

Hearing Statement – Matter 3

St Helens Local Plan

On behalf of Parkside Regeneration LLP

May 2021



I. Introduction

I.1. This is a Hearing Statement prepared by Spawforths on behalf of Parkside Regeneration LLP in respect of:

Matter 3: Spatial Strategy and Strategic Policies.

I.2. Parkside Regeneration LLP has significant land interests in the area and has made representations to earlier stages of the Local Plan process.

I.3. The Inspector’s Issues and Questions are included in **bold** for ease of reference. The following responses should be read in conjunction with Parkside Regeneration LLP comments upon the submission version of the St Helens Local Plan, dated January 2019.

I.4. Parkside Regeneration LLP has also expressed a desire to attend and participate in Matter 2 and 4 of the Examination in Public.

2. Matter 3 – Spatial Strategy and Strategic Policies

Issue 1: Previously developed land and housing densities

Q1

Is there any inconsistency between LPA02 and the Framework in relation to its approach to brownfield land?

2.1. Parkside Regeneration LLP has no specific comments on this issue.

Q2

Would section 3 of policy LPA05 ensure optimal use is made of sites set out in paragraph 123 of the Framework?

2.2. Parkside Regeneration LLP has no specific comment on this issue.

Issue 2: Green Belt and Exceptional Circumstances

Q3

Does the presence of Green Belt provide a reason for restricting the overall scale of development proposed by the Plan (paragraph 11. B) of the Framework)?

2.3. Parkside Regeneration LLP has no specific comment on this issue, however Parkside Regeneration LLP would reiterate the Framework should be read as a whole. Parkside Regeneration LLP acknowledge that paragraph 11/11b of the Framework requires that the needs are met unless “the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area”, and that Green Belt is identified as one of the particular policies. However, paragraph 136 is clear that Green Belt boundaries can be altered through the plan making process where there are exceptional circumstances that are evidenced and justified. Therefore, whether there is a strong reason for restricting growth based on the presence of

Green Belt, should be considered in the context of the evidence for exceptional circumstances.

Q4

Have, in principle, exceptional circumstances been demonstrated for the alteration of Green Belt Boundaries?

- 2.4. Parkside Regeneration LLP consider that there is sufficient evidence to demonstrate that exceptional circumstances exist to support the release of Green Belt land for employment purposes. Parkside Regeneration LLP note that the Green Belt boundaries within St Helens have remained largely unchanged since 1983. The adopted Core Strategy policy CSS1 and paragraph 6.11 envisaged that a Green Belt review may be necessary in the long term (10 years from 2012) which is entirely in line with the conclusions of the submission draft Local Plan and its evidence base. The need for employment land envisaged in the Core Strategy (37 ha) is out of date and superseded by the evidence available on employment need and supply in the submission draft Local Plan which informs the need to review Green Belt boundaries to support the preparation of this Local Plan.
- 2.5. The SHELMA, recognised and analysed the scale of employment growth within Liverpool City Region. It concluded that there was a high demand for warehousing and storage, that there was a shortage of available land to accommodate larger warehouses, and that the opening of Liverpool2 and other developments relating to the Super Port concept will drive increased demand for warehouses and distributions space across the City Region. Furthermore, the SHELMA singled out St Helens authority as having the largest quantum of potentially suitable land for B8 development, factoring in the draft allocations/strategic sites in St Helens, within its growth scenario. Importantly, no other authority is described or explicitly referred to as having such suitability of land to meet the City Regions identified needs. The LCR Spatial Planning Statement of Common Ground (October 2019) [SD010] confirms that the City Region authorities need to identify “sites with a combined capacity of at least 397 hectares to be developed for large scale Class B8 (storage and distribution) before 2037”.
- 2.6. SD0022, EMP 001, and EMP 002, serve to demonstrate the significant need for employment land. EMP 002 identified an objectively assessed employment land need for St Helens of 177 to 214 ha between 2012 and 2037 of which 100 to 130 ha would be for B8 Storage and

Distribution. EMP 001 updates the 2015 report [EMP 002], the Update reiterates that the most active market for employment premises surrounding St Helens was for logistics and warehousing space “driven by the growth in the online retail market with operators seeking large facilities, very close to the motorway network and key markets”. The Update revised the additional land requirement of 30-40 ha to 55-65 ha, and the need for B8 Storage and Distribution to 110 – 155 ha. Since the preparation of EMP 001 and EMP 002, evidence by JLL presented at the recent ‘Call In’ on behalf of Parkside Regeneration LLP¹, attached at Appendix 1, demonstrates the continuing need for Employment Land, acknowledging the industrial and logistics sector’s response to Covid -19 and Brexit, which have resulted in an acceleration in the growth of e-commerce, the increased need for resilience in the supply chain for all sectors and on-shoring. This has led to an upward pressure for employment land that was not envisaged by the Employment Land Needs Studies [EMP 001, EMP 002].

2.7. St Helens Green Belt Review 2018 [SD020] discusses the exceptional circumstances for Green Belt release. It highlights the substantial shortfalls in the overall quality and range of sites that are available to meet the specific employment needs. The Council’s evidence [SD020] confirms that none of the currently identified sites in the urban area can satisfy the specific locational requirements of large scale distribution. Evidence to support the ‘Call In’, by JLL (Appendix 1)², effectively provides an update and confirms that there is an extremely limited development pipeline of units and suitable development sites across the North West, and a lack of development sites within St Helens. The evidence is clear that there is a significant need for employment land across the sub region, and within St Helens, and that there is a shortage of suitable sites to meet the identified needs.

2.8. SD020 confirms that no neighbouring authorities have identified that they can demonstrably help to meet this need. The need for employment and housing land within the LCR as a whole is such that several authorities have undertaken Green Belt Reviews in order to meet their own needs, and Warrington and Wigan are currently undertaking a Green Belt Review. SD020 confirms that none of these reviews have or are expected to identify surplus capacity to meet unmet needs arising in St Helens. Significantly, it points to the scale of need across the LCR and wider region, and the acknowledgement that exceptional circumstances exist within the sub region and the LCR authorities, providing further justification for the existence of

¹ P/2018/0048/OUP and PCU/CONS/H4315/324468

² P/2018/0048/OUP and PCU/CONS/H4315/324468

exceptional circumstances within St Helens. Parkside Regeneration LLP highlight that alternatives sites were considered through the planning application and subsequent ‘Call In’³. The Alternative Site Assessments by Spawforths and St Helens concluded that there were no alternative sites within the urban area with planning permission that were capable of meeting the identified need. The Liverpool City Region Assessment of the Supply of Large Scale B8 Sites (2018), and Liverpool City Region Areas of Search Assessment (August 2019) considered the level of land that could come forward across LCR to meet the identified need. The reports demonstrated that even with the identified Green Belt Sites (including Parkside West, 8EA) more land would be needed to meet the SHELMA need.

- 2.9. Furthermore, the delivery of employment land to meet St Helens needs outside the borough would not support the achievement of sustainable travel patterns, and would restrict resident’s opportunities to access to employment. Moreover, there is a socio-economic imperative to meet the identified employment needs in order to reduce inequalities. St Helens indices of deprivation summary, 2019, notes that St Helens is now ranked 26th most deprived local authority in England out of 317, a worsening in its position since 2015 where it ranked 36th most deprived area. Significantly the report notes that the employment deprivation domain is one of domains of greatest concern.
- 2.10. Parkside Regeneration LLP conclude that there is clear evidence of need for employment land across the LCR and within St Helens, that the scale of need for B8 warehouses is significant, and there is a substantial shortage of suitable sites within the urban areas available to meet the identified needs. This provides clear justification that exceptional circumstances exist to support the review and release of Green Belt to meet the need for employment land.

³ P/2018/0048/OUP and PCU/CONS/H4315/324468

Q5

On the assumption that the housing and employment requirements are justified, has the quantum of Green Belt release been supported by proportionate evidence? For example, has effective use of sites in the built up areas and brownfield land been fully explored, including optimising the use of such land?

- 2.11. Parkside Regeneration LLP has no specific comments to make on this issue. However Parkside Regeneration LLP reiterate that the Framework requires that policies and decisions recognise the locational requirements of different the sectors. As identified in response to Q4, the existing supply of sites for employment has been considered through EMP001, EMP002, SD0022, and more recently through the Call In’s associated with Parkside West Phase 1⁴ and the Parkside Link Road application. The evidence concludes that there are a lack of sites capable of meeting the employment needs of St Helens and in particular the needs of the logistics sector, which is identified as a particular growth sector within St Helens. Furthermore, as stated in response to Q4, alternative sites were assessed by Spawforths and St Helens in association with the Planning Application and current ‘Call In’ relating to part of proposed allocation 8EA. This concluded that there were no alternative sites within the urban area with planning permission that were capable of meeting the identified need.
- 2.12. Parkside Regeneration LLP highlight that proposed allocation 8EA is in part ‘previously developed’ and suffers from being derelict and degraded. The site as an operational colliery was accessed from A49 Winwick Road with a series of internal access roads, lighting columns, parking areas and a surfaced roadway to the northern boundary of the colliery site. It also contained two large winding towers and associated winding gear and conveyors and a series of surface installations, ancillary buildings and structures. Whilst the buildings have been demolished the large concrete pads, former rail sidings, access roads and operation areas, electricity sub station, sub retaining walls and structures, and the colliery spoil mound all remain. There are no restorative conditions in respect of the Colliery, and the main areas of

⁴ P/2018/0048/OUP and PCU/CONS/H4315/324468

hardstanding have not blended into the landscape and remain evident and prominent within the site. It is therefore considered that these areas are “previously developed” consistent with the definition within the Framework.

