

ATLANTIS



Employment Land Needs Study

St Helens Borough Council



Final Report

October 2015

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EXECUTIVE SUMMARY

- i. The Employment Land Needs Study has been prepared by BE Group on behalf of St Helens Council. It has been commissioned to *“inform and advise on the preparation of the St Helens Allocations Local Plan 2017-2033”*. It analyses existing employment land and premises demand, supply and need up to 2037.
- ii. The objective of the study is to assess the quantitative demand for employment land in St Helens unitary authority area to 2037 in accordance with the Planning Practice Guidance published by the Department for Communities and Local Government for assessing economic development. The study will inform the St Helens Allocations Local Plan 2017-2032 by projecting employment land requirements to 2037. This study will be used to inform and support the embryonic ATLANTIS programme, a transnational project that is seeking support under the EU’s new Motorways of the Sea programme.
- iii. The study has been undertaken in parallel with the Mid-Mersey Strategic Housing Market Assessment (SHMA) encompassing St Helens, Halton and Warrington, prepared by GL Hearn. The SHMA assessed the housing demand for the Mid-Mersey area as a whole and the individual authority areas to 2037. The two studies have had regard to each other, recognising the influence of the demand for one type of land on the other and the potential for competing needs for a limited land resource. The study also builds upon the previous employment land reviews for St Helens.
- iv. The demographic characteristics of the St Helens community reveal that the population is growing modestly, after several years of a declining residential population. The workforce characteristics reveal that mid-level skill positions dominate, particularly the skilled trades and business support services.
- v. St Helens’ largest employment sectors are health, retail, manufacturing, business administration and support services and transport and postage. This is reflective of its urban location. St Helens’ employment role in the broader region is that it has a net outflow of commuters, particularly to Warrington, Knowsley and Liverpool. Furthermore, St Helens has a lower number of businesses per resident than neighbouring areas. Therefore, it is considered that there are opportunities for St Helens to absorb a greater number of workplaces to improve the commuting imbalance and broaden the breadth of employment opportunities for local residents.

- vi. Importantly, St Helens has more of a relationship with the Liverpool City Region and neighbouring local authorities, rather than a relationship with Greater Manchester.
- vii. The analysis of the supply of vacant employment premises in St Helens reveals that there is a significant range of industrial and office premises available, which would meet the needs of businesses similar to the existing types of operations in St Helens. However, opportunities for larger operations, particularly large scale logistics businesses, are very limited. This is particularly pertinent in the current property market in the region, which has a strong level of interest from major logistics operators. Opportunities for St Helens to take advantage of this interest would be dependent on new built stock, rather than the array of existing, vacant premises currently on the market.
- viii. The commercial property market in the region is being driven by an increasing demand for large scale logistics operations. Large, flat sites with excellent motorway access and proximity to markets/supply chains are highly sought after. St Helens' key location on the M6 (north-south) and M62 (east-west) motorways mean that it is ideally positioned in the North West to provide a critical role in the large-scale logistics sector. Such large scale logistics operations are likely to have a propensity for greenfield locations for the development of purpose-built warehousing stock.
- ix. The study included consultation with property agents active in the market, developers, existing business and public agencies. The study also undertook a business survey to gauge intents to relocate premises and interest in the major infrastructure transport projects in the region, the SuperPort and the Parkside Strategic Rail Freight Interchange. Key themes emerging from the stakeholder consultation were:
 - a. Large scale logistics is the most active market in the region and a particular opportunity for St Helens;
 - b. St Helens has key location attributes for commercial development;
 - c. The St Helens office market remains relatively subdued; and
 - d. Manufacturing remains an important component of the St Helens economy and intent on being in the area in the foreseeable future.
- x. The business survey of 200 businesses did not identify any businesses with an intent to relocate premises, presumably due to the current ample supply of alternative vacant premises in St Helens. The business survey revealed a minority, but significant, proportion of businesses that see the benefits of the SuperPort and Parkside projects

for their businesses.

- xi. The findings of the demographic research, property analysis and consultation and surveying were all used as inputs into defining a Functional Economic Market Area (FEMA) for St Helens. While always an approximation, it was considered that an appropriate FEMA for St Helens would be the Liverpool City Region plus Wigan and Warrington Boroughs.
- xii. The Objectively Assessed Need (OAN) for employment land in St Helens to 2037 was examined and projected to guide planning in the borough. The assessment of the OAN utilised and critiqued three methodologies, including an examination of the historic take-up of employment land since 1997, the projected growth of the local employment market and the projected growth of the residential population. From an analysis of the three methodologies and with regard to the current market conditions, it is projected that St Helens would have a baseline requirement for employment land would be 147-174 ha between 2012 and 2037.
- xiii. The SuperPort and Parkside projects are considered to have the potential to increase demand for employment land in the region, including St Helens, particularly for B8 and B2 uses. Accounting for the potential uplift in employment land demand due to these major projects, it is projected that St Helens would have an employment land requirement of 177-214 ha between 2012 and 2037.

Table E1 – Breakdown of Employment Land Need by Type

| Employment Type | Hectares |
|--------------------------------|----------|
| B1(a) Office | 10-15 |
| B1(b) Research and development | 1-4 |
| B1(c) Light Industry | 15-20 |
| B2 General industrial | 50-65 |
| B8 Storage and Distribution | 100-130 |
| Total employment needs | 177-214 |

Source: BE Group analysis

1.0 INTRODUCTION

1.1 The Employment Land Needs Study has been prepared by BE Group on behalf of St Helens Council. It has been commissioned to “*inform and advise on the preparation of the St Helens Allocations Local Plan 2017-2033*”. It analyses existing employment land and premises demand, supply and need up to 2037.

1.2 St Helens is a unitary authority in Merseyside, strategically located on the M62 linking Liverpool and Manchester and the M6, the principal north-south motorway through the North West, St Helens has substantial potential as a key location for businesses. St Helens’ economic role is intrinsically linked to the Liverpool City Region and wider North West region’s economies.

Study Objective

1.3 The objective of the study is to assess the quantitative demand for employment land in St Helens unitary authority area to 2037, with due regard to the supply and growth of employment land in surrounding areas and proposed major projects. The study will inform the St Helens Allocations Local Plan 2017-2032 by projecting requirements to 2037 and advising on further allocations to satisfy projected demand.

1.4 This study will be used to inform and support the embryonic ATLANTIS programme, a transnational project that is seeking support under the EU’s new Motorways of the Sea programme.

Background

1.5 The St Helens Core Strategy was adopted in 2012, which included strategic direction and policies for employment land targets for the period 2012 to 2027. It identifies employment land requirements to 2027 and a review of employment sites to come on line in the short or medium/long terms. At that time the projected demand for B1, B2 and B8 land to 2027 was 37 ha and the identified supply when allowing for vacancies was 75 ha, with a further potential supply of 32 ha through windfall sites.

1.6 While as at 2012 there appeared to be sufficient employment land supply in the pipeline to accommodate projected demand, continued monitoring and reviewing of the likely employment demand is prudent. It appears that the local market demand for employment land, particularly in the logistics market, has changed substantially since 2012. This Employment Land Needs Study reviews and updates projected demand

based on the latest available data and analysis of market conditions.

- 1.7 The study has been undertaken in parallel with the Mid-Mersey Strategic Housing Market Assessment (SHMA) encompassing St Helens, Halton and Warrington, prepared by GL Hearn. The SHMA assessed the housing demand for the Mid-Mersey area as a whole and the individual authority areas to 2037. The two studies have had regard to each other, recognising the influence of the demand for one type of land on the other and the potential for competing needs for a limited land resource. The two studies have sought to align economic and demographic assumptions and therefore both have utilised the 2012-based subnational population projections (published in May 2014) and the same Cambridge Econometrics and Oxford Economics local authority economic forecasts (June 2015) which were purchased to inform both studies.
- 1.8 The study covers all industrial, warehousing and distribution uses, as well as offices. It does not refer to all uses that provide jobs (e.g. health, education), but in addition to the above group of uses, it considers uses that may share certain locational and physical characteristics. The study is therefore primarily concerned with those uses included within the planning Use Classes B1 (business offices), B2 (industrial) and B8 (storage and distribution), appropriate sui generis uses including recycling and the environmental industry, together with uses such as retail, leisure and tourism.

Methodology

- 1.9 The methodology for this study follows the Planning Practice Guidance published by the Department for Communities and Local Government for assessing economic development and main town centre uses.
- 1.10 Research methods used include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents. Consultations have been undertaken with a number of St Helens' major private sector employers and key public sector agencies. Desktop analysis of national, sub-regional and local reports and strategies has been undertaken.
- 1.11 The property market in the local authority areas adjacent to St Helens has also been reviewed, particularly Warrington and Halton. This has been undertaken through consultations with officers from the relevant Councils, combined with desktop analysis of the Employment Land Studies and Local Plans of those local authorities.

Understanding the supply and demand of employment land and premises in neighbouring areas is important in assessing their impact on opportunities for St Helens.

1.12 Finally, the land supply has been assessed against forecast data to understand the future need for any additional employment land. This has then been developed into a series of economic development recommendations that cover not just land, but also premises.

1.13 Attached at Appendix 1 is a list of all consultees.

Study Area

1.14 St Helens has a population of approximately 177,200 (ONS mid-year population estimates 2014) and covers some 135 square kilometres (see Figure 1). It is located within the Liverpool City Region, but its economy is also influenced by Greater Manchester to the east. It shares a local authority area boundary with five boroughs or districts including Wigan to the east, Warrington and Halton to the south, Knowsley to the east and West Lancashire to the north.

Figure 1: St Helens Unitary Authority Area



SOURCE Nomis, 2015

1.15 A key feature of the St Helens area of direct relevance to employment land take-up is its position in relationship to key transport routes and infrastructure. The M6 runs through the eastern area of St Helens. The M62 runs through the southern area of St Helens and the A580, an alternative corridor between Liverpool and Manchester, runs east-west centrally within the local authority area. The town of St Helens is relatively centrally located within the local authority area. The M58 links within the M6 just to the north St Helens' northern boundary.

Economic Development Needs Assessment Guidance

1.16 The Department for Communities and Local Government has provided guidance for the assessment of economic development and housing needs. The guidance states that the objective of such assessments is to:

- *“identify the future quantity of housing needed, including a breakdown by type, tenure and size;*
- *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.”*

1.17 A community's need for employment land is a combination of ensuring opportunities for business growth, providing sufficient employment opportunities for the local community and ensuring the viability of employment nodes. The guidance states that:

“Need for all land uses should address both the total number of homes or quantity of economic development floorspace needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment.

Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

1.18 The guidance recommends that local authorities work with other local authorities within the functional economic area as economic development needs are not confined to local authority boundaries. This study, while investigating St Helens' needs only has consulted with neighbouring local authorities and has had due regard to policy direction and projects in the Liverpool City Region.

1.19 The methodology for assessing economic development and main town centre uses within the guidance states that the assessment should consider:

- *“The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.*
- *Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).*
- *Market signals, such as levels and changes in rental values, and differentials between land values in different uses.*
- *Public information on employment land and premises required.*
- *Information held by other public sector bodies and utilities in relation to infrastructure constraints.*
- *The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of ‘revealed demand’ for employment land.*
- *The locational and premises requirements of particular types of business.*
- *Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents).”*

1.20 In regards to assessing future employment needs, the guidance states that plan makers should consider:

- *“sectoral and employment forecasts and projections (labour demand);*
- *demographically derived assessments of future employment needs (labour supply techniques);*
- *analyses based on the past take-up of employment land and property and/or future property market requirements;*

- *consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.”*

1.21 The methodology in this Employment Land Needs Study has had due consideration to the economic development component of the Housing and Economic Development Needs Assessment Guidance.

2.0 POLICY CONTEXT

Introduction

- 2.1 This section focuses on national, regional and local reports and strategies that have a relevance to the allocation of employment land and premises. An understanding of the strategies and reports contained in this review is needed to show strategic alignment and a holistic approach to promote sustainable development. The consultants' recommendations follow the general principles set by them.

National

National Planning Policy Framework – Department for Communities and Local Government (2012)

- 2.2 The NPPF sets out the Government's economic, environmental and social planning policies for England, articulating the Government's vision of sustainable development. It provides a framework for the production of local and neighbourhood plans, and has replaced all the previous Planning Policy Statements and Guidance Notes.
- 2.3 As outlined in the introduction section, this assessment has had regard to the guidance for economic development within the Housing and Economic Development Needs Assessment Guidance.

Sub-Regional – Liverpool City Region

Liverpool City Region Growth Plan and Strategic Economic Plan (Version 6) (2014)

- 2.4 Liverpool City Region (LCR) is made up of the local authorities of Liverpool, Halton, Knowsley, Sefton, St. Helens and Wirral – with a £23.1bn economy and a population of 1.5 million. The LCR was formed in 2012 and with a Board including the Mayor of Liverpool, it builds on an existing 20 year partnership and stands as the most private sector orientated LEP in England. The aim of the LCR is to invest in unity amongst the authorities of the region in order to produce a “*shared ambition*” and ultimately achieve economic growth.
- 2.5 When established, the LCR set itself three high-level objectives. These core objectives were set in its Business Plan published in 2012 and are as follows:

- *“Growth – both in terms of absolute output (GVA) but also in jobs.*
 - *Increased productivity – by being more innovative and effective in how we do business, increasing our competitiveness on the national and international stage.*
 - *A rebalanced economy – with a reduced emphasis on public sector employment through a renewed focus on creating private sector jobs.”*
- 2.6 This *Growth Plan* is a representation of the *“strategic, over-arching ambition of the Liverpool City Region.”* It will be complemented by an Investment Plan for the 2014–2020 European Programming Period as well as a Strategic Economic Plan (SEP) which *“details key investments that are necessary for growth to occur.”*
- 2.7 In the LCR’s Development Plan (2006), it was identified that a second Mersey crossing in Halton, as well as a deep water berth at the Port of Liverpool were required in order to *“remain competitive in a globalising world.”* £1bn of capital investment was established in 2013 which will work towards these plans.
- “Both these investments are a feature of our SuperPort Strategy & Action Plan. For close to a decade the City Region has recognised the importance of its port, airport, road, rail and logistics assets that extend out across the whole City Region – in combination these represent a strategically important freight and growth opportunity for the UK as a whole.”*
- 2.8 LCR intends to *“maximise the benefits from the £340m of private sector investment in Liverpool 2 by improving Port Access and freight connectivity”* as well as *“ensuring that the City Region has the sites and premises available to capitalise on the jobs and business expansion potential that will result.”*
- 2.9 *“Capitalising on Government investment in High Speed 2 as an engine for growth and renewal in the City Region”* is also highlighted as primary focus in regards to global connectivity. It is hoped that it will allow *“for an increase in freight capacity, and supporting a renewal and economic expansion of Liverpool City Centre.”*
- 2.10 LCR wants Liverpool to *“become a premier location from which businesses can trade and export overseas,”* whilst prioritising the *“transport infrastructure and key site investment to ensure the efficient movement of people and goods both internally and externally to maximise economic growth.”*

- 2.11 The Liverpool City Region is at *the “Western end of what is probably the largest agglomeration economy in the UK outside of London with Liverpool at one end and Manchester at the other. [...] it also contains the most complete collection of infrastructure outside of London and the South East. The motorway network is considerable (M6, M62, M56, M58 and ready access to the M60, M66, and M61) and is unrivalled elsewhere in the UK.”* This, of course, is accompanied by the Port of Liverpool itself.
- 2.12 The LCR intends to provide emphasis to projects wherein the creation of jobs remains at the forefront of their proposals. Sites include: *“the City Centre, Parkside in St. Helens, and key Enterprise Zones and corridors such as Edge Lane and Dunningbridge Road (East).”*
- 2.13 The LCR is also committed to addressing the issue of a job density level that has consistently fallen below the UK average for the last decade – this is to fulfil the aim of creating a region of competitive people for the competitive place it is seeking to stimulate.
- 2.14 In order to achieve this, the LCR plans to:
- *“Tackle unemployment and promote resilience by pursuing the recommendations of the Employment and Skills Board’s Youth Unemployment Task Force.*
 - *Work with health providers and contractors to ensure that the correct support is in place for residents with conditions preventing them from accessing jobs.*
 - *Ensure that workforce development and skills attainment in the City Region is geared towards creating a high-skill equilibrium labour marker, which would, to an extent, reduce the flow of graduates out of the City Region who feel required to move to gain graduate level employment.*
 - *Deliver the Skills for Growth Bank, a £32m venture to give employers ownership of how and where skills funding is invested.*
 - *The Employment and Skills Board, through the Labour Market Information Service, will provide and make available key, high quality labour market information to help employment and skills providers to reshape their services.*
 - *The Employment and Skills Board will also deliver Skills for Growth Agreements focusing activity in sectors where the City Region has a competitive advantage, including each of the established key sectors.”*

- 2.15 At the request of the Government, the LCR has produced a *Growth Plan*, within which is detailed a number of “*strategic growth projects*” that have been tailored towards the achievement of the aforementioned goals. These five growth projects are:
- a) Liverpool City Centre – to create a destination of Global importance and connectivity and “*a centre for business growth across a range of sectors including business, financial and professional services...*”
 - b) Liverpool City Region Freight & Logistics Hub – “*Capitalising on the £340m investment in Liverpool 2 and the restructuring of logistics in the UK.*”
 - c) Multi-modal Port Access – A longer term project which would enable the aforementioned Freight & Logistics Hub. In this case, there would be a requirement to “*identify the preferred and optimal multi-modal solution.*”
 - d) LCR² Energy – “[This] *will facilitate and enable the transition of the City Region’s energy supply for the needs of the Growth Plan and the 21st Century; by converting the 37GWh used for the City Regions electricity, heat and transport power requirement to 100% low carbon.*”
 - e) City Region Capital Investment Fund – “*a ‘responsive’ programme flexible enough to respond to inward investment and/or end user demand at any site.*”
- 2.16 Clearly 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. Local areas and businesses that have the capacity, capability and willingness to contribute to and capitalise on this strategic direction would find substantial opportunities in the region. The regional approach of the LCR and St Helens’ role within it (including projects such as Parkside) are an indicator of the functional economic area of St Helens.

