



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

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

LOCAL PLANNING AUTHORITY – WARRINGTON BOROUGH COUNCIL REFERENCE 2019/34799

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

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

Iceni Projects Limited on behalf of LANGTREE PROPERTY PARTNERS LLP, December 2023 **ADDENDUM**

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ICENI PROJECTS LIMITED  
ON BEHALF OF LANGTREE  
PROPERTY PARTNERS LLP,  
DECEMBER 2023  
ADDENDUM

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## 1. INTRODUCTION

1.1 This Employment Land Need Addendum is a result of the various outcomes of the employment land hearing session for the Warrington Local Plan held on 13<sup>th</sup> July 2023. Following discussions on that day, a post-hearing note was submitted on behalf of Langtree (OD13 and Appendix A2 to this Addendum) which now forms a part of the evidence for the inquiry. The Inspectors' report (PINS/M0655/429/2) was issued on 23<sup>rd</sup> October 2023 maintaining that the South East Warrington Employment Area (SEWEA) should be removed as a Local Plan allocation.

1.2 This Addendum draws on and summarises the Langtree post-employment hearing note (OD13), which in itself provides some limited technical updates to my main proof (CD6.9) and also examines in detail the Local Plan Inspectors' Report (PINS/M0655/429/2) addressing a number of unresolved matters. The key issues in this Addendum are:

- The Local Plan Inspectors' Report position on jobs and homes balance – calculations for which are found to be lacking
- The Local Plan Inspectors' Report position on employment need balance – arguments for which are found to be lacking
- Revisiting the jobs and homes balance
- Identifying the strategic need for SIX56

1.3 Overall this Addendum finds that the conclusions of the main proof (CD6.9) remain relevant, and in contradiction to PINS/M0655/429/2, the conclusions of CD6.9 being:

- That there is an evidenced 'need' for the Six56 development in employment land planning terms; and
- That SEWEA can be delivered in the Plan period whilst maintaining a broad balance between jobs and homes.

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1.4 Appendix A1 summarises the key components of the Addendum.

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## **2. INSPECTORS REPORT ON THE EXAMINATION OF THE WARRINGTON LOCAL PLAN**

- 2.1 The Inspectors' Report on The Examination of The Warrington Local Plan (Oct 2023) (File Ref: PINS/M0655/429/2) concludes that a requirement of 168 ha of employment land is appropriate in Warrington to broadly align housing and employment.
- 2.2 The Inspectors' report disregards the Council's own employment land evidence (Warrington EDNA 2021, CD4.159). It also makes many references to the Langtree post additional employment hearing session note (OD13) and uses many of the assumptions in that note albeit for new calculations.
- 2.3 In essence, the Inspectors produce their own mini EDNA. Under scrutiny, we find that many of the workings and assumptions in their report (PINS/M0655/429/2) regarding employment land are subjective, opaque and in some instances appear to be factually incorrect. In the round, this is not considered to be robust or appropriate.
- 2.4 As a new 'EDNA' the Inspectors fail to comply with many factors required under the PPG for assessing need which would not normally be accepted under other circumstances.
- 2.5 Overall, two key issues arise from the inspectors' report (PINS/M0655/429/2) that need to be dealt with:
1. Detailed assumptions around the balance between jobs and homes in Warrington; and
  2. Broad assumptions on the role of Warrington in the FEMA and its contribution to strategic sub-regional development needs.
- 2.6 The following sections of this addendum deal with these matters.

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### 3. REVISITING CONSIDERATIONS ON THE JOBS AND HOMES BALANCE

3.1 Following a range of discussions at the additional employment hearing session, Icen Projects (authored by myself) submitted a post-hearing note to the Inspectors (OD13, see Appendix A2). This note provides some updates to the main proof (CD6.9). The key points arising from the post-hearing note (OD13) are:

- **Densities:** confirming employment densities of 80-95 sqm per full-time equivalent worker as appropriate for SEWEA (OD13 paragraph 2.6-2.7 / HCA Employment Densities Guide 2015 p29);
- **Displacement:** a range of 40%-50% is considered appropriate and wholly justifiable (OD13 paragraph 2.8-2.22);
- **Office-based working:** The average office sector (i.e. finance and business) workforce utilisation of office space pre-pandemic was 77% (the number of persons usually based not at home), this is now estimated to be 50% post-pandemic and maintained going forwards (OD13 paragraph 2.26-2.31).
- **Total Jobs Growth:** The total net gain of jobs associated with all growth, including SEWEA, is in the region of 19,757 to 23,045 jobs (OD13 tables 2.5 – 2.8). This differs from the main proof (CD6.9) due to a re-examination of the way certain sectors may utilise office space.

3.2 This total jobs gain is now marginally higher than the labour supply generated by the standard method for assessing housing need and the subsequent housing delivery programme of 18,300 jobs.

3.3 This gap of 1,457 to 4,745 jobs (19,757 to 23,045 - 18,300) is not considered problematic in terms of the 'broad alignment' between homes and jobs for reasons explained in my post-hearing note (OD13 paragraph 2.44), most notably that 1,800 of jobs can be discounted associated with sector forecast growth in tourism, growth in which has no past or future basis. This amongst other matters further narrow the gap.

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- 3.4 The conclusions of the post-hearing note (OD13) are revisited in the latter part of this chapter and draw on additional evidence and considerations established herein.
- 3.5 Prior to revisiting OD13, it is firstly necessary to examine the method and conclusions of the Inspectors' Report (PINS/M0655/429/2) regarding employment land need.

### **Considering the Inspectors' position**

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- 3.6 The technical work undertaken by the Inspectors in their report (PINS/M0655/429/2) gives rise to a number of fundamental issues that need to be dealt with. The report is difficult to follow and few workings are provided. To attempt to 'unpack' the report, a number of extracts are highlighted and then examined further. The key issues are:
- Jobs from employment land – particularly those 'office' sectors
  - Use of past trends
  - Total jobs and land requirement.
- 3.7 Some of the Inspector's work is a selective recast of the method in Langtree's post-hearing note to the inspectors (OD13).
- 3.8 The most relevant extracts from the Inspectors' report for consideration are:
- a) Paragraph 82-84 – "The capacity to accommodate the forecast growth in office based jobs on existing employment sites and the sites proposed in the Local Plan is therefore limited... The growth in office based jobs is therefore likely to be mainly additional to jobs [on employment land]."
  - b) Paragraph 86 – "more realistically a figure of 15,857 jobs in addition to those from the Local Plan supply should be factored in (6,460 additional jobs not requiring employment land and 9,397 jobs in sector generating office based jobs)."
  - c) Paragraph 92 – "simple starting point sufficient employment land should be provided to deliver at least 2,443 net additional jobs (18,300 minus 15,857).



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Applying the assumptions used in OD13 and taking the low density/high displacement scenario, this would result in a basic minimum need for 83ha.”

- d) Paragraph 93 – “Much has been made of recent trends in the logistics sector in Warrington. Table 1 and paragraph 3.25 of AM5.04 point to jobs growth in transportation and storage of approximately 3,600 between 2009 and 2019. Combining this with an assumed half of the jobs growth in wholesale and retail gives a total estimate of some 4,800 jobs in Class B8 uses over that 10 year period. If this recent past trend is projected forward over the 18 year plan period, it would see approximately 8,640 jobs. In line with the EDNA, it would be reasonable to assume that 48% of these jobs (4,147) would require employment land. If this is taken as a net figure and again using the methodology in OD13, a range of 99ha to 141ha of employment land would be required dependent on the assumptions regarding job density and displacement”.
- e) Paragraph 94 – “Local Plan employment land supply, excluding the SEWEA. This would be approximately 171ha. Adopting the methodology in OD13 would see between 6,680 and 8,896 net additional jobs depending on assumptions on job density and displacement. Jobs growth not on employment land and in office based sectors (up to 15,857) would be additional to this, subject to a reduction in half of the multiplier figure. Potentially then, the Local Plan supply minus the SEWEA could help to deliver up to 21,786 to 23,753 jobs in the Warrington economy as a whole.”
- f) Paragraph 97 – “we had previously concluded that a basic requirement of approximately 129ha was justified. Adding a three-year buffer and an allowance for displacement would bring this to 168ha.”
- g) Paragraph 102/103 “This is particularly important in the context of a Local Plan which proposes alterations to the Green Belt to allocate land for employment and housing... A reduced total requirement of 168ha would achieve this broad alignment and provide a reasonable degree of flexibility.

3.9 Because of the complexity and implications of these points and the lack of workings in the Inspectors’ report (PINS/M0655/429/2), each of needs to be dealt with in turn.

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### **Point a: Planned supply capacity for 'office' jobs**

- 3.10 This issue is very important as it significantly effects the calculation of the 'jobs / homes' balance. The point of contention is 'what happens' to forecast growth in office based workers and whether they can be accommodated, in part, in the existing supply.
- 3.11 The Inspectors' consider at paragraph 81 "growth in office based jobs is therefore likely to be mainly additional to jobs estimated to be created on the land supply set out in the Local Plan" as "Some office based jobs may be accommodated on sites included as part of the existing supply, but as set out in the EDNA (Table 9 and para 4.10), this is not likely to be a significant amount, given that only 1.15ha is specifically identified for office development. Some ancillary office based jobs would also be likely as part of the development of Class B2 and B8 uses on the sites proposed to be allocated. However these are likely to be relatively small in number." OD13 is criticised in its assumptions as "A substantial proportion of the jobs growth in these office based sectors [50% assumed, see below] will be in addition to the jobs provided through the Local Plan supply".
- 3.12 However the 1.15ha in the Inspectors' reference from EDNA (CD4.159) Table 9 overlooks the Class E(g) contributions of Table 9. This includes an E(g)(i) 'office' component which can be derived from EDNA Table 8 which includes for site ref 381(b) Birchwood Park "Reflecting analysis in the 2019 and 2021 EDNA Studies, the outstanding land supply is: ... (0.50 ha): Proposed for office uses... (2.76 ha): Proposed for office uses. Established interest from a local company". This generates 3.26 ha, in addition to the 1.1 ha attributed to Lingley Mere (Table 10) aggregating 4.36 ha. The EDNA notes Birchwood Park suits office uses, and that while there may be pressure for B2/B8 uses is also clarifies occupier interest in the offices.
- 3.13 At a ratio of 0.4, the 4.36 ha above generates 17,400 sqm which for 10-12 sqm per full time equivalent (FTE) worker is up to 1,453 FTEs, accounting for part time ratios at 0.9 as assumed elsewhere (see CD6.9 paragraph 54) is up to 1,614 jobs.