- 2.13. Parkside Regeneration LLP conclude, in the context of the need for employment land, and the specific nature of that need, that alternative sites within the urban area and brownfield sites have been explored, and that there are no suitable urban sites capable of meeting the specific employment needs. Furthermore, that the allocation of site 8EA in these circumstances is consistent with the Framework para 138 which seeks to give first consideration to land which has been “previously developed”.

Q6

On a Boroughwide level is the methodology for Green Belt assessment robust and reasonably consistent with that used by adjoining authorities?

- 2.14. Parkside Regeneration LLP has no specific comments to make on this issue.

Issue 3: The principle of safeguarded land being identified to meet longer-term development needs.

Q7

Are the proposals to identify safeguarded land between the urban area and the Green Belt justified to meet longer-term development needs?

- 2.15. Parkside Regeneration LLP has no specific comments to make on this issue. However we would refer the Inspector to the response to Q13 herein, in relation to Parkside Regeneration LLP’s suggested modification to criterion 4 of LPA10 relating to the safeguarding route identified at site 8EA on the Policies Map.

Q8

Has enough or too much land been proposed for safeguarding to meet longer-term development needs?

2.16. Parkside Regeneration LLP has no specific comments to make on this issue.

Q9

In general terms is the safeguarded land in the right place to meet longer term development needs?

2.17. Parkside Regeneration LLP has no specific comments to make on this issue.

Q10

Are the terms of Policy LPA06, particularly in relation to the release of safeguarded land, consistent with national policy?

2.18. Parkside Regeneration LLP has no specific comments to make on this issue.

Issue 4: Compensatory improvements to Green Belt land

Q11

Taking into account the Council’ initial response, is the plan clear on how it would intend to deliver compensatory improvements?

2.19. Parkside Regeneration LLP has no specific comments to make on this issue.

Q12 **On the assumption that the Plan’s policies should set out ways that such compensatory improvements would be achieved, what modifications would be necessary?**

- 2.20. Parkside Regeneration LLP, acknowledge the Framework’s requirements for the removal of Green Belt land to be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land. Parkside Regeneration LLP consider that any compensatory measures identified within the Plan should be proportionate to the scale of the scheme and are fairly and reasonably related in scale having regard to the nature of the site, consistent with the Framework and national guidance. Any necessary modification to the Plan should be sufficiently clear about how compensatory improvements will be secured, and on what terms, and should have regard to the implications on delivery. Parkside Regeneration LLP would welcome the opportunity to engage with the Council on the appropriate wording, with particular regard to any site specific modifications in respect of allocation 8EA at Appendix 5.
- 2.21. Parkside Regeneration LLP has undertaken a full suite of technical assessments to demonstrate the deliverability of Allocation 8EA, and has prepared an indicative masterplan. The proposed masterplan includes potential compensatory measures, consistent with national guidance. Measures proposed and considered consistent with the national guidance include the achievement a net biodiversity gain of 10%, the remediation of despoiled, degraded, derelict and contaminated land; replacement woodland planting; incorporation of habitat features; and appropriate on and off site mitigation including positive conservation management. Furthermore the Parkside development will deliver public access to areas of greenspace and heritage interpretation through permissive routes.

Issue 5: The special distribution

Q13

Is the spatial distribution of the development within the Plan justified?

- 2.22. Parkside Regeneration LLP support the Spatial Strategy as set out at Policy LPA02, and support the development at the former Parkside Colliery as a transformational employment opportunity that will make a major contribution to the economic development of St Helens Borough. The Parkside site is uniquely well located to Newton-le-Willows train station; areas of socio-economic deprivation; and the motorway network which means that it meets the requirements of both the employment market and planning policy in a highly sustainable way.
- 2.23. Our earlier representations in respect of LPA02 and the supporting figures, 4.1 Key Settlements, and 4.2 Key Diagram, highlight that the alignment of the proposed rail safeguarding route, at Parkside West, differs from the alignment within the planning application P/2018/0048/OUP, subject to a current Call-In. In order to ensure that the Plan is sufficiently flexible and effective and to address our previous representations Parkside Regeneration LLP suggest a modification to the wording within Criterion 4 of policy LPA10.
- 2.24. The proposed wording to Criteria 4 of LPA10 is “That part of the site 7EA which falls to the west of the M6 is safeguarded from all forms of development **unless it can be shown that such development within it will not prejudice, or so that it** may provide, **effective and deliverable** future siding facilities in connection with the development of an SRFI or other rail-enabled development within the part of the site which falls to the east of the M6 (see policies map).”
- 2.25. Parkside Regeneration LLP consider that a modification of the Plan in line with the suggested wording would address matters raised in our previous representations.

Q14 Has the spatial distribution had regard to the impacts on climate change, including CO2 emissions?

2.26. Parkside Regeneration LLP has no specific comments to make on this issue.

Issue 6: Site selection

Q15 Taking into account the range of factors considered in site selection, has the Council’s approach been robust, positive and justified?

2.27. Parkside Regeneration LLP has no specific comments to make on this issue.

Issue 7: Policies LPA03 and LPA01

Q16 Is Policy LPA03 consistent with national policy and effective?

2.28. Parkside Regeneration LLP has no specific comments to make on this issue.

Q17 Is Policy LPA02 necessary for the soundness of the Plan?

2.29. Parkside Regeneration LLP has no specific comments to make on this issue, further to the matter raised in response to Q13.

Conclusion

2.30. Parkside Regeneration LLP support:

- Relative to Parkside Regeneration LLP’s representations in respect of LPA02, Parkside Regeneration LLP suggest the following modification to LPA10, criterion 4 “That part of the site 7EA which falls to the west of the M6 is safeguarded from all forms of development **unless it can be shown that such development within it will not prejudice, or so that it** may provide, **effective and deliverable** future siding facilities in connection with the development of an SRFI or other rail-enabled development within the part of the site which falls to the east of the M6 (see policies map).”
- Appropriate modifications in relation to compensatory Green Belt improvements which provide greater clarity with respect to the scale and nature and delivery mechanisms for the compensatory improvements; or alternatively
- Additional wording into the Plan to provide assurances that compensatory measures will be proportionate, fair and reasonable.

Appendix I: Proof of Evidence of Andrew Pexton in relation to need and demand for employment land and premises.

**PROOF OF EVIDENCE OF ANDREW PEXTON IN RELATION TO NEED AND
DEMAND FOR EMPLOYMENT LAND AND PREMISES**

FOR

**PARKSIDE REGENERATION LLP RELATING TO THE CALLED-IN
PLANNING APPLICATION FOR THE FORMER PARKSIDE COLLIERY,
PHASE 1, WINWICK ROAD, NEWTON LE WILLOWS**

LOCAL PLANNING AUTHORITY REFERENCE: P/2018/0048/OUP

SECRETARY OF STATES REF: PCU/CONS/H4315/324468

TOWN AND COUNTRY PLANNING ACT 1990 SECTION 77

**TOWN AND COUNTRY PLANNING (DEVELOPMENT MANAGEMENT
PROCEDURE) (ENGLAND) ORDER 2015**

**TOWN AND COUNTRY PLANNING (INQUIRIES PROCEDURE) (ENGLAND)
RULES 2000**

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1 Qualifications and Experience

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

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

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

In the Manchester office the Industrial and Logistics team currently advise on over 185,800 sq. m of built stock and over 162 hectares of development land. Examples of my work include

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

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

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

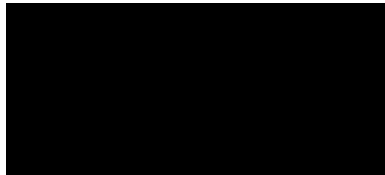
I confirm that I am not instructed under any conditional or other success-based fee arrangement.

I confirm that I have no conflicts of interest.

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

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

Signed

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

Date

3rd December 2020

2 Introduction

- 2.1 I am instructed by Parkside Regeneration Ltd to provide expert witness evidence in relation to employment land and market need for the development of the former Parkside Colliery Phase 1, Newton le Willows as identified in planning application reference P/2018/0048/OUP.
- 2.2 The outline application (all matters reserved except for means of access) comprises the construction of up to 92,900 sq. m of employment floorspace (Use Class B8 with ancillary B1(a) offices) and associated servicing and infrastructure
- 2.3 The application site is 45.9 hectares in area. The application site is part of a wider development proposal for the colliery that will provide an additional 43 hectares of land for logistics and manufacturing as part of a Phase 2.

3 Executive Summary

- 3.1 The logistics sector has developed from traditional storage and distribution uses expanding to include multi-channel retail which has caused an increase in demand for warehouse premises.
- 3.2 The impact of Covid 19 on the sector nationally has accelerated the move from High Street retail to internet purchases among the general public with the e-commerce sector accounting for over 34% of the national take up of Grade A warehouses in Q1 – Q3 2020. It has increased occupier requirements due to social distancing. When combined with Brexit it has increased the need for resilience in the supply chain for all sectors.
- 3.3 Regional Grade A take up to date in 2020 is 274,800 sq. m. This has exceeded both the five- and ten-year regional averages of 209,000 sq. m and 231,000 sq. m respectively. This is not the highest annual take up over the last ten years suggesting this is not a one-year spike.
- 3.4 There are only 10 logistics buildings available or under construction totalling 168,541 sq. m in the North West - two of these are under offer. Excluding the two units that are under offer this equates to approximately 9 - 10 month's supply based on the ten- and five-year average take up respectively. There is an extremely limited development pipeline of units and suitable development sites. This is already having an adverse effect on the market with a lack of buildings going forward and will cause a lag in the availability of buildings to the market.

