3m with a verge and combined cycle / footway on each side.

An illustrative cross section of the industrial distributor road is shown in **Figure 3.1**.

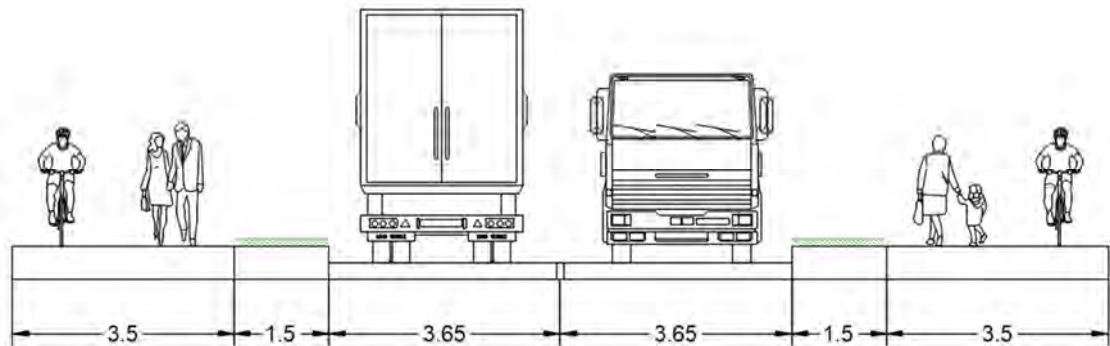


Figure 3.1 – Indicative Spine Road X-Section Dimensions (in metres)

3.3 Public Transport and Emergency Services Access

The scheme design will incorporate appropriate emergency services access to the development land and facilitate public transport access into and through the development site.

4 Traffic Data

4.1 Baseline and Assessment Traffic Flows

Sweco has liaised with WBC Traffic Modelling team to request turning flows from the validated Local Plan Traffic Model for the A57 / M6 J21 dumb-bell roundabout to provide link flow data for the section of the A57 passing the site. The Council has confirmed that the modelling of this junction is based on a mix of synthesised ATC and classified link counts, rather than traffic survey data. WBC cannot therefore provide turning matrices.

In view of this and in the absence of any historical (pre-pandemic) traffic data, classified turning counts were conducted in July 2021 (prior to the school holidays) to provide baseline traffic flows for the A57 corridor. Adjustment factors have been agreed with WBC and NH for a neutral month and to take account of the impact of Covid on peak hour traffic flows. As WBC is currently unable to facilitate use of the Warrington Transport Model, (due to Local Plan modelling work), TEMPRO factors have been agreed to take account of future / committed development. The adjusted traffic survey flows have been expanded to 2037 to provide the future year baseline scenario.

The trip rates, traffic generation and trip distribution for both LGVs (staff traffic) and HGVs have been agreed with WBC / NH and applied to the 2037 base traffic flows to produce the 2037 'with development' scenario, against which the operation of the A57 / site access junctions and the impact of the proposed development can be evaluated.

The derivation of these factors is set out below.

WBC is monitoring the impact of the Covid pandemic on traffic flows on six key routes, (including the A57 to the west of the M6), to assess how traffic flows compare with pre-pandemic levels. WBC confirmed that in June 2021 traffic flows on the A57 were approximately 91% of pre-pandemic levels. The peak hour traffic flows obtained from the 2021 survey have therefore been uplifted by 9% to provide baseline traffic flows reflecting pre-pandemic levels.

To account for the traffic survey being undertaken in a non-neutral month, (due to Covid and timing issues), ATC data obtained from WBC has been reviewed to determine an appropriate factor to convert the July AM and PM peak hour flows to neutral month flows.

For comparison and validation purposes, ATC data has also been obtained from WBC for a site on the A57 (near its junction with Weir Lane) and a site on Woolston Grange Avenue. The data obtained from these sites is for a 2 week period for a neutral month (October 2019) and non-neutral month (July 2019).

Calculations are based on the average weekday AM and PM peak hour flows for the 2 weeks' worth of data provided for each month. The AM peak hour was 8am to 9am and the PM Peak hour was 5pm to 6pm.

For the A57, the average peak hour uplift factor is calculated to be 1.043 (or 4.3%).

For Woolston Grange Avenue, the average peak hour uplift is calculated to be 1.073 (or 7.3%).

From the above, the average uplift factor on the local highway network for the peak hours is calculated to be 1.058 (or 5.8%) and has been used to provide an adjustment to reflect neutral month flows.

4.2 Committed Development Flows

WBC has confirmed that there are no committed developments in the vicinity of the development site that will have a material impact on the operation of the A57 junctions.

The Council indicated it may be prudent to consider potential impacts from the Six 56 application (20149/34799) and the potential for residential development in Hollins Green and Lymm as outlined in the Local Plan evidence base.

The distribution detailed in the Six 56 Warrington – Environmental Statement - Traffic and Transport Technical Paper 2 shows no traffic increases at the A57 / M6 J21 roundabouts, or on the A57.

A review of the potential residential development in the evidence base indicates that there will be up to 430 units in Lymm and 90 units in Hollins Green. Looking at the locations of the proposed housing in Lymm, it is apparent that only a very small percentage of generated traffic would realistically use the A57 and the M6 J21 as part of a journey. An element of the proposed housing at Hollins Green could be anticipated to use the A57 and M6 J21, but given the small number of houses proposed, the traffic generation would be minor and undetectable within the daily variation in flow at the A57 / M6 J21 junction.

Based on the above, for the purpose of this preliminary assessment TEMPRO growth factors have been used to expand the adjusted background traffic to the 2037 assessment year. Although current TEMPRO growth factors do not contain proposals which may be in the emerging Local Plan, the review of the evidence base demonstrates that it will provide a robust proxy of future demand for the purposes of this assessment. Noting that a Transport Assessment supporting a future planning application would need to make use of the forecasts within the Warrington Traffic Model.

The calculated TEMPRO factors are as follows:

- AM Peak 2021 – 2037: 1.1175 (11.75%)
- PM Peak 2021 – 2037: 1.1135 (11.35%)

WBC and NH have confirmed that the use of the TEMPRO growth factors is acceptable for the purpose of this assessment.

5 Development Proposals

5.1 Trip Rates and Traffic Generation

In discussions regarding the formulation of trip rates for the proposed development, WBC and NH indicated that, in their opinion, generic trip rates derived from the TRICS database underestimate potential traffic generation from industrial and logistics land uses. Sweco was therefore directed to review the Six 56 planning application which is similar in characteristic to the development under consideration.

The Six 56 Transport Assessment utilised trip rates derived from a traffic count on Lockheed Road in Omega North. The trip rates derived have been previously reviewed and agreed by WBC and NH as part of the Six 56 planning application. As both Authorities have accepted the Omega North trip rates, it was agreed that they will be adopted for this preliminary assessment as they are higher than a profile which would be generated from TRICS and will therefore provide the greatest traffic generation quantum and hence a robust assessment of potential traffic impact.

This preliminary assessment is based upon a development scenario comprising a development quantum of 115,920 sqm (GFA). The Framework Masterplan is enclosed as **Appendix E**.

The agreed trip rates and resulting trip totals for the A57 development site are summarised in **Table 5.1** below.

	AM Peak Hour			PM Peak Hour		
	Arrivals	Departs	Two way	Arrivals	Departs	Two way
Trip Rates						
Trip rate per 100sqm (GFA) – Total vehs	0.1301	0.0734	0.2035	0.0837	0.1453	0.229
Trip rate per 100sqm (GFA) - LGVs	0.1041	0.0480	0.1521	0.0430	0.1089	0.1519
Trip rate per 100sqm (GFA) – HGVs	0.0261	0.0254	0.0514	0.0407	0.0364	0.0771
Trip Totals A57 West Development Area						
A57 West – All vehicles	44	25	69	28	49	77
A57 West - LGVs	35	16	51	15	37	51
A57 West - HGVs	9	9	17	14	12	26
Trip Totals A57 East Development Area						
A57 East – All vehicles	90	51	141	58	100	158
A57 East – LGVs	72	33	105	30	75	105
A57 East – HGVs	18	18	36	28	25	53
Trip Totals A57 South Development Area						
A57 South – All vehicles	17	10	27	11	19	30
A57 South – LGVs	14	6	20	6	14	20
A57 South – HGVs	3	3	7	5	5	10
Trip Totals Full Development Area						
Full Dev – All vehicles	151	85	236	97	168	265
Full Dev – LGVs	121	56	176	50	126	176
Full Dev – HGVs	30	29	60	47	42	89

Table 5.1: Trip Rates and Resulting Trip Totals

5.2 Multi-Modal Trips

Mode split data has been sourced from the 2011 Census – Location of Usual Residence and Location of Place of Work, by method of travel to work (WU03EW) data for Warrington.

The development site is located in Middle Super Output Area (MSOA) Warrington 014. This has been used as the ‘place of work’ when gathering information on the method of travel to work. All MSOAs in Warrington and the majority of areas within the North West were considered in the calculations as the origins for the journey to work.

The existing mode split derived for the area and the estimated multi-modal trips for Travel to Work is summarised in **Table 5.2** below.

Mode	Mode Share	AM Peak		PM Peak	
		Arrival	Departure	Arrival	Departure
Public Transport	5%	8	4	3	9
Vehicles	74%	121	56	50	126
Passenger	10%	16	8	7	17
Cycle	6%	10	5	4	10
Walking	5%	8	4	3	9
Other	0%	0	0	0	0
Total	100%	163	75	67	171

Table 5.2 – Estimated multi-modal trip generation (Travel to Work)

The census data reveals that the public transport mode share in the area is low. The development of the site can be anticipated to result in an increased demand for public transport, which suggests that the development could act as a catalyst for improving the existing bus services and frequency on the A57 corridor, particularly at peak times.

The walking and cycling mode share in the area is also currently low, but will be expected to rise with development and appropriate walking and cycling infrastructure will be provided on the A57 frontage and within the site, with connections provided to the wider footpath / PRoW and cycle networks.

In contrast, the vehicle mode share is high, however this is not unexpected given the close proximity to the M6 and wider motorway network and the current limited public transport, walking and cycling provision. The data also suggests that approximately 90% of car trips are single occupancy journeys.

Given the above statistics, the development will provide an excellent opportunity to improve the existing bus, pedestrian and cycle infrastructure and to promote sustainable transport to future occupiers through a robust Travel Plan.

5.3 Trip Distribution

For LGV (staff traffic), a trip distribution pattern has been derived from 2011 journey to work data for MSOA E02002603: Warrington 014. This covers the area to the west of

the M62 and contains the Grange Industrial Estate, which provides a good proxy for the development site. The agreed distribution is as follows:

To/from:

- M6(N): 40%
- M6(S): 17.9%
- A57(W): 22.9%
- Woolston Grange Avenue: 14.5%
- A57(E): 4.7%

Given the nature and composition of the traffic likely to be generated by the proposed industrial and logistics land-uses and the close proximity of the site to M6 J21, the trip totals for HGV traffic (only) summarised in **Table 5.1** will be distributed at the site accesses on the A57 as 90% to the west and 10% to the east.

5.4 Assessment Scenarios

For the purpose of this preliminary study examining access options to the development site from the A57, the assessment scenario will comprise traffic forecasts for a future year of 2037 (Base and Base + Development) representing the full Local Plan period advised by WBC (although it is noted that the latest evidence base suggests 2038).

Given the early stage of the development proposal there is no indication of a likely opening year (assuming full build out and occupation) at the time of writing. This will be a scenario in the Transport Assessment to be prepared in support of a future planning application.

An assessment of the likely traffic impacts which could arise during the construction phase of the development is not relevant to this preliminary assessment.

5.5 Access Strategy

An access strategy option from the A57 has been identified and comprises a 4-arm roundabout serving the development land west of Brook Lane (north and south of the A57) and a ghost island priority junction serving the land east of Brook Lane. Appropriate emergency services and PT access would also be provided.

The 4-arm roundabout will be located approximately 280m east of the M6 J21 dumb-bell roundabout to maximise the developable areas to the north of the A57 (west land parcel).

It is anticipated that the A57 (west) between the existing M6 J21 roundabout and the proposed access roundabout would be upgraded to dual carriageway standard. This reflects the existing design of the dumb-bell roundabout junction with the A57, the scale of the development proposed, and the heavy bias of development generated traffic to / from the M6.

The A57 (east) arm of the roundabout would have a single lane approach flaring to two lanes on entry to the roundabout and a two lane exit from the roundabout merging

to a single lane to the east. It would be realigned to facilitate the provision of appropriate forward visibility.

Two lanes would be provided through the roundabout for A57 traffic in both directions to maximise capacity for through traffic.

The development access arms of the roundabout (north and south of the A57) would have a single lane approach flaring to two lanes at the roundabout entry and a single lane exit from the roundabout.

The ghost island priority junction will be located east of Brook Lane, opposite Moss Side Farm, to serve the land east of Brook Lane and will be designed to appropriate standards.

It would be beneficial in highway design and road safety terms to reduce the speed limit on the A57 from 50mph to 40mph. This has been raised with WBC and the Council has indicated it has no objections 'in principle'.

6 A57 / Site Access Junctions: Preliminary Assessments

The operational assessment of the proposed access arrangements has been undertaken using modelling software TRANSYT 15 as agreed.

The assessment assumes that traffic flows from the development land east of Brook Lane will access via the proposed ghost island priority junction, with all development traffic for the land west of Brook Lane utilising the roundabout access.

The forecast traffic flows derived for the operational assessment (2037 + Development) are shown in **Figure 6.1**.

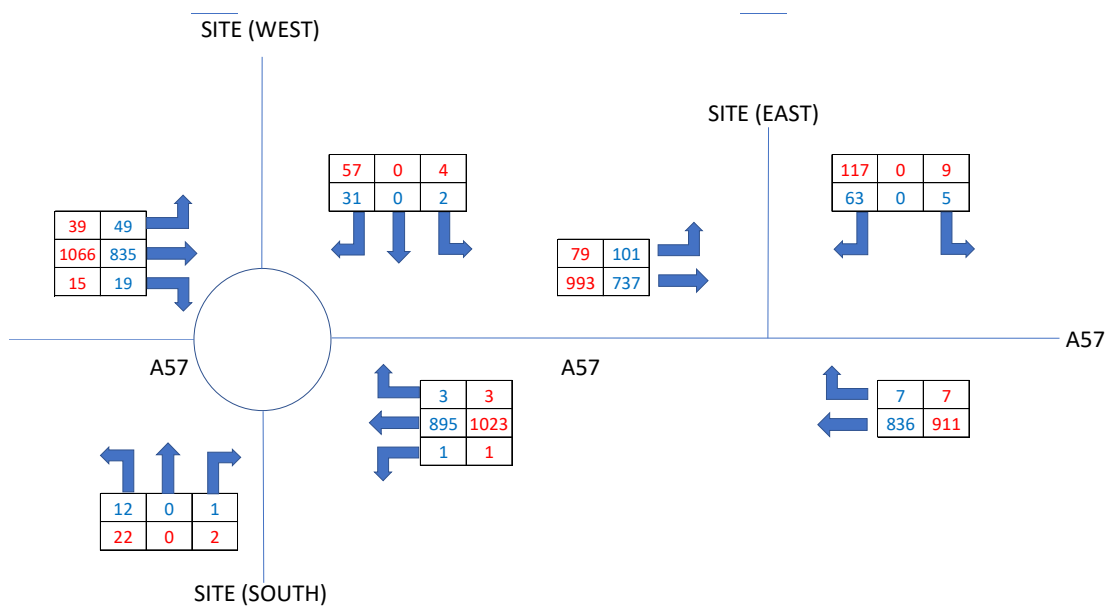


Figure 6.1: 2037 + Development flows (Blue AM Peak / Red PM Peak)

The model results are summarised in **Table 6.1**.

Arm	Name	AM Peak			PM Peak		
		DoS (%)	PRC (%)	MMQ (PCU)	DoS (%)	PRC (%)	MMQ (PCU)
Roundabout							
SiteA 1	A57 East approach	45	99	0.19	51	75	0.27
SiteA 2	A57 East Lane 1 at roundabout	42	115	0.72	47	92	0.88
SiteA 2	A57 East Lane 2 at roundabout	46	97	0.84	54	68	1.14
SiteB 1	Site Access South approach	0	17900	0	1	8082	0
SiteB 2	Site access South Lane 1 at roundabout	1	16018	0.01	1	5984	0.01
SiteB 2	Site access South Lane 2 at roundabout	1	10645	0.01	2	4970	0.02
SiteC	A57 mid (EB) Lane 1	42	117	0.71	50	78	1.01
SiteC	A57 mid (EB) Lane 2	25	257	0.34	36	150	0.56
SiteD 1	Site access North approach	2	5706	0	3	2713	0
SiteD 2	Site Access North Lane 1 at roundabout	1	6173	0.01	4	2335	0.04
SiteD 2	Site Access North Lane 2 at roundabout	2	5066	0.02	3	2492	0.04
Ghost island priority junction							
2Site A1	A57 from east approach	42	114	0.15	46	97	0.19
2Site A2	A57 East ahead lane	0	Unrestricted	0	0	Unrestricted	0
2Site A2	A57 East right turn lane	1	6808	0.01	1	5956	0.02
2Site B1	East Site egress	26	249	0.34	64	41	1.64
2Site C1	A57 from West	36	148	0.1	49	85	0.23
DoS – Degree of saturation. >85% capacity issues & significant delays will be experienced. PRC – Practical Reserve Capacity. MMQ – Mean Maximum Queue experienced over the model period (60 mins). Measured in passenger car units (1pcu = 5.75m)							

Table 6.1: 2037 Base + Development model results summary

The results in Table 6.1 show both the roundabout and priority junction would operate with no capacity issues.

6.1 Sensitivity Assessment

In addition to the assessment of the operational performance of the two junctions, a sensitivity test has also been undertaken with all development traffic only using the 4-arm roundabout as the access to all development land parcels. The forecast traffic flows derived for the sensitivity assessment (2037 + Development) are shown in Figure 6.2.

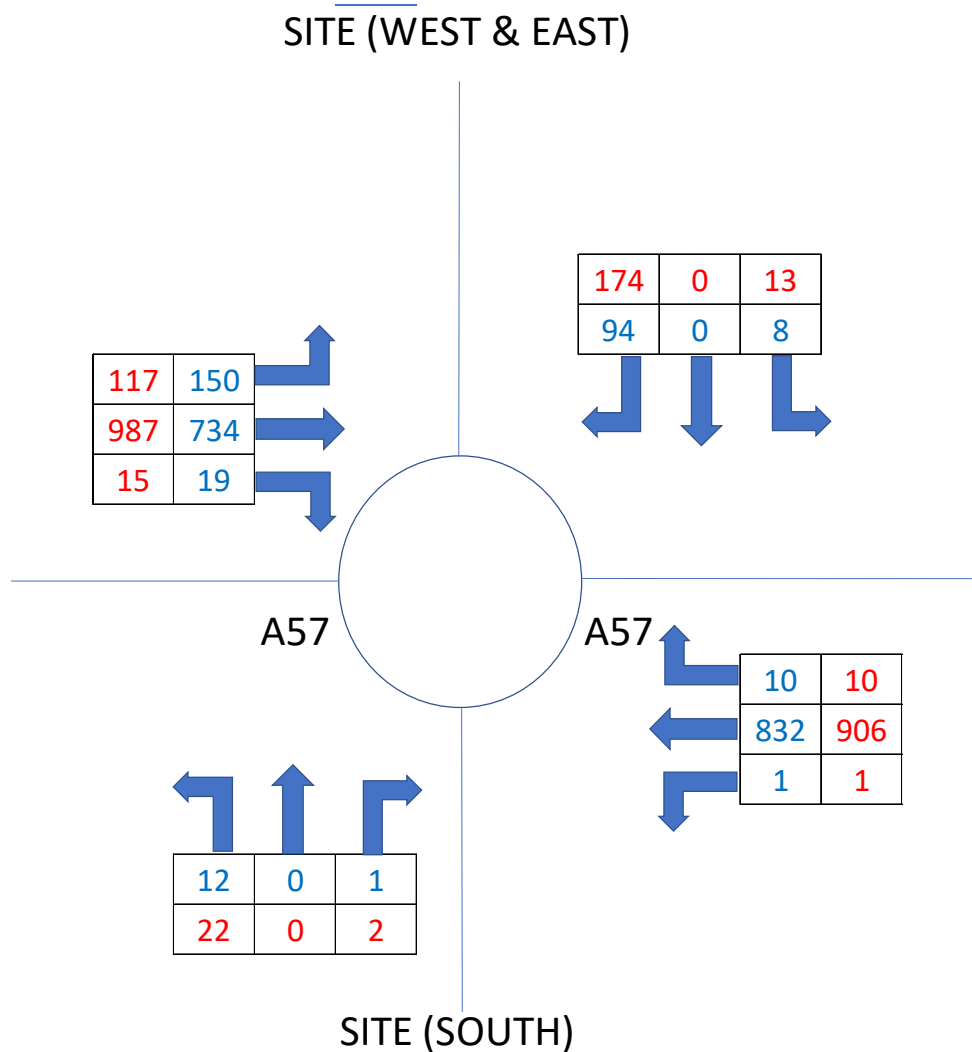


Figure 6.2: Sensitivity assessment 2037 Base + Development flows (Blue AM Peak / Red PM Peak)

The model results are summarised in **Table 6.2**.

Arm	Name	AM Peak			PM Peak		
		DoS (%)	PRC (%)	MMQ (PCU)	DoS (%)	PRC (%)	MMQ (PCU)
SiteA1	A57 East approach	42	114	0.15	46	97	0.19
SiteA2	A57 East Lane 1 at roundabout	42	116	0.71	46	95	0.85
SiteA2	A57 East Lane 2 at roundabout	42	116	0.71	46	95	0.85
SiteB1	Site Access South approach	0	17900	0	1	8082	0
SiteB2	Site access South Lane 1 at roundabout	1	15725	0.01	2	5817	0.02
SiteB2	Site access South Lane 2 at roundabout	1	10450	0.01	2	4831	0.02
SiteC	A57 mid (EB) Lane 1	45	100	0.81	53	69	1.13
SiteC	A57 mid (EB) Lane 2	22	306	0.28	34	167	0.51
SiteD1	Site access North approach	5	1665	0	9	857	0
SiteD2	Site Access North Lane 1 at roundabout	5	1687	0.05	10	782	0.11
SiteD2	Site Access North Lane 2 at roundabout	5	1687	0.05	10	782	0.11

DoS – Degree of saturation. >90% capacity issues & significant delays will be experienced.
 PRC – Practical Reserve Capacity.
 MMQ – Mean Maximum Queue experienced over the model period (60 mins). Measured in passenger car units (1pcu = 5.75m)

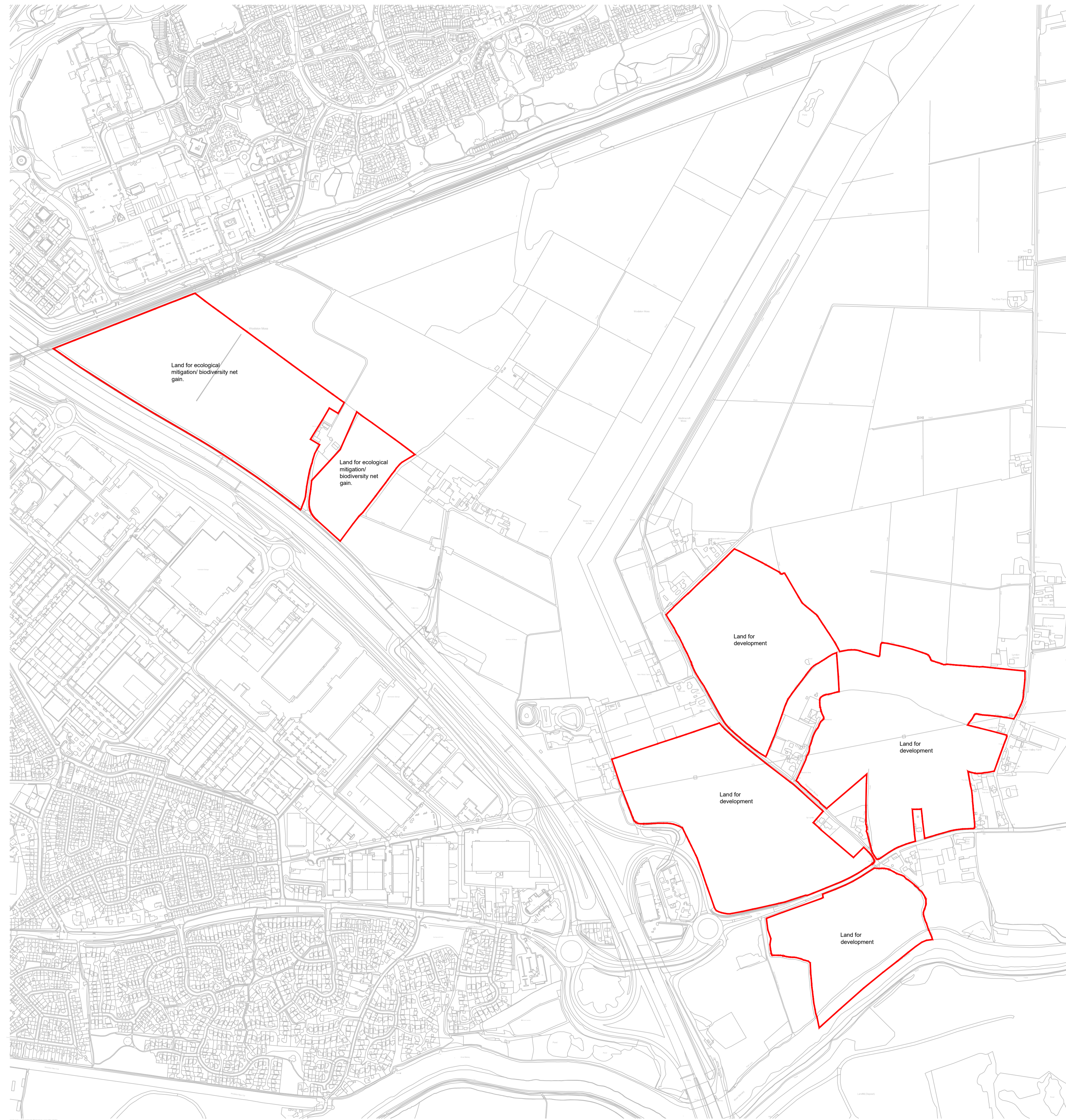
Table 6.2: Sensitivity assessment 2037 Base + Development model results summary

The results in Table 6.2 show that the proposed roundabout as a single junction access is expected to operate within capacity in 2037 (with development) and is suitable to accommodate the traffic flows generated from all of the development land without having an unacceptable impact on the operation of the A57.

6.2 Assessment Summary

The results of the preliminary operational assessment indicates that the access strategy is appropriate to provide access to the development site from the A57 for the anticipated land-uses and quantum of development proposed. There is therefore a deliverable access strategy which accords with the requirements for acceptability on highway grounds set-out in the NPPF.

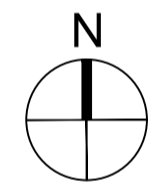
Appendix A – Development Site Land Parcels



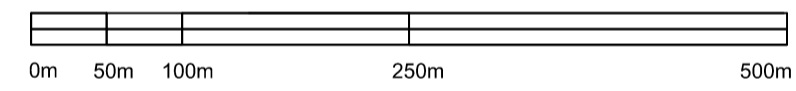
Contractors are not to scale dimensions from this drawing

Key

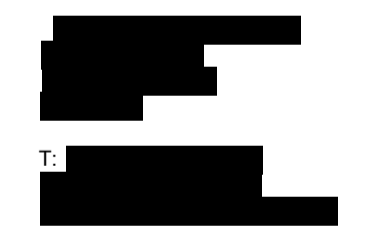
— Sharpe's Land
Option Boundary



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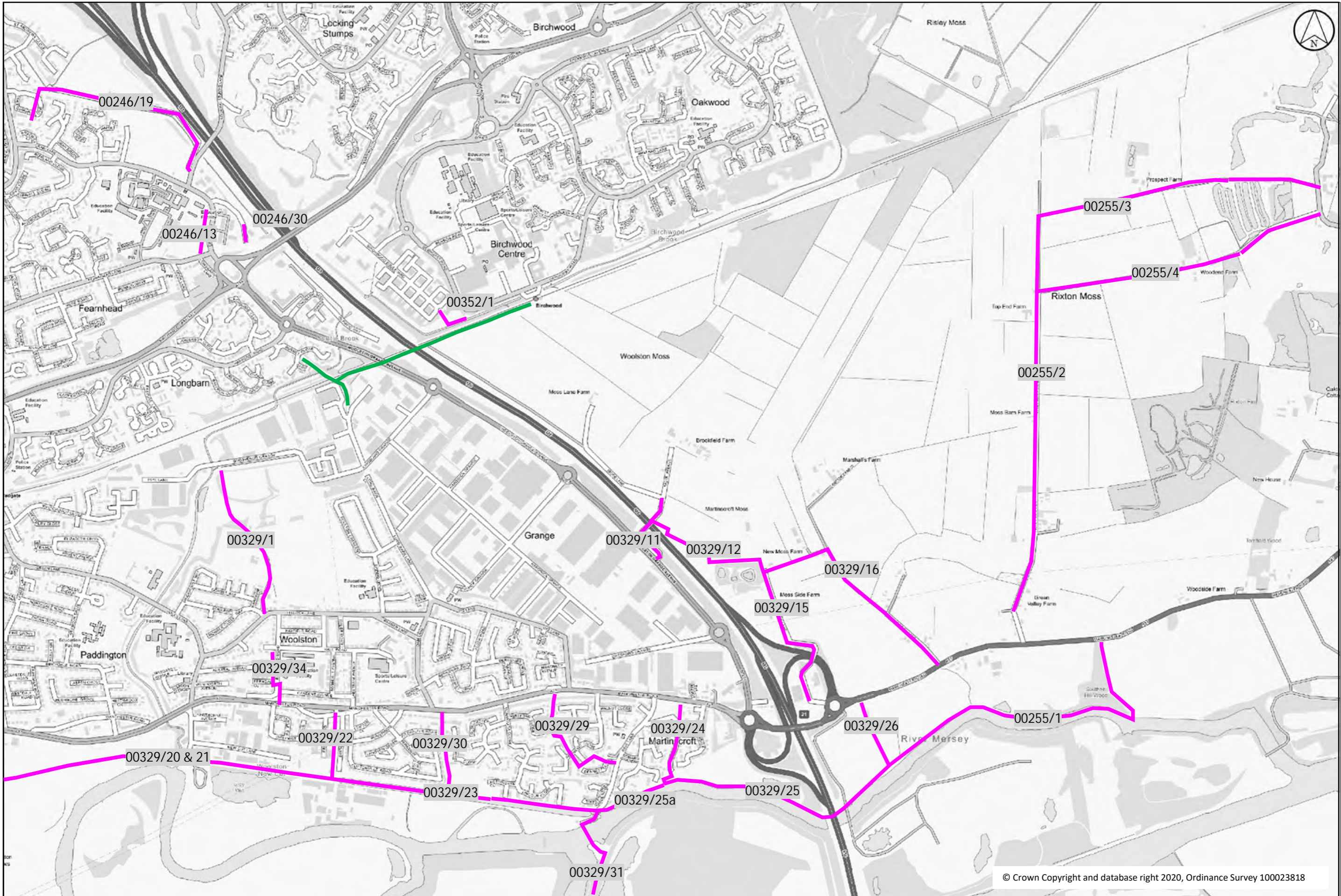
Description
SHARPE'S LAND OPTION PLAN

Status
DRAFT

Scale	Drawn	Date
1:5000@A1	BM	NOV 20
Job number	Drawing number	Revision
34799	210-2	B

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Appendix B – Public Right of Way Map



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Key — Footpaths — Shared Pedestrian/Cycleway

Appendix C – Warrington Cycle Map



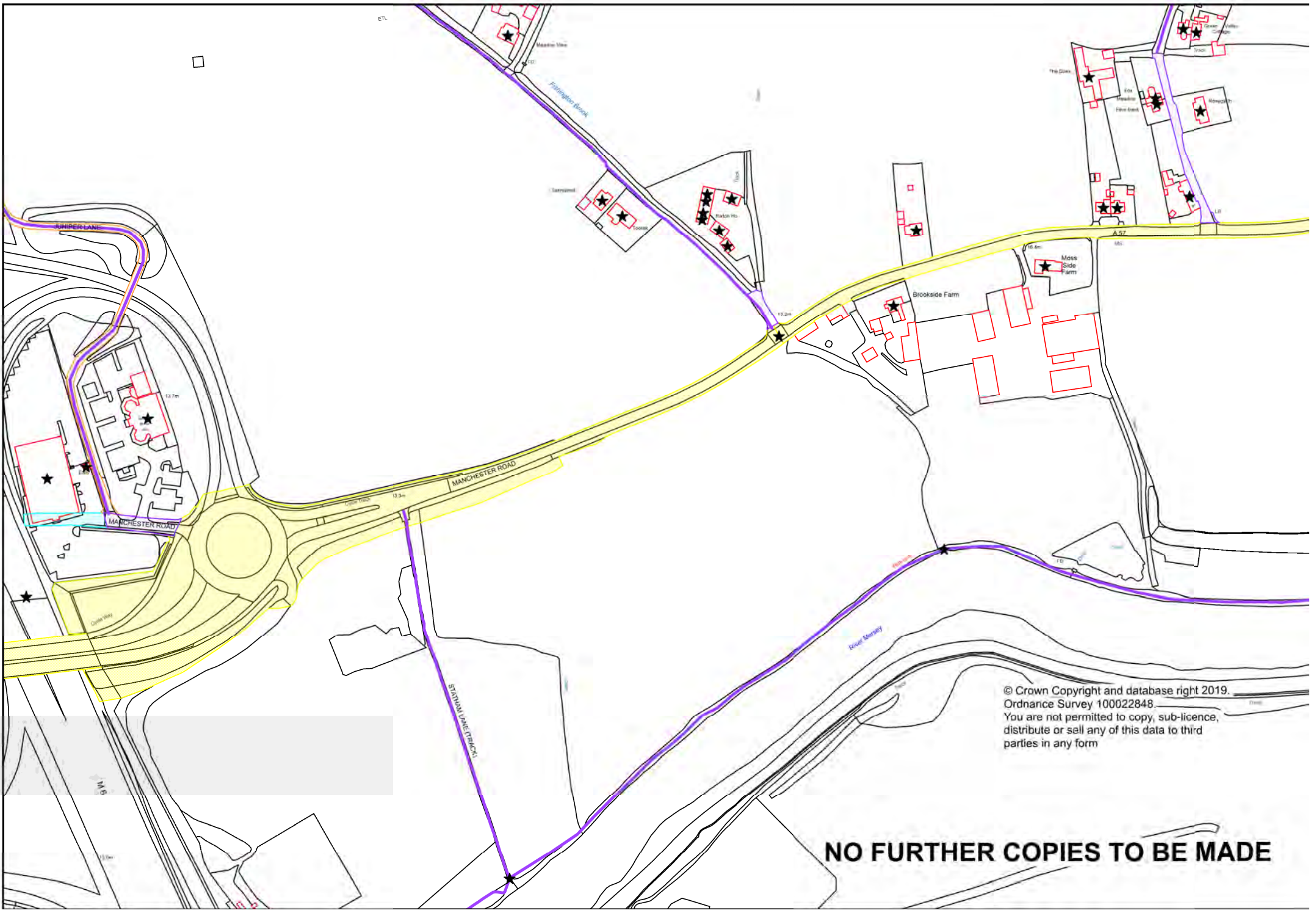
Key

Cycleability gradations, in increasing experience

1	2	3	4

	National Cycle Network route number & Trans-Pennine Trail		Bike shop
	Railway station		Bridge
	Bus interchange		Pedestrian crossing
	Schools		Toucan crossing
	Colleges		Underpass
	Hospital		Wheeling ramp
	Library		
	Supermarket		
	Cycle parking		

