



Prepared for:
St Helens Council



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St Helens Allocations Local Plan

Economic Evidence Base Paper

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1 Introduction

- 1.1 The purpose of this paper is three fold. Firstly, to provide an update on the economic development situation since the adoption of the St. Helens Core Strategy in 2012. Secondly, to provide a refresh of the evidence supporting the Core Strategy, which was mainly undertaken in the years 2008 to 2011. Finally, to provide recommendations for change, where needed, through the remaining elements of the St. Helens Local Plan, chiefly the Allocations Local Plan.
- 1.2 St. Helens Council has commissioned AECOM in conjunction with Cushman & Wakefield (C&W) to provide technical and market knowledge into this background paper. AECOM prepared employment land supply evidence and a paper on the Parkside Rail Freight Interchange for the Core Strategy and are therefore very familiar with the St. Helens context. Previously AECOM worked with CBRE on this work but due to commercial factors CBRE were not able to continue this work beyond the Core Strategy. C&W have therefore been brought on board and have particular expertise in the logistics market, a key consideration for St. Helens.
- 1.3 Chapter 2 of this paper provides a background review of the St. Helens Local Plan, national planning policy, and the sub regional picture. It looks at the evidence base for the St. Helens Core Strategy and also summarises what the National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG) require. Chapter 2 also provides a discussion on the rapidly changing sub regional picture in the Liverpool City Region.
- 1.4 Chapter 3 focuses down on to the evidence base and particularly what has changed since the evidence supporting the Core Strategy. It looks at how the commercial markets have changed and also what has changed nationally, sub regionally and more locally.
- 1.5 Policy CE1 of the adopted Core Strategy made it clear what the employment land needs were for St. Helens at that time. Given the time elapsed since then and the evidence base supporting it Chapter 4 seeks to establish the level of need in late 2014 (updated in September 2015) and what the locational factors will be in seeking to meet that need.
- 1.6 Chapter 5 particularly focuses on the supply of employment land within St. Helens but also pays regard to the wider employment land supply in the sub region and region. It also assesses whether that identified supply can meet the needs established in Chapter 4.
- 1.7 In meeting the overall economic development aspirations for the Borough the role of the Parkside Strategic Rail Freight Interchange (SRFI) site is crucial. This was established in policy CAS 3.2 of the adopted Core Strategy. Chapter 6 provides an update on what has happened about that site and development and what continuing role it will play.
- 1.8 Chapter 7 then discusses what policy change options are considered appropriate to address the findings in the preceding chapters.
- 1.9 This report was substantially completed in September 2014, and has been subject to an update in September 2015, which served to confirm our earlier findings.

2 Background

2.1 The St. Helens Local Plan

- 2.1.1 At the time of writing the St. Helens Local Plan comprises the St. Helens Core Strategy (October 2012), the Joint Waste Local Plan (July 2013), and the saved policies of the Unitary Development Plan (1998).
- 2.1.2 The key strategic planning document for the St. Helens Local Plan is the Core Strategy. The Core Strategy was found sound by a Government Planning Inspector after the issuing of the National Planning Policy Framework, and is therefore an up to date strategic planning document.
- 2.1.3 The Core Strategy provides the vision, aims and objectives for developing St. Helens through to 2027. A key part of this is the future economic development of the Borough with a focus on land needs and supply. Policy CE1 of the Core Strategy identifies a need for 37 hectares of employment land to be developed between 2012 and 2027. 32 hectares of this need was identified as being for B8 Warehouse and Distribution needs. This is seen as a key strength for St. Helens. The remaining 5 hectares of need is for B1 office uses. The supporting text for Policy CE1 illustrates that in 2012 there was enough land, and indeed a surplus, to meet those needs. That said, taking account of the recession and the economic dynamic there have been changes in the economy since the Core Strategy adoption. Section 4 of this document provides an update on the need for employment land, whereas section 3 provides an update on the supply side.
- 2.1.4 Elsewhere in the Core Strategy Policy CAS3.2 identifies a “strategic location” for a SRFI at the former Parkside Colliery, Newton-le-Willows. The policy identifies a need for an area of at least 85 hectares on the western side of the M6 to accommodate such a use, with the potential for an additional 70 hectares on the eastern side of the M6 where justified. The site is currently in the Green Belt, therefore any development forthcoming must demonstrate very special circumstances.

2.2 National Policy

National Planning Policy Framework (2012)

- 2.2.1 The National Planning Policy Framework (NPPF) was introduced in April 2012. This set out the Government’s economic, environmental and social planning policies for England, articulating the Government’s vision of sustainable development. The planning system’s economic role is defined as:
- “contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure” (NPPF, Para 7).*
- 2.2.2 The NPPF indicates that significant weight should be placed on the need to support economic growth through the planning system. The NPPF requires local planning authorities to:
- *“Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth;*
 - *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - *Support existing business sectors, and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
 - *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
 - *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and*
 - *Facilitate flexible working practices such as integration of residential and commercial uses within the same unit” (NPPF, Para 21).*
- 2.2.3 The NPPF makes it clear that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site coming forward for the allocated employment uses, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support local communities.

Planning Practice Guidance (2014)

- 2.2.4 The Planning Practice Guidance (PPG) website was published in March 2014. The PPG expands upon the NPPF, requiring local planning authorities to objectively assess development needs for economic growth. Local planning authorities are required to:
- “Identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and
 - provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply.” (PPG - Assessment of housing and economic development needs: 2a-002)

National Policy Statement for National Networks (2014)

- 2.2.5 The National Policy Statement (NPS) for National Networks was published in December 2014 and sets out Government policies for nationally significant infrastructure rail and road projects for England. The NPS identifies the main drivers of demand for SRFIs as:
- The changing needs of the logistics sector;
 - Rail freight growth;
 - Environmental; and
 - UK economy, national and local benefits – jobs and growth.
- 2.2.6 The NPS indicates that there is a compelling need for an expanded network of SRFIs and it is important that SRFIs are located near the business markets they will serve – major urban centres, or groups of centres – and are linked to key supply chain routes. The NPS suggests that SRFI capacity needs to be provided at a wide range of locations, in order to provide the flexibility needed to match the changing demands of the market.

2.3 Sub Regional Policy

Liverpool City Region Growth Plan (2014)

- 2.3.1 The Liverpool City Region (LCR) Growth Deal was announced on July 7 2014 and allocated over £232m of resources to the LCR. One of the five strategic projects at the heart of the Growth Deal is to create a freight and logistics hub to put the City Region in the best place to respond to changes in the UK and international logistics market. The Growth Plan for the LCR has a strong emphasis on logistics and freight as a means of supporting and enhancing the economic output of the region. Within the Liverpool City Region Freight and Logistics Hub project, Parkside is identified as a ‘category 1’ site that is key to the delivery of the project and Haydock Industrial Estate is identified as a ‘category 2’ site.

Liverpool City Region Potential Devolution of Powers and Resources Submission to the Spending Review (September 2015)

- 2.3.2 In September 2015 the LCR Combined Authority submitted a bid for devolved power to Government. The Submission seeks power over a diverse range of matters including the preparation of a LCR Statutory Spatial Plan. The preparation of a LCR Spatial Plan could have implications for employment land requirements in St. Helens and may lead to the identification of LCR strategic employment sites and infrastructure requirements.

SuperPort

- 2.3.3 The vision for Liverpool SuperPort was originally set out by the Mersey Partnership in 2008 as being:

“To bring together and integrate the strengths of the Ports, Airports and Freight Community to create a ‘SuperPort’ for freight and passenger operations within the Liverpool City Region that will become a key driver of its economy. It will create the most cost effective and cost efficient environment for freight cargo logistics and passenger transit in the UK.”

- 2.3.4 A key component of SuperPort is the £300 million Liverpool2 project. The project is currently under construction and will deliver a new deep water container terminal at the Port of Liverpool, making the Port one of the most efficient and modern terminals in northern Europe. By increasing the container handling capacity of the Port, Liverpool2 has the potential to substantially increase the demand for large scale logistics and distribution space close to the Port. It is anticipated that Liverpool2 will be open by 2016.

