

ST HELENS COUNCIL LOCAL PLAN EXAMINATION IN PUBLIC

HEARING STATEMENT

WEEK 1 MATTER 2:

HOUSING AND EMPLOYMENT NEEDS AND REQUIREMENTS

**ON BEHALF OF
OMEGA ST HELENS LTD**

INTRODUCTION

This Hearing Statement has been prepared by Progress Planning Consultancy (PPC) on behalf of Omega St Helens Ltd (OSHL).

OSHL are in a conditional contract for the sale of the land referred to as the Omega South Western Extension, with the landowner Homes England. This land comprises 31.2ha and is subject to a proposed Employment Allocation (Site 1EA) in the St Helens Council Local Plan Submission Draft (LPSD).

The Site 1EA is currently the subject of a Hybrid planning application for: Full Planning Permission for the erection of a B8 logistics warehouse (Unit 1: 81,570 sqm) offices and Outline Planning Permission for Manufacturing (B2) and Logistics (B8) development with ancillary offices (Totalling 205,500 sqm).

St Helens Council's Planning Committee resolved to grant planning permission on 27 October 2020 subject to a referral to the Secretary of State. The application was subsequently called-in by the Secretary of State and a Public Inquiry (APP/H4315/V/20/3265899) was held between the dates of 27 April – 06 May 2021.

This Hearing Statement supplements our client's formal representations to the previous stages of the Local Plan process and considers the Inspector's Matters, Issues and Questions (April 2021) in relation to Week 1 - Matter 2 of the St Helens Local Plan Examination in Public and in particular Issue 3, Questions 10, 11, 12, 20, 21, 27 and 28.

Matter 2: Housing and Employment Needs and Requirements

Issue 3: Employment Need and Requirement

Question 10 - Is the Council's position that past take up is primarily due to a lack of supply of sites attractive to the market or are there other relevant considerations?

OSHL would support the Council's position that the low take-up rates experienced in St Helens have been as a direct result of an inadequate supply of market attractive sites capable of accommodating large scale B8 development.

The *Employment Land Need and Supply Background Paper* (SD022, Paras. 4.1 and 4.2) and the *Employment Land Needs Study Addendum Report* (EMP001, Para. 2.11) clearly set out that prior to 2018 the take-up of employment land in the Borough has been extremely low since 2012 due to an inadequate supply.

St Helens shares a similar geography with Warrington, in that they both benefit from easy access to key transport corridors and have no significant infrastructure constraints relevant to logistical needs. As a result, both Boroughs should be equally well situated to meet the demand for large-scale employment development. However, the evidence demonstrates that take-up rates in Warrington (116.59 ha of employment land was taken up during 2012-2016 alone) are significantly higher than in St Helens (2.37ha over the same period) which is

considered to be a clear indication that the primary constraint to employment land take up in St Helens was down to a lack of available and suitably attractive sites.

Question 11 - Does comparing the situation in St Helens with neighbouring authorities indicate that there was a lack of suitably attractive sites?

The *Allocations Local Plan Economic Evidence Base Paper* (EMP003, Para. 3.2.2) identifies that St Helens has the lowest availability in the country of Grade A large distribution units. The *Employment Land Needs Study Addendum Report* (EMP001, Para. 2.11) considers that employment land take-up in St Helens has been suppressed for a significant number of years due to an inadequate supply attractive sites to the market. To justify this, the report compares the experience of other authorities in the same functional economic market area (Halton, Liverpool, Knowsley, Wirral and Warrington). All have experienced significantly more take up in employment floorspace than St Helens in recent years.

For example, Warrington Borough Council's latest ***Annual Monitoring Report (2019)*** covers the period up to April 2019 and shows a much higher delivery of employment floorspace in recent years than St Helens. The Report (Page 17) explains that 220.2 ha of employment land completions took place from 2006 up to 01 April 2019, whilst a further 19 sites, totalling 81.34ha have planning permission for employment uses. The Report also identifies that the average annual take-up rate of land for employment uses between 2006 and 2019 was 16.94 ha per annum.

Much of this growth can be attributed to the success of the existing Omega site, where the sustained growth of logistics and manufacturing development has delivered more than 7.2m sq.ft of B2 /B8 floorspace (not including Site 1EA or the current hybrid planning application for Omega West) and created over 6,000 new jobs during this period.

Question 12 - If a lack of suitable sites was a factor, is it realistic to assume that once the supply of sites is increased there will be a spur on development that will be above the forecast average rate to 2037?

It is considered inevitable, given the continued strong market demand within the logistics sector in particular, that with the identification and allocation of a greater amount and choice of employment land, there will be a surge in employment land take-up, as the previously suppressed demand in the Borough is released.

The *Employment Land Need and Supply Background Paper* (SD022, Para. 4.2) shows continued low take-up beyond 2015. However, land then became available through successful planning permissions which led to a significant spike in take-up. The *Employment Land Needs Study Addendum Report* (EMP001, Para. 2.24) concludes that it would be expected that once the constraints on land supply are released that there would be a spur of development above the forecast average rate to 2037. However, this acceleration of development would moderate in the medium term as the market returns to more typical levels.

This is most clearly demonstrated by the recent take-up of large-scale B8 floorspace at proposed allocations 2EA and 3EA (Haydock) and, as discussed above at Omega, Warrington. It is also considered that the Call-In applications at Parkside (APP/H4315/V/20/3253194) and

Omega West (APP/H4315/V/20/3265899) provide further proof of the high level of interest within and surrounding St Helens for large-scale logistics development. Despite the lack of allocation through the Local Plan for these sites, developers and occupiers are still interested in these areas of land which further proves the current demand for this type of site.

Question 20 - Does the recent data demonstrate that there is a strong demand for large-scale warehousing to serve the logistics sector?

The *Allocations Local Plan Economic Evidence Paper* (EMP003, Para. 7.4.1) concludes that large-scale logistics is the most active market in the region and represents a clear opportunity for St Helens.

More recent market data also demonstrates that there is a strong demand for large-scale warehousing to serve the logistics sector. This has been confirmed through the market advice provided by Mr Andrew Pexton BSc (Hons) MIRCS (Lead Director North West Industrial and Logistics Team at Jones Lang LaSalle) in his *Proof of Evidence March 2021* (Appendix A) presented as part of the Call-In process for Omega West (APP/H4315/V/20/3265899).

