

**TJ Morris Ltd.**



## **Proof of evidence of James Clarke (for the Applicants) on Operational Requirements**

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 ('Omega West')

LPA REF: P/2020/0061/HYBR

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

**March 2021**

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# Introduction

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## 1.1 Qualification and Experience

- 1.1.1 My name is James Clarke. I hold a Law (LLB) Degree from John Moores University and I am a practising solicitor with current membership of the Law Society.
- 1.1.2 I have been in legal practice for over twenty-one and a half years and I am currently Group Legal Counsel at T. J. Morris Limited ('TJM'). I have worked in-house for TJM for five and a half years, having previously been a partner at Brabners LLP, where I worked on behalf of TJM for fifteen years. I deal with all TJM's property transactions and I have been involved in the Omega West project since its inception because of which I have gained a good amount of knowledge and understanding of the site.

## 1.2 Endorsement

- 1.2.1 The evidence which I have prepared and now provide for this called-in planning application (St Helens Council reference P/2020/0061/HYBR) within this proof of evidence ('POE'), is to the best of my knowledge and understanding true and has been prepared in liaison with my colleagues within TJM who have detailed knowledge and understanding certain of the various matters which are touched upon within the evidence provided.

## 1.3 Scope of Evidence

- 1.3.1 The evidence within this POE is concerned with the Omega West application proposals and the operator requirements of TJM. TJM is the joint applicant alongside Omega St Helens Ltd. TJM exchanged contracts with Omega St Helens Limited on 20 December 2019 to acquire 26.24ha (64.85 acres) of land to the west of Omega South & south of the M62, Bold, St Helens (known as 'Omega West'). That contract is subject to planning. The site is required to deliver a new TJM distribution centre, with expansion land for potential future ancillary/supporting facilities to be developed alongside.
- 1.3.2 My evidence provides an overview of TJM's Operator Requirements at Omega West, including an overview of the TJM Business, the TJM Operational Logistics, the Identified Need for a third DC, the Proposed Development at Omega West, TJM's Commitment to Unit 1 and details on Recruitment, Training and Career Opportunities.

# TJM Business Overview

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## 2.1 TJM ethos and planned growth

- 2.1.1 TJM was established in 1980 by Tom Morris, who opened his first shop in Old Swan, Liverpool in 1976. TJM is one of the UK's fastest growing discount retailers, with the business growing organically to become one of the largest privately owned companies in the UK. It currently employs over 25,000 members of staff, and TJM is the largest private sector employer on Merseyside.
- 2.1.2 The business has more than 545 stores throughout the UK (including more than 30 on Merseyside) and plans to expand to over 1,200 stores in the next 10 years. The Omega West proposals are critical to realising this planned growth.
- 2.1.3 TJM's new distribution centre at Omega West will also support new investment and jobs not only within, but also outside of the local area, with the expansion allowing the opening of new stores across the UK.
- 2.1.4 The TJM head office is located at Axis Liverpool, alongside an existing distribution centre of approximately 92,900 square metres (1m square feet) which will continue to operate alongside the proposed Omega West distribution centre. There are more than 1,500 staff employed across the Axis site.
- 2.1.5 Home Bargains ('HB') is the trading name of TJM and has become a household retail name across many parts of the UK, particularly on Merseyside. HB operates within the discount, or value, retail sector. The brand strap line is "Top Brands – Bottom Prices". The wider discount retail sector has seen significant growth in recent years as shoppers have been attracted by the quality of products and competitive pricing.
- 2.1.6 The success of discount retailing and its ability to offer such low prices is based on a combination of low profit margins, driven efficiency, and high productivity. The efficiency of HB's operation extends across all aspects of their business, including both their trading format and their store replenishment logistics operations and is a key element of their success. TJM are continually striving to improve efficiencies through innovation in their operation.
- 2.1.7 The business' ethos is to "sell the best branded products at the lowest possible price". For HB to sell a particular product it needs to be priced between 10% and 30% cheaper than elsewhere. Approximately, 70% of the HB stock are regular lines, while the other 30% changes continually. This business model allows prices to be kept to a minimum.
- 2.1.8 HB's principal range includes health and beauty products, medicines, baby products, household products, toys and games, pet food, home furnishings and ornaments, seasonal products, ancillary food and drink products and a limited clothing range.

## **2.2 TJM 'bricks and mortar' business model**

- 2.2.1 Unlike the growing retail trend (particularly in the last 12 months of pandemic climate) to maximise online presence to ensure booming business, TJM is principally a 'bricks and mortar' retailer, with the bulk of business coming via traditional retail, rather than e-commerce or online sales.
- 2.2.2 The TJM business model relies on expanding the retail network, supported by new distribution centres with enhanced innovative efficiency to serve the retail network without seeking to move sales from physical stores online.
- 2.2.3 HB stores typically deliver between 50 and 90 jobs per unit, depending on store size. As the standard store size grows, the number of jobs per unit tends to be at the upper end – providing a very tangible benefit to local communities.

# Operational Logistics Overview

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## 3.1 Overview

3.1.1 TJM has two existing **distribution centres** (DCs) in the UK supplying its existing but fast-growing network of Home Bargains stores:

- Liverpool ('Axis site')
- Amesbury, Wiltshire ('Solstice site')

3.1.2 TJM owns the freehold for both sites which are described below.

## 3.2 Liverpool ('Axis site')

3.2.1 The Axis site (see **Figure 1**) was TJM's first DC. It first opened in 2005 and has been continually expanded. A 'high-bay' warehouse (33 metres to ridge) was added in 2010, with a further significant warehouse addition in 2014 along with additional vehicle maintenance, packing warehouse and staff gym facilities, to enhance TJM's operational capability and employee offer. The facility has been further expanded through the creation of an enlarged training centre and buyers' office in 2017.