- 2.3.5 The growing needs of the Port of Liverpool have most recently been examined in the Study 'Liverpool City Region SuperPort: An Analysis of the Supply of, and Demand for, Distribution Space within the Liverpool City Region' (NAI Haywards 2014). The Study examines the factors that it considers will drive demand for Port related employment land and premises (and associated uses), from investment in SuperPort assets and capabilities, through to major changes in the global and national context. The report then goes on to examine the current and planned supply of sites in the current economic area of the Port that could meet this demand up to 2024. This Study defined SuperPort as one hours' drive time from the Port of Liverpool covering the following authorities: Cheshire West and Chester, Halton, Knowsley, Liverpool, Sefton, St Helens, Warrington, West Lancashire and Wirral.
- 2.3.6 The quality of sites was analysed using the following criteria:
- Sites of 5+ha capable of accommodating more than one unit of 50,000m²;
 - Ready access to the Port and other key hubs/ transport infrastructure, with a drive time no more than 60 minutes from the Port (and within 20 minutes of the motorway network);
 - A population centre in close proximity (but not within 200m or beyond 1km); and
 - Certain availability, location suitability and unconstrained by issues such as site shape, access, ground conditions, utility constraints, conflict with neighbouring land uses, etc.
- 2.3.7 Overall some 851.54 ha of land in 69 sites of greater than 5 ha each was identified in the Study, with a 100 ha site at Parkside identified as a key site within this total. Of the 69 relevant sites identified in the Study, 12 are considered to be high quality immediately available sites covering 233 ha of land.
- 2.3.8 The report examines land demand under two scenarios; a road freight dominated scenario (70 percent road, 5 percent rail, 25 percent sea/canal) and a scenario with a higher percentage of rail freight (50 percent road, 25 percent rail, 25 percent sea/canal).

Table1– SuperPort Overall Demand for Additional Land

	Estimated Demand for Additional Land, ha				
	0-5 Years	6-10 Years	11-15 Years	16-20 Years	Total
Economic Demand	60	60	60	60	240
Port-Centric Warehousing					
Scenario 1 - Road	13	14	11	16	54
Scenario 2 - Rail	11	10	5	13	39
Roll on/Roll off	8	8	8	8	32
Cars	3	3	3	3	12
Non-Unitised Cargos	4	11	2	9	26
Complimentary Sectors	-	76	-	28	104
Secondary Demand					
Scenario 1 - Road	85	85	83	87	340
Scenario 2 - Rail	83	83	79	85	330
Total					
Scenario 1 - Road	173	257	167	211	808
Scenario 2 - Rail	169	251	157	206	783

Source: Liverpool City Region, SuperPort. An Analysis of the Supply Of, And Demand For, Distribution Space within the Liverpool City Region (NAI Haywards, March 2014)

- 2.3.9 The report states that there is an overall requirement for some 783-808 ha over the next 20 years. If wholly port-centric uses are excluded the assessed net requirement is for 580 ha (road scenario) for logistics and manufacturing. Non port-centric uplift over 20 years, which is of most relevance to St Helens, is projected to be the Secondary Demand of 340 ha (road scenario).

- 2.3.10 There are currently a number of Port related studies and strategies being prepared across the LCR, such as the LCR Long Term Freight Strategy which is due for completion in 2016.

2.4 What Has Changed in St. Helens?

Employment Land Take-up and Losses

- 2.4.1 Table 2 below illustrates that since 2008 employment land take-up has been slow in the Borough with the effects of the recession and a subsequent reluctance for speculative development depressing take-up. Since the adoption of the Core Strategy in 2012 there has been a net loss of 0.64ha employment land in the Borough, with trends in employment land take-up remaining significantly below the long term average annual take-up (5.79 hectares per year between 1997 and 2012).

Table 2: St Helens Employment Land Take Up and Losses, 2008-2015

	Land (ha)								Average Yearly growth
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average	
Gain	0.41	3.35	4.43	1.43	0.11	0.08	0.53	1.48	
Loss	0.09	1.02	0.85	2.75	0	0	2.08	0.97	
Net Change	0.33	2.33	3.58	-1.32	0.11	0.08	-1.55	0.51	1.29

- 2.4.2 The St. Helens Core Strategy seeks to protect existing B1, B2 and B8 employment uses through Policy CE 1, A Strong and Sustainable Economy. However, in accordance with NPPF Paragraph 22, Policy CE 1 Part 3B allows for the redevelopment of existing employment sites for non-employment uses where it can be demonstrated that sites are no longer suitable or economically viable for B1, B2 and B8 employment use. Despite the Local Economy SPD setting out a number of evidence requirements for identifying that sites are either not suitable or there is no market demand for an employment site, this has been demonstrated in several cases, with conversion to higher value uses such as residential and retail continuing to put pressure on the Borough's employment land supply.

3 Employment Land – North West Market Review and Update

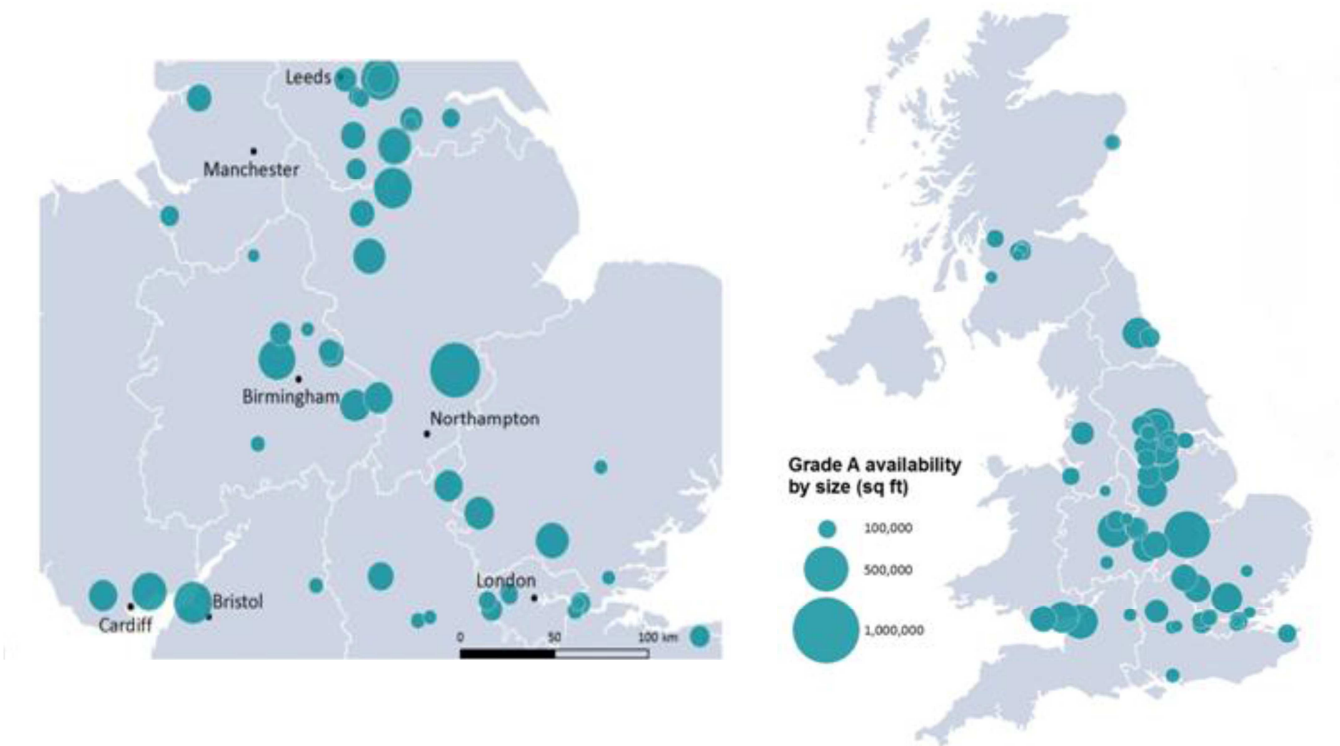
3.1 Introduction

- 3.1.1 The purpose of this chapter is to review and refresh the market evidence in order to determine if the St. Helens land portfolio previously established in 2011 remains fit for purpose.