Mr Pexton's evidence indicates that in recent time both Brexit and COVID 19 have emphasised the critical role that logistics sector plays in facilitating the movement of goods within the UK and on the import – export markets. Brexit and COVID 19 have led to changes in the market, such as increased internet sales, greater working from home and supply chains adapting to carry more stock to avoid shortages, which have resulted in the need for more warehouse space and therefore increased demand for logistics development.

Mr Pexton's evidence (Para 4.5) confirms that the main sectors for demand have been from e-commerce, retailers and third-party logistics providers. With this demand the occupier requirements are increasingly bespoke with occupiers aiming for full / part automation of their warehouse operations and for taller buildings with larger floorplates to give economies of scale that are necessary for the level of investment required in the automated handling systems.

This evidence also confirms that:

- Nationally take up of Grade A accommodation was 3.327 sq.m. This was 64% higher than 2019 and 43% higher than the five-year average of 2.314 m sq. m.
- The retail sector acquired 2.128m sq. m (58%) of the national grade A take up. Of the 2.128m sq.m , the e-commerce sector acquired 1.398 m sq. m or 42% of the total take up to satisfy their fulfilment centre requirements.
- Take up over the year was split with 1.189m sq. m being acquired in H1 and 2.138m sq. ft in H2.
- New floorspace contributed 2.63 m sq. m of the take up in 2020. 901,487 sq. m was speculative space with 1.728 m sq. m being built to suit.

A number of recent research publications have also highlighted the expansion of the logistics sector by e-commerce, including:

- ***Delivering the Goods in 2020*** (Turley for the British Property Foundation) highlights that online sales are expected to grow from 11p in the retail pound to 19p by 2028 (Pg. 5, Para. 8)
- Whilst BPF report ***What Warehousing Where (2018)*** concluded that the average household required 6.41 sq. m of warehouse space for its e-commerce requirements. (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.

Question 21 - Is this demand likely to be sustained during the Plan period on the scale envisaged by the land allocated for this type of development?

The market data outlined in Mr Pexton's ***Proof of Evidence March 2021*** shows that the average five and ten-year annual take up of Grade A accommodation in the North West was 218,755 sq. m and 236,171 sq. m respectively (2011-2020 inclusive). In 2020 alone the take up was recorded at 301,673 sq. m, which is in excess of both the five and ten-year average and demonstrates the strength of current take up rates.

Current evidence suggests that there are 50 'live' requirements for Industrial and distribution units of over 9,290 sq.m in the North West at present, creating a total requirement of between 1.16m sq.m and 1.67m sq.m (size range reflects the search parameters of occupiers).

Based on the available supply it is clear that current demand exceeds supply with between 1.16m sq.m to 1.67m sq.m of active requirements against a supply of only 262,228 sq. m. This confirms the imbalance between supply and demand, and it is considered likely that market failure will occur without an increase in supply over the Plan Period.

There is an identified shortage of deliverable sites in the North West and specifically along the M6/M62 corridors 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.

The LPSD identifies 11 sites totalling 265.3 hectares for the plan period, of which four sites have already been developed removing 48.91 hectares. A further 79.57 hectares are reserved for the Strategic Rail Freight Interchange at Parkside meaning that there are only a limited number of sites remaining (including Omega West) that are capable of accommodating a large-scale logistics.

Within the wider region, there are currently five sites (including Omega West) being considered by the Secretary of State that in total would provide an additional 657,923 sq. m of supply to the marketplace. Given the imbalance between supply and demand and the various timescales for delivery of these sites, even if all five sites were approved by the Secretary of State this would not create an oversupply of employment land.

This overall lack of supply is therefore likely to lead to sustained demand throughout the plan period with demand outstripping supply at present and take up controlled by land availability and issues around deliverability.

Warrington Borough Council indicate in the SOCG (SD012) a need for 362 ha of employment land. However, that need has not been tested through an examination. The Warrington LP will not be submitted for examination until later in 2021 at the earliest.

Question 27 - Does the above likely timeline have any consequences for the Plan?

We do not consider that the timeline for the Warrington Local Plan causes any issues for the LPSD.

Warrington's employment needs have been clearly set out and on the basis that the Local Plan process was paused in response to the impact of COVID-19, along with the Government's proposed planning reforms and new housing calculation methodology it is considered unlikely that there will be changes to Warrington's Submission Draft Local Plan that would result in a reduced overall employment land requirement.

Site EA1 has been specifically identified to meet the employment land needs of Warrington Borough Council.

Question 28 - Is the provision of 31 ha of employment land to meet some of Warrington's needs justified?

The Warrington Submission Draft Local Plan Policy DEV4 (Economic Growth and Development), identifies a minimum requirement for 362 ha of employment land to support both local and strategic employment needs between 2017 and 2037 and explains that Omega's westward expansion into St Helens is one of four main employment sites that have been identified.

The supporting text in the Plan explains that Warrington Council believe they can currently only demonstrate a realistic supply of 83.91 hectares in the urban area, with the potential for a further 31.46 hectares identified in the town centre / waterfront masterplan and a reliance on Omega West to provide 31 hectares.

This leaves a requirement of around 215 ha to be provided through Green Belt release. This requirement would be greater should Site 1EA not be able to be relied upon.

Whilst Site 1EA does also represent a Green Belt release it is considered to be deliverable in the short-term, forming a natural extension to the existing Omega development in a sustainable and accessible location that is suitable to meet Warrington's employment land needs.

Summary Matter 2: Housing and Employment Needs and Requirements

OSHL support the Council's position that lower take up rates in recent years is primarily due to a lack of supply of available and attractive sites. Evidence shows that neighbouring authorities (such as Warrington) are achieving higher take up levels due to a greater supply of sites that are suitable and attractive to the market.

The most up-to-date evidence clearly demonstrates a high level of interest for large-scale logistics development within St Helens and the surrounding area from both developers and occupiers and that this demand is likely to be sustained during the Plan period.