**Figure 1: TJM distribution centre, training centre and buyers' office at Axis, Liverpool**





- 3.2.2 The Axis site now provides over 92,902 sqm (1,000,000 sqft) of warehousing floorspace principally across three buildings, two of which are connected via a bridge link. Based on current estimates, the site has capacity to serve approximately 325 stores and is operating at 100% capacity, meaning many stores in the Midlands and the North are being serviced (inefficiently) by TJM's second DC in Amesbury, Wiltshire.

### 3.3 Amesbury, Salisbury ('Solstice site')

- 3.3.1 In July 2013, TJM completed the freehold purchase of 64 acres of land at Solstice Park in Amesbury, Wiltshire for a second DC. Work commenced on site in August 2013 (just one month after completion of purchase) and the facility was completed and has been operational since autumn 2015 (see **Figure 2**).

**Figure 2: TJM distribution centre at Solstice Park, Amesbury**



- 3.3.2 Outline planning consent was originally granted by Wiltshire Council at the Solstice site in June 2010.
- 3.3.3 The outline consent was amended ahead of TJM's purchase, with a new full planning permission granted in March 2013 for a scheme that met TJM's requirements. That permission secured consent for a bespoke distribution centre of 71,658 sqm (771,326 sqft), along with a training centre of 2,989 sqm (31,195 sqft) and two additional warehouses providing a further 19,527 sqm (210,189 sqft) of expansion space.

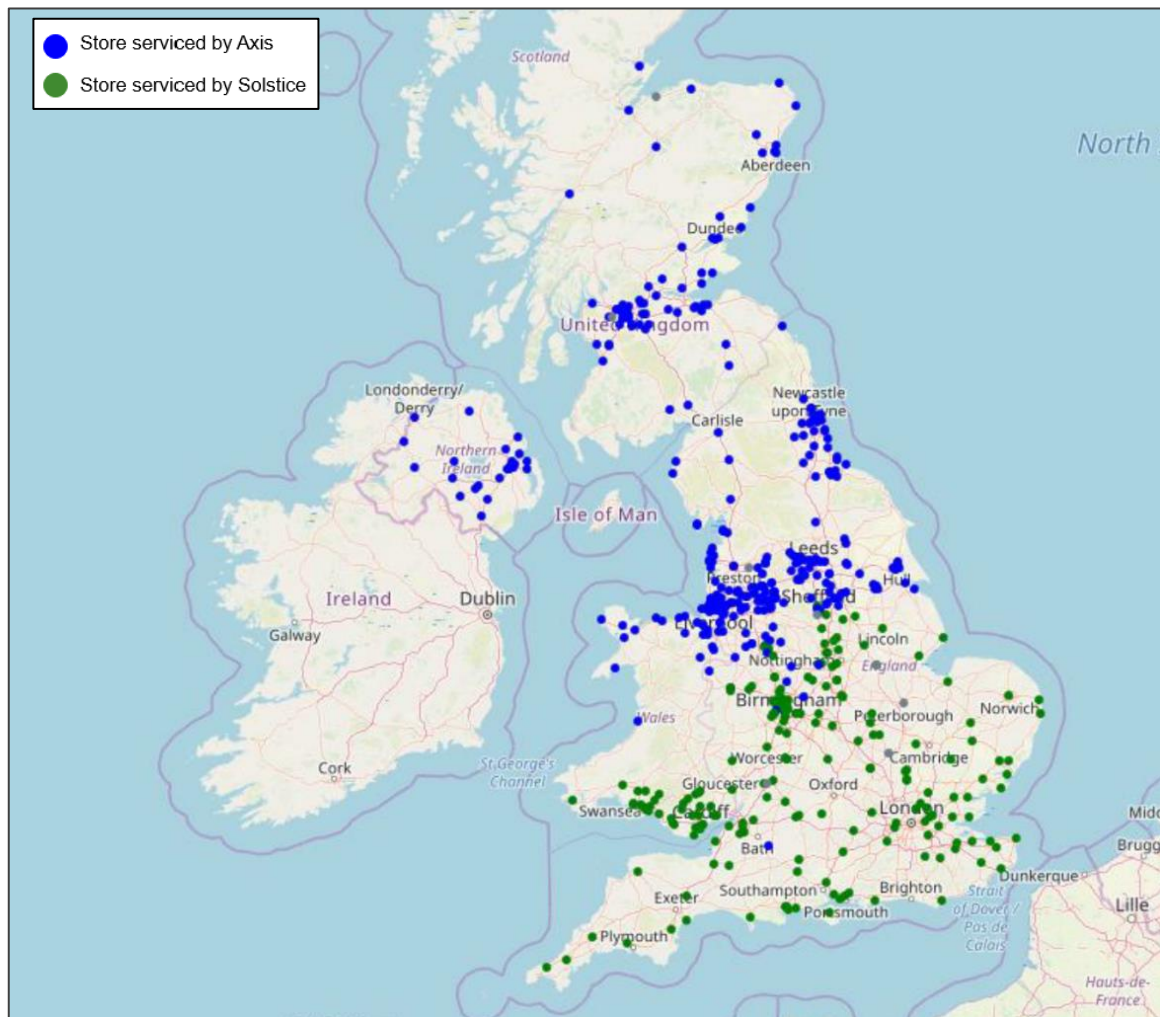
- 3.3.4 The scheme included a bespoke 'high-bay' warehouse which provides 30 metres clear internal height, resulting in a ridge height of 33.25 metres.
- 3.3.5 The main warehouse and training centre have been built out providing approximately. 74,321 sqm (800,000 sqft) of floorspace on site.
- 3.3.6 The consented additional warehouse capacity was not intended for use by TJM as part of its main store distribution 'picking' operations, given that this function can only take place within the main warehouse facility. The expansion land is intended for development as additional ancillary facilities, such as packing warehouse and recycling site, in line with the approach taken at the Axis site.
- 3.3.7 TJM's second DC has been a vital addition to support store growth in the south of the country. Again, based on current estimates, the Solstice site has capacity to serve approximately 325 stores and is currently forecast to hit 100% capacity in 2024.
- 3.3.8 It should be noted that TJM's historic growth pattern and future anticipated growth pattern will retain a majority presence from the Midlands and northwards in the UK. The Amesbury site will be the only southern based DC, with intended capacity being taken over a greater period.