3.2 Large B8 sector - national and regional availability

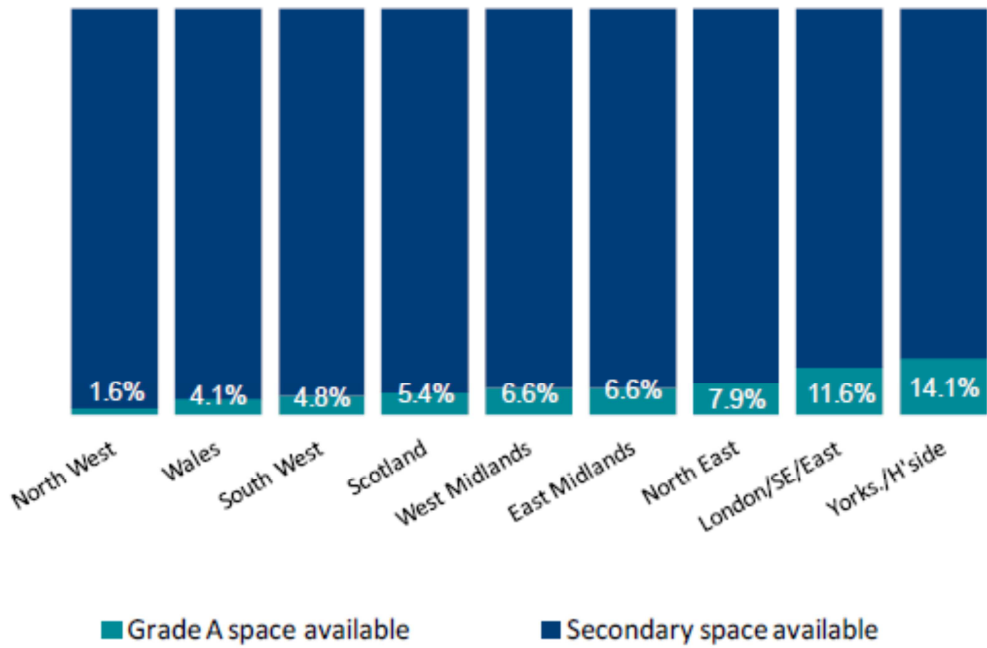
- 3.2.1 As the UK economy emerges from recessionary pressures there is an acute shortage of available, quality industrial accommodation across all size parameters in the North West.
- 3.2.2 This is most starkly illustrated in the 'Big Box' (large distribution units in excess of 100,000 sq. ft.) market where the Region has the lowest availability in the country of Grade A units and less than 8 months theoretical supply of quality space (as of September 2014). This is illustrated below in Figures 1 and 2 below.
- 3.2.3 Recent take up of space has removed the overhang of supply from the last development cycle. Dwindling levels of availability of built accommodation have translated into a notable upswing in demand for deliverable sites last year, as demonstrated at Miller Developments/HCA Omega scheme in Warrington:
- 3.2.4 The northern site of 80 acres remained undeveloped for 10 years although in the last 12 months has seen a plethora of activity:
- Brake Brothers (198,000 sq. ft.), design and build;
 - Travis Perkins - land sale to facilitate 600,000 sq. ft.; and
 - Hermes Parcelnet (160,000 sq. ft.), design and build.
- 3.2.5 This means that the entire northern element of the site is now developed. In 2013 a further 30 acres at Omega South was acquired by ASDA, for a 600,000 sq. ft. facility which was due for completion in 2015.
- 3.2.6 Omega set the tone for large scale transactional activity in the region during 2013/14 where land sales and pre-let deals dominated. This activity has reduced land availability and deliverable sites are becoming scarce. Supply of land is rapidly diminishing as occupiers purchase sites for their own occupation or developers buy or secure control of sites through joint venture arrangements.
- 3.2.7 This undersupply is manifesting in rising land and rental values for prime accommodation and in the absence of speculative development, pre-let deals and land sales will dominate.

Figure 1: Availability of Large Distribution Property UK – May 2014



3.2.8 The North West region has the lowest regional availability in the UK with 9 units totalling 2.24million sq. ft. Figure 2 below shows how little Grade A (new build accommodation) distribution space was available as of May 2014.

Figure 2: Grade A Space Availability, UK, May 2014



3.3 Large B8 sector – recent take up in the north west

- 3.3.1 Occupier demand has remained strong over recent years. This is demonstrated when analysing take up of quality accommodation in excess of 50,000 sq. ft. of Grade A (speculatively built) and B+ (quality 2nd hand or refurbished) space.
- 3.3.2 For this review we have analysed figures from January 2011 to December 2013. The results are set out below in Figure 3 and indicate take up of space to December 2013.

Figure 3: Take-up of Large Scale B8 Property, North West – 2011 to 2013

	Sq Ft transacted	% Sq Ft	No. of Deals	No. Deals in 2011	No. Deals in 2012	No Deals in 2013
Grade A Built Existing Space Let/Sold	2,121,082	27.23	10	5	3	2
Land Deals/Prelet	3,839,434	49.28	12	2	2	8
Grade B+ Built Existing Space Let/Sold	1,829,777	23.49	12	2	4	6
	7,790,293	100	29	9	9	16

NB: Sq Ft referenced in land deals reflects unit's size to be built or under construction

- 3.3.3 The average annual take-up for 2011, 2012 and 2013 was 2.6 million sq. ft. The annual take-up in 2013 was 3.8million sq. ft. There was a noticeable swing to land deals in 2013 which account for 50% of take-up in sq. ft. terms over the review period.
- 3.3.4 Figures 4 and 5 below analyse large B8 take up in 2011 to 2013 by size of unit and details all transactions over 300,000 sq. ft. respectively.

Figure 4: North West Large B8 Take-up by Size of Unit - 2011 to 2013

Sq Ft	All deals	Existing space	Pre-let	Land sales
50,000-99,000	9	8	1	
100,000-199,000	13	8	4	1
200,000-299,000	1	1		
300,000-399,000	4	4		
400,000-499,000	4	1	1	2
500,000+	3			3
	34	22	6	6

Figure 5: North West Large B8 Take-up of Units over 300,000 sq. ft. - 2011 to 2013

Scheme	Town	Unit Size	Transaction	Occupier
Omega South	Warrington	600,000	Land sale	Asda
Omega North,	Warrington	600,000	land sale	Travis Perkins
LIBP	Speke	500,000	land sale	B&M Bargain
G Park, Knowsley,	Liverpool	25 acres 435,600	land sale	T J Morris
Logistics North	Bolton	425,000	land sale	Aldi
Matrix Park - Buckshaw Village,	Chorley	420,000	Prelet	Waitrose
Phoenix – Ex Vauxhall unit,	Ellesmere Port	403,000	New Letting of existing unit	Jaguar Land Rover (DHL)
Pioneer Point,	Ellesmere Port,	395,000	New Letting of spec built unit	Regatta
G Park, Knowsley,	Liverpool	360,309	New Letting of spec built unit	DHL for Burton Foods Contract
Prologis 360,	Crewe	359,800	New Letting of spec built unit	Expert Logistics
Satellite 330,	Chadderton	330,000	Sale of refurbished unit	Monopumps

3.3.5 The greatest volume of deals is below 200,000 sq. ft. and the most active size range is 100,000-199,000 sq. ft.

3.3.6 In the absence of any new build schemes, demand for land and sites are expected to increase. The five largest deals of the review period were all completed within the last six months and have all been land sales. The largest deals are land sales to accommodate units of 425,000-600,000 sq. ft. (B&M Bargains; Travis Perkins; Asda; Aldi). Other sales of note include 25 acres to TJ Morris at G Park, Liverpool. These deals account for 2.56 million sq. ft. of floorspace.

3.4 Demand forecast for the large scale B8 market

3.4.1 The positive story in terms of occupier demand in encouraging and looks set to continue. The North West Region is well poised to exploit the opportunity of improving market sentiment, confidence and stability. Manchester has established itself as the second city and is expected to grow further in stature and indeed population. Also there appears to be a greater collaborative spirit between Liverpool and Manchester uniting under a North West banner, which can only be good for the region.

3.4.2 Significant investment in infrastructure projects such as Liverpool SuperPort and Airport City are expected to stimulate growth. In research commissioned by Liverpool City Region (LEP) in respect of SuperPort, growth forecasts as a direct result of increased capacity at Liverpool are expected to translate to a requirement of between 783-808 hectares (up to 1,996 acres) of land for future development.

3.4.3 These stimuli are underpinned by manufacturing resurgences such as Jaguar Land Rover which continue to and will maintain logistical/industrial occupational demand (see recent deals to DHL and Johnson Controls).

3.4.4 In addition and in particular, consolidation within the supermarket sector (Aldi, Waitrose) and non-food retail particularly discount retail (TJ Morris, Regatta, B&M) drive the 'big box' market, and this trend looks set to continue.

3.4.5 The rise of internet shopping will fuel demand for larger logistics units. Research carried out by Morgan Stanley indicates the growth in this market sector is set to increase. The online share of the global retail market grew from 4% in 2008 to 6.5% in 2012 and is forecast to rise to 9.6% by 2016. Online shopping will account for at least a third of UK retail commerce by 2022, up from 13 per cent, and the high street will no longer be where transactions are primarily

made, according to Economist Intelligence Unit forecasts¹. Retailers are responding accordingly by purposefully developing logistics strategies to be near to customers as the rise in internet shopping continues to heavily influence site/premises search.