Appendix A

**Omega West Public Inquiry APP/H4315/V/20/3265899 Proof Of Evidence
Mr A Pexton BSc (Hons) MIRCS (March 2021).**

Jones Lang LaSalle



**Proof of Evidence of ANDREW PEXTON
(for the Applicants) on DEMAND FOR
EMPLOYMENT LAND AND PREMISES**

Call-in by the Secretary of State of an application made by
Omega St Helens Limited / TJ Morris Limited

Land To The West Of Omega South & South Of The M62, Bold,
St Helens

LPA REF: P/2020/0061/HYBR

PINS REF: APP/H4315/V/20/3265899

March 2021

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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 29th March 2021

2 Introduction

2.1 I am instructed by Omega St. Helens Ltd to provide expert witness evidence in relation to employment land and market need for the development of land to the west of Omega South and South of the M62 motorway, Bold, St. Helens, Merseyside as identified in planning application reference P/2020/0061/HYBR.

2.2 The hybrid application is for the following development :

Full planning permission for the erection of a B8 logistics warehouse, with ancillary offices, associated car parking, infrastructure and landscaping , and

Outline planning permission for manufacturing (B2) and logistics (B8) development with ancillary offices and associated access infrastructure works (detailed matters of appearance , landscaping, layout and scale are reserved for subsequent approval

2.3 The application site is 75 hectares in area. The application site would form an extension to the existing Omega Business Park which is located to the south west and north west of Junction 8 of the M62 motorway.

3 The Appeal Site

- 3.1 Omega West (the Application site) is located to the west of the existing Omega Business Park, to the south of the M62 motorway. The site is located approximately 4.5 miles north west of Warrington town centre, Manchester and Liverpool are approximately 19 and 16 miles to the east and west respectively.
- 3.2 The site benefits from immediate motorway access at Junction 8 of the M62. This is accessed off the existing Catalina Way, the main spine road providing direct access for Omega South to Junction 8 of the M62.
- 3.3 The site is within 3 miles of the M6/M62 intersection providing access to the regional and national motorway networks.
- 3.4 The proposed development will provide 205,500 sq. m of B2/B8 floorspace on a 30%/70% split respectively on a 75 hectare site.
- 3.5 Full planning permission is sought for Unit 1. Unit 1 has an identified occupier (TJ Morris) and will comprise 81,750 sq. m comprising 77,084 sq. m warehouse with 4,486 sq. m ancillary office.
- 3.6 The outline planning element of the application will provide 123,930 sq. m of B2 (manufacturing) and B8 (storage and distribution) floorspace and includes the Unit 1 expansion land. The minimum unit size for each unit is 27,870 sq. m.
- 3.7 The site forms the natural extension to the existing Omega South development (as set out in Section 10 of this proof), utilising the existing primary estate road and junction 8 of the M62 motorway.

4 Market Overview

National Overview

- 4.1 The impact of Covid 19 and Brexit has shown the importance of supply chains. This has emphasised the critical role that the logistics sector plays in facilitating the movement of goods within the UK and its importance in the import and export markets. Essentially, businesses need an established supply chain as a pre-requisite to enable the storage, sale and delivery of goods to their specific market.
- 4.2 In 2020 Covid 19 was the major disruptor. Traditional retailing was severely impacted resulting in a change in shopping habits brought about by various government restrictions and advice. This brought about an immediate need for additional logistics facilities to store and distribute goods currently in transit and accommodate the change/demand for e-commerce fulfilment. The pandemic also created an increased need for a supply chain to serve non-retail Covid related demand from the NHS and other support sectors. This has generated both short term and long term requirements within the market.
- 4.3 Brexit has also had a major impact on the manufacturing sector with companies reflecting upon distortions upon supply chain structures in making decisions upon investment in the UK or Europe.
- 4.4 The changes in the market which have resulted in the need for more warehouse space have included
- shopping patterns have changed with an increase in internet sales,
 - home working has made home delivery more convenient,
 - the increase in internet sales has also resulted in an increase in returns of unsuitable goods,

- supply chains are adapting to carry more stock to prevent future shortages for manufacturers and consumers
- manufacturers are re-shoring (i.e. returning to the UK) elements of production to ensure that they have resilience in their network
- 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 availability of immigrant labour post Brexit. This will 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

4.5 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.

4.6 Behind the changing demand from Covid and Brexit there are the ongoing requirements from occupiers which are driven by lease events and structural changes within the business. The lease event could be an expiry or break clause. This enables the business to adapt their occupational strategy in line with the business plan. This has formed the basis of the property market pre Covid 19. These stalled in 2019 due to the uncertainty over Brexit and then in Q1 and Q2 2020 due to Covid 19.

4.7 The market recovered in the second half of 2020 with companies focussing on both operational and strategic requirements rather than the short term operational needs created in Q1 and Q2 2020.

Demand

4.8 The national industrial and logistics market has had a strong performance in 2020. Nationally take up of Grade A accommodation was 3.327 m sq. m.ⁱ This was 64% higher than 2019 and 43% higher than the five-year average of 2.314 m sq. m.

4.9 The retail sector acquired 2.128m sq. m (58%) of the national grade A take up. Of the 2.128m sq.m , the e-commerce sector acquired 1.398 m sq. m or 42% of the total take up to satisfy their fulfilment centre requirements.

4.10 Take up over the year was split with 1.189m sq. m being acquired in H1 and 2.138m sq. ft in H2.

4.11 New floorspace contributed 2.63 m sq. m of the take up in 2020. 901,487 sq. m was speculative space with 1.728 m sq. m being built to suit.

4.12 Speculatively built units can satisfy some occupiers, with conventional space needs, with an immediate requirement in a limited lead time. This has enabled the supply chain to react swiftly to the change in shopping habits and offer a short term solution to increase capacity to satisfy the increased demand for fulfilment and parcel delivery sortation centres. The build to suit requirements reflect longer term more structural requirements for businesses.

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

4.14 **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 4.158, page 5 para 8)

- 4.15 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 4.156 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.

Supply

- 4.16 At the end of 2020 there was 2.156 m sq.m of Grade A floorspace available split 1.403 m sq. m new build and 0.753 m sq. m Grade A second-hand buildings.
- 4.17 The Grade A new build comprised 0.874m sq. m of immediately available floorspace and 0.53m sq. ft under construction.
- 4.18 In summary Grade A take up was 3.327 m sq.m – a 64% increase on 2019 and 43% higher than the five year average. Supply at the end of 2020 was 2.156 m sq. m, 15% lower than the 2019 supply of 2.528 m sq. m. The North West had approximately 10% of the national supply. Nationally, JLL's vacancy rate for modern logistics stock is 7% at the end of 2020 and was 9% at the end of 2019.

