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St. Helens Employment Land and Skills Review: Addendum Report

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A Final Report by
Regeneris Consulting

St.Helens Borough Council

**St.Helens Employment Land
and Skills Review: Addendum
Report**

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1. Introduction

- 1.1 In 2009 Regeneris Consulting completed a review of St.Helens' future employment land and skills requirements. The primary purpose of the study was to determine the volume of employment land that St.Helens would need over the period to 2025, and profile of the skills base it would need to underpin its economic development. The study was carried out in accordance with Government guidance on the preparation of employment land reviews published in 2004. It established how demand for employment land would change and, through a qualitative assessment of the supply of employment land in the Borough, the extent to which this demand could be met from the existing pipeline. **This addendum note updates a number of sections (outlined below) and is intended to be read alongside the original employment land and skills study.**
- 1.2 The study was designed to make a contribution to the Borough's Local Development Framework (LDF), specifically the Core Strategy document. It set out four possible demand scenarios based on assumptions about the way that employment and population might change over the long term to 2025. These were:
- *Baseline scenario*, which used work carried out for the Liverpool City Region to provide a forecast of employment growth in St.Helens Borough to 2025.
 - *Project delivery scenario*, based on the same Liverpool City Region study, which assumed that additional key employment site developments were delivered during the period to 2025 enabling growth over and above the baseline.
 - *Labour supply scenario*, which was based on assumptions about how the Borough's population and labour force might change. This included a *labour supply (local housing demand variant)* scenario (LSLHDV) that took account of plans for housing growth under the growth point initiative.
 - *Unconstrained growth scenario*, which assumed that historical rates of growth during a period when St. Helens economy had performed well would carry forward to 2025.
- 1.3 The original report concluded that under all the scenarios, employment in office based professions in the Borough would increase over the period to 2025, creating additional demand for land and premises to accommodate these uses (B1). Under the most optimistic scenarios, the Borough would face a small deficit of supply to meet future requirements for office uses. Manufacturing employment was projected to fall further, continuing previous trends. While this meant that the Borough could consider converting land allocated for B2 manufacturing uses to other classes of employment use, it would still need to ensure some good quality supply to allow for existing companies to upgrade their facilities and probably for a small number of new investors which might require land. Demand for land for B8 warehousing uses was projected to increase strongly under all the scenarios. However, the study's supply analysis found that the Borough faced a significant shortfall in the supply of land for B8 uses to meet future projected demand, and recommended that consideration be given to allocating additional land for this use class.

- 1.4 The study also examined the implications of (i) the development of a strategic rail linked distribution site at the eastern edge of St.Helens and (ii) the build out of the large scale Omega development in Warrington. The study concluded that if Parkside were developed, it would serve to constrain the amount of labour available to service expansion elsewhere in St Helens, although the scheme would not necessarily compete for the same occupiers. Our estimate was that the effect of Parkside's development is to absorb around 1,300 of St.Helens' future resident workforce. On Omega, the study concluded that there would be some competition for the same occupiers, and that the scheme would have implications for the Borough's labour supply over the long term.
- 1.5 Following completion of the study, St.Helens Council adopted the labour supply (local housing demand variant) scenario as its preferred option for the Core Strategy.
- 1.6 The addendum note responds to a request from St.Helens Council to update the forecast employment land requirements for the Borough to reflect the following key changes:
- Extension of the forecast period for the preferred scenario LSLHDV to 2031 to bring it into line with the planning period for the St.Helens LDF. The analysis was also extended to show projections for both 2026 and 2027.
 - Adjustment of the LSLHDV to reflect changes in the level of housing growth planned for the Borough, specifically the assumption that 570 net additional housing units per annum would be required over the period to 2031.
- 1.7 In light of the period of time which has elapsed since the original study, the addendum note also reviews key assumptions including employment densities, plot ratios, vacancy rates and population projections. The purpose is to consider whether any new or updated data about employment land in the Borough, together with any changes in national benchmarks for employment land studies, significantly affect the projected land requirements for the Borough. We were asked to consider whether there were grounds for amending these assumptions in light of any new or updated data and the significant changes in economic conditions which have affected the UK since 2008.
- 1.8 Specifically, the addendum note updates the following sections of the original report:
- Demand projections for Labour Supply, Local Housing Demand variant scenario, especially tables 5-18 to 5-20 of the original report.
 - Demand-supply balance assessment, which shows where the Borough is projected to have surpluses or an undersupply of land over the forecast period. This updates the Conclusions from the original report, in particular Table 7-3.
 - Population projections for labour supply and LSLHDV scenarios. The addendum report presents alternative population projections using updated information about the Borough's future population. This applies in particular to the description of the labour supply scenario (working age population, employment rate change, commuting patterns, structure of employment) in Section 4 of the original report.
 - Explanation of key assumptions in the methodology section (Section 2) of the original report.