- 3.5 There are approximately 50 industrial and logistics requirements currently in the North West for units over 9,292 sq. m. The total floor area requirement is between 1.043m sq. to 1.341m sq. The requirements are for a mixture of existing buildings or build to suit. There is a large imbalance between building supply and demand where current supply cannot satisfy demand. This is to the detriment of the economy.
- 3.6 Quantitatively and qualitatively there is a shortage of suitable development sites capable of accommodating the requirements within the region.
- 3.7 Quantitatively and qualitatively there are no development sites with a valid planning consent capable of satisfying the requirements listed in 3.8 within the St. Helens administrative area. The only suitable sites that could be considered are Omega West (St. Helens resolution to grant consent) and Parkside (subject to call-in). Assuming the planning consent is validated for Omega West the allocation in the draft local plan has already been taken up by TJ Morris. The Omega West site should be discounted as it is to meet the needs of Warrington Borough Council employment land supply. The Draft Local Plan, if approved will provide two immediately available sites suitable for logistics development on the M6 and M62 corridors. One of these sites is Parkside, the other Omega West.
- 3.8 Parkside satisfies the criteria for being able to accommodate the larger floorplate buildings in excess of 27,870 sq. m. The criteria are
- Large Footprint
 - Physical Characteristics- flat, regular shaped serviced sites
 - Motorway access
 - Land Ownership
 - Deliverability
 - Adequate Labour Supply

- Access to Port and Rail

- 3.9 Model Logic, a logistics consultancy has prepared a logistics report confirming Parkside as one of the prime locations in the North West for a regional distribution centre in terms of motorway access, population density/catchment area and last mile delivery. This confirms its suitability for development for the logistics sector.
- 3.10 Parkside is located in the wider Warrington/M6 corridor (junctions 20 – 25) market sector. This is a popular market location given the motorway intersections/connectivity. The majority of requirements in the North West are for buildings and sites in this market location. There have been four lettings of large floorplate units over 27,870 sq.m in this market sector totalling 149,067 sq. m in the last three years.
- 3.11 In addition to Parkside there are three additional sites being considered at Call-In. There is sufficient demand and a need for a suitable land supply to develop all four sites which have a combined floor area of 452,423 sq. m.
- 3.12 In summary there is an extreme shortage of available and deliverable sites to satisfy demand in the North West. If this planning consent is refused this will have an adverse impact on the regional economy. Companies will relocate to other regions where there is supply or operate inefficiently from existing facilities which will potentially put their businesses at risk. Parkside is located in an attractive location along the M6 corridor which is in demand and is deliverable in a realistic timescale.

4 Parkside Proposal

- 4.1 The proposed development at Parkside will provide 92,900 sq.m of B8 with ancillary B1a (warehouse and ancillary offices) in three plots and will be accessed off the A49 (Winwick Road). The site can be accessed of junction 9 of the M62 and junction 22 of the M6.
- 4.2 The 45.9 ha site can offer three development plots, the indicative masterplan shows units of 52,024 sqm, 21,544 sq. m and 19,123 sq. m. The site can offer a range of units that are in demand to satisfy the regional logistics market.

5 Market Overview

National Overview

- 5.1 In an unprecedented situation caused by Covid 19 the national industrial and logistics market has had a strong performance in the first nine months in 2020. 2019 was also a strong year with confidence in the sector brought about predominantly in the last quarter of the year due to the certainty generated by the General Election and Brexit.
- 5.2 The logistics sector has seen a rapidly changing market with the impact of Covid 19 on the UK. This generated an immediate need for short term storage from supermarkets and government related contracts This subsequently changed with a large number of requirements for 12 – 18 month leases which generally relate to goods that were in transit from China and the Far East and needed storage space until they could be sold.
- 5.3 Throughout this period there has been a consistent number of requirements from companies needing to undertake structural relocations for their businesses. At the height of the Covid 19 crisis these requirements became less important as the focus of the companies were operational matters. These requirements have become live again as they are driven by lease events and operational changes.
- 5.4 The main impact has been in response to the Covid 19. There have been changes in the market which have resulted in the need for more warehouse space. These have included
- shopping patterns have changed with an increase in internet sales, home working has made home delivery more convenient this increases the demand for warehousing – both in terms of supplying goods but also product returns

- supply chains are adapting to carry more stock to prevent future shortages for manufacturers and consumers
- manufacturers are re-shoring elements of production to ensure that they have resilience in their network should a further spike occur
- diversification of production (to avoid over reliance on a single supplier) will increase manufacturing and storage requirements
- workspace distancing – especially for product picking will increase the floor area required to carry out the same pre Covid task.
- automation will place less reliance on the workforce in terms of the impact of an outbreak of Covid and increase the resilience of the business.
- The majority of the above issues are equally applicable to the impact and future proofing that companies are undertaking with regard to Brexit

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

5.6 A number of recent research publications have highlighted the expansion of the logistics sector by e-commerce.

5.7 **Delivering the Goods in 2020** (Turley for the British Property Federation [BPF]) highlights that online sales are expected to grow from 11 pence in the retail pound to 19 pence by 2028. (Core Document Ref 4.157, page 5 para 8)

- 5.8 The BPF report **What Warehousing Where 2018** concluded that the average household required 6.41 sq. m of warehouse space for its e-commerce requirements. (Core Document Ref 4.155 page 29). Based on the relationship between the government’s target of 300,000 new homes per annum this creates an increased need of 1.95m sq.m of warehousing per annum. This would create the equivalent of 25,000 Full Time Equivalent jobs. The report acknowledges that the ratio of warehouse area to households has been increasing with the growth of e-commerce. The report also concludes that there will be market saturation for the online sector by 2035.
- 5.9 The national Grade A take-up totalled 2.05 m sq. m in January to September 2020 and 1.85m sq. m in 2019. The 2019 take-up matched the five-year historic average and 2020 will exceed these levels.

5.10 The national take up can be summarised below

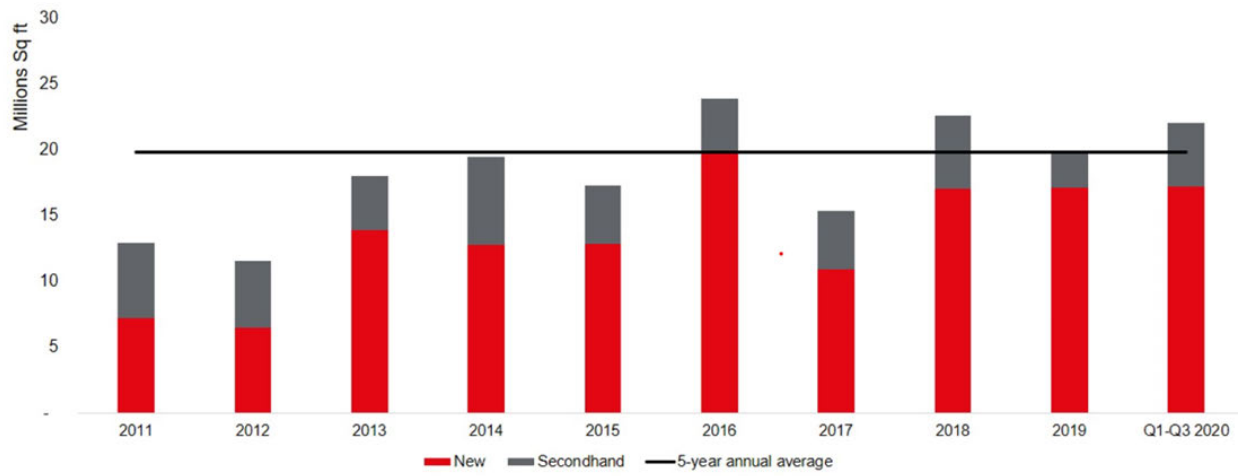
2019

Grade A take Up	1.85m sq. m
Take up by e commerce	24%
Grade A supply	2.7 m sq. m
Vacancy Rate	9%

2020 Q1 – Q3

Grade A take up	2.05m sq. m
Grade A take Up >12 mths	0.9 m sq. m
Grade A take up <12 mths	0.22 m sq. m
Take up by e-commerce	34%
Grade A supply	2.09 m sq. m
Vacancy Rate	7%

Take up in 2019 and the projected full year figures for 2020 will exceed the ten-year average of c 1.766 m sq. m as shown in Table 1 below:



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Table 1

5.11 Historically take up was focussed on build to suit units rather than speculatively built units. This has been consistent since 2012 as shown in Table 2 below. With the impact of Covid 19 this will likely result in an increase in the number of existing buildings that have been occupied due to the immediacy of requirements, but the overall floor area occupied will still show a focus on build to suit due to floorplate sizes.

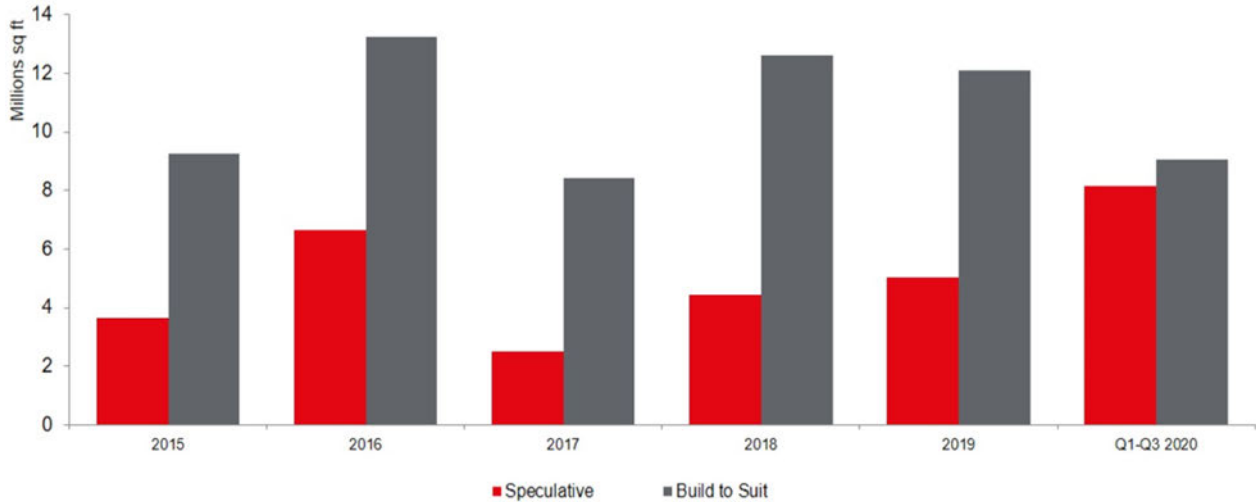


Table 2

5.12 Retailers were the most active sector accounting for 58% of all grade A take up in Q1-Q3 2020 and 40% of the annual take up in 2019. This is consistent with 2018 reflecting the change in shopping habits. The internet/e-commerce sector has continued to expand with High Street retailers changing their sales platforms to compete on-line. In 2019 approximately 24% of all Grade A related logistics take up was for dedicated internet fulfilment and in Q1 – Q3 of 2020 this has increased to 34% of take up.