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- 3.14 It is also acknowledged by the Inspectors' that some 'office' jobs can be accommodated on B2 and B8 premises. Typically this is 5% of such premises. As an illustration, from 517,000 sqm (St Helens Omega plus Fiddlers Ferry), there might be 5% or 25,850 sqm of office. At 10-12 sqm per This is between 2,154 and 2,585 FTEs or 2,394 to 2,872 jobs (at 0.9 part time ratio). More realistically perhaps 50% of these might be relevant 'office' jobs, so approximately 1,200 to 1,400.
- 3.15 Aggregating this 'industrial component' to the current supply above would be up to around 3,000 jobs. This is an illustrative exercise but readily demonstrates how dismissing the capacity of the planned supply to accommodate 'office' jobs misses potentially several thousand, which has implications for the overall outcomes.

**Points b&c: Jobs growth from employment land / non-employment land**

- 3.16 The Inspectors' assertions in Paragraphs 86 and 92 relate to how jobs can be calculated from employment land. The workings are not shown but are derived as a base from table 2.5 in the Post Hearing Note to the Inspectors (OD13) which looks at the mid-point of the 2021 Warrington EDNA forecasts and splits them between employment (4,182 jobs) and non-employment land (10,718 jobs). This assumes that 50% of the 'office' sectors need office space (4,182 jobs) and 50% don't because they always work from home.
- 3.17 The Inspectors recast this calculation to *"6,460 additional jobs not requiring employment land and 9,397 jobs in sector generating office based jobs"*. This is effectively saying that none of these two categories stated are allowed for in the current employment land supply.
- 3.18 The justification for the Inspectors' two figures and the aggregate of 15,857 jobs is effectively not provided. It has to be presumed that they have reverted to a 100% assumption of ICT and Finance & business sectors being in offices, and that these offices are not captured in the current supply, which in part they are, as above.
- 3.19 In an attempt to replicate the Inspectors' position, the table below has been produced. This allocates 100% of office based sectors to employment land which

they intimate has not been provided for. As shown, the numbers only broadly align with the Inspector's results set out in their report (PINS/M0655/429/2). This is a concern, as an inability to replicate their model undermines its credibility.

**Table 3.1 Future Warrington total jobs derived from Oxford / Cambridge forecasts, adjusted for PINS/M0655/429/2**

Sector	Forecast growth*	% in employment land **	Total in employment (B2/B8)	Total employment land (office)	Total <u>not</u> in employment land
Agriculture, etc.	0	N/A	0		0
Mining and quarrying	0	N/A	0		0
Manufacturing	-1,600	100%	-1,600		0
Electricity, gas and water	-150	26%	-39		-111
Construction	900	26%	234		666
Distribution	500	48%	240		260
Transport and storage	400	48%	192		208
Accomm. and food	2,300	0%	0		2,300
ICT	500	100%		500	0
Financial and business	8,050	100%		8,050	-
Government	3,500	22%		770	2,730
Other	500	22%	110		390
Sub Total	14,900		N/A	9,320	6,443
<b>PINS/M0655/429/2</b>				9,397	6,460

Source: EDNA table 27\* (Mid-point of Oxford and Cambridge forecasts) and table 29\*\* (CD4.159)

**Yellow** denotes adjustment to OD13, attempting to reflect the Inspectors' position  
**Blue** denotes Inspectors' actual reported figures (the difference between the blue/yellow outcomes being small but inexplicable)

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- 3.20 The fundamental concerns with the Inspectors' re-interpretation of Table 2.5 of our post-hearing note (OD13) is the allocation of 100% of office based workers to employment land (as asserted in EDNA 2021 and intimated in PINS/M0655/429/2 paragraph) and the position that none of this can be accommodated in the current supply.
- 3.21 According to the ONS report (which is replicated in table 2.4 of OD13), on average only 77% of workers in the relevant office sectors are typically office-based (pre-pandemic 2018, national average). Many smaller businesses or sole traders work from home and do not use offices at all. The 77% is therefore a realistic maximum with no evidence to suggest that Warrington differs from the national average.
- 3.22 Post-pandemic it is irrefutable that office occupancy and utilisation are lower than pre-pandemic levels - and all indicators suggest such a trend will continue. In my post-hear note (OD13) I have justified a range of steps and concluded that 50% is a more realistic and appropriate figure to use in the future, a 35% reduction from 77% (see paragraphs 2.29 – 2.32). These assumptions, both the ONS 'start point' and further discounts are now common practice with other EDNA type studies using similar sensitivities<sup>1</sup>.
- 3.23 What this means is that of the Inspectors' assumption of the additional 15,857 jobs *"6,460 additional jobs not requiring employment land and 9,397 jobs in sector generating office based jobs"* is that only half the jobs need actual office space. More importantly it ignores the capacity for some of the existing supply to readily support up to 1,614 jobs in the 'office' supply in the Plan, plus further 'office' jobs in warehouses. It is not clear why the Inspectors' have ignored these issues given their

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<sup>1</sup> See Birmingham City Housing and Economic Development Needs Assessment 2022 table 19.1 / 17.3 / para 17.16 with a 30% reduction from the already discounted ONS position. Available at: [https://www.birmingham.gov.uk/downloads/file/23526/birmingham\\_housing\\_and\\_economic\\_development\\_needs\\_assessment\\_hedna\\_final\\_report](https://www.birmingham.gov.uk/downloads/file/23526/birmingham_housing_and_economic_development_needs_assessment_hedna_final_report) and

Rutland Employment Land Review 2023 para 5.21 which applies a 50% total discount to office worker needs in land terms <https://www.rutland.gov.uk/sites/default/files/2023-10/Rutland%20Employment%20Needs%20and%20Economic%20Development%20Evidence.pdf>

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materiality and recognition, in part, in Paragraph 81 of their report. The (mis) interpretation of the Eg(i) and E(g) supply assessments by the Inspectors' as noted above is unfortunate.

- 3.24 Overall we should therefore place greater reliance on the original conclusions of the post hearing note (OD13 table 2.5) rather than that of the inspectors' report (PINS/M0655/429/2).

**Point d above: Use of employment trends**

- 3.25 In Paragraph 93 of their report (PINS/M0655/429/2) the Inspectors again selectively cross reference to Langtree / Icen / co-consultant inputs to the examination including Hearing Statement for the Additional Employment Land Hearing Session (AM5.04), as well as Langtree Post Hearing note (OD13).

- 3.26 Table 1 of the Hearing Statement (AM5.04) looks at trends in jobs over the past decade. The inspectors' report (PINS/M0655/429/2) extrapolates these (paragraph 93) and then attempts to deduce an employment land figure. This is highly problematic because:

- It creates a 'new' employment projection with little weight, having already rejected other consultants attempts to do the same (see PINS/M0655/429/2 paragraph 87 regarding Liberty Properties Ltd response to the Main Modifications consultation (MMC051))
- It ignores all the warnings and pitfalls that the BE Group Warrington EDNA 2021 (CD 4.159) and my main proof (CD 6.9 para 4.36) make about relating employment land need directly to a labour demand – not least the reliance on assumed percentages of jobs based in various sectors such as transport and wholesale.
- Most importantly, it ignores evidence already provided to the Inspectors at their request on the actual relationship between past job trends and warehousing land deliveries in Warrington. This is set out in the BE Group response to Inspector's post-hearing letter January 2023 (CD67). CD67 Table

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1 indicates that for the period assessed, 1996-2020, B8 land deliveries equate to 17 jobs per hectare or an equivalent of 1 job per 229 sqm (at a ratio of 0.39, being 3,900 / 17).

- 3.27 If the logic of the Inspectors' position were to be followed, it should relate to the correlation between Warrington's past B8 jobs employment change and past B8 land deliveries. This follows that if the inspectors' figure of 4,147 trended jobs is to be used (set out in paragraph 93 of PINS/M0655/429/2) it would be against a job density of 229 sqm per job, which is the actual historic density yield as provided to the Inspectors at their request. This would result in a need for 244 ha alongside a margin and displacement allowance (these components being 60.3 ha, CD6.9 paragraph 4.41 and 4.45) totalling 304.3 ha, which is in line with original EDNA recommendation of 316 ha.

**Point f & g above: Total Job Creation (without SEWEA)**

- 3.28 In Paragraph 94 (PINS/M0655/429/2) the Inspectors seek to calculate the total job creation of their preferred 171 ha of employment land essentially using the methodology of the Langtree post-hearing note (OD13) with adjustments, including tables 2.5, 2.6, 2.7 and 2.8 (of OD13) concluding "Adopting the methodology in OD13 would see between 6,680 and 8,896 net additional jobs". There are no tables or clarity on the workings making the outcome difficult to evaluate. It is assumed that the principles of the Langtree post hearing note (OD13) are accepted, as is stated.
- 3.29 These workings are attempted to be replicated in Table 3.2 below. The workings up to step G/H are the equivalent point of the Inspectors' position with a range here of 6,688 to 8,907 is broadly in line with the Inspectors' 6,680 and 8,896 (again, the differences, whilst not material, are a concern in terms of robustness).

**Table 3.2 Working supporting PINS/M0655/429/2 paragraph 94**

Working	Step	Notes		80 sqm / FTE	95 sqm / FTE
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Existing supply FTEs	A	Table 2 of CD67		3,870	
St Helens / Fiddlers Ferry (ha)			132.8 ha	0	0
St Helens / Fiddlers Ferry Sqm			518,920	6,487	5,462
St.H / FF FTEs	B			10,310	9,293
All FTEs	A+B=C			10,357	9,332
Adjust to jobs	D	0.9 ratio		11,507	10,369
Displacement 40%	E	Dx(1-0.4)		6,904	6,222
Displacement 50%	F	Dx(1-0.5)		5,754	5,185
Multiplier @ dis. 40%	G	Ex1.29		<b>8,907</b>	<b>8,026</b>
Multiplier @ dis. 50%	H	Fx1.29		<b>7,422</b>	<b>6,688</b>
Non-employment land 'high' (see discussion)	I			14,243	
Non-employment land 'low' (OD 13 table 2.5)	J			10,718	
Adjustment for non-employment land multiplier at 40/50% dis.	K	(G-E)/2		-1001	-902
	L	(H-F)/2		-834	-752
Total @ dis. 40% 'for I'		G+K+I		18,623	17,842
Total @ dis. 50% 'for I'		H+L+I		17,306	16,654
Total @ dis. 40% 'for J'		G+K+J		22,148	21,367
Total @ dis. 50% 'for J'		H+L+J		20,831	20,179

Source: PINS/M0655/429/2 / OD13

- 3.30 The next steps are more problematic, as the Inspectors add at paragraph 94 “Jobs growth not on employment land and in office based sectors (up to 15,857)”. As has already established this 15,857 figure is erroneous because it ignores any office type provision in the supply, which the Inspectors themselves recognise. The actual maximum value is 14,243 (the 15,857-1,614 on existing supply) and the minimum value is 10,718 from OD13 table 2.5 which makes a more generous allowance on the absorption of office type jobs into existing supply including some in warehousing and other space.