Liverpool LEP Economic Outlook (March 2014)

- 2.17 In late 2013, Oxford Economics (OE) were commissioned by Liverpool LEP to provide forecasts for the future economic performance of the Liverpool City Region. Once again, this regional approach to assessing the economy is an indicator towards St Helens’ functional economic area.
- 2.18 The report forecasts lower population growth between 2013 and 2023 for the Liverpool Region (0.1 percent per annum) in comparison to the North West Region (0.3 percent per annum) as a whole. Furthermore, employment growth in the Liverpool City Region (0.3 percent per annum) is anticipated to be lower than for North West (0.6 percent per annum). Interestingly, St Helens’ figures for both population and employment matched

North West's figures, being higher than the Liverpool City Region.

2.19 In summarising their findings in regards to employment levels (up until 2030), OE estimate that *“the North West region is likely to grow almost twice as fast as the Liverpool LEP over the next decade and thus recovery will be a more prolonged period for the local authorities in the LEP.”* As such, *“it may not feel like recovery for many in the local economy.”*

2.20 OE highlights the importance of private sector services in the forecasting of total employment for Liverpool LEP as *“a recurring theme in the form of the importance of the admin & support and professional, scientific & technical sectors as drivers for growth begins to emerge.”* Table 1 highlights this point, illustrating the rate at which these two sectors are expected to grow in the decade 2013-2023 – with admin and support rising by 10,400 jobs and the professional, scientific & technical sector rising by 7,800. Another of the key private sectors for growth *“will be information & communication which exhibits solid growth of 2,900 jobs over the forecast period.”*

“In the forecast period to 2023 it is estimated that 5,300 jobs will be shed in the manufacturing sector. The forecast incorporates numerous themes, including the long-term structural decline of the industry and the rationale that the manufacturing sector is a more capital intensive/high productivity sector such that a recovery in activity supports less jobs.”

Table 1 – Sectoral Employment Changes, Liverpool LEP, 1998-2030

| | 1998-2008 (000's) | 2008-2013 (000's) | 2013-2023 (000's) | 2023-2030 (000's) |
|---|----------------------|----------------------|----------------------|----------------------|
| Manufacturing | -33.9 | -3.7 | -5.3 | -5.4 |
| Construction | 7.9 | -4.3 | 5.0 | 2.4 |
| Professional, scientific and technical activities | 5.8 | 5.8 | 7.8 | 2.9 |
| Administrative and support service activities | 13.4 | 7.1 | 10.4 | 3.3 |

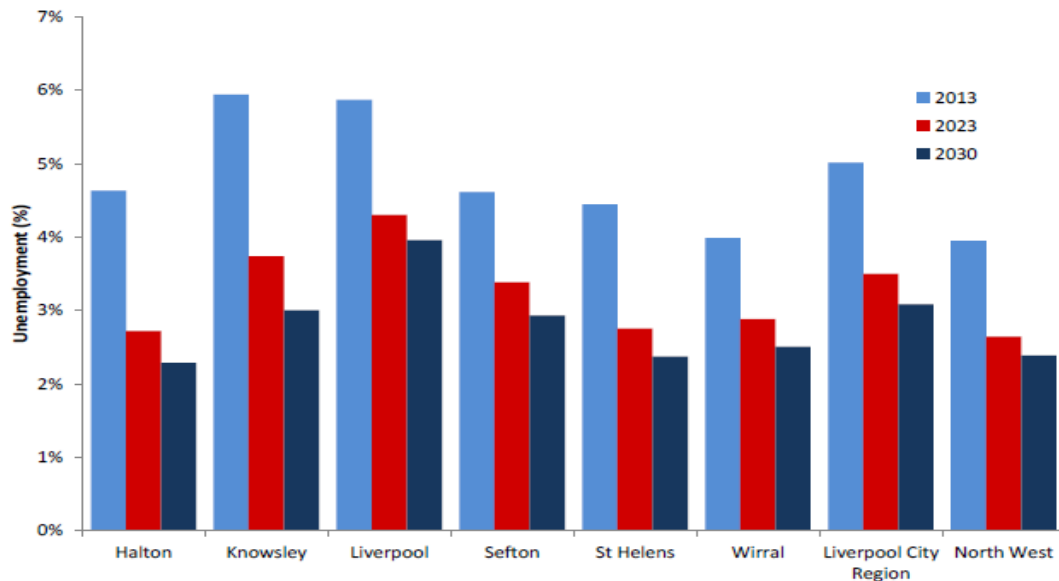
Source: Oxford Economics

“Over the next decade, Liverpool LEP is expected to make some headway in closing the gap with the North West with regards to disparities in the unemployment rate. By 2023, the unemployment rate for Liverpool LEP is forecast to fall to 3.5%, whereas the unemployment rate in the North West is expected to fall to 2.6%, decreasing the gap

between the two areas to 0.9 p.p.”

- 2.21 Figure 2 illustrates the predicted forecast that “in 2023 Liverpool local authority will still have the highest unemployment rate in Liverpool LEP at 4.3%. Halton and St Helens, by contrast, is expected to have the lowest estimated rate of unemployment at 2.7%.”

Figure 2: Unemployment (% of working age population)



Source: Oxford Economics

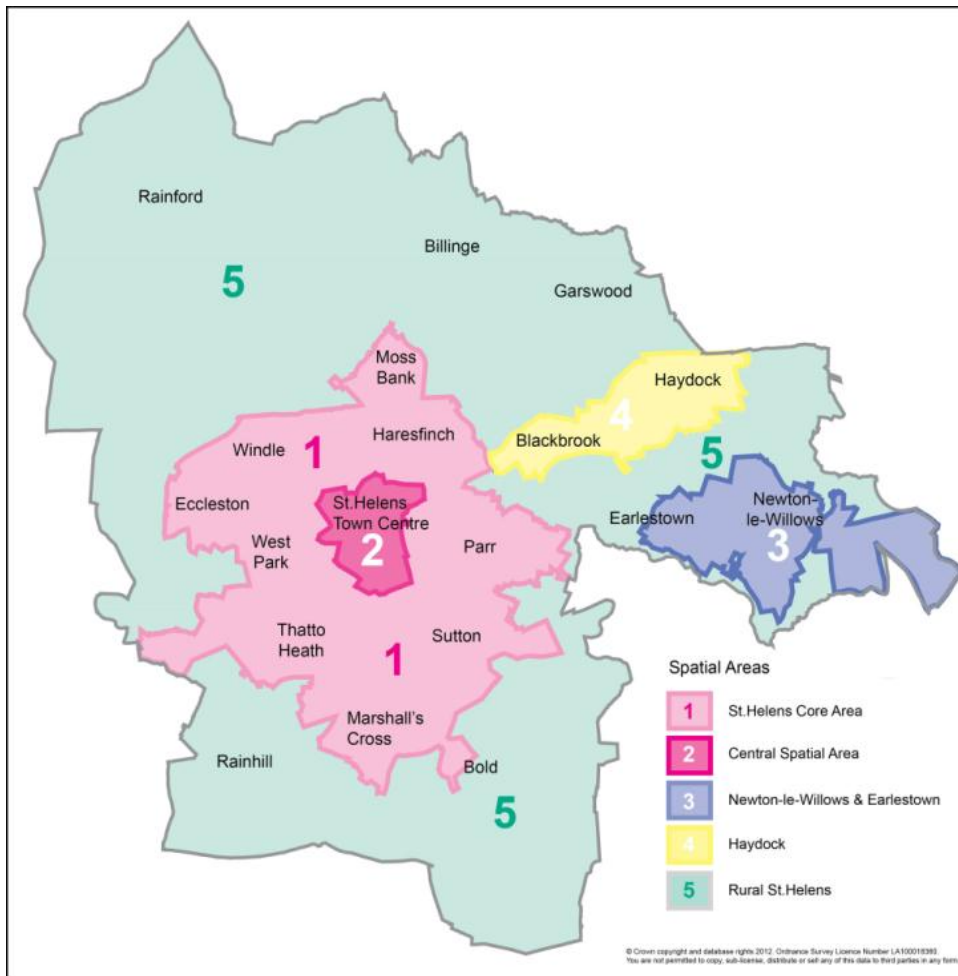
- 2.22 OE compiled forecasts for each local authority within the LEP area. The baseline data for St Helens reveals that OE project that the borough’s resident population would grow from 176,800 persons in 2013 to 186,600 persons in 2030 (an increase of 5.5 percent). The St Helens number of jobs is projected to increase from 68,200 jobs to 72,800 jobs over the same period (6.7 percent increase).
- 2.23 The OE data at that time also includes industry sector breakdowns for the employment projections. OE forecast that the biggest sectoral growth in St Helens between 2013 and 2030 will be in the business support services (+2,000 workers), professional, scientific and technical services (+1,200 workers) and construction (+1,200 workers) sectors. Manufacturing (-1,400 workers) was forecast to have the largest decline in workers over the forecast period.

Local

St Helens Core Strategy 2012

- 2.24 The Core Strategy is the principal planning document in the LDF and comprises:
- A spatial vision setting out how the Borough will change by 2027
 - Spatial objectives setting the direction for the implementation of the spatial vision
 - A spatial portrait of St Helens
 - Policies to guide development to achieve the vision
 - A delivery strategy setting out how we will achieve the vision and objectives
 - Targets and indicators for monitoring the implementation of policies
 - A key diagram providing a visual representation of policies.
- 2.25 It provides the spatial vision for other planning documents including:
- Sustainable Development Local Plan
 - Allocations Local Plan
 - Policies Map
 - Joint Merseyside Waste Local Plan
 - Area Action Plans (AAP)
 - Supplementary Planning Documents (SPD).

Figure 3: St Helens Spatial Areas



Source: *St Helens Core Strategy 2012*

2.26 Figure 3 shows the five main areas of the Borough. Table 2 summarises the preferred distribution of development, informed by the availability of sites and housing capacity identified in the Strategic Housing Land Availability Assessment, Employment Land availability and Retail Studies. It should be noted that this preferred distribution may change if Green Belt is released for housing and employment to address land shortfall in the long term (i.e. years 11-15). Considerations of the implications of the Parkside Strategic Rail Freight Interchange have been included in the planning.

Table 2 – Preferred Distribution of Development, percentages

| | Residential Development | Economic Development | | Major Retail and Leisure |
|--|-------------------------|----------------------|------------------|--------------------------|
| | | With Parkside | Without Parkside | |
| St Helens Core Area and Central Spatial Area (CAS1, CAS 2) | 69 | 23 | 70 | 100 |
| Newton le Willows and Earlestown (CAS3) | 23 | 68 | 6 | - |
| Haydock and Blackbrook (CAS4) | 4 | 4 | 12 | - |
| Rural St. Helens (CAS5) | 3 | 4 | 12 | - |

Source: St Helens Core Strategy 2012

2.27 Future economic development (including Parkside) is focused within St Helens core area and Haydock Industrial Estate. The distribution of the 37 ha of identified employment land demand in policy CE 1 (see below) is likely to broadly follow the distribution of existing employment areas, in particular, the M62 Link Corridor and Haydock employment areas. However, within St Helens the existing industrial areas are constrained from further development outwards due to being surrounded by development and Green Belt.

2.28 Policy CE 1 ensures that there will be sufficient land and premises to strengthen and diversify the Borough's economic base, as well as to support the City Growth Strategy and other economic regeneration and development initiatives through:

1. *“Providing a minimum of 37 hectares of land to meet local needs for B1, B2 or B8 purposes to 2027. This will be met through:*
 - o *The identification of a range of sites within the Allocations DPD;*
 - o *Supporting the reuse, reconfiguration or redevelopment of vacant, derelict, or older employment land and premises for commercial purposes.*
2. *Supporting the development of a SRFI at Parkside, in line with policy CAS 3.2, to meet a regional or sub-regional need.*
3. *A. The reuse, reconfiguration or redevelopment of sites and premises last used for B1, B2 or B8 purposes for B1, B2 or B8 uses will be supported where they have:*
 - i. Suitable road access*
 - ii. An acceptable impact on neighbouring land uses.*

B. Where it is demonstrated that land or premises for B1, B2 or B8 purposes is no longer suitable or economically viable for B1, B2 or B8 use then the site's

suitability for other employment generating uses must be considered before non employment generating uses.

4. *Focusing economic development to those sites that are either within, in close proximity to, or have easy public transport access to the most deprived areas of the Borough. Where this is not possible then developments will be expected to contribute to improving such links.*
5. *Supporting the development of sites in the economic land supply through marketing, securing of public funding and the production of development briefs.*
6. *Encouraging the development of B1 office uses within and adjacent to St. Helens Town Centre through the implementation of the East Side Masterplan and the development of site specific development briefs.*
7. *Supporting the reuse of suitable buildings in rural areas for appropriate employment uses by favourably considering planning applications proposing suitable rural economic development.*
8. *Supporting the protection, creation, enhancement and expansion of tourism resources and facilities, by favourably considering appropriate planning applications which support the tourism strategy, including Destination St. Helens.*
9. *Supporting the creation of, and expansion of small businesses.”*

2.29 In order to ascertain the supply and demand of premises, a ‘Review of Employment Land in St Helens to 2027’ comprised a thorough assessment of the borough’s employment land and premises – following on from the St Helen’s Employment Land and Premises Study (May 2011). The assessment identified 86.12 ha of employment land, much of which is suitable for both B2 and B8 development. The supply of land is further detailed in Table 3 below.

Table 3 – St Helens Land Supply

| | B1(a) Office (ha) | Small/medium Scale B2/B8 (ha)* | Large Scale B2/B8 (ha) ** | Total (ha) |
|---|------------------------------|---|--------------------------------------|-------------------|
| Immediately deliverable | 11.15 | 24.62 | 10.45 | 46.22 |
| Potentially deliverable in medium-long term | 0.00 | 34.90 | 5.00 | 39.90 |
| Total | 11.15 | 59.52 | 15.45 | 86.12 |

Source: St Helens Core Strategy 2012

* small/medium scale defined as units of 1000-100,000 sqft

** large scale defined as units over 100,000 sqft

- 2.30 In addition to the land highlighted in Table 3 above, a further 32 ha of land was identified at windfall sites, with little certainty on when they will come forward (and they have therefore been excluded from these Core Strategy supply figures), but should be considered.
- 2.31 The review of employment land also examined the supply of large scale (over 100,000 sqft/9,300 sqm) B2 and B8 sites and premises across the North West and identified 590 ha, 273 of which is immediately deliverable. Based on past take-up rates this is likely to provide adequate land for up to 10 years but there is expected to be a shortfall if around 74 ha in the longer term (11-15 years).
- 2.32 Furthermore, the report identifies 142 ha of immediately deliverable land has been identified within St Helens' neighbouring Boroughs, which again is considered to be sufficient in the short-medium term. The proposed development at Parkside could meet some demand for regional scale rail linked warehousing – however this is unlikely to come forward in the short-medium term.
- 2.33 The balance between supply and demand figures as assessed in the Core Strategy in 2012 (calculated using Valuation Office Agency figures) illustrates that there is sufficient supply of B1, B2 and B8 employment land to meet the Borough's requirements over the plan period, with a demand of 37ha and a total supply of 75 ha (40 ha in the short term and 35 ha in the medium-long term). This could be further supplemented by 32 ha of windfall sites.
- 2.34 Critically, in the context of this Employment Land Needs Study in 2015, it is considered that the demand for warehousing space has changed substantially since the development of the Core Strategy in 2012, as evidenced later in this report. As such, the demand side factors which influence the calculated number of years' supply of land in the Core Strategy are considered to be too low for projections in 2015. This would be the case for the stated available land in St Helens and in the neighbouring boroughs. However, as the base year for this Employment Land Needs Study is 2012 (with projections out to 2037), the supply as identified in the Core Strategy 2012 is of relevance.