2. Updating and Extending the Forecast

The Original Labour Supply (Local Housing Demand Variant) Scenario

2.1 The preferred option for employment land in the St.Helens Core Strategy is the LSLHDV scenario set out in the original Employment Land and Skills study (2009). The scenario was based on a model which generated a picture of demand for land in the Borough by assessing how the size and composition of its workforce might change. The scenario was driven by the number of jobs that the Borough needed to provide for the population that would live and work in St.Helens over the forecast period to 2025.

2.2 The model was built in the following way:

- The starting point was to use ONS national population projection data to understand how the future projected working age population of the Borough might change, with the data indicating a total of 112,500 people of working age by 2025 in St.Helens.
- The model factored in St.Helens' plans to expand housing development, specifically the delivery of the Growth Point scheme over the period between 2008 and 2016, and further growth to 2025 at half the rate of development to 2016. Our understanding was the population implications of this growth were not accounted for in the ONS projections. The assumption for the model was that 650 units per annum would be developed to 2016, with a further 325 units per annum to 2025.
- Establish how many of the future residents of the additional housing units would be of working age. The model drew on household composition data from the 2001 Census (the most complete data available) to determine the proportion of working age people amongst the additional residents that new housing would attract to the Borough. This represented a potential working age population additional to the projected working age population identified by the ONS population forecasts.
- Factoring in an assumption that a proportion of any new housing in the Borough would be taken up by existing residents moving within St.Helens. The model assumed that 30% of new housing would be accounted for by this local churn, and that the estimated working age population would need to be adjusted downwards to reflect this. In other words, some of the population increase associated with new housing would in effect have been included in the ONS population projections, which make assumptions about the existing resident population.
- Taking account of the proportion of this future resident working age population that would be in work in the Borough. The model took account of St.Helens policy aspiration in its City Growth Strategy to increase the Borough's employment rate for residents to the then national average of 74.4% by 2018. This rate would then hold over the remainder of the forecast period to 2025. This meant that an additional 5,700 residents would need to be in work by 2018.
- Allowing for commuting in and out of the Borough. Based on 2001 Census travel to work data, which remains the most comprehensive source, it was assumed that a

net outflow of 20% would continue to apply throughout the forecast period. The Census data showed that a higher number of St.Helens' residents travelled to work outside the Borough each day than the number of residents of other areas who came to work in St.Helens. The effect of this would be to reduce the estimated number of jobs that the Borough would be expected to provide over the forecast period.

2.3 Having established how many people would be living and working in St.Helens over the period to 2025, the model then applied the sectoral employment structure which had provided the basis for all of the scenarios to establish how the numbers of workers in different sectors of the economy might change as the Borough's workforce grew. In the preferred scenario, growth of 4,200 jobs represented a 6% increase over the period (2006-25). The key sectors in which growth was expected to occur were distribution and land transport (+2,600 jobs), other business services (1,100) and construction (1,000).