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- 3.31 Steps K and L in table 3.2 are required as acknowledged by the inspector (paragraph 94 PINS/M0655/429/2).
- 3.32 The total equivalent is then 16,654 to 22,148 net jobs growth before the SEWEA contribution, not the inspectors' calculations (as paragraph 94 of PINS/M0655/429/2) *21,786 to 23,753 jobs*. Most sensibly the 'right answer' probably somewhere in the middle of the revised range at around 19,000.
- 3.33 This exercise demonstrates that the Inspectors' clearly over estimate the jobs generated prior to SEWEA. Exploration of the materiality of this is covered below. Furthermore, it assumes a 1:1 labour supply / demand In Warrington, which is not actually the case based on all Census commuting data, again discussed later in this proof.

#### **Inspectors' Concluded Need**

- 3.34 Paragraph 97 of the Inspectors' report (PINS/M0655/429/2) states "As set out above, we had previously concluded that a basic requirement of approximately 129ha was justified". However, the concluded need of 129 ha is not justified, this number appears in paragraph 97 for the first time despite its apparent importance. There is no prior reference. This is a great concern. Then a three year buffer and displacement allowance are added to their concluded need of 129 Ha to come to a total need of 168 Ha.
- 3.35 Without any direction, the best conjecture we can undertake at arriving at the 129 ha is that this is some kind of mid-range between the 99 ha to 141 ha referred to in paragraph 93 of their report (PINS/M0655/429/2), but I disagree with the foundations of those figures as I have set out above which are simply past jobs trends, divorced from past land trends, with a 'true' past trend calculation of jobs and land being 300 ha.
- 3.36 The Inspectors' conclusions are not clearly or properly justified and cannot be relied upon.

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- 3.37 The only clarity that can be derived from the technical employment discussion in their report (PINS/M0655/429/2) is the assessment of the employment impacts of the 171 ha position (table 3.2 above) which is completely focused on the jobs homes balance without consideration of other PPG factors not least market signals. It also ignores issues around commuting patterns. So effectively the Inspectors' conclude that the need for employment land in Warrington is worked backwards from an assessment of supply. If this is the case, then Fiddlers Ferry and Omega might readily be swapped with SEWEA.

### **Summary of Inspectors Report**

- 3.38 In conclusion, there are several inconsistencies, potential errors and an opaqueness to the inspectors' approach to calculating need which undermine their conclusions on employment land need as well as conclusions on the jobs and homes balance.

### **Revisiting employment land need and the conclusions of main employment proof CD6.9 and OD13**

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- 3.39 We have revisited our previous calculation as set out in my proof of evidence (CD6.9) and my post hearing report (OD13). The key issues to consider are:
- Role of office-based workers;
  - Employment impact of SEWEA;
  - Commuting and leakage;
  - Homes/jobs balance;

### **Office-based workers**

- 3.40 It appears that the inspectors' main concern with the outcomes of OD13 relates to assumptions about the way in which office-type jobs can be accommodated.
- 3.41 As above, I remain of the view that in future only around 50% of "office" workers will be primarily office based. This is a 35% reduction from the pre-pandemic rates of

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77% and reflects both greater levels of home working and hybrid working (see OD13 paragraphs 2.25 – 2.30).

3.42 Considerations of how the 50% ‘in employment land’ can be accommodated within Warrington’s relatively limited office space are set out in paragraph 2.37 of my post-hearing note (OD13). This includes additional employment within the existing supply as well as collocating with warehousing which is relatively common.

3.43 It is recognised that this is a more optimistic conclusion, with a more conservative one only taking account of the existing supply capacity directly (as considered previously above).

### **Employment impact of SEWEA: Leakage and commuting**

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3.44 The SEWEA net employment impact is clearly set out in the table below, cross referring to the workings of CD6.9 and OD13.

**Table 3.3 SEWEA – jobs supported (net additional)**

	Gross FTEs	Gross jobs	Displacement (high/low)	Multiplier	Net additional jobs
Ratio	100%	÷ 90%	<b>x (1-0.5)</b>	x (0.3)	
Count (high displacement)	5,805	4,889	2,445	733	3,178
Ratio	100%	÷ 90%	x (1-0.4)	x (0.3)	
Count (low displacement)	5,805	4,889	9,473	880	3,813

Source: OD13 tables 2.6 & 2.7

3.45 However neither CD6.9 nor OD13 considers where workers at SEWEA will originate from and that some jobs will be taken up by people living outside of the Borough (leakage). No evidence to date has considered the relationship between commuter patterns, jobs and homes, which is material to the calculations herein and in the Inspectors’ considerations.

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- 3.46 This is a common calculation in joint housing and economic needs assessments<sup>2</sup> which tend to look at the ‘business as usual’ Census 2011 and now Census 2021 position as well as a 1:1 in / outflow position.
- 3.47 The table below reports the commuter flows at 2021 for Warrington. Overall this demonstrates that the commuting ratio is 0.89, which means that for every 100 jobs created, there is a need for 89 working residents. The same calculation for the Census 2011 provided a ratio of 0.88.

**Table 3.4 SEWEA – jobs supported (net additional)**

Warrington	2021
Live and Work in District	35,664
Home Workers or No Fixed Workplace	45,008
In Commute	35,433
Out Commute	22,511
Total Working in LA	116,105
Total Living in LA and Working Anywhere	103,183
Commuting Ratio	0.89
Job Self Containment Rate	69.5%
Workforce Self-Containment Rate	78.2%

Source: OD13 tables 2.6 & 2.7

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<sup>2</sup> See for example inter alia:

Solihull: <https://www.solihull.gov.uk/sites/default/files/2020-12/GL-Hearn-HEDNA-Report-Oct-2020-Final.pdf>

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

Cambridge: <https://consultations.greatercambridgeplanning.org/sites/gcp/files/2023-01/EBGCLPDSUEandHEvUJan23v2Jan23.pdf>

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- 3.48 Whilst it is laudable and appropriate to plan for a jobs/homes balance, in reality, it is possible that based on historic patterns, fewer workers living in Warrington will be needed to fill the jobs created there.
- 3.49 Using the above calculations, the jobs – homes balance figures should consider a discount of the 0.89 ratio (11%) in terms of the labour supply requirement, or at least a sensitivity. This is again material to the Local Plan conclusions.
- 3.50 Turning to SIX56 / SEWEA, the Addendum to Environmental Statement Part 2 – Socio-Economic Technical Paper 6 (CD4.7) finds in table 6.22 that workers originating from Warrington would be at a rate of 50%, although the current rate in commuting to that location is only 38%, (CD4.7 paragraph 5.16)).
- 3.51 In basic terms, this means that half the employees for SIX56 / SEWEA will live outside Warrington. So of the total job creation (3,178 to 3,813 jobs as previous table) only half or 1,589 to 1,907 employees are likely to live in Warrington (supported broadly by the results of CD4.7 table 6.22 being 1,990).
- 3.52 In reality, because SEWEA is at the edge of the plan area, it is simply not realistic that all workers will originate from Warrington. It is therefore not necessary to plan for 100% of SEWEA workers to be drawn from Warrington residents.
- 3.53 It is also likely that a lower than average commuting ratio could be applied to Fiddlers Ferry, considering its periphery location in the district.
- 3.54 Similar adjustments to commuting patterns have been accepted at other Local Plan examinations for large developments at the edge of the plan area – see Solihull Housing and Economic Needs Assessment 2020 paragraphs 6.32 and 6.42<sup>3</sup>

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<sup>3</sup> <https://www.solihull.gov.uk/sites/default/files/2020-12/GL-Hearn-HEDNA-Report-Oct-2020-Final.pdf>

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(examination paused with issues relating to housing land supply trajectory and deliverability).

- 3.55 On this basis, even if other allocations and employment growth in the Borough occur at a 1:1 commuting ratio, SEWEA should be considered at a 50% leakage ratio. The labour supply to be drawn from Warrington residents is therefore or 1,589 to 1,907.

### **Homes / jobs balance**

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- 3.56 Table 3.2 provides a basis for understanding how the employment land allocations in Warrington, without SEWEA impact job creation, for the Borough. Considering SEWEA but accounting for a 50% leakage rate we find:

- Impact of jobs growth (1:1 ratio) excluding SEWEA: range 16,654 to 22,148 (table 3.2)
- Impact of jobs growth (0.89:1 ratio) excluding SEWEA: range 14,822 to 19,713 (table 3.2 and table 3.4)
- SEWEA with 50% leakage: 1,589 to 1,907
- Impact of jobs growth (1:1 ratio) with SEWEA (50% leakage): 18,243 to 24,056
- Impact of jobs growth (0.89:1 ratio) with SEWEA (50% leakage): 16,411 to 21,619

- 3.57 At the lower end of this assessment there is clearly a balance. At a 'mid point' (between 16,411 and 24,056) of 20,233 jobs we do some stretching of the jobs homes balance.

- 3.58 However – some stretching above the 18,300 labour supply is not considered problematic for a number of reasons as set out in paragraph 2.44 of OD13. The most fundamental of these is the 'unjustified' forecast from Cambridge Econometrics of over an additional 4,100 jobs accommodation and food – a sector which has only seen very modest historic growth and Oxford Economics sensibly forecast 500 jobs growth for. We fundamentally do not think that this +4,100 will occur. This 4,100

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figure triggers an additional 1,800 jobs in the two forecasts' mid-point and should be rejected outright as having no basis in past trends or future outlook. This would bring the forecast job growth down by 1,800 jobs under all scenarios – so 16,411 to 24,056 minus 1,800 being a range 14,611 to 22,256 additional jobs with SEWEA. The mid point is 18,433 jobs which is effectively a jobs homes balance compared with 18,300. Even the upper end of 22,256 should not be considered so far imbalanced as to dismiss such an economic opportunity in the context of a 'broad' balancing requirement.

- 3.59 I recognise that within these assumptions there is a margin for error, particularly around leakage, displacement, multipliers and densities all of which could move in either direction. However, the balance between jobs and homes is considered close enough to absorb any reasonable margin of error.

#### **Concluding on jobs / homes balance**

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- 3.60 This section has discussed at length the Inspectors' methodology and conclusions on jobs and homes in Warrington and finds the conclusions at best opaque and unsubstantiated and in my opinion erroneous.
- 3.61 Revisiting my proof of evidence (CD6.9) with the benefit of the additional employment hearing session including considerations in post hearing note (OD13) and revisiting issues with the Inspectors' report, we find that **overall the relationship between jobs and homes including with SEWEA is broadly balanced.**

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## **4. NEED AND SUB-REGIONAL NEED - IN PLANNING TERMS**

- 4.1 My main employment land proof (CD6.9) argues that the Warrington EDNA (CD 4.159) conclusions on employment land need are broadly correct with EDNA 316 Ha as opposed to 280 ha in my proof (CD6.9 paragraph 4.47) and that SIX/56 and SEWEA is required to meet this need.
- 4.2 However, the differentiation of 'local' and 'strategic' need is not made.
- 4.3 The Inspectors' report (PINS/M0655/429/2) separates the local need, set at 168 ha all in, with the strategic need considered to be associated with SEWEA. The Inspectors do not necessarily disagree with this strategic need in principle but rather the lack of evidence to support it in planning terms. This is therefore addressed below.