St Helens Employment Land and Skills Review 2009

- 2.35 The study determines the future employment land allocations which St Helens Borough Council needs to consider making for the period to 2025, alongside associated skills issues.
- 2.36 Employment in St Helens increased by 10.5 percent between 1998 and 2006, in line with regional and national growth. Furthermore there has been employment growth in the retail and leisure sector, with key employers in the Borough including Tesco, Asda and Holiday Inn. There has been a decline in the number of people employed in the manufacturing sector. Public sector employment is critical, and key employers include St Helens Borough Council, Merseyside Police and St Helens hospital. The Borough has established itself as a location for retail distribution and this sector has seen growth.
- 2.37 Office based employment growth in the Borough increased office floorspace by 25,000 sqm between 1998 and 2006 (approximately 3,100 sqm/yr) with key developments including Woodlands Business Park and Centrix House. There was a decrease in the amount of B2 space, in line with the reduction of employment in the manufacturing sector. However B8 space increased by 200,000 sqm (25,000 sqm/yr) over the same time period, reflecting the growth of the transport and distribution sector – with Haydock in particular being an important location for such development.
- 2.38 The review draws upon four different scenarios when assessing the Borough's future economy to 2025 which are:
- **Baseline scenario** – this uses work carried out for the Liverpool City Region to provide a forecast of employment growth in the Borough to 2025;
 - **Project delivery scenario** – again based on the Liverpool City Region Study but assuming that additional key employment sites are developed resulting in growth over and above the baseline;
 - **Labour supply scenario** – this is based on assumptions on how St Helens' population and labour force might change between 2010 and 2025; and
 - **Unconstrained growth scenario** – this takes historical rates of growth and projects these rates forward.
- 2.39 There is variation between the levels of employment growth projected by the four scenarios, although consistency with regards to which sectors will see growth.

Table 4 – Summary of Employment Change

| | Overall Employment Change 2006 -2025 | Percentage Change 2006-2025 (%) | Average Annual Change |
|--------------------|---|--|------------------------------|
| Baseline | 3,000 | 4 | +160 |
| Project Delivery | 4,100 | 5 | +215 |
| Labour Supply | 7,000 | 10 | +370 |
| Uncontained Growth | 17,900 | 25 | +970 |

Source: *St Helens Land and Skills Review, 2009*

Table 5 – Summary of Additional Floorspace Required 2006-2025 ('000 sqm)

| | B1 and A2 (Offices) | B2 (Manufacturing) | B8 (Warehousing) |
|--------------------|----------------------------|---------------------------|-------------------------|
| Baseline | +29 | -59 | +139 |
| Project Delivery | +53 | -63 | +120 |
| Labour Supply | +41 | -50 | +190 |
| Uncontained Growth | +69 | -65 | +155 |

Source: *St Helens Land and Skills Review, 2009*

2.40 Tables 4 and 5 highlight that demand for office floorspace is expected to rise under each scenario and demand for manufacturing floorspace is expected to fall. There is expected to be significant demand for additional warehousing space. Table 6 summarises the report's calculated additional land requirement based on the projected floorspace demand in St Helens for the four scenarios.

Table 6 – Summary of Additional Land Required 2006-2025 (Ha)

| | B1 and A1 (Offices) | B1 and A2 (Offices) 2 Storey | B2 (Manufacturing) | B8 (Warehousing) |
|--------------------|----------------------------|-------------------------------------|---------------------------|-------------------------|
| Baseline | 9 | 4 | -18 | 34 |
| Project Delivery | 17 | 8 | -20 | 30 |
| Labour Supply | 11.5 | 6 | -15 | 47 |
| Uncontained Growth | 23 | 11 | -19 | 38 |

Source: *St Helens Land and Skills Review, 2009*

2.41 The implications of the employment growth scenarios for future skills provision were then analysed, which demonstrated a situation where there will be a substantial reduction in number of lower skilled (NVQ Level 1 or below) jobs available, and an increase in the number of higher skilled (NVQ Level 4 or above).

2.42 This analysis draws upon the 2005 White Young and Green analysis of the Borough's supply and identifies developable, commercially viable and available sites, as well as sites that are suitable for employment uses, but are constrained in some way. It grouped land into six different groups:

- Group 1 – Suitable for employment uses, commercially viable and available;
- Group 2 – Suitable and available but constrained;
- Group 3 - Not available for employment uses;
- Group 4 – Not suitable for employment uses;
- Group 5 – Suitable for expansion of existing employment uses; and
- Group 6 – Strategic site.

2.43 The key findings were:

- There is a healthy office land supply, with nearly 80 percent of the 17 ha in Group 1;
- There is a less positive picture for manufacturing land – only 22 percent of land is in Group 1, and 75 percent is constrained in some way (Group 2); and
- No warehousing land is classified as being in Group 1. 70 percent is in Group 5, and 25 percent is in Group 2.

2.44 The audit therefore highlighted a challenging picture for manufacturing and warehousing land. Whereas demand for additional manufacturing land is not expected to be significant, if demand projections for warehousing are correct then the Council will need to ensure sufficient allocated land is brought forward, and potentially new land is allocated.

2.45 The projected balance between demand and supply points to the following conclusions for the LDF:

- There appears to be a near balance between the demand for, and projected supply of offices and therefore the Borough has a sufficient allocation of land for this use class. However, supply analysis suggests that land allocated for offices is concentrated on a comparatively small number of sites, with the land at Lea Green accounting for a significant amount of this supply. *This may limit the choice of sites, and the number of sites available for larger scale office development.* However no significant changes are required in the planning system.
- Projected demand for manufacturing land falls under each scenario, whilst the supply data shows a substantial volume of B2 land. Data suggests a significant fall in demand across all four scenarios, even setting an unrealistically high

replacement figure (say 50 percent), the Borough still has B2 land available to meet needs. The Borough does not need to plan to allocate any additional B2 manufacturing land during the LDF period.

- There is clear evidence that the Borough needs to allocate substantially more land for warehousing uses. Under all the scenarios, demand for additional land is projected to be strong. Whilst the land transport /distribution sector cannot continue to grow at the same rate over the next 19 years, the Borough should still expect significant growth given its good links to the road and rail network and its existing strength in these sectors. The Borough has insufficient supply, both with and without constraints.

2.46 The study also examined the implications of the development of Parkside and the build out of Omega at Warrington. It states that if developed, Parkside could constrain the amount of labour available to service expansion elsewhere in St Helens, although it will not necessarily compete for the same occupiers. It is estimated that Parkside's development would absorb around 1,300 of St Helens' future resident workforce. It is predicted that the development of Omega would also have labour market implications for the employment growth scenarios in St Helens and may in part compete for the same occupiers.

2.47 In summary, the study recommends:

- Reviewing the range of land for office use which is available
- Considering the scale and type of manufacturing land which needs to be available through regular review
- Assessing the potential to allocate some future manufacturing land for other employment uses
- Assessing the need for B8 warehousing land and floorspace
- Considering new Greenfield allocations to meet B8 demand at key gateways
- Taking account of the Omega development in considering future demand and supply of land
- Taking account of the proposed Parkside scheme, especially with regards to other medium-large scale logistics and distribution schemes
- Ensuring the LDF process is connected to education and skills development policies
- Adopting housing policies which supply the type of property which higher skilled/paid workers seek

- Harnessing long term planning skills to support the City Growth Strategy and other actions to improve the quality of life offered by the Borough.

St. Helens Core Strategy: Employment Land and Skills Review Update Report 2011

- 2.48 In November 2010, Regeneris Consulting produced the St Helens Employment Land and Skills Review Addendum Report – an update of the original report produced in April 2009 as part of the development of St. Helens’ Council Core Strategy. The Council sought to update a number of sections of the Employment Land and Skills Review to reflect important changes stemming from the Local Development Framework process. It was revised in order to take account of two key changes, an extension of the forecast period to 2031 and a change to the assumed housing unit requirements over that period of 570 net additional dwellings per annum.
- 2.49 Even with the harsh conditions brought into play during the recession, over the period covered by the employment land projections (to 2031), the report suggests that *“sustained economic recovery should be expected to take place in the long term and that a policy of planning for growth remains a relevant and coherent basis for the preferred scenario for employment land in the Borough.”* The key implications of economic changes on employment land in the Borough are also important to consider and *“there is a particular need to consider changes in the warehousing market as part of the actions taken by St Helens Council to the Planning Inspector’s initial assessment of the core strategy.”*
- 2.50 In 2010, long term employment forecasts for the North West (for the period 2009-2030) were used. *“The forecasting panel drew on employment forecast data covering the period from 2009-2015 when the effects of recession were expected to be most acute, and the longer term period from 2015-2030 when recovery was assumed to occur. Three different forecasts were compared and produced the following results:”*
- *“Employment growth of between 33,000 and 45,000 from 2009-30 for the North West as a whole.*
 - *Growth rates of between 5 and 7 per cent over this period.”*
- 2.51 Table 7 details the way in which these two updated forecasts compare to the employment forecasts featured in the original Employment Land and Skills Review.

Table 7 – Comparison of Employment Forecasts

| Study | Employment Growth | % Change over Forecast Period | Average Annual Rate of Change (Compound) |
|---|--------------------|-------------------------------|--|
| St Helens Employment Land Review (2006-25) Labour Supply, Local Housing Demand Variant (Preferred Scenario) | 4,200 | +6% | 0.3% |
| North West Region (2009-30) | +33,000 to +45,000 | +5-7% | 0.33-0.35% |
| Liverpool City Region: Baseline Scenario (2008-30) | +3,320 | +4.5% | 0.2% |
| Liverpool City Region: Extended Recession (2008-30) | +2,800 | +4% | 0.2% |
| Liverpool City Region: Moderate Recovery (2008-30) | +4,000 | +5.5% | 0.2% |
| Liverpool City Region: Aspirational (2008-30) | +6,290 | +8.5% | 0.4% |
| Liverpool City Region: Development Pipeline (2008-30) | +14,130 | +19.5% | 0.8% |

Source: St Helens Employment Land and Skills Review (Update 2011)

“The comparison of the forecast data suggests that the scale and rate of employment growth in the preferred scenario adopted for the Core Strategy is broadly in line with the forecasts for the North West produced in 2010 and the moderate recovery scenario in the 2009 Liverpool City Region forecasts. Both the North West and Liverpool City Region forecasts take account of the impacts of recessionary conditions on employment.”

- 2.52 It was the industrial sector forecasted to retain a healthy level of employment, albeit not particularly steady. *“Patterns of growth were not geographically uniform, with location, land availability and access to the motorway network being key factors in the scale of employment growth achieved in individual areas.”*
- 2.53 On the turbulent path of job creation, it was major warehousing development schemes that accounted for noticeable peaks in the trajectory and it was the original Employment Land and Skills Review that concluded with the forecast that *“St Helens was well positioned to see strong and sustained growth in warehousing employment over the period to 2025.”*
- 2.54 *“The Scott Wilson-CBRE report suggests that the speculative development of small*

and medium sized units is only likely to return in 18 months to 2 years' time when a combination of diminishing supply and a recovery in demand begins to take effect. For large scale developments, demand for premises is expected to continue to be relatively healthy, fuelled by the growing internet mail order market and growth in demand for waste and recycling premises." Evidence from a number of previous reports suggests both "continued demand for larger scale floorspace and a strengthening of demand across all segments of the market for new build in the next 1-2 years."

2.55 An updated forecast of demand for land up until 2031 can be found in Table 8:

Table 8 – Updated Demand for Land Forecasts, Hectares

| Category | 2006 | 2011 | 2016 | 2021 | 2025 | 2027 | 2028 | 2031 |
|--|------|------|------|------|------|------|------|------|
| B1 Offices (2 storey) (Ha) | 34 | 35 | 37 | 37 | 37 | 37 | 38 | 39 |
| B2 Manufacturing (Ha) | 72 | 67 | 63 | 63 | 62 | 62 | 60 | 57 |
| B8 Warehousing (Ha) (2009 Addendum Report) | 258 | 271 | 278 | 289 | 297 | 301 | 303 | 310 |
| B8 Warehousing Higher Density Scenario (Ha) | 200 | 210 | 216 | 224 | 230 | 234 | 235 | 240 |
| Difference between Higher Density Scenario and Addendum Report (Ha) | -58 | -61 | -62 | -65 | -67 | -67 | -68 | -70 |

Source: St Helens Employment Land and Skills Review (Update 2011)

2.56 This is now followed by an analysis of this timescale in which this land is deliverable, detailed in Table 9:

Table 9 – Assessed Land Supply in St Helens to 2027

| Timeframe | B1(a) offices (ha) | Small/Medium Scale B2/B8 (ha) | Large Scale B2/B8 (ha) | Total (ha) |
|---|-----------------------|----------------------------------|---------------------------|---------------|
| Immediately Deliverable in the short term (0 to 5 years) | 11 | 25 | 10 | 46 |
| Constrained and potentially deliverable in the medium/long term | 0 | 35 | 5 | 40 |
| Total | 11 | 60 | 15 | 86 |

Source: St Helens Employment Land and Skills Review (Update 2011)

2.57 The below Table 10 summarises the forecast demand and supply assessment for the period 2006-2031.

Table 10 – Updated Forecast Demand-Supply Assessment, 2006-2031

| Category | Additional Demand (ha) | Supply (Ha) Immediately Deliverable (0-5 years (ha) | Constrained Supply, deliverable in medium/long term (ha) | Total Supply | Balance (Ha) |
|--|------------------------|---|--|--------------|--------------|
| B1 Offices | +7 | 10 | 0 | 10 | +3 |
| B2 Manufacturing | -22 | 13 | 15 | 27 | +50 |
| B8 Warehousing (2009 Addendum Report) | +49 | 17 | 20 | 37 | -12 |
| B8 Warehousing Higher Density Scenario | +38 | 17 | 20 | 37 | -2 |

Source: St Helens Employment Land and Skills Review (Update 2011)

- 2.58 This update finds that *“there are no strong grounds for significantly revising the assumptions about long term economic change that underpinned the original St Helens Employment Land and Skills Review and informed the Core Strategy’s provisions on employment land allocations.”*
- 2.59 Although reference is made to the recession, and the predictably adverse impacts on employment and commercial property developments, the Council does not consider these impacts to effect any long term provisions located within the original Core Strategy plans.
- 2.60 The other key finding of the updated report is that *“based on the available supply, St Helens faces a potential shortfall only for B8 warehousing.”* Other than this point, and despite any remaining factors created by the recent recession, *“the Borough needs to plan for growth over the next two decades.”*

St Helens Employment Land and Premises Study, 2011

- 2.61 Scott Wilson and CB Richard Ellis were commissioned in February 2010 by St Helens Council to prepare a study into employment land and premises in St Helens in order to further inform its Core Strategy policies and the preparation of the St Helens Allocations Development Plan Document and Proposals Map (DPD).
- 2.62 In response to the Employment Land & Skills Review 2009 and the Core Strategy Publication with amendments, this study provides a review of existing identified land supply to identify which B2 sites could be reused for B1 and B8 uses and other uses

and provides a comprehensive review of all employment zones and sites within the borough to clearly identify:

- *“A hierarchy of employment sites and locations within the borough which uses a Tier 1 and Tier 2 category approach. This distinguishes between those considered vital to provide land and premises to serve current and forecast needs to achieve and maintain a strong and sustainable economy and those which play a secondary but nevertheless important role in meeting need for employment land and premises primarily for local occupiers*
- *A range of development sites for a range of employment uses that are deliverable and available to support new business start up, the retention of local business that are looking to expand and to businesses outside the borough searching for a new site or premises.”*

2.63 In total, 116 sites were assessed as part of the study. These included sites within the economic land supply as identified by the Economic Land Position Statement (2008) which is made up of UDP allocated sites and other sites considered suitable for employment generating purposes by the Council. The 116 sites were rationalised into 38 different employment locations identified using existing local knowledge and site visits, as having a distinctive character or use within an employment use category. Each site was allocated a reference number, and a pro forma was completed for each one – general information, existing use site assessment, retainment/adaptability assessment, redevelopment assessment and conclusion.

2.64 The current position in relation to the mix and concentration of employment uses for the 28 employment zones is as follows:

- B1a – 42,029 sqm on 16.01 ha
- B2 – 68,808 sqm on 21.7 ha
- B8 – 193,272 sqm on 50.87 ha
- B2/B8 mixed industrial – 1,282,514 sqm on 435 ha.

2.65 Of the 1.54 million sqm, there is estimated to be 0.22 million sqm of vacant/to let space – a vacancy rate of approximately 14 percent, notably higher than the RICS vacancy statistics published in September 2010, which stated that voids stood at 10.2 percent.

2.66 Table 11 sets out the spread of existing floorspace in a hierarchy of site uses, using a Tier 1 and Tier 2 category approach. This distinguishes between floorspace considered essential to provide land and premises to serve current and forecast needs

to achieve and maintain a strong and sustainable economy (Tier 1) and that which plays a secondary but nevertheless important role in meeting need for employment land and premises primarily for local occupiers (Tier 2).

