

# **EiP Statement**

## **St Helens Delivery and Allocations Local Plan**

### **Bericote Properties Limited**

#### **Representor ID RO1656**

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**Our ref** 41575/12/CM/AMCL  
**Date** 7 May 2021

#### **Subject Matter 2 - Housing and Employment Needs and Requirements**

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### **1.0 Introduction**

- 1.1 Lichfields is instructed by Bericote Properties Limited [Bericote] to make representations on its behalf to the St Helens Borough Local Plan 2020-2035 [SHBLP].
- 1.2 This Statement has been prepared in response to the Matters, Issues and Questions [MIQs] raised by the Inspector for the Matter 2 Examination in Public [EiP] hearing session.
- 1.3 Separate representations have been submitted in respect of the following Matters:
- 1 Matter 1 – Legal Compliance, Procedural Requirements, and the Duty to Cooperate
  - 2 Matter 4 – Allocations, Safeguarded Land and Green Belt Boundaries
  - 3 Matter 6 – Employment Land Supply, Employment Policies and Town Centres.
- 1.4 These Matter Papers representations should be read in conjunction with previous submissions on the SHBLP [Representator ID RO1656] as well as those made on other Matters listed above.
- 1.5 These Matters Papers have been prepared in the context of Bericote’s Florida Farm site [Local Plan Allocation Site Reference: 2EA] on which hybrid planning permission (ref. P/2016/0608/HYBR) was granted on 27<sup>th</sup> April 2017. The outline element secured permission for the erection of 2no. commercial/industrial buildings providing up to 135,000sq. m of employment floorspace (B2/B8 uses with up to 10,000 square metres of office accommodation). Reserved matters approval has been secured for Unit 1 (34,114 sq. m) and Unit 2 (48,634 sq. m) and both buildings are now completed and occupied by Amazon and Kellogg’s respectively.
- 1.6 Although Unit 1 and 2 have been completed and occupied, the full development potential of the Florida Farm site has not been reached. The EIA undertaken as part of the hybrid planning application assessed the environmental effects of up to 135,000 sq. m. of employment floorspace and only 82,748 sq. m of B2/B8 floorspace was delivered as part of the reserved matters approvals. The full quantum of development that could be achieved on the site has therefore not been realised. A residual parcel of land on the site (gross site area of 2.26ha) remains available and it is Bericote’s intention to bring forward all non-strategic employment development on the site, within the boundary of Allocation 2EA. A proposed Unit 3 Site Layout Plan (Appendix 1) shows the residual area of land to the south west of the Unit 2 parcel within the boundary of Allocation 2EA, and also illustrates the proposed layout of the unit which could be accommodated within the plot.

- 1.7 Bericote is therefore concerned that Allocation 2EA is proposed to be removed from the Plan as a Main Modification. This reason for this appears to be due to the Inspector coming to a view that the site has been completed and the Council not clarifying the position as set out above. Bericote therefore strongly oppose the removal of Allocation 2EA from the SHBLP.
- 1.8 This statement expands upon Bericote's previous representations made throughout the Local Plan preparation process in light of the Inspector's specific issues and questions. This statement also directly responds to the suggested removal of Allocation 2EA from the Local Plan.
- 1.9 Where relevant, the comments made are assessed against the tests of soundness established by the National Planning Policy Framework [the Framework] and the National Planning Policy Practice Guidance [Practice Guidance].

## **2.0 Planning Issues**

### **Issue 3: Employment Need and Requirement**

*Q20. Does the recent data demonstrate that there is a strong demand for large-scale warehousing to serve the logistics sector?*