Regional Overview

- 4.19 The North West market is an attractive location for the industrial and logistics sector. The area has excellent motorway access, demographics and catchment population to distribute to and provide a workforce. This is discussed further in the evidence of Andrew Hunt (Para 3.8 – 3.10 and 5.12 – 5.17) .
- 4.20 The effective market area is from Crewe in the south to Preston in the north, and from the west coast to the Pennines. The area includes the major conurbations of the North West and the principal motorway corridors.
- 4.21 Covid 19 has had a similar impact on the regional market as discussed in paragraphs 4.1 –4.7 in the national overview.
- 4.22 Regional take in 2020 was 301,763 sq. m.
- 4.23 The retail sector acquired 150,660 sq. m (50%) of the regional grade A take up. Of the 150,660 sq. m, the e-commerce sector acquired 115,706 sq. m or 38% of the total take up to satisfy their fulfilment centre requirements.
- 4.24 Take up over the year was split with 70,893 sq. m being acquired in Q1 and Q2 and 230,779 sq. m in Q3 and Q4.
- 4.25 New floorspace contributed 96% or 289,804 sq. m of the take up in 2020. 217,381 sq. m was speculatively built with 72,423 sq. m being build to suit.

Take Up

- 4.26 The average five- and ten-year annual take up of Grade A accommodation in the North West is 218,755 sq. m (2.353m sq. ft) and 236,171 sq. m (2.541m sq. ft) respectively.

4.27 In 2020 the Grade A take up was 301,673 sq. m. This is in excess of both the five- and ten-year annual average. The table at 6.3 confirms that there are a five of the last ten years where a similar level of take up was achieved.

4.28 There has been a dominance of transactions to retailers in the region mainly with e-commerce activity. Transactions in 2020 and 2021 included:

2020

Dixons Retail Group 34,950 sq. m – 375 @Logistics North, Bolton

The Hut Group - 55,461 sq. m – Icon, Manchester Airport

Gousto – 28,690 sq. m Mountpark Omega Phase II, Warrington

2021

Unnamed retailer - 77,637 sq. m - K800, Knowsley

4.29 Major non-retail transactions in 2020 and 2021 have included

2020

Kellogg's – 48,884 sq. m – M6 Major, Haydock

Jungheinrich – 17,100 sq. m – Mountpark Omega Phase I, Warrington

2021

L'Oréal – 54,370 sq. m – Heywood South, North Manchester (subject to reserved matters consent).

SiS – 14,870 sq. m – Frontier Park, Blackburn (subject to planning consent).

Gefco – 16,364 sq m – L175, Speke

4.30 Committed take up in 2021 to date is 94,002 sq. m with a further 69,240 sq. m contracted on a subject to planning basis. This will equate to a total

take up of 163,242 sq. m or 69% of the ten year average annual take up. This excludes the TJ Morris requirement at Omega West.

Supply

- 4.31 The availability of Grade A accommodation at March 2021 in the North West was 262,228 sq. m. (2.819 m sq. ft) in thirteen buildings. There are six speculatively constructed buildings, six units under construction and one existing building available. These are listed in Appendix 1.
- 4.32 Six of these buildings totalling 104,220 sq. m are currently under offer.

Market Area

- 4.33 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

- 4.34 At Appendix 2 is a regional map highlighting the main market sectors.

- 4.35 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 and surrounding area 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

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.

Within the last three years there have been five buildings of over 27,870 sq. m developed and let along this corridor totalling 178,220 sq. m. These are listed below.

Movianto, Haydock Green	35,023 sq. m
Royal Mail Omega, Warrington	32,170 sq. m
Amazon, Nth Florida Farm	33,536 sq. m
Gousto, Omega South	28,607 sq. m
Kellogg's, Nth Florida Farm	48,884 sq. m
Total	178,220 sq m

4.36 **M60/Trafford Park** – The area is an established industrial and distribution location, serving the Greater Manchester conurbation. Trafford Park is mainly built out, infill development/redevelopment limits the opportunities for large scale redevelopment. At present there is only one site available for build to suit of over 9,292 sq. m in the area, t150, a site which can accommodate 13,935 sq. m. Confirmation of the limited supply is highlighted by two lettings of units whilst under construction at Carrington (Unit 1 Carrington Gateway - 9,661 sq. m.) and Irlam (Eclipse 138 – 12,820 sq. m) in Q3 2020. Both occupiers preferred Trafford Park, but no suitable units were immediately available.

4.37 **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 9,292 sq. m – 46,450 sq. m.

Major Regional Development Sites

4.38 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 Omega West.

4.39 **Omega, Warrington** has been developed out since 2012 with over 455,210 sq. m having been built out and a further 20,910 sq. m currently under construction. This equates to an average annual build out of

47,612sq.m per annum. The site is located at junction 8 of the M62 and is to the east of the subject site. It has been developed by Omega Warrington Ltd. There are currently fifteen buildings over 9,292 sq. m that have been built out with a further unit under construction. A schedule of the buildings is attached at Appendix Five The average unit size is 30,347 sq. m. The commercial element of the site is built out.

- 4.40 **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. The last available unit is under offer, assuming the transaction completes the site will be built out.
- 4.41 **M6 Major/North Florida Farm, Haydock** was granted outline planning permission in April 2017 and received reserved matters consent in late 2018, part was pre let to Amazon 33,536 sq. m and a speculative unit of 48,884 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 – three years after the grant of outline planning permission and 19 months from the grant of the reserved matters planning consent, showing the demand in the area.
- 4.42 All three 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.

- 4.43 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.
- 4.44 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 2012 mainly at Omega. M6 Major/Florida Farm and Omega are both located within the core M6 market area the level of take up confirms the attractiveness of the location to the market.

5 Market Trends

5.1 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 4.4 above.

5.2 The main trends are

- taller buildings - 15 m internal clear height from floor slab to the underside of the steel frame was regarded as the industry standard but this is increasing with the requirements of automation. Due to the bespoke nature of automation it is likely that a greater number of units will be constructed on a build to suit basis. James Clarke (TJ Morris) has highlighted the reasons for the TJ Morris unit to be of such scale. There is an increase in bespoke buildings of up to c. 30m internal clear height (and in some cases higher) at large distribution centres.
- larger building floorplates - these 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.
- electricity supply - 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.

5.3 Development sites should satisfy the following criteria to enable large scale distribution development. I address how Omega West meets the criteria in detail in Section 10.