Table 11 – Distribution of Existing Employment Floorspace across Tier 1 and Tier 2 locations

| | B1(a) Offices (sqm) | B2 General Industrial (sqm) | B8 Distribution (sqm) | Mixed Industrial (predominantly but including B1(c) light industrial (sqm)) |
|--------------|----------------------------|------------------------------------|------------------------------|--|
| Tier 1 | 48,029 | 68,808 | 193,272 | 1,126,653 |
| Tier 2 | 0 | 0 | 0 | 155,861 |
| Total | 48,029 | 68,808 | 193,272 | 1,282,514 |

Source: St Helens Employment Land and Premises Study, 2011

- 2.67 Most stock falls within Tier 1 locations, and the ability for Tier 2 locations to become Tier 1 is severely limited due to site size, neighbouring uses and road access. However Tier 2 sites play an important role in providing floorspace that is attractive in terms of cost, and fulfils the needs of more local businesses.
- 2.68 The study identified 95.67 ha of cleared, unused employment land at 25 sites. Table 12 identifies the amount of land available for each particular employment use, alongside an expected timescale of delivery. In summary:
- 76 percent is suitable for light/general industry and distribution uses;
 - No land is specifically identified for B8 use, which is the main shortfall in terms of supply;
 - 57 percent of office land is at Mere Grange (and part of the remaining land is also suitable for D2 and A1 uses); and
 - Overall supply appears balanced in terms of availability over the LDF plan period.

Table 12 – Suggested Uses for Employment Land 2010-2026

| Timescale for development | Specifically B1(a) (ha) | Specifically B2 (ha) | Specifically B8 (ha) | B1c, B2/B8 mix (ha) | B1a, B1c, B2, B8 mix (ha) | Total (ha) |
|---------------------------|-------------------------|----------------------|----------------------|---------------------|---------------------------|------------|
| 0-6 years | 10.79 | 0 | 0 | 23.02 | 2.1 | 35.91 |
| 6-11 years | 0 | 4.69 | 0 | 23.52 | 0 | 28.21 |
| 6-16 years | 5.95 | 0 | 0 | 23.57 | 0 | 29.52 |
| 11-16 years | 0 | 0 | 0 | 2.03 | 0 | 2.03 |
| Total | 16.74 | 4.69 | 0 | 72.14 | 2.1 | 95.67 |

Source: St Helens Employment Land and Premises Study, 2011

- 2.69 The future supply of land for B2/B8 is restricted to a number of sites and will accommodate smaller, local scale light and industrial/warehousing uses rather than larger strategic sites such as Omega. Therefore there is a lack of sub-regional/regionally strategic sites in the Borough, with the exception of Parkside, which is earmarked for a strategic rail freight interchange. The Council therefore needs to review whether to seek to fill the gap in strategic land supply, particularly for B8 should Parkside not come forward or continue to be delayed.
- 2.70 The shortage of strategic B8 sites identified in the report appears to have intensified since the publication of the report in 2011, as evidenced later in later sections of this Employment Land Needs study.

Parkside Strategic Rail Freight Interchange (SRFI) Evidence Base Background Paper (Update May 2011)

- 2.71 The original report (dated 25th January 2010) found Parkside to be a project of extreme importance *“not just for St. Helens, but also at a regional, sub-regional and national level.”* It also found that *“the development of Parkside as a SRFI would represent an essential component of central Government’s strategy for the transfer of freight from road to rail and is thus compliant with national policy.”*
- 2.72 The 2011 update to the original report was tasked with determining whether or not the strategic direction was altered upon the abolition of the Regional Spatial Strategy (RSS), which determined *“the scale and distribution of housing and economic development across the region, investment priorities for transport and set out policies for enhancing the environment.”*

- 2.73 Overall, the initial evidence base study has identified:
- *“Likely significant beneficial impacts at the regional/sub-regional scale in respect of the transport network and a reduction in CO₂ emissions arising from the transfer of freight from road to rail.*
 - *Much needed employment opportunities likely to be generated.*
 - *Potential minimum/maximum sizes and identified site boundaries for the SRFI.”*
- 2.74 Also identified are a number of economic viability issues and risks:
- *“The likely need to provide up front infrastructure including a new motorway junction and M6 hard shoulder running.*
 - *In the short term Parkside is competing with interchange terminals at Port Salford and 3MG at Ditton.”*
- 2.75 Evidence collated in the base study led to the conclusion that long-term growth in rail freight traffic was set to continue. *“Whilst there has been some decline in the overall volume of freight carried by rail in the last year, due to the recession, longer term forecasts indicate significant further growth in intermodal container freight of around 310% between 2009 and 2030. These forecasts were made despite the recession which occurred in 2009.”*
- 2.76 *“Whilst the freight transport market in general has suffered in line with the economic downturn, [...] rail has suffered less than some other modes. In particular intermodal traffic by rail has continued to grow, indicating an increasing share of consumer goods transport for rail. The continued growth of both deep sea and domestic intermodal freight by rail is especially relevant, as it is key to any potential for the development of an SRFI at Parkside.”*
- 2.77 It will be a requirement of the site that rail sidings be located to the west of the site, not only in order to *“provide reception sidings for trains arriving from the north west, North West Coast Main Line, Manchester and the east,”* but also to permit rail traffic to arrive from the north and the east. *“Such sidings, at a minimum, would need to be 775 metres in length from the point at which they connect to the main line. This is necessary to provide from the maximum planned length of inter modal freight trains.”* The intention is for the development company to plan the layout of reception lines and sidings *“based on rail operating requirements and the positions of the rail connection with Network Rail infrastructure”* as well as *“the location, design and rail servicing of warehouses.”*

- 2.78 *“The delivery of a SRFI at Parkside, continues to represent a major and unprecedented opportunity to deliver medium to long term economic and environmental benefits to St. Helens and the wider sub-region.”* It is therefore considered that *“despite short term volatile economic conditions and the abolition of the RSS, Policy CAS 3.2 remains justified and deliverable in the long term.”*
- 2.79 The findings from both the initial report and all subsequent updates have recognised that *“to secure a successful proposal for Parkside, it is necessary to take a longer term view and longer term forecasts up to 2030 have been considered. Such forecasts indicate significant further growth in intermodal container freight of around 310% between 2009 and 2030.”*
- 2.80 It is considered that upon the change of ownership of the Parkside land since the development of the 2011, now being controlled by a joint venture between St Helens Council and Langtree, the sub-regional and regional implications of Parkside as outlined in the 2011 report remain current and applicable.

3.0 ECONOMIC CONTEXT

Introduction

- 3.1 This section provides a summary profile of the prevailing social and economic conditions in St Helens. It aims to provide the socio-economic context which shapes employment land demand and supply factors in the study area to facilitate sustainable growth. It also provides an important context for understanding economic demand/need, having regard to the wider regional and national economies.
- 3.2 This section therefore considers the size of the economy, where the businesses are, and what type of businesses they are. By appreciating these aspects it is easier to facilitate economic development by allocating land and premises in the correct locations and of the right type. The profile is a result of secondary research, drawing together a number of existing data sources, primarily census, demographic, workforce and business data compiled by the Office of National Statistics (ONS).

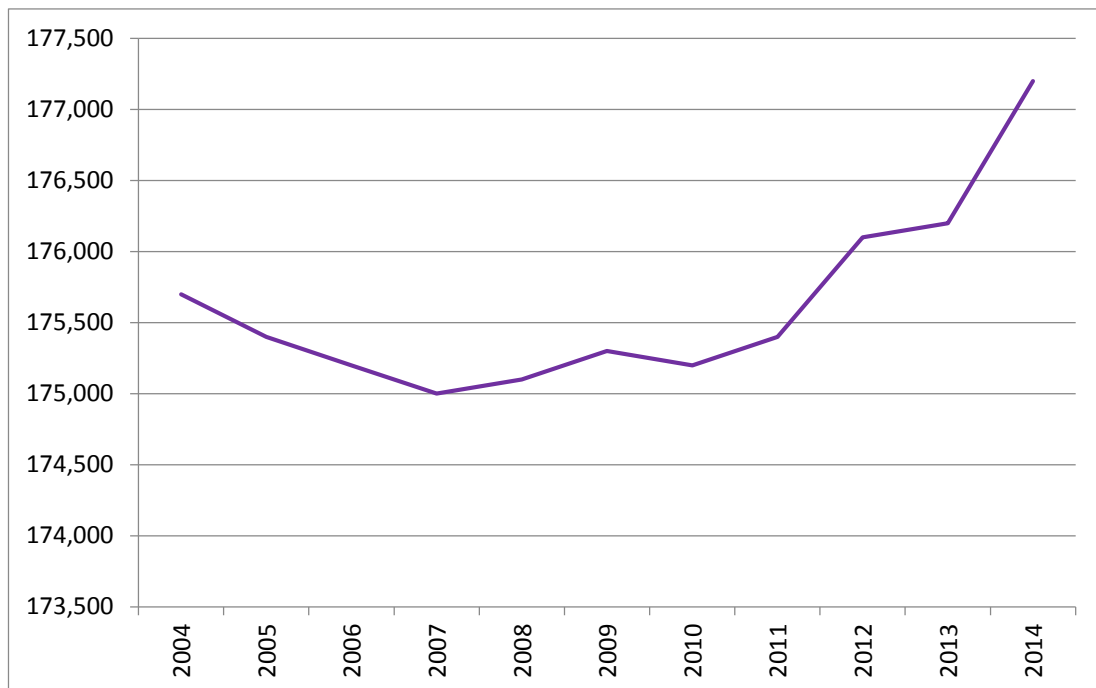
Economic Assessment – Population and Labour Market

- 3.3 The scale, quality and efficiency of the local labour market are acknowledged as key factors that will influence the ability of an area to capture economic growth and in turn have implications for both housing and employment land requirements. Being able to access a pool of suitably qualified and experienced workers is important to both new and existing businesses, including those who are well established within an area and seeking to grow. The composition of the labour market, and in particular the skills, occupational profile and associated wages are also likely to influence the type of housing that is required, and when combined with travel to work patterns, the preferred geographical distribution of housing supply.

Population

- 3.4 The St Helens local authority area had a population of 177,200 as at 2014 (mid-year estimates). Through the 1980's, 1990's and the early years of the 2000's, St Helens had a consistently declining population, reducing from 190,800 persons in 1981 to 180,100 in 1991 to 176,800 in 2001. However, since 2007, the local population has increased by 2,200 persons, at a modest average population growth rate of 0.2 percent per annum.

Figure 4: St Helens Population Change 2004-2014



Source: ONS Mid-year population estimates

- 3.5 As Table 13 shows, St Helens has seen significantly lower rates of population growth when compared to the growth seen in the LEP, North West and most notably nationally.

Table 13 – Population 2004 - 2014

| | 2004 | 2009 | 2014 | Change 2004 – 2014 | |
|---------------------------|------------|------------|------------|--------------------|---------|
| | | | | No. | Percent |
| St Helens | 175,700 | 175,300 | 177,200 | 1500 | 0.85 |
| Liverpool City Region LEP | 1,487,000 | 1,495,400 | 1,517,500 | 30,500 | 2.05 |
| North West | 6,840,400 | 6,986,200 | 7,133,000 | 292,600 | 4.28 |
| England | 50,194,600 | 52,196,400 | 54,316,600 | 4,122,000 | 8.21 |

Source: ONS Mid Year Population Estimates, 2004, 2009 and 2014

Key Labour Market Indicators

- 3.6 St Helens has a solid labour market, with 85,600 economically active residents as at 2014/15, and exceeds the LEP wide average economic activity rate. Similarly, the employment rate is above the LEP regional average however it is lower than the national average.
- 3.7 The unemployment rate in the district is higher than the LEP regional and national averages, 8.9 percent compared to 8.3 percent and 5.6 percent respectively.

- 3.8 7.3 percent of the economically active population in St Helens were self-employed in 2014, compared with 8.7 percent of the North West population.

Table 14 – Economic Activity, 2014/15

| | St Helens | | Liverpool City Region LEP | North West | England |
|---------------------|-----------|---------|---------------------------|------------|---------|
| | No. | Percent | Percent | Percent | Percent |
| Economically Active | 85,600 | 75.0 | 71.8 | 75.8 | 78.0 |
| Employment* | 76,800 | 67.2 | 65.8 | 71.2 | 73.6 |
| Unemployment** | 7,500 | 8.9 | 8.3 | 6.0 | 5.6 |
| Inactivity* | 27,800 | 25.0 | 28.2 | 24.2 | 22.0 |

Source: ONS Annual Population Survey, 2014/15

*Percentage of working age population

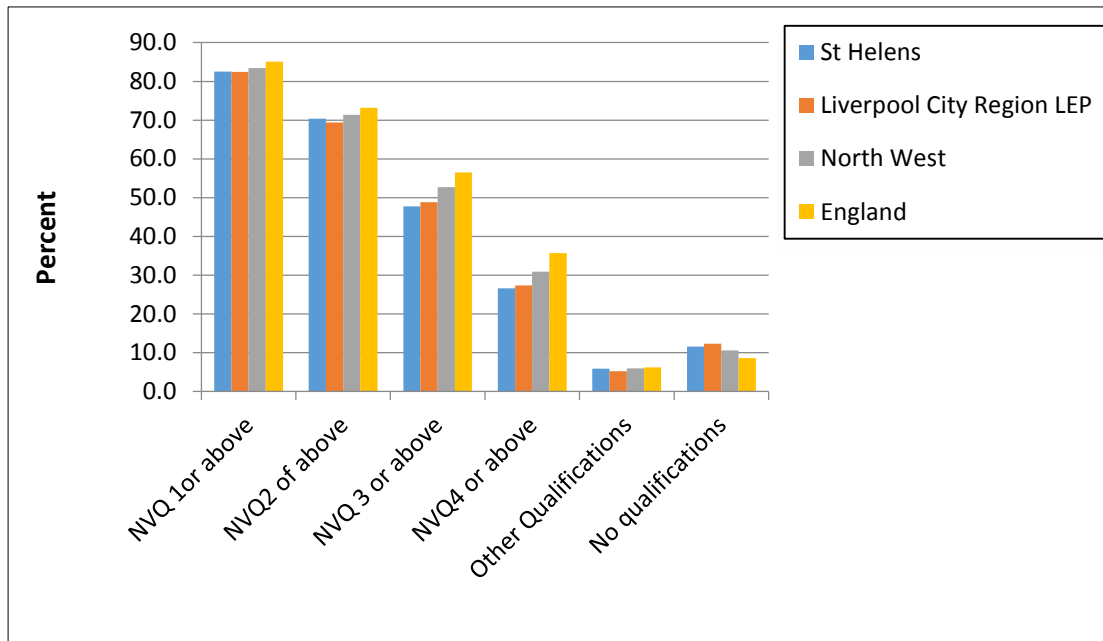
**Percentage of economically active

- 3.9 In terms of deprivation, the Borough is ranked as the 64st most deprived local authority area in England (out of 326 local authority areas) in the national Index of Multiple Deprivation (IMD, 2010, which remains the most up to date IMD until the publication of a revised ranking in summer 2015).
- 3.10 At the local level, however, it is worth noting that 20 of the Borough's 118 Lower Super Output Areas (LSOAs) were in the top 30 percent most deprived in England, with four LSOAs in the top ten percent most deprived. Although there is just one LSOA in the top 10 percent least deprived, nearly half of the Borough's (56) are in the top 30 percent least deprived.

Qualifications

- 3.11 Figure 5 shows that the National Vocational Qualification (NVQ) level attained by the working age population of St. Helens is slightly below regional and national averages, although roughly in line with the averages of the LEP. At 26.6 percent, the proportion of working age residents qualified to NVQ Level 4 and above (equivalent to degree level) is considerably below the County (35.7 percent) and regional averages (30.9 percent). It is, however, only very slightly below the LEP average of 27.4 percent. The proportion of residents without any qualification is also lower than the North West and national levels – 11.6 percent compared to 10.6 and 8.6 percent.

Figure 5: Qualifications 2014

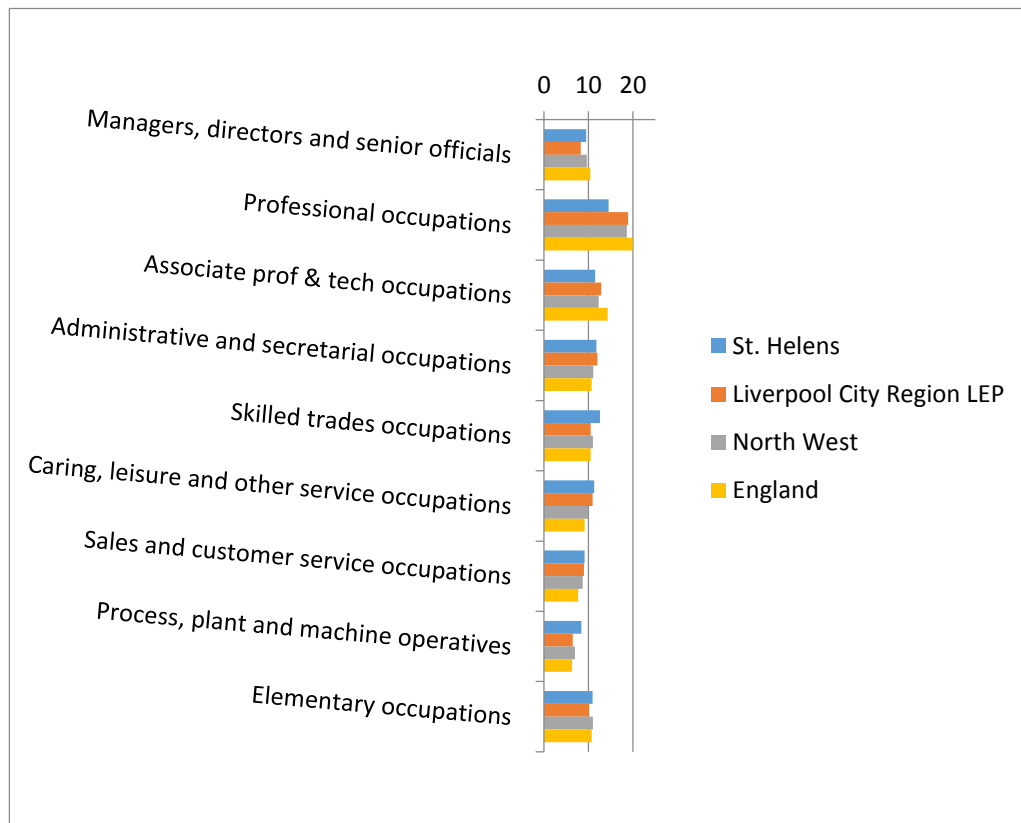


Source: ONS Annual Population Survey 2014

Employment by Occupation

- 3.12 Figure 6 illustrates the breakdown of employment by main occupation group. Although the largest proportion of workers in St Helens is employed in professional occupations (14.5 percent), this proportion is actually considerably lower than comparable figures for the LEP (18.9 percent), North West (18.6 percent) and UK (19.9 percent).
- 3.13 St Helens has a higher proportion of people employed as process, plant and machine operatives and skilled trades occupations than is the case elsewhere, reflecting the manufacturing and trade base of the St Helens economy. It also has a slightly higher proportion of people employed in caring, leisure and other service occupations.