### **Considering the Inspectors' position**

- 4.4 In paragraph 71 of their report (PINS/M0655/429/2) the Inspectors conclude that "the scale of need on a sub-regional or regional level for Class B8 uses or employment land generally has not been quantified. Nor has the specific role that Warrington should play in meeting that need."
- 4.5 It is essential for this inquiry that this point is dealt with in its entirety. This is to avoid uncertainty about the immediate market need for SIX56 (see proof of evidence from Steve Johnson B8RE – ID47) as well as the planning need within the wider FEMA or wider economic geography, as the EDNA determines it.

### **Overview**

- 4.6 Since the demise of the regional spatial strategies, there has been to some degree a vacuum in terms of regional and sub-regional planning. However, there are several examples where joint working, notably through Combined Authorities or other Functional Economic Market Area (FEMA) collaborations including Greater Manchester, Liverpool City Region and Leicestershire has occurred.



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4.7 As noted in Paragraph 4.2 of my main proof (CD6.9), many of these areas have undertaken work on identifying the sub-regional need for large-scale units and sites (a number of which were authored by myself or colleagues at Icen Projects). To establish a position for Warrington, these are briefly revisited:

- Leicester and Leicestershire<sup>4</sup>: most recent update 2022, a FEMA level study triangulating (1) historic completions trends for units over 9,300 sqm with (2) a combination of traffic growth forecasts and replacement of older stock. Labour demand models were disregarded. A 5-year completions margin was added. This work and previous iterations have been tested at several Local Plan examinations including most recently in Charnwood (2022).
- South East Midlands (SEM)<sup>5</sup>: 2022, a Local Economic Partnership (LEP) level study, triangulating (1) historic completions trends for units over 9,300 sqm with (2) net absorption of space (change in total space occupied) and (3) a combination of traffic growth forecasts and replacement of older stock. Labour demand models were not considered. A 5-year completions margin was added.
- Liverpool City Region<sup>6</sup>: most recent update 2023, a combined authority level study, triangulating (1) historic completions trends for units over 9,300 sqm with (2) a combination of traffic growth forecasts and replacement of older stock. Labour demand models were not considered. A 5-year completions margin was

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<sup>4</sup>Leicestershire,

[https://www.nwleics.gov.uk/files/documents/warehousing\\_and\\_logistics\\_in\\_leicester\\_and\\_leicestershire\\_managing\\_growth\\_and\\_change\\_april\\_20211/Warehousing%20Report%20Leics%20FINAL%2021%2002%2022%20V4.pdf](https://www.nwleics.gov.uk/files/documents/warehousing_and_logistics_in_leicester_and_leicestershire_managing_growth_and_change_april_20211/Warehousing%20Report%20Leics%20FINAL%2021%2002%2022%20V4.pdf)

<sup>5</sup> South East Midlands, <https://www.semlep.com/warehousing-and-logistics/> (CD4.163)

<sup>6</sup> Liverpool City Region, <https://www.sefton.gov.uk/planning-building-control/planning-policy-including-local-plan-and-neighbourhood-planning/evidence-and-studies/shelma/>

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added. This work and previous iterations have been tested at several Local Plan examinations including most recently in St Helens and Liverpool City.

- Greater Manchester<sup>7</sup>: most recent update 2021, a combined authority level study, principally drawing on historic completions trends with a 5-year completions margin added. This does isolate large and smaller-scale industrial and warehousing requirements.
- Nottinghamshire Core and Outer HMAs<sup>8</sup>: 2022, a Housing Market Area (HMA) / FEMA level study, triangulating (1) historic completion trends for units over 9,300 sqm with (2) net absorption of space (change in total space occupied) (3) benchmarking to other areas and (4) a combination of traffic growth forecasts and replacement of older stock. Labour demand models were effectively rejected. A 5-year completions margin was added.

4.8 The preferred approaches are therefore:

- Historic completions;
- Net absorption (change in total space occupied); and
- Traffic growth and replacement demand.

4.9 Broadly these studies reject the relationship between labour demand forecasts and larger-scale requirements for reasons articulated in my main proof (CD6.9 para 4.36). In summary, these are due to (i) fallibilities in forecasting (ii) productivity changes delinking job densities and floorspace (iii) replacement and displacement factors of existing ageing stock.

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<sup>7</sup>

<https://www.greatermanchester-ca.gov.uk/GMCAFiles/PFE/Supporting%20documents/05%20Places%20for%20Jobs/05.01.02%20Employment%20Land%20Needs%20in%20Greater%20Manchester.pdf>

<sup>8</sup> <https://www.gnplan.org.uk/evidence-base/>

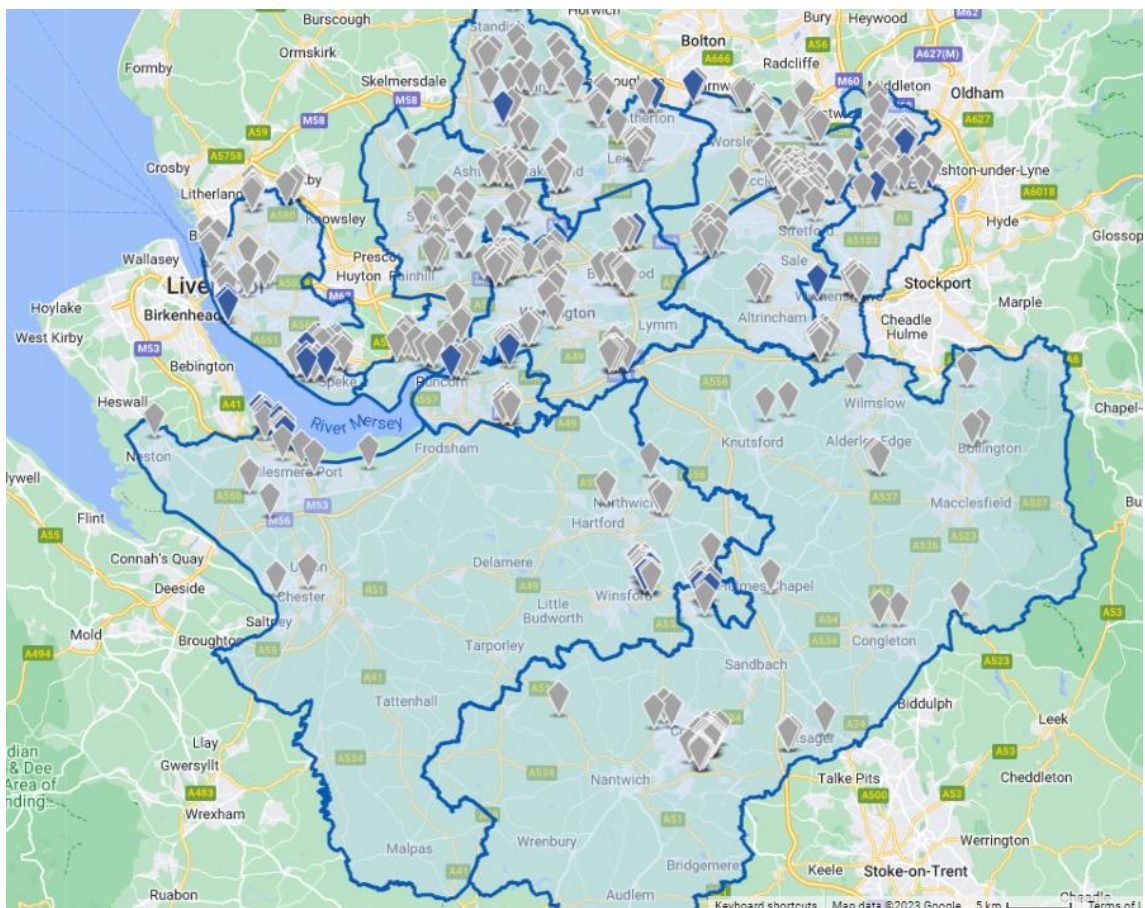
- 
- 4.10 It is pertinent to revisit the discussion about the usefulness of net absorption. The Inspectors' Report (PINS/M0655/429/2) identifies that paragraph 88 "it includes relocations to and from second hand space and is therefore likely to over-estimate the demand for new build accommodation which is related to the need for additional land."
- 4.11 This issue is already dealt with in my main proof (CD6.9 in paragraphs 4.27 and 4.28) as well as the references to other studies above.
- 4.12 Furthermore, the forthcoming West Midlands Strategic Employment Sites Study 2023/24, being authored by Icení and led by myself, will draw on net absorption as a central measure.
- 4.13 To the best of my knowledge, this will be the only region-wide study on strategic employment demand and supply to have been produced in the decade since the last Regional Spatial Strategies.

**Warrington Wider Economic Geography / FEMA need for large-scale industrial and warehousing units**

- 4.14 Moving on to how the need for large-scale logistics and industrial stock can be considered at a sub-regional level for Warrington. The first matter is to consider the appropriate spatial area, the second is the 'demand/supply' methodology.
- 4.15 In terms of Warrington's spatial relationships:
- Warrington sits directly between the Greater Manchester and Liverpool City Regions. These areas effectively 'cater for their own need' (through their own assessments as discussed further below).
  - The EDNA 2021 does not clearly conclude on the FEMA, it does set out that Warrington has an economic geography which crosses partly into Greater Manchester, Liverpool City Region and Cheshire (see Warrington EDNA 2021 paragraph 6.118).

- 4.16 Two spatial approaches could be countenanced when looking at the Warrington need, those being (1) to assume that Liverpool City Region and Greater Manchester are self-contained, thus only requiring a consideration of Warrington and Cheshire or (2) to consider space provision in the Wider Economic Geography (WEG) as a whole.
- 4.17 Given the Inspector's comments in terms of supply across the FEMA / WEG and relationships including with St Helens (Inspector's Report PINS/M0655/429/2 paragraph 70 & 71) the position of the WEG as a whole is considered, as replicated below.

**Table 4.1 Warrington FEMA / WEG**



Source: Iceni / CoStar, authorities derived from Warrington EDNA 2021 (markers show units of 9,300 sqm +)

- 4.18 The methodology for determining 'need' should follow one of those preferred approaches outlined above – completions, absorption or traffic growth. For the

purposes of this proof, it is not possible to access consistent datasets of individual authority's past completions, nor is the specific freight forecasting model available. The net absorption trend is therefore preferred which can be drawn from the subscription CoStar property database.