### **3.4 Existing Capacity**

- 3.4.1 The DCs at Axis and Solstice currently supply over 545 Home Bargains retail stores across the UK, as shown in **Figure 3** below. The high-bay elements allow both sites to be highly automated and are vital to TJM's operations.



**Figure 3: TJM distribution network**



- 3.4.2 As noted, the Axis site is currently operating at 100% capacity, with the Solstice site forecast to reach full capacity by 2024. Whilst capacity currently exists, this was intended to service Southern stores and not stores in the Midlands and North. Given the geographical distribution of the existing and proposed store network, use of the Solstice capacity to serve stores in the Midlands and the North, is both inefficient and environmentally unsound, given the distances of travel involved to service stores.
- 3.4.3 Significant like-for-like sales growth across the existing store estate means that the existing DCs are projected to be able to supply c. 650 stores across the year (4.2m cases per week at peak). This would be running both DCs at “full throttle” during Q4 and gives no additional capacity for any unusual flow in the supply chain (Brexit, Covid, panic buying etc.).
- 3.4.4 The Solstice site does not resolve TJM’s operational logistic requirements nor mitigate the need for a third DC in the locality of the existing Axis site, which offers operational management and efficiency benefits in line with TJM’s lean business model.

# Identified need for a third DC

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## 4.1 Why a third DC is required

- 4.1.1 The driving force behind the need for a third DC is to meet TJM's planned store growth over the next 5 years and beyond.
- 4.1.2 TJM has over 545 retail outlets which are currently being served by two existing DCs. Those two DCs have a finite capacity, with Axis already operating at 100% capacity, and Solstice expected to reach capacity in 2024. As identified above, the location of Amesbury relative to the existing and planned store network does not provide a workable solution to TJM's logistics requirements. The Solstice DC already has excessive stem mileage<sup>1</sup> owing to the Axis DC being at full capacity. This is because Solstice is servicing stores in the Midlands and the North due to capacity issues at Axis.
- 4.1.3 TJM plans to grow from 545 to 800 stores in the next 5 years. If this is to be achieved, a third DC is required to provide the infrastructure and capacity to grow, with short-term capacity constraints already in existence at Axis. The third DC will not replace Axis, with that capacity required to support the TJM network. The third DC will complement the existing Merseyside based DC and due to management efficiencies, it will offer a significant opportunity to relieve capacity at Axis, whilst adding innovation to the logistics operation in a location which is readily accessible to TJM's existing experienced management. The facility will also significantly reduce stem mileage from Amesbury.

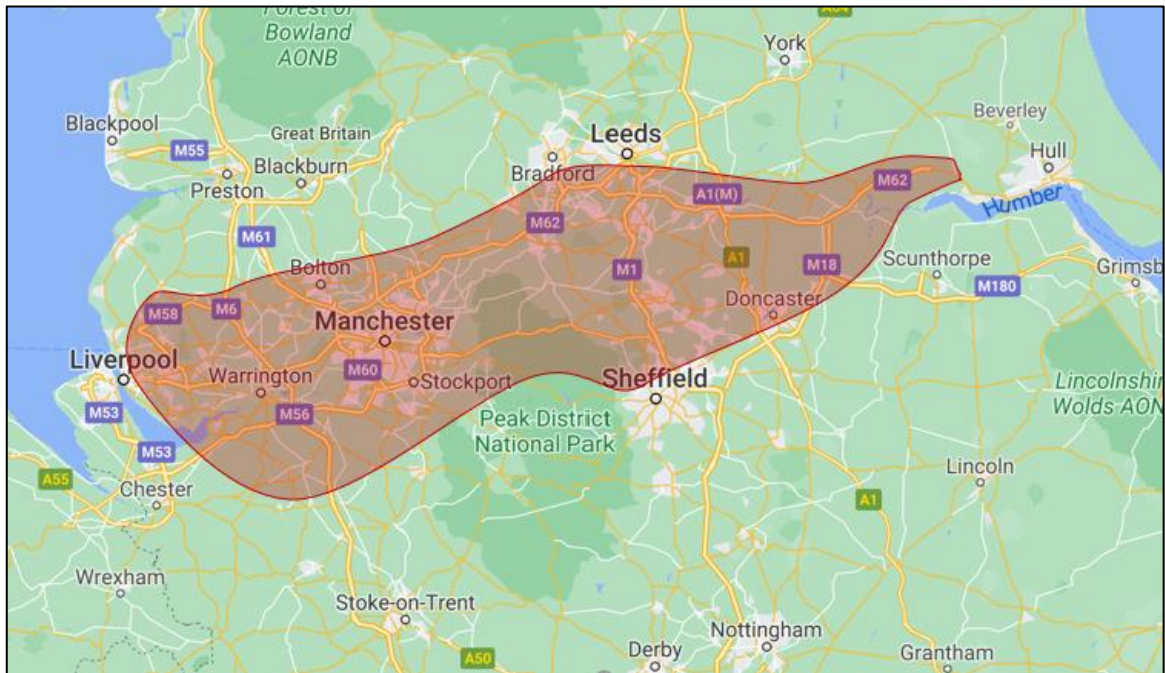
## 4.2 Identified Locational Need

- 4.2.1 To meet the planned store growth, TJM identified a need for the third DC in the north of England, between Liverpool and Hull (see **Figure 4** below).