Appendix D – Adopted Highway Data

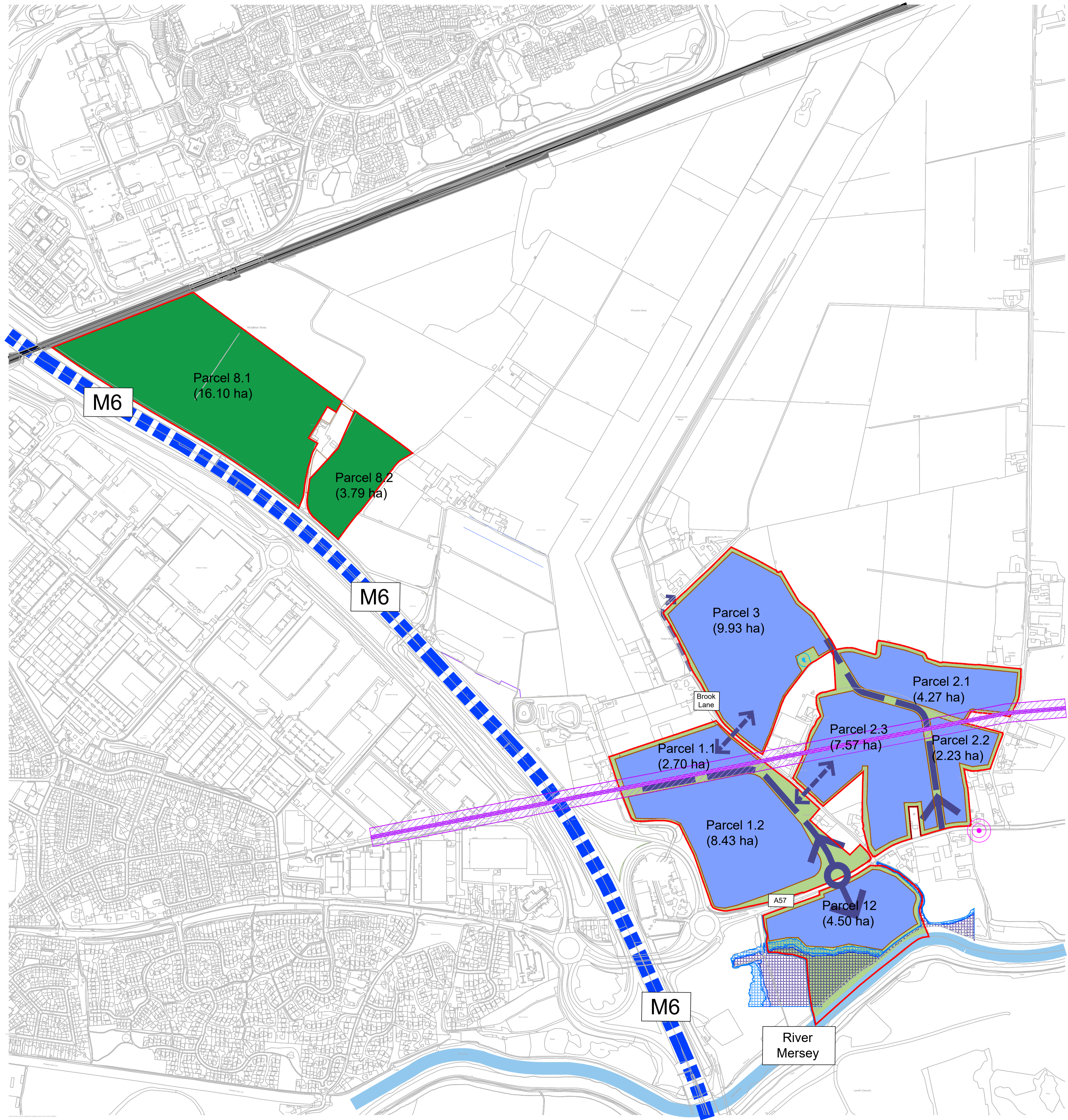


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Appendix E – Framework Masterplan

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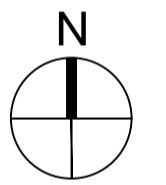


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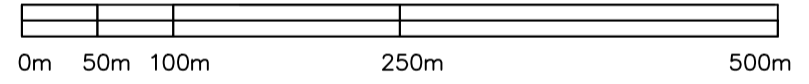
- Site Boundary
- I&L
- Open space
- Primary access(18.8m width)
- Opportunity for link across Brook Lane
- Land for potential ecological mitigation
- Overhead power line and easement -22.5m(TBC)

- Flood Risk 1:100 yr (Lidar)
- Flood Risk 1:200 yr (Lidar)
- Flood Risk 1:1000 yr (Lidar)

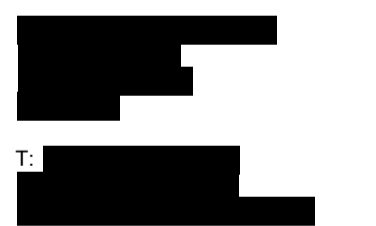
- Listed milestone on A57



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Scale	Drawn	Date
1:5000@A1	BM	October '21
Job number	Drawing number	Revision
34799	03-200	C

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APPENDIX C
LAND USE BUDGET

Birchwood Employment Masterplan
Land use budget

Ref: 34799-03-WP-SH-001
 Revision: A DRAFT FOR COMMENT Note: Totals Exclude parcel 12
 Revision: B UPDATED AS LATEST OPTION 01.11.21
 Revision: C UPDATED AS LATEST OPTION 02.11.21
 Revision: D Site coverage amended as advised 09.11.21

Use	Gross area (ha.)	Acres
Industrial and Logistics	40.25	99.42
Noise Buffer zone (could count/ partially count towards OS target subject to agreement with LPA)	6.45	15.93
Possible ecological mitigation	19.89	49.13
Remaining open space and other infrastructure	4.97	12.28
Total Site Area	71.56	176.75

Estimated

PARCEL	USE	Gross area (ha)	Gross area (acres)	SUDS @ 4% (ha.) TBC	Total to be netted out per parcel (ha.)	Net Developable Area (ha.)	Industrial and Logistics		
							Site coverage @ 30% (ha.)	Floorspace (sqm)	Floorspace (sqft)
1.1	Industrial and Logistics	2.70	6.67	0.11	0.11	2.59	0.78	7,776	83,700
1.2	Industrial and Logistics	8.43	20.82	0.34	0.34	8.09	2.43	24,278	261,330
1.3	Industrial and Logistics	0.58	1.43	0.02	0.02	0.56	0.17	1,670	17,980
2.1	Industrial and Logistics	4.27	10.55	0.17	0.17	4.10	1.23	12,298	132,370
2.2	Industrial and Logistics	2.23	5.51	0.09	0.09	2.14	0.64	6,422	69,130
2.3	Industrial and Logistics	7.57	18.70	0.30	0.30	7.27	2.18	21,802	234,670
3	Industrial and Logistics	9.93	24.53	0.40	0.40	9.53	2.86	28,598	307,830
12	Industrial and Logistics	4.54	11.21	0.18	0.18	4.36	1.31	13,075	140,740
	Total Industrial and Logistics	40.25	99.42		1.61	38.64	11.59	115,920	1,247,751
8.1	Possible ecological mitigation	16.10	39.77						
8.2	Possible ecological mitigation	3.79	9.36						
	Total Ecological mitigation	19.89	49.13		0.00	19.89			



APPENDIX D
EMPLOYMENT NEEDS
ASSESSMENT

J21 Birchwood, Warrington

Employment Needs Assessment

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Executive Summary

Subject Site



J21 Birchwood (the Subject Site) is located within the Borough of Warrington and comprises 71.56 ha of land. It is situated to the south of Birchwood train station on the east-west rail line between Liverpool and Manchester. The M6 motorway runs along the western boundary of the site, with Junction 21 of the motorway leading to the A57, Manchester Road, which provides access to the Site.

The vision for the Subject Site is to deliver 40.25 (gross) ha of Industrial & Logistics (I&L) employment land. Despite its potential to support Warrington’s economic growth

ambitions and housing delivery targets, the Subject Site is currently not proposed for allocation in the Updated Proposed Submission Version Local Plan (UPSVP) (2021).

Advice from Savills’ industrial agents indicates I&L uses typically want to be within a 2-hour drive time of their end customers and suppliers. 22 million people (13.8 million of working age) and 793,000 businesses are within 2 hours drive time of the Subject Site. This represents around a third of England & Wales resident and business populations, clearly indicating how accessible the site is.

Report Purpose & Approach

This report provides an evidence based overview of the potential for new I&L development at the Subject Site, having regard to current and future market supply and demand dynamics in Warrington and the wider Functional Economic Market Area (FEMA). The report findings demonstrate that Warrington’s future I&L land needs far exceed its existing and planned employment land supply, with a **shortfall totalling 195.49 ha over the plan period to 2038**. The assumptions behind this conclusion are tabulated below.

	EDNA (2021)	Savills
I&L Future Demand (2021 – 2038)	242.26 ha ¹	494.62 ha

¹ WBC EDNA (2021) – Table 22 (E(g)(iii), B2, B8, Mixed)

Existing Supply plus St Helens Omega Extension	61.21 ha	61.21 ha
Proposed Allocations (South East Warrington Employment Area and Fiddlers Ferry)	237.92 ha	237.92 ha
Future Need (Supply minus Future Demand)	+56.87 ha (positive / surplus)	-195.49 ha (negative / shortfall)

The 40.25 ha of I&L land proposed at Junction 21 Birchwood (Subject Site) will contribute to reducing Savills estimated shortfall over the plan period. For this reason we recommend the Subject Site be allocated within the new Local Plan.

As we discuss in **Section 7**, we only consider approximately half of the employment allocation within Fiddlers Ferry to be deliverable within the Plan Period. This increases the size of the Savills shortfall to **246.49 ha** meaning further sites will also need to be allocated, in addition to the Subject Site, to meet future I&L demand. In any event the need for additional development is still substantial even if all of the Fiddlers Ferry development came forward in the Plan period.

The steps we followed to reach these conclusions are as follows:

1) Review WBC's Evidence Base

Our review of WBC's 2021 EDNA has found a number of **deficiencies** in the way future needs have been assessed, namely:

- **The Look-back Period is Too Long**: the look-back period over which average take-up (demand) is calculated runs for 24 years from 1996 to 2020. This is far too long a period over which the demand drivers underpinning I&L need, and the characteristics of the sector itself, have changed significantly. For example, the last decade has seen a significant increase in online shopping from 2.8% in 2006 to 19.1% in February to 2020. The Covid-19 pandemic has accelerated this trend further with online shopping currently sitting at 25.9% of all retail sales (September 2021). Growth in online retailing has a direct impact on I&L demand as going online requires 3 times the amount of warehouse floorspace compared to traditional bricks & mortar shops. Such a long look back period also dampens the impact of other, more recent, growth drivers for I&L demand such as increasing UK freight volumes, UK companies bringing their operations back to the UK to avoid Brexit related supply chain shocks and continued business and housing growth in Warrington and the wider FEMA. Finally the inclusion of the Global Financial Crisis (GFC) in the 24 year look back period also undercuts historic demand as this resulted in a systematic impact to the entire UK economy. In the years immediately following the GFC,

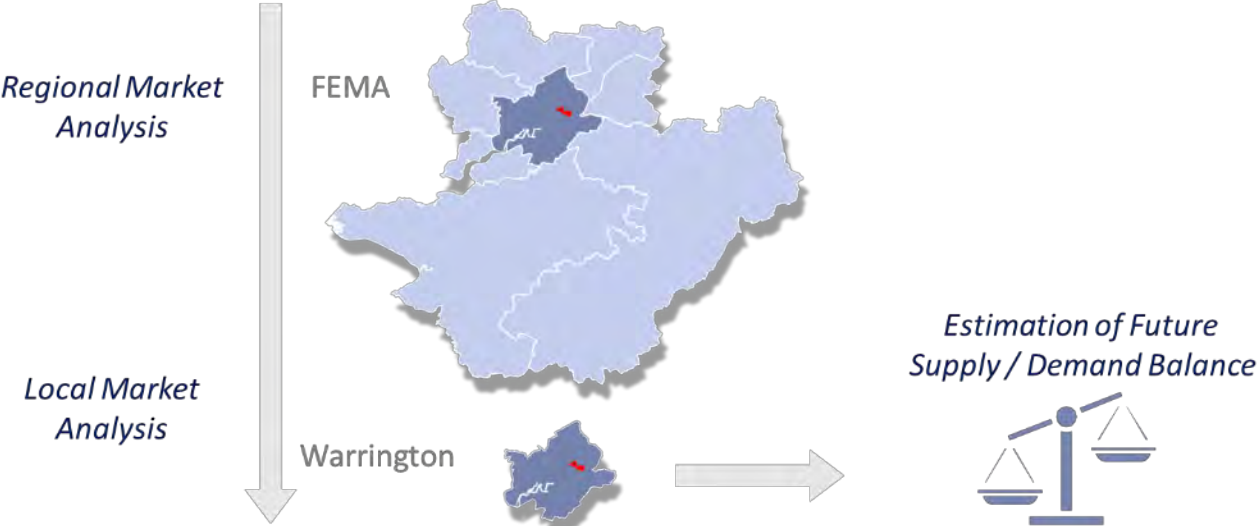
I&L demand in WBC was negative (-91,411 sq.ft net absorption per annum) vs 638,000 sqft of net absorption per annum since 2012.

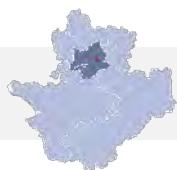
- **EDNA uses Completions rather than Net Absorption:** the EDNA's measure of take-up is based on completion trends rather than actual take-up of floorspace – what Savills refer to as net absorption. Development completions are a supply measure, not a demand measure. For new development (completions) to come forward new employment sites need to be allocated, and planning permission granted before new floorspace can be built. The length of time and complexities involved is why supply measures (completions) typically lag actual demand (net absorption). Therefore the use of a lagging supply factor, and projecting this forward into the future, results in an underestimate of true need based on actual market demand.
- **EDNA doesn't account for suppressed demand:** when supply, as signalled by floorspace availability, is low, demand is suppressed as prospective tenants can't find space in a market. By merely projecting forward historic take-up, the EDNA has taken no account of demand that has been lost due to supply constraints and therefore presents a need profile based on a supply constrained trend (or 'suppressed demand'). Since 2015, I&L availability has been a downward trajectory and has now dropped below the 9% equilibrium rate we consider for Warrington to indicate a balance between supply and demand. The rest of the FEMA has been below the 9% equilibrium rate since 2014 demonstrating, as a whole, the entire FEMA has been supply constrained for much of the last decade.

2) Update WBC's Evidence Base

The Savills methodology for estimating future demand is considered more realistic than the EDNA as it attempts to understand true demand rather than merely project forward historic trends that have been suppressed by historic supply constraints. To update the EDNA's I&L land need estimates, we first consider regional demand and supply indicators for all districts that make up Warrington's FEMA. This is followed by a more detailed analysis of Warrington's local I&L market. We then review Warrington's available I&L employment land (future supply) and estimate future I&L needs (demand).

This process is shown graphically below followed by a summary of the regional and local market analysis.





Regional Market Analysis

The analysis of regional supply and demand factors indicates that the FEMA's I&L market is strong. Warrington is one of the largest I&L markets in the FEMA in terms of total inventory and on average it has attracted the highest investment in the net delivery of new I&L stock (averaging 437,000 sqft per annum since 2011). Warrington has also experienced some of the strongest rental growth in the FEMA over the last decade (73.5%) and has the highest average market rent (£7.48/sqft). In terms of net absorption, it has averaged 529,000 sqft per annum since 2011, the highest in the FEMA.

This analysis clearly indicates Warrington's important position in the FEMA, but also that the FEMA itself has a strong I&L market totalling 162 million sqft of inventory and attracting around 1.4 million sqft of net deliveries I&L per year.

	Total Inventory sqft	Avg. Net Absorption sqft p.a. (2011 21)	Avg. Net Deliveries sqft p.a. (2011 21)
Warrington	23,104,847	460,943	436,952
Cheshire East	23,268,383	481,386	192,514
Cheshire West & Chester	20,275,638	238,034	112,939
Halton	14,634,654	340,760	174,637
Salford	18,466,323	98,775	59,189
St Helens	15,096,762	316,491	230,916
Trafford	25,929,605	204,554	81,829
Wigan	21,449,353	253,505	95,732
FEMA	162,225,565	2,502,509	1,384,708

From the regional analysis we conclude that the Subject Site will experience strong regional demand for I&L uses.



Local Market Analysis

The majority (79%) of Warrington's I&L demand has been for large properties of 100,000 sqft and above. Net absorption for mid box units (30,000 sqft to 100,000 sqft) was relatively low accounting for about 4% of total demand. Demand for smaller units of less than 30,000 sqft accounted for 8% of demand.

Net Absorption by Size Band, 2011-2021



In terms of future I&L demand, we estimate a need of 15.97 million sqft over the 18-year Plan period. This estimate is derived by projecting forward historic take-up over the plan period (9.53 million sqft), accounting for suppressed demand in years where the market was supply constrained (420,293 sqft), adjusting for current and future increases in online retail (3.25 million sq.ft), adding a 3-year buffer to provide a continuum of supply beyond the end of the plan period and to account for the current day I&L growth drivers (2.2 million sqft), and allowing for business displacement associated with Warrington Masterplan projects (570,000 sqft). At a 30% plot ratio (which is justified in **Section 6.3**) this 15.97 million sqft of floorspace need equates to **495.62 ha** of land. This is considerably higher than the future I&L demand estimated by the EDNA (2021) at **242.26 ha**.

Current I&L supply totals 299.13 ha. This is made up of proposed new employment allocations, existing land supply and land within the Borough of St. Helens secured to count towards Warrington's land supply via Duty to Co-operate discussions. Subtracting the Supply from Savills estimated Future Demand we find a **shortfall totalling 195.49 ha over the plan period**.

As a result we believe additional I&L sites need to be allocated in the UPSVLP (2021). Based on our review in **Section 7** we consider the Subject Site to be an ideal candidate for allocation to help address our calculated shortfall. This is due to its prime location on the M6 and limited infrastructure requirements given it benefits from direct access to Junction 21 of the M6 via Manchester Road (A57).

Economic Benefits & Social Value

The Proposed Development is estimated to generate a number of economic benefits and social value as summarised below.

ECONOMIC BENEFITS

Construction Jobs	Operational Jobs	Net Additional GVA (p.a.)
171	1,457	£97.1 million

Estimated on-site and off-site jobs expected to be generated per annum over the 7 year construction period for WBC residents

Estimated on-site and off-site jobs expected to be generated by the Proposed Development for WBC residents

Estimated net additional GVA (Gross Value Added) expected to be generated per annum from on-site jobs (taking into account displacement)

Private Income (p.a.)	Business Rates (p.a.)
£53.2 million	£1.2 million

Estimated private income expected to be generated per annum for on-site workers

Estimated business rates for WBC (assuming 49% retention) expected to be generated by Proposed Development

SOCIAL VALUE

Apprenticeships	Construction Careers Information, Advice & Guidance Events	NHS Savings from Unemployment Reduction
£115,200	£30,000	£186,800

Estimated social value of apprenticeships (11) delivered during the construction period (7 years)

Estimated total social value of Construction Careers Information, Advice & Guidance Events (6 events)

Estimated NHS savings assuming that expenditure on unemployed persons is double the average NHS expenditure during the construction period (7 years)²

Qualifying the Workforce	Supporting Local Businesses	Total Social Value
£310,600	£30.4 million	£31 million

Estimated total social value of Qualifications achieved (equiv. NVQ2 or above)

Estimated total value of local procurement during the construction period assuming 20% of all monies spent locally³

Industry Trends

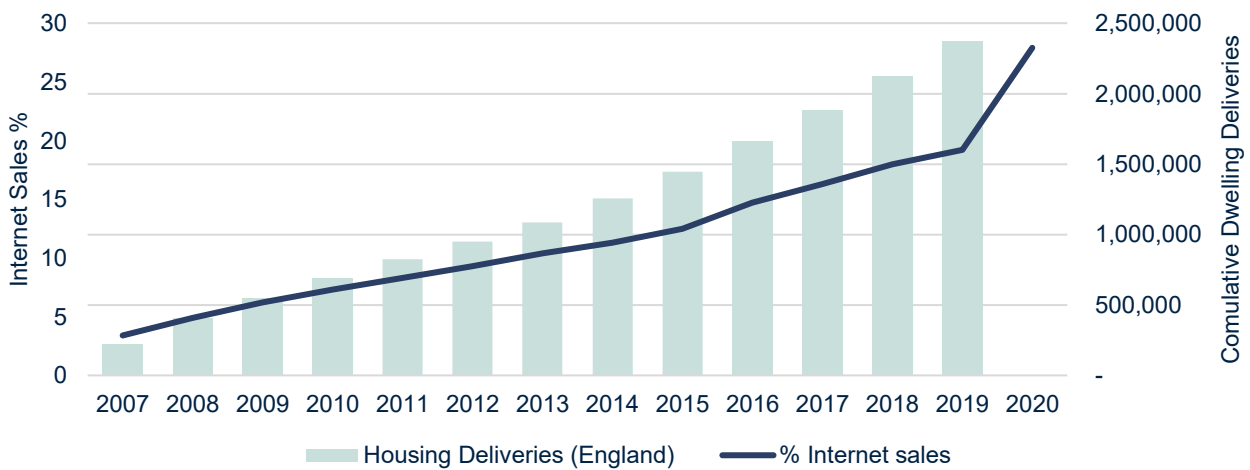
² Based on Oxford Economics Cost-benefit analysis for the Department for Work and Pensions (2010).

³ WBC Planning Obligations SPD (2017)

The UK economy and the way we live our lives has significantly changed over the last twenty years, supporting the long-term growth of the I&L sector.

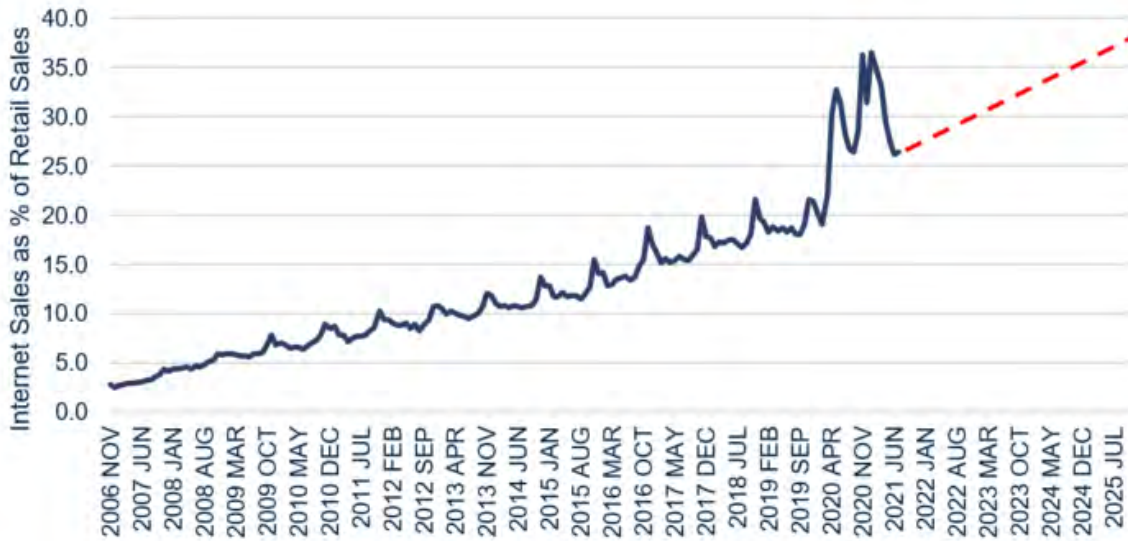
Population Growth & Consumption

The growth in I&L demand has been supported by increases in population, as there is a direct link between population growth and household consumption. Housing growth at the national level has broadly tracked the growth in online retailing before the onset of the Covid-19 pandemic, during which time online retailing has spiked even higher. The Government’s current housing target is for 300,000 homes per annum in England.



Online Shopping

The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional brick-and-mortar retailers. While the proportion of online retailing may soften slightly as the UK economy opens up, most commentators agree that online retailing will continue to grow from a higher base than before the pandemic due to behavioural changes such as increased home working and continued demand for rapid parcel deliveries.

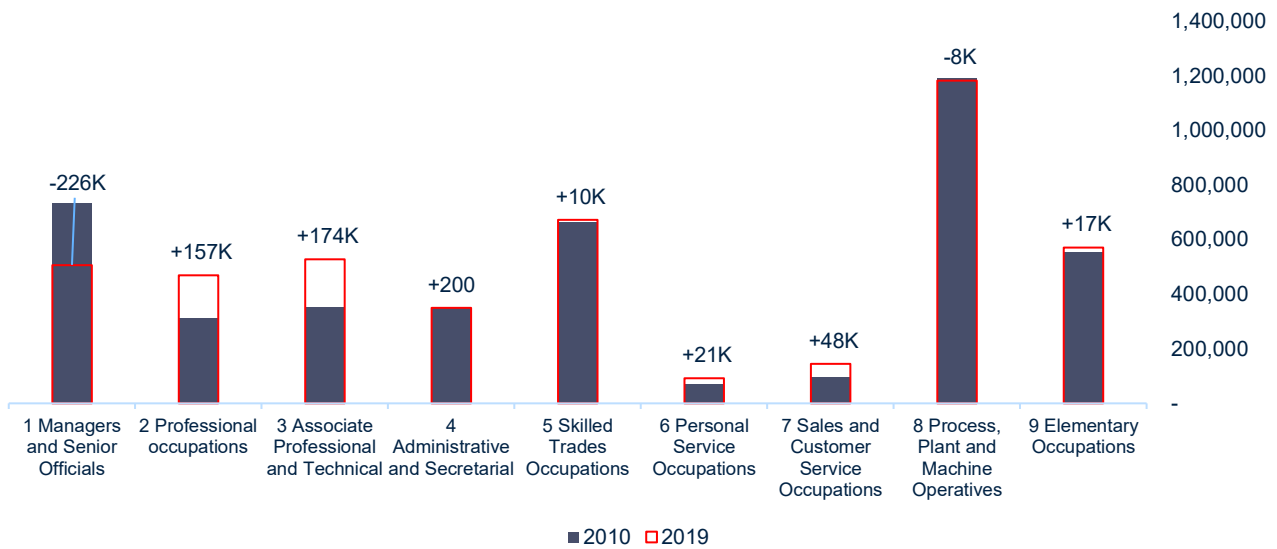


UK Freight

Freight volumes are another key growth driver of I&L floorspace need. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, freight handling airports, rail freight interchanges and motorways) and conveniently located I&L premises in order to reach end customers. Freight volumes have increased over the last 10 years at major ports (by 16.2%) and airports (by 32.6%) located within a 2 hour drive time of the Junction 21 Birchwood site.

Changing Nature of Jobs

The I&L industry is also changing with a more diverse range of occupations. New technologies have significantly impacted the sector, transforming the way tasks are performed and businesses operate. While the beginning of the decade saw a more polarised distribution, with a higher share of managers at one end of the spectrum and more routine occupations at the other end, we now see a higher share of Professional and Associate Professional and Technical roles, which can be both associated with high-skilled engineering and technological professions.



Near-shoring and on-shoring

Covid-19 has also highlighted the level of interconnectedness of international supply chains and their fragility when one or more links break. Companies have started building up greater resilience in their operating models by moving operations either back to the UK or closer by as a means to minimise future supply-chain-induced disruptions. If, in the short term, companies adopt nearshoring policies to insulate themselves from future supply chain disruption, it is likely that European manufacturing will increase which in turn will create a ripple effect for warehouse demand. Brexit is also likely to add uncertainty surrounding the strength of supply chains, influencing the need for further logistics and industrial space. Certain I&L activities may be re-shored to the UK as it becomes more expensive to conduct business in the EU.

In **Appendix A** we discuss these and other trends that are shaping growth in the I&L sector and which we have summarised in the graphic below. Overall, we expect these trends to increase future demand for I&L floorspace above the historic level.



1 Introduction

1.1 Purpose

- 1.1.1 This report provides an evidence based overview of the market potential for new industrial & logistics (I&L) development at J21 M6 Birchwood (the Subject Site), having regard to current and future market supply and demand dynamics in Warrington and the wider region.
- 1.1.2 Warrington Borough Council (WBC) is currently in the process of preparing a new Local Plan, covering the period 2021 to 2038. The aim of this report is to assess the Council's employment land evidence base to demonstrate if the Subject Site could be justified for employment allocation as part of WBC's current Local Plan review.
- 1.1.3 The 'Warrington Means Business' regeneration programme and in the Cheshire and Warrington Local Enterprise Partnership's (LEP) Strategic Economic Plan (SEP) demonstrated that Warrington has ambitious economic growth plans but also a strong existing economic base to support this growth. Warrington is home to the largest cluster of nuclear research and technology firms in the UK, employing over 5,000 people at Birchwood Park, a designated Enterprise Zone. Warrington also has major employment clusters in Logistics, Precision Engineering, Energy, Telecoms and Software, and Business Services.
- 1.1.4 As noted in the Proposed Submission Version Local Plan (2021), there is strong market interest for I&L development in locations linked to the main motorway junctions such as Birchwood, where the Subject Site is located. The Subject Site is exceptionally well placed to cater to the strong market interest from I&L occupiers in this location. It boasts great accessibility thanks to J21 on the M6, a key requirement for I&L occupiers, enabling access to a wider potential customer base within a reasonable drive time. Its 40.25 ha of employment land ensures scale, needed for the successful establishment of a new significant employment location in the east of the Borough. It is also supported by a potential pool of labour, being adjacent to the existing Birchwood and Woolston settlements.
- 1.1.5 With this report, we demonstrate that based on recent market evidence, future I&L employment land needs of Warrington far exceed its existing and planned employment land supply, with a **shortfall totalling 195.49 ha** over the plan period. The Subject Site will contribute to reducing Savills estimated shortfall of I&L land need for Warrington. Therefore we recommend the Subject Site be allocated within the new Local Plan.

1.2 Report Structure

- 1.2.1 The report is structured as follows:
- **Section 2** introduces the Subject Site and considers its attractiveness for I&L development;
 - **Section 3** reviews the existing evidence base contained in the EDNA 2021 and provides Savills observations on the deficiencies of the chosen future land needs methodology;
 - **Section 4** provides a regional market assessment for I&L uses within the wider Functional Economic Market Area (FEMA);
 - **Section 5** assesses the local market at Warrington borough level for I&L uses;

- **Section 6** explains Savills methodology for the estimation of future I&L land needs for Warrington and how this compares with current and future land supply;
- **Section 7** undertakes a review of WBC's existing I&L land supply and assesses the Subject Site against the EDNA's other options for employment allocations to help determine with sites should be included within the new Local Plan;
- **Section 8** presents estimates of the economic benefits and social value expected to be generated from the Proposed Development; and
- **Section 9** details the report's final recommendations.

1.3 Reader Note

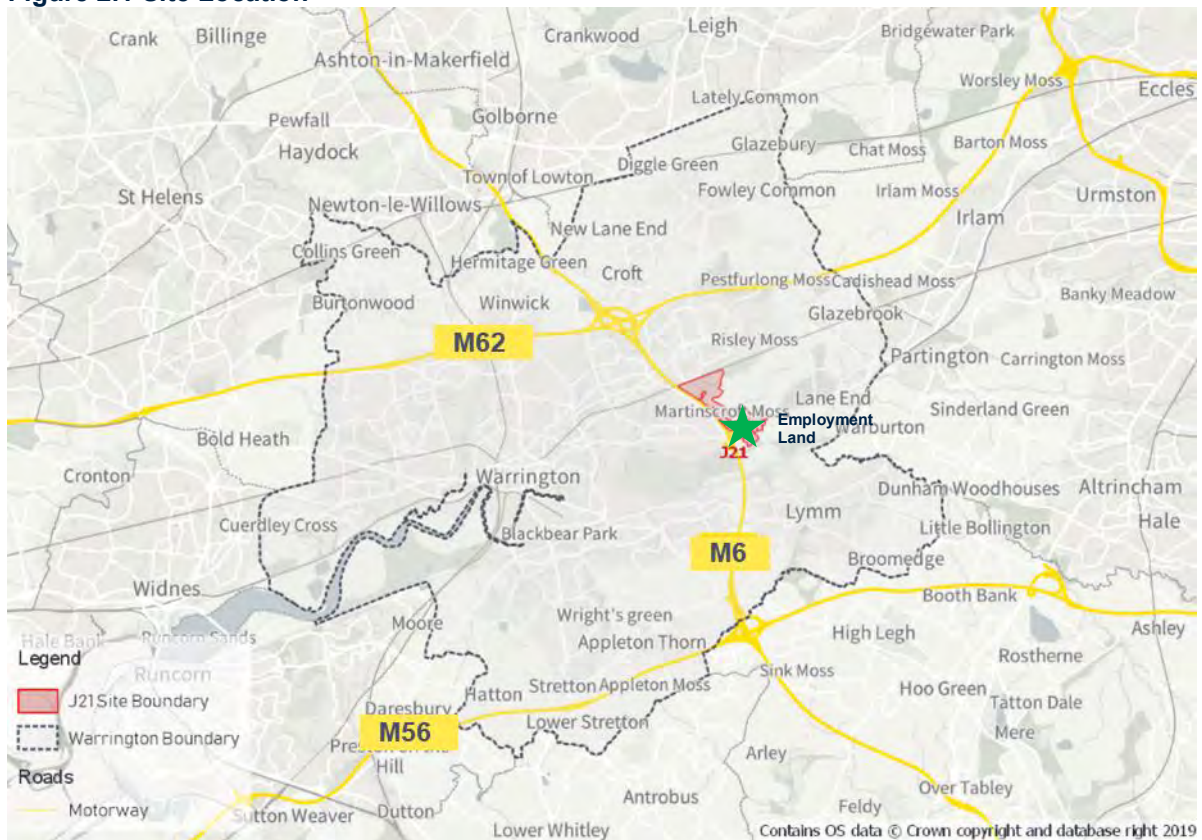
- 1.3.1 When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formally B1c use class now part of Class E), General Industry (B2 use class) and Storage and Distribution (B8 use class). Effectively the primary use classes that require shed-type units (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

2 Project Description

2.1 Site Location

2.1.1 The Subject Site comprises around 120 ha of land. It is situated to the south of Birchwood train station on the east-west mainline railway between Liverpool and Manchester. As shown in **Figure 2.1**, the M6 motorway runs along the western boundary of the site, with Junction 21 of the motorway leading to the A57, Manchester Road, forming the southern site boundary. Open farmland is found to the east.

Figure 2.1 Site Location

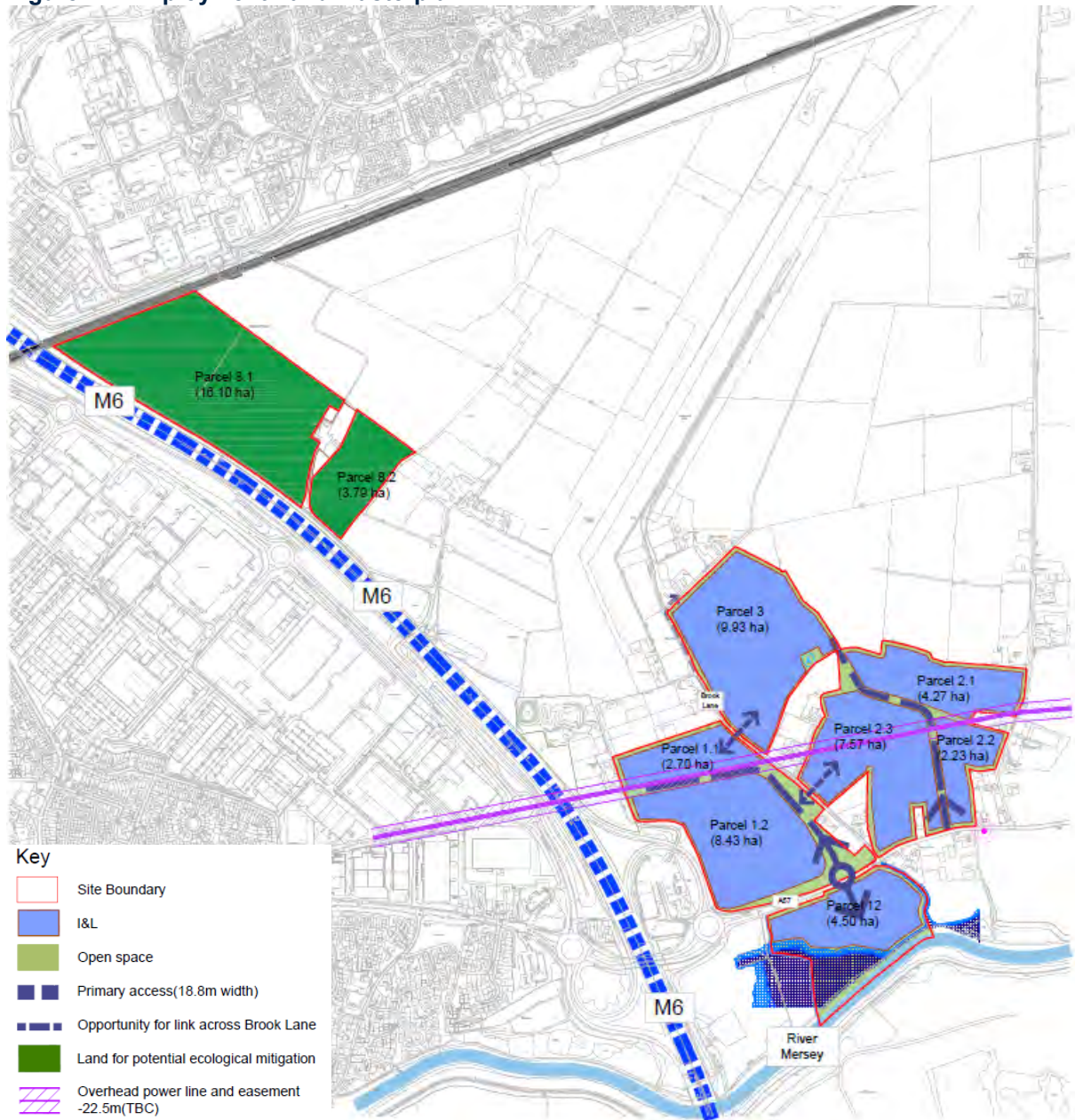


Source: Savills

2.2 Development Vision

2.2.1 The current Birchwood Employment Masterplan comprises 71.56 ha of land, with the employment area (40.25 ha) in the southern portion of the site to capitalise on accessibility to the M6 via J21. The remaining 31.31 ha is for a noise buffer zone, possible ecological mitigation and open space and other infrastructure. This is shown in **Figure 2.2** below.

Figure 2.2 Employment Land Masterplan



Source: St Modwen Birchwood Employment Masterplan

2.3 Strategic Advantages

2.3.1 The Subject Site has considerable location and deliverability advantages over other employment sites proposed for allocation in the Local Plan. The following attributes (**Figure 2.3**) are considered to be key for prospective I&L occupiers: large site area to accommodate a variety of unit sizes, a level site, 24-hour access, motorway/A-road access, end customer and supplier access, access to workforce and access to intermodal facilities. Below, we demonstrate how the Subject Site possesses these key attributes attractive to I&L occupiers.