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

5.4 Large footprint – the site should have the ability to offer a range of building sizes from 27,870 sq. m (300,000 sq.ft) to 46,450 sq.(500,000 sq.ft) with appropriate yard areas and parking facilities.

5.5 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.

5.6 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.

- 5.7 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.
- 5.8 Deliverability – sites should not be affected by issues outside the owners/developer’s control.
- 5.9 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. 4.157 Page 7)
- 5.10 Access to Ports and Rail – the ability to offer multi-modal transport is becoming an important factor for a number of 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. Freeport status has recently been granted to Liverpool. The designation of a number of locations across the Liverpool City Region will increase the areas attractiveness to occupiers.
- 5.11 The effect of the above on the sector will create further demand for warehousing and have a greater impact on those existing 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.

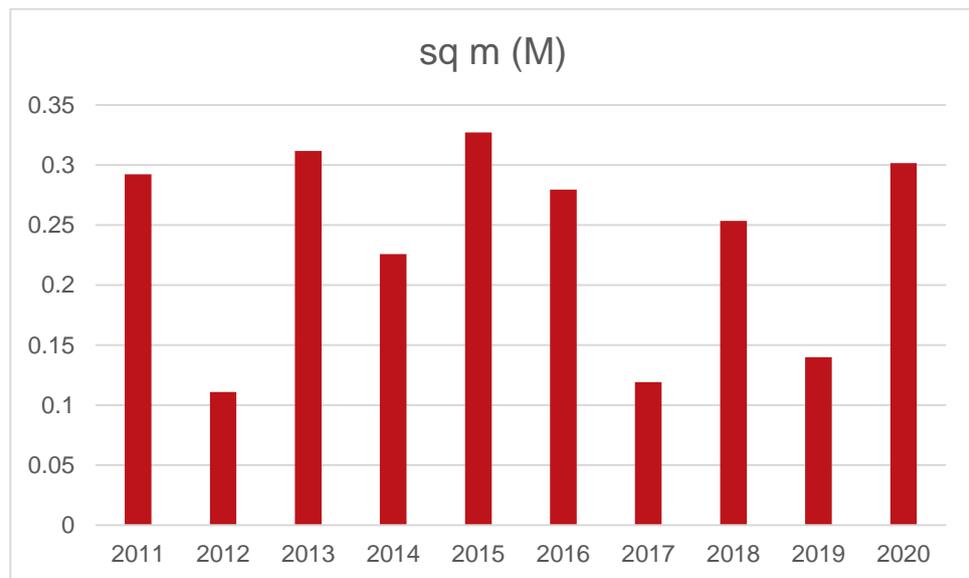
- 5.12 Omega West will satisfy these criteria as it offers large floorplates (conditioned to be in excess of 27,870 sq. m), is deliverable, has a large labour supply, motorway access, proximity to both rail terminals and the Port of Liverpool/Liverpool 2 Container Terminal for both container and general port related cargo. These points are dealt with in Section 10 of the proof.

6 Demand

6.1 The average five- and ten-year annual take up of Grade A accommodation in the North West is 218,755 sq. m and 236,171 sq. m respectively.

6.2 In 2020 the take up was 301,673 sq. m. This is in excess of both the five- and ten-year average for a full year.

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



6.4 At Appendix Three the annual take up 2011 – 2020 is listed.

6.5 The take up from 2015 to 2020 has been analysed between existing, speculatively built and build to suit as shown in the table 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%

2020	4%	72%	24%
Average	21%	43%	36%

6.6 Speculative build and build to suit have been the dominant sectors with existing/secondhand buildings having a lower take up. 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.

Requirements

6.7 There are 50 requirements for Industrial and distribution units of over 9,290 sq. m in the North West at present. These are listed at Appendix Four. This provides a total requirement of between 1.164 m sq. m and 1.67m sq. m. The size range reflects the search parameters of occupiers.

6.8 There are 27 requirements where the search parameters are 27,870 sq. m or over totalling 906,184 sq. m to 1.26m sq. m. (this includes the TJ Morris requirement where the planning application has been called in at Omega West).

6.9 Twenty one of these requirements will consider the Greater Warrington market area. This equates to a floor area requirement of between 710,967 sq. m – 1,042,751 sq. m.

6.10 The larger requirements are generally for either existing or build to suit options.

6.11 The table of requirements shows a strong demand in the market. Based on the available supply in Section 7 it is clear that current demand exceeds supply with between 1,164,000 sq. m to 1,670,000 sq. m of active requirements against a supply of 262,228 sq. m.

6.12 In summary, the wider Warrington/M6 market is a strong location with five lettings of large floorplate units totalling 178,220 sq. m in the last three years. This shows the demand for a popular location. In terms of demand regionally there are twenty seven enquiries for units of 27,870 sq. m or over, twenty one of these requirements totalling between 710,967 sq. m – 1,042,751 sq. m will consider the wider Warrington area. This confirms the need for the subject site. If Omega West was developed specifically for these requirements it can only satisfy 123,930 sq. m or 12 % of the wider Warrington demand further highlighting the lack of supply.

7 Supply

7.1 The availability of existing Grade A, speculative build and units under construction which are over 9,292 sq. m is 262,228 sq. m as at March 2021. The map at Appendix Six shows their locations. The supply is outlined below and at Appendix One.

Speculative build units under construction

7.2 There are six units currently under construction totalling 136,693 sq. m, one of these units at Omega, Warrington (20,932 sq. m) is under offer.

Under Construction	Sq. m
Widnes 393, Widnes	36,524
Panattoni Park, Bolton	26,022
Super W, Stretton, Warrington	22,676
Omega Unit 3, Warrington (under offer)	20,932
Metro 190, Trafford Park	17,719
PLP, Ellesmere Port	12,820
Total	136,693

Speculative Build

7.3 There are six speculative build units immediately available with a total floor area of 93,330 sq. m. Five of these units or 83,288 sq. m or 89% of the immediately available new build stock is under offer.

Existing Speculative Build	Sq. m
Unit 2 Omega, Warrington (under offer)	18,875
Venus 217, Knowsley Industrial Estate (under offer)	20,230
Kingsway 216, Kingsway Business Park, Rochdale (under offer)	20,104
F2/G Multiply Logistics North, Bolton (under offer)	13,860
Academy, Knowsley (under offer)	10,219
Liberty Park, Widnes	10,042
Total	93,330

Existing Buildings

- 7.4 The supply of Grade A existing stock is limited there is only one building available totalling 32,205 sq. m.