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<sup>1</sup> Stem mileage is the measure of distance to and from a delivery zone

**Figure 4: Illustrative Initial TJM Search Area**



- 4.2.2 It might be considered surprising TJM would want a second logistics facility in this region, however the North West is at the heart of the TJM business. TJM uses data which enables it to forecast planned growth in store numbers, analysing population density per existing, and possible, store locations, and likely availability of suitable stores. This analysis led to the conclusion that the best location for a third distribution centre was in the North, in a band running from Liverpool across to Hull. Freehold site opportunities were then assessed and evaluated across the target area.
- 4.2.3 Data demonstrates a new DC in this identified location of need will remove pressure from the Axis site, and it will enable TJM to service its existing and proposed network more efficiently.
- 4.2.4 TJM's growth to date, and the planned store growth, is illustrated graphically (Figure 5) and geographically (Figure 6) below – with Axis, Solstice and the third DC planned to service more efficiently the existing and forecast store network.
- 4.2.5 The new DC will add significant store fulfilment capacity to the supply chain network in a location where the need is greatest. Axis is already at capacity, resulting in Solstice currently servicing sites outside of its natural catchment, as illustrated in Figure 3 above. This is resulting in considerable stem mileage which is inefficient and unsustainable.
- 4.2.6 Without a third purpose-built DC in the North, TJM would need to consider short term warehousing options. Those options would not remove the need for a new DC and TJM would need to return to its search for a suitable alternative. From our own extensive research, such alternatives do not exist, therefore posing a major threat to the store expansion programme.

**Figure 5: TJM existing and planned store growth to 2031**

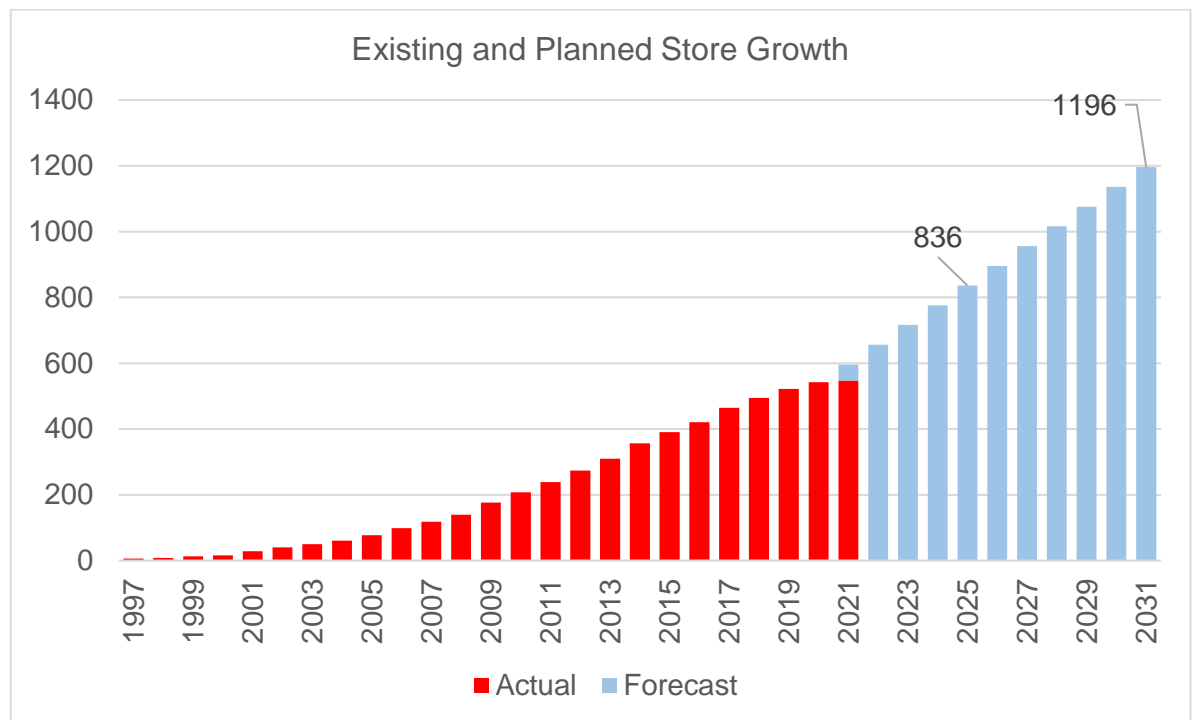
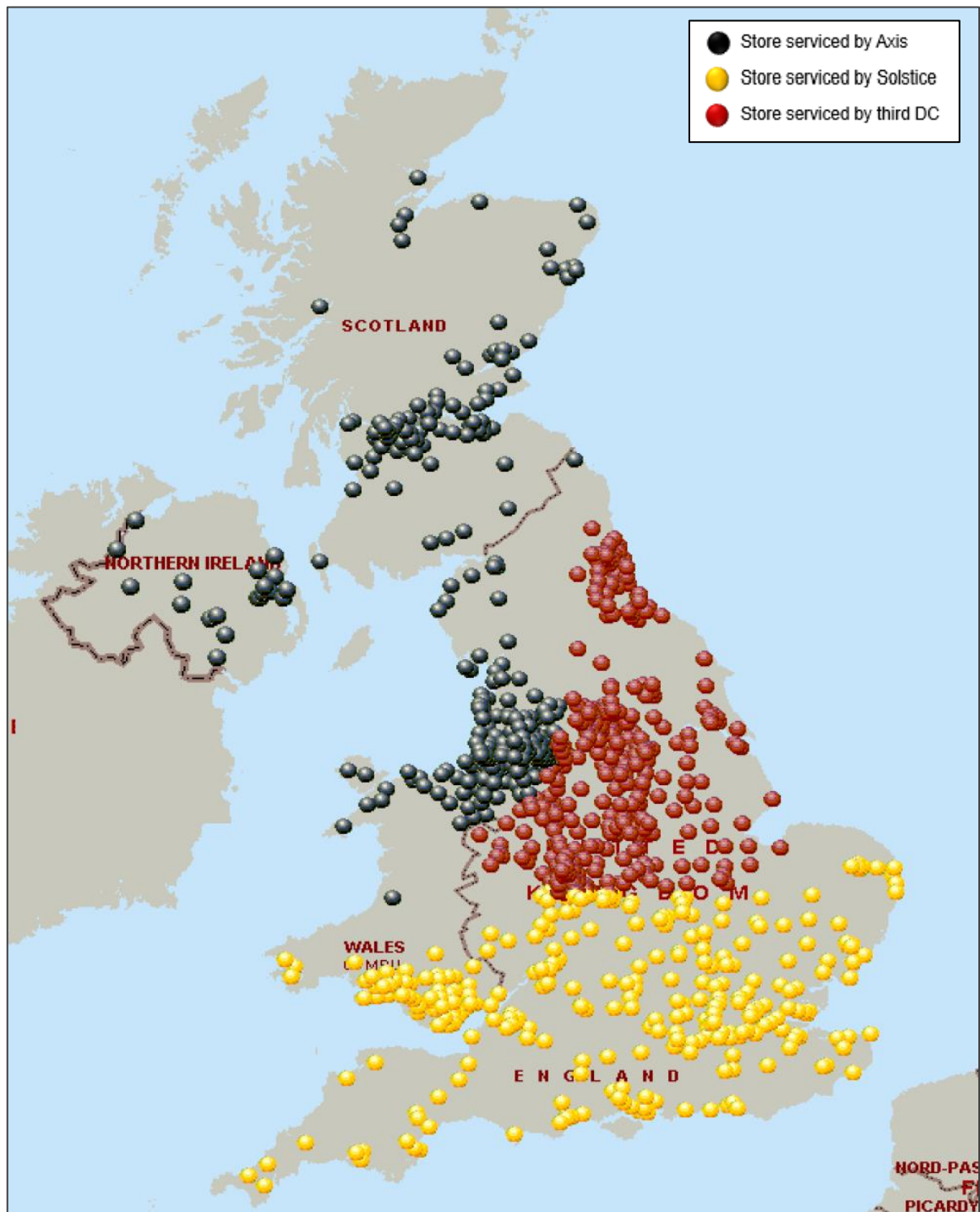