- 3.4.6 Online retail spend in the UK is estimated at 39 billion Euro and expected to rise in 2016 to 52 billion Euro. Developer Prologis has also estimated that every new 1 billion Euro of online sales resulted in extra warehouse demand of approximately 775,000 square feet in the UK, Germany and France over the past five years - which would indicate demand from e-commerce to translate to approx. 10 million sq. ft. in the UK up to 2016.
- 3.4.7 These trends are reflected in transactions above and current live occupational requirements such as Ocado who are actively looking to site a 350,000 sq. ft. requirement in the North West (as of 2014). Businesses need to keep pace with their competitors regarding internet ordering and delivery, and many wish to address this with new "on-line" distribution facilities. In addition, internet retailer "The Hut Group" have been searching for a suitable NW location to accommodate over 600,000 sq. ft since 2014, with land at Omega being the most likely location.
- 3.4.8 The forecast expansion is also not exclusively linked to the distribution market and since 2011 there has been a number of significant transactions within the manufacturing sector. A pertinent example being MBDA proposed relocation to Logistics North. Many manufacturers' expansions plans are limited by older existing legacy accommodation. New investment facilities bring with it greater operational efficiencies which can safeguard future performance.

3.5 What are the key criteria that occupiers and developers look for?

- 3.5.1 Traditional factors which are fundamental to sites being commercially attractive to the logistics market include:
 - Proximity to Market;
 - Modal Flexibility;
 - Site Availability and Size;
 - Utilities; and
 - Labour.
- 3.5.2 Close geographical location of distribution centres to final point of delivery is key for a logistics operator to achieve the most efficient network design, with industry estimating that £2 per km is added to transport costs for every 1km located away from the optimum location between delivery and input points.
- 3.5.3 Due to the high level of HGV road trips at large scale distribution facilities must have good access to the highway network. A quality network must be maintained with good access, reasonable flow through congested areas and alternate routing capability.
- 3.5.4 The logistics market is increasingly looking for developments which facilitate a range of site size and floor space appropriate to meeting distribution needs – including local, regional, and strategic or SRFI. In this manner, the largest retailers and distributors are able to site share with other ancillary firms. This may also produce a traffic mix more acceptable to both occupiers and surrounding community.
- 3.5.5 Site availability may be an overriding factor in determining final occupier choice. Occupiers with large floor space requirements are typically faced with less than ideal property solutions in terms of location and therefore search areas cover large geographical areas.
- 3.5.6 Individual occupiers approach relocation or acquisition mindful of their own specific requirements which can be driven by existing contracts, new contracts or strategic locations to reach target markets.
- 3.5.7 However, to secure interest, particularly in the larger B8 market there are key criteria which should be demonstrated and as developer product is aimed at satisfying end users these are on the whole the same for both occupiers and developers.
- 3.5.8 Principally these relate to deliverability of product and de-risking delay in the construction programme. Timing is often critical and therefore existing buildings built speculatively to industrial standards are particularly well received by the B8 market.
- 3.5.9 In the absence of built stock occupiers will look at sites to purchase or on a design and build basis and to secure occupier interest any proposed scheme must demonstrate viability, credibility and deliverability.

¹ Retail 2022 report by EIU October 2012

- 3.5.10 In determining whether a particular site is suitable and attractive it is standard for key questions to be asked by occupiers relate to:
- Ground conditions;
 - Physical site constraints;
 - Utilities;
 - Accessibility/Highways;
 - Planning;
 - Title;
 - Proximity to target markets and larger conurbations;
 - Supply of labour;
 - Delivery (Developer); and
 - Terms - i.e. land sale or cost of freehold or lease.
- 3.5.11 Retailers are directly commissioning warehouse space in locations to suit their networks. This is a growing trend as retailers look to reduce expenditure on freight and speed up delivery times. Grocery distribution centers are usually located close to the populations they serve whereas consumer goods retailers less constrained by delivery times tend to operate from NDCs. Retailers are also starting to consider delivering goods directly to customers rather than through Royal Mail and are therefore looking for parcel hubs of between 50,000 and 100,000 sq. ft. (4,645 to 9,290 sq. m.) located close to urban centres. In contrast some retailers are consolidating their distribution operations into fewer larger hubs to increase efficiency.
- 3.5.12 Overall therefore a hierarchy of floor space, characteristics and occupiers is typically found and required at large scale distribution parks are described below. In terms of size the hierarchy translates into buildings of less than 50,000 sq. ft. (4,645 sq. m.) of floor space typically used for smaller contract specific 3PL operations, express parcel delivery units and smaller regional transport companies up to units of 500,000 sq. ft. (46,450 sq. m.) + often occupied by retailers taking space for a National Distribution Centre within their network. The latter space is more likely to be footloose in terms of specific location, i.e. the area of search may be large reflecting the relative scarcity of sites/buildings to meet size requirements.

3.6 Key locational criteria expressed in recent large scale B8 development in the north west

- 3.6.1 Figure 6 below sets out locational criteria adopted by 14 occupier deals across the region. Leases and sales of existing buildings have not been plotted as it could be argued these were "opportunity driven" due to availability. It is clear that a strategic motorway location dominates the rationale for selecting a particular site.
- 3.6.2 Locational criteria is in some cases is driven by specific occupation needs, i.e. Parcellforce at Chorley needed to be within a strict geographical area. However, others have been secured by the ability of developers to accelerate the development programme and reduce risk and uncertainty from the development process i.e. Waitrose at Chorley.
- 3.6.3 Where possible, developers are seeking to mitigate time risk from the development process to accelerate potential speed of delivery. The recent pre-let to Dole Fresh UK Ltd for a 60,000 sq. ft. unit at M6 Epic is an interesting example of the current market. The site was demolished following a fire in 2012. Since being purchased by Barwood/Legal & General the site has been levelled and full planning consent (May 2013) has been obtained for 125,000 and 515,000 sq. ft. cross docked units. This has shortened delivery time for construction in an effort to steal a march over rival sites and has proved successful.
- 3.6.4 In all cases however, good motorway links and proximity to labour and markets are critical as is the availability of suitably sized sites of a scale to accommodate larger buildings. We would expect over the coming years that the drivers indicated will continue.

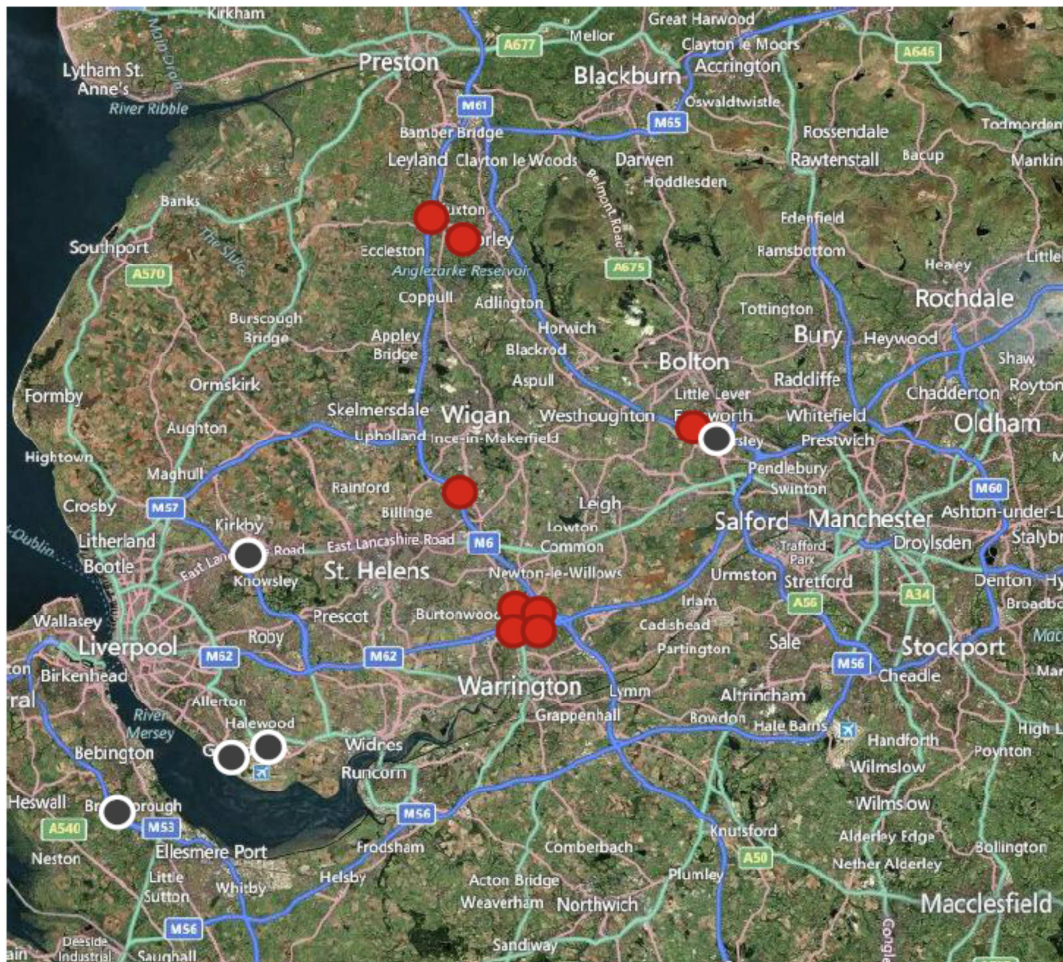
Figure 6: Drivers for Location of B8 Occupiers in the North West – 2011 to 2013