- 2.1 The Employment Land Need and Supply [ELNS] Background Paper (October 2020) sets out that there is a strong demand for large-scale warehousing to serve the logistics sector in St Helens, which is demonstrated by recent levels of supply.
- 2.2 Para. 4.8 of the ELNS Background Paper specifically states that since the preparation of the Local Plan there has been an increasing demonstration of the need for employment sites in St Helens that can provide for large-scale logistics operators, with planning permission recently granted for employment development on two sites that are proposed for removal from the Green Belt and allocated for this use in the SHBLP, namely site 2EA (Bericote's Florida Farm site) and site 3EA (land north of Penny Lane, Haydock). Recent data regarding live / pending planning applications (set out in para. 4.9 and Table 4.3 of the ELNS Background Paper) further demonstrates a continuation of the demand in the Borough for large-scale B8 logistics development.
- 2.3 As previously set out, Bericote's Florida Farm site (Allocation 2EA) is the subject of hybrid planning permission ref. P/2016/0608/HYBR, with reserved matters approval subsequently secured for both Units 1 and 2 on the site. The fact that both units were occupied in a short timeframe following completion demonstrates a clear level of demand. It is also important to note that Unit 2 (48,634 sq. m unit) was a speculative build developed on the basis of an urgent and demonstrated need for facilities of this nature in the Borough. The occupation of the unit by Kellogg's represents the largest speculative deal since 2010 in the north-west<sup>1</sup>, which further demonstrates the urgent level of demand.
- 2.4 The ELNS Background Paper states at various points (paras. 2.19, 4.7, 4.8 and Appendix 1) that Site 2EA has been fully completed and occupied. This is incorrect - a residual parcel of land on the site extending to approximately 2.26ha remains available for development and Bericote intends to bring forward an additional non-strategic warehouse unit. The delivery of this remaining land would make an important contribution to meeting the level of demand currently experienced in the Borough for employment related development. The fact that planning permission has been implemented for Units 1 and 2 does not mean that the site is complete, and

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<sup>1</sup> [https://www.savills.co.uk/research\\_articles/229130/309575-0](https://www.savills.co.uk/research_articles/229130/309575-0)

given that it has already been demonstrated that the land no longer fulfils any Green Belt function, it is entirely appropriate to fully utilise the remaining development land within the site. Indeed, the Framework [para. 80] states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. The potential removal of site 2EA as a strategic employment allocation is at odds with this requirement. The Framework also goes on to state [para 117] that decisions should promote an effective use of land.

- 2.5 Given that SHBC is releasing further Green Belt land to meet its needs over the upcoming plan period, it is only logical to retain Site 2EA as an allocation. It is imperative that Site 2EA is allocated in the SHBLP in order to meet the continued demand for employment floorspace, whilst also maximising the development potential of the Florida Farm site and securing the sustainability benefits associated with its comprehensive delivery.
- 1.1 In addition to this, as stated above the impact of 135,000 sq. m of floorspace was assessed through the ES. A planning application for three units was not made at the time as the case related to the acute need for strategic storage and distribution units that could not be accommodated anywhere else in the Borough and this was demonstrated through the alternative sites assessment submitted with application ref. P/2016/0608/HYBR. The Green Belt Review (December 2018), prepared as part of the evidence base to inform the SHBLP, set out that the site no longer meets the needs of the Green Belt, and stated the following in relation to sub-parcel GBP\_031a (Florida Farm North, Slag Lane, Haydock):
- “As the sub-parcel benefits from planning consent for B8 employment development; there would be no benefit gained by retaining it in the Green Belt.”<sup>2</sup>*
- 2.6 It has always been the intention of Bericote to develop the site to its full potential along this key highways corridor into St Helens. The Council is aware of this aspiration having undertaken pre-application discussions with Bericote on 5<sup>th</sup> July 2019. The majority of the development is built and occupied and it would therefore be illogical to not allocate the site within the SHBLP.
- Q21. Is this demand likely to be sustained during the Plan period on the scale envisaged by the land allocated for this type of development?*
- 2.7 Bericote considers that the demand for large-scale B8 logistics development, as demonstrated by recent market evidence relating to take-up and a number of live / pending planning applications in the Borough, will be sustained during the Plan period on the scale envisaged.
- 2.8 There is clear evidence of demand for large-scale warehousing across the country which is only set to grow. Logistics is a key part of the UK economy, both as a generator of employment and output in its own right and as a key enabler of economic activity across a broader range of sectors. In recent years, it has changed beyond all recognition and been a key driver of commercial property markets – maintaining significant levels of demand and activity.
- 2.9 Logistics is also a fast-moving sector and one that has seen an unprecedented level of change and growth over the past 12 months or so. Anecdotal evidence from commercial agents suggests that in terms of trends, the industry is set to have progressed 5 years within the past 12 months. Whilst this has essentially been an expedited continuation of past trends, it has been accelerated by essential requirements of the pandemic and associated national lockdowns