Unit	Size sq. m
Martland 350, Wigan	32,205
Total	32,205

7.5 The total available supply is summarised in the table below.

Type	No. of Units	
Units under construction	6	136,693 sq. m.
New speculative build	6	93,330 sq. m.
Existing Grade A units	1	32,205 sq. m
Total	13	262,228 sq. m

7.6 Based on current supply of 262,228 sq. m, the 5-year average annual take up of 218,755 sq. m there is 14 months' supply. Based on the 10-year average annual take up of 236,171 sq. m there is 13 months' supply.

7.7 If transactions complete on the six units that are currently under offer the available supply will be reduced by 104,220 sq. m to 158,008 sq. m in seven buildings. This equates to 8.6 months' supply based on the 5-year average or 8 months' supply on the 10-year average.

7.8 This shows a lack of supply, and the continued level of demand for logistics premises. Historically, there has been c 12 – 18 months' supply available to the market. This has enabled a steady throughput of development to capture occupier requirements. Given the timescale to obtain planning consent and construct a unit of 15 – 24 months this highlights that the market is currently failing and will be unable to provide the required supply.

7.9 With regard to the proposed minimum size (27,870 sq. m) of unit at Omega West. There are only two units in excess of 27,870 sq. m available or under construction. Martland 350 is a second-hand unit located in Wigan, in an

inferior location on the periphery of the considered market area. Widnes 393 is under construction , due for completion in December 2021. The unit is in an inferior location to Omega West, with poor motorway access to the M62 and toll bridge access to the M56.

- 7.10 In summary, the North West distribution market has a limited supply of buildings, providing 14 or 13 months' supply based on the 5- and 10-year average take up in thirteen units. If the six units that are currently under offer are acquired this will reduce the supply by 104,220 sq. m or 39%. This will reduce supply to 8.6 or 8 months based on the average five- and ten-year annual take up rates. There is only one building in excess of 27,870 sq. m immediately available and a further unit under construction, both in inferior locations when compared to Omega West.

8 Employment Land – Regional Sites

- 8.1 Sites across the North West within the main motorway corridors have been considered based on their ability to accommodate a single unit of 27,870 sq. m. This assumes a minimum site area of 7.1 hectares.
- 8.2 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 (ha)	Comment
Merseyside			
Knowsley	Halsnead Garden Village Extension/ Cronton Colliery	22.5	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.
Greater Manchester			
Wigan	Chaddock Lane, Astley	13.37	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.

Authority	Site	Area (ha)	Comment
	South Lincs Industrial Estate	34.01	Accessed off j23,24 and 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. Part of the site is being promoted by Glenbrook for a multi-unit scheme on c 16 hectares. The site is not deliverable for units of 27,870 sq. m or larger.
	North Leigh Park	8	Application submitted for housing. The site has poor motorway access and is not suitable for large scale B8 use.
	South of Hindley	12	The site has been identified as a long-term strategic site. It has 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	The site has poor road access, is distant from the motorway

Authority	Site	Area (ha)	Comment
			network. The site is not suitable for large scale B8 use.
Trafford	Carrington Gateway	75	<p>Accessed off j7, M60. The site is a major mixed-use redevelopment sit comprising 647ha . The site has an outline planning consent for c 57,600 sq. m (620,000 sq. ft) of B2/B8. The development is unlikely to be able to offer a large floorplates in the short term. The site will not compete with Omega West due to location and access.</p>
	Voltage Park, Carrington		<p>Accessed off j8 M60. The former Transco site has a extant planning consent for c 92,920 sq. m . The site is in close proximity to Carrington Gateway. The site has a number of development constraints due to its previous use. The site will not compete with Omega West due to location and access.</p>

Authority	Site	Area (ha)	Comment
Salford	Port Salford	52	Accessed off j11, M60. The site has consent as a multi modal site. No further development can take place until the site is rail linked. The site will not provide direct competition given its lack of rail access, location and distance from Omega West.
Rochdale	Heywood Distribution Park	10.76	Accessed off j3 M66. Heywood DP is a recognised industrial location with two remaining infill development plots which can accommodate units of up to c.55,740 sq. m (600,000 sq. ft). The site will not compete due to its distance from Omega West.
	Heywood South		Located off j21 M62. The site has been granted consent for 135,000 m sq.m of B2/B8 and can accommodate requirements of 27,870 and over. L'Oréal are re-locating to the site for a 54,370 sq. m logistics facility with 18,000 sq. m expansion

Authority	Site	Area (ha)	Comment
			space. The site will not compete due to its location.
	Kingsway Business Park	7.1	Located off j 21, M62. The site has a single plot capable of accommodating a unit of c 27,870 sq. m. The site will not compete due to its location.
Oldham	Broadway Green	10.5	Located off j20, M62/j21 M60, the site has outline planning consent and can accommodate a unit of up to 34,900 sq. m. The site will not compete due to its location.
Lancashire			
Chorley	Farrington	16.2	Located off j1 M65. The site has planning consent for up to 57,156 sq. m has been granted. The site can accommodate a unit of 27,870 sq. m. The site will not compete due to its location.
South Ribble	Cuerden	tbc	Located off j1 M65. The site has outline consent for up to 74,349 sq. m of B2/B8. The site could

Authority	Site	Area (ha)	Comment
			accommodate a unit of 27,870 sq. m. The site requires completion of infrastructure before it is deliverable and is focussed on the Central Lancashire market.
Preston	Rough Hey Farm, Preston	26	Accessed off j31a M6. Allocated site, currently under offer to be developed for a single occupier.
Cheshire			
Halton	HBC Fields, Gorse Lane, Widnes	11.09	Accessed off j7, M62 (3.5 miles) or j12 M56 (5 miles). The site is in close proximity to Gorse Point and is allocated for employment use. The site is too far from Omega West to be competition.
	Liberty Park, Widnes.	7	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

Authority	Site	Area (ha)	Comment
			from Omega West to be competition.
Warrington	Fiddlers Ferry Power Station	330	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.
	Arpley Meadows	30.1	The site requires investment and improved access. The site has poor access to the motorway network and is currently not deliverable for development and is therefore discounted.
Cheshire East	Midpoint 18	44.13	The site is located of j18, M6 and has an outline consent for 1.75m sq. ft. in unit sizes from 40,000 sq. ft to 638,000 sq. ft. A 14.17 ha site has been sold to Swizzells to build a 14,684 sq.