Address	Town	Area (\$q Ft)	Transaction Type	Effective Date	Tenant/ Purchaser	Tenant Sector	Reason for choosing location
Logistics North	Bolton	125,000	Land Sale	UNDER OFFER	Aldi	Manufacture	Strategic Motorway Location, and also in close proximity to existing facility and workforce
Omega South, Warrington	Warrington	600,000	Land Sale	UNDER OFFER	Hut Group	Food retail	Strategic Motorway Location
Omega South, Warrington	Warrington	600,000	Land Sale	01/08/2013	ASDA	Food retail	Strategic Motorway Location
Omega North, Warrington	Warrington	600,000	Land Sale	01/08/2013	Travis Perkins	Non Food Retail	Strategic Motorway Location
Logistics North	Bolton	425,000	Land Sale	01/08/2013	Aldi	Food retail	Strategic Motorway Location
Matrix Park - Buckshaw Village, Aldi site, Chorley	Chorley	420,000	Prelet	01/09/2011	Waitrose	Food retail	Strategic Motorway Location
Omega North, Warrington	Warrington	198,334	Prelet	01/11/2012	Brake Brothers	Food retail	Strategic Motorway Location
Omega North, Warrington	Warrington	156,000	Prelet	01/03/2013	Hermes Parcelnet	Parcel Distribution	Strategic Motorway Location
Plots 7/9 Revolution Park	Chorley	123,500	Land sale	01/05/2012	Parcelforce	Parcel Distribution	Strategic Motorway Location
M6 Epic	Wigan	61,000	Pre-let	01/12/2013	Dole Fresh	Food retail	Strategic Motorway Location
G Park	Knowsley	435,600	Land Sale	01/08/2013	TJ Morris(Home and Bargain)	Discount Retailer	Special purchaser, having bought available land adjoining existing facility
Peel Estuary	Speke	500,000	Land Sale	01/08/2013	B&M Bargain	Discount Retailer	Special purchaser, having bought existing facility of 500,000 sq ft previously. Although attraction to Speke through opportunity to buy distressed asset and proximity to Port
Thermal Park, Bromborough	Bromborough	170,000	Prelet	18/05/2011	Great Bear Distribution Ltd	Pharmaceutical	Linked to Unilever contract
The Hive, Speke	Speke	150,000	Prelet	01/06/2013	Johnson Controls	Automotive	Linked to JLR contract

3.7 Where have the most attractive locations been recently for large scale B8 development?

- 3.7.1 Figure 7 shows the locations selected by the 14 occupiers identified in Figure 6. This depicts the primary importance of the central M6 motorway spine of the North West and, to lesser extent, the gravitational pull of Manchester.
- 3.7.2 Whilst Liverpool has noticed recent success there are specific reasons for locating in this area, and take-up has been dominated by suppliers of major manufacturers such as JLR and Unilever. In addition expansion of existing operations has also occurred B&M; Home Bargains) as this made commercial and operational sense.

Figure 7: Location of Recent (2011 to 2013) Occupier Deals across the North West



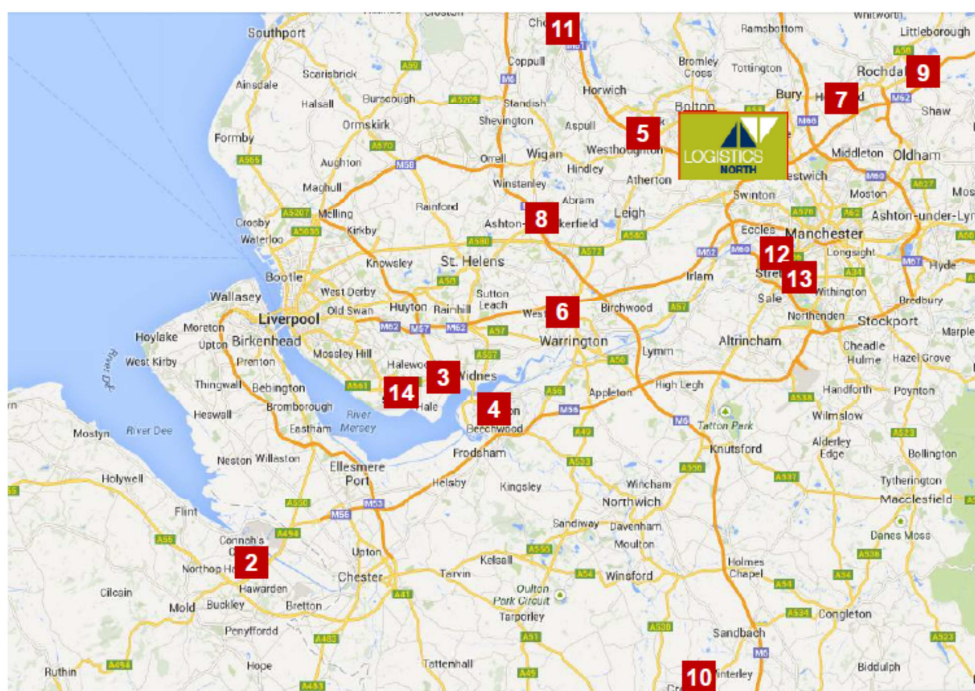
3.8 North West land supply for large scale B8 development in the medium (3 to 7 years) to longer term (7 years plus)

- 3.8.1 Omega, Warrington and Logistics North, Bolton are likely to dominate take-up over the next five years. Logistics North has already secured early wins with Aldi committing to build 450,000 sq. ft. and missile manufacturer MBDA committed to 120,000 sq. ft., even before any infrastructure work has commenced on site.
- 3.8.2 Other sites such as M6 Epic in Wigan will only compete by discounting values or where occupiers have a strict geographical reason to be in a certain location.

Figure 8: Logistics North, Bolton - 250 acres/4 million sq. ft.



- 3.8.3 Other sites could emerge to the North and South of Warrington in a second tier which may include land at Cuerden, south Preston and the Goodman site at Basford, Crewe. Other sites will of course attract interest but must be pragmatic in disposal and marketing strategy.
- 3.8.4 However, the critical issue over the medium term will be the continued provision of deliverable sites to satisfy demand. Large sites will benefit from the current supply squeeze and landowners /developers are seeking to bring forward development sites as far as possible in terms of preparing development platforms, provision of services, on site infrastructure and planning.
- 3.8.5 Figure 9 below indicates 14 development sites which are immediately deliverable in the region. The sites principally target occupiers within the 100,000 to 300,000 sq. ft. size range.
- 3.8.6 Eight sites purport to be able to deliver units of between 400,000-530,000 sq. ft. Only Logistics North (Bolton), Omega (Warrington), Stobart Park (Widnes), Bayer Crop (Widnes) and the Airfields (Deeside) can provide in excess of 530,000 sq. ft.