Figure 6: TJM planned store network growth to 2027



### 4.3 Required Delivery Programme for a third DC

- 4.3.1 TJM planned to deliver the third DC as a fully operational distribution centre by autumn 2024. The programme is already under considerable pressure due to delays in the planning process, despite TJM front-loading the work as far as possible. Should planning permission be forthcoming, it is anticipated there will be a 1-year delay to the opening of the third DC because of the current Call-in Inquiry.



- 4.3.2 TJM's existing DCs are highly automated, which will also be the case of the third DC. TJM upgrade their automation arrangements with each new DC constructed, such that each is state-of-the-art when complete. Accordingly, the third DC will house one of the most advanced picking systems in the world on completion. This means a longer fit-out period than a conventional warehouse, although programming efficiencies will shorten the construction period as far as possible.

#### 4.4 Site Availability, Size and Deliverability

- 4.4.1 TJM's firm programme requirements require delivery of the unit to be as soon as possible, with the 'go live' date previously planned for autumn 2023 – although it is recognised this will be delayed due to the planning process. This very tight programme means that the unit should be sited on land where potentially time-consuming preparatory works can be avoided as far as possible.
- 4.4.2 Sites within the identified area of search needed to be available in the short-term, but also with limited on-site constraints to ensure short-term deliverability (e.g. utility or contamination issues).

#### 4.5 Operational Requirements

- 4.5.1 The precise operational requirements of the proposed warehouse were reflective of TJM's market-leading expertise in the development and operation of these distribution centres and are best practice in this regard. When looking for a DC site the following fundamental operational requirements need to be considered:
- The site **must** be capable of providing at least 92,902 sqm (1,000,000 sqft) of warehousing and ancillary floorspace (to support TJM's planned store growth, along with the ability to expand).
  - The site **must** be capable of accommodating future ancillary buildings and structures to support the growth of the DC.
  - The site **must** be capable of accommodating a high-bay warehouse and owing to the automation required as part of the operation, the high-bay must have a clear internal height of 38 metres and consequently 41m external height allowing for the roof construction<sup>2</sup>.
  - The site **must** be able to meet the significant power requirements associated with the provision of an automated high-bay warehouse.
  - The DC **must** be designed have service yards on all sides, of varying depth to suit the internal operational layout required by the automated handling equipment within, and to allow for the number of docking stations to be maximised.
  - An office component **must** be provided within the DC and should be sited to allow ease of access for those arriving by private vehicle, public transport or active travel modes.

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<sup>2</sup> This is fundamental to the efficient use of land and resources that underpins the TJM business model and will enable the use of modern robotics and picking systems.

- The DC **must** be designed to include suitable parking provision for private vehicles (including disabled parking bays and Electric Vehicle Charging Points), motorcycles and bicycles.

4.5.2 Considering like-for-like sales growth, planned store roll-out and increasing average store sizes, the third DC will have the ability to service approximately 325 stores.

#### **4.6 Third DC at Omega West**

4.6.1 Following a protracted and robust site search exercise, the TJM Board determined the Omega West site is the only site which is available for delivery of development to enable TJM's operational requirements to be accommodated within the required timetable.

4.6.2 The TJM proposals at Omega West are addressed in the subsequent section.

# Proposed Development at Omega West

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## 5.1 No alternatives to Omega West

- 5.1.1 Finding a site that can accommodate 92,902 sqm (1,000,000 sqft) of floorspace (when expansion land is included), including a high-bay element, that is strategically well linked to the motorway network, without significant constraints that would hamper immediate construction and not prohibit 24/7 logistics use, was difficult. Furthermore, only a very small number of sites were potentially appropriate and truly deliverable within the timescales that could accommodate TJM's requirement – with speed of site delivery being a significant and influencing factor when looking at alternative sites.
- 5.1.2 Ultimately, the conclusion of TJM's site search is that **there is no other practical alternative** location that can meet TJM's requirements for a third DC to be developed and operational within the required timescales.
- 5.1.3 The detailed reasoning and justification setting out why there is no other practical alternative site, even when the search criteria thresholds are relaxed from TJM's operational requirements, is set out in the Alternative Site Assessment, and do not need to be repeated here.