5.13 Table 3 shows the projected internet sales (pre COVID 19) and take up of logistics space for this sector. This shows an increase given the effects of COVID 19 on shopping habits.

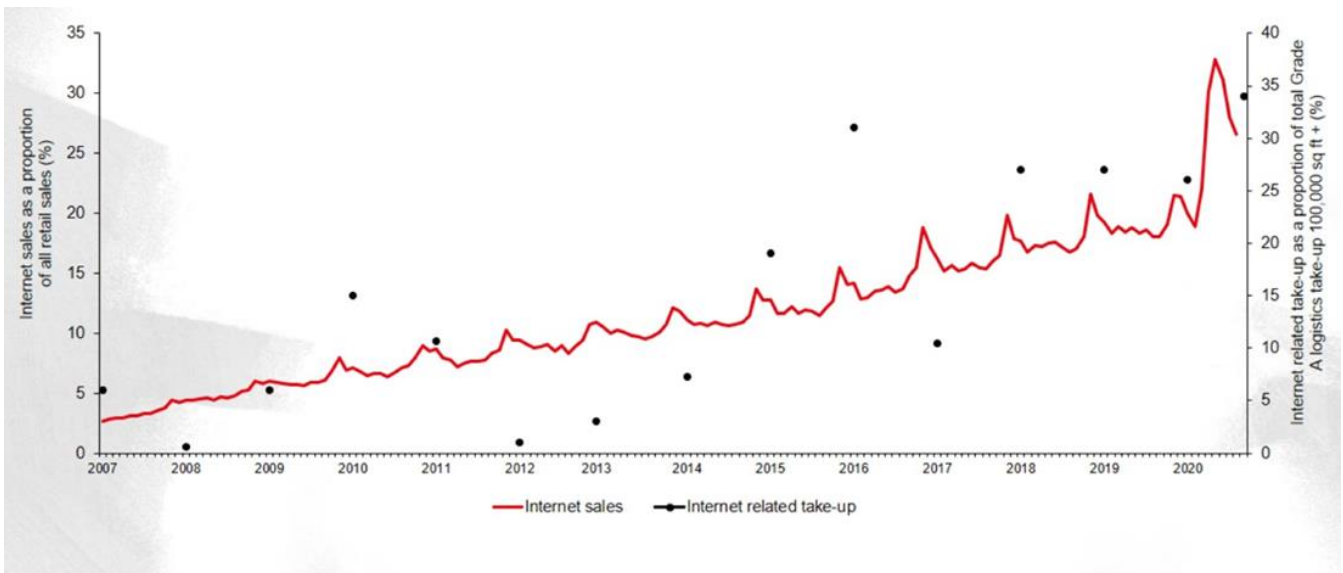


Table 3

5.14 In terms of take up by region the East Midlands and Greater South East had the highest take up with a combined figure of 65%.

- 5.15 The Grade A supply at the end of Q3 2020 was 2.09m sq. m, at the end of 2019 it was 2.65m sq. m – a reduction of 17%. The North West had approximately 10% of the national supply, the South East had the largest supply with 21% with the East and West Midlands with 26% and 20% respectively.
- 5.16 Nationally, JLL’s vacancy rate for modern logistics stock is 7% at the end of Q3 2020 and was 9% at the end of 2019.
- 5.17 In summary the lockdown from March 2020 accelerated the change in market dynamics. Urgent demand for warehouse capacity in health, online and supermarket retailing sectors has meant that demand has continued. This has resulted in a reduction in the national supply to a vacancy rate of 7% at the end of Q3 2020.

Regional Overview

- 5.18 The North West market is an attractive location for the industrial and logistics sector. The area has excellent motorway access, demographics and catchment population.
- 5.19 Covid 19 has had a similar impact on the regional market as discussed in paragraphs 5.2 –5.5 in the national overview.
- 5.20 The average five- and ten-year annual take up of Grade A accommodation is 209,000 sq. m and 231,000 sq. m respectively.
- 5.21 In 2020 the take up to the end of Q3 is 274,800 sq. m. This is in excess of both the five- and ten-year average for a full year.

- 5.22 The availability of Grade A accommodation at Q3 2020 is 168,541 sq. m. in ten buildings, one of these is under offer. There are six speculatively constructed buildings, two units under construction and two existing buildings available.
- 5.23 There has been a dominance of transactions to retailers in the region mainly with e-commerce activity. Recent transactions in Q3 2020 include: Dixons Retail Group 34,950 sq. m – 375 @Logistics North, Bolton and a major North West internet based company has taken 55,461 sq. m – Icon, Manchester Airport
- 5.24 The North West regional market can be defined along the main motorway corridors of
- M6 Crewe to Preston;
 - M62 Liverpool to Manchester and
 - M60 Manchester Orbital motorway
- 5.25 At Appendix One is a regional map highlighting the main market sectors.
- 5.26 Within these three corridors there are more defined sub-regions/markets
- M6 - This can be divided into three main sectors
 - J16 – 18 Crewe to Middlewich/Winsford
 - J19 – 21 Specific Warrington market/J20 – 25 The wider M6 corridor including Haydock, St. Helens and Wigan
 - J28 – 31 Chorley/Leyland and Preston
 - M62 - This can be divided into
 - J1 – J3/M57 corridor – the core Liverpool market
 - J8 – J11 – the main Warrington market
 - J12 – J21 – the west/north Manchester market

M60 - This can be divided into

J12 – 15 - M60(W)/M61 Salford/Bolton

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

J23 – 2 – East/SE - Stockport/Ashton

J4 – 10 – M56/ West Manchester/Trafford Park

5.27 The relevant market areas to this call in are highlighted on the plan at Appendix 1 and are discussed below. There is some overlap in certain areas of the market, but the main sectors are centred along the M6, Warrington to Wigan; M60, Trafford Park and M60/M61, north west Manchester.

5.28 **M6, Warrington to Wigan** - The M6/M62 intersection is generally regarded as the prime location as it connects the two main motorway corridors. The surrounding area benefits from access to the motorways (M62 J8 – J11 and M6 J20 – 25) and A road network including the A580 (East Lancs. Road) and A49. Omega Warrington is located at junction 8 of the M62, 3 miles from the M6 intersection. The M6 corridor between junctions 20 – 25 has historically had a mixture of manufacturing and more latterly distribution companies locating in the area. The redevelopment of former manufacturing sites has enabled development for distribution use (Poundland DC – 32,500 sq. m unit at Three Sisters, Wigan and 37,160 sq. m built for Nice-Pak at Westwood Park, Wigan).

Within the last three years there have been four buildings of over 27,870 sq. m developed and let along this corridor totalling 149,067 sq. m.

5.29 **M60/Trafford Park** – The area is an established industrial and distribution location, serving the Greater Manchester conurbation. The estate is mainly built out, infill development/redevelopment limits the opportunities for large scale redevelopment. At present there are only two sites available for new build in the area, Grand Central which has planning consent for c 18,208 sq. m and t150, a site which can accommodate 13,935 sq. m. Trafford Park is a popular location but there are limited opportunities for development. Confirming the limited supply there have been two lettings of units still under construction at Carrington (Unit 1 Carrington Gateway - 9,661 sq. m.) and Irlam (Eclipse 138 – 12,820 sq. m), both occupiers preferred Trafford Park, but no suitable units were immediately available.

5.30 **M60/M61/ Salford/Bolton** – This area has excellent motorway access to the region via the M61, M60, M62 and A580 (East Lancs. Road). It has strong connectivity to the local boroughs which provide the workforce and has been a successful sub-market with the take up at Logistics North, Bolton.

The main reasons for the growth in these locations is a mixture of excellent motorway access, labour supply and being able to offer large floorplate sites capable of accommodating requirements of between 13,935 sq. m – 46,450 sq. m.

Major Regional Development Sites

- 5.31 The main development sites for major logistics development over the last 5 – 10 years have been Omega, Warrington; Logistics North, Bolton, and latterly M6 Major/North Florida Farm, Haydock. Omega and M6 Major/North Florida Farm are located in the market area that is relevant to Parkside.
- 5.32 Omega, Warrington has been developed out since 2012 with over 407,831 sq. m having been built out and a further 47,379 sq. m currently under construction. The site is located at junction 8 of the M62 and has been developed by Omega Warrington Ltd. There are currently thirteen buildings over 9,292 sq. m that have been built out with a further two units under construction. The average unit size is 30,493 sq. m. There is one plot left with a detailed planning consent for a unit of 20,902 sq. m, with construction due to commence in January 2021. The remainder of the site is built out.
- 5.33 Logistics North was granted planning consent in 2014 and has subsequently built out over 185,800 sq. m with a site purchase for a plot for 90,577 sq. m distribution facility for Lidl. The development is located at Junction 4, M61 and was developed by Harworth Group. There are seven buildings over 9,292 sq. m. The average unit size is 27,664 sq. m.