Figure 9: Deliverable B8 Development Sites, North West – May 2014

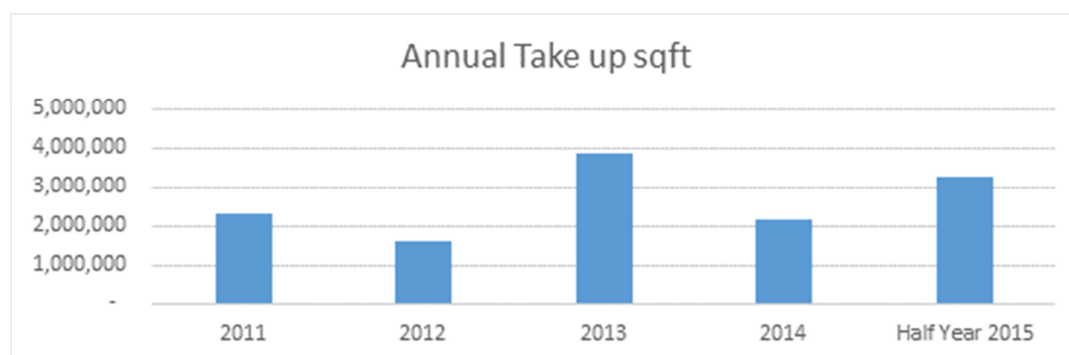
	Scheme	Town	Size	Max Unit Size	Owner
1	Logistics North	Bolton	Up to 250 acres	Up to 1 million sq ft	Harworth Estates
2	The Airfields	Deeside	140 acres	Up to 1 million sq ft	Praxis
3	Stobart Park	Widnes	90 acres	Up to 848,935 sq ft	Stobart Group
4	Bayer Crop	Widnes	40 acres	Up to 700,000 sq ft	Halton MBC/Gazeley
5	6-61, Wingates	Westhoughton	25 acre	Outline consent for 530,000 unit	Graffongate/DTZ iM
6	Omega South	Warrington	Up to 500 acres	Masterplanning exercise still being undertaken to extend B8 opportunities.	HCA/Miller
7	Heywood Distribution Park	Heywood	Plot M400 20 acres Truck Stop approx 18 acres	Up to 525,000 sq ft	Harbert /Canmoor
8	M6 EPIC	Ashton-in-Makerfield	35 acres	Full planning consent (May 2013) for 125,000 and 515,000 sq ft cross docked units	Barwood/L&G
9	Kingsway Business Park	Rochdale	Plot I – 17 acres	300,000, potential for 500,000 sq ft if remove existing road infrastructure	Wilson Bowden
10	Crewe Commercial Park	Crewe	120 acres, Multi modal potential.	Outline consent for 1.4million sq ft (largest unit 530,417 sq ft) – detailed consent for 430,000 sq ft unit	Goodman
11	Revolution	Chorley	10 acres	Detailed consent for 183,917 sq ft	Evander
12	Union Square Westinghouse Road	Trafford Park	8.5 acres	Strong current interest to split site Up to 175,000 sq ft	Marshall CDP
13	Trafford Point	Trafford Park	17 acres	Poor local access into site Up to 240,000 sq ft	Harbert /Canmoor
14	The Hive / Liverpool International Business Park	Speke	10 and 14 acres	Up to 245,000 sq ft	Marshall CDP/Peel

- 3.8.7 Figure 9 demonstrates that, apart from Omega South, there is restricted supply of large scale deliverable sites for distribution development. This presents an opportunity for St. Helens to meet future demand given its excellent location adjacent to the important M6 corridor and regional undersupply detailed earlier in Chapter 3.

3.9 Market Update – September 2015

- 3.9.1 Further to our earlier report reviewing period 2011 to 2013 the North West region's industrial property market has continued to improve.
- 3.9.2 Occupier demand remains robust with over 5.45 million sq. ft. of occupier take up (Grade A & B+ in excess of 50,000 sq. ft.) over the review period 2014 to June 2015.

Figure 10: Annual Take-up (sq. ft.)



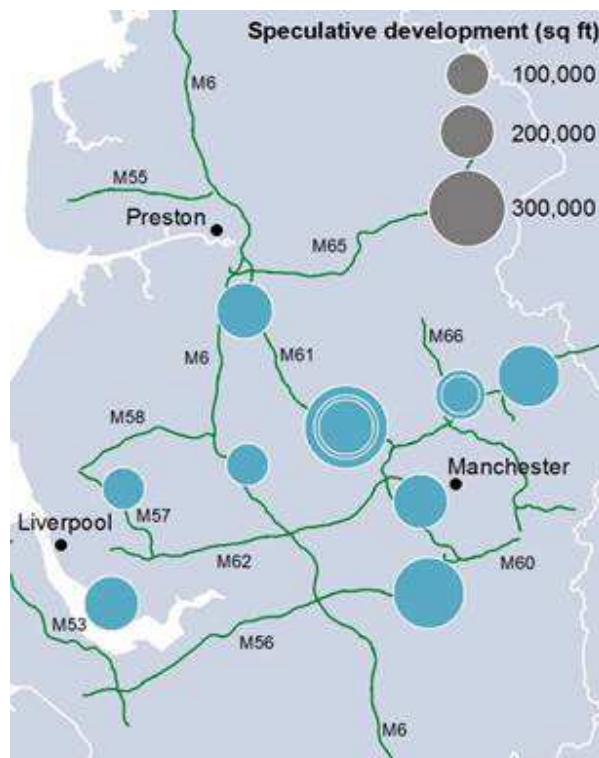
- 3.9.3 The North West showed the largest take-up of all UK regions in the first half of 2015, recording over 3.28million sq. ft. of transacted space.
- 3.9.4 This half year figure has already surpassed total take-up recorded over the whole of 2014 in the region, assisted in part by discount retailer B&M Bargain securing 2 existing facilities at Runcorn (339,261 sq. ft.) and Middlewich (460,884 sq. ft.) on a leasehold basis.

Table 3: Details of North West Take-up First Half of 2015

Address	Macro	Grade	Area (Sq. Ft.)	Tenant/Purchaser	Transaction Type
Renaissance Way, Unit 1	Liverpool South (Widnes)	B+	72555	IAC	Existing Unit
Epic	South Lancashire	A	320000	Poundland	D&B
Ex Tesco Unit, Midpoint 18	Cheshire East	B+	460884	B&M	Existing Unit
Grand central	Manchester West	A	250000	Norbert Dentresangle(Misguided)	Pre-let D&B
Westwood Park	Lancashire South	A	400000	Nice-Pak	D&B
Port Salford	Manchester West	A	280000	Culina	Pre-let D&B
Onyx, Manor Park	Cheshire East	B+	339,261	B&M	Existing Unit
Ex Biffa Unit	Manchester West	B+	208,000	Bidvest Logistics	Existing Unit
Burnley Bridge	Lancashire M65	A	600,000	Exertis	D&B
Logistics North	Manchester North	A	100,000	Joy Global	Land Sale
Omega	Warrington	A	250,000	Plastic Omnion	D&B
Plt B1 Logistics North	Manchester North	A	125000	MBDA	Land Sale
Midpoint 18, Ex Tesco Pochin Way, Middlewich, CW10 0	Cheshire East	B+	185487	optima logistics	Existing Unit
Cobalt Building, Burnley Bridge, Burnley	Lancashire M65	B+	64100	Birchall Food Services	Existing Unit
Everest, Barton Dock Road, Trafford Park, M41 7RR	Warrington	B+	51400	Confidential	Existing Unit

Crewe 380 ex Prologis unit	Cheshire East	B+	153000	Expert Logistics	Existing Unit
XL, ex Comet, Skelmersdale	Lancashire South	B+	471698	DHL	Existing Unit
Omega	Sale	A	685000	Hut Group	D&B
The Quadrant, Pool Lane, Bromborough,	Wirral	B+	74388	Max Spielman	Existing Unit
Tameside Park, Tame 115 , Dukinfield, SK16 4PP	Manchester East	B+	115101	Ritrama (UK) Limited	Existing Unit
Lyntown Trading Estate, Unit L1–L3 Lynwell Road , Eccles	Manchester West	B+	80706	LSC Lighting	Existing Unit
Deeside Industrial Estate,, Expswy 56 Fourth Avenue , Deeside,	North Wales	B+	162116	MMP Packaging	Existing Unit

- 3.9.5 Discount retailers such as B&M and Poundland have been prevalent in the market but manufacturers have also made a significant contribution to take up figures with Exertis, Plastic Omnion and Nice Pak taking significant purpose built facilities in the region.
- 3.9.6 The North West was one of the first markets in the UK to experience a significant tightening in grade A availability, with just over 400,000 sq. ft. of grade A space available every quarter since the beginning of 2012.
- 3.9.7 Supply of existing quality accommodation (grade A & B+) is estimated at 0.22 years supply with annual average take-up from 2011 to H1 2015 at approx. 3 million sq. ft.
- 3.9.8 Investors and developers are responding to this supply imbalance with a series of speculative units, 12 units totalling 2.2 million sq. ft., in excess of 100,000 sq. ft. either under construction or committed to build. This will see a rash of speculative building across the region:

Figure 11: Speculative Units Committed/Under Construction

	Development	Location	Unit size Sq. Ft.
1	Hareshill Dist. Park	Heywood	95,000
2	Venus 110	Knowsley	110,000
3	Revolution Park	Chorley	180,000
4	Union Square	Trafford Park	175,000
5	Heywood Dist. Park	Heywood	145,000
6	LIBP	Speke	175,000
7	Airport City	South Manchester	271,000
8	Kingsway Business Park	Manchester North	216,000
9	APEX 175 Logistics North	Bolton	175,000
10	ADVANTAGE 225 Logistics North	Bolton	225,000
11	M6 Epic	Ashton in Makerfield	110,000
12	E1 Logistics North	Bolton	360,000
	TOTAL		2,237,000

- 3.9.9 The first speculative scheme nearing completion is Venus in Knowsley, which is reportedly now under offer to Amazon and effectively pre-let. In addition it is anticipated that Airport City is close to securing an occupier whilst only half way through construction.
- 3.9.10 Confidence in the region is growing with a number of live occupier requirements and, build-to-suit deals are expected to remain in demand in the region – especially at the Omega and Logistics North industrial parks which continue to offer deliverable, large scale development platforms.
- 3.9.11 Notwithstanding this, availability of deliverable development sites for future pipeline developments is being eroded. This is a significant issue the market must address in the medium to long term and is particularly acute in sites in excess of 15 acres.