## 5.2 Advantages of Omega West

- 5.2.1 The specific advantages of the Omega West site are set out below.
- Speed of delivery given it is a relatively physically unconstrained site.
  - Significant distance and screening from nearest residential receptors.
  - Proximity to a large source of skilled, engineering, and technical labour.
  - Excellent motorway and road connections allowing an efficient link to the wider store network.
  - Significant distance from the closest noise sensitive receptors meaning the proposed 24/7 operation would not be fettered.
  - Proximity to the Axis site which also contains the TJM head office; this assists with construction, ramp-up, management and operation of the site.
  - Relieves pressure on the Axis site which is operating at 100% capacity with Omega West's proximity offering logistics efficiencies that would not otherwise be secured.
- 5.2.2 All these factors weigh heavily in favour of Omega West as a preferred location for a third DC.

## 5.3 Expansion Land

- 5.3.1 The Omega West site not only allows TJM to fulfil their immediate identified need for a new DC (referred to as 'Unit 1'), but crucially, it also provides the ability for future expansion (the 'Expansion Land').

- 5.3.2 TJM's experience at Axis demonstrates the importance of being able to respond to future operational requirements quickly and easily, through enhancing TJM's DC capability with development of additional facilities, such as a training facility, vehicle maintenance unit, packing warehouse, staff amenity/gym and recycling facility.

## **5.4 Unit 1**

- 5.4.1 The scale of the proposed 'Unit 1' is reflective of the modern way in which TJM's business is run, but also reflects the general trend of modern logistics operators – with larger footprints and heights required for efficient operations.

- 5.4.2 The proposed floorspace area of the Unit 1 DC is 81,570 sqm (878,725 sqft), with a 41-metre high-bay element, associated and ancillary facilities, office space, hardstanding and service yards. In addition to meeting the operational requirements as set out in the preceding section, TJM has sought for the third DC to respond to two important and interlinked factors:

- the need to seek the most effective use of land<sup>3</sup> in providing a suitable and efficient density of employment floorspace across the chosen site, while also delivering necessary access, landscaping, drainage etc.; and
- the associated floorspace efficiency and productivity benefits provided through the incorporation of a high-bay element.

## **5.5 Unit 1 high-bay element**

- 5.5.1 The overall height of Unit 1, including the high-bay element, is dictated by what happens inside it and the substantial investment to be made in the automation that is required to achieve the required commercial efficiencies that make the operation viable. There are two principal benefits to the incorporation of a vertical high-bay element:

- the floorspace gained through a high-bay element is floorspace area saved in land take terms; and
- it allows the use of modern automated stacking and picking systems, providing superior operational efficiencies that simply cannot be achieved through horizontal layouts.

- 5.5.2 Incorporating a high-bay is crucial to allowing the efficient use of modern robotics systems that are driving innovation, efficiency and productivity within the sector. The rapid pace of change in what is required and expected of modern warehouses is reflected in the relatively short lifespan of past warehouses, as recognised in the Liverpool City Region Strategic Housing and Economic Land Availability Assessment (SHELMA)<sup>4</sup>.

- 5.5.3 The high-bay element will ensure TJM's Unit 1 will be market-leading in its ability to utilise today's modern technology and is designed to remain functional and effective for decades.

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<sup>3</sup> In accordance with relevant policy and guidance (see Section 11 of the [NPPE](#))

<sup>4</sup> [SHELMA](#) paragraph 12.7 onwards

The high-bay element will also enable Unit 1 to be refurbished to meet future modern technology requirements.

- 5.5.4 The height and size of the Unit 1 high-bay element is influenced by the stock cover required for the particular products to be stored and picked. Fast moving products from UK based suppliers may have stock cover as low as 4-5 days. Slower moving products from Far Eastern suppliers may be required to have stock cover of up-to 3-4 months.
- 5.5.5 The high-bay has been sized to provide stock cover of 18 days, in-line with the stock cover at the existing distribution warehouses in Axis and Amesbury which use a less-modern, but similar high-bay system. 18-day stock cover for this type of retail operation is very lean, lean, in line with TJM's business model which focuses on driving efficiencies. Industry norms are at least 40 days, which, if used here, would double the size of the high-bay element.

## 5.6 Specific high-bay benefits

- 5.6.1 High-bay is now widely used for bulk storage within the retail industry due to the efficiency it offers, both in terms of labour and space, as well as safety, as per the below:
- **Labour** – most movements within the High-Bay are carried out automatically by robotic cranes reducing the need for Forklift Truck (FLT) drivers.
  - **Safety** – because there is lower use of manually operated FLTs, the risk of dropping pallets and hitting racking is greatly reduced. Also, being operator free, if a pallet does fall accidentally, it will also only produce damage to equipment, not to personnel.
  - **Space** – being “high” and densely packed, the required volume of pallets can be stored in an area three or four times smaller than would be required for a system with manual FLT storage.

## 5.7 Space saving efficiencies

- 5.7.1 I am informed by TJM's Director of Innovation that if a non-high-bay solution was to be used, practically the whole of the DC would be required just to store 18-days' worth of stock. This would mean the overall size of the warehouse would have to double to approximately 148,643 sqm (1,600,000 sqft), resulting in a significantly greater land-take (at a size that is almost impossible to find in the UK).
- 5.7.2 As such, without a high-bay element of the height and size proposed, the Omega West development would not be feasible or indeed viable for TJM.



## **5.8 Implications of high-bay development**

- 5.8.1 It is of course acknowledged that taller developments will naturally have a greater visual impact. However, by rationalising the footprint of Unit 1 through incorporating a high-bay element, land is saved and can be used for environmental and landscape improvement.
- 5.8.2 The Proposed Development provides the critical mass needed to effectively and efficiently support TJM's planned growth while mitigating the visual and landscape impacts caused by the unit's scale and bulk.