Authority	Site	Area (ha)	Comment
			m distribution unit. Given its distance from Omega West, the site cannot be considered as competition to the subject site.
Crewe & Nantwich	Basford West – Panattoni		Located off j16, M6. The site has planning consent for a single unit of c 28,346 sq. m and construction is due to start imminently. The site is too distant and serves the Crewe sub-market.
	Basford West – PLP	5.67 & 9.06	Located off j16, M6. The site has planning consent for a single unit of c 46,468 sq. m. The site is too distant and will serve the Crewe sub market.
	J16 Business Park, Radway Green	16.18	The site is located close to j16, M6 and has full planning consent for c 400,000 sq. ft with a further phase of 375,000 with outline consent. The site is too distant and will focus on the sub regional market and doesn't

Authority	Site	Area (ha)	Comment
			provide competition to the subject site.
	Radway Green extension.	25.78	The site is located close to j16, M6 and is allocated for employment use. The site can accommodate up to c 900,000 sq. ft. The site does not provide competition to Omega West due to timescale for delivery and location.

8.3 There are fifteen sites in the North West that can offer sites capable of accommodating a unit of 27,870 sqm that are deliverable. These sites can be dismissed as they will cater for a different market in locational terms. Within the core market location for Omega West referred to in Paragraph 5.27 there are no competing sites. The available sites are clustered around Widnes, Greater Manchester, Crewe and the Central Lancashire conurbation.

8.4 In summary the table shows that there are a limited number of deliverable sites across the North West that can accommodate units in excess of 27,870 sq. m. These are in geographically diverse locations, which offer no competing sites within the core market area for Omega West.

9 St Helens Council Employment Land – Qualitative and Quantitative Assessment

- 9.1 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 27,870 sq. m, or 7.1 hectares which would be the agreed minimum size of unit at Omega West.
- 9.2 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.
- 9.3 Table 4.1 of the Local Plan Submission Draft lists the proposed allocations for employment development totalling 265.3 hectares as outlined below.
- 9.4 The only individual sites which fit the two criteria are the subject site (1EA Omega South Extension), and 8EA Parkside.

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 application site. The site includes part emerging employment allocation (31.22 ha) and part retained Green Belt site (44.21

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				ha). Total 75.43 ha. The allocated site is regarded as meeting Warrington BC's employment needs.
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	2.65	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 1,689 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

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				shape. 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 site will be accessed off j22, M6 and j9, M62. Parkside Phase 1 (47.90 ha) is subject to a 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</p>

LPA Ref*	Site Name*	Indicative Site area (hectares)*	Remaining Area (hectares)	Status / Comments
				A580/M57 intersection.
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)

- 9.5 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 in excess of 27,870 sq. m.
- 9.6 All available sites are greenfield with the exception of Parkside West which is part brownfield.
- 9.7 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

- 9.8 From the allocations proposed in the St. Helens Submission Draft Local Plan as outlined in the table above 48.91 hectares have been developed in part or as a whole. The 11 proposed sites are not representative of the current land supply.
- 9.9 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.
- 9.10 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.
- 9.11 Plot 2EA - 36.67 ha has already been built out for Kellogg's and Amazon.
- 9.12 Plot 3EA - 8.4 ha has been built out for Movianto with 2.65 ha remaining available

- 9.13 Plot 10EA - 3.84 ha has been built out for a speculative multi-unit scheme
- 9.14 Based on the Council's target employment land requirement 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.
- 9.15 If the total employment land supply figure of 265.3 hectares in Table 4.1 of the Local Plan Submission Draft is used, the existing take up equates to 18% of the total supply for the period 2018 – 2035. The residual supply would be 216.39 hectares.
- 9.16 The residual supply would be able to satisfy an annual take up of 14.43 hectares per annum.
- 9.17 The Omega West land allocation (31.22 ha) needs to be removed from the supply as it is an allocation to meet the needs of Warrington. This would reduce the supply to 185.17 ha based on a gross supply of 265.3 ha (as Table 11) or 12.34 ha per annum.
- 9.18 Omega West has previously received a resolution to grant consent (prior to the application being called in). If consented by the Secretary of State it will provide 75.43 ha of employment land. 31.22 ha of the consented area will count towards the Warrington land supply.
- 9.19 In summary 45.07 hectares of the Draft Local Plan allocations within the borough (and which are capable of accommodating large floorplate buildings) have already been built out. Of the Omega West site 31.22 ha is not attributable to meeting St Helens needs but Warrington's. The St.Helens net supply excluding the non – draft allocation at Omega West amounts to only at most 185.17 ha for the period until 2035.

10 Subject Site

10.1 Omega West has been assessed on the criteria for large scale development discussed in Section 4. The site satisfies the criteria which are discussed below. This is also discussed in David Milloy's proof of evidence.

10.2 **Large footprint** – Omega West can offer a number of development plots capable of accommodating units of 27,870 sq. m or over. The indicative masterplan attached at Appendix Seven identifies the plots adjacent to the motorway for TJ Morris and a further three units to the south providing 113,567 sq. m. The site can offer a range of units in excess of 27,870 sq. m to satisfy occupiers requirements.

10.3 **Physical characteristics** –

- the topography/shape of the site does not prevent its development – the site does have a slight rise and fall but this does not inhibit development. The masterplan identifies how the larger buildings 'fit' on the site.
- there is an adequate timescale to provide utility/service provision to the site – Miller Developments have already secured utility and service provision to the site, there is a contract in place for timely utility delivery.
- the site is greenfield and has no physical barriers to development.
- The site can be operated on a 24/7 basis – there are no residential properties in close proximity to be affected by 24/7 operations on the site. The site is accessed through a business park estate road directly to Junction 8 of the M62.