Figure 6: Employment by Main Occupation Group



Source: ONS Annual Population Survey 2014

3.14 Table 15 measures local economic activity using Business Register and Employment Survey (BRES) data. BRES provides details of the number of jobs within differing industry sectors within a local authority area.

Table 15 – St Helens Number of Jobs by Industry

| Industry | St. Helens | |
|----------------------------------|------------|---------|
| | Number | Percent |
| Agriculture, forestry & fishing | 14 | 0.0 |
| Mining, quarrying & utilities | 677 | 1.1 |
| Manufacturing | 6,223 | 10.5 |
| Construction | 2,834 | 4.8 |
| Motor trades | 1,129 | 1.9 |
| Wholesale | 3,065 | 5.2 |
| Retail | 6,669 | 11.3 |
| Transport & storage (inc postal) | 5,154 | 8.7 |
| Accommodation & food services | 3,148 | 5.3 |
| Information & communication | 1,140 | 1.9 |

| Industry | St. Helens | |
|--|---------------|--------------|
| | Number | Percent |
| Financial & insurance | 602 | 1.0 |
| Property | 1,161 | 2.0 |
| Professional, scientific & technical | 2,786 | 4.7 |
| Business administration & support services | 6,000 | 10.2 |
| Public administration & defence | 2,645 | 4.5 |
| Education | 5,544 | 9.4 |
| Health | 7,209 | 12.2 |
| Arts, entertainment, recreation & other services | 3,020 | 5.1 |
| Total | 59,019 | 100.0 |

Source: Business Register and Employment Survey 2014

*Excludes farm based agriculture.

Table 16 – Economic Activity Comparison of Areas

| Industry | St Helens (percent) | Liverpool City Region (percent) | North West (percent) | England (percent) |
|--|------------------------|------------------------------------|-------------------------|----------------------|
| Agriculture, forestry & fishing | 0.0 | 0.0 | 0.4 | 0.6 |
| Mining, quarrying & utilities | 1.1 | 0.8 | 1.2 | 1.1 |
| Manufacturing | 10.5 | 7.7 | 10.1 | 8.4 |
| Construction | 4.8 | 4.1 | 4.7 | 4.3 |
| Motor trades | 1.9 | 1.2 | 1.6 | 1.7 |
| Wholesale | 5.2 | 3.4 | 4.4 | 4.2 |
| Retail | 11.3 | 10.8 | 10.2 | 10.0 |
| Transport & storage (inc postal) | 8.7 | 5.3 | 4.7 | 4.5 |
| Accommodation & food services | 5.3 | 6.4 | 6.6 | 6.9 |
| Information & communication | 1.9 | 3.1 | 2.7 | 4.2 |
| Financial & insurance | 1.0 | 2.8 | 3.3 | 3.8 |
| Property | 2.0 | 1.8 | 1.8 | 1.7 |
| Professional, scientific & technical | 4.7 | 6.3 | 7.6 | 8.1 |
| Business administration & support services | 10.2 | 7.2 | 8.0 | 8.6 |
| Public administration & defence | 4.5 | 6.4 | 5.0 | 4.6 |
| Education | 9.4 | 9.9 | 9.1 | 9.6 |
| Health | 12.2 | 18.2 | 14.5 | 13.1 |
| Arts, entertainment, recreation & other services | 5.1 | 4.5 | 4.2 | 4.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Business Register and Employment Survey 2014

*Excludes farm based agriculture.

Commuting of St Helens Workers and Residents

- 3.15 The commuting patterns of the working residents of St Helens and St Helens' workforce employed in the borough are important in understanding the housing and employment role of St Helens in the context of the broader region. This has implications for the definition and understanding of St Helens' functional economic area.
- 3.16 The following table summarises the in and out commuting patterns of St Helens as at the time of the 2011 Census. The net flows to and from each area are also summarised and show that St Helens has a positive net flow of workers (i.e. more workers commuting into St Helens than out of St Helens to/from a particular area) with only one neighbouring local authority – Wigan. For all other key areas listed below, St Helens had a net outflow of workers. However, it should be noted that for some other areas in the North West not individually listed in Table 17 St Helens did have a net positive commuter relationship, including Wirral (+172) and Chorley (+47).

Table 17 – In and Out flows of St Helens Commuters

| | Work Locations of Employed Residents of St Helens | Origins of St Helens Workers | Net Flow of Workers into St Helens |
|------------------------------|---|------------------------------|------------------------------------|
| St Helens | 32,661 | 32,661 | n/a |
| Halton | 2,265 | 1,500 | -765 |
| Warrington | 6,804 | 2,516 | -4,288 |
| Wigan | 4,073 | 5,787 | +1,714 |
| Knowsley | 5,725 | 2,593 | -3,132 |
| Liverpool | 5,053 | 2,213 | -2,840 |
| Sefton | 1,411 | 1,324 | -87 |
| West Lancashire | 1,775 | 1,177 | -598 |
| Manchester | 1,416 | 330 | -1,086 |
| <i>Liverpool City Region</i> | <i>47,374</i> | <i>40,722</i> | <i>-6,652</i> |
| <i>Greater Manchester</i> | <i>8,108</i> | <i>7,774</i> | <i>-334</i> |
| Elsewhere in North West | 4,865 | 3,485 | -1,380 |
| Elsewhere in England | 1,593 | 921 | -672 |
| Elsewhere in UK | 585 | 267 | -318 |
| Total | 68,226 | 54,774 | -13,452 |

Source: ONS 2011 Census

- 3.17 Overall, some 59.6 percent of St Helens' workforce also reside in the borough. Conversely, 47.9 percent of the employed residents of St Helens also work in St Helens.

3.18 It is noted that, as expected, St Helens has a far stronger relationship with the Liverpool City Region than with Greater Manchester. Most of the relationship with Greater Manchester is with Wigan.

3.19 As at 2011, some 7.9 percent of St Helens' resident workforce worked mainly at or from home, compared to the UK average of 12.9 percent. 64 percent of these workers operating at or from home were males, compared to 59 percent of the UK's homeworkers.

Wages

3.20 The median gross weekly full-time pay for working residents of St Helens was £474 in 2014, compared with £485 for the North West region and £521 for Great Britain. The median gross weekly full-time pay for workers working in St Helens was £438 and also lower than the comparable medians for North West (£483) and Great Britain (£520).

Numbers and Sizes of Businesses

3.21 ONS data identifies that there were 3,750 VAT and PAYE registered businesses operating in the Borough (see Table 18) in 2014. 3,750 businesses comprises 11.0 percent of the total stock of businesses in Liverpool City Region, and 1.7 percent of the North West stock. As Table 21 also shows that St Helens has slightly smaller proportion of Micro-businesses than the comparative figures for Liverpool City Region, North West and England, and slightly higher proportions of Small and Medium sized businesses.

Table 18 – 2014 Business Count

| Business Size | St. Helens | | Liverpool City Region | | North West | | England | |
|-----------------|--------------|------------|-----------------------|------------|----------------|------------|------------------|------------|
| | Count | Percent | Count | Percent | Count | Percent | Count | Percent |
| Micro (0-9) | 3175 | 84.6 | 28,915 | 85.9 | 188,930 | 87.2 | 1,723,315 | 88.4 |
| Small (10-49) | 485 | 12.9 | 3945 | 11.7 | 22,905 | 10.6 | 186,095 | 9.5 |
| Medium (50-249) | 85 | 2.3 | 715 | 2.1 | 3950 | 1.8 | 32,695 | 1.7 |
| Large (250+) | 10 | 0.3 | 145 | 0.4 | 880 | 0.4 | 7925 | 0.4 |
| Total | 3,750 | 100 | 33,715 | 100 | 216,665 | 100 | 1,950,030 | 100 |

Source: ONS UK Business Counts – Enterprises, 2014

*This publication is compiled from the Inter Departmental Business Register which contains information on VAT traders and PAYE employers in a statistical register representing nearly 99 percent of economic activity.

3.22 Table 19 summarises the births and deaths of businesses over the last decade. Interestingly, comparing the 2007 and 2013 data suggests that establishment of businesses in St Helens had returned to pre-recession times, reflecting the recent national trend of individuals establishing their own businesses in a response to slower employment conditions. The business deaths data has also risen since 2007, as is to be expected in softer economic conditions, although has fallen since 2010.

Table 19 – Births and Deaths of Enterprises 2004-2013,

| | 2004 | | 2007 | | 2010 | | 2013 | |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Births | Deaths | Births | Deaths | Births | Deaths | Births | Deaths |
| St. Helens | 460 | 420 | 600 | 340 | 415 | 435 | 640 | 410 |
| North West Region | 28,845 | 24,890 | 30,195 | 23,485 | 22,705 | 26,135 | 35,285 | 24,130 |
| England | 248,450 | 215,995 | 246,700 | 199,300 | 207,520 | 219,030 | 308,770 | 209,465 |

Source: ONS Business Demography, 2013

3.23 Table 20 summarises the 2014 business counts per 10,000 residents, as a measure of the business density within each area. As can be seen in the table, St Helens has a lower density of businesses in comparison to its residential population, relative to the broader region and neighbouring authorities, with the exception of Knowsley. This suggests, particularly also considering the higher level of economic activity of residents of St Helens, that St Helens is more of an out-commuter location than most neighbouring local authorities. It also suggests that there is an opportunity to provide a greater quantum of local employment within St Helens, without overly relying on an in-commuter workforce.

Table 20 – Business Count per 10,000 people

| Area | Population | Business Count | Business per 10,000 |
|-----------------------|------------|----------------|---------------------|
| St Helens | 177,200 | 3,750 | 211.6 |
| Halton | 126,400 | 2,945 | 233.0 |
| Knowsley | 146,400 | 2,440 | 166.7 |
| Liverpool | 473,100 | 10,560 | 223.2 |
| Sefton | 273,500 | 6,615 | 241.9 |
| Warrington | 206,400 | 6,760 | 327.5 |
| West Lancashire | 111,900 | 3,935 | 351.7 |
| Wigan | 321,000 | 7,470 | 232.7 |
| Wirral | 320,900 | 7,400 | 230.6 |
| Liverpool City Region | 1,517,500 | 33,715 | 222.2 |
| North West | 7,133,000 | 216,665 | 303.8 |
| England | 54,316,600 | 1,950,030 | 359.0 |

Source: ONS UK Business Counts – Enterprises, 2014

ONS Mid-Year Population Estimates, 2014

Premises Supply

- 3.24 Table 21 shows the supply of office and industrial premises (hereditaments identified by the Valuation Office for the purposes of business rates collection) by unit. The most recent Valuation Office data available at the local authority level is 2012, so will not include any very recent development. The table includes the number of hereditaments for each broad unit use for the decade to 2012, with comparisons to Liverpool City Region, North West Region and England.

Table 21 – Supply of Office and Industrial Premises, Number of Units, 2003-2012

| Sector | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Percent Growth 03-12 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------|
| <i>St Helens</i> | | | | | | | | | | | |
| Office | 490 | 510 | 530 | 550 | 560 | 550 | 550 | 560 | 590 | 600 | 22 |
| Industrial | 1,230 | 1,220 | 1,220 | 1,220 | 1,230 | 1,220 | 1,200 | 1,180 | 1,190 | 1,190 | -3 |
| Retail | 1,630 | 1,610 | 1,580 | 1,570 | 1,590 | 1,570 | 1,570 | 1,570 | 1,640 | 1,660 | 2 |
| Other | 330 | 330 | 360 | 370 | 370 | 370 | 370 | 370 | 360 | 360 | 9 |
| <i>Liverpool City Region</i> | | | | | | | | | | | |
| Office | 5,780 | 5,750 | 5,690 | 5,740 | 5,770 | 5,970 | 6,150 | 6,360 | 6,570 | 6,740 | 17 |
| Industrial | 10,020 | 9,970 | 9,880 | 9,850 | 9,870 | 9,930 | 9,810 | 9,770 | 9,840 | 9,940 | -1 |
| Retail | 17,270 | 17,110 | 16,490 | 16,350 | 16,280 | 16,260 | 16,190 | 16,160 | 16,310 | 16,360 | -5 |
| Other | 2,850 | 2,800 | 3,040 | 3,040 | 3,050 | 3,010 | 2,990 | 2,970 | 2,990 | 3,010 | 6 |
| <i>North West</i> | | | | | | | | | | | |
| Office | 33,830 | 34,300 | 34,600 | 35,450 | 36,360 | 37,550 | 38,860 | 40,580 | 41,930 | 42,870 | 27 |
| Industrial | 60,920 | 60,720 | 60,140 | 59,900 | 59,970 | 60,030 | 59,610 | 59,970 | 60,330 | 60,700 | 0 |
| Retail | 79,760 | 78,830 | 77,100 | 76,820 | 76,760 | 76,740 | 76,630 | 76,660 | 78,360 | 79,190 | -1 |
| Other | 18,840 | 18,720 | 19,150 | 19,110 | 19,090 | 19,020 | 18,950 | 19,010 | 19,150 | 19,180 | 2 |
| <i>England</i> | | | | | | | | | | | |
| Office | 269,350 | 274,440 | 279,810 | 288,640 | 296,510 | 304,150 | 312,590 | 324,300 | 334,070 | 340,890 | 27 |
| Industrial | 427,690 | 428,100 | 422,000 | 422,770 | 424,730 | 422,360 | 419,280 | 420,820 | 423,150 | 424,910 | -1 |
| Retail | 531,650 | 529,250 | 522,260 | 521,380 | 520,750 | 520,230 | 520,480 | 521,100 | 525,470 | 527,860 | -1 |
| Other | 126,260 | 126,310 | 132,250 | 132,580 | 133,090 | 133,160 | 133,440 | 134,320 | 135,080 | 136,110 | 8 |

Source: Valuation Office

3.25 Table 21 shows the strongest growth over the decade to 2012 in terms of hereditaments in St Helens was in the office sector, consistent with the regional and national trends. The office growth was strongest both in absolute and in percentage terms. The number of industrial (factory and warehousing) units over the decade to 2012 remained relatively flat, with a slight decline of 40 units over this period. It is also noted that even in the years when the economy was performing well (2003-2007) there was no net industrial unit growth recorded in this period.

3.26 While the number of office entities in St Helens has increased by 22 percent between 2003 and 2012, the total office floorspace has increased by only 10 percent over the same period, the growth of which occurred to 2010, before remaining stable to 2012. Table 22 summarises the total floorspace growth for the period 2003-2012 for the major unit types.