## **5.9 Alternative orientation of Unit 1**

- 5.9.1 I am informed by Omega St Helens Ltd and the TJM Design Team that there is no alternative orientation of the layout or orientation of Unit 1 that would not sterilise large parts of the Omega West site, or compromise the operational needs of TJM.
- 5.9.2 The size and shape of the building is fixed and is a direct product of the requirements of the automation layout within it, and the number of stores that it is intended to serve. Therefore, it is the orientation, rather than the shape and size of the building that needs to be assessed against the constraints.
- 5.9.3 When acquiring a site of this size, associated constraints need to be considered. TJM assessed the constraints, seeking to position Unit 1 at the part of the site which is least constrained to minimise any programme risk. The only two physical constraints at the Omega West site include:
- overhead pylons; and
  - a major watercourse (running through the southern half of the Application Site).
- 5.9.4 Positioning the TJM building away from these constraints reduces planning and programme risk as it means that the warehouse (notably the high-bay element) can be constructed without the need for diversions to be in place, with careful consideration given to the future layouts of buildings on the Expansion Land.
- 5.9.5 As above, the siting of Unit 1 has also focussed on not prejudicing the ability of the Expansion Land to come forward, and to reduce the possibility of land being sterilised across Omega West.

## **5.10 Future Need for Expansion Land**

### *The Expansion Land*

- 5.10.1 Consistent with TJM's first and second DCs, the ability to secure expansion land immediately adjacent to a proposed DC is extremely important as it allows for the businesses needs to be futureproofed. This is particularly significant given the scale of capital investment at each site, and the need to be able to expand the facilities as business needs arise.

*TJM's anticipated future need*

- 5.10.2 As part of the TJM business strategy, it is very important that an investment of this scale is supported by sufficient surplus land that will enable future business requirements to be met.
- 5.10.3 Axis has successfully expanded over the years and now occupies significantly more land than it did originally, which has come about due to TJM's rapid growth. That growth has been capable of being accommodated due to the availability of adjacent land, albeit in the case of Axis that has been in part achieved by land opportunities as they have presented themselves rather than detailed pre-planning. TJM has learnt that this opportunity should be established as early as possible to provide as much business certainty and opportunity as possible and allow for more connectivity in expansion, so that it is more efficient and effective. That means securing additional land to support the proposed distribution centre. Without this, the viability of the overall project would be jeopardised.
- 5.10.4 For example, both the Solstice and Axis sites are now supported by Vehicle Maintenance Units (VMU) and training centres, which were constructed a number of years after initial operations commenced. While not an immediate requirement, a training centre and VMU are both anticipated future requirements for TJM at Omega West, and land should be available for those to be delivered to ensure the most efficient and future-proof development is brought forward by TJM at Omega West.

## **‘Oven Ready’ Unit 1 at Omega West**

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### **6.1 Speed of delivery**

- 6.1.1 'Oven Ready' is a term commonly used when describing the potential ability to deliver development quickly. It implies a site or project is ready to be immediately implemented. However, in my experience, the term is frequently used rather loosely in the context of planning applications. It is often used in circumstances where there are outline permissions, or detailed consents but still with multiple (and significant) pre-commencement conditions to discharge.
- 6.1.2 In the context of currently available sites for a development with the purpose and scale intended by TJM, Unit 1 at Omega West is a rare occurrence where the project is truly 'oven ready' and is genuinely immediately deliverable, not only in planning terms but also in construction terms.
- 6.1.3 All the required preparatory work has been undertaken by TJM and Omega St Helens Ltd (the joint applicant) ahead of submission or during the determination period to ensure Unit 1 can commence to be constructed and delivered as soon as a decision is made on the call-in application.

### **6.2 Front loaded work**

- 6.2.1 Typically, most detailed design matters are addressed only once planning consent has been granted, when an occupier is found for the site, and/or funding is agreed. Having TJM as a committed and known occupier for Unit 1 ahead of the planning application being made has enabled significant investment in the following, pending the outcome of this call-in:
- no pre-commencement planning conditions;
  - all approvals from Highways England for off-site highway mitigation works and works potentially affecting Highways England's assets;
  - obtaining Ordinary Watercourse Land Drainage Consent from St Helens Council (as Local Lead Flood Authority) for the diversion of the Barrow Brook;
  - engagement with HSE and Shell to confirm they have no objection to development in proximity to the existing Shell Ethylene Pipeline which runs through the north western corner of the Application Site;
  - contractors for the building and fit-out have been tendered and provisionally appointed;
  - completion of the temporary diversion of the existing overhead power cables; and
  - power supply connections have been reserved.
- 6.2.2 Many of the aspects noted above are typical constraints on large-scale projects and would need to be satisfactorily resolved following a planning decision before any work could commence on site. In accordance with the draft schedule of conditions agreed with St Helens Council, which have been the subject of extensive discussion with statutory and

other consultees, pre-commencement restrictions are not a consideration for Unit 1 at Omega West.

- 6.2.3 The result of this investment and hard work is that TJM will be in a position to mobilise contractors and start work on the construction of Unit 1 immediately, should the Secretary of State grant planning permission for Omega West. This is incredibly unusual for a development of such scale and complexity, and is a testament to the front-loaded and best practice approach to work by TJM and Omega St Helens Ltd.
- 6.2.4 Having issues to overcome before development commences is not unusual for such a large and complex scheme, for those detailed matters to have been resolved confirms beyond any doubt that Unit 1 is deliverable and can genuinely be regarded as 'oven ready'. This imperative was principally driven by the TJM programme and was undertaken at risk and cost by TJM, to ensure that the time period between a decision notice and work commencing on site was as short as possible.

# TJM Commitment to Unit 1 and Construction Timeframes

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## 7.1 TJM Commitment

- 7.1.1 As noted above, TJM's Board has determined the Omega West site is the only site in a location that can meet the identified need of their expanding retail operations in the required timescale and with the necessary features. TJM has already invested significantly in the project to achieve the current position noted above. If this project does not come forward, this floorspace will not go anywhere else in the short-term. Despite an extensive search no other alternative viable sites were identified which could viably meet TJM's operational and programme needs.
- 7.1.2 **TJM is contracted to acquire the land to develop Unit 1, subject to planning** – further demonstrating its commitment to the Omega West site.
- 7.1.3 Moreover, TJM has signed a £150 million contract with German logistics and order picking systems specialist, WITRON, who will undertake the full systems installation within the proposed distribution centre.
- 7.1.4 Total investment by TJM for the Omega West project, will exceed £300 million. This investment will be made by TJM out of its capital reserves, not through third party finance, further showing TJM's commitment to the Omega West project and the North West/Northern economy, which in the current climate is acknowledged by Government and commentators to be vitally needed.