- 10.4 **Motorway/strategic road access** – Omega West has direct access to Junction 8 of the M62 from Catalina Way, the estate road. Both the estate road and the junction have sufficient existing capacity to facilitate the development at Omega West. Omega West has direct access onto the M62 and is within 3 miles of the M6 interchange, giving access to the region’s motorway network. The M6 and M62 are the main trunking motorways in the north west for logistics. The site’s location provides excellent access to the Liverpool City Region, Liverpool 2, Warrington and the Greater Manchester conurbation.
- 10.5 **Land ownership** – the site is in the control of the developer.
- 10.6 **Deliverability** – the site has no impediments on delivering distribution units to the market. Miller Developments have confirmed that due to the contractual commitments with TJ Morris that they can be on site to commence construction immediately once planning consent is granted. All the pre commencement conditions and third-party consents are in place.
- 10.7 **Labour supply** – the area’s demographics provide a large catchment area. This is supported in the evidence
- 10.8 **Omega** - In addition, Omega West will benefit from the success of Omega (Omega North and South). Omega is the pre-eminent logistics park with over 483,000 sq. m built out since 2012. The site has immediate motorway access to Junction 8, M62 and quality landscaping/public realm including a 14 hectare parkland area called the Green Heart. The site benefits from its own HGV Compressed Natural Gas (CNG) fuel site which is utilised by a number of occupiers on the development. The business/logistics park has been designed to offer a quality environment which will compliment Omega West.

10.9 In summary, Omega West satisfies all the relevant criteria for large scale floorplate development. It is unique in that it can deliver serviced sites within an exceptionally short timescale. Given the timescale of TJ Morris to have their unit constructed Omega West is the only site that can satisfy their requirements. Omega West can satisfy this short to medium term deficit in land supply in the North West.

11 Conclusions

- 11.1 The Omega West site is being brought forward with a named occupier for approximately 40% of the site. It is adjacent to an established employment location, Omega South. The site will offer logistics and manufacturing floorspace on a 70%/30% split respectively.
- 11.2 The logistics sector has undergone a step change which has been accelerated with the impact of Covid 19 and Brexit.
- 11.3 The current supply of Grade A buildings in the North West is 262,228 sq. m in thirteen units. This represents 14- or 13-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 158,008 sq. m or to 8.6 or 8-months based on the five and ten year average take up.
- 11.4 Take up for 2021 is currently 94,002 sq.m with 69,240 sq.m subject to detailed planning consent and a further 104,220 sq m under offer. This would equate to a total take up of 267,462 sq m which exceeds the ten year average of 236,171 sq m.
- 11.5 In the North West there are 50 requirements over 9,292 sq. m totalling between 1.182m sq. m - 1.61m sqm and a grade A supply of 262,228 sq. m. There are 27 requirements where the search parameters are 27,870 sq. m or over totalling 924,721- 1,260,000 sq. m (this includes the TJ Morris requirement where planning consent has been granted at Omega West). In the North West there are only two units over 27,870 available totalling 69,052 sq. m.
- 11.6 Twenty one of these requirements include the Greater Warrington market area this equates to a floor area requirement of 729,554 sq. m – 1,042,751

sq. m. In the same area there is only 94,981 sq. m available or under construction.

- 11.7 This confirms the imbalance between supply and demand.
- 11.8 There is a shortage of deliverable sites in the North West and specifically along the M6/M62 corridors 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. Omega West is immediately available once planning consent is granted as it has an exceptionally short lead in time.
- 11.9 Market failure will occur in the region. Market failure is when the market cannot satisfy the needs of occupiers due to a lack of supply of built product or additionally in this instance a lack of built product and the supply of land to be able to construct the required distribution facilities. TJ Morris are a prime example of this market failure if the planning consent is not granted at Omega West. The current situation has been brought about by a number of factors which include – a step change in the market, local authorities not being able to bring sites through the employment allocation/ local plan process quickly enough in relation to (1) employment land take up, (2) the change in market requirements outpacing local plans and (3) a reliance on older employment sites which could never satisfy modern occupier requirements.
- 11.10 Over 652,462 sq. m of predominantly logistics floorspace has been developed in the Greater Warrington sub-market area since 2011 mainly at Omega North and South which adjoin Omega West. This confirms the market's clear belief in the suitability of the location for logistics occupiers.
- 11.11 The market for the subject site is focussed on the wider Warrington market predominantly along the M62 and M6 corridors between junctions

20 – 25 and junctions 8 and 11 respectively. The existing development at Omega confirms it has a strong locational attraction for M6/M62 corridor focussed enquiries.

- 11.12 The changing logistics requirements are driving a need for larger, taller distribution units to enable automation. The size and height of the buildings is determined by the automation system. This requires larger regular shaped sites with good motorway access capable of accommodating unit sizes from 27,870 sq. m. Omega West can offer a number of plots to immediately satisfy these requirements.
- 11.13 Distribution companies still need access to a large labour pool, Omega West can offer a plentiful labour supply within its catchment area and logistics offers a range of jobs with a higher than average salary.
- 11.14 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 two remaining sites including Omega West that are capable of accommodating a unit of 27,870 sq. m or above.
- 11.15 There are currently five sites being considered by the Secretary of State. The sites would provide an additional 657,923 sq. m of supply to the marketplace. Given the imbalance between supply and demand and the various timescales for delivery of the sites this would not create an oversupply of employment land.
- 11.16 The lack of suitable buildings and sites will be to the economic detriment of the region. This highlights the issue that the market is continuing to run ahead of the planning system. Experience has indicated that many local authorities have relied on less suitable sites to satisfy simply some aggregated quantitative need rather than the market's quantitative and

qualitative need necessary to meet the needs of modern occupiers. The pressure to release land for residential development has also resulted in a loss of some employment land which is, to say the least, unfortunate and also has reflected the lack of forward thinking on the part of some local authorities who have sought to rely on the identification of unsuitable sites to meet modern employment use needs.

- 11.17 In summary, the North West has an extremely limited supply of available buildings and land capable of delivering modern logistics facilities with motorway access. Omega West is proposing to target and can offer large scale development plots for units over 27,870 sq. m. These plots/units are deliverable in an exceptionally short timescale due to the contractual requirements for the TJ Morris and the infrastructure of Omega South Business Park. The site has immediate access onto Junction 8, M62 and is within 3 miles of the M6/M62 intersection. The site adjoins Omega South and Omega North, a location that has proved attractive to the logistics sector delivering over 483,000 sq. m of logistics and industrial floorspace since 2012. There are currently no plots capable of accommodating or delivering a unit in excess of 27,870 sq. m within a short timescale within the surrounding area. If the planning consent is refused this will have a major impact on site availability for TJ Morris, the confirmed employment creation and the expanding logistics sector in St. Helens, Warrington and the North West.

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Junction 10

ⁱ (Grade A floorspace is defined as being up to c 20 years old with a minimum 10 to eaves and a 50m deep yard area)