Table 22 – Total Floorspace ('000 sqm)

| Sector | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Percent Growth 03-12 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------|
| <i>St Helens</i> | | | | | | | | | | | |
| Office | 135 | 135 | 140 | 140 | 138 | 138 | 143 | 147 | 147 | 148 | 10 |
| Industrial | 1,656 | 1,719 | 1,788 | 1,807 | 1,801 | 1,759 | 1,697 | 1,672 | 1,620 | 1,620 | -2 |
| Retail | 370 | 367 | 340 | 338 | 345 | 348 | 346 | 341 | 344 | 360 | -3 |
| Other | 96 | 95 | 105 | 111 | 115 | 118 | 115 | 110 | 114 | 112 | 17 |
| <i>Liverpool City Region</i> | | | | | | | | | | | |
| Office | 1,902 | 1,880 | 1,925 | 1,970 | 1,958 | 2,015 | 2,067 | 2,059 | 2,067 | 2,070 | 9 |
| Industrial | 9,091 | 9,056 | 9,107 | 9,070 | 9,110 | 8,988 | 8,771 | 8,743 | 8,571 | 8,701 | -4 |
| Retail | 3,237 | 3,254 | 3,133 | 3,111 | 3,125 | 3,172 | 3,242 | 3,259 | 3,279 | 3,333 | 3 |
| Other | 911 | 908 | 996 | 995 | 1016 | 1028 | 1019 | 1007 | 1024 | 1031 | 13 |
| <i>North West</i> | | | | | | | | | | | |
| Office | 9,519 | 9,570 | 9,653 | 9,797 | 9,962 | 10,197 | 10,468 | 10,608 | 10,705 | 10,735 | 13 |
| Industrial | 54,776 | 54,510 | 54,173 | 54,057 | 53,635 | 52,894 | 51,303 | 50,199 | 49,484 | 49,411 | -10 |
| Retail | 15,667 | 15,783 | 15,314 | 15,523 | 15,749 | 15,861 | 16,061 | 16,152 | 16,272 | 16,474 | 5 |
| Other | 5,165 | 5,166 | 5,343 | 5,425 | 5,473 | 5,565 | 5,590 | 5,702 | 5,737 | 5,787 | 12 |
| <i>England</i> | | | | | | | | | | | |
| Office | 82,170 | 83,189 | 83,047 | 84,162 | 84,809 | 85,574 | 86,713 | 87,840 | 88,610 | 89,250 | 9 |
| Industrial | 322,092 | 321,751 | 320,706 | 321,235 | 321,396 | 319,125 | 312,665 | 307,847 | 305,662 | 304,853 | -5 |
| Retail | 106,917 | 107,946 | 105,219 | 106,277 | 107,254 | 107,997 | 108,774 | 109,720 | 110,218 | 111,198 | 4 |
| Other | 33,624 | 33,817 | 35,358 | 35,798 | 36,251 | 36,517 | 36,894 | 38,504 | 38,804 | 39,114 | 16 |

Source: Valuation Office

Summary

- 3.27 While for several years St Helens had a declining population, in recent times this trend has reversed and the population has grown at a modest rate.
- 3.28 St Helens has a higher unemployment rate than the regional or national averages, recording 8.9 percent for 2014/15. Further job opportunities available to the St Helens population would be of benefit to this community. The higher than average unemployment rate suggests that some further jobs provision could be absorbed by the local economy, without a significant number of additional in-commuting or housing demand being triggered.
- 3.29 The key sectors of employment that were above the regional and national averages were retail, manufacturing and business administration and support services. The key occupations of the local workforce reflect this, being those of mid-level skills and trades.

- 3.30 St Helens has a net outflow of commuters. Further employment opportunities within the borough may correct this imbalance, reducing the need for local residents to travel out of the borough for employment and encouraging workers residing in neighbouring areas to attain work in St Helens.
- 3.31 A further indicator that St Helens has a relative undersupply of employment for its population is its low number of businesses per 10,000 people (Table 20), compared with neighbouring areas.

4.0 PROPERTY MARKET ASSESSMENT

Introduction

- 4.1 Prior to analysing the study area's property market by the individual components of sites, industrial and offices, commentary is provided about the region and study area as a whole. This comprises a review of the supply of premises along with information on general national property and business trends. It is important to understand the supply and demand for property, as this is the key driver affecting the market for employment land.

National and Regional Property Markets

- 4.2 BE Group, through its long experience operating in the commercial property market across the UK, as well as in the North West specifically, understand market perceptions and the conditions facing the industrial, logistics and office sectors, along with the wider investment market. The following sub-sections draws upon this market experience, providing a brief commentary on emerging trends within these sectors.

Industrial Market

- 4.3 2014 saw some 10 million sqm of industrial floorspace taken up in units of up to 10,000 sqm, of which just over 5 percent (524,000 sqm) was in the North West (Jones Lang LaSalle, 2015). Although this is somewhat down on 2013, it still reflects a growing confidence particularly at the smaller end of the market. Over the 2008-2012 recession a lack of finance, lack of business confidence and lack of growth prospects discouraged micro-mid-sized businesses to seek relocation options. Market experience suggests this has changed over 2013-2015 with growing levels of enquiries and increased prospects of those enquiries being translated into occupations.
- 4.4 Against rising demand the supply of stock continues to decrease. Nationally, a stock of 23 million sqm was available at the end of 2014, a reduction of 15 percent on the end of 2013. The North West picture is similar to that across the rest of the country, with a dearth of good quality existing buildings in prime locations across all size parameters. As a consequence, occupiers are having to make compromises to identify a building that works for them or satisfy their requirements by design and build solutions, with the resultant time delays for their operations. Design and build can also be quite expensive because the controlling developer makes its profit not only on the land sale, but also on managing the building process. If the design and build is for

leasehold, occupiers also need to take a longer term view on lease length in order to secure design and build solutions which work for developers financially.

- 4.5 The later part of 2014 saw a return of speculative development in the 'big box' market for B8 logistics and B2 larger manufacturing. In the North West this was seen in speculative development for properties of more than 5,000 sqm in Knowsley Industrial Park (Venus 110), Trafford Park (Mosley Road) and Hareshill Distribution Park in Heywood. Nationally, 390,000 sqm of space was under development speculatively as of February 2015 (Jones Lang LaSalle, 2015).
- 4.6 However, with renewed interest from occupiers, pension funds and larger national investors (discussed further below), it is expected that 2015 will see the growth of speculative development at the smaller end of the market. The small numbers of developers who have built multi-let schemes on a wholly/part speculative development since the end of 2013 have been rewarded with high rental levels and freehold prices.
- 4.7 Supply is reducing relative to demand and while some commentators argue that this is reducing the range and scope of incentives landowners are willing to offer tenants, it has not, so far, led to any significant upward pressure on rental values. Tenants who are willing to acquire secondary multi-let space can still find landlords willing to offer flexible deals at attractive rents. At the start-up and micro business level, companies still want flexible terms and short lease lengths reflecting their inability to predict the longer term future for their company.
- 4.8 Owner occupiers are becoming more prevalent with the increase in business confidence encouraging firms to expand and review their occupational requirements. This is leading to greatly strengthened freehold demand, but local markets frequently lack the freehold stock to meet needs.
- 4.9 This may encourage firms to relocate from areas with limited options for owner occupancy, once those businesses reach a certain stage of maturity. However, this is dependent on the nature of the business. High value and high technology sectors will require a high grade of space which can only be found in certain locations. In lower value added industries where quality buildings are of secondary importance there is greater flexibility and, if the company can access the finance, it may prefer to buy land direct and organise development of owner occupied space itself.

Warehouse Market

- 4.10 Logistics and distribution refer to the movement and management of goods, both as a part of the operations of a single organisation or be part of a complex supply chain. The logistics market consists of four different types of organisation:
- Manufacturers and producers.
 - Wholesalers.
 - Retailers.
 - Logistics/freight operators.
- 4.11 Logistics operations are developed and refined to ensure the efficient, cost effective and timely delivery of goods, in order to streamline business operations as much as possible. Therefore the network of production factories, warehouses and retailers and the transport modes of linking the network are critically important. Substantial capital is required to develop large scale warehouses and distribution centres. It is therefore important that sites selected for large scale distribution centres are competitive and attractive to the logistics market, by meaning strongly connected to key transport corridors, including motorways, freight rail networks or ports.
- 4.12 There are two types of large distribution centres, National Distribution Centres (NDCs) and Regional Distribution Centres (RDCs). NDCs, as their name suggests, service the whole of the nation from one site. They may be holding sites for imported cargo prior to distribution to either RDCs or direct to retail outlets. With the continued rise of ecommerce, some NDCs now even distribute direct to households. Given the national status of NDC operations, such national level facilities are rarely less than 50,000 sqm in size, with the very largest exceeding 80,000 sqm. Assuming a standard developer ratio of 3,900 sqm per hectare then a site which is able to support such a facility is unlikely to be less than 13 ha in size. Sites would generally need to be within very close proximity to the strategic road network and preferably with excellent links to major port facilities for cargo imports. Facilities must have access arrangements that can support extensive HGV trips. As such facilities usually operate 24 hours a day, sites next to housing or other sensitive uses are not desirable.
- 4.13 RDCs or local level facilities are operationally similar to NDCs, but distribute to a regional service area, rather than nationally. Goods are typically held in stock for a shorter period of time in RDCs than NDCs, breaking down large consignments to smaller units appropriate for individual retailers, businesses or households. As a result

local facilities are generally smaller than NDCs, but are unlikely to be less than 10,000 sqm. The largest RDCs will exceed 50,000 sqm. At 3,900 sqm/ha, ideally plots of more than 5 ha are needed for RDCs. As with NDCs, sites with good strategic road access, which are away from sensitive uses, would be preferable. Links with port facilities may still be desirable, but generally are less important than for NDCs.

- 4.14 Statistics from Omega Warrington’s website show the local scale of NDCs and RDCs and can provide a pointer to potential scales of premises on sites within St Helens with similar location attributes.

Table 23 – Size of Built or Under Construction Premises at Omega Warrington

| Occupier | Type | Size (sqm) |
|----------------|---------------|------------|
| Travis Perkins | RDC | 65,000 |
| Hermes | RDC | 14,000 |
| Brakes | RDC | 18,000 |
| Asda | RDC | 57,000 |
| The Hut Group | NDC | 64,000 |
| Plastic Omnium | Manufacturing | 22,000 |

Source: Omega Warrington

- 4.15 The continued rise of the ecommerce market is changing the business models of retailers and heavily influencing the logistics/warehouse market. As customers no longer need to enter a store to purchase and receive goods and can browse multiple retailers’ product lines from their home, the relationship between retailer and consumer has changed irrevocably. This has implications for the location, size, staffing requirements and viability of retail outlets and fundamentally changes the distribution models to deliver goods to the end consumer.
- 4.16 The ONS reports that internet sales accounted for 12.0 percent of all retail spending (excluding automotive fuel) as at May 2015, with an average national weekly spend in May in £791.3 million. Table 24 summarises the ONS data for average year-on-year growth of internet sales.

Table 24 – Average Weekly Internet Sales in UK, May 2010 to May 2015

| | May 2010 | May 2011 | May 2012 | May 2013 | May 2014 | May 2015 |
|----------------------------------|----------|----------|----------|----------|----------|----------|
| Average Weekly Sales (£M) | 390.3 | 457.0 | 571.8 | 634.0 | 736.5 | 791.3 |
| Annual Change, percent | - | 17.1 | 25.1 | 10.9 | 16.2 | 7.4 |
| Percentage of total retail sales | - | - | - | 10.3 | 11.5 | 12.0 |

Source: ONS, Retail Sales, May 2015, seasonally adjusted

- 4.17 Retail sales as a whole increased by about 1.8 percent over the year to May 2015, substantially less than the growth of online retailing over the same period (7.4 percent). While it appears that the growth in online retailing is moderating as the market matures, it is still outperforming growth in the retail market as a whole and will continue to expand both in terms of volume and turnover. The market will continue to adjust and adapt as the online sector continues to increase its market share of the total retail sector.
- 4.18 Savills produced a report investigating the influence of the online retail market on the distribution sector in 2013 and estimated that the proportion of retail sales undertaken online would increase from 10 percent in 2013 to 20 percent over the next 10 years. The report states that retailer take-up of warehouse space in the UK in the period 2013-18 would be approximately 4.6 million sqm, of which 1.2 million sqm would be taken up by online retailing specific operators.

Market Growth

- 4.19 Growth prospects for the warehouse/distribution property market appear strong, as general economic conditions improve and consumers continue to embrace online retailing. However, the market generally is being constrained by a lack of prime logistics sites. Given the very land consumptive nature of warehouse/distribution businesses, larger operators are having considerable difficulty obtaining well serviced and accessed sites.
- 4.20 The North West is reflective of this wider constrained market. While the region does have a number of large logistics locations, including Omega at Warrington, Skelmersdale and Heywood in Rochdale, the actual level of land at these locations can be limited. In part at least, this reflects the tendency of developers in recent years to break up big sites with mixed use consents (housing, retail/leisure and a range of smaller B1/B2/B8 provision) to spread the risks and maximise values. These very land consumptive projects provide opportunities for nearby areas once the original project nears capacity. Specifically for St Helens, there may be an opportunity to capitalise on

the established market for logistics at Omega upon the maturation of this project. The success and take-up of such major logistics parks in the North West has encouraged the development industry, with several developers actively acquiring and seeking to develop sites in the area.

4.21 Despite this lack of currently available Grade A space, it is anticipated that take-up will continue to increase throughout the next few years with returning consumer confidence ensuring that retailers, suppliers and related manufacturers come back to the market to satisfy growing demand. 2015 is expected to be a tight year in terms of supply but nationally development levels are starting to pick up with some 418,000 sqm expected to be delivered speculatively over 2015/16. So far speculative development has concentrated on established logistics locations, but it is expected that activity will move out to secondary locations as demand encourages developers/investors to look at higher risk locations and occupiers seek relief from prime rent rises.

4.22 Developers, investors and landowners will be encouraged in this by the fact that values for B8 logistics uses are usually higher than for B1(a) offices or B1(c)/B2 industrial, and likely to remain so in the foreseeable future, for several reasons:

- The 'per unit' construction cost (£/sqm) for building logistics accommodation is around half that of building an equivalent stock of industrial units as the internal/external fittings and design of the logistics property will be far less complex;
- Large logistics properties usually represent a major investment for occupiers and they are therefore more willing to accept longer term leases, i.e. more than 10 years, on the property. This makes B8 premises a more secure long term investment for owners; and
- Rising demand generally and the need to secure premises in key geographic locations (e.g. along the M6 corridor) means that occupiers are willing to pay higher rents and values to secure the property they need. By comparison rents for smaller office and light industrial space remain more subdued as micro and small firms continue to recover from the recession.

4.23 Therefore there are supply and demand drivers that are resulting in the B8 logistics/warehouse market being a more active market than the office or industrial markets. The prospects for the logistics/warehouse market appear to be robust, which will drive substantial demand for premises and land in the UK generally and in the North West in particular.

Liverpool City Region SuperPort

- 4.24 The Liverpool City Region SuperPort is a critical transportation infrastructure project for the region under construction, which will substantially increase the capacity of the Port. Total investment in Liverpool City Region's Port and logistics assets is approximately £1 billion, including a £300 million project by Peel Ports, 'Liverpool 2', a new deep water container terminal at the Port of Liverpool currently under construction. Associated growth in road and rail freight out of the Port is envisaged as is a significant growth in associated logistics.
- 4.25 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 (March 2014)*'. This report 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. 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).

Table 25 – 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 Local Enterprise Partnership, 2014

- 4.26 Therefore, the report states that there is an overall requirement for some 783-808 ha over the next 20 years. If wholly port based uses are excluded (i.e. Ro/Ro, Trade Cars, Non-Unitised Cargos and Complimentary Sectors – 228 ha, road scenario), the assessed net requirement is for 580 ha (road scenario) for logistics and manufacturing. Furthermore, the report states that the Economic Demand projection is based on historical evidence of the average demand for land in the study area region. That is, when looking at the uplift in demand from the port, this baseline should be excluded. Therefore, 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).
- 4.27 The report assumes an 80:20 split between logistics and manufacturing requirements for land. It further states that, given the region's strength in manufacturing and a resurgence in onshore manufacturing, the demand from manufacturing may be higher. A 60:40 logistics to manufacturing split could add a further 104 ha to this demand.
- 4.28 The study then looked at land supply in the sub-region, identifying available sites of greater than 5 ha in size, within 1 hour drive time from the Port of Liverpool. This includes land within the local authority areas of:
- Cheshire West and Chester
 - Halton

- Knowsley
- Liverpool City
- Sefton
- St Helens
- Warrington
- West Lancashire
- Wirral.

4.29 Overall some 851.54 ha of land in 69 sites of greater than 5 ha each is identified within this area. The 100 ha site at Parkside was identified as one of the key sites 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. This is considered sufficient to meet the 158 ha of land needed over the next five years (200 ha with 25 percent headroom).

4.30 Longer term, the report concludes that demand for logistics and manufacturing facilities (excluding specific port based requirements) is estimated at 580 ha (net), over the 20 year period. It suggests that whilst total supply of sites within the 1 hour drive time area is 851 ha, almost three quarters (618 ha) is constrained through availability or physical factors. Based on these findings a further 400 ha of high quality sites (500 ha to provide 25 percent headroom) is therefore required over the next 20 years in locations with reasonable accessibility to the Port. This includes the baseline growth that would have occurred in the region without expansion of Port's capacity. The report does not include recommendations as to the local authority areas in which to locate this additional employment land nor percentage breakdowns of the land by local authority.

Parkside Strategic Rail Freight Interchange

4.31 The Parkside Strategic Rail Freight Interchange is a joint venture proposal from Langtree Properties and St Helens Council. Along with the development of the SuperPort, the Parkside development provides a substantial opportunity for the North West region through increasing freight capacity and capability. Specifically for St Helens, the proposal has the potential to be a substantial attractor to the area, for St Helens to be the focus of considerable freight throughput and for local businesses to more efficiently move stock.

- 4.32 The overall function of the strategic rail freight interchange is likely to have more of a direct relationship with the southern UK ports than with the Port of Liverpool, providing a means of transporting freight from the ports to the North West region, to be transferred to trucks at Parkside for distribution to the region. Its position on the M6 and rail corridors means it is ideally located to be a multi-modal freight interchange. The site would also be attractive to logistics operations that are limited to road transport; that is, the site would also be a key distribution site even without the strategic rail freight interchange. The addition of the rail interchange would broaden the appeal and demand for space at the site.
- 4.33 While there has been an intent for the development of the Parkside site for a freight interchange for several years without development as yet, the surge in growth in the logistics market in recent years and the lack of available, alternative large sites for logistics with comparable motorway access means that market conditions are increasingly favourable for the development of Parkside as a logistics node. St Helens Council entering the market as a joint venture partner for the site is a clear intent from the Council to encourage the timely development of Parkside as a rail freight interchange.