2.4 To convert estimates of employment by sector into future floorspace and land requirements, the following method was applied:

- Allocate the jobs in each sector to a land use class. All the projected jobs were allocated to a specific land use class, but the study focused on demand for B1 (offices), B2 (manufacturing/industrial) and B8 (distribution).
- Convert jobs by land use class to floorspace requirements by applying employment density assumptions (ie the amount of floorspace required for each job). The following employment densities were used:
 - B1= 18 sq m per worker
 - B2= 33 sq m per worker
 - B8 = 80 sq m per worker
- Convert floorspace to land requirements by applying plot ratio assumptions (ie the amount of land required for a specific volume of floorspace). The plot ratios used were:
 - A plot ratio of 33% for office developments.
 - A plot ratio of 33% for manufacturing premises.
 - A plot ratio of 40% for warehousing premises.

2.5 This process gave the following results for the LSLHDV scenario.

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Table 2-1: Employment Growth Under Labour Supply Scenario By Broad Land Use Class, 2006-25, Labour Supply (Local Housing Demand Variant)						
Use Class	2006	2011	2016	2021	2025	2006-25
B1 Office	11,000	11,400	11,800	12,300	12,700	+1,700
B2 Manufacturing	7,800	7,400	7,100	6,500	6,100	-1,700
B8 Warehousing	12,900	13,600	14,000	14,500	14,800	+1,900
Total B1, B2 and B8	31,700	32,400	32,900	33,300	33,600	+1,900

Table 2-2: Projected Floorspace Requirements, 2006-25, (000 sq m), Labour Supply (Local Housing Demand Variant)						
Use Class	2006	2011	2016	2021	2025	2006-25
B1 Office	209	217	225	234	241	+32
B2 Manufacturing	265	253	240	222	208	-57
B8 Warehousing	1,033	1,087	1,120	1,157	1,182	+149

Table 2-3: Projected Total Demand for Land, 2006-25 (Hectares), Labour Supply (Local Housing Demand Variant)					
Use Class	2006	2011	2016	2021	2025
B1 Office	63	67	69	72	75
B1,2 storey, Office	32	33	34	35	37
B2 Manufacturing	80	77	73	67	63
B8 Warehousing	258	272	280	289	295

2.6 The next stage in the original analysis was to compare the projected demand for land with the pipeline of supply in St.Helens over the forecast period, covering both total supply and supply which excluded land which was assessed as being unsuitable for employment uses in its current condition (constrained land). Across all four scenarios, this gave the following totals, with the preferred scenario highlighted.

Table 2-4: Comparison of Demand and Supply Under Four Scenarios (2006-2025)							
Use Class	Demand					Supply	
	Scenario					Total (Ha)	Total Less Constrained (Ha)
	Baseline (Ha)	Project Delivery (Ha)*	Labour Supply (Ha)	Labour Supply (Local Housing Demand Variant)	Unconstrained Growth (Ha)		
B1,2 storey, Office	+4	+8	+6	+4	+11	+17	+13
B2 Manufacturing	-18	-20	-15	-17	-19	+57	+15
B8 Warehousing	+34	+30	+47	+36	+38	+10	0

Note: Parkside Railfreight allocation excluded from supply
 *Demand figures for project delivery scenario includes around 3Ha of land already developed out at Micklehead Business Village and Mere Grange. This land was not included as part of supply.

2.7 This translates into potential surpluses or deficits outlined in **Table 2-5** below with projected surpluses of land highlighted in green and deficits highlighted in red.