- 4.19 Over larger areas and longer timescales, net absorption tends to see a reasonable alignment with the completions trend (see SEMLEP and Nottinghamshire logistics study conclusions) in essence because 'space delivered = space filled'. Both of these metrics are prone to market suppression due to land supply policies, hence the need for a margin (or as argued by Savills / BPF further additional suppressed demand calculations, see main proof (CD6.9 para 4.23)).
- 4.20 The net absorption trends for the FEMA / WEG over the 2009 to 2022 period (the longest data period available) are set out below.

**Table 4.2 Warrington FEMA / WEG net absorption of units 9,300 sqm+ industrial / warehousing**

Year	Net absorption SqFt	Net absorption SqM
2022	937,303	87,078
2021	1,985,851	184,492
2020	1,620,470	150,547
2019	3,331,985	309,551
2018	1,068,801	99,295
2017	1,387,152	128,871
2016	1,971,426	183,151
2015	2,026,887	188,304
2014	425,094	39,493
2013	345,864	32,132
2012	1,699,000	157,842
2011	1,158,910	107,666
2010	1,485,454	138,003
2009	2,638,335	245,109
<b>Average</b>	<b>1,577,324</b>	<b>146,538</b>

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Source: CoStar. FEMA/WEG includes Cheshire West and Chester, Cheshire East, City of Manchester, Salford, Trafford, Wigan, City of Liverpool, Halton, St Helens, Warrington

- 4.21 These trends can then be extrapolated to a 'need' for large-scale units in land terms as set out below.

**Table 4.3 Warrington FEMA / WEG requirements for large-scale units 9,300 sqm+ industrial / warehousing**

Year	SqM	Hectares at 0.39 ratio
Average '09-'22	146,538	37.6
2021-2038 Plan Period (average x 18 years)	2,637,684	676.3
5-year margin	732,690	187.9
<b>Total</b>	<b>3,370,374</b>	<b>864.2</b>

Source: CoStar / Icen Projects

- 4.22 The expected large-scale unit requirement for the FEMA / WEG across the Plan period is therefore a minimum of 864 ha. This is considered a minimum as because the 2009-2022 average vacancy in this market segment has been 4.2%. A balanced market should see vacancy (or availability) at around 7.5%. Using the BPF / Savills 'suppressed demand' methodology<sup>9</sup> reports an additional need of 525.2 ha to balance the market, therefore projecting forward the past rate even with a 5 year margin adding 187.9 ha, may under estimate the total need.

### **Warrington FEMA / WEG supply for large-scale industrial and warehousing units**

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<sup>9</sup> <https://pdf.euro.savills.co.uk/uk/commercial---other/levelling-up---the-logic-of-logistics-2022.pdf> - method on p21 reproduced for Warrington FEMA / WEG

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4.23 Warrington Council's response to the Local Plan Inspector's questions for the additional employment hearing session set out an approximate position for all commercial land supply (AM 5.01 Table 1).

4.24 It is of note that there are inconsistencies in the monitoring and collating supply data for the nine authorities who are not participating in an exercise will inevitably be challenging as highlighted by the Council below in AM 5,01:

*"Annual Monitoring of the employment supply within the FEMA [WEG] is not consistently provided for all constituent local authority areas, but the data which is available suggests a more immediately available employment land supply of 1,379.37 ha... A few of the local authorities have strategic scale sites aimed primarily at larger B2/B8 uses."*

4.25 To make this information more useful, a review and update has been undertaken of the potential supply to identify what sites could realistically provide opportunities for large-scale requirements that might consider SIX56 as an alternative. This aligns with the evidence of Steve Johnson B8RE (ID47 Appendix 7) for those authorities identified.

4.26 A generous approach has been made to undertake this assessment (including port-specific sites).



Table 4.4 Employment Land Supply in FEMA / WEG

Local Authority	Strategic Sites Falling within the FEMA / WEG (Sites typically of 20 ha or larger)	Assessment of relevance for large-scale unit occupiers
Cheshire West and Chester	<ol style="list-style-type: none"> <li>1. New Bridge Road, Stanlow - 28 ha allocated. Subject to multiple smaller proposals for B2/B8 development</li> <li>2. Hooton Park – 27 ha allocated. Falls within the Cheshire Science Corridor Enterprise Zone and is identified as being suitable for logistics and advanced manufacturing. Most of the land within the area is in operational use for GM Vauxhall and suppliers. Recent speculative development has taken place by Redsun developments, with the completion of the first phase of Aviator Park, with future phases of development anticipated. Three planning applications on-site, two pending totalling four strategic units</li> <li>3. Land at Encirc Glass Ltd – 34 ha allocated. Land is primarily being developed for use by this company and its supply chain. for strategic B2/B8 development (Planning application 22/03692/FUL)</li> <li>4. Thornton Science Park is identified, within the Stanlow area, for future research and development activity (B1 and B2 use classes). It forms part of the Cheshire Science Corridor Enterprise Zone with Birchwood Park and some competition between the two locations for relevant high-tech companies is likely, particularly in the energy/engineering sectors (although Birchwood has a distinct focus on the nuclear sector)</li> <li>5. Ince Park (Protos) is proposed for a multi-modal resource recovery park and energy from waste facility, with a developable area of some 50 ha. Phase 1 developments are underway with several facilities now completed.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Exclude</b> as small units</li> <li>2. <b>Include</b> as several large units anticipated (21/00461/LDO 22/00586/FUL 20/04281/FUL)</li> <li>3. <b>Include</b> as strategic B2/B8</li> <li>4. <b>Exclude</b> as B1 / B2</li> <li>5. <b>Exclude</b> as energy from waste</li> <li>6. <b>Include</b> 23.4 ha as strategic components</li> </ol>



	6. Extension to Winsford 1 - 5 Industrial Estate, East of Road One – 27 ha allocated. Expansion of land in established large industrial estate. North of site developed for 16,000 sqm B2 facility for Tiger Trailers. One planning permission (20/02144/OUT) and one pending application (23/02303/FUL) for strategic units. Reduced to 23.4 ha as plots 4 & 5 (23/01067/FUL) are not strategic units.	
Cheshire East	<p>1. Basford East, Crewe – 24 ha allocated. Developer Muse has submitted a hybrid planning application for the WestonM6 scheme. It is seeking detailed approval for the first phase, which will include three logistics and warehousing buildings totalling approximately 70,000 sqm. Long-term proposals are for 120,000 sqm of industrial, warehouse and office premises.</p> <p>2. Radway Green Extension, Alsager – 25 ha allocated. The site has Outline Planning consent granted for built-to-suit opportunities of up to 136,000 sqm. The site now forms part of Panattoni Park Crewe Phase I, marketed for build-to-suit developments of up to 93,000 sqm each</p> <p>3. Midpoint 18, Middlewich (Magnitude) – 70 ha allocated. Expansion land for an established regional B2/B8 hub on the M6 Corridor. Various proposals are being progressed, part dependent on new bypass.</p> <p>4. Land adjacent to J17 of M6, south east of Congleton Road, Sandbach – 20 ha allocated. Subject to long-term plans for development for leisure uses with a business park to the south</p> <p>5. Wardle Employment Improvement Area (Cheshire Green Industrial Park) – 46 ha allocated. Established rural industrial estate with various growth plans being progressed. Assumed not to be big box development, on an A-road in a rural location. Occupiers are primarily mid-box agriculture/manufacturing</p> <p>6. Alderley Park – A large, established science park accommodating some 2,000 staff in 93,000 sqm of space. Several proposals for serviced office/lab space have been implemented in recent years</p>	<p>1. <b>Include</b> as strategic units</p> <p>2. <b>Include</b> as strategic units</p> <p>3. <b>Include</b> as strategic units</p> <p>4. <b>Exclude</b> as leisure</p> <p>5. <b>Exclude</b> as non-strategic location or occupiers</p> <p>6. <b>Exclude</b> as science park</p>

City of Manchester	<p>Supply to comprise:</p> <ul style="list-style-type: none"> <li>• Offices (B1a) – 140 ha</li> <li>• Research and Development (B1b, B1c and B2) – 25 ha</li> <li>• Distribution and Warehousing (B8) - 35 ha</li> </ul> <ol style="list-style-type: none"> <li>1. Manchester City Centre - 33 ha</li> <li>2. City Centre Fringe (including Strangeways, Collyhurst, Ancoats, New Islington and Manchester Science Park) – 25ha of office or similar employment development</li> <li>3. Central Park – 60ha, key sectors will be within creative and media and manufacturing. B1(a) offices will also be acceptable. Campus-style development opportunity with the remainder of the site offering potentially larger sites for food processing, assembly or logistics – 17 ha of vacant land in the north of the site with potential for big box units.</li> <li>4. Eastlands – 40-45ha – suitable for major sports and leisure visitor destination with complementary commercial, retail and hotels, development should support the regeneration of the area.</li> <li>5. Manchester Airport strategic site –focus on airport operational improvements, car parking zone 4 (Area to the north of airport has a focus on cargo/commercial development 35.3 ha - permission for a mix of uses 113,422 sqm office, 49,046 sqm advanced manufacturing, hotel and retail</li> <li>6. Unit 4 &amp; 5, Lowry Park – A 14,214 sqm (3.6 ha*) and 11,482 sqm unit (2.9 ha*), part of a 10 ha site containing 10 other mixed B smaller units, located close to the city centre, with a focus on last mile delivery.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Exclude</b> as City Centre not for strategic units</li> <li>2. <b>Exclude</b> as smaller / office units</li> <li>3. <b>Include</b> 17 ha as potential for strategic units</li> <li>4. <b>Exclude</b> as leisure</li> <li>5. <b>Exclude</b> as permitted for other uses</li> <li>6. <b>Include</b> 6.5 ha as strategic unit</li> </ol>
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Salford	<p>1. The 320,000 sqm <i>estimated 80 ha at 0.4 ratio</i> put forward in the Places for Everyone Greater Manchester Plan for the growth of Salford is identified for an expansion of Port Salford. Port Salford, is a £138 million development and will be the UK's only inland multimodal distribution park served by rail, road and short-sea shipping. The scheme is expected to generate 10,000 jobs over its lifetime. It will provide a container facility capable of handling 300,000 containers and 37 million freight pallets per year along with around 155,000 sqm of warehouse space excluding the proposed expansion allocation. Port Salford will be part of Liverpool City Region's Freeport as announced in the budget of March 2021.</p>	<p>1. <b>Include</b> as strategic units even though port dedicated</p>
Trafford	<p>1. The Carrington Strategic Location or New Carrington – 75 ha allocated in planning. 350,000 sqm of employment floorspace is proposed in Masterplanning. Part of a major mixed-use scheme to be delivered over a 20-year+ programme - site CE2A (31 ha) will deliver two big boxes (c.40,000 sqm), site CE2B (27ha) will deliver 5 units totalling 62,442 sqm (B1/B2/B8), site CE2C will deliver a mix of unit sizes, including one 12,100 sqm unit (assumed site area 3.5 ha)</p> <p>2. Davenport Employment Site/ Timperley Wedge – 36.5 ha allocated. Part of a 135.6 ha estate at Davenport Green, Hale. The site is identified for longer-term growth at Airport City or for a Medi-Park at the University Hospital South Manchester in the City of Manchester.</p>	<p>1. <b>Include</b> 61.5 ha as strategic units (31ha + 27 ha + 3.5 ha)</p> <p>2. <b>Exclude</b> as for other uses</p>
Wigan	<p>1. South Lancashire Industrial Estate Extension, Ashton – 34 ha allocated. Land Under developer control. Some 16 ha received Outline Planning consent in May 2023 for a 58,000 sqm industrial estate, for small and mid-sized industrial and warehouse units with one large unit of 16,000 sqm (4.0 ha*).</p> <p>2. Symmetry Park, A hybrid application granted detailed planning for 300,000 sqft across two units (6.8 ha*)</p> <p>3. Martland Park – A 10,486 sqm unit (2.6 ha*) which received planning permission on appeal.</p>	<p>1. <b>Include 4 ha</b> as strategic unit</p> <p>2. <b>Include</b> as for strategic units</p> <p>3. <b>Include</b> as strategic unit</p>