Office Market

- 4.34 Generally the office market in regional locations in the UK has been more subdued, with a slower recovery from the recession than the logistics or industrial property markets. However the major regional city markets are increasing take-up, with the first quarter of 2015 having 135,000 sqm of floorspace taken up in the 10 main regional cities of the UK, while current named requirements are for some 458,000 sqm of space, a 20 percent increase on Quarter One 2014. Most of the regional markets now have less than three years supply of New and Grade A space available. At the end of the first quarter 2015, new and Grade A availability stood at a historic low of 193,000 sqm.
- 4.35 In the North West, Manchester is the dominant office market, with agents reporting that rental levels for prime and secondary office space in central Manchester are now almost double those of city centre Liverpool, with Manchester City Centre space achieving £340/sqm in June 2015, compared to £180/sqm in Liverpool City Centre.
- 4.36 2014/15 has seen a growing confidence on the part of investors to invest outside of London and this has been led by the UK institutions, particularly for the office sector. Occupier demand is also growing. At the end of 2014, a Survey of Chief Financial

Officers, undertaken by Deloitte UK, found that 72 percent of respondents are now considering an increase in staffing. As office based businesses traditionally keep a smaller amount of space 'surplus' at any one time than industrial firms, this is likely to lead to increase levels of premises demand.

- 4.37 Inward investment is driving demand for offices in the large cities. In 2014 the largest Manchester letting was for 6,000 sqm at ASK Developments' First Street to Trader Media. In other locations, such as Chester and Preston, however, it remains a far smaller element of market activity.
- 4.38 While demand from public sector agencies is likely to remain relatively static, 2014/15 forecasting generally predicts high levels of growth in professional and support business services. Growth of some 1.1 million jobs across the UK is forecast in these sectors alone, with a particular focus on Telecoms, Media and Technology (Savills, 2015). If translated directly into floorspace, using standard HCA jobs density figures, this generates a national need for some 92,000 sqm of extra office floorspace.
- 4.39 While investment, inwards investment and occupier activity will focus on key cities such as Manchester and Liverpool the severe lack of available stock, in particular Grade A stock, is encouraging organisations to look at assets in strong secondary locations. In the North West this is already being felt in Salford Quays, where the average price per sqm increased by 5 percent to £220, and Warrington, which saw a 3 percent rise to £165 per sqm (Savills, 2015). Judged by rental levels at least, such secondary centre growth does not yet appear to have reached Chester and Preston.
- 4.40 Generally, property stakeholders believe that the development pipeline is approximately 18 months behind the current demand curve. In the short term, this will mean reduced choice for occupiers, with pre-lets likely to be the only option in many cases.
- 4.41 Increased levels of demand are beginning to encourage development activity and nationally, speculative development levels increased 42 percent over 2014 (Savills, 2015), although it is still well below pre recession levels. At present, most office development still requires an element of pre-let or government funding to secure a start. However, it is expected that this may change over 2015, at least for schemes in good locations and of desirable sizes, tenures, etc. In Manchester for example, 90,000

sqm of offices in five schemes is expected to commence in early 2015, representing two years Grade A take up.

- 4.42 However, while there is a shortage of high grade space, there remains a significant regional stock of secondary offices. In the short term this stock will actually grow as companies seek to upgrade to better options. A growing market will encourage refurbishments, but it is not clear if increased pressure for office to residential conversions is also likely.

St Helens Employment Land and Floorspace Take-up and Loss Data

- 4.43 St Helens Council records employment land changes, both take-up and loss of land for employment uses. The data provided for this study is from 1997 to 2015 and thus should be used in the context that this timeframe included a major recession and a subdued recovery. As such, using this data in projecting likely take-up and losses in coming years would need to account for the lower economic environment of recent years.

- 4.44 Table 26 summarises the employment land take-up data for the period 1997-2008. Table 27 provides the St Helens data for the period 2008-2015, which has gains and losses of employment land.

Table 26 – St Helens Employment Land Take-up, 1997-2008

| | 97/98 | 98/99 | 99/00 | 00/01 | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | Average |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| Take-up | 1.86 | 7.19 | 7.14 | 9.26 | 1.26 | 19.13 | 5.33 | 6.73 | 12.32 | | 6.98 | 7.02 |

Source: St Helens Council

Table 27 – St Helens Employment Land Changes, 2008-2015

| | Land (ha) | | | | | | | | Average | Average Yearly growth |
|-------------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|--|-------------|-----------------------|
| | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | | | |
| 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 |

Source: St Helens Council

- 4.45 Table 26 shows a solid take-up of employment land for the period 1997-2008, averaging about 7 ha per annum. The effects of the recession and the subsequent

reluctance to develop are starkly shown in Table 27, with an average gain of only about 1.5 ha per annum since 2008.

Currently Available Supply

4.46 A schedule of the vacant floorspace being marketed in the study area (as at July 2015) has been compiled mainly from physical survey, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a reasonably close approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed. The schedules for industrial (including warehouses and workshops) and offices and have been included in Appendix 2.

Industrial

4.47 Table 28 shows that there is approximately 119,000 sqm of marketed built industrial floorspace, made up of 88 properties, in the study area. As expected the larger nodes are St Helens Central and inner areas, South St Helens (including Lea Green and Bold) and Haydock. The largest available properties identified are:

- **Lock St, Merton Bank, 18,130 sqm:** Available either on a freehold or leasehold basis. The warehouse could be subdivided into two units comprising 8,511 sqm and 9,609 sqm. The site is not easily accessible from the motorway network.
- **Delta Rd, Broad Oak, 15,611 sqm:** Former Delta Fluids site, available on a freehold or leasehold basis. Older factory premises (1950s/1960s) comprising three buildings available as a single entity. The site is not easily accessible from the motorway network.

Table 28 – Amount of Marketed Industrial Property

| Area | | Size Band, sqm | | | | | | Total | |
|-----------------------------------|----------------------|----------------|---------|---------|----------|-----------|-----------|--------|--------|
| | | 0-100 | 101-200 | 201-500 | 501-1000 | 1001-2000 | 2001-5000 | | 5001+ |
| St Helens central and inner areas | Floorspace, sqm | 121 | 139 | 3,309 | 6,781 | 3,491 | 6,555 | 33,741 | 54,137 |
| | Number of Properties | 2 | 1 | 9 | 10 | 2 | 2 | 2 | 28 |
| Haydock | Floorspace, sqm | - | - | 8,265 | 2,911 | 4,120 | - | - | 15,296 |
| | Number of Properties | - | - | 23 | 4 | 3 | - | - | 30 |
| South St Helens | Floorspace, sqm | - | 297 | 2,924 | 4,372 | 6,453 | 21,508 | - | 35,554 |

| Area | | Size Band, sqm | | | | | | Total | |
|-------------------------------------|-----------------------------|----------------|------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | 0-100 | 101-200 | 201-500 | 501-1000 | 1001-2000 | 2001-5000 | | 5001+ |
| (Elton Hd Rd, Lea Green, Bold) | Number of Properties | - | 2 | 7 | 6 | 4 | 7 | - | 27 |
| North St Helens, inc Rainford, A570 | Floorspace, sqm | - | - | - | 801 | - | 3,499 | - | 4,300 |
| | Number of Properties | - | - | - | 1 | - | 1 | - | 2 |
| Newton-le-Willows | Floorspace, sqm | - | - | - | 965 | - | - | - | 965 |
| | Number of Properties | - | - | - | 1 | - | - | - | 1 |
| Total | Floorspace, sqm | 121 | 539 | 14,498 | 15,830 | 14,064 | 31,562 | 33,741 | 118,802 |
| | Number of Properties | 2 | 3 | 39 | 22 | 9 | 10 | 2 | 88 |

Source: BE Group 2015 analysis of marketed properties

- 4.48 The breadth of supply across St Helens borough suggests a reasonable level of built stock that businesses can acquire to enter the market. The bulk of accommodation options are in the 200-1,000 sqm range, indicating that most supply is for small to medium industrial operators. Further options above 1,000 sqm provides some choice for industrial operators looking for larger factory space.
- 4.49 As discussed earlier in this section the national and regional distribution centre models for logistics require very large premises with excellent motorway access. NDCs are typically in excess of 50,000 sqm and RDCs are above 10,000 sqm. It is apparent from the review of existing vacant premises that such logistics models cannot be adequately accommodated within the built stock, with the only two potential premises of sufficient size (+15,000 sqm) both being not ideally located in relation to the motorway network for modern, logistics operators.
- 4.50 More particularly, it is apparent that the built stock cannot accommodate occupiers such as those that have located to Omega Warrington, as summarised in Table 23.
- 4.51 The marketed built stock has also been critiqued in terms of quality of premises, based on an external review of premises as well as a consideration of their quoted rental price, as summarised in Table 29. Rental levels provide a good indication of the general quality of a property without a detailed physical inspection. Table 30 shows that the majority of marketed industrial space in St Helens is of average quality.

Table 29 – Building Quality Assessment

| Type | Quality Assessment – Rental Levels | | |
|-------------------|------------------------------------|------------------|-------------|
| | Good | Average | Budget |
| Industrial | >£5.00/sqft | £2.50-5.00/sqft | <£2.50/sqft |
| Office | >£15.00/sqft | £5.00-15.00/sqft | <£5.00/sqft |

Source: BE Group 2015

- 4.52 The key employment nodes of the central industrial areas, Haydock and southern areas were overwhelmingly dominated by marketed premises that were of average or above average quality.

Table 30 – Quality of Marketed Industrial Property

| Area | Quality | | |
|--|-----------|-----------|----------|
| | Good | Average | Budget |
| St Helens central and inner | 9 | 16 | 3 |
| Haydock | 11 | 19 | 0 |
| South St Helens (Elton Hd Rd, Lea Green, Bold) | 4 | 23 | 0 |
| North St Helens inc Rainford, A570 | 0 | 2 | 0 |
| Newton-le-Willows | 0 | 1 | 0 |
| Total | 24 | 61 | 3 |

Source: BE Group 2015

- 4.53 The majority of premises (75 percent) are available leasehold only (Table 31) with a further 17 percent available either on a freehold or leasehold basis. Seven premises (8 percent) were marketed on a freehold basis only.

Table 31 – Tenure of Marketed Industrial Property

| Area | Tenure | | |
|--|-----------|----------|-----------|
| | Leasehold | Freehold | Either |
| St Helens central and inner | 14 | 4 | 10 |
| Haydock | 28 | 1 | 1 |
| South St Helens (Elton Hd Rd, Lea Green, Bold) | 22 | 1 | 4 |
| North St Helens inc Rainford, A570 | 2 | 0 | 0 |
| Newton-le-Willows | 0 | 1 | 0 |
| Total | 66 | 7 | 15 |

Source: BE Group 2015

4.54 An estimate of the vacancy rate can be calculated using the 2012 Valuation Office Data summarised in Table 22 of the previous section. The identified vacant industrial space equates to 7.3 percent of the Valuation Office's estimate of total industrial stock in St Helens. A vacancy rate of 7.3 percent is a reasonable balance between supply and demand erring on the low side and suggests a solidly performing market, with some availability of space for businesses to enter the market but not an overly large vacancy rate that would indicate an unacceptably high level of unoccupied premises. Further reduction in supply would begin to restrict choice and availability to businesses.

Offices

4.55 Table 32 shows that there are 14,474 sqm of marketed offices (46 premises) in St Helens. The larger office units currently available include:

- **Crown Buildings, 2,069 sqm:** Available either on a freehold or leasehold basis. It is a budget-level office unit on College Street; and
- **Three units within Woodlands Park, 1,376 sqm, 1,184 sqm and 1,144 sqm:** Located in Newton-le-Willows. The largest unit is available on a leasehold basis and the other two are marketed as both leasehold and freehold.

Table 32 – Amount of Marketed Office Property

| Area | | Size Band, sqm | | | | | | | Total |
|--|----------------------|----------------|--------|---------|---------|----------|-----------|-------|-------|
| | | 0-50 | 51-100 | 101-200 | 201-500 | 501-1000 | 1001-2000 | 2001+ | |
| St Helens central and inner areas | Floorspace, sqm | 135 | 630 | 1,146 | 3,346 | 557 | - | 2,069 | 7,883 |
| | Number of Properties | 3 | 9 | 7 | 10 | 1 | - | 1 | 31 |
| Newton-le-Willows | Floorspace, sqm | 66 | 63 | - | - | - | 3,704 | - | 3,833 |
| | Number of Properties | 3 | 1 | - | - | - | 3 | - | 7 |
| South St Helens (Elton Hd Rd, Lea Green, Bold) | Floorspace, sqm | - | - | 149 | 1,385 | 1,188 | - | - | 2,722 |
| | Number of Properties | - | - | 1 | 4 | 2 | - | - | 7 |
| North St Helens, inc Rainford, A570 | Floorspace, sqm | 36 | - | - | - | - | - | - | 36 |
| | Number of Properties | 1 | - | - | - | - | - | - | 1 |
| Haydock | Floorspace, sqm | - | - | - | - | - | - | - | - |
| | Number of Properties | - | - | - | - | - | - | - | - |

| Area | | Size Band, sqm | | | | | | | Total |
|-------|----------------------|----------------|--------|---------|---------|----------|-----------|-------|--------|
| | | 0-50 | 51-100 | 101-200 | 201-500 | 501-1000 | 1001-2000 | 2001+ | |
| Total | Floorspace, sqm | 237 | 693 | 1,295 | 4,731 | 1,745 | 3,704 | 2,069 | 14,474 |
| | Number of Properties | 7 | 10 | 8 | 14 | 3 | 3 | 1 | 46 |

Source: BE Group 2015 analysis of marketed properties

- 4.56 The largest nodes for available office space in St Helens are central St Helens and Newton-le-Willows, heavily influenced by the availability in Woodlands Park.
- 4.57 As Table 33 shows, the significant majority of premises are considered to be of an average or above average quality in St Helens. Once again, premises were graded according to an external review of the premises and the quoted prices, in accordance with the classifications in Table 29.

Table 33 – Quality of Marketed Office Property

| Area | Quality | | |
|--|-----------|-----------|----------|
| | Good | Average | Budget |
| St Helens central and inner areas | 4 | 20 | 7 |
| Newton-le-Willows | 6 | 1 | - |
| South St Helens (Elton Hd Rd, Lea Green, Bold) | 6 | 1 | - |
| North St Helens, inc Rainford, A570 | - | 1 | - |
| Total | 16 | 23 | 7 |

Source: BE Group 2015

- 4.58 Most marketed office properties are available on a leasehold basis. Only three properties are identified as being on a freehold basis only, although a further ten properties are available as both freehold and leasehold.

Table 34 – Tenure of Marketed Office Property

| Area | Tenure | | |
|--|-----------|----------|-----------|
| | Leasehold | Freehold | Either |
| St Helens central and inner | 27 | 3 | 1 |
| Newton-le-Willows | 5 | 0 | 2 |
| South St Helens (Elton Hd Rd, Lea Green, Bold) | 0 | 0 | 7 |
| North St Helens inc Rainford, A570 | 1 | 0 | 0 |
| Total | 33 | 3 | 10 |

Source: BE Group 2015

- 4.59 The Valuation Office data of Table 22 was also used to estimate the vacancy rate of office premises in St Helens. Based on the marketed properties and the Valuation Office estimate of total built stock, it is estimated that the office vacancy rate is 9.8 percent. This suggests that there is sufficient capacity to absorb further growth in the near term, if the premises are appropriate to meet the market's expectations.

Summary of Vacancy Analysis

- 4.60 There is a reasonable range of industrial and office stock on the market. Both markets provide some choice of premises for businesses looking for accommodation in St Helens, with options of location, quality and tenure.
- 4.61 The review of the employment premises market at the beginning of this section highlighted that the logistics/warehouse market is the most dynamic and active market at present, with considerable further growth prospects in the North West. While overall there is some spare capacity in the St Helens market, the capacity of existing industrial stock to meet demand in the logistics/warehouse market is limited. Only two potential premises of sufficient size (+15,000 sqm) are currently on the market and both are not ideally located in relation to the motorway network for modern, logistics operators.
- 4.62 Furthermore, modern, large logistics operations often prefer purpose built premises, rather than taking existing vacant stock. Therefore the availability of older, more generic stock in the market would not be of particular interest to such operators. The entry into the market of these operators would rely on the availability of easily and quickly developable land.

Property Market – Stakeholders

- 4.63 This section considers the more detailed issues related to supply and demand for industrial and office property within the study area as a prelude to assessing the future need for land. The comments of stakeholders active in St Helens' industrial and office property markets are analysed. The industrial market refers to accommodation for manufacturing, storage, distribution and warehousing purposes including smaller workshop premises.
- 4.64 These views are the opinions of the representatives of the consulted organisations at the time of the consultation. They are not the views of St Helens Council or its officers.