## 7.2 Construction Timeframes

- 7.2.1 The construction programme for the Unit 1 DC is anticipated to be around 3 years from a decision on the current planning application, which includes both the base build and an extensive fit-out programme to install the automation.
- 7.2.2 The build-out has been carefully considered, with a construction programme devised to bring forward an operational third TJM DC as quickly as possible. This involves overlaps between fit-out and practical completion to minimise the construction period.
- 7.2.3 Due to the complex automation being installed, the high-bay element a priority construction item and is anticipated to be constructed within 9 months of commencement on site. Upon completion of the high-bay element WITRON will start their installation. WITRON will then be on site for circa 21 months, undertaking the installation of the internal picking systems, which will be completed in three phases, as different sections of the warehouse are completed.
- 7.2.4 As noted by Mr Milloy, subject to planning permission being granted by the Secretary of State and issuing instructions to proceed, contractors can be mobilised to commence construction within 2-3 weeks.



# Recruitment, Training & Career Opportunities

## 8.1 Plans

- 8.1.1 TJM's plan is to build a third generation highly automated distribution centre on the proposed site at Omega West. The distribution centre will bring over 1,200 employment and training opportunities to local and surrounding areas: St Helens, Warrington, Widnes, Manchester and Liverpool.
- 8.1.2 The new distribution centre represents a strategy of innovation and continued investment by the company to support its ambitious growth plans.

## 8.2 Partners & Job

- 8.2.1 We will work in close partnership with government departments and local recruitment agencies to implement our recruitment strategy for the various roles; from supply chain, operations, engineering, and technical roles to support and administration. The table below provides a full breakdown of projected employment when the Omega West DC reaches full operational capacity.

**Table 1: Forecast FTE job generation at Unit 1 (100% operational capacity)**

Area	Peak		Average	
	Total FTE per shift	Total Annual FTE	Total FTE per shift	Total Annual FTE
Transport Hub	16	29	16	29
HR	6	7	6	7
H&S	1	1	1	1
Training	11	12	11	12
Security	6	16	6	16
Engineering & Facilities	46	206	46	206
Cleaning & Building Maintenance	21	44	21	44
Canteen	5	24	5	24
Warehouse	158	764	132	614
HGV drivers	67	300	56	250
IT	4	4	4	4
<b>TOTAL</b>	<b>341</b>	<b>1,407</b>	<b>304</b>	<b>1,207</b>

- 8.2.2 Within the first year TJM will move to three-shift, 24-hour-a-day operation. This will require a full management team (warehouse and transport) and a full engineering team to be in place. Full HR, training and H&S functions will also be in place, as will a canteen, cleaning

and building maintenance and security. These are all roles where the level of employment will not change, regardless of the operating capacity of the distribution centre. In addition to these roles, there are the warehouse operatives and HGV drivers. These roles have a direct relationship to the number of stores the distribution centre serves; there is a linear relationship between operating capacity and the total.

8.2.3 The projected job creation is both realistic and conservative. Some elements will be more similar to TJM's Amesbury site (e.g. HR). Some will be similar to TJM's Axis site (e.g. transport hub). Some will be unique to Omega West (e.g., engineering). The figures have been collated by taking each individual element into account.

8.2.4 In terms of how this employment converts in a total estimated salary cost, including pension and National Insurance Contributions. The table below provides this information by role.

**Table 2: Estimated total FTE salary costs at Omega West**

	Roles	Avg Salary (£)	Capacity		
			100%	50%	75%
Engineering / Technicians	206	36,645.00	£7,548,870.00	£3,774,435.00	£5,661,652.50
Cleaning / Building Maint	44	25,569.00	£1,125,036.00	£562,518.00	£843,777.00
Warehouse (Operatives)	614	23,201.00	£14,245,414.00	£7,122,707.00	£10,684,060.50
Drivers	250	45,320.00	£11,330,000.00	£5,665,000.00	£8,497,500.00
Transport	29	38,434.45	£1,114,599.05	£557,299.53	£835,949.29
H&S	1	50,000.00	£50,000.00	£50,000.00	£50,000.00
HR	7	37,500.00	£262,500.00	£131,250.00	£196,875.00
Training	12	36,050.00	£432,600.00	£72,100.00	£72,100.00
Security	16	30,900.00	£494,400.00	£401,700.00	£401,700.00
Canteen	24	22,660.00	£543,840.00	£271,920.00	£407,880.00
IT	4	45,320.00	£181,280.00	£90,640.00	£135,960.00
	<b>1,207</b>	<b>-</b>	<b>£37,328,539.05</b>	<b>£18,699,569.53</b>	<b>£27,787,454.29</b>

8.2.5 TJM's third DC will therefore generate annual salaries of approximately £19m at Year 1, and approximately £38m at full operational capacity. This excludes the provision of a future potential VMU and training centre which would deliver further jobs and associated wages.

### 8.3 Training and Development

8.3.1 The provision of employment is only the beginning. With a long-standing and successful companywide policy to promote from within, employees will benefit from training opportunities to support career progression.

8.3.2 Training and personal development is central to TJM's long-term plans and the proposed new site will be home to a dedicated distribution training team who will create bespoke training programmes to ensure we have the skills we require.

- 8.3.3 In turn, individuals will benefit from greater job security, financial and career progression, and job satisfaction, all of which facilitates real personal growth and social mobility.

#### **8.4 TJM Policy**

- 8.4.1 The company's approach to training, together with fair recruitment practices and flexible working arrangements, will enable us to attract a diverse workforce from a range of different backgrounds.