City of Liverpool	<p>1. North of Dock Road, Garston – 26.0 allocated. 180 dwellings, offices, general industrial, storage and distribution and port uses. Assume not large enough for strategic development taking into account housing on site.</p> <p>2. Some 27 ha will support the Port of Liverpool development</p>	<p>1. <b>Exclude</b> as not large enough for strategic development taking into account housing on site.</p> <p>2. <b>Include</b> as strategic units even though port dedicated</p>
Halton	<p>1. St Michaels – 20.20 ha allocated. Council owned land, partly in use for solar farm.</p> <p>2. The easternmost section of 3MG (East) Foundry Lane – 35.23 ha allocated. Large parts are in use for open storage.</p>	<p>1. <b>Exclude</b> as solar farm assumed.</p> <p>2. <b>Include</b> as potential for strategic units</p>
St Helens	<p>1. Omega South Western Extension – 31.2 ha allocated.</p> <p>2. Parkside East and West – 144.1 ha in two allocations. Parkside West is the Phase I development and has commenced for 93,000 sqm of B2/B8 floorspace. Phase II, for 149,000 sqm of B2/B8 floorspace, will also include a rail freight link</p> <p>3. Land West of Millfield Lane, South of Liverpool Road and North of Clipsley Brook, Haydock – 20.58 ha allocated for B2 and B8 uses, classified as a strategic employment site.</p> <p>4. Land at Haydock Lane - full planning consent (P/2022.0785/FUL) is being sought on 7.8 ha in the south for 27,000 sqm of E(g)(iii), B2, B8 by developer Canmoor across 4 units, potentially one big box unit so assume 3 ha of supply.</p>	<p>1. <b>Include</b> as potential for strategic units</p> <p>2. <b>Include</b> as potential for strategic units</p> <p>3. <b>Include</b> as potential for strategic units</p> <p>4. <b>Include</b> 3 ha as potential for strategic units</p>
<b>Total</b>	<b>Included 642.7 ha across the FEMA / WEG exc Warrington</b>	

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Source: Warrington Council's response to the Local Plan Inspector's questions for additional employment hearing (AM 5.01 Table 1)  
- updated and assessed by Icení Projects in conjunction with B8RE

\*Plot size estimated where not known using a plot ratio of 0.4

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## Warrington FEMA / WEG supply/demand for large-scale industrial and warehousing units

- 4.27 The table below reports on the estimated supply and demand balance for large-scale units across the FEMA / WEG. As the table below shows, based on the data available, there is at least a shortfall of 120 Ha. This is potentially an underestimation as our highly optimistic supply-side assessment includes an estimated 107 ha of port dedicated supply, as well as a number of sites not likely to be a realistic alternative supply to SIX56 (see proof of evidence from Steve Johnson B8RE ID47 Appendix 7 commentary). It also makes only a limited allowance to improve historic rates of undersupply which have been prevalent.
- 4.28 It is recognised that there will be data imperfections, **however**, the assumptions here are essentially the same ones used by the Warrington Local Plan inspectors to come to conclusions on the level of sub-regional supply.

**Table 4.5 Warrington FEMA / WEG supply/demand for large-scale industrial and warehousing units**

Position		Ha.
FEMA supply exc. Warrington	A	642.7
Warrington supply of Fiddlers Ferry	B	101
FEMA supply inc. Fiddlers Ferry	A+B	743.7
Demand (table 4.3)	D	864
<b>Balance exc. SIX56</b>	<b>(A+B)-D</b>	<b>-120.3</b>
SIX56 (SEWEA)	C (Ci)	98.1 (136.9)
FEMA supply + Warr. SIX56 (SEWEA)	A+B+C (A+B+Ci)	841.8 (880.6)
<b>Balance inc. SIX56 (SEWEA)</b>	<b>A+B+C-D (A+B+Ci-D)</b>	<b>-22.2 (+16.6)</b>

Source: Icení Projects

- 4.29 As set out above, even with SIX56 the minimum need is not met, and SEWEA in full is required. This includes a number of port specific supply side sites as well as a number of sites not likely to be included in a realistic alternative supply to SIX56 (see proof of evidence from Steve Johnson B8RE ID47 Appendix 7 commentary).

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4.30 In conclusion SEWEA / SIX 56 are an essential component of meeting the sub-regional needs for large-scale units. These sites plus additional supply will be required to meet the subregional long term requirements for large units and to avoid issues of historic undersupply.

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## **A1. APPENDIX: SUMMARY OF PROOF ADDENDUM**

- This Addendum is necessary to reflect issues arising from the additional employment land hearing session and the Inspectors' report on the Warrington Local Plan PINS/M0655/429/2.
- The Inspectors' report recommends SEWEA be excluded from the Local Plan and it has been adopted as such. This Addendum finds the Inspectors' report lacking in robustness, transparency and clarity and its recommendations regarding SEWEA and employment need in the round are not justified. This Addendum seeks to clearly identify why this is the case, where it has erred and overall that there is both a need for SEWEA and that it can be delivered without upsetting the jobs – homes balance, which is concern of the Local Plan Inspectors.
- Section 3 of this Addendum examines the case put forward by the Local Plan Inspectors in PINS/M0655/429/2. This finds distinct numerical issues with the Inspectors' approach to calculating jobs in the Plan, not least around office workers and office capacity, which mean their jobs / homes assumptions should be revisited.
- Moreover, the Inspectors' calculations of 'employment need' (aside of jobs / homes) simply cannot be explained through their Report and 'mini EDNA' work. In the round, the Inspectors' report is a circular case concerning jobs and homes that self-justifies. On this basis, the need calculation cannot and should not be relied upon. My main proof, CD6.9 along with this Addendum and appendices provide an evidenced alternative calculation and set of conclusions.
- Section 3 of this Addendum revisits the jobs and homes balance using realistic assumptions around the relationship between economic forecasts, office working and the economic impact of SEWEA and other allocations. It finds that an additional consideration to the impact on the jobs and homes balance in Warrington is the anticipated workforce commuting pattern to SEWEA, as well as wider commuting relationships between the workforce and jobs in Warrington.



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- Taking this into account, even the uppermost end of the assessment (24,056 jobs with SEWEA) is not considered a significant imbalance against the 18,300 labour supply for a number of reasons, not least inflated sector forecasts which would bring the total growth outlook down by a further 1,800 jobs to up to 22,256 but more realistically 18,433, the range midpoint.
  - Overall, whilst recognising the considerable range of assumptions involved, our clear and transparent conclusion reached is that SEWEA and Six56 should not be discounted on the grounds of a labour supply deficiency and in any case this is not a matter of employment need but one of judgement in Plan making, in which the Inspectors have erred, in part due to insufficient information.
  - The second matter dealt with in this Addendum is that of the need for strategic warehousing and industrial units in Warrington and its relationship with the FEMA / Wider Economic Geography supply and demand, responding directly to the Inspectors' comment (PINS/M0655/429/2 at paragraph 71) that “the scale of need on a sub-regional or regional level for Class B8 uses or employment land generally has not been quantified. Nor has the specific role that Warrington should play in meeting that need.”
  - Section 4 of this Addendum sets out the ‘need’ in the FEMA derived from the past trend in net absorption (additional space occupied) in units of 9,300 sqm (100,000 sqft) or larger. It then reviews the best available information on supply across the FEMA / Wider Economic Geography relevant to this demand profile. The findings establish that SEWEA including SIX56 are required to meet the sub-regional demand.
  - In summary: this Addendum presents clear evidence that there is an employment land ‘need’ for SEWEA and Six56 whether derived at the local Warrington level or wider FEMA level; and that the delivery of the site does not disrupt a broad balance between jobs and homes in the Plan period.



## Follow up note regarding Warrington Local Plan Employment Session

ICENI PROJECTS LIMITED  
ON BEHALF OF LANGTREE  
PROPERTY PARTNERS LLP,  
MARCH 2023

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

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Follow up note regarding Warrington  
Local Plan Employment Session  
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## 1. INTRODUCTION

- I.1 This note follows on from the Langtree participation at the Warrington Local Plan Examination hearing session held on 13<sup>th</sup> July 2023. A number of key points are expanded upon herein that were discussed during the session.
- I.2 A key reference at the hearings was Langtree Main Modifications Consultation response ref MMC086 including Appendix 2 “Proof of Evidence of MATTHEW KINGHAN (for the Applicants) on NEED FOR EMPLOYMENT LAND PLANNING INSPECTORATE REFERENCE APP/M0655/V/22/331187”
- I.3 The development of evidence from MMC086 Appendix 2 is included herein.
- I.4 Key issues discussed and revisited here are:
- Total employment needs
  - Issues around losses monitoring and displacement
  - Office roles and worker patterns
  - Total jobs for Warrington

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## 2. KEY ISSUES

### Local Plan needs

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- 2.1 MMC086 Appendix 2 establishes the Langtree preferred position on needs at para 4.46. This is derived from a ten year net absorption model rather than the long run BE Group data. However the results are very similar. In particular we have a lower emphasis on offices. Our position is reiterated below.

**Table 2.1 Warrington Employment Land Needs 2020/21-38/39**

	10 year net absorption*	BE Group Margin based on gross completions**	Town centre replacement**	Total
Office	10.1	42.7	17.6	
Industrial (small)	33.7			
Industrial (large)	176.3			
Total	220.1	42.7	17.6	279.5

Source: \*MMC086 Appendix 2 Table 4.8 \*\* Warrington EDNA 2021 (note this is also c20% of the 220.1 ha which is considered reasonable)

- 2.2 As per para 4.47 MMC086 Appendix 2 "...view this this 280 ha as a minimum in terms of future employment land provision, ensuring a strong contribution to sub regional requirement as well as local needs."
- 2.3 The reason that this is a minimum is as a roll forward it takes in the last ten years low vacancy rate and ever rising rents. Therefore provision above this rate would be desirable to relieve market pressure.
- 2.4 As table 4.7 of MMC086 APP2 highlights, the last 10 years completions trend for Warrington would be much higher than the absorption trend.