Figure 2.3 The attributes of a good I&L site

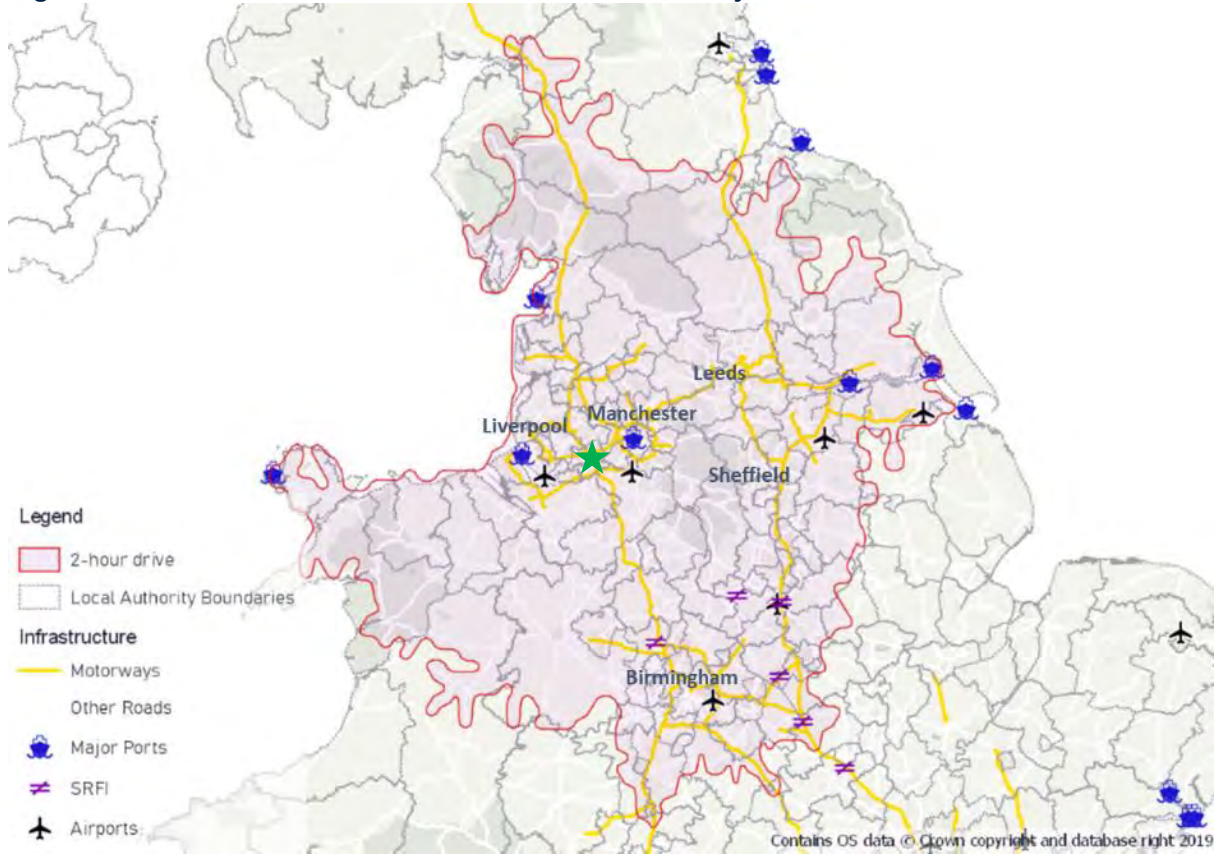


Source: Savills 2021

- 2.3.2 The Subject Site allocates 40.25 ha for I&L uses, and will therefore be able to accommodate a greater variety of unit sizes and therefore a more diverse mix of smaller local companies alongside mid-size and larger regional and national businesses. Companies generally prefer to be co-located with other companies as they can benefit from supply chain linkages and other agglomeration benefits such as knowledge spill overs between firms, sharing the costs of estate wide maintenance and security for instance.
- 2.3.3 The Subject Site is level and so can enable unobstructed access by service vehicles, forklifts and for some company's automated system that assist with sorting and packaging processes. The Site will also benefit from 24-hour access, which is becoming an increasingly important requirement due to the continuing rise in online retailing (discussed in **Section 3 and Appendix A**) and the desire of modern society for shorter delivery timeframes. Sites located close to motorways (such as the Subject Site) with a level of separation from sensitive uses are typically more likely to facilitate 24 hour operations without causing unacceptable environmental nuisance. 24 hour operations also enable longer haul journeys to be undertaken overnight to avoid daytime traffic congestion.
- 2.3.4 Its access to the M6 via J21 connects the Subject Site directly to the strategic road network (SRN). This is particularly advantageous to I&L occupiers as it enables access to a large customer base as well as suppliers.
- 2.3.5 Advice from Savills' industrial agents indicates I&L uses typically want to be within a 2-hour drive time of their end customers and suppliers. **Figure 2.4** illustrates the extent of the 2-hour drive-time catchment from the Subject Site. It shows that the Subject Site is with easy reach of large conurbations in the North of England and the Midlands including Liverpool, Manchester, Leeds, Sheffield and Birmingham. Further GIS analysis conducted on ONS Population Estimates and Business Count data at Lower Layer Super Output Areas (LSOAs) and Middle Layer Super Output Areas (MSOAs) suggests that the Subject Site is within 2-hour drive time of over 22 million people (13.8 million of working age) and 793,000 businesses. This represents around a third of England & Wales' resident and business populations at 37% and 32% respectively.
- 2.3.6 The Subject Site is also conveniently located with respect to key freight handling infrastructure including

ports, freight handling airports and Strategic Rail Freight Interchanges (SRFI).

Figure 2.4 Drive-Time Catchment of 2 Hours from the Subject Site



Source: Savills

2.3.7 According to statistics from ONS Labour Force Survey⁴, Warrington has an average home-to-work travel time of 24 minutes. Using GIS, **Figure 2.5**, indicates a 24-minute drive time from the Subject Site reaches 1.8 million people (1.1 million of working age).

⁴ User Request Data – 2018: TRVTME Usual home to work travel time (minutes) by local authority

3 Existing Evidence Base

3.1 Introduction

3.1.1 The most recent employment evidence informing the Local Plan review is the Refresh to the Economic Development Needs Assessment (August 2021) prepared by BE Group and Mickledore (henceforth referred to as the EDNA). This report is an update on the 2019 version of the EDNA.

3.1.2 In this section we summarise the key findings of this report, review the methodology used for estimating future employment land needs and provide Savills view on its findings. Our review focuses on the assessment of future demand as this is the element that, methodologically, can be performed in a number of ways even if compliant with the National Planning Policy Guidance (NPPG). The chosen methodologies, and assumptions used, can ultimately produce large variations in the supply and demand balance.

3.2 EDNA Overview

3.2.1 Reasons for the update of the EDNA from 2019 are as follows:

- To support development of the Proposed Submission Version Local Plan (PSVLP);
- To reflect a revised local plan period, 2021-2038, compared to the previously used 2017-2037;
- To reflect changes to national planning policy and guidance – National Planning Policy Framework, National Planning Policy Guidance and Use Class Order Changes;
- To reflect national issues including the exit of the United Kingdom from the European Union and the potential impacts of the Covid-19 Pandemic;
- The fact that Fiddlers Ferry Power Station will now likely become available for employment development within the Plan period, and that the site is now being actively promoted for inclusion as such in the Local Plan by the owners; and
- To ensure the Borough's economic development needs are considered in the context of the Borough's housing needs in order to provide a balanced Local Plan spatial strategy.

3.3 EDNA Needs Assessment Methodology

3.3.1 Paragraph 27 of the NPPG outlines four possible methods to estimate future demand:

- 1) sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
- 2) demographically derived assessments of current and future local labour supply (labour supply techniques);
- 3) analysis based on the past take-up of employment land and property and/or future property market requirements (past take-up); and
- 4) 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.

3.3.2 The EDNA uses methods one (labour demand) and three (past take-up) to estimate future demand.

EDNA Labour demand method

- 3.3.3 The **labour demand method** looks at (local) jobs growth, using economic forecasts from Oxford Economics and Cambridge Econometrics. The resulting jobs based forecast models suggest that WBC has much smaller employment land needs, with Oxford Economics forecasts indicating a need of 12.88 ha and Cambridge Econometrics forecasts indicating a need of 23.53 ha over the plan period (2021 to 2038).
- 3.3.4 It is acknowledged that these projections are “policy-off”, i.e. they do not account for any public-sector plans or strategies for growth above the baseline. “Policy-on” modelling and sensitivity testing was undertaken, producing greater shortfalls compared to the Oxford Economics “Policy-Off” model, but still below the estimates based on Past Take-Up method.
- 3.3.5 The EDNA concludes that the market assessment and a review of the historic trends in employment change and land take up suggest that the labour demand forecasts underestimate land needs significantly and therefore was not taken forward by the EDNA.

EDNA Past take-up method

- 3.3.6 This method is preferred by the EDNA.
- 3.3.7 Under the past take-up method, historic land take-up is projected forward to produce a combined strategic & local needs projection and a local-only projection. The local-only projection model excludes development at Omega, which accounted for 42% of all completions since 1996. The rationale for creating a ‘local-only’ model is that Omega is considered to be a strategic site with a market which is regional and national in scope, delivering B2 and B8 properties of an exceptional size in the local context.
- 3.3.8 Under both the strategic/local-only models, past take-up is based on a schedule of completions between 1996 and 2020 provided by the Council, which is used to derive an average of completions per annum. In this section, we discuss the strategic/local model only as it covers all completions in WBC.
- 3.3.9 The average per annum is **14.22 ha** under the strategic/local take-up model which totals 341.29 ha of completions over the 24-year historic look-back period. Projecting forward these historic trends over the 18 year Local Plan period, from 2021 to 2038, yields a need of **255.96 ha** (14.22 ha/year x 18 years) of strategic/local take-up.
- 3.3.10 A buffer of 3 years is applied on top of the estimated plan period to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the plan period. A 17.64 ha allowance is also added to account for business displacement associated with Warrington Masterplan projects. The EDNA recognises that the displaced businesses of Central Warrington, if office tenants are excluded, are almost exclusively industrial. For the purposes of the EDNA, the need these businesses generate (17.64 ha) is split evenly between E(g)(iii), B2 and B8 storage uses.
- 3.3.11 The addition of the 3 year buffer and masterplan allowance increases the land need to **316.26 ha** based on the strategic/local take-up model as shown **Table 3.1**.

Table 3.1 Summary of Employment Land Needs (All Uses)

Strategic / Local Model	
Historic take up	255.96 ha (14.22 ha p.a.)
3 year buffer	42.66 ha
Displacement Allowance	17.64 ha
Total	316.26 ha

Source: BE Group

- 3.3.12 Taking the preferred estimate method based on past take-up, I&L uses account for 242.26 ha⁵ of future employment land needs in WBC for the strategic/local model. We have assumed that I&L past take-up includes Classes E(g)(iii), B2, B8 and mixed. Our inclusion of mixed might therefore overestimate I&L take up as a portion might be for offices.

3.4 Savills Observations

Labour demand method

- 3.4.1 Savills agrees with the EDNA's conclusions regarding the labour demand method and it ultimately being disregarded as part of the future needs analysis. Employment forecasts often reflect the continued restructuring of the economy away from industry towards services, projecting job declines in industrial sectors. Almost inevitably, needs projections based on this method lead to underestimations, as job declines are often assumed to translate into negative demand for industrial floorspace.
- 3.4.2 Unfortunately this does not reflect the reality of growing demand in the I&L sector. Savills' Big Shed Briefing (July 2021)⁶ reported that in H1 2021 gross take-up reached 24.41 million sqft of warehouse space setting a new record, 82% above the long-term H1 average of 13.4 million sq.ft. This follows on from a record year in 2020.
- 3.4.3 In addition, the labour demand method also disregards occupational changes within the I&L sector, where more engineering roles are being created and office functions are increasingly being co-located with warehouse functions as discussed in **Appendix A**.

Past take-up method

- 3.4.4 Of the methods outlined in the NPPG, we consider the **Past Take-Up** method to be the most useful given it has a land supply focus and is based on actual market data. However this method, based on the way it has been applied in the EDNA, still has a number of deficiencies which underestimate future land needs as we discuss further below.

THE EDNA'S LOOK-BACK PERIOD IS TOO LONG

- 3.4.5 The EDNA considers past take-up over a 24 year look back period from 1996 to 2020. This is far too long a period, over which the demand drivers underpinning I&L need, and the characteristics of the sector itself, have changed significantly. These changes have resulted in increasing demand for I&L floorspace and demand. By including take-up from as far back at the 1990s and 2000s will only have

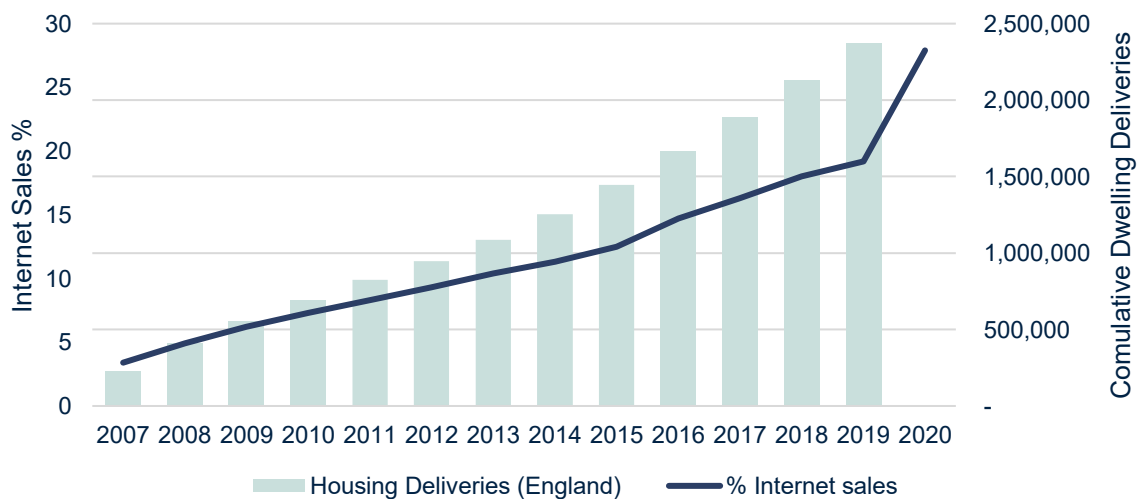
⁵ Table 22 EDNA 2021, p. 144

⁶ Savills Research (2021) Spotlight: Big Shed Briefing Available at: https://www.savills.co.uk/research_articles/229130/316116-0

served to dampen take-up.

3.4.6 For instance the exponential growth in online retail is probably the most quantifiable of the major changes driving growth in the I&L sector. Back in 1996 online retailing practically did non-exist and statistics collected by the ONS from November 2006 show that internet sales back then accounted for only 2.8% of all retail sales. This increased to 6.8% in February 2010, and was 19.1% in February 2020 before the onset of the Covid pandemic. The most recent figure is 25.9% as of September 2021⁷. This exponential growth in online retailing is both a function of the way we now live and continued housing growth in the UK. As shown in **Figure 3.1** housing growth at the national level has broadly tracked the growth in online retailing before the onset of the Covid-19 pandemic, during which time online retailing has spiked even higher. While the proportion of online retailing may soften slightly as the UK economy opens up, most commentators agree that online retailing will continue to grow from a higher base than before the pandemic. Research by Forrester indicates that internet sales will grow to 37% of all retail sales by 2025. By merely projecting forward historic take-up from the last 24 years, the strong growth in online retailing, and its impact on future demand, has not been accounted for by the EDNA.

Figure 3.1 Internet Sales as a % of all Retail Sales and Dwelling completions since 2007



Source: ONS, MHCLG, Savills

3.4.7 The increase in online shopping has profound implications on I&L floorspace demand as e-commerce requires around 3 times the logistics space compared to traditional brick-and-mortar retailers⁸. Online retailing relies on increased choice for the consumer and also increased delivery speeds to a location of people’s choosing. This means that more inventory is required to be located nearer to the general population. This in turn has meant that more and more warehouse space is required both by online retailers but also traditional bricks and mortar retailers who are adapting their supply chains to compete. Again this modern day trend will not have been accounted for in the EDNA by merely projecting forward historic take up.

3.4.8 Covid-19 has also highlighted the level of interconnectedness of existing international supply chains and

⁷ ONS (2021) Internet sales as a percentage of total retail sales (ratio) (%)

⁸ Prologis (2016), Global E-Commerce Impact on Logistics Real Estate. Online Article: <https://www.prologis.com/about/logistics-industry-research/global-e-commerce-impact-logistics-real-estate>

their fragility when one or more links break. Companies have started building up greater resilience in their operating models and are preparing to minimise future supply-chain-induced disruptions. This is expected to accelerate near-shoring⁹ or re-shoring¹⁰ trends, which 20% of firms are planning to do or have already started, according to a survey carried out in July 2020 by the Institute for Supply Management.¹¹ This is likely to lead to higher domestic inventory requirements, further increasing long-term demand for warehousing and logistics space. Surveys carried out by Savills also suggest that it is widely expected that Covid-19 will 'Somewhat Increase' supply-chain on-shoring.¹²

3.4.9 Brexit is likely to add further uncertainty surrounding the strength of the supply chains, influencing the need for further logistics space. If, in the short term, companies adopt nearshoring policies to insulate themselves from future supply chain disruption, it is likely that European manufacturing will increase which in turn will create a ripple effect for warehouse demand. The additional requirements to import and export goods could lead to significant delays in Southern ports in the UK, and freight could potentially be redirected through Northern airports and harbours with spare capacity.¹³ This would put pressure on local logistics space markets and require the development of more floorspace in those areas, and more generally along transport routes. The impacts of Brexit and increased levels of re-shoring and near-shoring will not have been accounted for in the historic take up figured projected forward in the EDNA.

3.4.10 Freight volumes are another key growth driver of I&L floorspace need. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, freight handling airports, rail freight interchanges and motorways) and conveniently located I&L premises in order to reach end customers. Savills Industrial Agents advise industrial occupiers ideally have a 2hr drive time supply chain. The Junction 21 Birchwood site is within 2hrs drive of the following major ports, major airports and strategic rail freight interchanges not to mention directly adjacent to the M6:

Ports

- Manchester
- Liverpool
- Kingston upon Hull
- Holyhead
- Heysham
- Goole

Airports

- Manchester
- Liverpool
- Birmingham
- Doncaster

- East Midlands
- Humberside International

SRFI

- East Midlands Interchange
- East Midlands Intermodal Park
- West Midlands Interchange
- Hinckley National Rail Freight Interchange
- Daventry International Rail Freight Terminal

⁹ 'Near-shoring' concerns transferring a business operations to a nearby country as opposed to a more distant one (i.e. off-shoring)

¹⁰ 'Re-shoring' means Moving a business that had gone overseas back to the country from which it had originally relocated

¹¹ ISM (2020), COVID-19 Survey Round 3: Supply Chain Disruptions Continue Globally. Online Article: <https://www.ismworld.org/supply-management-news-and-reports/news-publications/releases/2020/covid-19-survey-round-3-supply-chain-disruptions-continue-globally/>

¹² Savills (2020) The impact of Covid-19 on Real Estate. Online Article: <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html>

¹³ Duncan T. (2019), Brexit Effects on Logistics. Online Article: <https://www.propertyweek.com/insight/brexit-effect-on-logistics/5105162.article>

- 3.4.11 For the major ports located within a 2 hour drive time of the Junction 21 Birchwood site, freight volumes have increased by 16.2% between 2009 and 2019, from nearly 53 million tonnes to just over 62.5 million tonnes. Furthermore, air freight for the major airports located within a 2 hour drive time from the Subject Site has increased by 32.6% over the same 10 year period from just under 372,000 tonnes in 2009 to just under 493,000 tonnes in 2019. Again the increase in freight volumes will not have been accounted for in the 24-year look back period projected forward in the EDNA.
- 3.4.12 Finally, the 24-year look-back period also covers the Global Financial Crisis (GFC), a demand shock that was felt throughout the entire world economy and took years to recover from. For instance **Table 3.2** shows net absorption has been much higher since 2012 in both the FEMA and Warrington than during the GFC (2009 - 2011). This clearly shows the damping factor the GFC had on I&L demand and ultimately the EDNA's forward projections by including it within its 24-year look back period¹⁴.

Table 3.2 Net Absorption p.a. (2009-2011; 2012-2021)

	Ave. Net Absorption p.a. (2009 2011) During GFC		Ave. Net Absorption p.a. (2012 2021) post GFC
Warrington	-94,411		638,142
FEMA	1,246,846		2,749,083

Source: Savills (2021); CoStar (2021)

- 3.4.13 We therefore consider the 24-year look-back period in the EDNA too long as it doesn't reflect more recent market conditions and the strength of I&L demand. We consider a 10-year period as appropriate to capture more recent market dynamics.

COMPLETIONS VS NET ABSORPTION

- 3.4.14 The EDNA's measure of take-up is based on past completion trends (what Savills refer to as new deliveries), rather than actual take-up of floorspace space (what Savills refer to as net absorption).
- 3.4.15 The leading demand measure of floorspace is "net absorption", which indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus move-outs) based on leasing deals. Development completions on the other hand is a supply measure (rather than a demand measure) which calculates new floorspace delivered. While new floorspace can be delivered on existing sites through redevelopment and intensification, it mainly depends on new employment sites being made available (allocated) for development via the planning system. For this reason, historic net absorption is a more accurate reflection of need than historic completions.
- 3.4.16 As shown in **Table 3.3** below, the EDNA's use of development completions instead of net absorption as a measure of demand has led to an underestimate of Warrington's future employment land needs. As can be seen net absorption is higher regardless of the length of the look back period. It is not uncommon for market demand (net absorption / leasing deals) to be higher than supply based measures (take-up / completion) given the complexities and length of time it can take to allocate employment land through the Local Plan process, achieve planning permission and then build new I&L premises.

¹⁴ Data used for the period during the GFC is from 2009 to 2011 as CoStar's historic data is only available from 2009 onwards

Table 3.3 I&L Annual Take-up Comparison

	EDNA Completions (1996 2020)	CoStar Completions (2011 2021)*	CoStar Net Absorption (2011 2021)*
Annual	14.22 ha	14.42 ha	16.40 ha
Over 24 years	341.29 ha	346.16 ha	393.60 ha
Difference from EDNA estimates (24 years)			+ 52.31 ha

Source: BE Group EDNA, CoStar, Savills

*Note: floorspace to land conversion based on a 30% plot ratio (this is justified in **Section 6.3**)

THE EDNA DOESN'T ACCOUNT FOR SUPPRESSED DEMAND

- 3.4.17 When supply, as signalled by floorspace availability, is low, demand is suppressed as prospective tenants can't find space in a market. 8% is typically referred to as the equilibrium level at a national level when supply and demand are broadly in balance (as sourced in publications such as the GLA's Land for Industry and Transport SPG (2012).
- 3.4.18 Below this level available supply becomes tight and rents increase as strong occupier demand compete for limited available stocks. While we accept 8% as a reasonable equilibrium benchmark it can be higher or lower based on the size and strength of a specific market. For instance strong, fast paced markets with considerable churn may require a higher than 8% equilibrium benchmark, while the opposite is true for smaller markets with less churn. The process for estimating a market's equilibrium rate is to investigate at what availability level (historically) have corresponded with minimal real rental growth (net of inflation). This is based on the commonly held logic that rental growth is minimal when there is sufficient supply to meet demand – in effect supply and demand is in balance. We undertake this process in **Section 6** which indicates the equilibrium rate for Warrington's I&L market is 9%. Warrington's availability rate is currently well below its equilibrium, sitting at 5.4%, which we discuss further in **Section 5**.
- 3.4.19 By merely projecting forward historic take-up, the EDNA has taken no account of demand that has been lost from Warrington and the wider FEMA due to supply constraints and therefore presents a need profile based on a supply constrained trend (or 'suppressed demand').
- 3.4.20 Savills have developed a methodology that estimates a market's suppressed demand when supply is below an equilibrium rate (i.e. when supply and demand are in balance). This can be added to historic demand projections to give a more realistic picture of future demand.
- 3.4.21 In **Section 6** we provide more details on the method to estimate suppressed demand specific to Warrington and its FEMA.

4 Regional Market Assessment

4.1 Introduction

- 4.1.1 This section compares Warrington's I&L markets against the other districts in the FEMA across a number of supply and demand indicators.
- 4.1.2 The regional context is important given that future I&L investors and occupiers will consider the attractiveness of the Subject Site against other competing locations within the FEMA. New I&L investment and occupier demand will naturally flow to the strongest locations.
- 4.1.3 **Table 4.1** lists the market supply and demand factors we consider.

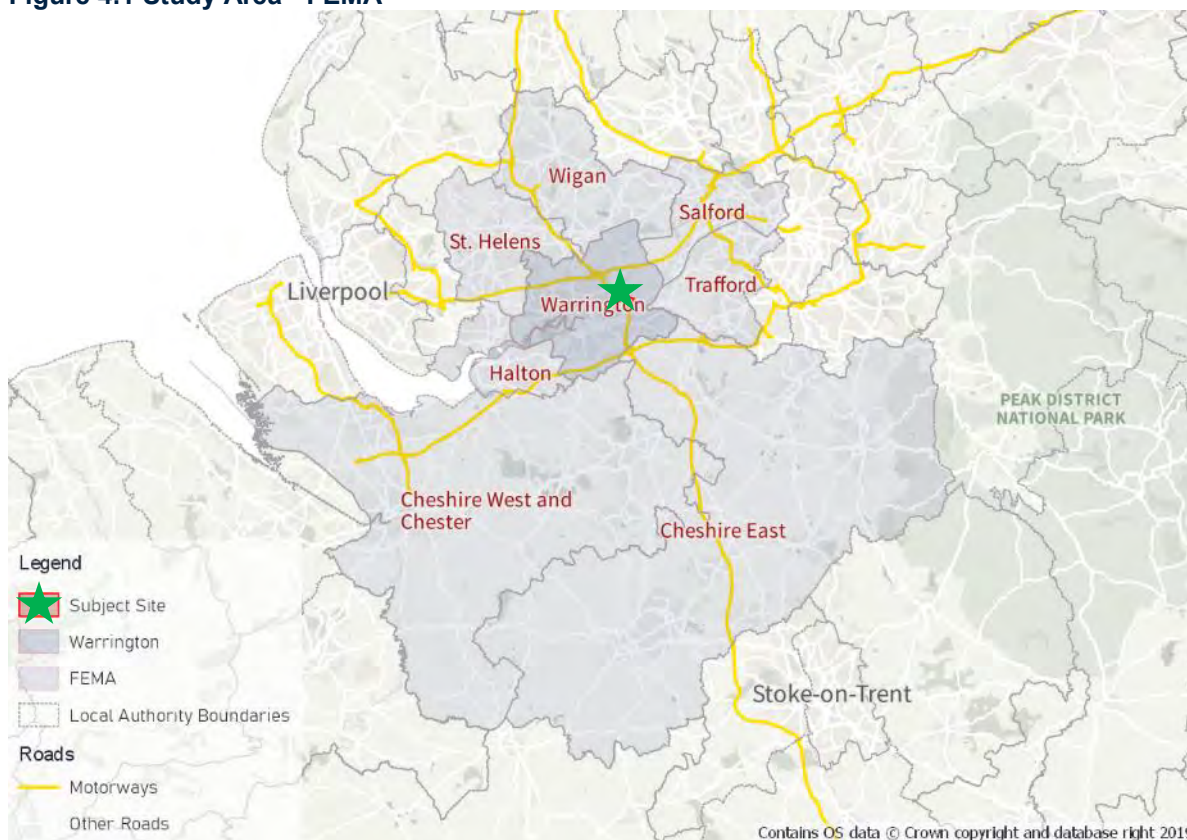
Table 4.1 Market Factors Considered

Supply Factors	Demand Factors
<ul style="list-style-type: none"> • Total inventory • Availability • Vacancy • Quality of existing stock • Floorspace to working-age population ratio • New developments 	<ul style="list-style-type: none"> • Net absorption • Average market rents • Rental growth

4.2 Property Market Area

- 4.2.1 Before undertaking the market supply and demand assessment, we must first define the Property Market Area (PMA) within which the Subject Site is located.
- 4.2.2 Warrington is part of a wider Functional Economic Market Area (FEMA) that includes neighbouring local authorities. FEMA's are essentially a group of local authorities that share similar characteristics in terms of key economic drivers, housing markets and workforce and consumer flows. Warrington's FEMA is based on a best-fit geography as discussed in the EDNA (2021). It includes the local authorities of -
- Warrington
 - Cheshire East
 - Cheshire West and Chester
 - Halton
 - Salford
 - St Helens
 - Trafford
 - Wigan
- 4.2.3 Savills consider this FEMA to be a sensible PMA within which to consider the I&L market at the wider sub-regional level, as well as the individual local authorities within it.

Figure 4.1 Study Area - FEMA



Source: Savills

4.3 Market Supply Factors

- 4.3.1 **Table 4.2** presents a summary of the supply indicators for the respective I&L market across the FEMA.
- 4.3.2 Warrington has the third largest inventory of I&L stock in the FEMA (23.1 million sqft), after Trafford and Cheshire East, accounting for 14.2% of the FEMA's total inventory.
- 4.3.3 As discussed in **Section 3**, we consider 9% availability to represent when Warrington and the wider FEMA is in balance between I&L supply and demand. Below this level available supply becomes tight and rents increase as strong occupier demand compete for limited available stock. The FEMA's overall availability rate is currently 3.8%, indicating that the area is currently supply-constrained as this rate is well below the 9% equilibrium rate, and the FEMA's availability rate has been consistently below 9% since 2014.
- 4.3.4 A key impact of this is that demand can be suppressed due to the lack of available stock thereby restricting new entrants into the market as well as enable churn and movement within the market place as existing business's floorspace needs changes, for instance through expansion. 'Supressed demand' is discussed more fully in **Section 6**.
- 4.3.5 Warrington's availability rate is higher than the FEMA average, at 5.4%, but is still below the 9% threshold currently. Wigan is the most supply-constrained with only a 2.5% availability rate.
- 4.3.6 The higher availability rate in Warrington can be explained by the stronger performance of WBC

historically in allocating land for new I&L development. Net deliveries have averaged 437,000 sqft per annum, representing 1.9% of Warrington's inventory, the highest level in the FEMA (both in absolute terms and as % of inventory). In fact Warrington's net deliveries of I&L stock is more than double the FEMA average as a proportion of inventory and nearly 90% higher, in absolute terms, than the next highest local authority being St Helens.

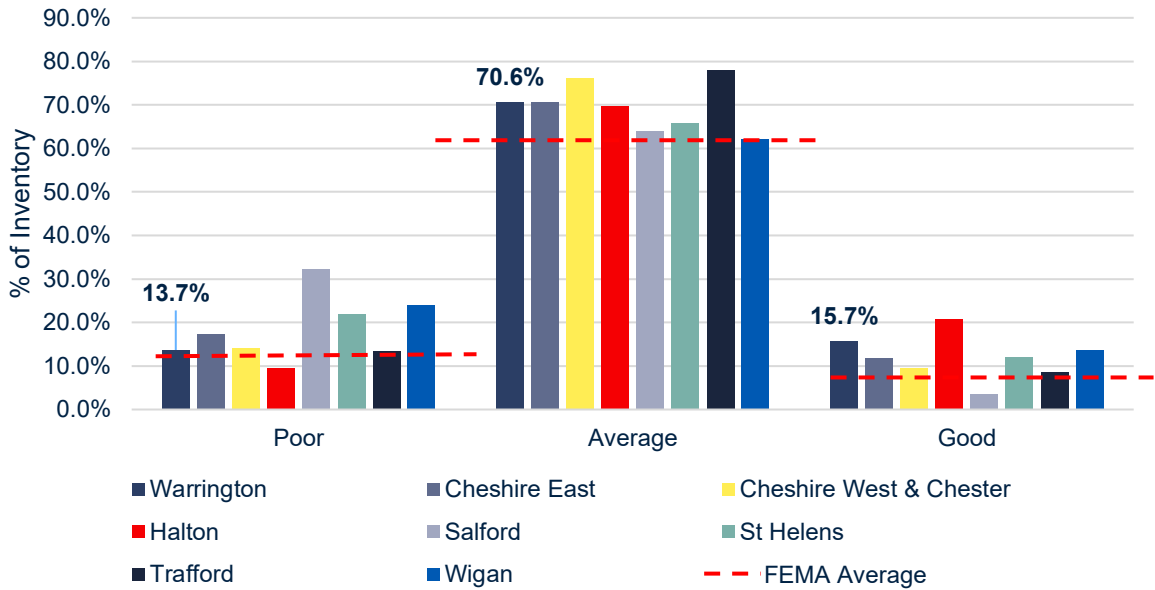
Table 4.2 Summary of Supply Indicators for I&L across the FEMA

Local Authority	Total Inventory (2021 YTD)	Availability Rate (2021 YTD) (%)	Ave. Net Deliveries p.a. (2011 2021)	Net Deliveries as % of Inventory
Warrington	23,104,847	5.4%	436,952	1.9%
Cheshire East	23,268,383	4.8%	192,514	0.8%
Cheshire West & Chester	20,275,638	3.2%	112,939	0.6%
Halton	14,634,654	3.0%	174,637	1.2%
Salford	18,466,323	4.1%	59,189	0.3%
St Helens	15,096,762	2.9%	230,916	1.5%
Trafford	25,929,605	4.2%	81,829	0.3%
Wigan	21,449,353	2.5%	95,732	0.4%
FEMA	162,225,565	3.8%	1,384,708	0.9%

Source: Savills (2021); CoStar (2021)

- 4.3.7 **Figure 4.2** presents the quality of I&L stock across the FEMA. Quality of stock is assessed using CoStar's property rating system, where a star rating of 1 or 2 denotes poor quality, 3 average quality, and 4 or 5 star good quality.
- 4.3.8 Warrington has a much lower proportion (13.7%) of low quality I&L stock when compared with the FEMA (18.1%) average. It has the third lowest proportion of low quality premises, behind Halton (9.6%) and Trafford (13.4%). Warrington also has a much higher proportion of good quality premises (15.7%), when compared with the FEMA (11.8%) average. This is the second highest proportion after Halton (20.7%) and indicates Warrington has been successful in attracting investment in high quality, new and refurbished I&L premises.

Figure 4.2 Quality of I&L Stock across FEMA

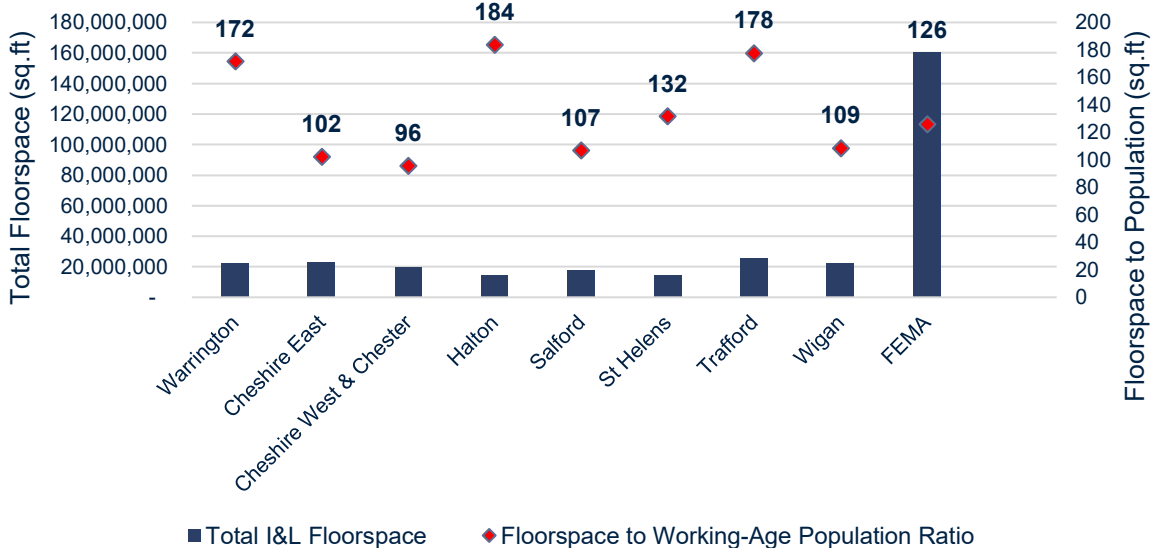


Source: Savills (2021); CoStar (2021)

4.3.9 **Figure 4.3** shows how much I&L floorspace each local authority in the FEMA has per working age resident. In effect it shows how large, and by extension, how important the I&L sector is relative to the size of the local working age population.

4.3.10 Warrington has 172 sqft of I&L floorspace per working aged resident, which is higher than the FEMA average at 126 sqft per job. This demonstrates Warrington is one of the main I&L employment locations in the wider FEMA together with Halton and Trafford. It also indicates how critical the sector is to Warrington’s economy and local jobs market.