- 5.34 M6 Major/North Florida Farm, Haydock was granted consent in late 2018, part was pre let to Amazon 33,444 sq. m and a speculative unit of 48,828 sq. m was let within 8 months of practical completion to Kellogg's. The development was undertaken by Bericote Properties, the average unit size was 41,136 sq. m. The site was built out and occupied by April 2020 – 19 months from the grant of planning consent, showing the demand in the area.
- 5.35 The sites have excellent access to a motorway junction. Omega and Logistics North are located adjacent to motorway junctions and M6 Major/North Florida Farm is within 1.5 miles of junction 23, M6.
- 5.36 All sites could offer large floorplates with the average built unit size being 30,570 sq. m This confirms the demand for large footprint buildings in these locations.
- 5.37 In summary there is a strong market for logistics in the North West. Over 652,462 sq.m of predominantly logistics floorspace has been developed in the Greater Warrington submarket area since 2011. The successful developments are all located in proximity to the sites that are subject to the Secretary of State's determination confirming that these are acceptable locations for logistics operations. M6 Major/Florida Farm and Omega are both located within the core M6 market area and show the level of take up and attractiveness of the specific location to the market.

6 Market Trends

6.1 The logistics sector is adapting to the current requirements of both occupiers and customers. There have been a consistent number of requirements from companies needing to undertake structural relocations for their businesses. These requirements are driven by lease events and operational changes. In contrast in response to the Covid 19 there have also been structural changes in the market which have resulted in the need for more warehouse space. These have been outlined in Paragraph 5.4 above.

6.2 The main trends are

- taller buildings, 15 m to the underside of the steel frame was regarded as the industry standard but this is being increased to 18 – 24m by the requirements of automation. This is resulting in more build to suit facilities due to the specification.
- larger building floorplates offer the economies of scale and enable centralisation of storage into regional or national distribution centres. Typical building sizes are increasing with the needs of automation.
- warehouses which are automated require larger power requirements for both the handling systems and the IT needed to run the facility. Combined with the move to electric vehicles and the need for charging points, this increases the power requirements.

6.3 Large-scale distribution developments should therefore satisfy the following criteria to provide development sites

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

6.4 Large footprint – the site should have the ability to offer a range of building sizes from 27,670 sq. m to 46,450 sq. with appropriate yard areas and parking facilities.

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

- Topography/Shape of site – delivery of regular shaped plots capable of accommodating a range of building sizes
- Service provision – the availability of adequate utility services and drainage or ability to deliver within a reasonable timescale
- Environmental – no on-site constraints, flood risk, ecology, trees
- Proximity to sensitive uses- ensuring 24/7 operation.

6.6 Motorway/Strategic Road Access – the uses require access to motorway junctions and the strategic road network. This is supported in the latest NPPF at paragraph 82.

6.7 Land Ownership – sites should be optioned or in the control of a single party to ensure deliverability. Public rights of way should be capable of diversion.

- 6.8 Deliverability – sites should not be affected by issues outside the owners/developer’s control.
- 6.9 Labour Supply – access to workforce, availability of public transport. Previously employment in warehousing had a perception of low pay. By contrast the average salaries in the logistics sector are now higher than the average in all other sectors in the Northern Powerhouse - £30,500 per annum as opposed to £27,800 per annum for all sectors. (BPF [Economic Contribution of Logistics in the Northern Powerhouse](#)). (Core Document Ref. 4.156 Page 7)
- 6.10 Access to Ports and Rail – the ability to offer multi-modal transport is becoming an important factor for logistics companies and their clients. The impact of the Green Agenda and requirements for reduced emissions from vehicles by 2040 all add to the need for distribution centres to be in accessible locations. This is supported by the Liverpool City Region Growth Strategy where logistics has been established as a key growth sector linked to the development of the Superport concept. The Superport Market Analysis report emphasised the importance of establishing a pipeline of strategic sites as logistics clusters. Parkside represents a strategic opportunity at the sub-regional level, due to its strategic location and scale of opportunity.

- 6.11 The effect of the above on the sector will create further demand for warehousing and have a greater impact on the functionally obsolescent buildings. Occupiers will need to relocate to more efficient facilities for their own purposes or as part of a corporate or contractual requirement with the end user. Immediate requirements will focus on a speculative development whilst longer term requirements can consider units on a build to suit basis.
- 6.12 Parkside can satisfy these criteria as it offers large floorplates, is deliverable, has a large labour supply, motorway access and proximity to both rail terminals and the Port of Liverpool/Liverpool 2. It is supported by the Liverpool City Region Growth Strategy which would establish the site as part of a logistics cluster.

7 Demand

7.1 The average five- and ten-year annual take up of Grade A accommodation in the North West is 209,000 sq. m and 231,000 sq. m respectively.

7.2 In 2020 the take up to the end of Q3 is 274,786 sq. m. This is in excess of both the five- and ten-year average for a full year.

7.3 The last ten year take up is shown in the Table 4 below

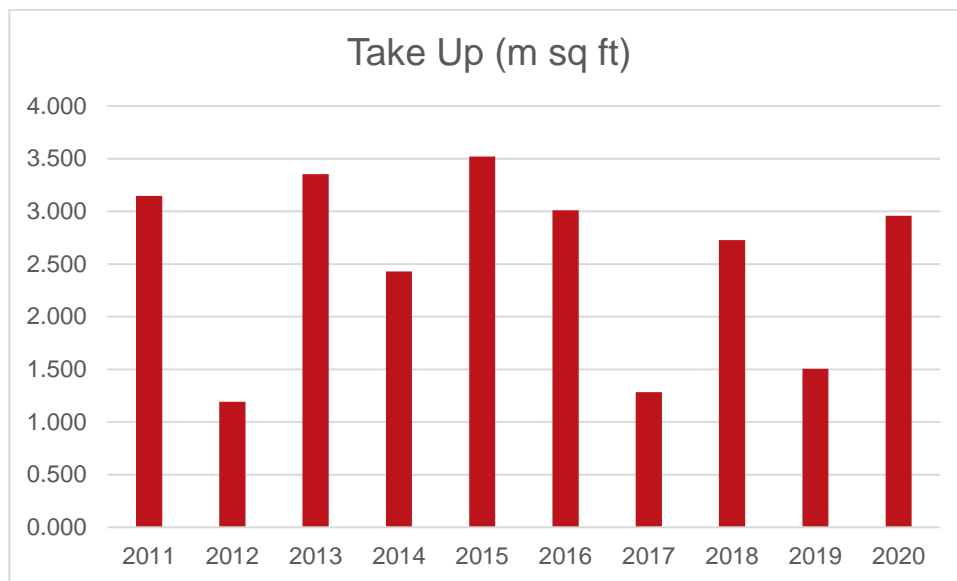


Table 4

7.4 At Appendix Two the annual take up 2011 – 2020 and requirements are listed as agreed between the employment land expert witnesses.

7.5 The take up from 2015 to Q3 2020 has been analysed between existing, speculatively built and build to suit as shown in Table 5 below

Year	Existing (Grade A)	Speculative Build	Build to Suit
2015	35%	14%	51%
2016	13%	56%	31%
2017	0%	40%	60%
2018	33%	37%	30%
2019	39%	40%	21%
Annual Average	24%	37.4%	38.6%
2020 (Q1-Q3)	0%	75%	25%

Table 5

7.6 Speculative build and build to suit have been the dominant sectors. The existing stock will generally be older and of a poorer specification. This highlights the availability of types of stock, occupier requirements and timescales for occupation.

7.7 In the North West there are 50 live requirements in excess of 9,292 sq. m that are listed at Appendix Three with a total size range of 1.043m sq. m to 1.341m sq. m.

7.8 The searches are for a mixture of existing and build to suit requirements. The requirements for existing buildings are more immediate, with few options available.

- 7.9 There are 20 requirements where the search parameters are 27,870 sq. m or over totalling 826,810 sq. m (this includes the TJ Morris requirement where planning consent has been granted at Omega West). Eleven of these requirements are focussed in the Greater Warrington market area this equates to a floor area requirement of 501,660 sq. m.
- 7.10 The larger requirements are generally for either existing or build to suit options. Several of the requirements are considered below:
- 7.11 RGD Consulting 23,225 – 32,515 sq. m - the requirement is for a food production company looking to find a building with a large power and water supply. Preference is for the Warrington area subject to being able to satisfy the above criteria.
- 7.12 CBRE - 17,166 sq. m - now a satisfied enquiry, looking to consolidate onto a single site and vacate four other properties. The company is based in Warrington and wanted to stay in the vicinity.
- 7.13 CBRE – 18,000 sq. m - seeking a unit for a specific parcel delivery company. Large land requirement due to length of the unit considering locations with good motorway access.
- 7.14 Kinney Green 37,160 sq. m - instructed to search for a site within 30 miles of the Port of Liverpool. Will ideally purchase a build to suit but will consider existing buildings.
- 7.15 The table of requirements shows a strong demand in the market. Based on the available supply in Section 8 it is clear that current demand exceeds supply with between 1.043m sq. m to 1.341m sq.m of active requirements against a built supply of 168,541 sq. m.

7.16 In summary the wider Warrington/M6 market is a strong location with 4 lettings of large floorplate units totalling 149,067 sq. m in the last three years. This shows the demand for a popular location. In terms of demand there are twenty enquiries for units of 27,870 sq. m or over, eleven of these totalling 501,660 sq. m are focussed on the wider Warrington area. This confirms the need for the subject site. If Parkside was developed specifically for these requirements it can only satisfy 18.5% of the demand further highlighting the lack of supply.