4 Employment Land Need in St. Helens

4.1 What are St. Helens Needs now and in the future?

4.1.1 Core Strategy Policy CE1 identifies a need for 37 hectares of employment land, with a specific need identified for 5 ha for B1 uses and 32ha for B8 uses. After allowing for a vacancy rate of 14%, the Core Strategy identifies an employment balance and supply position of +75ha, with +5 available for B1 uses, +46ha available for B2 uses and +5ha available for B8 uses.

4.1.2 To help ensure that the employment land evidence base informing the St. Helens Allocations Local Plan accords with the requirements of the NPPF and PGG as outlined in Chapter 2, the Council have commissioned BE Group to undertake an Employment Land Needs Study (ELNS) to provide robust evidence of objectively assessed need for employment floorspace in the Borough. This Study will:

- Provide a clear assessment of the quantitative need and demand for employment land and floorspace for B1(a) offices, B1 (b), B1 (c), B2 industrial, B8 warehousing and distribution in St. Helens from 2012 up to 2037, taking account of economic forecasts, past take-up and existing and likely future market conditions;
- Identify what sectors of employment are likely to grow or contract over the Plan period and how this translates into job numbers and additional employment floorspace requirements; and
- Provide recommendations on the implications of Liverpool 2 and SuperPort for St. Helens.

4.1.3 Any future analysis of employment need informing the Allocations Local Plan will have to consider the findings of the ELNS.

4.2 Where Does the Supply Need to be Located?

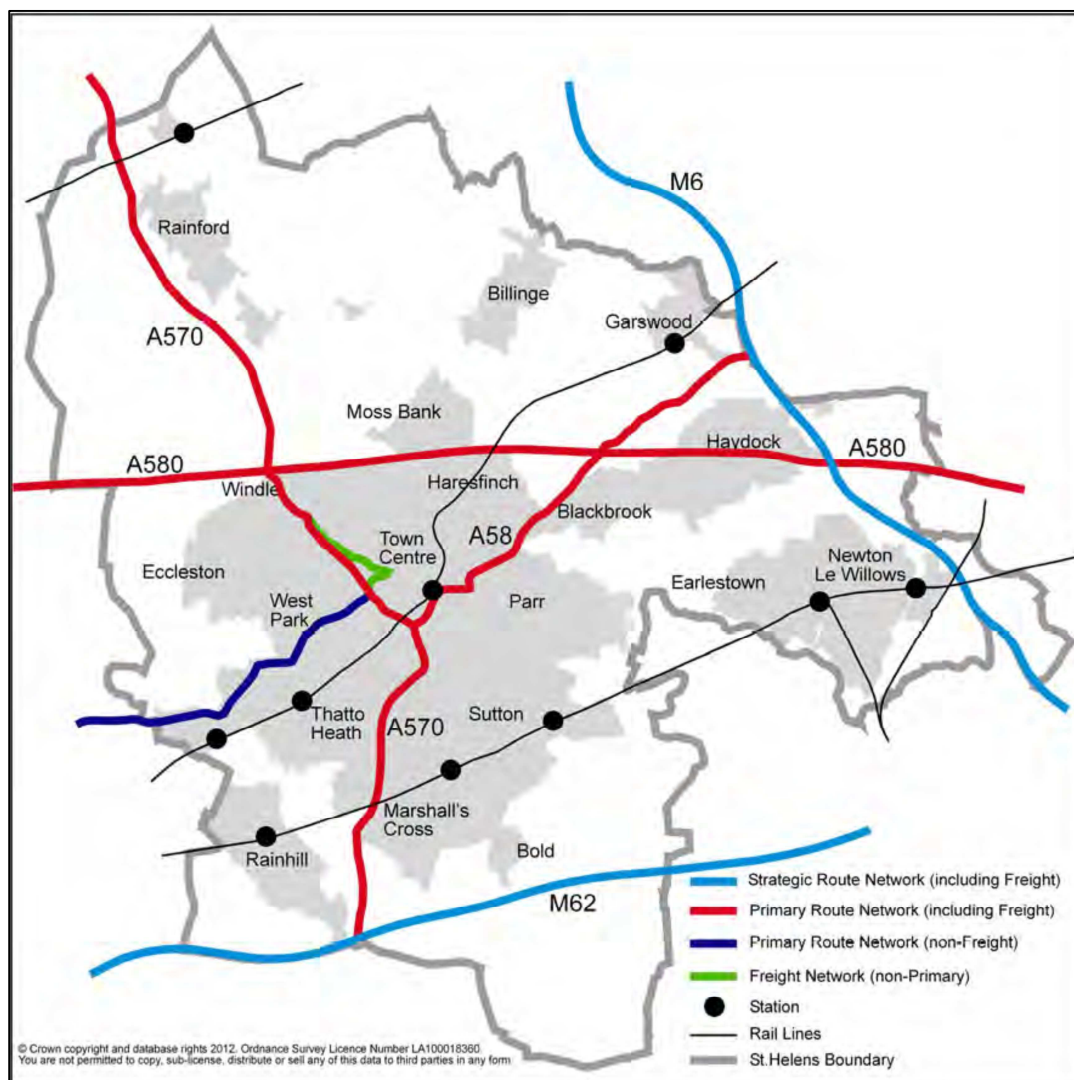
4.2.1 Chapter 5 considers to what extent St. Helens identified employment land portfolio meets requirements of developers and occupiers of distribution property. In order to inform this assessment this Chapter establishes specific criteria to determine where distribution development should be located. The criteria adopted take into account local specific issues as identified in the Core Strategy such as the suitability of the local highway network and in addition more general criteria of critical importance to occupiers/developers as set out in Chapter 3. In addition the criteria adopted are in accordance with draft criteria which are planned to be issued in the production of the St. Helens Local Plan Site Allocations DPD.

4.2.2 The criteria adopted to develop an area of search to meet need for large scale employment development are:

- Site size – minimum area of 5 hectares (this allows for a building of circa 300,000 sq. ft. or 3 x 100,000 sq. ft.);
- Drive time to motorway junctions is 10 minutes or less;
- HGV access into the site is possible;
- Access to site is from A570/A580/M6/M62 via 'A' roads on the strategic and/or primary freight network as identified in the Core Strategy (see Figure 12 below), avoiding roads used to access main urban residential areas;
- Public transport access exists or has the potential to be delivered;
- Good separation is possible from adjacent sensitive uses e.g. housing;
- Key leisure facilities must be excluded including Sankey Valley Park and Haydock Racecourse, Lyme and Wood Pits Country Park; and
- Land identified for the Parkside SRFI is excluded from the search as it is already safeguarded for development subject to meeting various criteria.

4.2.3 In making a judgement on the time it takes to access the motorway network in the study area, an average urban speed of 30 mph is used. This translates into travelling 5 miles in 10 minutes. The mapping exercise undertaken plots 5 miles from all nearby motorway junctions using the strategic and/or primary freight network (A580, A570 and A58).

4.2.4 To develop a meaningful appreciation of the land that might be potentially suitable for distribution development - 2 km swathes were considered either side of the A roads, however in order to identify true 10 minute travel times we measured 5 miles minus 2km (6046m) then created the additional 2km swathe. So the blue hatch represents the furthest one could drive in 10 minutes at a speed of 30mph.