Figure 4.3 I&L Floorspace to Working-Age Population Ratios



Source: Savills (2021); CoStar (2021); NOMIS (2019) Population estimates - local authority based by single year of age

4.4 Market Demand Factors

- 4.4.1 **Table 4.3** presents a summary of demand indicators for the I&L market across the FEMA.
- 4.4.2 A lead indicator of demand is net absorption which measures the total amount of I&L floorspace occupied (move-ins) less the total amount of I&L floorspace vacated (move-outs). We have expressed net absorption in both absolute terms and as a % of inventory. This second measure is important as it shows comparatively how strong demands is relative to the size of its inventory.
- 4.4.3 Warrington's net absorption (in absolute terms) averaged 529,000 sqft per annum between 2011 and 2021, the highest in the FEMA. The next largest is Cheshire East with demand at 439,000 sqft per annum, 21% lower than Warrington.
- 4.4.4 Warrington also has one of the strongest levels of demand (net absorption) when expressed as a proportion of its inventory at 2.3%. In comparison the FEMA average is 1.5%. These statistics demonstrate that Warrington is one of the most important I&L markets in the FEMA.
- 4.4.5 Based on the above statistics, it not surprising that Warrington has experienced one of the highest I&L rental growth rates in the FEMA at 73.5%, well above the FEMA average of 56.7%. As we discussed in **Section 3**, strong rental growth typically indicates supply is not keeping pace with demand. This conclusion holds true in the case of Warrington. As discussed above in relation to **Table 4.2**, Warrington has delivered the highest quantum of new I&L stock within the FEMA at 437,000 sqft per annum. However this is still lower that the 529,000 sqft per annum of demand (net absorption) Warrington has recorded over the last decade. Demand being higher than supply explains why availability is on a downward trend and now sits well below Savills 9% supply / demand equilibrium (benchmark) for Warrington.

Table 4.3 Summary of Demand Indicators for I&L across FEMA

Local Authority	Ave. Net Absorption p.a. (2011 2021)		Ave. Market Rents (£/sqft)	Rental Growth, 2011 2021 (%)
	sqft	% of Inventory		
Warrington	529,479	2.3%	£7.48	73.5%
Cheshire East	439,377	1.9%	£6.63	44.1%
Cheshire West & Chester	264,141	1.3%	£6.15	42.4%
Halton	338,106	2.3%	£6.28	78.9%
Salford	137,654	0.7%	£6.18	58.5%
St Helens	380,057	2.5%	£5.87	52.9%
Trafford	182,191	0.7%	£7.24	56.7%
Wigan	230,733	1.1%	£5.99	54.0%
FEMA	2,502,509	1.5%	£6.55	56.7%

Source: Savills (2021); CoStar (2021)

5 Local Market Assessment

5.1 Introduction

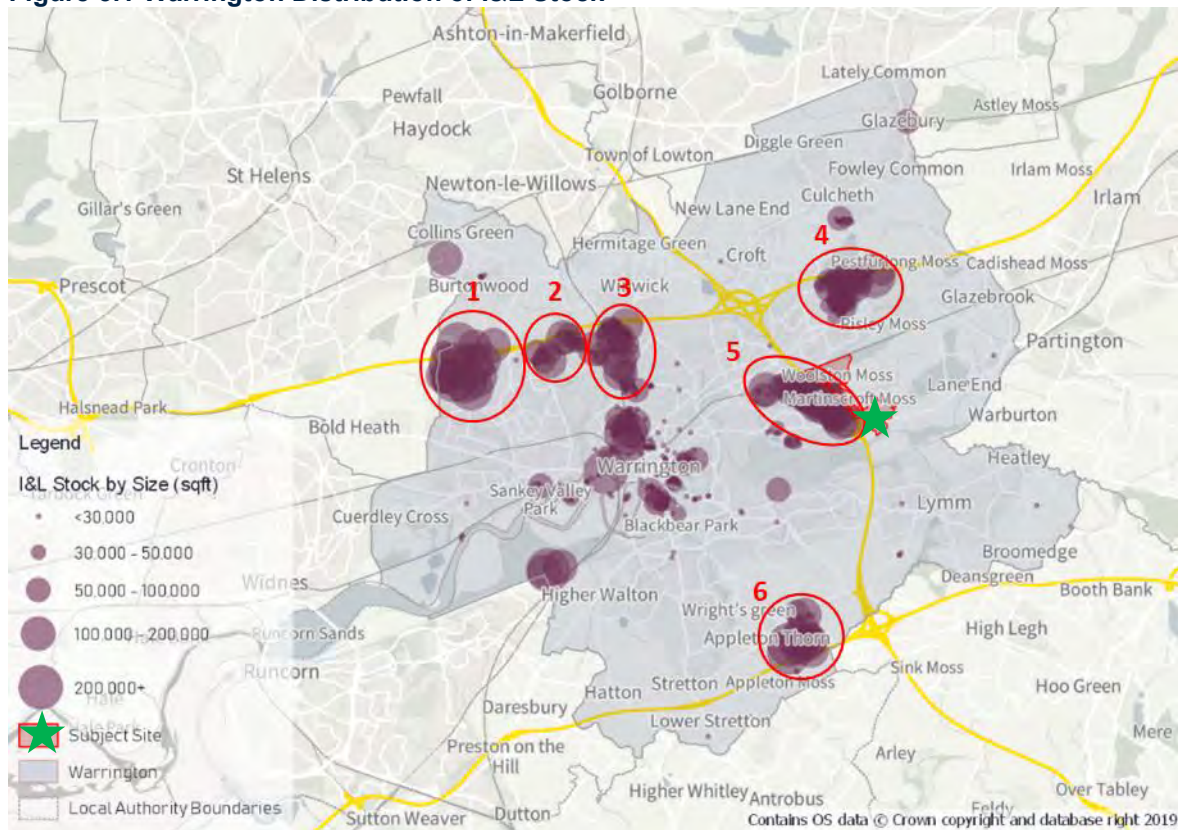
5.1.1 This Section builds upon the regional market assessment in **Section 4** by providing a more detailed assessment of Warrington's local I&L market.

5.2 Warrington Market Assessment

5.2.1 Warrington has an industrial stock of 22 million sqft. This is geographically concentrated in six locations (**Figure 5.1**) adjacent to motorways:

- No. 1 in the north west of the Warrington is Omega by the M62;
- No. 2 is Gemini by the M62;
- No. 3 is the Winwick Road Corridor at the intersection of the M62 and A49;
- No. 4 in the north east of the borough is Birchwood Technology Park with adjacent industrial estates;
- No. 5 is Woolston Grange by the M6 opposite the Subject Site; and
- No. 6 by the M56 in the south of the Borough are Barleycastle Trading Estate and Appleton Thorn Trading Estate.

Figure 5.1 Warrington Distribution of I&L Stock

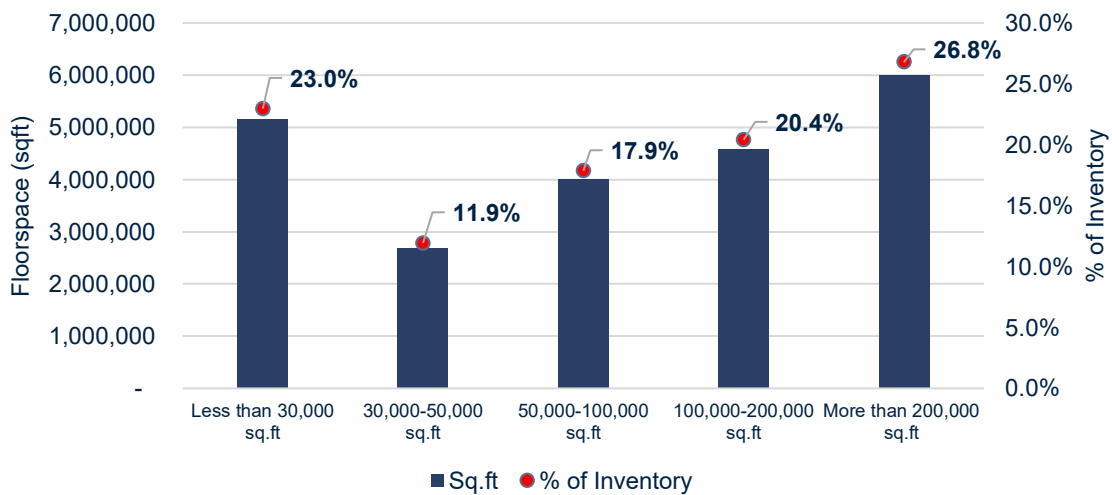


Source: CoStar, Savills

Stock by Size Band

5.2.2 **Figure 5.2** presents the I&L stock in Warrington by size band. The majority (26.8% or 6 million sqft) of Warrington’s I&L stock is concentrated in the largest size category of more than 200,000 sqft, followed by 23% (or 5 million sqft) of stock in the smallest size category of less than 30,000 sqft. While the size category of 30,000-50,000 sqft accounts for the smallest proportion of Warrington’s total stock at 11.9% (2.7 million sqft), overall the local market is fairly balanced in terms of the size of units. This demonstrates Warrington is seen as an attractive location to a range of I&L investors and occupiers with different size requirements.

Figure 5.2 Warrington I&L Stock by Size Band



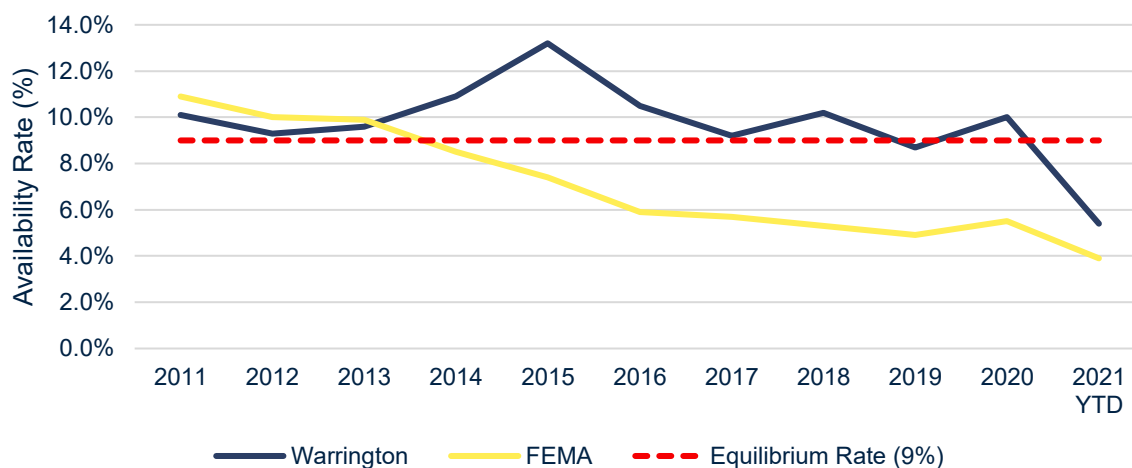
Source: Savills (2021); CoStar (2021)

Historic Availability

5.2.3 **Figure 5.3** presents the historic availability rate in Warrington as well as the in the FEMA, between 2011 and 2021. As mentioned in **Section 3**, we consider the Warrington market to be supply constrained when floorspace availability is below 9%.

5.2.4 Warrington has facilitated the supply of I&L land to accommodate new development. However since 2015 availability has been a downward trajectory and has now dropped below the 9% equilibrium rate. The rest of the FEMA has been below the 9% equilibrium rate since 2014 demonstrating, as a whole, the entire FEMA has been supply constrained for much of the last decade. This effectively means demand that would have gravitated to the FEMA has likely been lost to other locations due to the lack of available supply. We discuss this impact, called ‘suppressed demand,’ in **Section 6**.

Figure 5.3 Historic Availability Rate in Warrington and FEMA (2011-2021)



Source: Savills (2021); CoStar (2021)

Availability by Size Band

5.2.5 **Table 5.1** shows the largest size band (200,000 plus sqft) is particularly supply constrained with no floorspace currently available, followed by the 100,000 to 200,000 sqft size band at only 3.6%. The majority of space available is concentrated in the smallest size category of less than 30,000 sq.ft and the 50,000 to 100,000 sq.ft category.

Table 5.1 Available Floorspace by Size Band

Size Band	Available Floorspace (sqft)	Availability Rate (%)
Less than 30,000 sq.ft	330,593	6.4%
30,000 to 50,000 sq.ft	162,879	6.3%
50,000 to 100,000 sq.ft	349,284	8.3%
100,000 to 200,000 sq.ft	162,857	3.6%
200,000 + sq.ft	-	0.00%

Source: Savills (2021); CoStar (2021)

5.2.6 The proposed Junction 21 Birchwood site, while attractive to all size bands, will be particularly attractive to larger units given its direct adjacency to the M6.

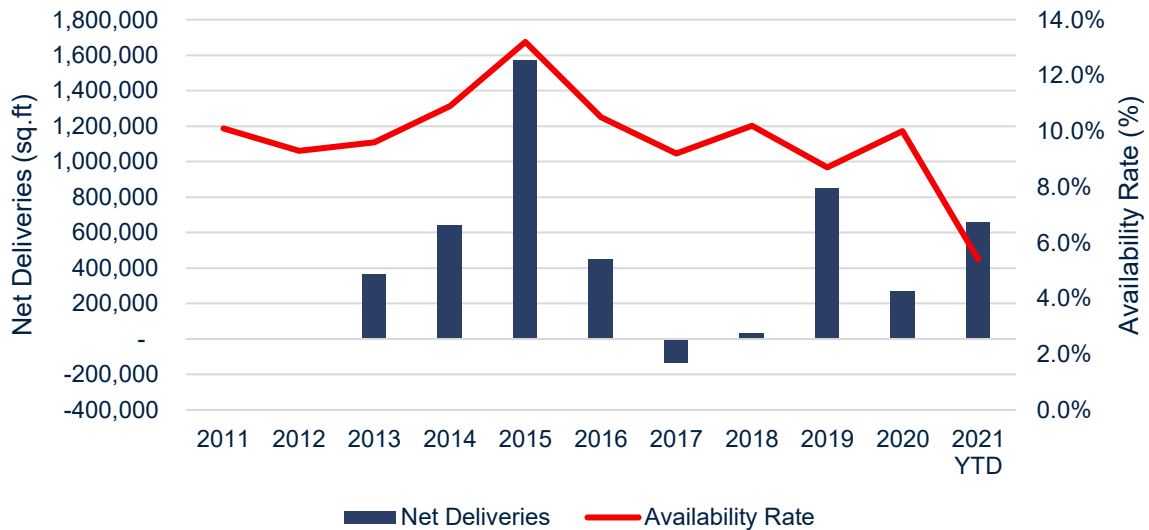
Historic Deliveries

5.2.7 **Figure 5.4** presents historic deliveries of I&L floorspace in Warrington, between 2011 and 2021. As discussed in **Section 3**, Warrington has experienced the strongest average rate of new deliveries across the FEMA, between 2011 and 2021, reflective of its regional importance as an I&L location and its attractiveness to investors and occupiers.

5.2.8 2015 saw the largest amount of new I&L floorspace delivered (nearly 1.6 million sqft), leading to a rise in the availability rate to 13.2%. The Hut Group’s delivery of a 686,000 sqft shed at Omega South and ASDA’s 631,000 sqft shed, also at Omega South, accounted for much of this growth. 2019 was also a particularly strong year with over 800,000 sqft of new deliveries. Again new development at Omega South contributed to much of this growth along with new development at Omega 88 and Aston Fields Road. However availability on the whole has trended downwards since the high of 2015 as net deliveries have failed to keep pace with the strong demand to now stand at only 5.4%, well below the 9%

equilibrium rate when supply and demand are considered to be broadly in balance.

Figure 5.4 Net Deliveries vs Availability Rate, 2011-2021

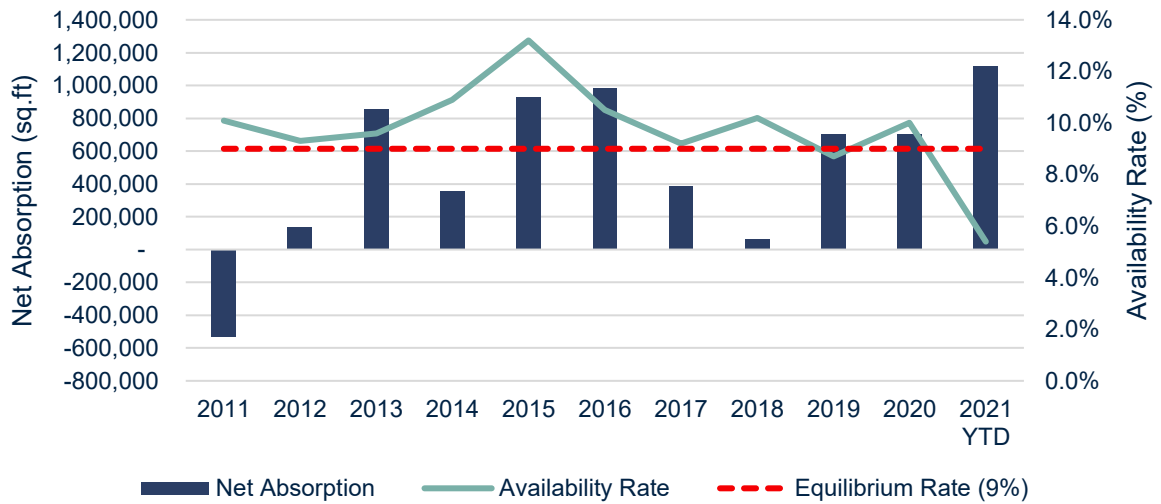


Source: Savills (2021); CoStar (2021)

Historic Net Absorption

- 5.2.9 **Figure 5.5** presents historic net absorption in Warrington between 2011 and 2021. As discussed in **Section 4**, Warrington has one of the strongest levels of demand in the FEMA, both in absolute terms and relative to the size of its inventory, consistent with its sub regional importance as an I&L market.
- 5.2.10 Warrington has experienced negative net absorption in only 1 year (2011) in the last decade. This is attributed to the economic shocks caused by the GFC. Since 2012, Warrington has experienced positive net absorption, with the highest level of net absorption recorded in the current year (to October 2021) at nearly 1.2 million sq.ft. This demonstrates the current strength of demand and follows on from strong years in 2013, 2015, 2019 and 2020 where net absorption was above 650,000 sqft per annum.
- 5.2.11 To put this strength of demand into perspective, the 1.25 million sqft proposed at Junction 21 Birchwood represents just over 2 years of supply when measured against the 10 year historic net absorption rate of 529,000 sqft per annum, and even less against Savills estimate of future demand as outlined in **Section 6**.
- 5.2.12 **Figure 5.5** is also useful in illustrating the inextricable link between supply (floorspace availability) and demand (net-absorption). From 2013 to 2016 when availability was above the 9% equilibrium rate, net absorption averaged 780,000 per annum. However net absorption has been lower since averaging only 625,000 sqft per annum between 2017 to 2021. This has corresponded with the sharp decline in availability from over 12% in 2015 to 5.4% currently. There is no other apparent reason for this reduced average net-absorption (demand) other than supply constraints give rents have been rising and the I&L market has been going from strength to strength with the sector having its strongest year nationally in 2020 (see **Appendix A**). Warrington doesn't just need new supply over the plan period but sites that can deliver quickly in the short to medium term to meet current strong demand. Junction 21 Birchwood is deliverable and ideally located to deliver this new supply as discussed in **Section 2**.

Figure 5.5 Net Absorption vs Availability Rate, 2011-2021



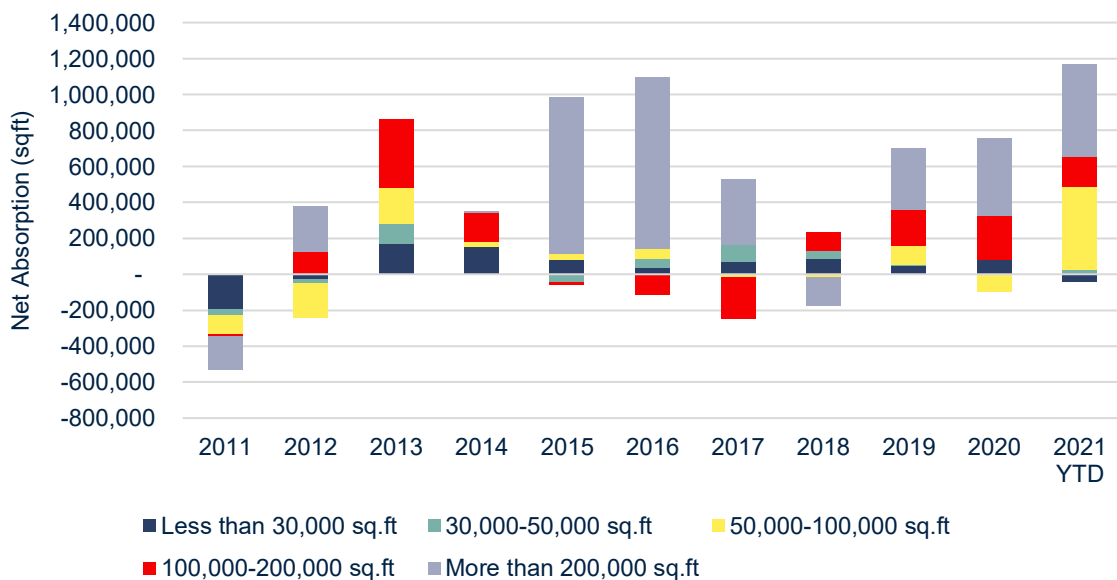
Source: Savills (2021); CoStar (2021)

Historic Net Absorption by Size Band

5.2.13 **Figure 5.6** presents historic net absorption in Warrington between 2011 and 2021 by size band.

5.2.14 In 2012, 2015, 2016, 2019 and 2020, the largest size band of more than 200,000 sqft made up the majority of positive net absorption in Warrington. This indicates demand for larger units is driving the market and explains why this size band has the lowest proportion of available floorspace (see **Table 5.1** above). The proposed Junction 21 Birchwood site, while attractive to all size bands, will be particularly attractive to larger units given its direct adjacency to the M6.

Figure 5.6 Net Absorption by Size Category, 2011-2021



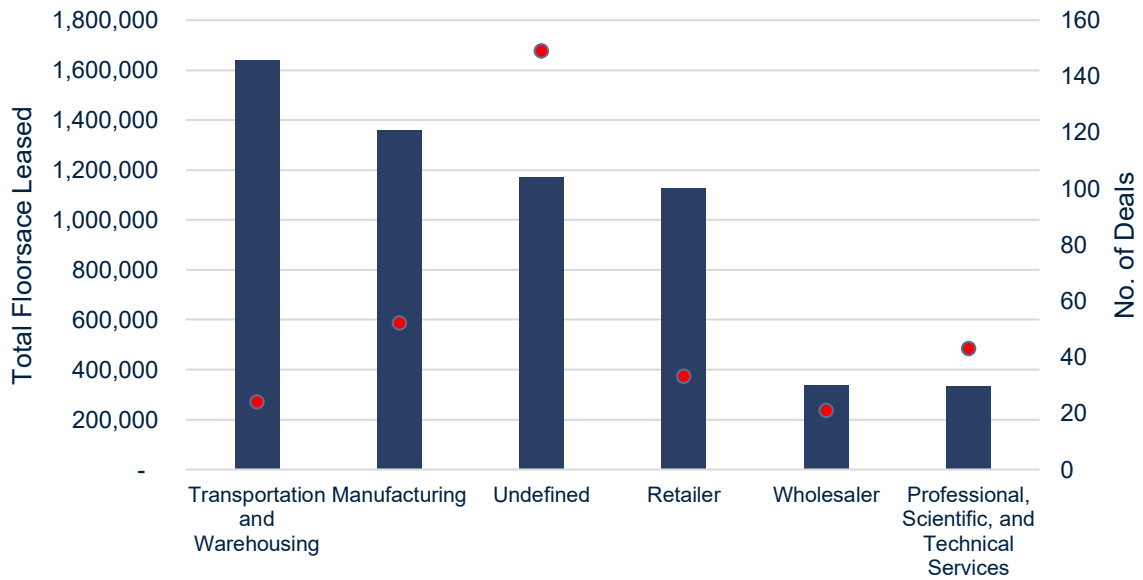
Source: Savills (2021); CoStar (2021)

Leasing Activity by Sector

5.2.15 **Figure 5.7** presents leasing activity by sector in Warrington between 2016 and 2021. The top 5 sectors (as well as deals with an undefined sector) accounting for the highest amount of floorspace leased in the 5 year period are presented.

5.2.16 Tenants in the ‘Transport and Warehousing’ sector accounted for the majority of I&L floorspace leased between 2016 and 2021 in Warrington, accounting for over 1.6 million sqft (or 24 deals). This is followed by the ‘Manufacturing’ and ‘Retailer’ sectors, with around 1.4 million sqft and 1.1 million sq.ft leased across 53 and 69 deals respectively.

Figure 5.7 Leasing Activity by Sector, 2016-2021



Source: Savills (2021); CoStar (2021)

6 Future Land Needs

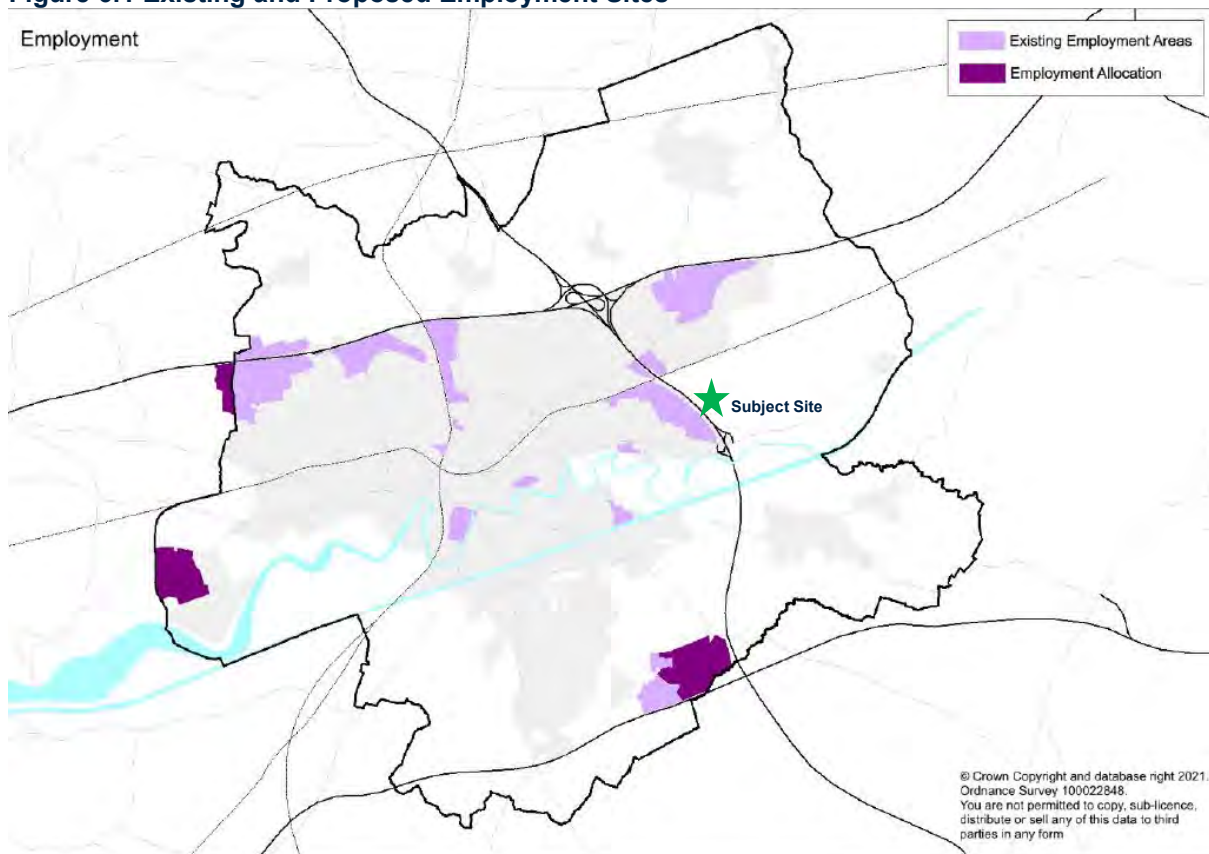
6.1 Introduction

- 6.1.1 The purpose of this Section is to estimate Warrington's future I&L land needs and compare this with its existing land supply. We focus primarily on market supply and demand dynamics given job based forecasts have rightly been discounted in the EDNA as being unreliable.
- 6.1.2 We then estimate future I&L need based on historic net absorption, not completions as used in the EDNA, and then adjust for 'suppressed demand'. We consider our approach addresses a number of the methodological shortfalls we identified with the EDNA in **Section 3**. Our methodology also allows for a 3-year buffer and business displacement from the Warrington Masterplan interventions consistent with the EDNA.
- 6.1.3 We then estimate future I&L need based on historic net absorption, not completions as used in the EDNA, and then adjust for 'suppressed demand'. We consider our approach addresses a number of the methodological shortfalls we identified with the EDNA in **Section 3**. Our methodology also allows for a 3-year buffer and business displacement from the Warrington Masterplan interventions consistent with the EDNA.
- 6.1.4 The results of the Savills' methodology, when compared with supply, yields a **shortfall of 195.49 ha** of I&L land over the plan period. We consider the proposed 40.25 ha of I&L land at Junction 21 Birchwood to be ideally placed to help meet this shortfall.

6.2 I&L Land Supply

- 6.2.1 Policy DEV4 in the Updated Proposed Submission Version Local Plan (UPSVP) (2021) seeks to ensure there is a sufficient supply of employment land to support Warrington's economic growth over the Plan period (2021-2038), supporting existing employment locations and allocating new land. **Figure 6.1** shows the existing employment areas within the borough together with the proposed new allocations.

Figure 6.1 Existing and Proposed Employment Sites



Source: Warrington UPSVLP (2021)

6.2.2 For I&L uses, the EDNA (2021) indicated a need of 242.26 ha of employment land up to 2038. WBC aims to meet this need via: an existing (as of October 2021) I&L land supply of 29.99 ha, 31.22 ha from the St Helens’ Omega extension secured through Duty to Co-operate discussions¹⁵, and a further 237.92 ha to be provided through two new allocations:

- **Fiddlers Ferry Brownfield Site:** 101 ha
- **South East Warrington Employment Area:** 136.92 ha

6.2.3 A summary of WBC’s available land supply from the new Local Plan is found in **Table 6.1**.

Table 6.1 WBC’s Available I&L Employment Land Supply

	Land Supply (ha)
Existing supply	29.99 ha
St Helens Omega Extension	31.22 ha
Allocations (i.e. South East Warrington Employment Area and Fiddlers Ferry)	237.92 ha
Total	299.13 ha

¹⁵ Which established that Omega employment development located in the Borough of St Helens will count towards Warrington’s employment development needs

6.2.4 These proposed allocations, as well as other allocation options set out in the EDNA, are discussed in more detail in **Section 7**.

6.2.5 The total of 299.13 ha is above the EDNA's estimated need of 242.26 ha.

6.3 Estimated Future Demand

Net absorption as a lead indicator of historic demand

6.3.1 As discussed in **Section 3**, net-absorption (move-ins minus move-outs) is a more accurate measure of demand than completions used in the EDNA (note: the EDNA refers to completions as take-up). Completions is a supply measure which primarily depends on new land being allocated as part of the Local Plan process followed by the grant of planning permission before new development is constructed. This is a lengthy process which explains why completions (new supply) typically lags demand (net absorption) as has been the case in Warrington. Using net absorption rather than completions results in a higher historic demand profile. For example, completions in Warrington since 2011 averaged 465,754 sqft per annum, which is lower than average net absorption over the same period at 529,479 per annum.

Accounting for suppressed demand

6.3.2 The Savills methodology also accounts for 'suppressed demand' as a top-up to the historic demand profile (based on net absorption). The rationale for accounting for suppressed demand is that when sufficient supply isn't available, demand cannot be accommodated. Therefore by only projecting forward past trends, as the EDNA has done, only serves to continue planning for a suppressed level of demand.

6.3.3 Supply and demand are inextricably linked across all commercial property sectors. Put simply if demand exceeds supply rents typically rise more quickly as occupiers vie for limited available stock. This can have a number of wider implications. For example, new companies aren't able to move into a market area, nor are existing companies able to find new space if their floorspace needs change, for instance due to expansion. It may also happen that some existing local companies get priced out of the market as they can't afford the increasing rents. As a result, companies either have to locate to areas that are not ideal in terms of serving their customer base, thereby increasing travel times and the costs of doing business, not to mention environmental impacts. The lack of supply may also mean companies are forced to occupy space that is not entirely suitable for their operational needs impacting productivity.

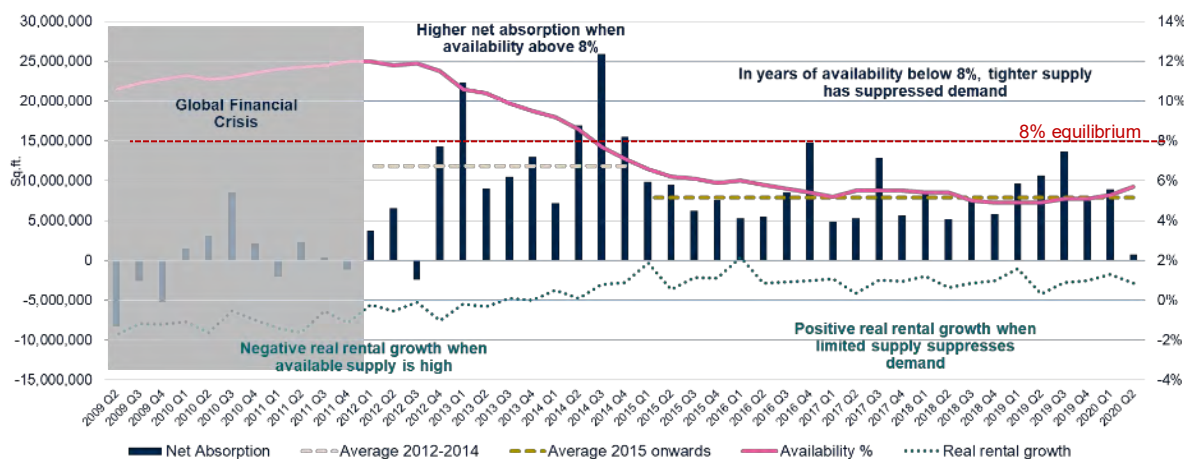
6.3.4 We describe a market where supply doesn't keep up with demand as being 'supply-constrained'. Limited supply in a strongly performing market, such as Warrington's I&L sector, means that demand cannot be fully satisfied, typically resulting in strong rental growth. As demonstrated in **Section 4**, Warrington's I&L rents have increased by 74% since 2011, indicating new supply has struggled historically to keep pace with the strong demand. At the national level the market equilibrium level, where supply and demand are broadly in balance and rents are more stable, is around 8% availability. This benchmark rate is found in a number of prominent publications such as the GLA's Land for Industry and Transport Supplementary Planning Guidance (SPG).

6.3.5 If one studies real rental growth (i.e. rental growth adjusted for inflation) over the past decade at the national level and observes its relationship to availability, it becomes clear that I&L rents begin to grow strongly when availability is below 8%. This relationship is clearly illustrated in **Figure 6.2** below. When availability was above 8% between 2009 and 2014 real rental growth (net of inflation) was either negative or only slightly positive. This enabled demand to be accommodated as sufficient supply was

available.

- 6.3.6 However since 2014, as availability dipped below 8% and has stayed below this level ever since at the national level, real rents have grown strongly year on year. During this period net absorption has been lower than the 2009-2014 period despite the I&L sector going from strength to strength. This clearly shows the suppressing nature tight availability (below 8%) has had on I&L demand nationally.

Figure 6.2 Historic Net Absorption (Sqft.), Availability (%) and Real Rental Growth (%) in England



Source: CoStar, OBR, Savills

Warrington-specific equilibrium availability rate

- 6.3.7 While 8% availability is the market equilibrium observed at the England level, our analysis shows that this equilibrium threshold varies across markets. The equilibrium availability rate in the North West Region – where Warrington is located - is 9%. For our suppressed demand calculations we therefore use this threshold which is tailored to the local market, rather than the 8% rate which is a national level figure.
- 6.3.8 We calculated the equilibrium rate for the North West Region by looking at real (i.e. adjusted for inflation) rental growth over the past decade and finding the point at which it was close to zero and transitioned from negative to sustained positive growth. **Table 6.2** presents the variables used to find the market equilibrium rate for the North West Region. It can be seen that the years 2014 and 2015 mark the transition between a period of largely negative real rental growth and a period of sustained positive rental growth, indicating the market was broadly in equilibrium around 9% availability.

Table 6.2 Finding the Market Equilibrium Availability Rate – North West

Period	Availability Rate	GDP deflator	Real Rent £/sqft	Quarterly Real Rental Growth
2020	6.4%	108.1	£5.06	-1.2%
2019	6.0%	102.1	£5.13	1.3%
2018	6.2%	100.0	£5.06	1.8%
2017	6.6%	97.8	£4.97	8.3%
2016	7.3%	95.9	£4.59	8.4%
2015	8.4%	93.9	£4.24	4.8%
2014	9.4%	93.3	£4.04	-3.1%
2013	10.8%	91.7	£4.17	0.8%
2012	12.6%	90.1	£4.14	-1.3%
2011	12.8%	88.7	£4.19	-5.4%

2010	11.9%	86.9	£4.43	-4.8%
2009	11.5%	85.5	£4.65	

Source: CoStar, OBR, Savills

Savills Methodology

6.3.9 Below we detail the Savills methodology for estimating future I&L land need in Warrington. It incorporates the principles discussed above, namely the use of net absorption rather than completions (used in the EDNA) and accounts for suppressed demand in those years where supply is below the 9% equilibrium threshold calculated for Warrington.

- **Estimation of historic demand:** this is based on annualised net absorption that as discussed in **Section 5** averaged 529,479 sqft per annum between 2011 and 2021 in Warrington;
- **Estimation of suppressed demand:** this is the top-up figure to be added to the historic demand trend to account for years when the market was supply constrained. This measure is calculated as follows:
 - 1) For years where availability has been below the 9% threshold, we calculate the quantum of floorspace necessary to achieve 9% availability (Column “Av. To EQ (sqft)” in the table, calculation **F**);
 - 2) We then take the average of the ratio between net absorption and available floorspace for every year over the past decade (Calculation **E** averages 27.9% based on Column “Net Absorption / Availability”);
 - 3) We apply this average to the estimated floorspace required to reach 9% availability in each period where the market is below the 9% availability threshold to estimate each period’s suppressed demand (Calculation **F*E** in Column “Suppressed Net Absorption (sqft)”);
 - 4) We calculate average suppressed net absorption over the past decade. This gives the annualised suppressed demand figure to be used as a top-up to the historic trend.