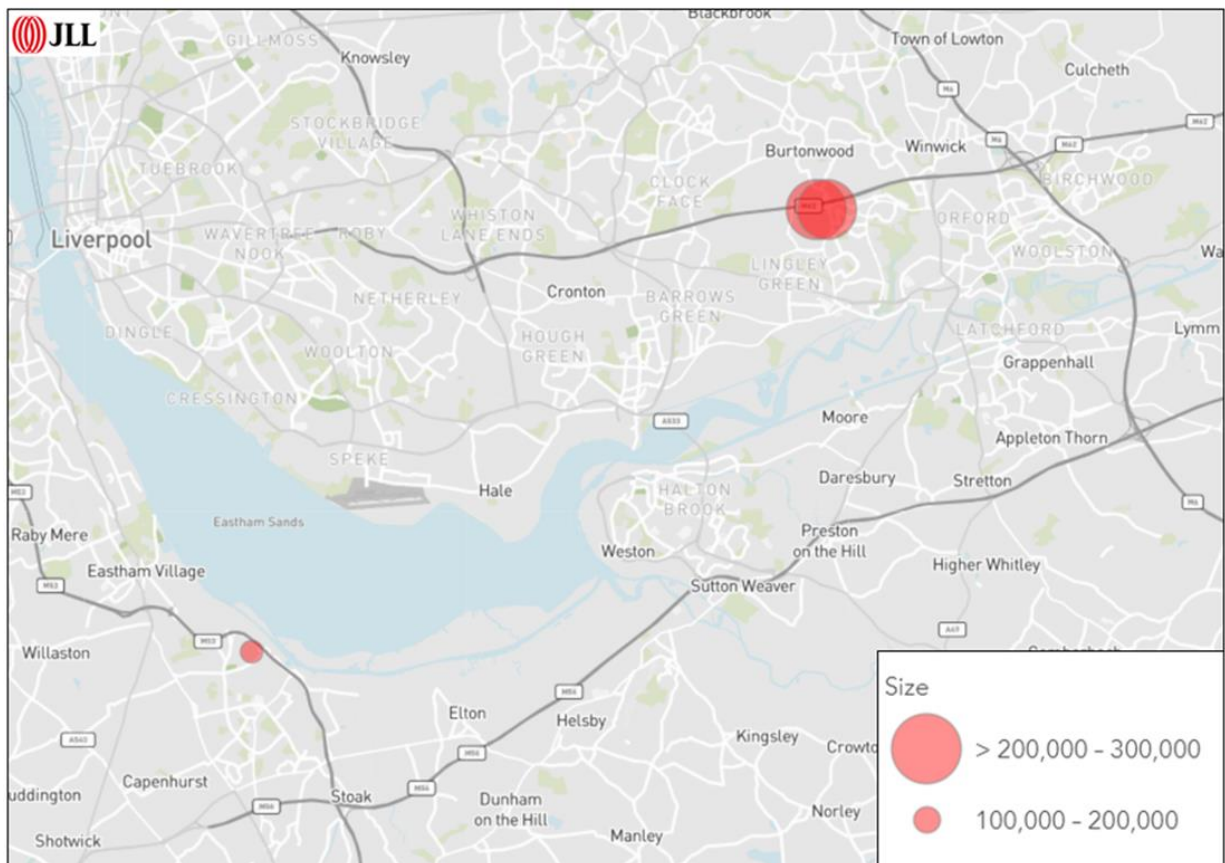
8 Supply

8.1 The availability of existing Grade A, speculative build and units under construction which are over 9,292 sq. m is summarised below. This has been agreed between the employment witnesses for Wingates, J25 Symmetry Park, Haydock Point and Parkside.

Speculative build units under construction

8.2 There are 3 units currently under construction totalling 60,290 sq. m, one of these units 28,595 sq. m or 47% of the total floor area has been let prior to completion.

8.3 The unit was let to Gousto – an online food retailer. There is 31,695 sq. m available in the 2 remaining units as shown in Map 1 and Table 6 below



Map 1

Under Construction	Sq. m
<i>Unit 3 Mountpark Omega, Warrington Phase 2 (discounted as start on site Jan 2021)</i>	20,932
Unit 2 Mountpark Omega, Warrington Phase 2	18,875
PLP Ellesmere Port	12,820
Total	31,695

Table 6

Speculative Build

8.4 There are six speculative build units available with a total floor area of 88,284 sq. m.

Existing Speculative Build	sq.m
Venus 217, Knowsley Industrial Estate (under offer)	20,230
Kingsway 216, Kingsway Business Park, Rochdale	20,104
F2/G Multiply Logistics North, Bolton	13,860
H2 Heywood Distribution Park, Heywood (under offer)	13,829
Academy, Knowsley	10,219
Liberty Park, Widnes	10,042
Total	88,284

Table 7

Existing Buildings

8.5 The supply of Grade A existing stock is limited there are only two buildings available totalling 48,562 sq. m.

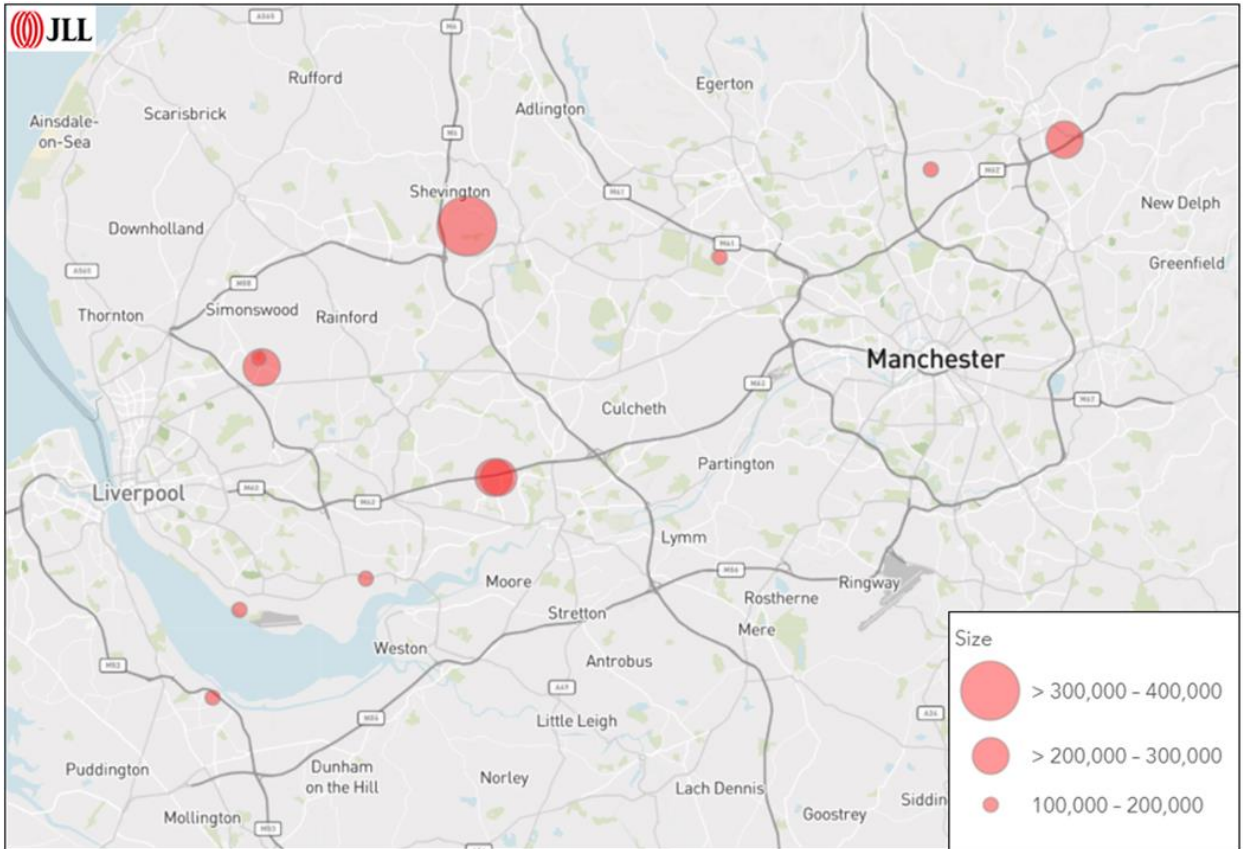
Unit	Size sq.m
L175, Liverpool	16,357
Martland 350, Wigan	32,205
Total	48,562

Table 8

8.6 The total available supply is broken down below in Table 9 and shown on Map 2 below.

Type	No. of Units	
Units under construction	2	31,695 sq. m.
New speculative build	6	88,284 sq. m.
Existing Grade A units	2	48,562 sq. m
Total	10	168,541 sq. m

Table 9



Map 2

- 8.7 Based on the 5-year average annual take up of 209,000 sq. m there is 10 months' supply. Based on the 10-year average annual take up of 231,000 sq. m there is 9 months' supply.
- 8.8 If the acquisition of the units that are under offer (H2 Heywood and Venus 217) complete this year, the annual take up for 2020 will be 308,859 sq. m. The available supply will be 134,482 sq. m. This equates to 8 months' supply on the 5-year average or 7 months' supply on the 10-year average.
- 8.9 The major issue is that there is no pipeline behind this and in reality, it takes between 15 – 24 months to secure and implement a planning consent on a site. This is therefore a major concern as when the 9 – 10 months' supply is taken up even if sites have submitted planning applications now there will be a period where there could be no grade A supply immediately available.

- 8.10 This could cause issues for occupiers not being able to satisfy demand. An example of this is a recent letting to AO.com who are based in Crewe and were looking for a unit of c 27,670 sq. m north of Crewe with immediate availability. Due to a lack of availability they acquired a unit in Stoke. Long term demand in terms of regional take up show the strength of the North West logistics and industrial sectors and the need for a substantial and deliverable supply.
- 8.11 In summary the North West distribution market has an extremely limited supply of buildings providing between 9- and 10-months' supply based on the 5- and 10-year average take up. The lack of suitable buildings and sites will be to the economic detriment of the region. This will lead to the potential loss of new employment if there are no suitable properties or sites and at worst the loss of employment if occupiers are displaced to locations where such premises/sites are available outside of the region. To some extent this reflects the lack of forward thinking when local authorities have relied on less suitable sites incapable of satisfying the needs of modern occupiers that were highlighted in Section 6.