Table 2-5: Balance of Demand and Supply for Total Supply and Supply Excluding Constrained Land (Hectares)					
Based on Total Supply (2006-2025)					
Use Class	Baseline (Ha)	Project Delivery (Ha)	Labour Supply (Ha)	Labour Supply (Local Housing Demand Variant) (Ha)	Unconstrained Growth (Ha)
B1,2 storey, Office	+13	+9	+11	+13	+6
B2 Manufacturing	+75	+77	+72	+74	+76
B8 Warehousing	-24	-20	-37	-26	-28
Based on Total Supply Excluding Constrained Land					
B1, 2 storey, Office	+9	+5	+7	+9	+2
B2 Manufacturing	+33	+35	+30	+32	+34
B8 Warehousing	-34	-30	-47	-36	-38

2.8 Having established both the future projected demand for land (Ha) and the pipeline of supply to meet that demand (Ha), the final stage in the process of assessing demand and supply requirements was to apply two correction factors as follows:

- **Vacancy Rate** – To allow for the presence of a certain amount of vacant premises at any given point over the period to 2025 (the vacancy rate). Evidence from the Borough’s planning monitoring data indicated a vacancy rate of 13% during 2008-09, and this was applied in the study. In effect, the available supply is assumed to be reduced by 13% to account for the proportion of this supply that would typically be expected to be vacant.
- **Safety Margin** - The study also factored the need for the Borough to allow a safety margin in its planning for employment developments. The assumption here was that not all identified supply would be ready to go. Allowing a safety margin would take account of potential lags in the ability of the market to respond to demand (eg. delays in site development), as well as variability in actual levels of demand over time which could easily be predicted. The Borough needed to ensure that it would

not be caught out if it could not in practice meet demand from its developable supply at any given point in time. A safety margin of 20% was used, based on guidelines set out in the North West Regional Spatial Strategy. For the preferred scenario, this gave the following adjusted totals for the balance of demand and supply. Allowing for a safety margin is widely regarded as good practice in employment land reviews.

Land Use Class	Demand-Supply Balance (Inc. Constrained Land) Ha	Demand-Supply Balance (Exc. Constrained Land) Ha
B1, 2 storey, Office	+10	+6
B2 Manufacturing	+64	+27
B8 Warehousing	-43	-35

2.9 The original study concluded that the Borough faced a relatively tight position on the availability of land for office uses (B1). For B2 manufacturing, St.Helens would have a surplus of land either in use or allocated for manufacturing uses. However, the potential to reallocate B2 land for other uses along with the need to ensure that the Borough had sufficient supply to enable manufacturers to upgrade premises were recognised by the study. The position for B8 warehousing, one of a significant deficit in supply to meet projected future demand, was identified as a key challenge for St.Helens given its recent performance in the distribution and land transport sectors, together with the locational advantages of the Borough.

Updating the Forecast

2.10 The key task for the update note is to ensure that St.Helens' preferred scenario for employment land is now brought into line with national planning policy requirements and reflects the latest available data on the Borough's development plans. The changes to the model from the 2009 employment land and skills study are as follows:

- Amendment to the assumption on the volume of new housing that would be developed in the Borough. Following the Government's decision to withdraw Regional Spatial Strategies as the key planning policy documents for Local Development Frameworks, it was agreed with St.Helens Council that the model should assume net new housing development of 570 units per annum over the entire forecast period. The Borough remains a housing growth point authority, but has opted not to include a 20% increase in provision for housing growth over and above the target set in the North West Regional Spatial Strategy. This contrasted with the original study's assumption of growth of 650 units per annum between 2006 and 2016, and 325 units per annum to 2025.
- Updated population projections, using ONS (2010) population projections through to 2021 which we have then extended to 2031 based on the long term trend indicated by these forecasts. This gives a profile of the projected changes in the Borough's working age population. The main difference between the updated forecast and the original report is a slight decrease in the working age population over the long term, reflecting expectations about falling birth rates and an ageing population (among other characteristics).

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- Extension of the forecast period to 2031 (ie by an additional 6 years over the original forecast period), with the assumption that housing growth would occur at a rate of 570 units per annum over this extended period.

2.11 The overall effect of all of these changes combined is a slightly lower increase in the number of jobs required over the period to 2016 compared to the original study, but a higher rate of growth after 2016. This is largely attributable to a fall in the assumed number of net new housing units over the period to 2016 (650 to 570), but an increase in the number over the period to 2031 (325 to 570).