Table 6.3 shows the relevant calculations.

Table 6.3 Estimating Suppressed Demand in Warrington

	A	B	C=(A*B)	D	D/C	F=(9%*- B)*A	F*E
	Inventory (sq.ft)	Availability (%)	Available (sq.ft)	Net Absorption (sq.ft)	Net Absorption/ Availability	Av. To EQ (sq.ft)	Suppressed Net Absorption (sq.ft)
2021 YTD	23,104,847	5.4%	1,247,662	1,117,661	89.6%	831,774	232,415.8
2020	22,451,000	10.0%	2,245,100	702,079	31.3%	-	-
2019	22,179,652	8.7%	1,929,630	700,603	36.3%	66,539	18,592.4
2018	21,329,845	10.2%	2,175,644	59,978	2.8%	-	-
2017	21,298,151	9.2%	1,959,430	386,422	19.7%	-	-
2016	21,431,912	10.5%	2,250,351	982,770	43.7%	-	-
2015	20,983,570	13.2%	2,769,831	928,671	33.5%	-	-
2014	19,414,570	10.9%	2,116,188	352,601	16.7%	-	-
2013	18,774,942	9.6%	1,802,394	855,702	47.5%	-	-
2012	18,407,608	9.3%	1,711,908	135,394	7.9%	-	-
2011	18,407,608	10.1%	1,859,168	-529,979	-28.5%	-	-

E= Average

Suppressed
Demand =
Average

Source: Savills

Warrington, unlike many markets in England, has retained a reasonably healthy delivery rate, meaning that for most of the past decade supply has kept up with demand, only dropping below the equilibrium availability level of 9% in 2019 and 2021. The estimated suppressed demand figure for Warrington is 23,350 sqft per annum (i.e. 251,008 sqft divided by 10.75 years which is the Savills look back period since 2011).

- **Projecting forward the combined historic and suppressed demand:** this step requires adding the combined annualised historic and suppressed demand figures (529,479 sqft + 23,350 sqft), totalling 552,829 sqft per annum, and multiplying this by the number of years in the plan period (552,829 sqft x 18 years), which gives 9.95 million sqft.
- **Adjusting for current and future increases in online retail:** Our analysis of leasing activity since 2011 in Warrington indicates that 50% of industrial demand is linked to e-commerce¹⁶. 50% of projected demand corresponds to 4.93 million sq. ft (50% * 9.95 million sq. ft) over the plan period. Forecasts of online sales annual increases are projected to be 66% above the historic trend¹⁷. Applying this 66% uplift to the historic and suppressed demand from e-commerce sectors yields a future demand of 13.2 million sq. ft over the plan period. This equates to an uplift of 3.3 million sq. ft (**Table 6.4**).

Table 6.4 Adjusting for Current and Future Increases in Online Retail

Demand	Annual (sq. ft)	Over Plan Period (sq. ft)
E-commerce related (50% of historic + suppressed)	273,662	4,925,914
E-commerce related after 66% uplift	454,279	8,177,018
E-commerce demand uplift	+180,617	+3,251,103

Source: Savills (2021)

- **Adding a 3-year buffer:** we apply a buffer of 3 years on top of the estimated plan period of 18 years to provide a continuum of supply beyond the end of the plan period and to account for the current day I&L growth drivers discussed in **Section 3**. A 3-year buffer is also included within the EDNA and under the Savills methodology accounts for an additional 2.2 million sqft (733,446 sqft per annum x 3 years).
- **Allowing for Displacement:** the EDNA estimated that a further 17.64 ha would be needed to allow for business displacement associated with Warrington Masterplan projects. At a 30% plot ratio this equates to 569,626 sqft. Our use of a 30% plot ratio is discussed in paragraph 6.3.11 below. This is reflective of changes to the nature of modern I&L occupiers that are moving

¹⁶ CoStar (2021): Leasing activity in the sectors 'Transportation and Warehousing'; 'Retailer'; and 'Wholesaler'

¹⁷ Forrester Research – Online Retail in UK, 2002-2025: We look at the uplift in online retail spending between 2022 and 2025 versus the average for 2011-19

towards larger building footprints and requiring lower site coverage to allow for adequate yard space, cross-docking, sustainable urban drainage, and strategic landscaping.

- 6.3.10 The above steps yield a total need of 15.97 million sqft over the 18 year Local Plan period to 2038, as summarised in **Table 6.5**.

Table 6.5 Summary of Future Demand (over Plan Period)

Adjustment Type	Adjustment (sqft)	Total floorspace (over 18 year plan period)
Historic Demand (Net Absorption) Over 18 years		9,530,627
Suppressed Demand	+420,293	9,950,919
E-commerce-related Uplift	+ 3,671,396	13,202,023
3-year Buffer	+ 2,200,337	15,402,360
Displacement	+ 569,626	15,971,986
TOTAL		15.97 million sq.ft

Source: CoStar, Savills

Plot Ratios

- 6.3.11 Traditionally, I&L plot ratios used for local planning purposes have been in the region of 40%. However, based on our market experience this plot ratio is deemed too high and clearly disregards changes in the nature of modern I&L occupiers that are moving towards larger building footprints and requiring lower site coverage to allow for adequate yard space, cross-docking, sustainable urban drainage, and strategic landscaping.
- 6.3.12 Using plot ratios that are too high inevitably leads to an underestimation of employment land needs. We have reviewed a number of recent proposals for industrial parks in Warrington, which are consistent with examples of developments by St Modwen and other developers, and have estimated their plot ratios. This work is summarised in **Table 6.6**.
- 6.3.13 Gross plot ratios have been calculated after taking into account the net developable area of a site excluding roads, landscaping and service areas. The analysis shows that appropriate plot ratios for the estimation of future I&L land need are in the region of 30% of gross development land.

Table 6.6 Plot Ratio Case Studies in Warrington and other Local Authorities

Local Authority	Site Name	Plot Ratio (%)
Warrington	Mountpark Warrington Omega II	36%
Warrington	The Quadrant South	34%
Warrington	The Quadrant - Other	23%
North Kesteven	St Modwen Park, Lincoln	32%
North Warwickshire	St Modwen Park, Tamworth	26%
Mid Sussex	GAL at St Modwen Park Gatwick	34%
Newport	Amazon, St Modwen Park, Newport	26%
Bristol	Ocado, St Modwen Park, Avonmouth	36%
Blaby	Optimus Point Plot 70	17%
Blaby	Optimus Point Plot 80	31%

West Leicestershire	Mountpark Bardon 2	35%
Oadby and Wigston	Wigston Industrial Estate	34%
Charnwood	Unit 2, Rowena Park - Rothley	33%
Harborough	Symmetry Park, Lutterworth opt.1	29%
North Northamptonshire	West End, Raunds, Northamptonshire	29%
Uttlesford	Land north of Taylor's Farm, Takeley Street	29%
North Warwickshire	Land North East of Sewage Works, Atherstone	36%
Buckinghamshire	Symmetry Park Aston Clinton	31%
Central Bedfordshire	Symmetry Park Biggleswade	30%
Swindon	Symmetry Park Swindon	30%
North West Leicestershire	East Midlands Gateway	17%
North Warwickshire	Prologis Site - Hams Hall	21%
North Warwickshire	BIFT - Plot 7, Birch Coppice Business Park	34%
Blaby	Optimus Point Plot 70	17%
		Average plot ratio = 29%

Source: St Modwen, Savills

6.4 Future Need

- 6.4.1 The supply and demand balance for Warrington is calculated by subtracting the total supply from the estimated future needs. As discussed, Warrington's I&L floorspace needs total 15.97 million sqft over the plan period based on the Savills methodology. At a 30% plot ratio this equates to 494.62 ha of land. The I&L supply, calculated in **Table 6.2**, totals 299.13 ha. Subtracting this from the estimated need gives **a shortfall of 195.49 ha**. This calculation, based on the Savills methodology, is shown in **Table 6.7** along with how it compares with the EDNA's estimates.

Table 6.7 Warrington I&L Future Need

	EDNA	Savills
Future Demand (A)	242.26 ha	494.62 ha
Supply (B)	299.13 ha	299.13 ha
Future Need (B-A)	+56.87 ha (positive / surplus)	-195.49 ha (negative / shortfall)

Source: Savills

- 6.4.2 The proposed Junction 21 Birchwood site is ideally placed to cater for part of this additional need by way of its direct adjacency to Junction 21 of the M6. I&L users typically want to be within 2 hours drive time of their end customers. The direct motorway access afforded by the Junction 21 Birchwood site is critically important to I&L occupiers as it enables a wider potential customer base to be accessed within a reasonable drive time. As discussed in **Section 2**, the site is also conveniently located with respect to key freight handling infrastructure including ports, freight handling airports and rail freight interchanges as well as major conurbations including Warrington, Manchester, Liverpool, Leeds, Sheffield and Birmingham.
- 6.4.3 We consider the Junction 21 Birchwood site in the context of the EDNA's other employment allocations in **Section 7** below.

7 WBC Supply Review

7.1 Introduction

7.1.1 We first review Warrington's existing supply, and then assess other employment land allocation options as set out in the EDNA (2021) (which includes the two proposed allocations in the UPSVLP (2021) of Fiddlers Ferry and South East Warrington Employment Area). The aim of this comparison is to consider the merits of allocating the Subject Site against the other allocation options. We consider further I&L employment allocations to be a critical requirement given our belief that the ENDA has significantly underestimated future demand as outlined in **Section 6** above.

7.1.2 As a result we consider there to be a requirement to allocated a further 195.49 ha of I&L land. This increases to 246.49 ha given we do not consider the entire employment component of the Fiddlers Ferry site to be deliverable within the plan period to 2038. In any event, even if Fiddlers Ferry is delivered by 2038, the need for additional land is still considerable. We consider the Subject Site to be a prime candidate for allocation in the UPSVLP (2021) from the remaining 4 allocation options considered in the EDNA.

7.2 Existing Supply Review

Existing Supply in WBC (as of October 2021)

7.2.1 The EDNA (2021) updates the realistic employment land supply in WBC from the 2019 EDNA to allow for further changes over 2018-21 as assessed in March 2021. It removes sites which:

- Are constrained
- Where the emphasis, through landowner/developer intentions, surrounding uses and/or planning allocations/consents, is on alternative (non B-Class) uses
- Where development has completed since 2018
- Where any development will be to meet the needs of a single existing occupier only and will not meet wider market demand.

7.2.2 As of March 2021, the EDNA finds that the realistic supply of employment land (all uses) in WBC is **38.87 ha**, comprising of the strategic Omega supply (12.7 ha) and local supply totalling 26.17 ha.

7.2.3 The realistic supply for I&L uses only as of March 2021 was **37.72 ha**, as shown in **Table 7.1**.

Table 7.1 Existing Strategic and Local I&L Supply in WBC

Site Name	Realistic Site Area (ha) (as of March 2021)	Availability (as of May 2021)	Status (as of October 2021)
<i>Strategic I&L Supply</i>			
Mountpark Warrington Omega II	12.70	0-1 years	Units 1 and 2 built out (let to Gousto and Amazon, respectively), Unit 3 (approx. 4.93 ha) is under construction (delivery end of 2021/early 2022) and available to let ¹⁸

¹⁸ <https://mountpark.com/warrington/>; CoStar (2021)

Local I&L Supply			
Unit 4 Appleton Thorn Trading Estate, Lyncastle Road	1.79	0-1 years	Completed in May 2021; available to let ¹⁹
Gemini 8 Retail Park, Charon Way, Westbrook	4.34	1-5 years	To be completed by April 2022 ²⁰
The Quadrant (South), Birchwood Park	1.87	1-5 years	Four units totalling 7,296 sqm remain to be delivered ²¹
Phase 3 - Lingley Mere	3.62	1-5 years	To be completed by February 2022 ²²
Travis Perkins Barleycastle Trading Estate	4.69	1-5 years	Appears to be built out September 2021; available to let ²³
Multiple Plots Birchwood Park	8.75	10+ years	All development will be on a design and build basis, responding to individual requirements as they arise ²⁴
TOTAL EXISTING I&L SUPPLY (as of March 2021)			37.72 ha
TOTAL EXISTING I&L SUPPLY (as of October 2021)			29.99 ha

Source: Savills (2021); EDNA (2021)

- 7.2.4 However, as of October 2021, this supply has fallen to just **29.99 ha**, with Units 1 and 2 being built out and let at Mountpark Omega II²⁵, leaving approximately 4.93 ha (Unit 3, which is yet to be let) remaining.
- 7.2.5 It should also be noted that Warrington South (Unit 4, Appleton Thorn Trading Estate) was completed in May 2021²⁶, and Super W (Travis Perkins Barleycastle Trading Estate) was completed in September 2021²⁷, both of which are available to let, and therefore remain a part of WBC's existing supply.
- 7.2.6 Furthermore, the development at Gemini 8 and Phase 3 of Lingley Mere are expected to be completed in 2022, with only Birchwood Park having an employment land supply likely to last more than a decade. However, the EDNA notes that based on recent performance at the Quadrant, all the industrial/warehouse plots at Birchwood Park are likely to be taken up rapidly.

St Helens Omega South Extension

¹⁹ <https://www.my.glenigan.com/#/project/19230049/summary>

²⁰ <https://www.my.glenigan.com/#/project/20279604/summary>

²¹ EDNA (2021)

²² <https://www.my.glenigan.com/#/project/20495331/summary>

²³ <https://www.winvic.co.uk/live/tungsten-park-warrington/>

²⁴ EDNA (2021)

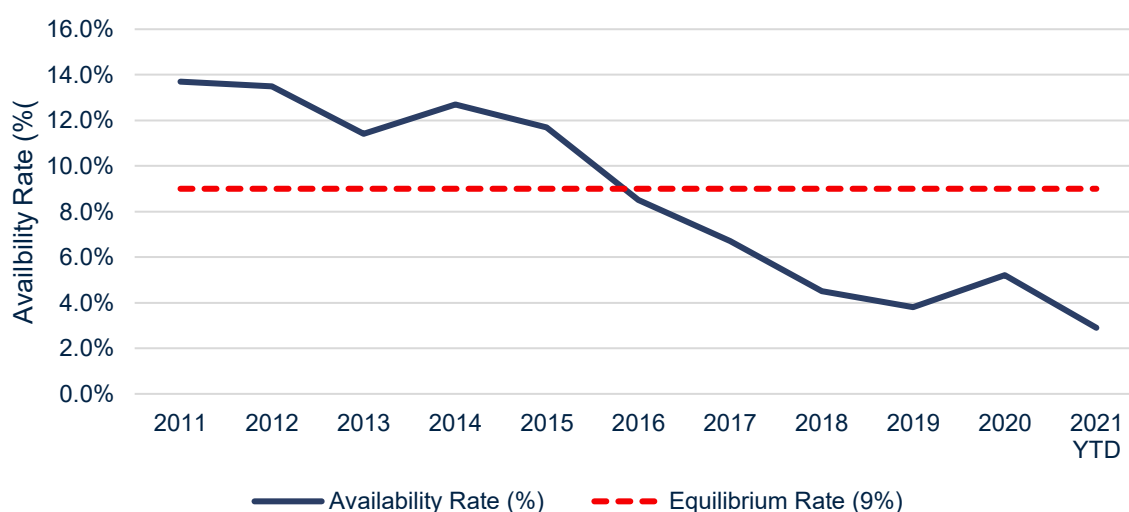
²⁵ <https://mountpark.com/warrington/>; CoStar (2021)

²⁶ <https://search.savills.com/property-detail/gb0393161666>

²⁷ <https://www.winvic.co.uk/live/tungsten-park-warrington/>

- 7.2.7 As discussed, through the Duty to Co-operate WBC reached the agreement that a 31.22 ha extension to the west of the established Omega employment development, located in the Borough of St Helens, will count towards Warrington’s employment land needs. Given the location and the existing character of the Omega employment area we accept this land counts towards Warrington’s I&L land supply.
- 7.2.8 The EDNA and UPSVLP note that this location is also the subject of a s.78 inquiry into an employment development around 40 ha greater than the proposed allocation in the draft St Helens Local Plan. Should this development gain consent then given its location, this additional land could also potentially contribute to meeting needs in Warrington, subject to appropriate agreements between the two Councils.
- 7.2.9 However, we question St Helen’s ability to meet its own future I&L needs given that it has been supply constrained since 2016 (as shown in **Figure 7.1**). Its current availability is 2.9%, well below the market equilibrium rate of 9%. Given this lack of available supply in St Helen’s we feel it will need its own land resources, such as the Omega South Extension, to meet its future needs.

Figure 7.1 St Helens Historic Availability Rate (2011 to 2021) vs Market Equilibrium



Source: CoStar, Savills

Proposed Employment Allocations

- 7.2.10 The EDNA (2021) reviewed 53 sites with the potential for allocation in the new Local Plan, grading sites from A+ to E based on accessibility, physical issues, ability to meet market demand or defined supply gap, and potential to ability to deliver premises within the Plan period (2021-2038).
- 7.2.11 Seven of these sites, graded between A+ and B-, including the Subject Site (Option Six), were shortlisted as potential options for allocations in the new Local Plan, as shown in **Table 7.2**.

Table 7.2 EDNA Employment Allocation Options

Option No.	Site Name	Gross Site Size (ha)	EDNA Grading
Option One	Land at Bradley Hall Farm, Cliff Road - Six56 (Phase I)	92	A+
Option Two	Land around Barleycastle Lane, Barleycastle (Six sites)	44.92	A+/B+

Option Three	Six56 Phase II	70	A- (A+ with more detailed planning)
Option Four	Fiddlers Ferry	101	A-/B- (A+/B+ - Assuming identified constraints can be addressed)
Option Five	Port Warrington	60	A-/B- (A+/B+ - Assuming identified constraints can be addressed)
Option Six	J21 Birchwood (Subject Site)	40.25	A-/B- (A+/B+ - If key constraints can be addressed)
Option Seven	Land at Arpley Meadows, Eastford Road - Warrington Commercial Park	33	B- (B+ - With investment)
Total		441.17	

Source: Savills (2021); EDNA (2021)

7.2.12 These sites have a combined land area of 441.27 ha. Against the EDNA's lower future demand estimate of 242.26 ha, WBC have only considered it necessary to allocate three sites for B2/B8 uses in the UPSVLP (2021) totalling **237.92 ha** as follows:

- **Fiddlers Ferry Brownfield Site (Option Four):** 101 ha
- **South East Warrington Employment Area (Options One and Two):** 136.92 ha

7.2.13 These proposed allocations alongside the existing and St Helens Omega Extension give an overall supply figure of **299.13 ha** of available I&L land, as summarised in **Table 7.3** below.

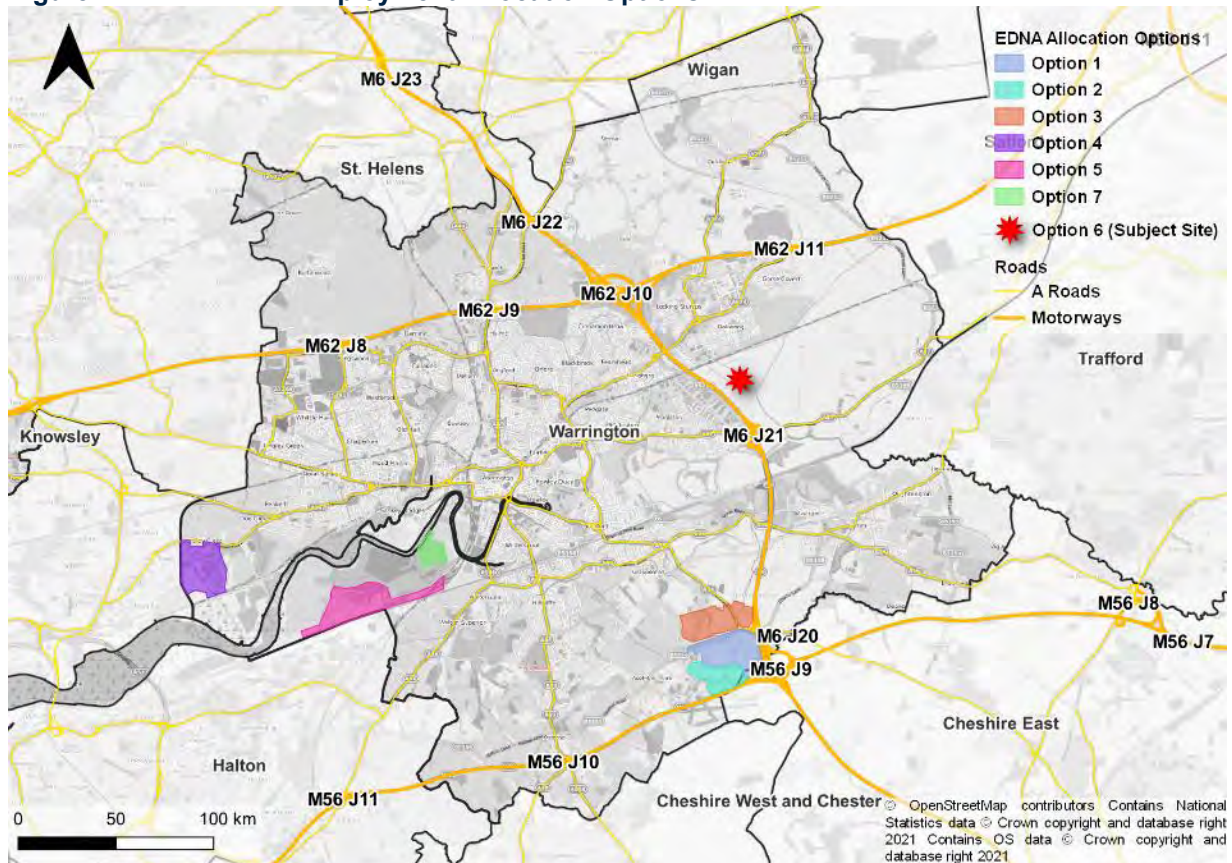
Table 7.3 Summary of WBC's Availability I&L Employment Land Supply

	Land Supply (ha)
Existing supply	29.99 ha
St Helens Omega Extension	31.22 ha
Allocations (i.e. South East Warrington Employment Area and Fiddlers Ferry)	237.92 ha
Total	299.13 ha

Source: Warrington UPSVLP (2021); WBC EDNA (2021)

7.2.14 However based on the higher Savills future demand estimate of 494.62 ha, this overall supply is 195.49 ha short of what is needed over the plan period. This increases to 246.49 ha given our view that only approximately half of the proposed Fiddlers Ferry employment allocation is deliverable within the plan period. In the following subsections we review the EDNA's allocation options (shown in **Figure 7.2**) against the Subject Site to determine the suitability of each to meet our estimated shortfall within Warrington.

Figure 7.2 WBC EDNA Employment Allocation Options



Source: Savills (2021); EDNA (2021); WBC UPSVLP Additional Site Assessment Proformas (2021)

Option 6: J21 Birchwood (Subject Site)

7.2.15 The Subject Site’s attributes are discussed in detail in **Section 2**. We consider it to have location and deliverability advantages over a number of the other employment site options considered in the EDNA as we discuss below. These advantages include:

- The Subject Site is large (40.25 ha) enough to accommodate a variety of unit sizes and benefit from supply chain linkages and other agglomeration benefits such as knowledge spill overs between firms, sharing the costs of estate wide maintenance and security for instance
- The Subject Site is level which is a key requirement for I&L developers
- The Subject Site is likely to benefit from 24-hour access due it not being nearby to sensitive uses. This has become a key operation requirement for I&L occupiers
- The Subject Site is a prime I&L location on the M6 with limited infrastructure requirements given it benefits from direct access to Junction 21 of the M6 via Manchester Road (A57).
- Within a 2-hour drive time, the Subject Site can access a third of England and Wales’ resident and business population
- The Subject Site benefits from high levels of workforce accessibility, with the ability to reach 1.1 million people of working age within a 24-minute drive time

- The Subject Site is also conveniently located with respect to key freight handling infrastructure including ports, freight handling airports and Strategic Rail Freight Interchanges (SRFI) within a 2-hour drive time.
- The Subject Site is under single ownership which St Modwen has a development agreement in place for.

Option One & Option Two: South East Warrington Employment Area Proposed Allocation

- 7.2.16 Site Options One and Two make up the South East Warrington Employment Area Proposed Allocation in the UPSVLP (2021).
- 7.2.17 Like the Subject Site, both Option One and Option Two are well-located along the strategic road network (SRN), along the M6 (via Junction 20) and M56 via (Junction 9), which would make the sites attractive to I&L occupiers as discussed in **Section 2**.
- 7.2.18 Option One is under the control of developer Langtree, which have submitted a planning application for and I&L scheme called Six56²⁸.
- 7.2.19 Furthermore, the sites are located in close proximity to the South East Warrington Urban Extension, allowing for a comprehensive approach to the required improvements to road infrastructure and public transport improvements in the wider area²⁹. The UPSVLP (2021) estimates that the employment land will be delivered by the end of the plan period in 2038.
- 7.2.20 Savills considers that the South East Warrington Employment Area (comprising of Options One and Two) has the potential to be a suitable employment allocation to meeting future I&L needs.

Option Three: Six56 Phase II

- 7.2.21 The site is located to the north of the South East Warrington Employment Area Proposed Allocation, and is therefore also well-located along the SRN, being in close proximity to both Junction 20 of the M6 and Junction 9 of the M56.
- 7.2.22 WBC note that the Transco pipeline runs across the site from east to west, reducing the amount of developable land³⁰.
- 7.2.23 This land, previously proposed for housing, is comprised of 11 sites, with most owners appearing to have an option agreement with Langtree. Langtree would look to deliver a second phase of the Six56 scheme, discussed above, if it was concluded that housing was no longer needed at this site.³¹ The second phase of Six56 would benefit from the proposed improvements of J20 of the M6 in Phase 1 of the scheme.
- 7.2.24 The deliverability of Phase 2 of Six56 would rely on the assumption that housing is no longer needed on this site³². Furthermore, the delivery timeframe of employment floorspace at this location will be dependent on delivery of Phase 1 of the Six56 scheme, which has yet to receive planning permission.

²⁸ <https://www.six56warrington.co.uk/>

²⁹ WBC Updated Proposed Submission Version Local Plan Additional Site Assessment Proformas (2021)

³⁰ WBC Updated Proposed Submission Version Local Plan Additional Site Assessment Proformas (2021)

³¹ WBC Updated Proposed Submission Version Local Plan Additional Site Assessment Proformas (2021)

³² EDNA (2021)

Therefore, there is a level of uncertainty as to when the site could be delivered for I&L floorspace.

Option Four: Fiddlers Ferry Proposed Allocation

7.2.25 Option Four is a Proposed Allocation in the UPSVLP (2021).

7.2.26 Fiddlers Ferry Power Station officially closed in March 2020³³, providing the potential to remediate a brownfield site for employment uses.

7.2.27 Fiddler's Ferry Masterplan Briefing Note (April 2021), prepared by SLR Consulting on behalf of SSE (the landowners), outlines the likely capacity of the site to accommodate both employment and residential development and indicative delivery timeframes. In terms of employment capacity the site is earmarked to deliver 89.7ha (net) of employment land for large scale distribution, logistics, industrial uses and low carbon energy projects. The total floorspace potential across this employment area is estimated at 4 million sqft to be delivered between 2023-2030.

7.2.28 We do not consider this to be a realistic timeframe for a number of reasons as we detail further below.

- **Lack of a delivery partner:** There is no delivery partner³⁴ in place for the scheme, unlike the Subject Site where St Modwen are in place – an experienced national I&L developer who build and manage major sites throughout the UK. Finding a suitable delivery partner can be a lengthy process particularly for large and complex brownfield sites such as Fiddlers Ferry. Typically interested parties will be asked to submit formal bids, followed by interviews as part of the selection process. Given the site is mixed use, it is likely there will be different delivery partners for the residential and employment components which may complicate matters to some degree.
- **Costly and time consuming remediation:** Given the site's former use as a power station and associated ash logons, extensive remediation works will be required. This is likely to be both costly and time consuming given the need for necessary approvals, specialist engineering works and removal. Given these issues we do not consider the Masterplan Briefing Note's assumption that remediation will commence in 2022 and end in 2024/25 to be realistic. By way of a comparison decommissioning, demolition and remediation to facilitate the redevelopment of Rugeley Power Station in Cannock Chase began in June 2016 and is expected to conclude in the Winter 2022.³⁵ It should also be noted that a specific date for demolition at Fiddlers Ferry has yet to be determined. Given the complexity and cost implications of the above, viability and overall deliverability will be more challenging which could dissuade many potential delivery partners.
- **Planning timeframes are tight:** The Masterplan Briefing Note estimates outline planning permission to be granted in 2023 for Phase 1 (which includes the employment land alongside a minimum of 860 homes) and the granting of reserved matters by 2024/25. Again this timeframe appears overly optimistic given the complexities of the site mentioned above and the lack of a delivery partner. By way of a comparison, the Fawley Power Station in New Forest, was only granted outline planning permission in July 2020 following detailed negotiations with New Forest District Council and The New Forest National Park Authority, over a period of 5 years³⁶. WBC's Local Development Scheme (LDS), published in September 2021, expects the Local Plan to be adopted in July 2023, while the Masterplan Briefing Note expects outline planning permission for

³³ <https://www.ssethermal.com/flexible-generation/decommissioned/fiddler-s-ferry/>

³⁴ EDNA (2021)

³⁵ <https://www.business-live.co.uk/economic-development/energy-giant-engie-progress-development-20759255>;

<https://www.engie.co.uk/about-engie/news/engie-gets-the-green-light-for-rugeley-redevelopment/>

³⁶ <http://news.fawleywaterside.co.uk/outlinepermission/>

Phase 1 to also be granted in 2023. With the current lack of a delivery partner, it seems unlikely that planning permission would be granted in the same year that the new Local Plan will be adopted (and therefore when the site becomes officially allocated).

- Significant enabling infrastructure:** The first phase of the proposed development (which includes the employment land) is to be supported by new junction connections to the A562 which will separate employment and residential traffic into the site and ease traffic flow. A range of community and green infrastructure is also being promoted to support the wider scheme. Somewhat strangely the Masterplan Briefing Note appears to assume, without any evidence, that Phase 1 can progress within the capacity of the existing transport infrastructure with potentially minor improvements to junctions east and west of the site access on the A562. Phase 2 on the other hand is mentioned as requiring consultations with Highways England. From our experience approvals from Highways England and a funding and delivery package will need to be agreed upfront for the entire project rather than the piecemeal approach that appears to be suggested. The cost of the entire enabling works will have a bearing on the deliverability of the entire package and whether external funding is needed which should also be factored into the wider timeframes of the project. The EDNA (2021) acknowledges that the employment development will likely be reliant, at least in part, on the delivery of housing on the part of the site that sits within the Green Belt. Therefore, this part of the site would need to be released from the Green Belt to provide housing, which in turn, would support the delivery of employment floorspace. In contrast, the proposed employment floorspace at the Subject Site does not rely on the delivery of housing and is to be taken forward by an experienced I&L developer in St Modwen.
- Unrealistic build out rate:** Construction of Phase 1 is expected to begin in 2024/25, with the employment floorspace delivered and fully occupied by 2030, indicating a construction period of around 5 to 6 years. In contrast, the employment land at Rugeley Power Station is expected to be delivered over a period of 20 years³⁷, while indicative phasing of the redevelopment scheme for Fawley Power Station shows the proposed employment being delivered over a period of 13 years³⁸. It should also be noted that these sites are much smaller than Fiddlers Ferry, with Rugeley being 6.2 ha³⁹ and Fawley 47 ha⁴⁰. In order to deliver the proposed 4 million sqft of I&L floorspace over the 5 to 6 years period envisaged in the Masterplan Briefing Note a build out rate of circa 800,000 sqft per annum is required. This is not considered realistic as a baseline assumption for a site without a delivery partner and with significant demolition, remediation and enabling infrastructure requirements. In **Table 7.4** below we outline the build out rates of a number of I&L developments which demonstrates 250,000 to 350,000 sqft per annum is a more realistic assumption. At these levels the 4 million sqft proposed for Fiddlers Ferry would take 12 to 16 years to build.

Table 7.4 I&L Scheme Build Out Rates

Year	Scheme	Greenfield/Brownfield	Submarket	Tenant	Total Sq.ft Leased	Ave. p.a. Take up (sq.ft)
2011	Kingsway Business Park	Greenfield	Rochdale Ind	JD Sports	866,250	
2018	Kingsway Business Park	Greenfield	Rochdale Ind	JD Sports	349,837	152,011

³⁷ EIA - Planning ref: CH/19/201

³⁸ Design and Access Statement – Planning ref: 19/10581

³⁹ Planning Statement - Planning ref: CH/19/201

⁴⁰ Design and Access Statement – Planning ref: 19/10581

2017	Logistics North	Greenfield	Bolton Ind	Whistl Ltd	225,031	
2017	Logistics North	Greenfield	Bolton Ind	Amazon	358,578	
2018	Logistics North	Greenfield	Bolton Ind	MBDA UK	175,087	
2020	Logistics North	Greenfield	Bolton Ind	Sofology	149,198	
2020	Logistics North	Greenfield	Bolton Ind	DSG Retail Ltd	375,170	
2016	Logistics North	Greenfield	Bolton Ind	Lidl	500,000	375,382
2014	M6 Epic	Greenfield	Wigan Ind	Dole Fresh UK Ltd	61,233	
2016	M6 Epic	Greenfield	Wigan Ind	Poundland	340,310	
2016	M6 Epic	Greenfield	Wigan Ind	Bunzl Retail and Healthcare Supplies Ltd	111,151	
2019	M6 Epic	Greenfield	Wigan Ind	3PL	55,531	94,704
2014	Omega	Greenfield	Warrington Core Ind	Plastic Omnium	240,000	
2016	Omega	Greenfield	Warrington Core Ind	Dominos	117,000	
2016	Omega	Greenfield	Warrington Core Ind	Amazon	357,000	
2020	Omega	Greenfield	Warrington Core Ind	Royal Mail	91,247	119,296
2012	Omega North	Greenfield	Knowsley Ind	Parcelforce	72,600	
2013	Omega North	Greenfield	Warrington Core Ind	Hermes Parcelnet Ltd	153,589	
2013	Omega North	Greenfield	Warrington Core Ind	Brakes Brothers	198,334	
2014	Omega North	Greenfield	Warrington Core Ind	Travis Perkins Plc	630,438	351,654
2010	Omega South	Greenfield	Warrington Core Ind	Royal Mail	211,833	
2015	Omega South	Greenfield	Warrington Core Ind	The Hut Group	686,000	
2018	Omega South	Greenfield	Warrington Core Ind	Royal Mail	347,958	
2020	Omega South	Greenfield	Warrington Core Ind	Jungheinrich	184,537	133,054
2019	Omega Warrington	Greenfield	Warrington Core Ind	Eddie Stobart	635,000	
2020	Omega Warrington	Greenfield	Warrington Core Ind	TJ Morris (t/a Home Bargains)	860,000	430,000

Source: Savills

- Not a prime location:** Prime locations for I&L include sites adjacent to motorway junctions such as the Subject Site. Fiddlers Ferry on the other hand is 14 km away (via the A57) from the nearest motorway, which is the M62. This may impact the pace of delivery Fiddlers Ferry could achieve. A key driver of quicker build out rates is larger units for regional and national occupiers. If we look at the employment areas nearby to Fiddlers Ferry (**Figure 7.3**), it can be seen that all leases (net absorption) signed over the last 5 years have been for units of less than 100,000 sqft (ie the small and mid-box size bands) (**Figure 7.4**). There have been no leases signed for large units above

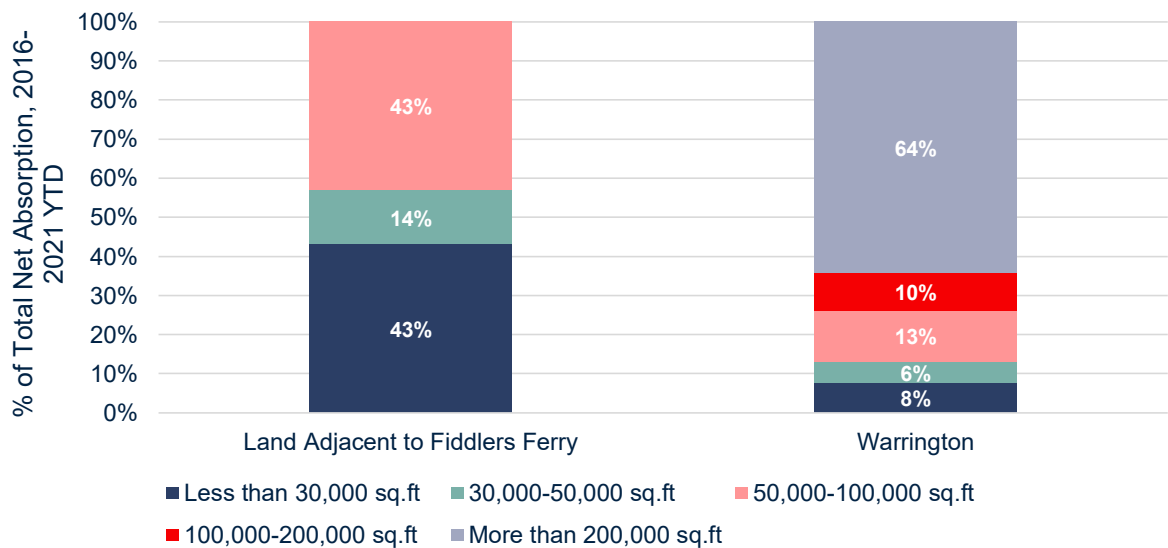
100,000 sqft nor very large units above 200,000 sqft. This is in direct contrast to Warrington generally where 64% of recent leases have been for units above 200,000 sqft. While we appreciate the Gorse Point scheme will deliver some new larger units above 200,000 sqft, the area around Fiddlers Ferry caters primarily to smaller and mid-box units due to it not being located on a motorway. While it is important Fiddlers Ferry caters for these segments of the market, smaller occupiers typically have lower covenant strength which can impact build out rates as they don't generally sign prelets and are less able to contribute to strategic enabling infrastructure.