Figure 12: Freight & Primary Route Network as identified in the Core Strategy

THIS DRAWING IS TO BE USED ONLY FOR THE PURPOSE OF ISSUE, THAT IT WAS ISSUED FOR AND IS SUBJECT TO MODIFICATION.

LEGEND

- Motorway junction
- 10 minute travel distance to motorway junction (within district)
- Potential development land
- Administrative boundaries

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Revision of Issue: **DRAFT**

Client: **ST. HELENS COUNCIL**

Project Title: **ST. HELENS EMPLOYMENT LAND REVIEW 2014**

Drawing Title: **POTENTIAL LAND FOR DISTRIBUTION DEVELOPMENT USING 10 MINUTE TRAVEL TIME WITHIN THE DISTRICT BOUNDARY TO MOTORWAY JUNCTIONS**

Drawn: JMR	Checked: MP	Approved: MP	Date: 12/09/2014
URSI Internal Project No: 1077476		Scale @ A3: 1:65,000	

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URS

FIGURE 2

5 Assessment of the Supply of Large Scale Employment Land

- 5.1.1 This Chapter considers to what extent St. Helens identified employment land portfolio meets requirements of developers and occupiers of large scale employment premises. It considers the current supply as identified in the 2011 Employment Land and Premises Study (Scott Wilson and CBRE) and its fit with the key criteria set out in paragraph 4.2.2, which are considered to be pre-requisites of suitable and deliverable land for large scale employment use.
- 5.1.2 Those sites of 5 hectares or more identified in the 2011 Employment Land and Premises Study are identified below in Table 4. A description of the sites is provided and an assessment is made as to whether the sites meet the criteria adopted for large scale employment use.

Table 4: St. Helens employment sites over 5 hectares as identified in the 2011 Employment Land and Premises Study

Site Reference	Area (Ha)	Description as of September 2011	Assessment of Fit to Criteria 2015
MM1 – former Ibstock brick, Clock Face	8.1	B8 access not ideal as goes past schools and new homes on B5204, busy Marshalls Cross roundabout and homes on B6419.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
E1 - Lock Street (off Merton Street)	6.42	Site is suitable for redevelopment immediately for smaller sized units but may require access improvements (road runs over canal) for larger scale development.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
B4 – Hazel Business Park	6.17	Part of site now being marketed for redevelopment by Pilkingtons. Potential for large scale industrial development, but major traffic generation may require access routes to the A580 to be improved, but more likely to be suitable for small to medium sized development.	Available area for employment use is not 5 hectares in a regular shaped site size
C4 – Washway Lane	13.82	Potentially suitable for mixed use employment (inc. B8) development over plan period. Site could accommodate a large scale building but there could be issues with deliverability due to land form and site shape and if location and access would be strong enough to attract occupiers.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
M2 – Redundant factory at Ravenhead Rd	7.38	Site suitable for redevelopment but preferably not for large scale B8 distribution due to single access via Ravenhead Road and via busy stretches of town centre roads. Could suit larger scale B2 or small to medium scale B2 and B8. Warehouse on part of site has been retained for an indoor football (D1 Leisure) use.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
Q8 – Vacant Site at Peasley Cross	5.44	Site could be developed immediately for mixed B2/B8 small scale development.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
AA1– Sankey Valley Industrial Estate	12.9	Development land at this site includes the former sankey sugar works (4.69 ha) and approximately 7.5 ha of brownfield and Greenfield land occupied by Revelan Group which has made representations promoting the site for future employment redevelopment. The location of the site does not lend itself to large scale business uses which would generate significant HGV vehicle movements unless access improvements made e.g. along Market Street.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network
GG2 – Site at Elton Head Road	6.99	Site available for B2/B8 development although given good motorway location should elicit B8 interest.	No access to site from A580/M6/M62 via 'A' roads strategic and/or primary freight network. Site is close to housing.
II1 – Mere Grange Business Park	9.55	Site identified as expansion of Mere Grange Office park.	Good separation is not possible from adjacent sensitive uses - housing and offices.

- 5.1.3 In conclusion none of the sites previously considered to be potentially suitable in 2011 meet the criteria developed in more detail in this report. The result is that there is zero provision of suitable land for distribution uses within the Borough's identified employment land supply.

6 Parkside Regeneration: Strategic Rail Freight Interchange

- 6.1.1 There is a long standing history of developer interest in bringing the site of the former Parkside Colliery and its immediate environs forward for a SRFI. There have been a number of planning applications for warehousing and distribution since the colliery closed, including for a Strategic Rail Freight Interchange (SRFI), and the area was highlighted as a potential location for inter-modal freight terminal in the now withdrawn Regional Spatial Strategy (RSS). Core Strategy Policy CAS3.2 identifies the site as a 'strategic location' for a SRFI.
- 6.1.2 In January 2014 a new joint venture company, Parkside Regeneration LLP, acquired the elements of the Parkside site owned by the previous owner, Pro-Logis. The joint venture is made up of St.Helens Council and Langtree with the aim of bringing a SRFI forward on the site.
- 6.1.3 As highlighted in Chapter 2, since the adoption of the Core Strategy national planning policy has continued to explicitly identify the need for an expanded network of SRFIs and recognise the importance of SRFIs in terms of both economic development and addressing climate change.
- 6.1.4 The site remains the single largest potential economic development site in the borough, providing the greatest opportunity to meet the economic development aspirations of the Borough, being on a prime location for a SRFI. The site continues to offer unique opportunities to attract new inward investment and business growth and continues to provide a substantial opportunity for the wider North West region through increasing freight capacity and capability in a growing economic sector.
- 6.1.5 It is anticipated that more detailed evidence on the Parkside SRFI is expected to be produced as part of the preparation of the Allocations Local Plan.

7 Conclusions

7.1 Market Potential

- 7.1.1 The market for large sites for distribution and manufacturing uses remains strong for both Grade A and Grade B space. Key locational and site specific criteria for these uses are well understood and identified. The North West region is the least well placed in the country to provide for such sites, as there is restricted supply of large scale deliverable sites in the North West. St Helens because of its location straddling the M6 is well located to respond to these criteria and market drivers. Shortened delivery times from site search to construction, is a key factor in attracting large scale developments.

7.2 Employment Land Take-Up and Losses

- 7.2.1 Since the adoption of the Core Strategy in 2012 employment land take-up has been slow and in fact there was a net loss of 0.64ha employment land in the Borough between 2012-15. Trends in employment land take-up remain significantly below long term averages. Employment sites have continued to face pressure from higher value uses such as residential and retail.

7.3 Planning Policy

- 7.3.1 The PPG has reemphasised the importance of economic growth established in the NPPF and requires local authorities to identify objectively assessed needs for economic growth. The establishment of a LCR Growth Plan and the potential changes to the spatial governance of City Regions through devolved powers are all pushing a City Region agenda, which could lead to a more sub-regional approach to spatial planning and establishing economic growth and land supply needs in the future.

7.4 The St Helens Supply of Large Scale Sites

- 7.4.1 Large scale logistics is the most active market in the region and a particular opportunity for St Helens. The SuperPort project will increase the demand for large logistics and manufacturing space in St. Helens. None of the sites previously considered potentially suitable in the 2011 Employment Land and Premises Study for large scale distribution and manufacturing uses meet the established criteria identified in Chapter 4. Consequently, there is zero provision of suitable land for large scale distribution uses within the Borough's identified employment land supply.
- 7.4.2 There is currently an unbalance between demand and supply for large scale distribution and manufacturing sites in the Borough. The shortage of available land to build large distribution facilities has meant that in recent years, when demand for such premises has been high, occupiers have had to locate elsewhere.

7.4.3 Parkside SRFI

- 7.4.4 The role of the Parkside SRFI site remains crucial in meeting overall economic development aspirations for the Borough. National planning policy continues to explicitly identify the need for an expanded network of SRFIs across the country and place SRFIs in the context of national economic and environmental objectives and priorities.

7.4.5 Planning Policy Recommendations

- 7.4.6 It is recommended that as part of the preparation of the Allocations Local Plan a search is carried out to identify new employment sites that could meet the site specific criteria for large scale sites as identified in Chapter 4. Employment land provision in the Allocations Local Plan should seek to ensure a sufficiency of supply and choice of accessible large scale sites to support the economy in the long term.
- 7.4.7 To help ensure there is sufficient capacity to meet the projected demand for large sites for distribution and manufacturing and to address the opportunity presented by the regional shortfall of large scale sites, any future search for suitable sites in St. Helens will have to consider Green Belt and NPPF provisions. Any search for new employment sites should have regard to the findings of the forthcoming ELNS.

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