<sup>2</sup> St Helens Green Belt Review (Table 5.2: Results of Stage 3 for employment uses – allocate, safeguard or discount)

- 2.10 A significant trend that has been driving change in the logistics industry, and one that has been accelerated due to the Covid-19 Pandemic and associated lockdowns, is the rising role of e-commerce and the associated consumer expectations for flexibility. Online retailers benefitted from a year-on-year increase in sales of 9.1% to £76bn in 2018, with online retail taking a 17.8% share of all retail sales in 2018 (rising from 10.6% in 2012)<sup>3</sup>. As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, ‘click and collect’ services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK’s population eShoppers – the highest proportion of any comparable country in Europe<sup>4</sup>.
- 2.11 Analysis conducted by Knight Frank shows that for every £ billion of online sales, approximately 1.36million sq. ft of warehouse space is required. With UK online sales forecast to rise by up to £67 billion over the next five years, e-commerce could drive additional requirements of 92 million sq ft<sup>5</sup>.
- 2.12 Bericote considers that there is a clear need for sites to be brought forward in the short term to meet the demand generated by changing consumer demands and a rise in ecommerce, whilst also helping the local and regional economy adjust to and recover from the Covid-19 recession.
- 2.13 The remaining land present within Site 2EA represents a prime opportunity to help address the increased need for employment development over the next plan period, and would also be available in the short term owing to its nature as an established site for employment development with all necessary infrastructure already in place. Considering the Council is releasing Green Belt land to meet its needs for employment development, it is logical to maximise the development potential of Site 2EA as it is an established, sustainable location, which also benefits from recent evidence of market demand following the occupation of Units 1 and 2.
- Q22. Is this justified and consistent with national policy?*
- 2.14 An additional 55-65ha of employment land has been added to the baseline demand to support additional need deriving from major projects and demand from the logistics sector. Bericote considers that this is both justified and consistent with national policy.
- 2.15 The Council’s response to the Preliminary Matters, Issues and Questions (PQ37) states that the principle of adding further requirement to the baseline demand was due to a recognition that St Helens was likely to have an increased regional role in the Liverpool City Region [LCR], emerging from increasing capacity at the Port of Liverpool and the intended SRFI at Parkside. Given the nature of these emerging assets it was considered that the growth in demand would likely be for large-scale warehousing and for manufacturers attracted to improved logistics assets in the region. This aligns with the Framework which states that planning policies should “set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration” [§81a].
- 2.16 The Framework also requires that planning policies should “be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances”

<sup>3</sup> Centre for Retail Research Total Online Retail Sales 2018-2019 <https://www.retailresearch.org/online-retail.html>

<sup>4</sup> Centre for Retail Research Total Online Retail Sales 2018-2019 <https://www.retailresearch.org/online-retail.html>

<sup>5</sup> <https://www.knightfrank.com/research/article/2020-10-07-how-will-rising-online-sales-volumes-impact-on-demand-for-distribution-and-logistics-space>

[§81d]. The additional 55-65ha employment land which has been added to the baseline demand will allow for some flexibility of provision, and it is normal practice to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.

2.17 This additional land can act as a contingency factor, providing an additional buffer so that supply is not too tightly matched to estimated demand, and so that a shortage of land does not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space. It will also enable sites to potentially be brought forward to meet the demand being generated by changing consumer demands and a rise in ecommerce, whilst also helping the local and regional economy adjust to and recover from the Covid-19 recession.