Figure 7.3 I&L Market Area Adjacent to Fiddlers Ferry



Source: Savills; CoStar (2021)

Figure 7.4 Net Absorption by Size Band, 2016-2021 YTD



Source: Savills; CoStar (2021)

7.2.29 Based on the above analysis we do not consider the Masterplan Briefing Note's conclusion that the employment elements of the Fiddlers Ferry site can be delivered by 2031. In fact we consider the full delivery of the employment land to be challenging by the end of the plan period in 2038. To further illustrate this point we compare what Savills consider to be realistic timings with those outlined in the Masterplan Briefing Note. This comparison is detailed in **Table 7.5** below.

Table 7.5 Delivery Timeframe Comparisons

	Masterplan Briefing Note	Savills	Notes
Warrington Local Plan Adoption	2022/2023	2023	According to WBC's Local Development Scheme (2021) the Warrington Local Plan is currently earmarked for adoption in July 2023.
Delivery Partner(2)	Not addressed	2025	As discussed above finding a delivery partner(s) can take time if following a competitive process. There will may be different deliver partners for the residential and employment elements.
Phase 1 Outline Planning Application	2023	2027	The Masterplan Briefing Note appears to assume Outline Planning Permission will be delivered conjunction with the adoption of the Local Plan. We do not believe most delivery partners would invest the considerable resources necessary to promote the site and undertake the various technical studies to support a planning application without the site's allocation being confirmed following EIP. We therefore consider it prudent to assume preparation and submission of planning application and Council determination period to follow the Local Plan adoption.
Phase 1 Reserve Matters and Construction Start	2024/25	2028	We consider a one year period for preparation of the Reserve Matters Applications and Council determination period to be realistic.
Highways Site Access Works	2024/25	2030	Given the lack of detailed information currently available we consider it too optimistic to assume enabling infrastructure works will happen following the grant of outline planning permission. Any necessary Highway England permissions are likely to take time. Viability changes may also arise given the need for upfront

			infrastructure funding, potentially requiring external funding. The site will also need to be demolished and remediated which most delivery partners will only likely fund once planning permission has been obtained.
Employment Build Out & Occupied	2023-2030	2031-2044	As discussed above we consider a 12 to 16 year build out period to be more realistic based on actual deliver rates. Sites directly on the motorway, such as the Subject Site, could achieve higher deliver rates given their added attractiveness to occupiers.

Source: Savills; Fiddlers Ferry Masterplan Briefing Note (2021)

7.2.30 Based on the above analysis, Savills considers around 50% of the 101 ha of employment land within Fiddlers Ferry to be deliverable within the Local Plan period to 2038. The Masterplan Briefing Note underestimates the lead in and delivery timeframes for bringing forward large scale and complex brownfield sites. In our view approximately 50 ha (gross) to 2038, not the 101 ha currently included in UPSVLP (2021) would be a more realistic delivery rate within the Plan period. Even if delivery is accelerated and all of the development was delivered in the Plan period, which we don't consider to be realistic for the previously stated reasons, there is still a significant need for I&L development in Warrington.

Option Five: Port Warrington

7.2.31 Port Warrington comprises the development of a tri-modal port facility adjacent to the Manchester Ship Canal and the West Coast Mainline by Peel L&P⁴¹.

7.2.32 The site is relatively disconnected from the rest of Warrington, not being located near a motorway junction.

7.2.33 WBC notes that development at Port Warrington is dependent on the proposed Western Link, a new access road to connect the site to the Western Link and associated public transport improvements⁴². The development could however have a significant impact on the Western Link. Trips generated from the development are likely to push traffic back into the town centre and inner Warrington, offsetting one of the key intended benefits of the Western Link in reducing congestion in these areas and freeing up substantial brownfield development capacity⁴³.

7.2.34 Being a multi-modal facility focused on a port, Port Warrington may not necessarily cater to demand from traditional I&L occupiers who rely on good road connections, making it difficult to ascertain the scale of demand that this development could generate⁴⁴. The EDNA (2021) also notes that the development would represent a relatively small multi-modal facility (60 ha), when similar facilities are usually within the range of 100 ha to 150 ha.

⁴¹ <https://www.oceangateway.co.uk/projects/port-warrington/>

⁴² WBC Updated Proposed Submission Version Local Plan Additional Site Assessment Proformas (2021)

⁴³ Ibid

⁴⁴ EDNA (2021)

- 7.2.35 There are also potential abnormal development costs including dealing with potentially contaminated land, access to the Western Link, Port Berth Expansion and rail link connection⁴⁵.
- 7.2.36 Finally, it is not expected that Port Warrington will be delivered within the Plan period, being a long-term project for Peel⁴⁶.
- 7.2.37 Based on the above, Savills do not consider the Port Warrington site to be as attractive to I&L occupiers compared to the Subject Site nor as deliverable in the short to medium term.

Option Seven: Warrington Commercial Park

- 7.2.38 The Commercial Park would comprise an industrial estate of more mixed large and small/medium industrial and commercial uses⁴⁷.
- 7.2.39 The site is not located near a motorway and so is envisioned to serve Warrington Town and benefits from links to existing and proposed facilities in the Southern Gateway area⁴⁸. The EDNA (2021) notes that it could usefully provide smaller business space to offset the focus on strategic B2/B8 options elsewhere.
- 7.2.40 The development of the site is dependent on the delivery of the Western Link Road, and so is unlikely to be brought forward until later in the Plan period⁴⁹.
- 7.2.41 Given the site being further removed from the SRN and its reliance on the delivery of the Western Link, Savills do not consider the Warrington Commercial Park site to be as attractive to I&L occupiers compared to the Subject Site nor as deliverable in the short to medium term.

7.3 Conclusion

- 7.3.1 This section reviewed WBC's existing supply which has reduced from 37.72 ha in March 2021 to just 29.99 ha as of October 2021.
- 7.3.2 Savills considers that the proposed South East Warrington Employment Area allocation (Option 1 and 2) has the potential to be appropriate for meeting future I&L demand. Based on our analysis we feel the estimated delivery timescales for Fiddlers Ferry are too ambitious. We consider 50% of the employment allocation (circa 50ha) as more realistic to come forward within the Plan period.
- 7.3.3 Of the remaining allocation options, the Subject Site is considered the most attractive and deliverable in helping to meet the Savills shortfall of 195.49 ha which increases to 246.49 ha if only 50% of the proposed Fiddlers Ferry employment land comes forward within the Plan period as we suggest.

⁴⁵ WBC Updated Proposed Submission Version Local Plan Additional Site Assessment Proformas (2021)

⁴⁶ EDNA (2021)

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ EDNA (2021)

8 Economic Benefits & Social Value

8.1 Introduction

- 8.1.1 This section provides an overview of the economic benefits and social value which could be generated from the Proposed Development.
- 8.1.2 In terms of economic benefits the scheme would generate new employment during the construction and operational stages. It would also generate net additional Gross Value Added (GVA), private incomes for workers, and revenues for WBC through business rates.
- 8.1.3 In relation to social value, the Proposed Development would help to create apprenticeships, NHS savings from any reduction in unemployment, and support local businesses through local procurement during the construction stage.

8.1 Approach

- 8.1.1 In estimating the economic benefits and social value generated from the Proposed Development, we have assumed that 20% of the 1.25 million sq.ft (115,920 sqm) proposed floorspace will be for industrial use (B2) and 80% for warehousing use (B8) , as shown in **Table 8.1**. Obviously we cannot be certain exactly which companies will occupy the new units once build, however we consider our split to be realistic based on current market trends.

Table 8.1 Assumed Land Use Split of Proposed Development

Use	Floorspace (GIA)
Industrial	23,184 sqm
Warehouse	92,736 sqm
Total	115,920 sqm

Source: Savills (2021); St Modwen

8.2 Economic Benefits

- 8.2.1 The economic benefits we estimate include construction jobs, operational jobs, GVA, types of occupations found in the I&L sector and their typical wages, and business rates. The Subject Site currently does not generate any employment.

Construction Jobs

- 8.2.2 To estimate on-site employment during the construction stage, we divide the total construction cost⁵⁰ by the average employee turnover in the construction sector in the North West⁵¹.
- 8.2.3 The construction phase would generate **166 on-site construction jobs per annum** over the assumed 7 year construction period. This is referred to as the gross direct employment and refers to the number of workers onsite, on average, throughout the construction period.

⁵⁰ Estimated using BCIS Average Prices Calculator, rebased to North West region

⁵¹ Department for Business, Innovation and Skills (2018-2020) Business Population Estimates, Table 12

8.2.4 We assess the construction phase employment impact at the WBC level based on commuting patterns. We assume a rate of leakage⁵² to workers from outside of WBC to be 41%⁵³. We account for displacement (15%)⁵⁴ and multiplier effects⁵⁵ of 2.05 (which helps to estimate offsite jobs as part of the Proposed Development's wider construction supply chain). We estimate that during the assumed 7-year construction phase the Proposed Development would generate **171 net additional on- and off-site construction jobs per annum** which are expected to benefit WBC residents.

8.2.5 **Table 8.2** below shows the total number of construction jobs generated by the Proposed Development.

Table 8.2 Construction Jobs per Annum (over 7-year construction phase)

Construction Jobs per Annum	
Construction Jobs On-Site (Gross)	166
<i>Leakage (41%)</i>	-68
On-site Construction Jobs for WBC Residents	98
<i>Displacement (15%)</i>	-15
<i>Multiplier (2.05)</i>	87
Net Additional On-Site and Off-Site Construction Jobs for WBC Residents	171

Source: Savills (2021); due to rounding, numbers presented may not add up precisely to totals provided

Operational Jobs & GVA

8.2.6 To estimate the operational on-site jobs generated we use the HCA's Employment Density Guide (2015) and apply those densities to the mix of uses assumed above in **Table 8.1** above.

8.2.7 **Table 8.3** presents the relevant HCA job density figures. Based on these figures the Proposed Development is estimated to accommodate **1,776 on-site jobs**. This consists of 626 industrial jobs and 1,150 warehouse jobs as shown in **Figure 8.1**.

Table 8.3 Job Densities

Use	Job Density
Industrial	36 sqm (GIA) per FTE
Warehouse ⁵⁶	82.5 sqm (GEA) per FTE

Source: Savills (2021); HCA Employment Density Guide (2015)

⁵² Refer to the Glossary for definitions of leakage, displacement and multiplier impacts

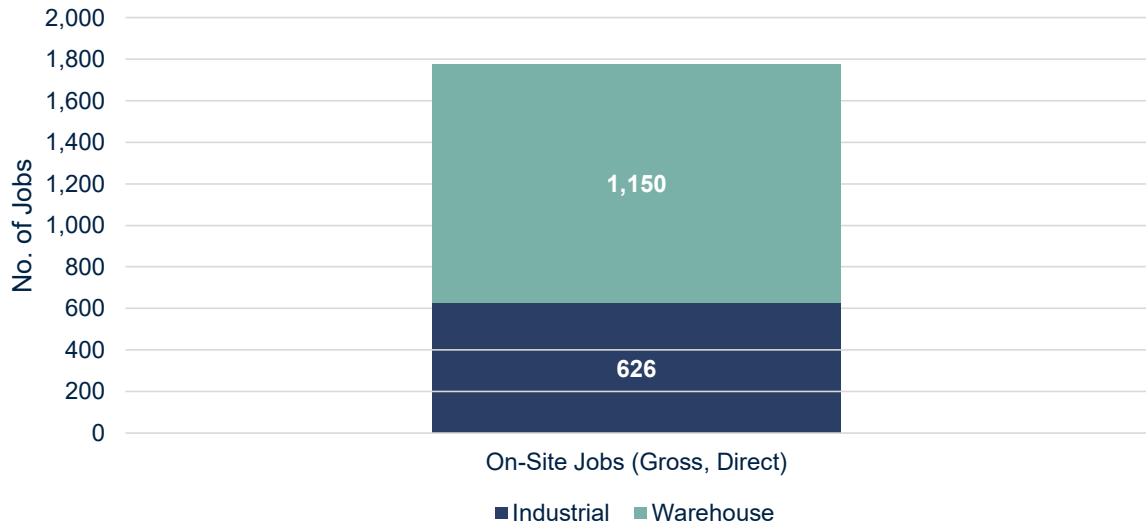
⁵³ Census (2011) Location of usual residence and place of work by sex

⁵⁴ Construction Skills Network forecasts 2017-2021 – West Midlands, Construction Industry Training Board (2017)

⁵⁵ UK Input-Output Analytical Tables, ONS (2017)

⁵⁶ Mid-point between 'Final Mile' Distribution Centre (70 sqm (GEA) per FTE) and National Distribution Centre (95 sqm (GEA) per FTE)

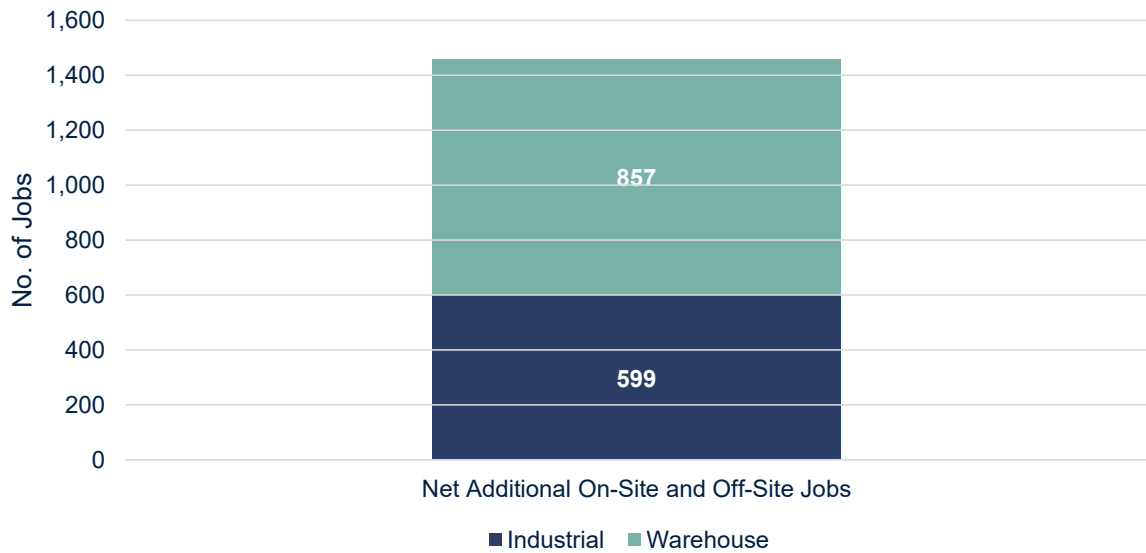
Figure 8.1 Gross On-Site Jobs



Source: Savills (2021)

8.2.8 When leakage, displacement and multiplier effects are taken into account, the Proposed Development is estimated to generate **1,457 on-site and off-site jobs** for WBC residents. **Table 8.4** and **Figure 8.2** present the results.

Figure 8.2 On-Site and Off-site Jobs



Source: Savills (2021)

Table 8.4 Operational Jobs

Operational Jobs	
Industrial	626
Warehouse	1,150
On-site Jobs (Gross)	1,776
<i>Leakage (41%)</i>	-728
On-site Operational Jobs for WBC Residents	1,048
<i>Displacement (5%)</i>	-52
<i>Multiplier (1.33 (Industrial); 1.71 (Warehouse))</i>	461
Net Additional (On-Site and Off-Site) Operational Jobs for WBC Residents	1,457

Source: Savills (2021); due to rounding, numbers presented may not add up precisely to totals provided

8.2.9 Gross Value Added (GVA) is a key indicator of economic productivity. It measures the contribution of a development to the economy. We have based the analysis on the GVA generated per worker in the North West for industrial and warehousing uses.⁵⁷ Using the operational job estimates from **Table 8.4**, the Proposed Development will generate net additional GVA benefits of **£97.1 million**.

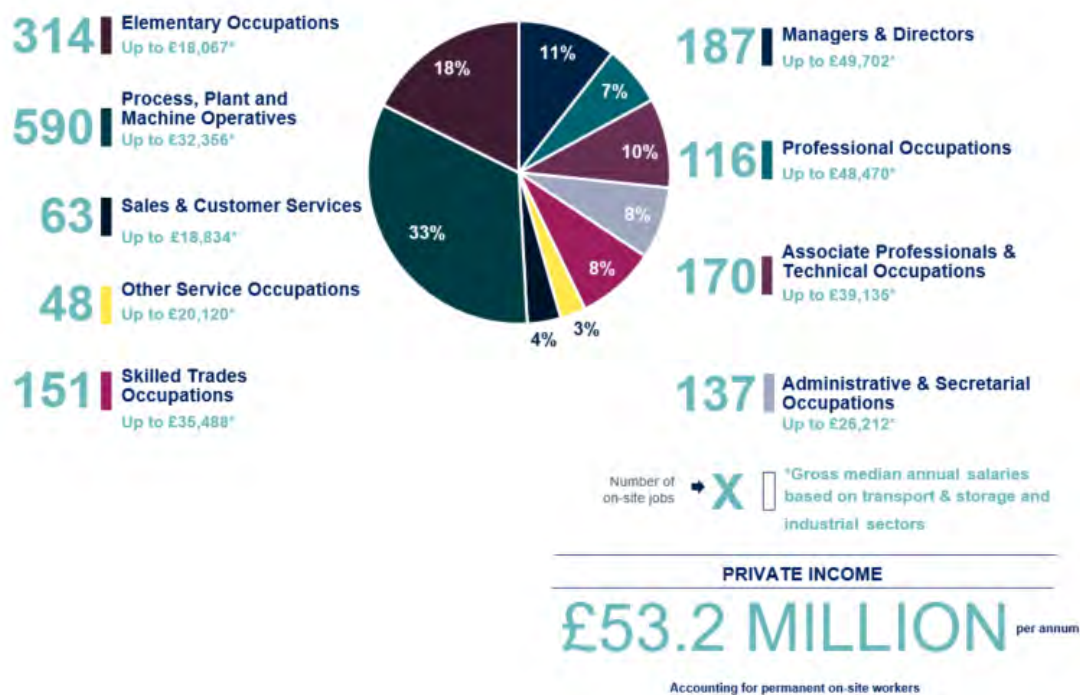
Occupation and Wage Profiles of On-Site Jobs

8.2.10 We can estimate the mix of occupations that could be generated on-site (gross) by the Proposed Development, and the wages associated with these occupations.

8.2.11 **Figure 8.3** presents the results.

⁵⁷ ONS (2019) Region by Industry Labour Productivity: Output Per Job; due to rounding, numbers presented may not add up precisely to totals provided

Figure 8.3 On-Site Jobs - Occupational and Wage Profile



Source: Savills (2021); ONS (2020) Occupation (SOC10) by Industry (SIC2007) by Region (GOR9D); ASHE (2020) SIC2007 Table 5.7a Annual pay -Gross (£) -For full-time employee jobs: North West; ASHE (2020) Table 3.7a Annual pay -Gross (£) -For all employee jobs: North West

8.2.12 Overall, the Proposed Development is expected to generate a total private income for on-site workers of **£53.2 million per annum**.

Business Rates

8.2.13 To estimate the value of business rates expected to be generated by the Proposed Development, we use the rateable values of similar non-domestic premises in close proximity to the Proposed Development.

8.2.14 Based on this analysis the Proposed Development is expected to generate business rates of **£2.5 million per annum**. We assume that 49% of the total business rate revenues would be retained by WBC⁵⁸, which equates to **£1.2 million per annum**.

8.3 Social Value

8.3.1 **Table 8.5** presents the estimated social value of the Proposed Development covering apprenticeships, careers advice, NHS savings from people in employment, upskilling, and supporting local businesses.

8.3.2 We primarily use CITB’s and the National Skills Academy for Construction (NASfc) Client Based Approach to Developing and Implementing an Employment and Skills Strategy on Construction Projects (2016) as well as the National Social Value Measurement Framework to estimate social value.

⁵⁸ MHCLG (2021) 2021-22 Business Rates Levy and Safety Net Calculator

Table 8.5 Estimated Social Value Expected to be Generated from Proposed Development

Apprenticeships	Construction Careers Information, Advice & Guidance Events	NHS Savings from Unemployment Reduction
£115,200	£30,000	£186,800
Estimated social value of apprenticeships (11) delivered during the construction period (7 years)	Estimated total social value of Construction Careers Information, Advice & Guidance Events (6 events)	Estimated NHS savings assuming that expenditure on unemployed persons is double the average NHS expenditure during the construction period (7 years) ⁵⁹
Qualifying the Workforce	Supporting Local Businesses	Total Social Value
£310,600	£30.4 million	£31 million
Estimated total social value of Qualifications achieved (equiv. NVQ2 or above)	Estimated total value of local procurement during the construction period assuming 20% of all monies spent locally ⁶⁰	

Source: Savills (2021)

8.4 Conclusion

8.4.1 **Table 8.6** summarises the above economic benefits and social value estimated to be generated by the Proposed Development.

Table 8.6 Summary of Economic Benefits and Social Value

Economic Benefit/Social Value Metric	Value
<i>Economic Benefits</i>	
Net additional on-site and off-site construction jobs	171 per annum over 7 year construction period
Net additional on-site and off-site operational jobs	1,457
Net additional GVA	£97.1 million per annum
Private income generated from gross on-site operational jobs	£53.2 million per annum
Business rates for WBC	£1.2 million per annum
<i>Social Value (over 7 year construction period)</i>	
Apprenticeships	£115,200

⁵⁹ Based on Oxford Economics Cost-benefit analysis for the Department for Work and Pensions (2010).

⁶⁰ WBC Planning Obligations SPD (2017)

Construction Careers Information, Advice & Guidance Events	£30,000
NHS savings from unemployment reduction	£186,800
Qualifying the workforce	£310,600
Supporting local businesses	£30.4 million
Total social value	£31 million

Source: Savills (2021)

9 Conclusion

- 9.1.1 The Subject Site is exceptionally well placed to cater for the strong market demand from I&L occupiers in Warrington and the wider FEMA, owing to its direct access from J21 of the M6. This is a critical factor for prospective I&L occupiers as it means they would have access to a wide customer base and pool of labour.
- 9.1.2 Warrington's I&L availability has been on a downwards trajectory since 2015 and is now below its market equilibrium level of 9% at only 5.4%. This indicates that the local market is supply-constrained. The wider FEMA is also supply constrained with an availability rate of just 3.8%. Available floorspace is especially tight in the large unit sizes above 100,000 sqft. The Subject Site, while attractive to all segments of the market, is particularly attractive to larger unit occupiers given its direct access to J21 of the M6.
- 9.1.3 The sizable employment area of 40.25 ha ensures scale, needed for the successful establishment of a new significant employment location in the East of Warrington.
- 9.1.4 In **Section 3**, we reviewed the Council's evidence base for employment needs and uncovered a number of deficiencies. Namely that:
- **The Look-back Period is Too Long**: the look-back period over which average take-up (demand) is calculated runs for 24 years from 1996 to 2020. This is far too long as it downplays the role of strong recent demand drivers. For example, it doesn't take into account the growth of e-commerce and other factors affecting demand for future I&L space such as the growth of UK freight and Brexit. It also includes the Global Financial Crisis (GFC) which further suppresses the EDNA's need estimates. We recommend a 10-year look-back period.
 - **EDNA Uses Completions rather than Net Absorption**: the use of completion trends rather than actual demand for floorspace – what Savills refer to as net absorption – downplays future demand. Development completions are a supply measure, not a demand measure. For completions to occur land needs to be allocated. By using this measure the EDNA has effectively used the planning system's ability to allocate land as a proxy for demand, rather than attempt to understand true market demand into the future.
 - **EDNA doesn't account for suppressed demand**: not accounting for suppressed demand in years when the market is below the 9% equilibrium level further reduced future demand estimations.
- 9.1.5 Our method for estimating future demand, detailed in **Section 6**, addressed these deficiencies and demonstrated that I&L land needs for Warrington far exceed its existing and planned employment land supply, with a **shortfall totalling 195.49 ha** over the plan period. As we detailed in **Section 7**, we only consider approximately half of the employment allocation within Fiddlers Ferry to be deliverable within the Plan Period. This increases the size of the Savills shortfall to **246.49 ha**.
- 9.1.6 The 40.25 ha of I&L land proposed at Junction 21 Birchwood (Subject Site) will contribute to reducing Savills estimated shortfall over the plan period. For this reason we recommend the Subject Site be allocated within the new Local Plan.
- 9.1.7 Finally, the Proposed Development is expected to generate economic benefits such as construction and

operational jobs, net additional GVA, private income from on-site jobs, and business rates for WBC. Social value will also be generated through the creation of apprenticeships, Construction Careers Information, Advice and Guidance events, NHS savings from a reduction in unemployment, qualifying the workforce and supporting local businesses.

10 Appendix A: I&L Growth Drivers

10.1 Introduction

- 10.1.1 This Appendix contextualises some of the key trends that have been driving growth in the I&L sector.
- 10.1.2 Logistics uses in particular have shown strong performance for a number of years, but the Covid-19 pandemic has exacerbated existing trends. This has driven demand up even further for logistics floorspace while adversely impacting others commercial sectors such as retail and offices.
- 10.1.3 The shift in habits we have been witnessing – first of all the extraordinary growth in online retailing – is likely to be structural rather than temporary, meaning that as the country’s population continues to grow, so will I&L floorspace need to support household consumption and other sectors of the economy.
- 10.1.4 The pandemic has also had a profound impact on the employment market, exposing a high number of jobs to the risk of being lost once Government support measures are withdrawn. The logistics sector, which is supporting increasingly diverse occupations can play a key role in Warrington’s post-Covid economic recovery by re-employing people whom have lost jobs in other sectors.

10.2 The I&L sector is a major contributor to the national economy

- 10.2.1 The I&L sector employs at least 3.4 million people in England, accounting for over a tenth of the country’s total employment (BRES ONS), and represents 14%, or £268 billion, of the total economy in GVA terms (ONS Annual Accounts).



Source: BRES, ONS, Oxford Economics Savills 2020

- 10.2.2 High level sector data on Jobs, GVA, Wages and Occupations mentioned in this report are generally sourced from ONS SIC 2007 Industrial Sections of *Manufacturing* and *Transport & Storage*. However, the wider supply chain of these activities goes beyond this strict classification of production and movements of goods, to include activities such as product design, research & development, and engineering, part of the professional services sectors. Therefore the jobs and GVA figures are an underestimate of the sector’s true impact.
- 10.2.3 Notwithstanding its importance in terms of Employment and GVA contribution, the sector is subject to a number of misconceptions about average pay levels, skills required and types of spaces provided.
- 10.2.4 Firstly, average pay is higher than average. As illustrated in **Figure 10.1**, data from ONS show wages above average at +£4,400 for Manufacturing and +£4,100 for Logistics.

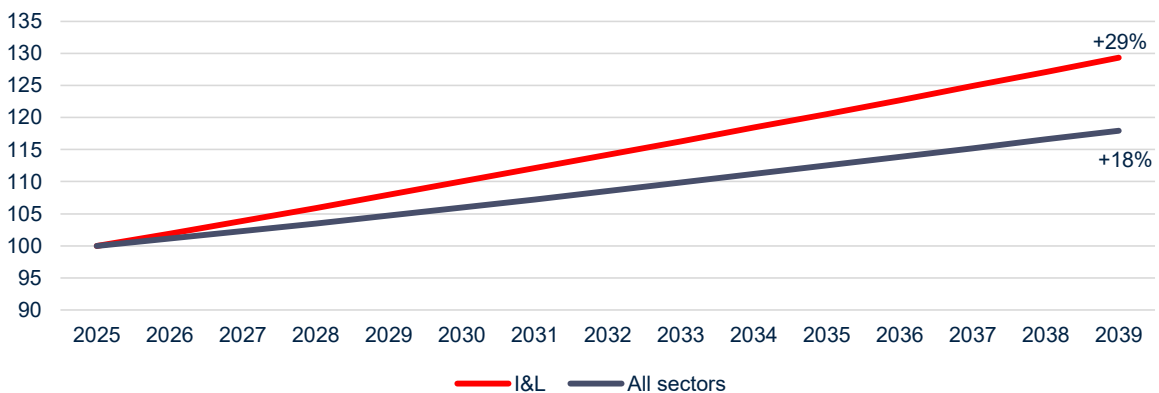
Figure 10.1 Median annual salary in the UK (2019)



Source: ASHE, Savills 2020

10.2.5 Secondly, I&L has a productivity of £58,000 of GVA per job, which is 12% higher than the average of all sectors. As shown in **Figure 10.2**, after 2025, productivity of I&L is expected to grow at a faster pace than the rest of the economy, increasing by 29% (vs 18%) over the 13-year period to 2039.

Figure 10.2 Growth in Productivity (GVA per job) in UK

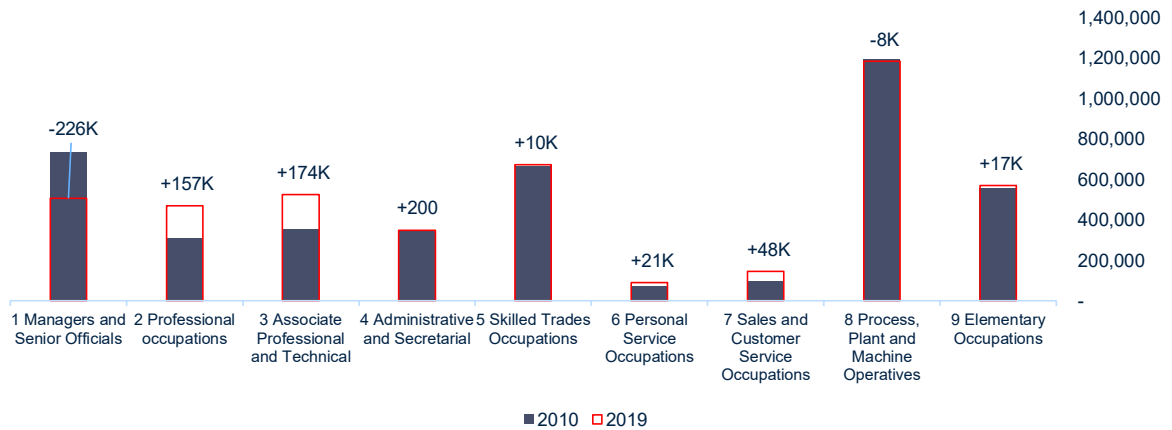


Source: Oxford Economics, Savills 2020

10.3 I&L jobs are becoming increasingly diverse

- 10.3.1 The sector is facing an era of unprecedented change. The past decade has seen the industry undergo a remarkable transformation, reshaping operating models and occupier requirements in ways that are only starting to become recognisable as an industry-wide phenomenon.
- 10.3.2 New technologies have significantly impacted the sector, changing the way tasks are performed and businesses operate. If on the one hand technology is replacing the most routine jobs through automation, self-driving vehicles and drone deliveries, it is also accelerating the shift towards a higher skilled labour force in the sector, effectively creating new roles and inducing an occupational shift.
- 10.3.3 **Figure 10.3** shows the change in the share of occupations in I&L in 2010 and 2019. While at the beginning of the decade we see a much more polarised distribution, with a higher share of managers at one end of the spectrum and more routine occupations at the other end, we now see a higher share of Professional and Associate Professional and Technical roles, which can be both associated with high-skilled engineering and technological professions. Similarly, there’s a slightly lower share of more routine occupations such as Process, Plant and Machine Operatives.

Figure 10.3 Occupational Distribution in Manufacturing, Transport & Storage



Source: ONS APS, Savills 2020

10.3.4 As manual and routine operations are replaced by machines, those same machines are programmed and controlled by engineers (Figure 10.4). This also implies a shift to higher wage employment opportunities, as engineers, programmers, data analysts and drone pilots become crucial.

Figure 10.4 Amazon technicians setting up a robot

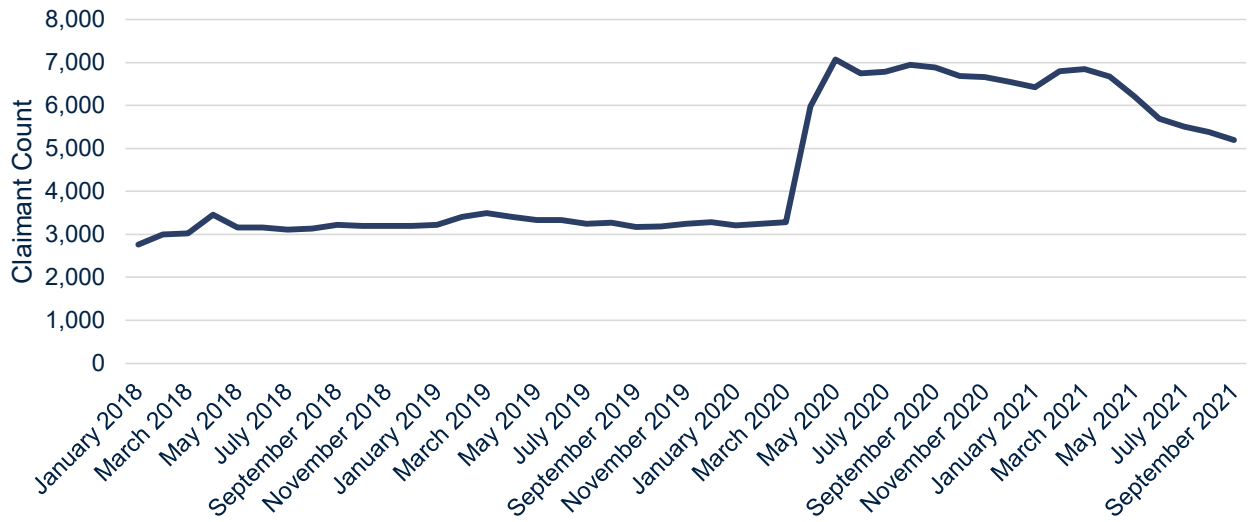


Source: Aboutamazon.com

10.4 I&L growth can replace job losses elsewhere in Warrington

- 10.4.1 The growth in I&L jobs and the diversity of occupations on offer will create opportunities for local people, including those who may lose their jobs in other sectors as a result of the Covid Pandemic.
- 10.4.2 The Government’s Coronavirus Job Retention Scheme (CJRS) has helped cushioning the impact of economic contraction on the job market, with the latest statistics released in October 2021 reporting 4,600 jobs furloughed (4.7% of total) in Warrington Borough.
- 10.4.3 However, in spite of this effort data on Claimant Count for Warrington Borough shows a rapid increase in the number of claimants (Figure 10.5). The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed. As of September 2021, the Count totalled 5,200.

Figure 10.5 Claimant Count in Warrington Borough (January 2018 – September 2021)



Source: Nomis 2021

10.5 Modern I&L premises are much more than just sheds

10.5.1 New production and storage spaces are being designed to be modern, technologically advanced (Figure 10.6), to meet high environmental standards and provide workers amenities (Figure 10.7).

Figure 10.6 The automated system operated by the ‘Ocado Smart Platform’



Source: ocadogroup.com

Figure 10.7 Gateway14 in Stowmarket with large landscaped areas



Source: ocadogroup.com

10.5.2 Office spaces are increasingly being collocated with production and logistics operations (**Figure 10.8**). This arises both as a consequence of occupational shifts and as a viability necessity given new office development is difficult to deliver in most locations due to high build costs.

Figure 10.8 Office space in a warehouse



Source: 299lighting.co.uk

10.5.3 As the sector becomes more technologically advanced and requires higher skilled workers such as data scientists and engineers, it is convenient for these people to be closer to the operations they control and analyse. This co-location is also more practical from a delivery point of view.

10.6 Current trends are providing a boost to I&L demand



10.6.1 The UK logistics market has traditionally been focused in and around the centre of the UK. This stems from the fact that retailers could locate their distribution warehouses here and reach a large proportion of the population within four-hour drive time.

10.6.2 This model evolved in the 1980s and 90s as the major supermarkets grew in size. It was also cost effective as the consumer, in the most part, would use a private vehicle to go to the store and then return home with their shopping.

10.6.3 With the onset of internet shopping however this model has become increasingly dated. Internet shopping relies on increased choice for the consumer and also increased delivery speeds to a location of people’s choosing. This means that more inventory is required to be located nearer to the general population.

10.6.4 This in turn has meant that more and more warehouse space is required both by online retailers such as Amazon and Ocado (**Figure 10.9**), but also traditional bricks and mortar retailers who are adapting their supply chains to compete.