9 Employment Land – Adjoining Boroughs Qualitative and Quantitative Assessment

- 9.1 The Inspector has requested that sites in adjoining boroughs are considered. Each site has been considered on its ability to accommodate a single unit of 13,935 sq. m. This assumes a minimum site area of 3.7 hectares.
- 9.2 Sites capable of accommodating this unit size are therefore considered in the adjoining authorities of Halton, Knowsley, West Lancashire, Wigan and Warrington.
- 9.3 In the table below there is a review of comparable employment sites which are subject to an allocation in an adopted statutory development plan or have a planning permission in place.

Authority	Site	Area	Comment
Wigan	Chaddock Lane, Astley	13.37 ha	Located close to the Manchester conurbation and c 15km from the M6. The site has access through a residential area and is not suited to large scale B8 use. The site serves the west Manchester market.

	South Lancs Industrial Estate	34.01 ha	Accessed off j23 – 25 M6. A large site with a long-term allocation. The site requires a new bypass route before large scale B8 use. The site has land ownership issues. The site is not deliverable in the short term.
	Westwood Park, Wigan	4.8 ha	Accessed off j 25 and 26, M6. The site requires completion of a new access road and is located close to Wigan town centre. It is irregular in shape.
	North Leigh Park	8 ha	Application submitted for housing. The site has poor motorway access and is not suitable for large scale B8 use.
	South of Hindley	12 ha	The site is a long-term strategic site with poor road access through urban areas. The site has poor motorway access and is not suitable for large scale B8 use.

	East of Atherton	9 ha	The site has poor road access, is distant from the motorway network. The site is not suitable for large scale B8 use.
	Landgate, Bryn	5.51 ha	Accessed off j23 – j25, M6. Poor micro access through a residential scheme. Not suitable for large scale B8 use.
Knowsley	K800	14.98 ha	Accessed off j 4/5 M57. The site has a detailed planning consent, the developer is in detailed negotiations with a single occupier. The site can accommodate a building of up to 74,520 sq. m and has a large power supply. The site is too far from the subject site to be direct competition as its focus is the Mersey conurbation.
	Halsnead Garden Village Extension/ Cronton Colliery	22.5 ha	Accessed off j6, M62/j1, M57. Planning has been submitted for part of the site for employment use. The site is too far from the subject site to be competition.

Halton	Gorse Point Gorse Lane, Widnes	17.9 ha	Accessed off j7, M62 (3.5 miles) or j12 M56 (5 miles). A consented site for 74,520 sq. m. The site has poor motorway access and is distant from the motorway. The site is too far from Parkside to be competition.
	HBC Fields, Gorse Lane, Widnes	11.09 ha	The site is in close proximity to Gorse Point and is allocated for employment use. The site is too far from Parkside to be competition.
	Liberty Park, Widnes.	7 ha	Accessed of j9, M62 via the A5300 Knowsley Expressway. The site is part built out with a 10,042 sq. m unit and can accommodate a unit of up to 33,476 sq. m. The site is too far from Parkside to be competition.

	Viking Park, Widnes	15 ha	Accessed off j7, M62 or j12, M56. 18 ha have been developed for a biomass plant and distribution unit. The site adjoins a rail-freight terminal. The site can accommodate a unit of up to c 18,580 sq. m. The site has poor motorway access and is too far from Parkside to be competition.
Warrington	Fiddlers Ferry Power Station	330 ha	The former power station site will need to be decommissioned and remediated. This will have a long lead in time prior to any redevelopment. The site has poor motorway connectivity and cannot be considered as competition due to road/motorway access and delivery timescales.

West Lancs	G Park, Skelmersdale	17 ha	Accessed of j4, M58 and 5 miles from j26, M6. Available in 3 plots, maximum unit size 23,890 sq. m. The site is too small to accommodate a unit of 27,870 sq. m but can accommodate units of over 13,935 sq. m. It is too far north and has poorer access to the M6 to be competition.
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Table 10

9.4 In summary Table 10 shows that in the boroughs adjacent to St. Helens there is no competition to Parkside. Parkside is uniquely placed with excellent access to the Liverpool City Region and the benefits of Liverpool 2 whilst having access to the M6 and M62. It has excellent access to the major motorways linking Liverpool City Region to the North West region.

10 St Helens Council Employment Land – Qualitative and Quantitative Assessment

- 10.1 Within the St. Helens Council administrative area there are currently no available sites with either an allocation or implementable planning consent capable of accommodating a unit in excess of 13,935 sq. m, or 3.7 hectares which would be the size of the smallest unit/plot at Phase 1 of Parkside
- 10.2 The St. Helens Local Plan Submission Draft at Policy LPA04 states the aim to deliver a minimum of 215.4 hectares between 1st April 2018 and 31st March 2035.
- 10.3 Table 4.1 of the Local Plan Submission Draft lists the allocations for employment development totalling 265.3 hectares as outlined below in Table 11.
- 10.4 The site assessment undertaken by Spawforths submitted with the 2018 planning application is based on a minimum site area of 3.7 hectares with a travel distance of 2.5 km from a motorway intersection to reflect the smallest plot at Parkside. These criteria have been used to assess the plots of land.

10.5 The only sites which fit the two criteria are 1EA Omega South Extension, 6EA Millfield Lane, 5EA land to the West of Haydock Industrial Estate, and 8EA Parkside.

Table 11

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
1EA	Omega South Western Extension, (to meet employment land needs arising in Warrington)	31.22	31.22	The greenfield site is to the west of Omega South with access from J8 M62. The site was subject to a hybrid planning application for 205,500 sqm. It is proposed that there will be a 30% B2 (Manufacturing)/70% B8 (Logistics) split within this total floorspace. The application site is in the Green Belt, but it includes part emerging employment allocation (31.22 ha) and part retained

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				Green Belt site. Total 75.43 ha. There was a resolution to grant consent on 27 th October 2020 subject to referral to the Secretary of State. The site is regarded as Warrington BC employment land.
2EA	Florida Farm North, Slag Lane, Haydock	36.67	0	Built out for occupiers - Amazon and Kellogg's. Remaining plot too small to be considered.
3EA	Land North of Penny Lane, Haydock	11.05 ha	2.65 ha	The site is located adjacent to j23, M6. The main plot has been built out for Movianto, the smaller plot is available for a unit of up to 11,689 sq.m.

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				2.65 ha remains available – too small to be considered.
4EA	Land South of Penny Lane, Haydock	2.16	2.16	Too small to be considered.
5EA	Land to the West of Haydock Industrial Estate, Haydock	7.75	7.75	A greenfield site which adjoins site 6EA and existing units on Haydock Industrial Estate. Access to the site from j23 or j24 M6 (j24 is only northbound on /southbound off. Micro access is through an industrial estate with on road parking. The site area is irregular in shape.

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				Planning consent was refused in 2019
6EA	Land west of Millfield Lane, south of Liverpool Road and north of Clipsley Brook, Haydock	20.58	20.58	A greenfield site adjacent to 5EA forming the infill between Liverpool Rd, Florida Farm Nth and Haydock Industrial Estate. Access is the same as 5EA.
7EA	Parkside East, Newton-le-Willows	64.55	See Policy LPA10*	The site is allocated for a Strategic Rail Freight Interchange and will need considerable investment prior to being brought forward into employment use.

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
8EA	Parkside West, Newton-le-Willows	79.57	79.57	<p>A part brownfield/part greenfield site. The subject site will be accessed off j22, M6 and j9, M62.</p> <p>Parkside Phase 1 (47.90 ha) is subject to the Call-In Inquiry.</p> <p>Part of site (27.67 ha) comprises Parkside Phase 2, which will require a new access road.</p>
9EA	Land to the West of Sandwash Close, Rainford	6.96	6.96	<p>Secondary location with poor access. 11.2km from J23 M6 and 10.6km from the A580/M57 intersection.</p>

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
10EA	Land at Lea Green Farm West, Thatto Heath	3.84	0	Built out by Network Space as Mere Grange for a number of smaller industrial units.
11EA	Gerards Park, College Street, St. Helens	0.95	0.95	Too small to be considered.
TOTAL		265.3		

*(St Helens Submission Draft Local Plan Jan 2019)

- 10.6 All the developments that have been undertaken have had excellent motorway access and the two larger sites (2EA and 3EA) have both been developed for large floorplate requirements.
- 10.7 All available sites are greenfield with the exception of Parkside West, the subject site.
- 10.8 The level of interest for large scale floorplates and take up confirm the boroughs excellent motorway access. Qualitatively the two most suitable sites in the table are Parkside and Omega West.