### Densities

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- 2.5 At the hearing sessions and through representations there were discussions on appropriate densities.

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- 2.6 BE Group at the sessions maintained that 80 sqm / FTE is the most appropriate density for calculating jobs at Fiddlers Ferry and SEWEA. BE Group argued that the Warrington&Co data as presented in MMC086 Appendix 4 pdf page 262 (Socio-Economic Supporting Document, Amion Consulting) being 61 sqm per FTE is outdated. Amion come to the same conclusion on MMC086 Appendix 4 pdf pgs 263/264.
- 2.7 Mr Kinghan representing Langtree also argued that 80 sqm or above, with 95 sqm being the typical position for logistics developments, was appropriate based on changes in working patterns, that means the historic c60sqm is out of date.

#### **Displacement – range of data**

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- 2.8 Employment land losses were discussed at the hearing. BE Group acknowledged this was not considered in the EDNA.
- 2.9 The displacement rate is relevant when considering the relationship with jobs change and employment land delivery discussed later.
- 2.10 During the hearing lunch recess research was undertaken by WBC and verbal references made to data but no data circulated. This is now included in CD80.
- 2.11 It is important to note that AMR monitoring is not the sole nor primary source for considering displacement, as government guidance (as discussed below) provides for a range of typical indicators.
- 2.12 Icenl has reviewed the AMR and CD80. We note the following table. This includes a range of losses / displacement.

**Table 2.2 Warrington AMR losses/gain stock age**

Year (ending March)	Gain	Loss (high)	Loss (low)	Notes
2015	61.3	1.1		
2016	25.8	70.4	19.1	Actual loss 70.4 but 51.4 being lost to residential use at Omega excluded. 19.1 remains as loss
2017	8.08	4.22		
2018	4.26	0.95		
2019	31.85	0.45		
2020	4.13	1.3		
2021	0	11.3	0	Loss was all at Omega
Average	<b>19.3</b>	<b>12.8</b>	<b>3.9</b>	
Ratio		<b>0.66</b>	<b>0.2</b>	For every 1 ha delivered, 0.66 has been lost under the 'high' scenario and 0.2 lost under the 'low' scenario. Displacement range 66%-20%

Source: CoStar March 2023

2.13 Icení has looked at other data on displacement.

2.14 For the last 10 years of displacement Icení reviewed using in MMC086 App 2 by looking at the ratio of stock change (VOA) vs completions (EDNA). This ratio is 56% displacement as below. We note that VOA records may differ from completions in terms of the lag between completions and registering stock for business rates (as well as plot ratio assumptions) but nonetheless the comparison is useful. Our data is represented here.

**Table 2.3 Warrington VOA vs AMR data 2011-2019 (industrial)**

	2011/12 – 2019/20 change	Source / note
VOA net change	+276,000 sqm = 70.7 ha @ 0.39 plot ratio	VOA NDR Industrial Floorspace Tables release 2021 Tab 4.1
EDNA gross change	+ 161 ha	BE Group Warrington EDNA 2021 Table 21 exc. Use Class E(g)(i)
Ratio	70.7:161=0.44	

Displacement rate	1-0.44=56%	For every 1 ha delivered only 0.44 was gained therefore 0.56 was lost
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- 2.15 Due to uncertainty in the data Iceni in MMC App2 assume a displacement range of 40%-50%.
- 2.16 It is of note that 50% is the 'medium' recommended displacement rate in HCA Additionality Guide Fourth Edition 2014 Table 4.8, as replicated below, and 25% is considered low.

<p><b>4.3.6 Ready reckoners</b></p> <p>In the absence of specific local information the level of displacement can be assessed as follows:</p>																				
<p><b>Table 4.8: Displacement</b></p> <table> <tr> <th>Level</th><th>Displacement</th><th>Displacement effect</th></tr> <tr> <td>None</td><td>No other firms/demand affected</td><td>0%</td></tr> <tr> <td>Low</td><td>There are expected to be some displacement effects, although only to a limited extent</td><td>25%</td></tr> <tr> <td>Medium</td><td>About half of the activity would be displaced</td><td>50%</td></tr> <tr> <td>High</td><td>A high level of displacement is expected to arise</td><td>75%</td></tr> <tr> <td>Total</td><td>All of the activity generated will be displaced</td><td>100%</td></tr> </table>			Level	Displacement	Displacement effect	None	No other firms/demand affected	0%	Low	There are expected to be some displacement effects, although only to a limited extent	25%	Medium	About half of the activity would be displaced	50%	High	A high level of displacement is expected to arise	75%	Total	All of the activity generated will be displaced	100%
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High	A high level of displacement is expected to arise	75%																		
Total	All of the activity generated will be displaced	100%																		
<p>If the level of displacement was estimated to be low (i.e. 25%), then 75% of the outputs would be taken forward (i.e. 100% – 25%).</p>																				

Source: HCA Additionality Guide Fourth Edition 2014 p30

- 2.17 There are other reasons to think that displacement may not be 'low'.
- 2.18 The Liverpool City Region Strategic Housing & Employment Market Assessment (SHELMA) 2017<sup>1</sup> para 11.3 notes that "an important component of demand for new-build large scale warehousing will arise from replacement of older outdated stock". Table 64 of the SHELMA notes that by 2043, 80% of existing stock will require replacement or 1,229,000 sqm. This compares to a growth component of 820,000 sqm (table 68). So the replacement element is higher than the growth element, the growth or 'job generating' component is 40% of the total so the displacement rate is 60%.

<sup>1</sup> <https://www.sefton.gov.uk/media/2813/final-report.pdf>



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- 2.19 The point is that displacement rates for industrial and warehousing units tend to be high. This is due to modern demands for power, high quality premises, that are larger, taller, located in the right places and ready for automation.
- 2.20 BE Group suggest that (EDNA para 7.13) “the bulk of Warrington’s stock of E(g)/B2/B8 premises is modern” without evidencing this statement.
- 2.21 Icen analysis of CoStar data suggests otherwise. Table 4.4 of MMC086 App2 indicates that much of stock is dated pre 1990s and will not realistically be fit for purpose by 2039. This accounts for 189 medium and large units of the 455 total or 42%. Many of the units built before 2000 will not be fit for purpose and this accounts for a far higher proportion.
- 2.22 Based on the range of evidence a ‘medium’ level of displacement appears appropriate.
- 2.23 We return to the relevance of displacement later.

### **Role of offices and office type jobs**

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- 2.24 The hearing session discussed the type and role of office jobs in Warrington.
- 2.25 Table 22 of the EDNA suggests that 74 ha of the future need should be offices based on the past trend, but only a supply of 1 ha is provided.
- 2.26 In many ways this underlines an issue with the over use of pre 2000 or even pre 2009 trend based analysis. There is no demand for 74 ha of standalone offices in Warrington by any measure. Icen refer back to the 10 ha arising from the net absorption model (table 21 above). It may also highlight an issue with the limited clear allocations for office space on existing sites, potential redevelopment sites or other new sites.
- 2.27 Turning to the forecasts, both Oxford and Cambridge see ‘Finance and business’ as an important driver, with the average between them for the plan period being 8,050 plus 500 for ICT.

2.28 At 12 sqm per job this equates to 96,600 sqm and 26.3 ha. Can this be right? In reality 100% of people in this sector never work in offices. ONS data for pre pandemic results reports that for the Professional services, Finance and ICT sectors, 23% of people work mainly at “Own home, Same grounds or building, Different places with home as a base”. That means that 77% usually work in the office. Table replicated below.

**Table 2.4 ONS data on home working pre pandemic (2018 weighted)**

	1 Own home	2 Same grounds or building	3 Different places with home as a base	4 Separate from home	5 Total	4 / 5
13 M Prof, scientific, technical activ.	322,302	18,404	322,823	1,854,705	2,518,234	74%
11 K Financial and insurance activities	66,131	2,966	66,671	1,140,241	1,276,009	89%
10 J Information and communication	200,507	7,951	161,832	983,880	1,354,170	73%
Average						77%

Source: *Summary of analysis: Numbers of homeworkers against Major Occupation & Industry, 2012-19* Data source: *Annual Population Survey (APS), Period: Jan-Dec 2012-19*

2.29 However Post pandemic office occupancy is now running at 40% - and steadily increasing - rather than c80% as reported by most monitors:

- <https://return.remitconsulting.com/resource-centre/34-news-release-latest-data-shows-uk-office-occupancy-reaching-new-pandemic-highs>
- <https://www.costar.com/article/1063782777/uk-office-occupancy-starts-2023-at-new-pandemic-high>
- <https://www.fmj.co.uk/office-occupancy-rates-hit-highest-level-since-the-end-of-lockdown/>

2.30 We don't know exactly how office occupancy will pan out but it seems reasonable to assume a lower rate of around 50% compared to pre pandemic. The implications of this for future new offices are unclear but we endeavour to test the relationship below.

2.31 Turning back to the forecasts for the 8,050 jobs noted above, this might realistically be generating a 50% demand ratio for space so the 26.3 ha x 50% = 13.2 ha which is near the 10 ha net absorption trend plus an element of margin argued by Iceni (table 2.1 herein). This would be a reasonable in not optimistic prospect for offices in Warrington. It also means 50% of the 8,550 or 4,275 working from home most of the time, and the same amount in the office.

2.32 Whether all this c10ha of offices is actually needed is also a question. At July 2023 CoStar reports the Central Warrington office vacancy rate as 7.2% and rising. Availability is 8.4%. The Warrington Fringe vacancy is 10.4% and rising, availability is 12.3%. Higher availability means that occupied space is being advertised and lease breaks are coming - more space will be vacant. So some of the future space needed for new jobs, if they materialise, might simply fill vacant space existing now.

### **Total jobs for Warrington – drawing facts together and updating MMC086**

2.33 At the hearing session Table 2 of CD67 was discussed. This is replicated below.

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

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

Source: BE Group, 2023

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2.34 This inspector rightly wanted to understand what happens to the ‘non employment land jobs’.

2.35 This issue has been considered in MMC082 App2 section 5 but requires updating. The full analysis is not replicated here but the steps are:

- Replicate table 2 of CD67 (and consider a lower density for warehousing)
- Convert FTEs to jobs (See para of 5.4 of MMC082 App2)
- Apply displacement rates of 40% and 50%. All the analysis undertaken in MMC086 and expanded upon above suggests this is reasonable.
- Apply a multiplier to the jobs of 1.29 in line with the 2014 HCA Additionality Guide (and HM Treasury Green Book).
- Replicate the BE Group approach to working out jobs ‘not in employment land’ derived from EDNA tables 27&29 (see table 5.3 of MMC082 App2).