2.12 The results of the updated preferred scenario are set out in Table 2-7 below.

	2006	2011	2016	2021	2025	2031
B1, Office	63	64	65	71	74	77
B1, 2 storey, Office	32	32	32	35	37	39
B2 Manufacturing	80	75	69	67	64	57
B8 Warehouses	258	265	266	290	298	310

2.13 The effect of the revisions to the preferred scenario is only a slight change to the original projections (see Table 2-8 below). This is because the main factor driving the changes is the volume of additional housing to be built in the Borough and the additional workforce for which St.Helens will need to supply jobs over the period to 2031.

Use Class	2006	2011	2016	2021	2025
B1, Office	63	67	69	72	75
B1. 2 storey, Office	32	33	34	35	37
B2, Manufacturing	80	77	73	67	63
B8, Warehousing	258	272	280	289	295

2.14 This translates into surpluses (highlighted in green) or deficits (highlighted in red) outlined in **Table 2-9** below. The summary table factors in the three correction factors which are applied to demand and supply:

- A 20% dampening in demand to take account of employment growth between 2006 and 2008, consistent with the approach used in the original study. This takes account of strong employment growth between 2006 and 2008, and effectively reduces demand over the forecast period.
- This dampening effect is offset by the safety margin of 20% which effectively increases demand over the forecast period.
- The 13% vacancy rate assumption which is based on a proportion of unoccupied supply being present at a given point in time. This has the effect of reducing supply over the forecast period.

2.15 The table shows the balance between supply and demand for the LSLHDV scenario both from the original study (to 2025) and in the updated forecast (to 2031).

Table 2-9: Balance of Demand and Supply for Total Supply and Supply Excluding Constrained Land (Ha), Labour Supply (Local Housing Demand Variant)		
	Original Study (2006-25)	Updated Scenario (2006-31)
Based on Total Supply		
B1, 2 storey, Office	+10	+8
B2 Manufacturing	+70	+72
B8 Warehousing	-35	-40
Supply Excluding Constrained Land		
B1, 2 storey, Office	+6	+5
B2 Manufacturing	+33	+35
B8 Warehousing	-43	-49

- 2.16 The resulting picture of surpluses and deficits shows only modest changes compared to the original study, even allowing for the additional 6 years in the forecast period. For example, the surplus for B1 offices contracts by 2 Ha, while the deficit for B8 warehousing increases by 5-6 Ha depending on whether constrained land is included in the supply total. This reflects the relatively small impact of changing the assumption about the volume of future house building in the Borough, which is only one element of a preferred scenario which brings together a range of assumptions about the future population and workforce of St.Helens. As a consequence, this addendum note concludes that there are no significant implications for the Borough's planning policies relating to employment land.
- 2.17 To better understand the effect of the vacancy rate, the safety margin and the dampening to take account of growth between 2006 and 2008, Table 2-10 shows the overall balance before and after these changes.

Table 2-10: Balance of land requirements before and after correction factors, safety margin and demand dampening are applied		
	Before correction factors to demand and supply	After correction factors to demand and Supply
B1, 2 storey, Office	+10	+8
B2 Manufacturing	+80	+72
B8 Warehousing	-41	-40
Total excluding constrained land		
B1, 2 storey, Office	+6	+5
B2 Manufacturing	+38	+35
B8 Warehousing	-51	-49

- 2.18 It is important to note that the changes to the assumptions about population (use of ONS 2010 projections). These projections indicate a slight fall in the working age population over the longer period through to 2031. The Borough's surplus position for office land (B1) and manufacturing land (B2) is marginally higher (+1Ha) than is the case if the assumptions from the original study had been used. The main difference occurs for B8, where the deficit is 5Ha lower using the updated population forecasts than would be the case if the original population assumptions had been used. In essence, this is the outcome of a slightly smaller future workforce in the Borough.