Figure 10.9 Amazon Warehouse

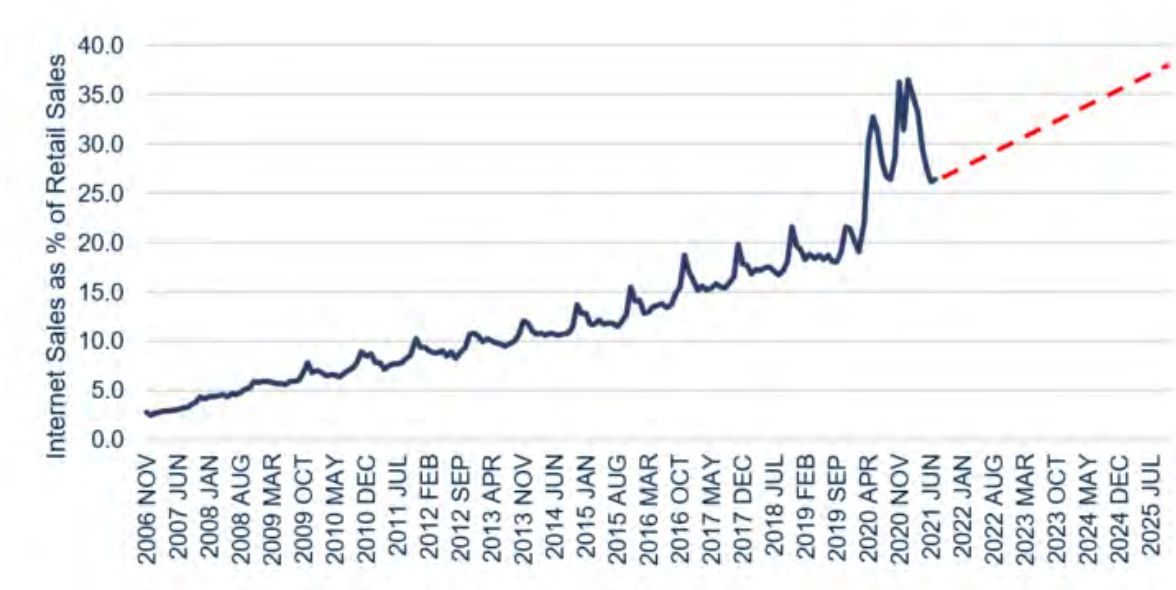
- 10.6.5 Over time the warehouse property market has expanded its geographical footprint and locations once considered unsuitable for warehouse development are now key markets. Key locational drivers for occupiers of warehouse space include proximity to markets as well as workforce, good accessibility to the strategic road network, but also, increasingly, the availability of energy.
- 10.6.6 Occupiers are more willing to locate in new areas where a good supply of labour is available as this often can lead to a competitive advantage. Other locational drivers also need to be in place such as edge of a settlement locations and close to a motorway or junction. Many of the locations that meet all of these criteria are located in the greenbelt meaning the aims of this designation need to be weighed against the I&L sector's key role in securing the nation's economic future.
- 10.6.7 A number of positive trends such as increasing on-line shopping, automation, restructuring of supply chains that were pre-dating the pandemic have now been accelerated by Covid-19 and looming Brexit. These trends are expected to increase demand for the UK logistics sector and its floorspace needs.

10.7 Covid has resulted in an exponential increase in online shopping

- 10.7.1 Online shopping, including grocery shopping, has been on the rise for over a decade due to digital innovations and changing consumer habits. Data from the ONS (**Figure 10.10**) shows that over the last decade internet sales have accounted for an increasing proportion of total retail sales, from around 6-7% in 2010 to around 20% in early 2020.
- 10.7.2 The Covid-19 pandemic and country-wide lockdown measures following the outbreak have accelerated the rise of online shopping. The most recent data shows the impact of the country-wide lockdown following the outbreak, with figures for September 2021 indicating that 25.9% of all retail sales have

been conducted online.

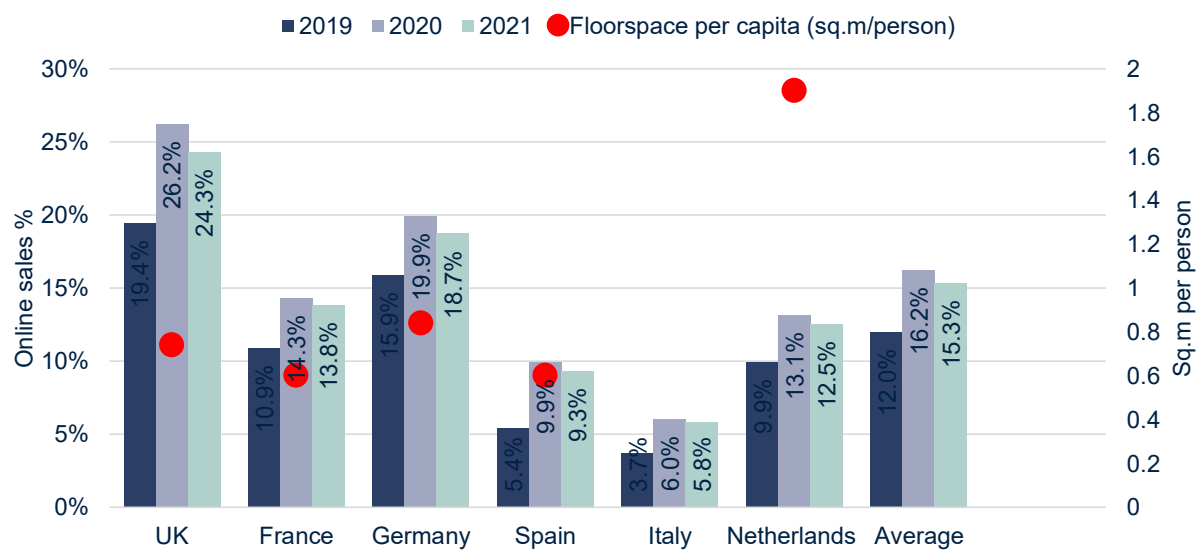
Figure 10.10 Internet sales as a percentage of total retail sales (UK)



Source: ONS, Retail Sales Index Time Series, Savills 2021; Forrester Research

10.7.3 Most commentators agree that online retailing will continue to grow from a higher base than before the pandemic. Forrester Research are a respected source of future online retail projections. As shown in Figure 9.10, they estimate online retail will continue to grow but from higher base into the future at 32% in 2022 and steadily growing to 37% in 2025.

Figure 10.11 Online retail sales as a percentage of total, Europe



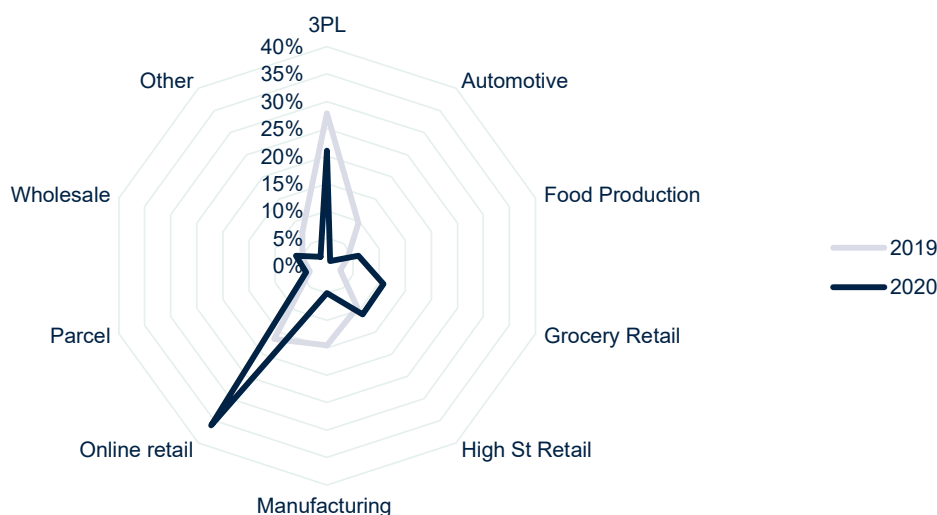
Source: Savills research, Centre for Retail Research

10.7.4 Also of interest, with reference to **Figure 10.11**, is that the UK has a lower level of I&L floorspace per capita compared to a number of European countries such as Germany and Netherlands despite having much higher levels of online sales. This indicates that further floorspace growth is likely in response to

the recent increase in online sales in the UK. Also given the UK is more density populated with tighter available land compared to much of Europe, it is even more important to adequately plan for the future availability of sufficient industrial land.

10.7.5 Illustrated in **Figure 10.12**, Savills’ research on the UK logistics market found that in 2020, 36% of space transacted has been from online retailers. 3PL’s have accounted for a further 21% of space transacted followed by Grocery Retailers and High Street Retailers accounting for 11% of take-up each. 29% of the total take-up has been from Amazon.

Figure 10.12 3PLs were dominant in 2019, online retailers are leading in 2020



Source: Savills 2020

10.7.6 In parallel to the rise in online shopping, consumers expectations for same-day or next day delivery are reshaping operating models of logistics companies. This is expected to increase demand for logistics space away from brick-and-mortar shops as reduced delivery times are expected to benefit online retailers.⁶¹

10.7.7 Research⁶² has suggested that e-commerce requires around 3 times the logistics space of traditional brick-and-mortar retailers (**Figure 10.13**). The decline of bricks-and-mortar shops is likely to be accelerated by the pandemic, having a negative impact on warehouse floorspace demand. However, we expect this is going to be more than counter-balanced by the sustained growth in online sales which have a higher space requirement than traditional retail.

10.7.8 Analysing the impacts of the Covid-19 pandemic, recent research by Knight Frank⁶³ estimates that every additional £1bn of online sales leads to a demand for 1.36m sqft of logistics space. Using forecasts of online sales, this research also concludes that by 2024 an additional 92m sqft of warehouse space

⁶¹ McKinsey & Company (2014), Same-day delivery: The next evolutionary step in parcel logistics
⁶² Prologis (2016), Global E-Commerce Impact on Logistics Real Estate. Online Article: <https://www.prologis.com/about/logistics-industry-research/global-e-commerce-impact-logistics-real-estate>
⁶³ Knight Frank (2020) How will rising online sales volumes impact on demand for distribution and logistics space? Online article: <https://www.knightfrank.co.uk/research/london-report/2020-10-07-how-will-rising-online-sales-volumes-impact-on-demand-for-distribution-and-logistics-space>

will be required, across the UK, to meet the demands of the online retail sector alone.

Figure 10.13 E-commerce has 3 times the space requirement of traditional retail

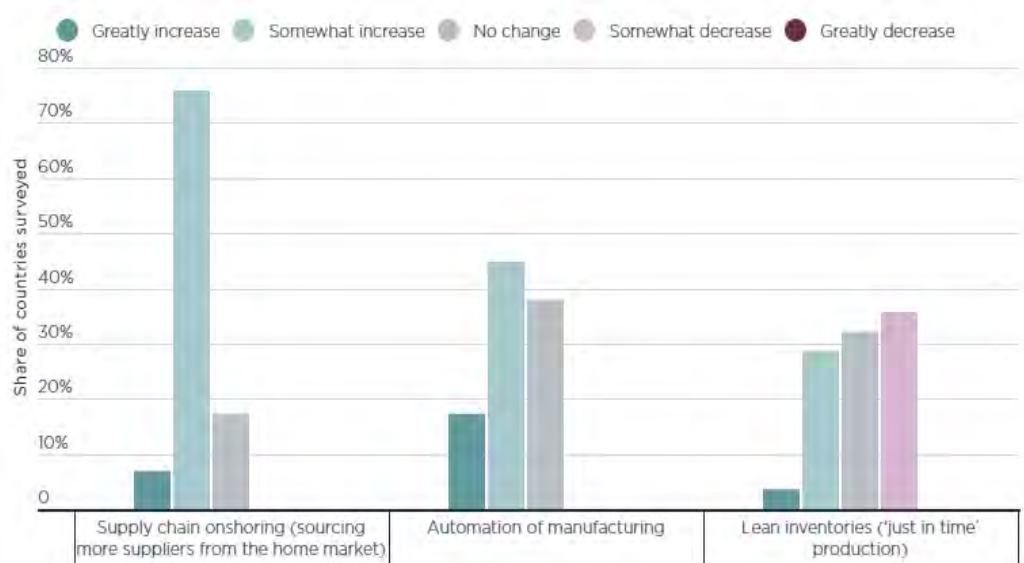


10.8 Potential supply chain shocks have created a focus on near-shoring/re-shoring

- 10.8.1 Covid-19 has also highlighted the level of interconnectedness of existing international supply chains and their fragility when one or more links break. Companies have started building up greater resilience in their operating models and are preparing to minimise future supply-chain-induced disruptions. This is expected to accelerate near-shoring or re-shoring trends, which 20% of firms are planning to do or have already started, according to a survey carried out in July 2020 by the Institute for Supply Management.
- 10.8.2 This is likely to lead to higher domestic inventory requirements, further increasing long-term demand for warehousing and logistics space. Surveys⁶⁴ carried out by Savills also suggest that it is widely expected that Covid-19 will 'Somewhat Increase' supply-chain on-shoring (**Figure 10.14**).

⁶⁴ Savills (2020) The impact of Covid-19 on Real Estate. Online Article: <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html>

Figure 10.14 Impact of Covid-19 on supply chains and manufacturing after pandemic has passed



Source: Savills Research 2020

- 10.8.3 Brexit is likely to add uncertainty surrounding the strength of the supply chains, influencing the need for further logistics space. If, in the short term, companies adopt nearshoring policies to insulate themselves from future supply chain disruption, it is likely that European manufacturing will increase which in turn will create a ripple effect for warehouse demand.
- 10.8.4 The additional requirements to import and export goods could lead to significant delays in Southern ports in the UK, and freight could potentially be redirected through Northern airports and harbours with spare capacity.⁶⁵ This would put pressure on local logistics space markets and require the development of more floorspace in those areas, and more generally along transport routes.

Near-shoring definition
 Transferring a business operations to a nearby country as opposed to a more distant one (i.e. off-shoring)

Re-shoring definition
 Moving a business that had gone overseas back to the country from which it had originally relocated

10.9 Increased stockpiling as a means to strengthen supply chains

- 10.9.1 The cumulative impacts of online shopping, Covid-19 and Brexit could potentially lead to shifts in demand and occupancy, due to higher levels of stockpiling.⁶⁶
- 10.9.2 With Covid-19, temporary shortages have led to stockpiling (**Figure 10.15**), a phenomenon already initiated by Brexit and the uncertainty around future international trade agreements. To strengthen supply chains, and prepare for any interruption in the flow of goods or ensure that delivery times can be maintained, some businesses might stockpile their inventory, mainly in sectors where little spare stock

⁶⁵ Duncan T. (2019), Brexit Effects on Logistics. Online Article: <https://www.propertyweek.com/insight/brexit-effect-on-logistics/5105162.article>

⁶⁶ Hatmill (2020), Will a post covid-19 supply chain generate different property requirements? – Online article

was held before the pandemic.⁶⁷

Figure 10.15 Supermarkets ask shoppers to be ‘considerate’ and stop stockpiling



Source: BBC.com

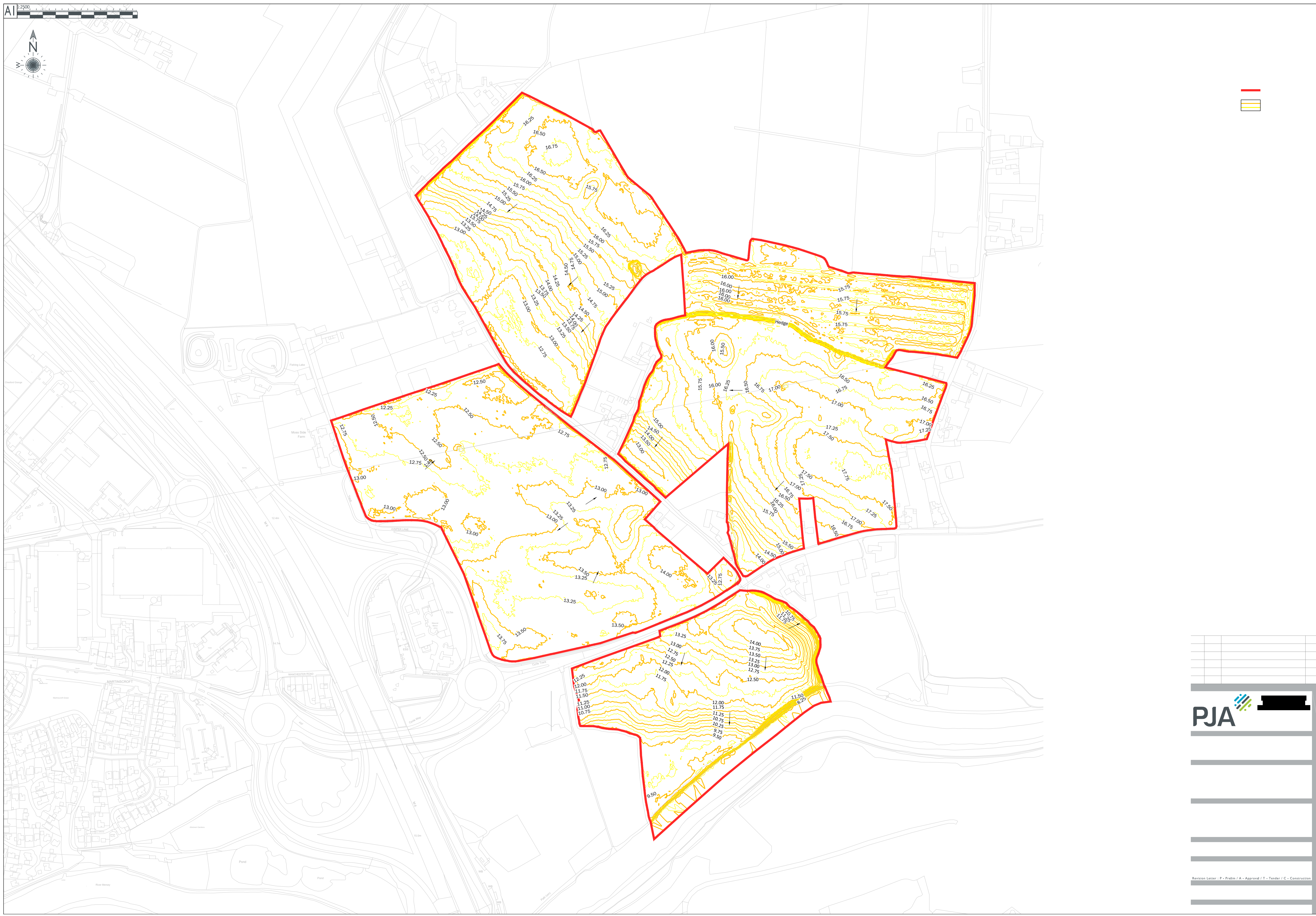
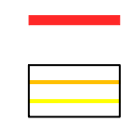
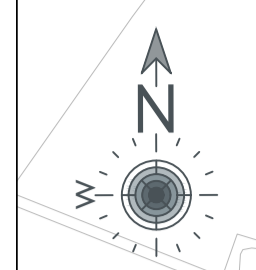
- 10.9.3 While this can be regarded as a short-term demand factor, it may also have long-term implications as, for example, businesses may find it too risky to have a single warehouse serving their customer base compared to a multiple stocking solution. Therefore, instead of concentrating in one location, some firms might seek to spread their inventory over different regions, but in smaller spaces.
- 10.9.4 This could for instance be the case of a British firm spreading its stocks between its production in England and its customers in the EU⁶⁸ – and vice versa – or a firm seeking to reduce delivery time to various locations throughout England.

⁶⁷ Prologis (2020) COVID-19 Special Report #5: Supply Chain Shifts Poised to Generate Substantial New Demand. Online article

⁶⁸ Watson, S (2019) Brexit and the logistics Market. Online article: <https://www.perenews.com/brexit-logistics-market/>

APPENDIX E
CONTOURS PLAN





PJA

Revision Letter : P - Prelim / A - Approval / T - Tender / C - Construction



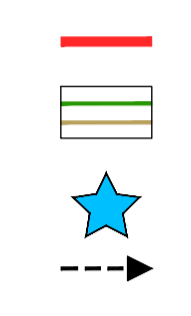
APPENDIX F
DRAINAGE STRATEGY





Parcel 1.1
Area: 2.70ha

Parcel 1.2
Area: 8.43ha



PJA

Revision Letter : P - Prelim / A - Approval / T - Tender / C - Construction

St. Modwen Properties Plc



T: [Redacted]



ST.MODWEN



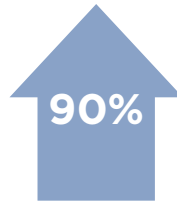
Appendix 2 – Savills' Big Shed Briefing (July 2022)

Big shed briefing



Magna Park Corby where TopHat, advised by Savills, have taken a 650,000 sq ft BTS unit

Best ever H1 take-up reaching 28.7m sq ft ● Vacancy at 3.01% ● 16.46m sq ft under construction



Take-up ahead of the long-term H1 average

Nationwide overview

Record H1 take-up against an uncertain economic backdrop



Richard Sullivan
National Head
of Industrial & Logistics



As the months have passed in 2022, it is clear to see that sentiment in economies the world over has changed dramatically. Whilst inflation was already starting to rear its head at the start of the year the situation in Ukraine has amplified the situation further largely through higher energy and food costs.

In the UK consumer confidence has fallen to the lowest level since records began and whilst retail sales are still showing increases in value, the volume of sales has been declining steadily since October 2021, according to data from the ONS.

Whilst governments have been implementing policies to aid the consumer the reaction, in the most part, has been for central banks to start raising interest rates, and in the UK rates now stand at 1.25% with further rises seen as an inevitability. Perhaps most relevant to our sector is the current trajectory of online sales which now stands at 25.9% of all retail sales, the lowest level since before the onset of Covid-19.

Given this economic backdrop history would tell us cracks in the occupational market would start to appear but at the time of writing there is little to suggest this. Indeed in the first half of this year Savills have logged over 200m sq ft of occupier requirements, a fall of just 2% when compared with the first half of 2021. Against the backdrop of supply chain resilience and the need to hold more inventory, we continue to see strong demand as our latest data demonstrates.

Take-up

With 15m sq ft of new leases signed in Q2, making it the second best Q2 on record, it is pleasing to report that take-up for H1 22 has reached a new record of 28.6m sq ft surpassing last years total of 24.5m sq ft and exceeding the H1 average by 90%.

Given low levels of vacancy it is interesting to observe that build-to-suit take-up has accounted for 54% of all of the space transacted so far in 2022, the highest proportion this segment has ever accounted for. Whilst the level of speculative take-up remains strong accounting for 7m sq ft of demand so far this year the bigger story is the fall in demand for second-hand units which accounted for just 21% of take-up, proportionally the lowest level ever recorded. Whilst partly a supply issue, second-hand units will have lower ESG credentials and given the rising

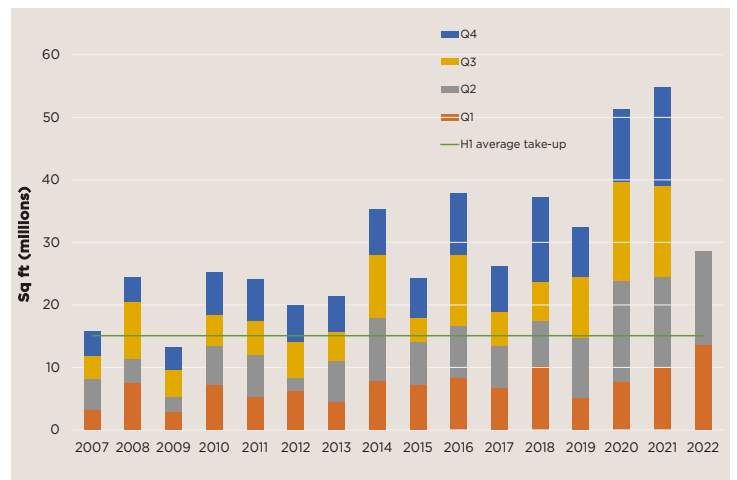
costs associated with running warehouses it comes as no surprise that occupiers are gravitating to better quality buildings with better ESG features.

The biggest story remains just how diverse the current occupier base in the sector is. With online retailer take-up falling back to 18% of the total, down from 35% last year, other occupier groups have more than compensated. Whilst 3PLs have continued taking space and account for 25% of 2022 take-up there has been a resurgence in demand from the manufacturing and automotive sector who have taken 7m sq ft, which is 11% more than the whole of 2021.

Supply and Pipeline

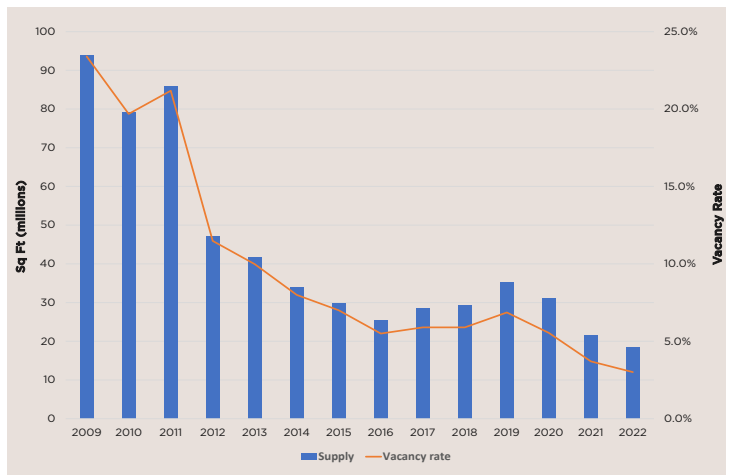
With a number of speculative completions in the first half of the year and the rising demand for BTS units supply has increased by 1% in 2022 to 18.4m sq ft, which reflects a vacancy rate of just 3.01%. Whilst this is the first vacancy up-tick we have seen for 18 months it should be viewed in the context of the five-year average for vacancy which sits at 5.9%. We are tracking 16.46m sq ft of speculative development due for delivery in 2022 and 2023 and expect new announcements to tail off given the wider economic context.

Take-up 90% above the long-term H1 average



Source Savills Research

Supply and vacancy continue to fall



Source Savills Research

Take-up in 2022 has been in line with the long-term average reaching 2.62m sq ft. It's been the strongest year in terms of deal count, surpassing the previous H1 watermark by five transactions. Demand has been strongest in the 100,000-200,000 sq ft size band

London and the South East

Vacancy hits 3.18%; large proportion of supply is poor quality



Toby Green
Director
South East



Supply

Continued speculative development and strong occupier demand has meant the region has remained broadly stable in terms of the supply and demand dynamics. More recently, we have seen a shift in the quality balance of the available stock as low-quality Grade C units return to the market. Currently, 59% of the available space on the market is Grade A, just 6% is Grade B and 35% is Grade C space.

Now, the region has 3.94m sq ft available across 25 units. The supply is pretty much equal between London & the South East, with 57% being marketed within the wider South East and 43% within London.

In terms of unit count, there are 21 units within the 100,000-200,000 sq ft size band, three within the 200,000-300,000 sq ft size band and a single unit within the 300,000-400,000 sq ft size band.

A large proportion of the Grade C space should be earmarked for redevelopment or refurbishment as they do not reach the ESG standards expected by many occupiers.

Take-up

The first half of 2022 saw 2.62m sq ft of space transacted, which is just 1% lower than the amount seen in 2021 and just 2% lower than the long-term H1 average. There has been a significant increase in the number of deals in recent years with 2022 setting a new H1 record as 24 separate transactions have been recorded.

Following on from last year, the region has seen a shift away from larger units towards the smaller size bands. In 2022, 82% of transactions have been within the 100,000-200,000 sq ft size band compared to a long-term average of 66%. The 200,000-300,000 sq ft size band saw 12% of transactions and the 300,000-400,000 sq ft size band saw 6%.

In terms of Grade, 45% of all space transacted in 2022 YTD has been Grade A speculatively developed space, 35% has been Grade A, 8% Grade B and 12% has been classified as Grade C space.

Occupier demand has been diverse with a sustained demand coming from a diverse range of sectors, 3PLs have accounted for 43% of the activity followed by the other sector at 39% which includes the likes of Data Centres and Film Studios.

Development Pipeline

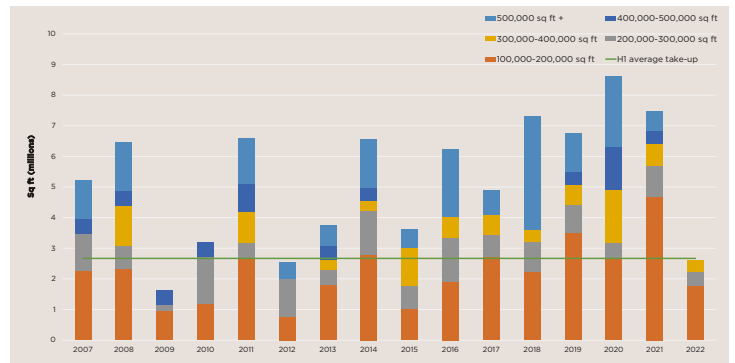
There are now 22 units under construction across the region totalling 3,57m sq ft, 85% of which are based in the South East and just 15% within London. There are, in total, 17 units under construction within the 100,000-200,000 sq ft size band, three within the 200,000-300,000 sq ft size band and two within the 300,000-400,000 sq ft size band.

Key statistics

	Stats	yr/yr change
Take up	2.62m sq ft	↓ 1%
Supply	3.94m sq ft	↓ 21%
Development Pipeline	3.57m sq ft	↓ 33%
Quoting Grade A Rent	£9.00-£30.00/sq ft	c.↑ 36%
Vacancy rate	3.18%	↓ 95bps

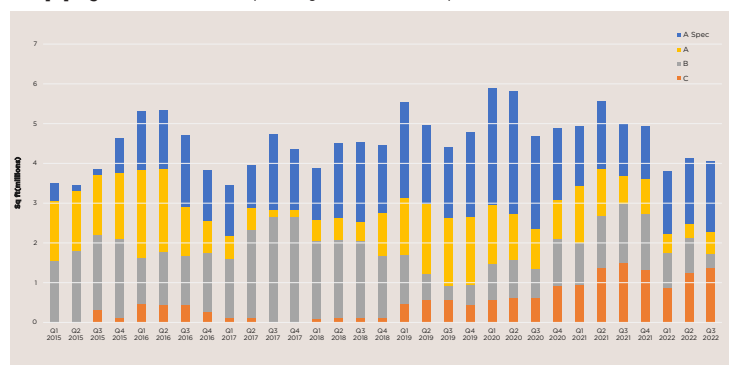
Source Savills Research

Take-up show a sustained shift towards smaller units



Source Savills Research

Supply 35% is low quality Grade C space



Source Savills Research

“Take-up in 2022 has reached 4.95m sq ft which has caused the supply to remain at chronically low levels, standing at just 1.73m sq ft. This means that there is just 0.16 years worth of supply in the region”

East Midlands

Vacancy rate now 1.40%, just 0.16 years of supply



Charles Spicer
Director
Birmingham



Supply

There are now just eight units over 100,000 sq ft in the East Midlands totalling 1.73m sq ft which equates to a vacancy rate of just 1.40%. The largest unit on the market is Unit 2 Mountpark Bardon comprising c. 360,000 sq ft of Grade A second-hand space. In terms of unit count, there are four units available within the 100,000-200,000 sq ft size band, two units within the 200,000-300,000 sq ft size band and two within the 300,000-400,000 sq ft size band. There are no units above 360,000 sq ft which, given the rising occupier demand for larger units in the region, is leading to an increase in built-to-suit deals. However, due to increasing construction costs and the lead times, requirements are being satisfied in neighbouring regions through existing stock.

The strong occupier demand for units in the area, along with rising rents for top-quality stock has led to all of the lower-quality space being either let or withdrawn for comprehensive refurbishment. All of the available space is considered Grade A, this increased competition will further push net effective rents higher through a reduction in incentives offered.

Take-up

Take-up has reached 4.95m sq ft across 12 transactions, this is 96% up on the long-term H1 average. Interestingly, the average transaction size has increased substantially in the last year to c. 412,000 sq ft which highlights this shifting occupier demand towards larger units.

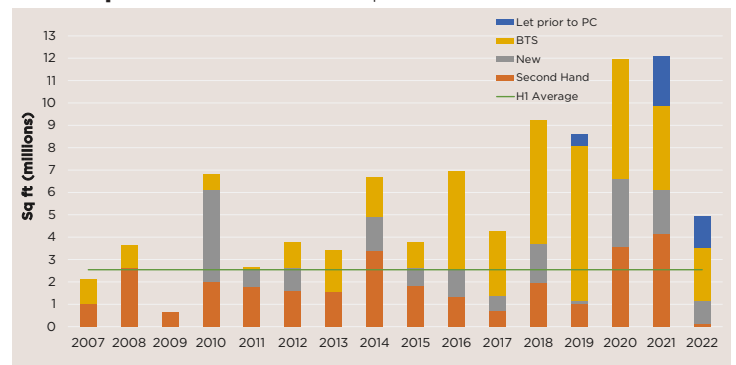
Occupier preference continues to revolve around better quality units. In 2022, 49% of space transacted has been speculatively developed space of which 28% was let before practical completion, 48% was built-to-suit space and just 3% was second-hand space. Despite the lack of stock and rising rents, the region's infrastructure and location has cemented itself as the preferred location for many occupiers seeking Industrial & Logistics real estate in the UK.

By deal count, 17% of transactions have been within the 100,00-200,000 sq ft size band, 17% have been within the 200,000-300,000 sq ft size band, 17% the 300,000-400,000 sq ft size band, 17% the 400,000-500,000 sq ft size band and 32% over 500,000 sq ft. Following UK-wide trends, 3PLs have been the most active in the region accounting for 36% of the total take-up, this was followed by manufacturers accounting for 26% and the other sector at 16%.

Development Pipeline

There are currently 27 units under construction, which total 5.06m sq ft. There are 20 within the 100,000-200,000 sq ft size band, four within the 200,000-300,000 sq ft size band, three within the 300,000-400,000 sq ft size band. Savills are tracking these units closely as many are already under offer or have strong interest however, should these add to the supply figures the vacancy rate would rise to just 5.45%.

Take-up 100% was Grade A space



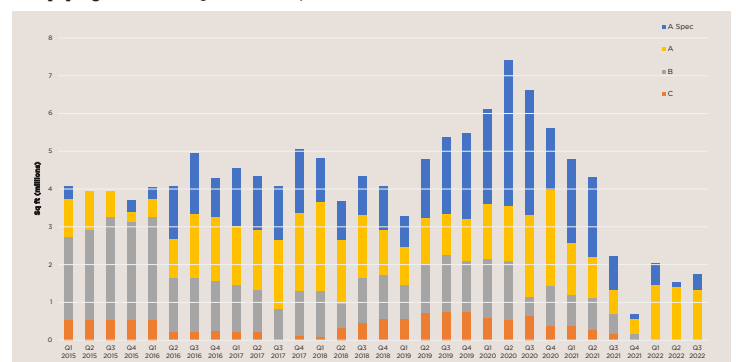
Source Savills Research

Key statistics

	Stats	yr/yr change
Take up	4.95m sq ft	↑ 4%
Supply	1.73m sq ft	↓ 21%
Development Pipeline	5.06m sq ft	↑ 48%
Quoting Grade A Rent	£9.75/sq ft	↑ 30%
Vacancy rate	1.40%	↓ 52 bps

Source Savills Research

Supply fallen by 21% in past 12 months



Source Savills Research

“Take-up in the West Midlands has reached 4.57m sq ft, the best H1 ever recorded. The level of supply remains extremely tight which has resulted in prime rents being on a par if not higher than the East Midlands”

West Midlands

Vacancy steady at 2.77%; more deals in the pipeline



Ranjit Gill
Director
Birmingham



Prologis Park Hams Hall, where Britishvolt have committed to a c.240,000 sq ft unit

Supply

The supply of warehouse space over 100,000 sq ft currently stands at 2.51m sq ft across 10 units, this is a 29% decrease in the past 12 months. According to the three-year annual average take-up, there is just 0.36 years' worth of supply in the West Midlands.

Analysing the available supply by Grade shows 14% of space on the market is Grade A speculatively developed quality whilst 44% is second-hand Grade A stock, 10% is Grade B and 32% is Grade C space. The low-quality Grade C space is unsuitable for many occupiers and would benefit from comprehensive refurbishment to improve their ESG credentials, infrastructure and building design.

By unit count, 60% of the available supply is within the 100,000-200,000 sq ft size band, 10% is within the 200,000-300,000 sq ft size band, 10% the 300,000-400,000 sq ft size band, 10% the 400,000-500,000 sq ft size band and 10% over 500,000 sq ft. With the current supply and demand dynamics, we continue to expect that rental growth will exceed the 4.3% forecasts per annum by RealFor in the next five years.

Take-up

Take-up in 2022 has reached 4.57m sq ft across 18 transactions, this is the strongest H1 ever recorded and is 103% above the long-term H1 average. The average deal size YTD has been in line with the long-term average reaching c. 250,000 sq ft. Transactional activity has centred around better quality space, 10% of space transacted YTD has been new speculatively developed space, 18% has been speculatively developed space let before practical completion, 51% was built-to-suit space and 21% was second-hand space.

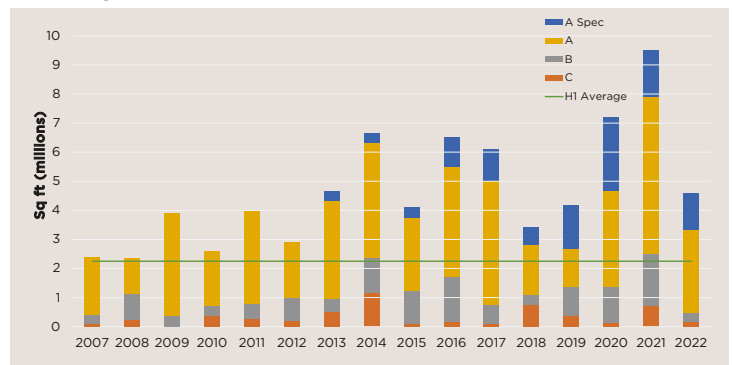
Deal counts highlighted the preference towards smaller size units throughout the region, there have been 10 deals within the 100,000-200,000 sq ft size band, three within the 200,000-300,000 sq ft size band, three within the 300,000-400,000 sq ft, one within the 400,000-500,000 sq ft size band and one over 500,000 sq ft. The largest deal this quarter was Iron Mountain committing to a unit of 675,000 sq ft at Symmetry Park Rugby, in total Iron Mountain took 1m sq ft at the site.