Quantitative Assessment

- 10.9 From the allocations proposed in the St. Helens Submission Draft Local Plan as outlined in the table above 48.91 hectares in the following sites has been developed in part or as a whole. The 11 proposed sites are not representative of the current land supply.
- 10.10 The take up of employment land from the above sites within the borough is 48.91 hectares. Parkside East is planned as a Strategic Rail Freight Interchange which will target rail related uses, this would reduce the amount of employment land available to the marketplace which is non-rail related and available in the short to medium term.
- 10.11 The take up of land has included 45.07 hectares built out for three large distribution warehouses for Kellogg's 48,865 sq. m, Movianto 35,023 sq. m and Amazon 33,537 sq. m. The remaining 3.84 hectares was built out for a multi-unit scheme totalling 8,384 sq. m in the size range 1,718 – 4,812 sq. m. These locations are listed below.
- 10.12 Plot 2EA - 36.67 ha has already been built out for Kellogg's and Amazon.
- 10.13 Plot 3EA - 8.4 ha has been built out for Movianto with 2.65 ha remaining available
- 10.14 Plot 10EA - 3.84 ha has been built out for a speculative multi-unit scheme
- 10.15 Based on the Council's target employment land supply of 215.4 hectares in the Local Plan Submission Draft, 48.91 hectares of the proposed supply has already been developed between 2017 and 2019. This represents 23% of the Council's employment land supply for the period 2018 – 2035. This would result in a residual supply of 166.49 hectares

- 10.16 If the total employment land supply figure of 265.3 hectares in Table 4.1 of the Local Plan Submission Draft is used the take up equates to 18% of the total supply for the period 2018 – 2035. The residual supply would be 216.39 hectares.
- 10.17 The two residual supply totals would be able to satisfy an annual take up of between 11.1 hectares or 14.43 hectares per annum.
- 10.18 The Omega West land allocation (31.22 ha) needs to be removed from this as it is an allocation for Warrington Borough Council. This would reduce the supply to 185.17 ha based on a gross supply of 265.3 ha (as Table 11) or 12.35 ha per annum.
- 10.19 Omega West has a resolution to grant consent and if validated will provide 75.43 ha of employment land. 35.91 ha will be removed from the land supply by the disposal to TJ Morris for an 81,570 sq. m distribution facility but an additional 39.52 hectares will be released from the Green Belt. This whole area should be regarded as a Warrington Borough Council employment allocation.
- 10.20 In summary the subject site at Parkside West is the only part brownfield site being promoted in the local plan. 45.07 hectares of the Draft Local Plan allocations within the borough which are capable of accommodating large floorplate buildings have been built out. Assuming planning consent is granted at Omega West site this will remove 31.22 ha of employment land from the St. Helens allocation as the Omega West land is being assessed as Warrington BC employment land supply and should be discounted from the St. Helens supply.
- 10.21 On this basis the borough does not have any large sites capable of immediate development for distribution use in an accessible location unless planning permission is granted at Parkside.

11 Logistics Study

Model Logic Report

11.1 Model Logic a supply chain and logistics consultancy were commissioned to prepare a logistics study to assess the locational characteristics of the Parkside site based on operator and user requirements for an effective distribution network as compared to real estate requirement. The report is attached at Appendix Three.

There is an area of crossover in resolving the location of the facility as similar factors affect both the commercial and real estate element of choosing a suitable site / facility.

Operations want to configure a network of facilities of the correct size in the right locations.

11.2 Model Logic have analysed the Parkside sites theoretical performance against other sites based on the parameters at page 5 of the report. They have also analysed the site as part of a national network based on a 90-minute drive time, based on a seven or eight warehouse network, including Parkside there would be 90.2 to 91.5% coverage of the population.

11.3 Given the need to reduce the carbon footprint, the site has also been considered on a 45-minute stem time using electric vehicles (EVs). This is considered the ideal practical working day for a driver of 9.5 hours within the logistics.

Based on this analysis, the map at page 13 of the report shows the area that can be served within the 45-minute drive time.

11.4 The table on page 14 of the report shows that Parkside has the fourth largest catchment area when assessed against competing sites.

When compared against other motorway junctions Junction 22(Parkside) has the joint second largest population in the region (page 15) out of 19 junctions.

When considering the drive time between 30-120 minutes, the site is ranked sixth out of the 23 competing sites and by motorway junction ranks fifth.

11.5 The report considers transport from the key deep-water port locations, based on the regional distribution network of eight RDC's. The table at page 20 highlights that Liverpool has lowest road-based cost through which to bring imported goods. The benefit of this on cost and carbon footprint could therefore have a positive impact on the NW and Parkside as a logistics location.

11.6 The report concludes that:

- Parkside's location close to the centre of the North West's motorway network enables it to cover a large drive time area, serving a large population including Liverpool, Manchester and Warrington.
- Parkside is an optimal location to form part of a national network of RDC's, it can also operate as a local or last mile distribution site and can operate electric vehicles effectively from the location
- Parkside has excellent access to Liverpool 2 docks. Liverpool 2 has the minimum road transport costs of any of the main UK ports.
- Parkside has a large catchment area from which to recruit labour.

11.7 The report highlights the site's suitability from an operational rather than a real estate perspective. Model Logistics conclusion is that the site performs well for both local and regional transport.

12 Subject Site

- 12.1 The subject site has been assessed on the criteria for large scale development discussed on Section 7. The Parkside site satisfies the criteria as discussed below.
- 12.2 Large footprint – Parkside can offer three development plots, the indicative masterplan shows units of 52,024 sq. m, 21,544 sq. m and 19,123 sq. m. The site can offer a range of units that are in demand to satisfy the regional market.
- 12.3 Physical characteristics –
- the topography/shape of the site does not prevent its development
 - there is an adequate timescale to provide utility/service provision to the site
 - the site is part brownfield/part greenfield and has no physical barriers to development.
 - The site can be operated on a 24/7 basis
- 12.4 Motorway/strategic road access - Parkside has access to j22 M6 and j9 M62 via the A49. The M6 and M62 are the main trunking motorways in the north west for logistics. Parkside’s location provides excellent access to the Liverpool City Region, Liverpool 2 docks, Warrington and the Greater Manchester conurbation.
- 12.5 Land ownership – the site is in the control of the developer.
- 12.6 Deliverability – the site has no impediments on delivering distribution units to the market.

- 12.7 Labour supply – the areas demographics provide a large catchment area as supported in the Model Logic report discussed in Section 8, and Parkside Phase 1 Socio-Economic Support Document (Nov 2020).
- 12.8 In summary Parkside satisfies all the criteria for large scale floorplate development.

13 Conclusions

- 13.1 The national and regional distribution markets are subject to high levels of demand brought about by the change in shopping habits. This has been accelerated with the impact of Covid 19.
- 13.2 The current supply of Grade A buildings in the North West is 168,541 sq. m in 10 units. This represents 10- or 9-months' supply based on the five- and ten-year average take up respectively. If the units that are under offer are let this will reduce the supply to 8- or 7-months' supply.
- 13.3 In the North West there are 50 requirements in excess of 9,292 sq. m with a total size range of 1.043m sq. m to 1.341m sq. m. There are 20 requirements where the search parameters are 27,870 sq. m or over totalling 826,810 sq. m (this includes the TJ Morris requirement where planning consent has been granted at Omega West).
- 13.4 Eleven of these requirements are focussed on the Greater Warrington market area this equates to a floor area requirement of 501,660 sq. m. This confirms the imbalance between supply and demand.
- 13.5 There are 5 sites in the adjoining boroughs capable of accommodating a unit with a 27,8780 sq. m floorplate. In relation to the Parkside the sites are in geographically diverse locations and can be discounted in terms of location, the sites are therefore not competition to Parkside.
- 13.6 There is a shortage of deliverable sites in the North West and specifically along the M6 corridor in the Warrington/St. Helens area. This is having an adverse effect on occupiers who are now in the situation where the available supply and pipeline are severely restricted. This will depress demand as companies will have to consider relocating part or all of their business to an alternative location where there is a suitable building/site or greater supply.

- 13.7 Market failure will occur. This has been brought about by a number of factors which include - local authorities not being able to bring sites through the employment allocation process/local plan quickly enough in relation to employment land take up, the change in market requirements outpacing local plans and a reliance on older employment sites which could never satisfy modern occupier requirements.
- 13.8 Over 652,462 sq. m of predominantly logistics floorspace has been developed in the Greater Warrington sub-market area since 2011. This confirms the suitability of the location for logistics and the change in the size and specification of occupier requirements.
- 13.9 The market for the subject site is focussed on the wider Warrington market predominantly along the M6 corridor between junctions 20 – 25. Parkside benefits from access to junction 22 of the M6 and junction 9, M62 and is located close to the M6/M62 intersection. This confirms it has a strong locational advantage for M6/M62 corridor focussed enquiries.
- 13.10 The changing logistics requirements are driving a need for larger, taller distribution units to enable automation. This requires larger regular shaped sites with good motorway access capable of accommodating unit sizes from 27,870 sq., m. Parkside can offer a number of plots; the largest plot can accommodate a single unit of up to 52,024 sq. m.
- 13.11 The Model Logic report confirms from a logistics perspective that the site is a strong location for a regional distribution centre. It is ranked joint second in terms of access to the largest population density by motorway junction. The report highlights the proximity to Liverpool 2 and the cost effectiveness of importing goods through this location.

- 13.12 The sites location enables access to the Liverpool and Manchester conurbations for last mile delivery and can support the use of electric delivery vehicles to undertake this.
- 13.13 Distribution companies still need access to a large labour pool, Parkside can offer a plentiful labour supply within its catchment area and logistics offers a range of jobs with a higher than average salary.
- 13.14 The St Helens Local Plan Submission Draft references 11 sites totalling 265.3 hectares for the plan period 2018 – 2035. Four sites have been developed comprising 48.91 hectares. 79.57 hectares are reserved for a Strategic Rail Freight Interchange. There are only three remaining sites including Parkside which are capable of accommodating a unit of 27,870 sq. m or above. Parkside is the only part brownfield site.
- 13.15 There are currently four sites being considered in the Call-In. The sites would provide an additional 452,423 sq. m of supply to the marketplace. Given the imbalance between supply and demand and the timescale for delivery of the sites this would not create an oversupply of employment land.
- 13.16 In summary the North West has an extremely limited supply of available buildings and land capable of delivering modern logistics facilities with motorway access. Parkside can offer large scale development plots deliverable in an acceptable timescale in close proximity to the M6 and M62, in a location that has proved attractive to the logistics sector. There are currently no plots immediately deliverable within the surrounding area. If the planning consent is withdrawn this will have a major impact on site availability for the expanding logistics sector in St. Helens and the North West.

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Junction 10