2.36 We however now see a ‘problem’ with the EDNA assumptions and table 5.3 because 100% of those of those in Finance and business cannot be in offices, as explained above. This also applies to ICT. There could be an extra 4,275 ‘not on employment land’. This is updated and set out below. The position is perhaps a ‘worst case scenario’ with the 50% of office workers ‘not in the office’.

**Table 2.5 Future Warrington total jobs derived from Oxford / Cambridge forecasts**

Sector	Forecast growth*	% in employment land **	Total in employment land	Total <u>not</u> in employment land
Agriculture, etc.	0	N/A	0	0
Mining and quarrying	0	N/A	0	0
Manufacturing	-1,600	100%	-1,600	0
Electricity, gas and water	-150	26%	-39	-111

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Construction	900	26%	234	666
Distribution	500	48%	240	260
Transport and storage	400	48%	192	208
Accomm. and food	2,300	0%	0	2,300
ICT	500	50%	250	250
Financial and business	8,050	50%	4,025	4,025
Government	3,500	22%	770	2,730
Other	500	22%	110	390
Sub Total	14,900		4,182	10,718

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

\* mid point of Oxford and Cambridge forecasts

2.37 Looking at the ‘office type jobs’ arising in ICT and Finance & business (setting aside the Government services for which there is less certainty in terms of space needs) suggests 4,275 in employment land. This is marginally higher than is being provided for in the ‘existing supply’ of 3,870 in table 2 of CD67 above. However this underestimates the potential for some of these workers to be in the actual warehouses at SEWEA / Fiddlers Ferry with the colocation of office and warehouse space an increasingly commonplace development as is confirmed within CD81 *“developments in Warrington Borough have historically included sizable office elements and could do so again. Thus, the B2/B8 uses proposed in the Warrington Updated Proposed Submission Version Local Plan (Document SP1) have the potential to absorb a reasonable share of the forecast office jobs growth and office.”* Furthermore there is potential for recycling of existing space. Thus this misalignment is not considered an issue. Any issue arising should be dealt with through the council revisiting their allocations strategy or moreover their use and reuse of existing sites.

2.38 We now need to bring together the ‘employment land and non employment land jobs’. Firstly we revisit table 2 of CD67 because the SEWEA floorspace figures are incorrect since these were derived from a plot ratio and not the actual planning assessment (South East Warrington Employment Area Statement of Common

Ground between Langtree, Liberty and the Council (SG04) appended masterplan framework page 6 for Six56 and page 32 for Liberty).

**Table 2.6 Site supply – jobs supported (density ranges)**

Allocation	Size (ha)	Floorspace (sqm)	Use Class density (high)	Jobs [FTEs]	Use Class density (low)	Jobs [FTEs]	Comment
Existing supply	38.9	168,800	Various	3,870	Various	3,870	EDNA analysis
St Helens Omega extension	31.8	124,020	B8 (80 sqm / FTE)	1,550	B8 (95 sqm / FTE)	1,305	Warehousing – BE Group assumed 80 sqm / FTE for general warehousing, 95 sqm / FTE guidance for larger units
Fiddlers Ferry Brownfield Site	101.0	393,900	B8 (80 sqm / FTE)	4,924	B8 (95 sqm / FTE)	4,146	
SEWEA	136.9	464,425	B8 (80 sqm / FTE)	5,805	B8 (95 sqm / FTE)	4,889	
Total supply	308.6	1,151,145		16,149		14,210	

Source: Warrington EDNA 2021 / CD4.162 / HCA Density Guide / South East Warrington Employment Area Statement of Common Ground between Langtree, Liberty and the Council (SG04)

2.39 It is of note that the CD81 – Warrington BC note on jobs density – identifies that “*Table 1 provides a breakdown of the floorspace in each main Omega building, sourced from Valuation Office data. This is then compared to the jobs numbers for each occupier ... The average jobs density is one job per 99 sqm*”. As a result that 95 sqm sensitivity run above in table 2.6 is considered more realistic than the 80 sqm per job.

2.40 As a result we revisit the jobs, displacement and multiplier workings.

**Table 2.7 Site supply – jobs supported (net additional)**

	Gross FTEs	Gross jobs	Displacement (high/low)	Multiplier	Net additional jobs
Ratio	100%	÷ 90%	<b>x (1-0.5)</b>	x (1.3)	
Count (high density, high displacement)	16,149	17,943	8,972	11,573	11,573
Count (low density, high displacement)	14,210	15,789	7,894	10,184	10,184
Ratio	100%	÷ 90%	x (1-0.4)	x (1.3)	
Count (high density, low displacement)	16,149	17,943	10,766	13,888	13,888
Count (low density, low displacement)	14,210	15,789	9,473	12,221	12,221

Source: Own calculations

2.41 Finally we aggregate the site supply jobs and the non employment land jobs. We assume that half the multiplier jobs are in non employment land and that these are already captured in that growth element so we reduce the multiplier by half.

2.42 The table below brings these issues together.

**Table 2.8 Warrington future jobs: employment land & non employment land**

	Net additional jobs	Adjustment for non employment land multiplier jobs	Total non employment land jobs	Total jobs
Count (high density, high displacement)	11,573	-1,371	10,718	20,991
Count (low density, high displacement)	10,184	-1,204	10,718	19,757
Count (high density, low displacement)	13,888	-1,645	10,718	23,045
Count (low density, low displacement)	12,221	-1,444	10,718	21,565

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Source: Own calculations

- 2.43 Aggregating the total jobs is a net total gain of 19,757 – 23,045 jobs with the 20,991 – 23,045 being derived from the ‘high density’ 80 sqm per job assumptions and 21,565 to 19,757 if 95 sqm per FTE is assumed, that latter more probable.
- 2.44 This is now marginally above the labour supply generated by the standard method housing delivery programme of 18,300. Is this gap of 1,457 to 4,745 a problem? Icení do not consider it a problem for the following reasons:
- As of February 2023, there were 3,370 claimants in Warrington. It would be desirable to see more of these in employment. This reduces the demand on forecast growth in labour supply. From 2015-2020 the claimant count average was below 3,000 therefore this should be seen as achievable and desirable. As a result 500-1000 unemployed persons could realistically and desirably be brought into employment.
  - The UK has a productivity problem. It also has an ageing population and a constrained labour force in many areas. Businesses are investing in automation. Looking ahead 5-10 years of more it is realistic to think that the 95 sqm / FTE or even lower will be commonplace in larger developments.
  - These assumptions give significant credence to the Oxford / Cambridge forecasts. However these are known to be fallible from the outset:
    - If we know that there is demand for Omega extension, SEWEA, Fiddlers Ferry and more creating over ten thousand of jobs in distribution and related sectors, then the forecasts are completely wrong. The forecasts suggest a combined Distribution +500 and Transport & storage +400 totalling +900. This flies in the face of recent change of +3,600 over last decade (see Langtree hearing statement AM5.04 Table 1) which would mean +6,480 for the 18 year plan period.
    - Conversely for Accommodation and food, there has little change in the sector 2009-2019 (see Langtree hearing statement AM5.04 Table 1) so what reason is there for +2,300 in the forecasts. This is due to the



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Cambridge forecast of +4,100 which is 'nonsensical' compared with the +500 from Oxford. Removing the questionable Accommodation and food growth upper end scenario alone reduces 1,800 jobs (from mid point 2,100 to 500) and effectively resolves the gap in labour demand and supply.

- Finally the forecasts are highly divorced on many sectors outlook including Financial and business. This time Oxford are high at 9,400 and Cambridge low at 6,700. If we drop from the mid point 8,050 to 6,700 of Cambridge we lose 1,350 workers. Again this alone effectively closes the gap at the lower end alone.
- Finally we note that Omega West (31.22ha) is located within St Helens Borough Council administrative area and whilst it is agreed that it will contribute to Warrington's employment needs, the Call In permission granted by the Secretary of State was specifically on the basis that a dedicated workers bus would be provided to provide access to the more deprived areas within St Helens to ensure that people who live in St Helens have access to jobs not just within the Omega West allocation but also within the rest of the Omega development. Such a dedicated workers bus to St Helens is not currently in place. Similarly Fiddlers Ferry lies immediately adjacent to the urban area of Widnes which is closer than the urban area of Warrington to it and hence it is entirely reasonable to assume that a proportion of the jobs created at Fiddlers Ferry will be filled by residents of Halton Borough. Residents of St Helens and Halton will be able to access both of these allocations via public transport. The SEWEA draft allocation lies in close proximity to the existing Appleton Thorn Trading Estate and the Langtree application includes provision for a new dedicated workers bus facility to link areas of deprivation within Warrington to the SEWEA and hence also to the existing businesses within the Appleton Thorn Trading Estate. Such a dedicated workers bus link does not currently exist. These forms of commuting provide positive planning benefits and further demonstrate that there is no planning justification to reduce the Warrington Employment Objectively Assessed Need due to concerns over commuting patterns.

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- 2.45 Given the above we consider there is little argument left to establish a significant issue with the jobs homes imbalance.

### **In conclusion**

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- 2.46 Inspector Kevin Ward wanted to explore many of the issues set out in this paper. In particular later in the hearing day the issue of employment land vs non employment land aggregation and the role of office workers. The Council and BE Group had little offer in this regard
- 2.47 These issued have been robustly and methodically worked through here in line with best practice and follow on from our work in MMC086App2.
- 2.48 Firstly there is unequivocal evidence for the need for at least 280 ha of employment land. We find the BE Group recommendations as reasonable regarding 316 ha.
- 2.49 Second looking at the job creation and homes, we see no justification for the Inspector's reduction in the allocations and the modifications arising.
- 2.50 Our work herein has looked at jobs and homes in detail. We find that from an 'uncritical' perspective, the combination of employment land supply jobs and non employment land jobs might lead to a small labour demand / supply imbalance of 1,457 to 4,745 with near the lower end being most realistic given council evidence on densities (CD81). However when we examine the details of the non employment land components derived from the forecasts we see issues and inconsistencies that cannot be ignored. There is significant downward flexibility in this component of at least 2,000 – 3,000 jobs. It is essential that this forms part of the judgement of jobs homes balance.
- 2.51 The reality is that there is a high level of demand for SEWEA and it supports growth for Warrington, the North West and the UK. This growth can be delivered within the balanced of labour supply Warrington can deliver and there is no evidence to the contrary.

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- 2.52 In Iceni's view the Inspector has no justification nor evidence to continue to seek to remove the SEWEA allocation from the Local Plan.
- 2.53 The Plan allocation for SEWEA is in line with the Warrington Borough Council evidence base on need and all other market evidence. The allocation is sound and should stand.