2.18 The retention of Bericote's Florida Farm site (2EA) in the SHBLP would firstly assist in providing the flexibility required by the Framework. It would also be logical and appropriate to utilise established deliverable sites in the Borough to meet the baseline demand, and any additional demand for employment development arising from wider economic factors and an increased regional role for St Helens in the LCR.

*Q23. Is the amount of land identified in addition to land that has already been identified to meet the needs of large-scale warehousing from the logistics sector (such as at Haydock and Parkside) justified?*

2.19 As set out above in relation to Q22, the additional 55-65ha of employment land which has been added to the baseline demand will allow for some flexibility of provision, and it is normal practice to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. The Council has recognised an increased role for St Helens within the LCR, and it was considered that the growth in demand would likely be for large-scale warehousing and for manufacturers attracted to improved logistics assets in the region.

2.20 Bericote agrees with this position and considers that alongside additional economic factors influencing demand such as the recent growth in ecommerce, identifying additional land to meet the needs of the logistics sector is adequately justified.

2.21 However, Bericote disagrees with the Council's suggestion that the planned development of Site 2EA has been completed. The planning permission for the site (Units 1 and 2) is implemented only. A 2.26ha site remains available for development and Bericote considers that the site can make a contribution to meeting the additional demand identified for employment development in the Borough and should therefore be retained as an allocation in the SHBLP.

*Q24. Is there a risk that the potential for future growth in this sector may have been over estimated?*

2.22 It is reasonable to assume that there is always an element of uncertainty when forecasting demand. However, Bericote considers that there is clear evidence of high levels of sustained growth in the logistics sector over recent years which has been further accelerated by the Covid-19 Pandemic and associated lockdowns. Recent evidence suggests a continued period of change in consumer behaviour which has been driving growth in the logistics sector. The demand generated by the growth in ecommerce and an increasing expectation from consumers for flexible delivery options, 'click and collect' services, and specific delivery times has generated more demand for the logistics industry. It is expected that this demand will continue to grow as consumer behaviour increasingly moves online.

- 2.23 Furthermore, a longer-term consequence for the market could be the further growth of online grocery shopping, as many consumers, who previously didn't use such services, become more familiar and continue to use it in the future. Should this happen grocers will have to add capacity at a faster rate than previously anticipated, which could further drive demand in St Helens.
- 2.24 As set out in the ELNS Addendum Report (October 2017 - Amended January 2019), it is considered that employment land take-up in St. Helens has been suppressed for a significant number of years by an inadequate supply of market attractive sites (para. 2.11). Recent data set out in the ELNS Background Paper on take up also shows large-scale warehousing is being developed in Haydock (Florida Farm and Penny Lane), and there are also several pending planning applications (Table 4.3 of the ELNS Background Paper) coming forward in order to meet a sustained period of high demand.
- 2.25 Taking these factors into consideration, it is considered that there is limited risk that the potential for future growth in the logistics sector may have been over estimated. The Council has acknowledged that supply has been severely constrained over a significant period within the Borough, and given the shift in the logistics market resulting from the surge in demand for e-commerce during the Covid-19 lockdowns, the level of growth being planned for is considered appropriate.
- 2.26 It is imperative that the Council plans for a suitable variety of available, in-demand sites in the short to medium term to accommodate the current need and the expected levels of future growth in the market. In this context, it is again reiterated that a residual parcel of land is available for non-strategic employment development on Site 2EA and it should therefore remain as an allocation in the SHBLP. The majority of the development is built and occupied and it would therefore be illogical to not allocate the site within the SHBLP.
- 2.27 Based on the swift take-up of Units 1 and 2 at Site 2EA, there is clear market evidence for additional employment development in this location, and it would be illogical to prevent the delivery of the site over the next plan period by removing the allocation. Retention of Allocation 2EA in the SHBLP is entirely appropriate and will enable the residual land to come forward. This will not only make efficient use of land, but also bring about a number of socio-economic benefits.



**Appendix 1: Unit 3 Site Layout Plan**