Additional Tables for 2027

- 2.19 In addition to the extension of the forecast to 2031, St.Helens Council also asked Regeneris Consulting to provide a table extending the summary demand analysis for the *LSLHDV*

scenario to 2027.

Table 2-11: Projected Total Demand for Land under Revised LSHDV model - 2027, 2031		
	2027	2031
B1 Office	75	77
B1, 2 storey, Office	37	39
B2 Manufacturing	62	57
B8 Warehousing	301	310
Note: Correction factors not applied		

2.20 Table 2-12 shows the same data but expressed as the change between demand in each of the years and the 2006 baseline

Table 2-12: Difference in demand for land over the 2006 baseline		
	2006-27	2006-31
B1 Office	+11	+14
B1,2 storey, Office	+6	+7
B2 Manufacturing	-19	-23
B8 Warehousing	+43	+51
Note: Correction factors not applied		

2.21 The next step is to take account of the correction factors:

- Account for the dampening effect resulting from employment creation between 2006 and 2008 and its resultant effect on projected demand. We have retained the assumption from the original report that projected demand should be reduced by 20% to take account of a period of very strong employment growth. This has the effect of reducing projected demand.
- Allow for the safety margin of 20% in line with the assumption used throughout the employment land review. This has the effect of offsetting the dampening effect.
- Account for vacancy rate, the proportion of supply that will be unoccupied at any given point in time. A 13% vacancy rate assumption has been used throughout the study, which has the effect of reducing the overall supply.

2.22 Applying the correction factors has the following effects on demand and supply over the period to 2027.

Table 2-13: Demand and Supply for Period to 2027 With Correction Factors Applied				
	Demand before Changes	Demand after changes	Supply before changes	Supply after changes
B1, 2 storey, Office	+6	+5	+17	+15
B2 Manufacturing	-19	-18	+57	+50
B8 Warehousing	+43	+41	+10	+9

2.23 This translates into a balance of supply-demand as follows in Table 2-14 below, which sets the LSLHDV scenario alongside the results for the other scenarios. The analysis below is based on the alternative population scenario, and takes into account the 13% vacancy rate, the 20% safety margin and the 20% dampening in demand.

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Table 2-14: Demand and Supply in LSHDV model to 2027 (with all correction factors included)					
		Total Supply		Unconstrained Supply	
	Demand (Ha)	Supply (Ha)	Adjusted Balance of Demand & Supply (Ha)	Supply (Ha)	Adjusted Balance of Demand and Supply (Ha)
B1 Office (2 Storey)	+5	+15	+9	+11	+6
B2 Manufacturing	-18	+50	+68	+13	+31
B8 Warehousing	+41	+9	-33	0	-41

3. Reviewing Key Assumptions

3.1 As part of the process of updating the LSLHDV scenario, Regeneris Consulting were asked by St.Helens Council to consider whether any of the wider range of assumptions which underpinned the original study should be amended. In particular, there was perceived to be some value in reviewing the assumptions about employment densities, plot ratios, the vacancy rate and safety margin since these were based on evidence available at the time of the original study in 2008-09 and the established government planning guidance (English Partnerships and Arup, 2001, Employment Densities: A Full Guide). In the case of the latter, there are reasonable grounds to suggest that the conversion factors it sets out are based on data generated during the 1990s and that is now out of date.

3.2 Having reviewed all of these assumptions and the related evidence, it is our view that there is **no strong case for significant changes to any of the underlying assumptions**. The reasons for arriving at this conclusion are set out below.

Employment Densities

3.3 The original study used the following employment densities to convert the number of jobs projected for specific use classes into the volume of floorspace this would require:

- B1= 18 sq m per worker
- B2= 33 sq m per worker
- B8 = 80 sq m per worker

3.4 The starting point for agreeing employment densities for the original study was to use the English Partnerships and Arup guidance, review the assumptions used in a wide range of other studies and draw on some of Regeneris Consulting's work on employment land studies in other parts of the country.