Third-party logistics firms have accounted for 35% of the total take-up YTD, this was followed by manufacturers accounting for 23% and the other sector accounting for 22%.

Development Pipeline

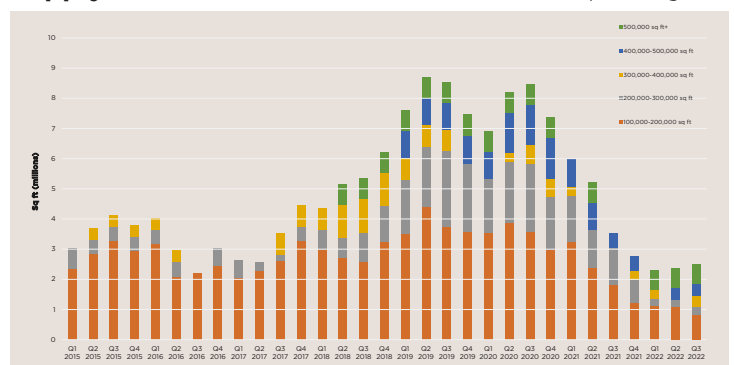
There are 10 units currently under construction within the West Midlands, totalling 2.22m sq ft. There are six units under construction within the 100,000-200,000 sq ft size band, one within the 200,000-300,000 sq ft size band, two within the 300,000-400,000 sq ft size band and a single unit within the 400,000-500,000 sq ft size band.

Take-up 89% was Grade A quality



Source Savills Research

Supply 60% of units in the 100,000-200,000 sq ft range



Source Savills Research

Key statistics

	Stats	yr/yr change
Take up	4.57m sq ft	↑ 47%
Supply	2.51m sq ft	↓ 29%
Development Pipeline	2.22m sq ft	↑ 19%
Quoting Grade A Rent	£9.75/sq ft	↑ 30%
Vacancy rate	2.77%	↓ 138 bps

Source Savills Research

👉 Take-up in the North West reached 4.22m sq ft in 2022 through 15 transactions. Demand continues to revolve around better quality units and we're now seeing heightened interest for existing stock from a diverse range of occupiers. This increased competition has caused net effective rents through decreased incentives 👉

North West

Vacancy rate stands at 3.07%, 57% of supply is poor quality



Jon Atherton
Director
Manchester



Take-up

Take-up in H1 2022 has reached 4.22m sq ft across 15 transactions, this is 103% above the long-term H1 average take-up.

In 2022, 32% of space transacted has been Grade A speculatively developed space, 51% has been Grade A space and the remainder Grade C space, demonstrating a clear preference toward better quality space. There are clear cost benefits for occupiers residing in Grade A buildings due to their greater energy efficiency, we are seeing this as one of the main drivers towards Grade units.

As certainty returned to the market following the pandemic, we have seen lease lengths increase within the North West. Mirroring this trend we have seen a rise in the amount of built-to-suit transactions compared to H1 2021. In 2022, 40% of take-up has been for built-to-suit units, 33% has been for speculatively developed space and the remainder has been for second hand space. In terms of deal count, there have been seven transactions within the 100,000-200,000 sq ft size band, two within the 200,000-300,000 sq ft size band, four within the 300,000-400,000 sq ft size band and two over 500,000 sq ft.

Development Pipeline

There are currently six units being developed, totalling 1.94m sq ft. There are three within the 100,000-200,000 sq ft size band, one in the 300,000-400,000 sq ft size band, one in the 400,000-500,000 sq ft size band and one over 500,000 sq ft.

Supply

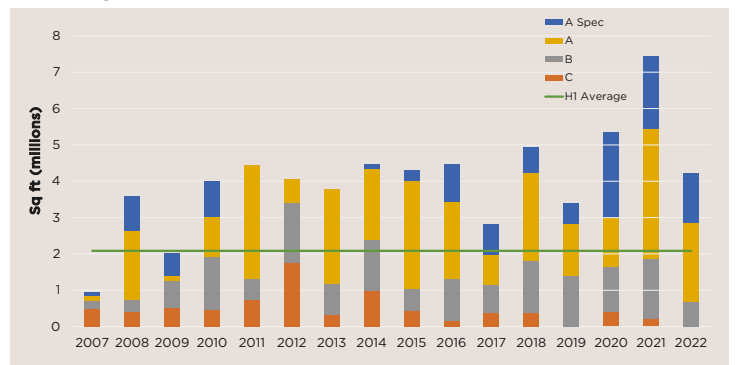
The supply of warehouse space has fallen by 23% in the past 12 months to stand at 2.65m sq ft across 13 units. Using the three-year average annual take-up of 5.39m sq ft, this equates to just 0.47 years' worth of supply in the region.

In terms of Grade, 43% of the available space is Grade A, 29% is Grade B and 28% is Grade C. A large proportion of the Grade B and C stock do not currently reach the EPC standards set out by the government. Consequently, these units will need to undergo comprehensive refurbishments in order to be lettable in the future.

Looking at the unit count, the supply is skewed towards the smaller size bands, 69% are within the 100,000-200,000 sq ft size band, 23% are within the 200,000-300,000 sq ft size band and 8% are over 500,000 sq ft.

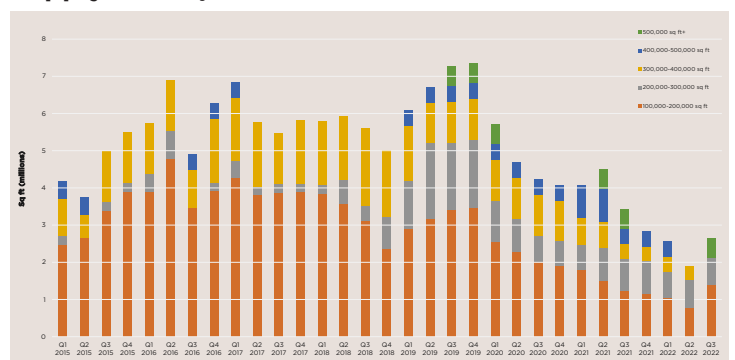
The vacancy rate continues to remain at record low levels and won't be relieved any time soon as units under construction are now frequently let before practical completion. There is a clear case to suggest that the actual rental growth will far exceed the forecast 19.4% over the next five years.

Take-up already 6% higher than long-term annual average



Source Savills Research

Supply fallen by 23% in the last 12 months



Source Savills Research

Key statistics

	Stats	yr/yr change
Take up	4.22m sq ft	↓ 1%
Supply	2.65m sq ft	↓ 23%
Development Pipeline	1.94m sq ft	↓ 8%
Quoting Grade A Rent	£8.50/sq ft	↑ 17%
Vacancy rate	3.07%	↓ 2 bps

Source Savills Research

“ The chronic lack of stock in the region has caused a blurring between Yorkshire & the North East, occupier demand is now centred on the complete region rather than particular hotspots. Consequently, we are seeing increased developer and investor activity within the North East. The development will be welcomed as there is currently 0.27 years’ worth of supply throughout the two regions ”

Yorkshire and the North East

Vacancy rate just 2.75%; requirements continue to surge



Tom Asher
Director
Leeds

Richard Scott
Director
Newcastle



Supply

Following the completion of multiple speculative developments, the supply of units over 100,000 sq ft now stands at 2.5m sq ft across 14 units. There is 1.7m sq ft available within Yorkshire across eight units and c.800,000 sq ft available in the North East across six units. A large proportion of this space has strong interest from multiple parties and 24% is currently under offer. The vacancy rate across the two regions now stands at 2.75% equating to just 0.27 years worth of supply.

Now, 45% of the available supply is Grade A, 35% is Grade B and 20% is Grade C. As previously noted, a vast proportion of this space could be obsolete through not being able to accommodate modern occupier requirements. We are seeing rising concerns surrounding the suitability of a unit particularly referencing its ESG credentials, power availability and amenities.

In terms of unit count, 86% of the available units are within the 100,000-200,000 sq ft size band 7% are within the 200,000-300,000 sq ft size band and 7% are over 500,000 sq ft.

Take-up

Take-up in 2022 has reached 5.78m sq ft across 14 units, already surpassing the long-term annual average by 10%. In isolation, Yorkshire & the Humber saw 67% of this activity and the North East saw 33% of the activity.

The chronically low levels of supply has pushed occupiers towards the build-to-suit route to acquire space, 79% of space transacted in 2022 was built-to-suit bespoke space, 17% was second-hand space and 4% was speculatively developed space.

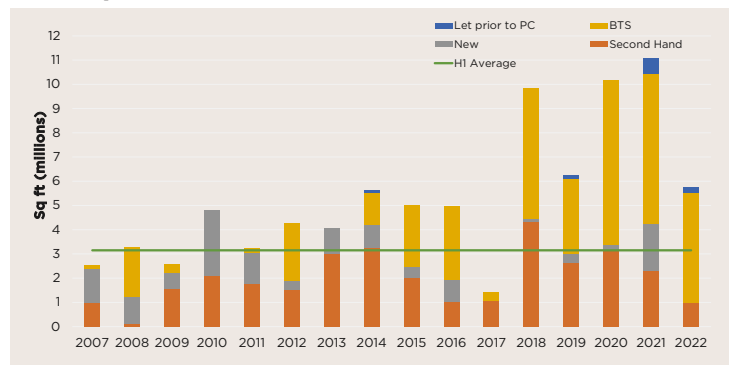
Demand was spread across the size bands, 64% of transactions were within the 100,000-200,000 sq ft size band, 8% were within the 200,000-300,000 sq ft size band and 14% within the 400,000-500,000 sq ft and 500,000 sq ft+ size band. The largest deal this year was Amazon committing to a 2.2m sq ft unit at Melton West Business Park in Hull.

The region has seen demand from a diverse range of occupiers, 42% of take-up was from manufacturers, 38% from online retailers and the remainder was spread almost equally across a variety of alternative occupiers.

Development Pipeline

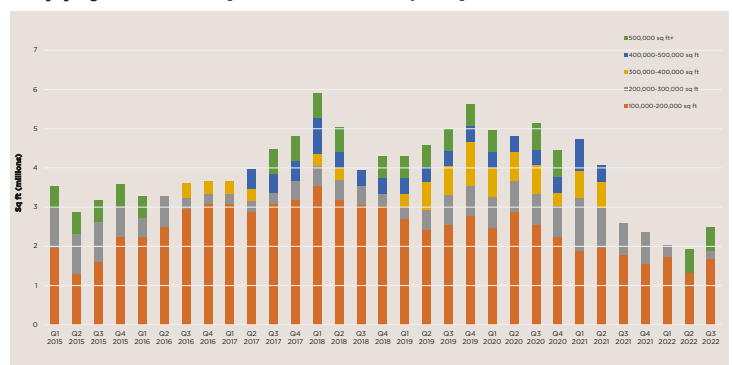
There are currently 12 units under construction totalling 2.47m sq ft. There are six units under construction within the 100,000-200,000 sq ft size band, five within the 200,000-300,000 sq ft size band and a single unit under construction within the 300,000-400,000 sq ft. These units have strong interest, however if they were to add to the supply figure once PC'd the vacancy rate in the region would rise to just 5.32%.

Take-up 84% above the long-term H1 average



Source Savills Research

Supply chronically low levels, majority second-hand



Source Savills Research

Key statistics

	Stats	yr/yr change
Take up	5.78m sq ft	↓ 17%
Supply	2.5m sq ft	↓ 4%
Development Pipeline	2.47m sq ft	↓ 9%
Quoting Grade A Rent	£7.50/sq ft	↑ 7%
Vacancy rate	2.75%	↓ 35 bps

Source Savills Research

Take-up in 2022 has surpassed expectations, driven by Wayfair’s letting at Panattoni Park Swindon. The level of supply has now fallen to the lowest level since 2019, reflecting a vacancy rate of 5.89%. Closer analysis shows many of the remaining units are unsuitable for modern occupiers through their unsatisfactory ESG credentials and inability to provide sufficient power

South West & Wales

Low vacancy set to push rental growth higher than forecasts



Rob Cleeves
Director
Bristol

Jack Davies
Associate Director
Cardiff



Supply

The supply of units over 100,000 sq ft in the region currently stands at 2.62m sq ft across 14 units. Closer analysis highlights that 42% of the current supply is located within Wales and 58% is within the wider South West region. The vacancy rate in the wider region now stands at 5.89%, according to the three-year annual average this equates to just 0.94 years’ worth of supply.

The quality balance is heavily skewed towards lower-quality units, with just 22% of available space classed as Grade A, 52% is Grade B and 26% is Grade C. Now, the lack of good quality stock has left occupiers no choice but to commit to speculatively developed units before they reach practical completion or head down the built-to-suit route.

By unit count, 57% are within the 100,000-200,000 sq ft size band, 29% are within the 200,000-300,000 sq ft size band and 14% are within the 300,000-400,000 sq ft size band.

Due to the rising rents seen within the region, we are witnessing rising occupier demand for units further within Wales.

Take-up

Take-up in the South West and Wales market has totalled 3.49m sq ft across 15 units which is already 37% above the long-term annual average seen within the region. So far in 2022, transactions have centred around better quality units with 50% of space transacted being built-to-suit. In terms of Grade, 65% of space transacted has been Grade A, 18% has been Grade B and 17% has been Grade C space. The supply is hindering take-up as occupier requirements centre around new, modern units.

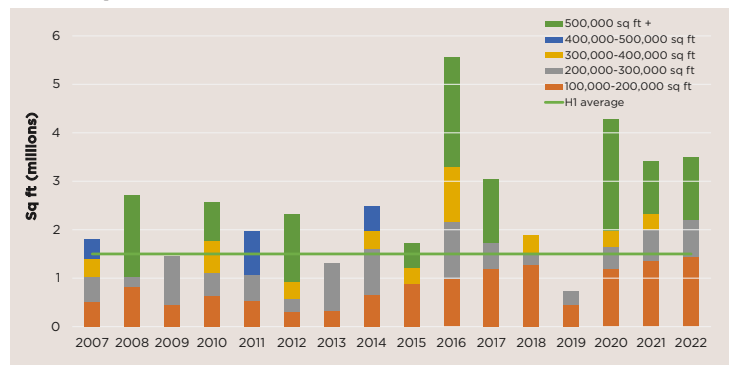
In terms of unit size, by deal count 73% of transactions have been within the 100,000-200,000 sq ft size band, 20% have been within the 200,000-300,000 sq ft size band and 7% have been over 500,000 sq ft.

In 2022, 56% of space transacted has been from online retailers, this was followed by 3PLs accounting for 14%, and the other sector which accounted for 14%. The region, due to its infrastructure and cheaper land values has attracted a diverse array of occupiers including the likes of vertical farms.

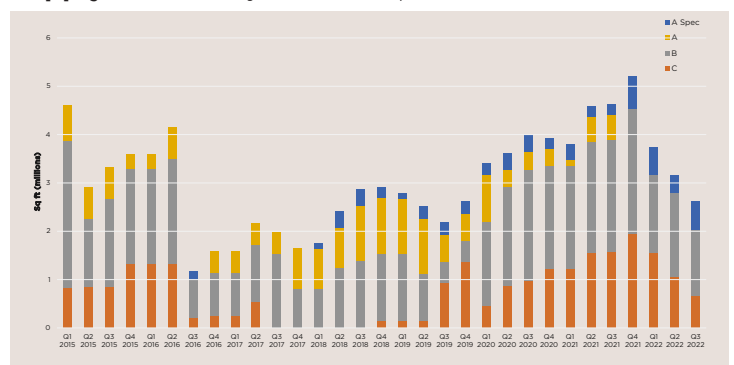
Development Pipeline

There is just c.113,000 sq ft under construction through a single unit within the region. However, developers are indeed responding to the rising occupier demand and Savills are tracking twelve units in various stages of the planning process that could start development imminently.

Take-up already 37% above the long-term average



Supply has fallen by 43% in the past 12 months



Key statistics

	Stats	yr/yr change
Take up	3.49m sq ft	↑ 240%
Supply	2.62m sq ft	↓ 43%
Development Pipeline	0.13m sq ft	↓ 84%
Quoting Grade A Rent	£7.75/sq ft	↑ 7%
Vacancy rate	5.89%	↓ 601 bps

Source Savills Research

“The East of England continues to see numerous requirements from European-based firms in hopes to improve their supply chain resilience. The proximity to a vast proportion of the UK population and major UK ports, along with multiple large consent sites has stimulated take-up to hit 2.91m sq ft, it’s the best H1 recorded and just 20,000 sq ft shy of the previous annual watermark”

East of England

Supply down by 36%, vacancy rate now 2.98%



William Rose
Director
Peterborough



Supply

The level of supply in the market has fallen by 36% in the last year. Currently, there is 850,000 sq ft available across four units. According to the three-year annual average take-up, there is just 0.35 years’ worth of supply in the region.

In terms of Grade, the vacant stock consists entirely of second-hand low-quality stock with 85% considered Grade C and 15% Grade B. Whilst by unit count, there are currently two units available within the 100,000-200,000 sq ft size band, one within the 200,000-300,000 sq ft size band and one within the 300,000-400,000 sq ft size band.

The vacancy rate remains very constrained at 2.98%, this continues to push on rental growth with net effective rents increasing through a reduction of incentives offered. Consequently, we expect the modest rental growth forecast of 5.2% per annum over the next five years to be eclipsed, particularly due to the surge of overseas requirements we are now experiencing.



Phil Dennis
Director
Chelmsford

Take-up

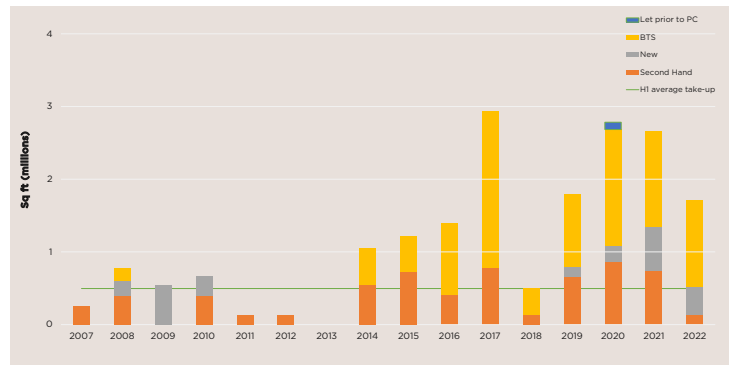
Take-up in 2022 has reached 2.91m sq ft across seven separate transactions, this is 223% above H1 2021 and 409% above the long-term annual average. The large proportion of consented and deliverable sites is proving fruitful for occupiers seeking bespoke builds. This availability, paired with the lack of good quality existing units has led 2022 take-up to be heavily dominated by build-to-suit transactions. So far, 82% of space transacted has been built-to-suit space, 14% has been speculatively developed space and 4% has been second-hand space. In terms of deal count, transactions have been spread across the size bands with 43% being within the 100,000-200,000 sq ft size band, 14% the 200,000-300,000 sq ft size band, 14% the 300,000-400,000 sq ft size band and 29% over 500,000sq ft.

The announcement of Freeport East status within the region has driven inquiries from a diverse range of occupiers along the Eastern stretch of the A14 as occupiers look to capitalise on the vast range of benefits offered in locating within designated sites. In 2022, the largest transaction was at Gateway 14, a designated Custom & Tax Site as part of Freeport East where an occupier has committed to a 1.2m sq ft unit. In total, high street retailers have accounted for 41% of space transacted in 2022 followed by manufacturers at 21% and 3PLs at 14%.

Development Pipeline

Currently, the region has 5 units under construction speculatively totalling 1.1m sq ft. There are two units within the 100,000-200,000 sq ft size band and three within the 200,000-300,000 sq ft size band.

Take-up 100% was Grade A space



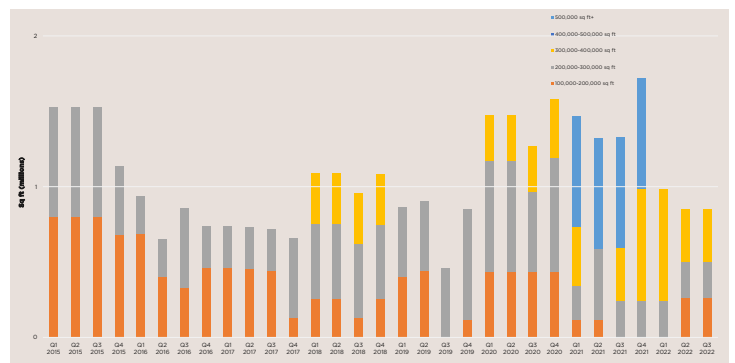
Source Savills Research

Key statistics

	Stats	yr/yr change
Take up	2.91m sq ft	↑ 223%
Supply	0.85m sq ft	↓ 36%
Development Pipeline	1.09m sq ft	↑ 102%
Quoting Grade A Rent	£8.00/sq ft	↑ 33%
Vacancy rate	2.98%	↓ 228 bps

Source Savills Research

Supply lack of units across all size bands



Source Savills Research

“The shortage of good quality Grade A space and development sites are hindering take-up in the region. Occupational requirements have been growing but the lack of immediate accommodation, inflation and growing construction costs are leading a number of occupiers to pause for this period of uncertainty and not commit to units that have long lead times”

Scotland

Vacancy rate now 6.85% as second-hand units return to the market



Ross Sinclair
Director
Glasgow



Supply

The supply of warehouse space in Scotland for units larger than 100,000 sq ft has risen by 51% in the past 12 months to stand at 1.61m sq ft across ten units. According to the three-year average annual take-up, there is 1.6 years worth of supply in the region.

The supply continues to be dominated by second-hand space with no newly developed units available. Currently, 23% of all space on the market is classified as Grade B and 77% is classified as Grade C. As is the case throughout the UK, many of these Grade C units are unsuitable for modern occupiers.

Of the ten units currently available, six are within the 100,000-200,000 sq ft size band and four are within the 200,000-300,000 sq ft size band.

RealFor, an economic forecaster are predicting that rental growth will reach an average of 3.1% per annum over the next five years. Due to the lack of good quality stock, Savills expects rental growth to exceed this on premium buildings through increased competition.

Take-up

Take-up of units over 100,000 sq ft in 2022 has been subdued. We have recorded a single transaction over 100,000 sq ft. The unit was 100,000 sq ft of Grade A built-to-suit space highlighting occupier preference towards better quality units.

Take-up continues to be constrained by both shortages in the size and quality of available units throughout the region; occupiers are having to settle for lower quality, and smaller-sized units to satisfy their requirements, generally these fall just short of 100,000 sq ft. However, Savills has c.230,000 sq ft in Milngavie, Glasgow under offer to purchase which should conclude in Q3. Our industrial team is also involved in acquiring c. 150,000 sq ft in Eurocentral with this building similarly under offer.

Development Pipeline

As previously mentioned, the strong levels of requirements within Scotland, paired with multiple large deals close to completion is providing developers with confidence, consequently a number of key sites are being closely considered for speculative development. However, as it stands there are no current new speculative facilities over 100,000 sq ft proposed or currently available. The Scottish market remains more typically focused on sub 100,000 sq ft speculative schemes going forward.

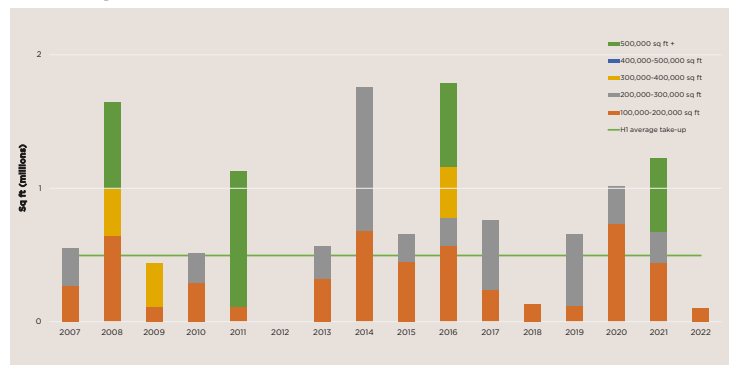
Typically, the multi-let industrial estate market is performing extremely well across all locations with any refurbished space mostly letting up very quickly following availability and works completion.

Key statistics

	Stats	yr/yr change
Take up	0.1m sq ft	↓ 88%
Supply	1.61m sq ft	↑ 51%
Development Pipeline	0 sq ft	no change
Quoting Grade A Rent	£7.00/ sq ft	no change
Vacancy rate	6.85%	↑ 204bps

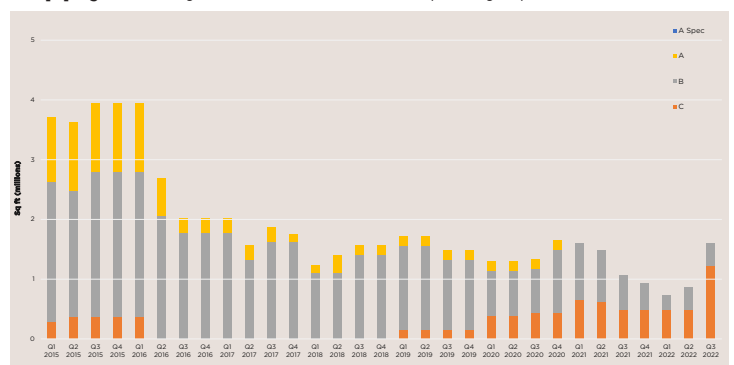
Source Savills Research

Take-up focused on bespoke units



Source Savills Research

Supply entirely second-hand low quality space



Source Savills Research

“Record-breaking first half of 2022 belies market sentiment at the end of this period, with a number of investors taking stock of the impact interest rate rises will have on pricing and the market characterised by outward yield movement”

National investment

Investment volumes set new H1 record



Tom Scott
Director,
UK Investment



The first half of 2022 has seen total logistics investment volume reach £4.8bn. This is the highest first half investment volume ever recorded, £1bn ahead of the 2021 record and 340% above the long term average. Key deals in the first half of the year include Goldman Sachs’ disposal of the Hercules portfolio to Axa REIM for £391m and Arrow Capital purchasing the Amazon fulfilment centre in Wakefield for £233m, which is the largest single let transaction of the year so far.

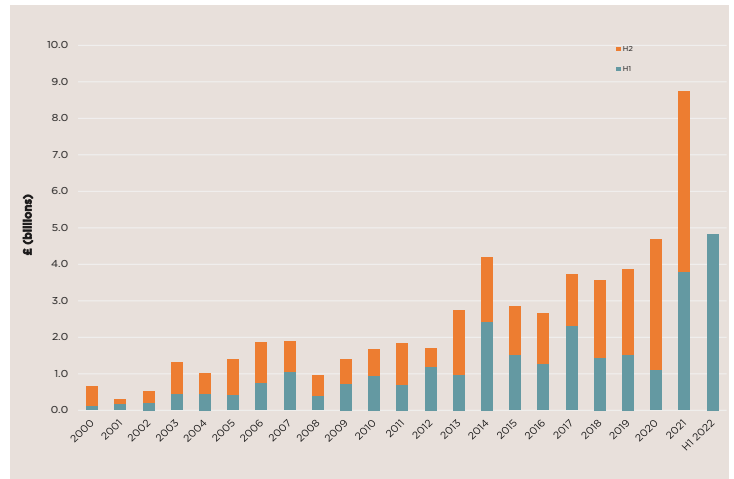
The volume transacted belies current sentiment though, and as the year has progressed this has changed markedly as investors digest how rising debt costs impact buying decisions. Indeed, 66% of the capital deployed in the sector this year was in the first quarter of the year. With interest rates having since risen from historic lows to 1.25% in just six months, investors are now assuming further rate rises will come in the second half of the year. For leveraged buyers the rising cost of capital is having a material impact on the price investors are able to pay for assets. As a result Savills have this month moved our prime yield for both logistics and multi-let out to 3.5% with further outward pressure expected.

As our research demonstrates the occupational market continues to perform at exceptional levels with supply and demand remaining mismatched which in turn is driving rental growth. With MSCI reporting 5% rental growth already for this year at a nationwide level. Indeed, when compared with other sectors of commercial real estate the occupier market drivers really are compelling.

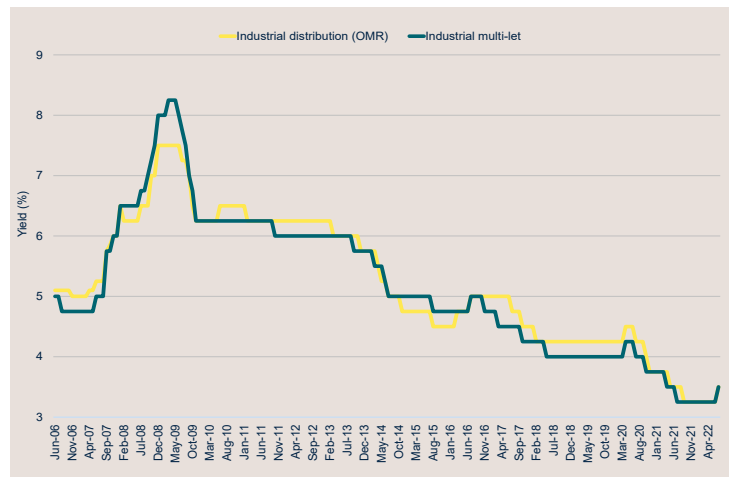
However it is clear that the definition of prime has narrowed dramatically as investors are now seeking assets where rental growth can be captured through asset management or lease events and generally unable to sit on low yields for an extended period of time.

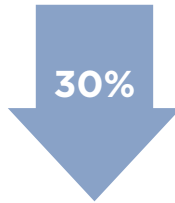
Moving forward we expect a slower third quarter as the market regroups over the summer and new pricing levels emerge. During this period of reflection we anticipate that the buyer pool for assets will thin out which, combined with new pricing levels, could see the UK institutions return to the market having accounted for just 18% of acquisitions over the last three years, down from a high of 42% of the market in the middle of the last decade.

Investment volumes best H1 ever recorded



Prime investment yields stand at 3.5%





Take-up fell by 30% in 2008

Outlook

Where next after the best H1 ever?

Against an ever worsening economic backdrop the question has to be how long the industrial and logistics market can continue to operate at its current amplified levels. Whilst predominantly US focussed, recent announcements from Amazon and profit warnings from UK and European online retailers suggest that we should expect to see less demand from this segment of the occupier base, and by knock on, the parcel carriers too, in the near term.

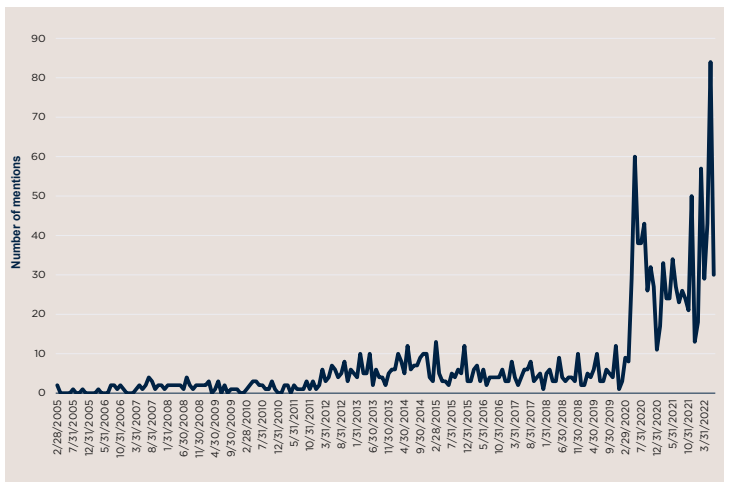
Using the longest time series available from PMA we observe that occupier demand fell by 30% during the GFC recession of 2008. This would imply annual take-up falling back to c.39m sq ft a year, still significantly ahead of the pre-Covid average of 26m sq ft per year.

There are however many complex factors at play to suggest any drop off will not be as severe. In the post-Covid world exasperated by the situation in Ukraine supply chain resilience is one of the most pressing factors companies need to deal with. Indeed, if retailers do not hold enough inventory and manufacturers can't source components then what business do they have? Recent data from Sentieo, which analyses publicly listed companies annual reports shows that mentions of "near-

shoring" are at their highest ever level. This suggests that companies will look to their warehouse real estate in order to remain competitive, which in turn will go some way to mitigate for demand falls from other sectors.

On the supply side it is hard to see vacancy rising dramatically through over development which should continue to mean there is competitive tension for units which in turn will continue to push rents in both prime and secondary markets.

Near-shoring on the rise in company reports



Source Sentieo, an AlphaSense company



Will Cooper
Director, Building & Project Consultancy

BUILD COST AND PROGRAMME

The well publicised issues around the price and availability of raw materials have not conspired to see a decline in new warehouse development, both on the speculative and BTS side.

However, the latest indicators from the *Savills Programme and Cost Sentiment Survey (S.P.E.C.S)* demonstrate that build costs and programme delivery time scales are still at elevated levels. Whilst good project

management and early orders have mitigated some of the issues the overall impact remains that projects are taking longer to deliver than before.

As we head into the second half of the year there are early signs that the rampant build cost inflation we have witnessed over the last two years may be starting to stabilise. Whilst tender prices are not falling developers are reporting that a plateau may have been

reached, based on recent examples for new projects. With rising energy costs we are now seeing even greater emphasis on developing new warehouse units to even higher ESG standards. We expect that occupiers will place an even higher weighting on warehouse features that save on cost and reduce the carbon output of the warehouse operation.



Savills Research

We are a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of the UK property market.

Richard Sullivan
Agency

Richard Merryweather
Investment

Simon Collett
Building Consultancy

Kevin Mofid
Research

Will Laing
Research

Appendix 3 – Letter from Jonathan Atherton, Head of Savills Industrial and Logistics Agency North

22 July 2022
Our Ref: L220722



Jonathan Atherton BSc MRICS

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**Warrington Industrial Market
Statement Submitted in Connection with Hearing Statements
for the Warrington Local Plan Examination in Public
Statement Submitted on behalf of St. Modwen Developments Limited
Introduction**

I write with reference to the promotion of the land to the east of Junction 21 of the M6 as part of the emerging Warrington Local Plan to provide an overview of the Warrington Industrial market in support of the allocation of the land for employment uses.

I have been a member of the Royal Institute of Chartered Surveyors ('RICS') for over 25 years and have been the Head of Savills Northern Industrial and Logistics business for 12 years. I have significant experience advising developers, landlords and occupiers for Industrial and Logistics space and advise the following parties who are significant contributors to the Industrial and Logistics market:

- Prologis
- GLP
- Exeter Property Group
- Panattoni
- Ao.com
- Wincanton
- Mirastar
- Legal and General
- Royal London

I have a strong knowledge of the Warrington Industrial and Logistics market and have advised on approximately 2m sq. ft of floorspace in the town.

The Warrington Industrial Market

The success of Warrington as an Industrial and Logistics location has been well documented. Its location in the heart of the region provides links to the major conurbations of Liverpool and Manchester via the M62, the M56 further south connecting the town to Cheshire and Greater Manchester, and the M6 running north to south providing links to Lancashire, Staffordshire and Greater Manchester.

The site will provide access to the whole region and beyond within a 45 minute drivetime, a statistic which has not gone unnoticed by companies seeking to locate a Regional Distribution Centre ('RDC') in the region. The locational characteristics together with its proximity to the high population belt of Liverpool, Warrington and Manchester, has encouraged developers to construct prime logistics units that have attracted some of the key national occupiers to the area.

There is not better example than the Omega development at Junction 8 of the M62. This strategic development has attracted some of the biggest occupiers in the Industrial and Logistics World, namely:-

- Amazon
- Royal Mail
- Hermes
- Asda
- Home Bargains
- Iceland
- THG
- Brakes
- Travis Perkins

All occupiers have taken buildings in excess of 300,000 sq ft, attracted by the attributes highlighted above and by the deliverable development platform create.

With Omega all but full, its clear that Warrington will have few opportunities to attract and deliver similar development opportunities

It is worthy of note that the supply of industrial and logistics space in the North West has fallen by 23% in the last 12 months. Available space now stands at 2.65 million sq ft across 13 units, equating to just 0.47 years' worth of supply.

Just 43% of supply is of Grade A standard. Of the remaining space, a large proportion does not reach the EPC standards set out by the government meaning that these units will need to undergo comprehensive refurbishments in order to be lettable in the future.

The fall in supply comes as take-up for the first half of the year reaches 4.22 million sq ft, 103% up on the H1 long term average, 32% of space transacted has been Grade A speculatively developed space, 51% has been Grade A space and the remainder Grade C space, demonstrating a clear preference for better quality space.

The site at Junction 21 would satisfy the criteria for the larger footprint buildings in excess of 300,000 sq ft:-

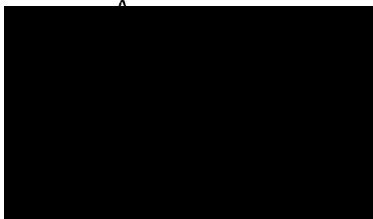
- Large development platform
- Physical characteristics – flat, regular shaped serviced sites
- Motorway access
- Land ownership
- Adequate labour supply

The area between M56/M6/M62 intersection is widely acknowledged as the prime location in the North West, with over 7.5m sq ft of space being developed in the last 10 years. With the continued strong market conditions being experienced in the region, the area will require a further major logistics hub to provide opportunities to satisfy further demand.



Whilst land is intended to be allocated in the Local Plan at South East Warrington, and Fiddlers Ferry, I consider that based on the take up of supply in Warrington, my professional opinion is that this will not be sufficient to meet demand for the area and additional allocations in the Local Plan will be required in order to ensure demand can be met. The site at Junction 21 will support meeting that demand for the reasons outlined above.

Yours sincerely



Jonathan Atherton BSc MRICS
Director