3.5 The next step was to consider what the review of supply and St.Helens' policy aspirations suggested about both the type of employment floorspace which had recently been developed in the area, and the type of employment site which the Borough would be seeking to bring forward in future. The result of this process was:

- **Offices** - That 18 sq m was seen as a reasonable density for modern office schemes in St.Helens, with new sites to the south of the town (eg. Mere Grange) indicative of spacious edge of town development. However, it was also agreed that an assumption that any future office development would be on average two stories should be used, since very few office schemes are single story.
- **Manufacturing** – There was no evidence to suggest any need to deviate from the widely used metric of 33 sq m per worker for manufacturing uses.
- **Warehousing** – Careful consideration was given to whether the assumption should be that warehousing development would be based on high bay schemes for which 80 sq m per worker reflects their larger scale compared to light industrial

warehousing. This was a more difficult decision to make, because employment land studies use a fairly wide range of metrics for warehousing, from as little as 40 up to 80. It is not unusual in employment land demand assessments to group manufacturing/industrial warehousing together (ie combined B2 and B8) with larger scale warehousing, requiring in effect an average to be taken of smaller, less land hungry developments with larger, high bay schemes. Equally, studies may assume that an area has a predominantly higher density type of warehousing for smaller scale uses, where an employment density of 50-60 sq m per employee would be more appropriate. Recognition that St.Helens had positioned itself as a prime location for the distribution industry (access to M6, M62, proximity to Manchester and Liverpool, plans for Parkside railfreight) presented a strong case for assuming 80 sq m per worker to ensure that there would be sufficient allocations of land if the sector continued to expand.

- 3.6 Regeneris Consulting has revisited the employment density assumptions for this update note. In particular, we have reviewed evidence including a study produced for 4NW to inform further work on the Regional Spatial Strategy (Setting Employment Land Targets for North West England, April 2010). This has not provided cause to amend the assumptions used in the original study.

Plot Ratios

- 3.7 In the original employment land study for St.Helens, the following plot ratios were used to convert floorspace requirements into the volume of land required to meet this need.
- 33% for office developments
 - 33% for manufacturing premises
 - 40% for warehousing premises

- 3.8 These plot ratios were based on the English Partnerships guidance and were reviewed by Regeneris Consulting in preparing the evidence for the original study. Regeneris also reviewed data from other studies it had carried out of employment site developments in other parts of the country. Assessment of the supply of employment land in St.Helens indicated that these plot ratios were an accurate reflection of the mix of developments which had taken place in the Borough, with the more recent schemes occupying larger, edge of town or out of town sites. The conclusion was that these plot ratios were satisfactory for the purposes of the study, and we do not believe that they need to be adjusted for the addendum note.

Vacancy Rate and Safety Margin

- 3.9 The vacancy rate used in the original study was 13% and was based on Valuation Office Agency data showing a vacancy level (as at December 2008) of 236,000 sq m (2.5 million sq ft). This was slightly higher than the North West average of 10%. However, in keeping with the precautionary principle adopted in the original study, it was agreed that the higher rate should be used. There do not appear to be strong grounds for changing this assumption in the addendum note.

- 3.10 The 2009 study used a safety margin of 20%, based on an approach the North West Regional Spatial Strategy had used for Merseyside and Halton. Again, there do not appear to be strong grounds for adjusting this assumption in the addendum note.

Future Changes

- 3.11 It understood that the Homes and Communities Agency is about to issue new guidance on employment densities, and this is likely to give a strong, evidence led picture of any changes that need to be made for planning purposes. Over a period which has seen considerable flux in the commercial property market, but with markets now appearing to pick up after 2-3 years of stagnation and contraction, there may be a shift towards town centre schemes with an emphasis on lower costs and less space. Future work on employment land in St.Helens will need to consider whether any of these underlying assumptions should be revisited again in light of new evidence.



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