- 4.65 Five commercial agents were contacted by telephone for an informal discussion of the property market. To protect anonymity of individuals and organisation, names of commentators are not revealed.
- 4.66 These are stakeholders who are actively engaged in the sale and/or lease of industrial and office premises 'on the ground' and so have good first-hand knowledge of the market in St. Helen's. The views they give provide useful practical input which balances the higher level evidence provided by forecasting and policy analysis.
- 4.67 Stakeholders were contacted by telephone, or face-to-face, to undertake a semi-structured interview which focused on the following questions:
- What units are you currently marketing? What are businesses looking for?
 - Review property offer – office, industrial, land – is there enough property and is it good enough quality?
 - Are they mainly freehold or leasehold – is there a shortage of either one of these?
 - How quickly are units letting? What are popular sizes? What sizes do not find occupiers?
 - Are certain areas more popular than others?
 - Is there enough land? Where should further land be allocated?
 - Property requirements of emerging businesses and sectors? Any noticeable trends, e.g. increasing need for quality, smaller units, etc?
 - Weaknesses and shortfalls in existing offer – what can be done about it?
 - Are there any key aspects that the Council needs to address? What is the private sector's perception of the place? How is St Helens viewed in terms of inward investment?
 - What is the average price per square foot/square metre for the office/industrial premises you represent?
- 4.68 Their views have been summarised in a series of tables. Table 35 provides a breakdown of the general comments received with regard to office and industrial land in St Helens.

Table 35 – Property Market Comments – Land

| Contact | Comment |
|----------------|---|
| National Agent | Would consider that Peel Ports had Parkside in mind when they established the 25 mile radius of land development from Liverpool2. |

| Contact | Comment |
|----------------|--|
| | Companies want to expand their green credentials by using rail travel – larger set-ups with requirements for distribution are always looking for locations with near-by available railheads. Considers that there is enough land for the current demand. |
| Local Agent | Parkside would do much to improve the local market in all areas – will make St Helens a more immediate, necessary hub of logistical importance. Land supply is currently plentiful but would like to see more development companies initiating some speculative work. |
| Regional Agent | St Helens is struggling for sites compared to Warrington, Liverpool and even Manchester. No speculative developments (besides Parkside) have really been initiated, meaning that the area is being forgotten. Parkside may help to develop the areas profile amongst businesses wanting to either relocate or establish themselves. |
| National Agent | Would like to see some speculative development on Junction 7, near the A570 – thinks that anything in that area would sell well with the marketable amenities. Agent had not heard of the Parkside development, but when informed more about its aims/purpose, considered it to be an interesting prospect for the area – thinks that anything to boost the profile of the region would be helpful. |

Source BE Group, 2015

4.69 Table 36 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

Table 36 – Property Market Comments – Industrial

| Contact | Comment |
|----------------|---|
| National Agent | There is a reasonable amount of industrial space (mainly in parks, on College Street and in other large complexes), selling for around £5 p/sqft. Once Omega in Warrington is full and other spaces such as Trafford Park (which is selling spaces at around £6 p/sqft) reaches capacity, can only see lettings in St. Helens improve – it has a strong locational advantage. |
| Local Agent | Properties available at Lea Green – there is a constant need for good quality industrial space (around £5 p/sqft). There is an increased need for freehold premises – especially in areas such as Haydock and other places with well-established industrial estates. |
| Regional Agent | Currently markets properties at Sherdley Road industrial estate – with a good spread of units around the mid-size levels (500sqm). Demand stays, for the most part, in tandem with supply at moderate levels – but is much larger in every way than the office market. Any new properties would need to be on the smaller side to encourage start-up companies and, wherever possible, should be leasehold. |

| Contact | Comment |
|-------------|---|
| | Landlords are wary of offering properties on freehold terms in such a heavily fluctuating market. Lea Green Business Park always has interest from all range of companies. |
| Local Agent | Demand is always moderate to high and supply generally matches this. Delfont Drive Estate sees a lot of business and at the time of call the Agent was just finalising deals for two Trade Counter Operators. Hard to put a time frame on selling properties (e.g. 20,000 sqft premises sold quickly, but 4,000 sqft won't sell at all – size no indicator). Popular areas tend to be around the A580/M62. |

Source BE Group, 2015

- 4.70 Table 37 provides a summary of the comments received on the local office property market.

Table 37 – Property Market Comments – Office

| Contact | Comment |
|----------------|--|
| National Agent | As with industrial availability, office space can mainly be found in large complexes and on business parks – this is where the most popular units can be found (e.g. Mere Grange). |
| Local Agent | Local market is currently fairly poor, but the Agent has recognised three distinct local markets: 1. Haydock; 2. A580 border; and 3. Town Centre. Because of the fluctuations between these markets, it is difficult to classify the market as a whole. |
| Regional Agent | Moved away from St Helens towards the Manchester office market because they could not source enough office premises to make it worth marketing any. Any requirements centred on business centres, park or estates – market for individual, town centre premises was declining hard when they left. |
| Local Agent | Market currently struggling, with not much available except from the Langtree scheme off of the M62. However, demand is also currently low so does match supply in that respect. |

Source BE Group, 2015

- 4.71 Table 38 provides a summary of the comments received on the local retail property market.

Table 38 – Property Market Comments – Retail

| Contact | Comment |
|----------------|---|
| National Agent | Always a strong demand for retail space in the area with a busy town centre becoming increasingly sought after by retail companies. |

| Contact | Comment |
|----------------|--|
| | Spaces are often available in the Hardshaw Shopping Centre to let, some as large as 26,000 sqft. Some are offered on a freehold basis, although this is fairly rare. |
| Local Agent | Tends to be only specialised Agents working with retail space, but from limited knowledge has recognised that any space is always quickly occupied. Smaller companies are wanting to establish themselves in a premises, perhaps a turn away from a recent increase in internet based companies? |
| Regional Agent | Any requirements are generally fairly small – just wanting a shop front-style premises on a leasehold basis. |

Source BE Group, 2015

5.0 STAKEHOLDERS

Introduction

- 5.1 This section provides commentary about St Helens, drawn from consultations with the public sector and other stakeholders. It should be noted that each organisation's comments are their perception of the situation, and may well reflect their role and involvement, rather than being the complete picture. The consulted organisations including existing businesses in St Helens, local developers and public sector agencies.
- 5.2 The consultations were undertaken through one to one conversations with respondents, either face to face or by telephone.
- 5.3 These views are the opinions of the representatives of the consulted organisations at the time of the consultation. They are not the views of St Helens Council or its officers.

Key Developers/Landowners

Peel Land and Property

- 5.4 Peel Land and Property has control of key sites in Haydock around the junction of the M6 and A580. The sites have been in the ownership of Peel Land and Property for about 20 years, with the original planning for a retail park, however, with recent market movements the planning is now for a logistics park. The high profile site in close proximity to Haydock was highlighted.
- 5.5 The representative of Peel Land and Property highlighted the strong market demand in the area for large logistics/warehouse developments, of the order of 65,000-75,000 sqm of floorspace. The representative stated that the market is being led by the major retailers and the ecommerce market. The local area provides an excellent area for regional distribution centres for retailers that would service Liverpool, Manchester, the M6 corridor and even Scotland. Peel Land and Property consider that the site could support about 200,000 sqm of floorspace, although they are proposing about 140,000 sqm on the site.
- 5.6 The representative highlighted the strong growth in the ecommerce market as consumers increasingly purchase goods online. This is having an effect on how the traditional retailers operate as well as the specialist online retailers.

- 5.7 At Core Strategy Examination, the representative stated that Council were against adding the site to the site allocations, saying it was not needed. Peel considers that the market has changed and the market wants such a product, citing the success of Omega Warrington as an example.
- 5.8 Peel is in dialogue with Aimia Foods, located in the area, who may intend to re-locate into one of the larger units in the North-East of the site. This leaves the potential opportunity for the site to house a food and drink 'cluster' if other relevant companies also decide to re-locate.
- 5.9 The representative discussed the timeframes for business development and relocations. Increasingly, businesses are wanting to cut down on the time it takes to move into new premises – planning around a timeframe of 24-36 months. When working with green belt land and around Council-imposed restrictions this is impossible. Peel Land and Property have had enquiries for premises at Haydock, including from The Hut Group and B&M but they have gone elsewhere because the site allocations and outline planning permissions were not in place.
- 5.10 As a result, suitable space appears to be in short supply and businesses are moving into premises based only on availability and not suitability – Peel believe that the Haydock site provides a number of businesses with a suitable space, meaning that their hand will no longer have to be forced into choosing new premises.
- 5.11 The site will rely heavily on its motorway access and its proximity not only to Liverpool, but to Manchester, between which it sits almost midway. Furthermore it was highlighted that the site could cater to some of the logistics demand generated by the Port, building on Haydock's long-established connection to the Port (a note was made of a long-established pipeline set-up between Haydock and the Port).
- 5.12 Peel Land and Property commissioned research on the immediate area and found that there was a definite need for local authorities to release more land. During the course of said research, the Haydock site rated highly as one of the most attractive/suitable potential sites in the area.
- 5.13 Peel Land and Property have increasingly focussed on design and build projects, rather than just land development. Port Salford is a major new inland investment on the Manchester Ship Canal which will be served by rail, water and motorway and is an early project for Peel's design and build approach. Food firm Culina has already agreed

to be the first tenant of the new development and has committed to creating 280 new jobs.

- 5.14 The market demand for rail freight transport at the planned Parkside development in St. Helens was questioned. Would businesses necessarily need rail freight transport (which in itself is a further drive away from the Port links)? Was certain that the Parkside development would provide help to North-Southbound routes and, more specifically, the Ports located in the South.
- 5.15 Liverpool 2 opens this year, which will add another layer of demand in the area due to it being a substantial piece of infrastructure. At the moment, the area can't make the most of it due to the land of large logistics land parcels.

Bericote Properties

- 5.16 Representatives of Bericote Properties and their consultant Nathaniel Lichfield and Partners were interviewed to discuss Bericote's site on the northern side of the A580 at Slag Lane.
- 5.17 The representatives highlighted the current demand in the market for large scale logistics sites in the area. They cited examples of food retailers looking for warehouse premises of the order of 50,000 sqm and even Amazon previously looking for sites of about 93,000 sqm (1,000,000 sqft). Very few areas can accommodate such large premises.
- 5.18 The key advantages of St Helens as a logistics node were highlighted, including proximity to the M6, growth of Liverpool City Region, local labour force and lack of sites in surrounding areas.
- 5.19 The site was reported to have the potential for about 140,000 sqm of floorspace, depending on the final requirements of users and layout. The site's attributes were highlighted, including proximity to the A580 connecting to the M6, access to Liverpool and being alongside the existing industrial areas of Haydock.

Langtree

- 5.20 Langtree is an active local developer and is in joint venture with St Helens Council to develop the Parkside Strategic Rail Freight Interchange at Newton-le-Willows. A representative of Langtree, as well as their planning consultant, were interviewed with regards to Parkside and generally about the local market.

- 5.21 The representative referred to the process for the Core Strategy 2012, citing that the property market is 'in a different world' in 2015 than what it was in the period 2010-2012 during the preparation of the Core Strategy. The market is now considered to be far more ambitious and strong. The logistics market has changed in a very short time, due to online shopping. Omega Warrington was cited as an example of the strong take-up of large logistics premises and was considered to have changed the perception in the market as to the quantity and quality of jobs that could be provided in logistics.
- 5.22 The representative stated that while the market has changed, the supply has not. They consider there is an 'absolute dearth' of large scale logistics premises throughout the North West, including those of the order of 9,000 sqm (100,000 sqft), 46,000 sqm (500,000 sqft) and 93,000 sqm (1,000,000 sqft).
- 5.23 The implications of devolution of government to the North West and One North policies were discussed. It was stated that the focus of business would move northwards. While the Golden Triangle around Northampton would still be an attractive location (and expensive), the policies for the North increases the developer focus on the region, including for NDCs and RDCs.
- 5.24 With regards to the Parkside site, the representatives acknowledged that it has been earmarked for development for a considerable time and has been held by developers (formerly Prologis before being acquired by Langtree) for some time. Once Langtree acquired the site they approached St Helens Council to propose a joint venture arrangement to deliver the development.
- 5.25 The representative stated that there are considerable infrastructure costs to deliver the project, including the development of the rail freight interchange and required road infrastructure upgrades. However, he stated a commitment to develop the project in a staged manner, to service the logistics market.

Businesses

JN Nichols

- 5.26 A representative from the headquarters of JN Nichols was interviewed. The headquarters are based in office space in Newton-le-Willows.

- 5.27 JN Nichols is the producer of a range of soft drinks, including the Vimto brands. While the firm previously undertook all stages of the manufacture, packaging and marketing of the products, JN Nichols now outsources the production and packaging of its products to third parties and concentrates on the marketing, development and sales of its products.
- 5.28 The original reasoning for the business locating to its current premises was to be close to Aimia Foods, which was linked to the business at the time, although no longer has a connection. The firm leased the office space for 10 years before deciding to purchase the unit outright. They have since upgraded the internal fitout of the premises. At the time of the purchase of the unit they considered other options, including Birchwood and Stonecross Business Park. They wanted to remain in the region as they strongly identify themselves as a North West firm and wanted to stay locally because many of their staff are locals. In particular the basic level jobs were filled by local St Helens residents and thus any move would need to factor their commute into the decision making process. As such, the firm decided to purchase their existing premises. The representative considers that the unit has sufficient capacity for their foreseeable future.
- 5.29 The Newton-le-Willows site is considered advantageous, close to the M6, which makes it very accessible for visitors to the business.
- 5.30 Manufacturing and packaging of the products takes place in several locations in the UK by several different businesses. The business does not consider that the manufacture of its products must be local to its headquarters.
- 5.31 The offices accommodate approximately 90 employees, mostly full time workers. Commuting is an issue for employees, with local road renovations often causing delays for workers. Furthermore, there is a lack of public transport options for workers. The nearest train station, Newton-le-Willows is too far to walk to and would not service workers living in St Helens or neighbouring areas. There is also no bus route that passes by the site, which would be more useful for local workers.
- 5.32 The lack of public transport is seen as an issue in recruiting staff, particularly for the lower paid positions. The representative pointed out that the out of town centre location, while having no public transport, does have generous and free car-parking.
- 5.33 The representative stated that the major infrastructure projects in the region may not be of direct benefit to their operations but would bring a bigger pool of employees to

the area, from which the firm could then recruit. The representative wondered what the housing and local transport issues would be that result from the major transport projects. While it appears that the regional transport issues are being sorted out, the local transport (getting employees to work) probably needs to be addressed. It was considered that Council could have an increased role in addressing local transport issues, including connecting bus routes to the Newton-le-Willows train station.

Ena Shaw

- 5.34 Ena Shaw is a textiles firm, manufacturing curtains, linen and soft furnishings. The firm owns their premises in Lea Green outright and consider it important that they stay at that site. The representative stated that there is sufficient capacity to expand on the site.
- 5.35 The business has previously leased premises in St Helens when they have had capacity constraints, but consider it a waste of money. Now all manufacturing and storage is undertaken on site.
- 5.36 Lea Green has very good road transport links, which is advantageous for the firm, but not good public transport links. The Lea Green train station is about 1.5 miles away, but it is not a station for workers to commute to Lea Green; rather it is for commuters out of St Helens to Manchester or Liverpool.
- 5.37 The representative considers that there is a surfeit of warehousing and manufacturing space available in St Helens for firms looking to relocate.
- 5.38 Most of Ena Shaw's 200 employees reside within a 5-mile radius. The firm had a peak employment of about 240 workers on site before gradually declining due to slower economic conditions. However, there has been a recent rise in employment. The representative stated that the recent budget announcement on the living wage would halt employment growth in the firm and may decrease employment levels.
- 5.39 Ena Shaw is investing in some automation for ready-made stock. While staff numbers have increased in recent years, there have been efficiency savings in the business. The representative stated that they may accelerate capital investment in response to the living wage announcement.
- 5.40 The distribution network of Ena Shaw is throughout the UK to retailers and direct to consumers (businesses and domestic). The representative can see possible benefits

for Ena Shaw resulting from the major projects, although it would be questionable whether the delivery time of stock to Ena Shaw would be improved upon development of Parkside or Liverpool 2. Certainly there would be advantages in removing more trucks from the road network.

NGF Europe

- 5.41 NGF is a subsidiary of NSG (a Japanese glass manufacturer) and is a manufacturer of glass fibre reinforcing for cam belts and strengthening cords. The operations are very specialist, being only one of three firms that produce this product in the world. As well as providing strengthening products for the automotive sector, the glass fibre manufacturing has uses in paints, plastics and cosmetics.
- 5.42 The main customer base of their business is the automotive parts sector. About three-quarters of their customers are in Europe, with only one in the UK. Other locations are the Americas and India. As such exporting networks are very important.
- 5.43 NGF Europe owns their current premises in Lea Green and recently upgraded their facilities, including relocating some operations from Japan. When asked about the reasons for being in the UK (or specifically St Helens) rather than in Europe where their customers are, the respondent stated that it was due to the existing infrastructure and premises being in the UK, but from a strategic viewpoint locating in Europe would have advantages. The historic reasons for locating in St Helens were because it was part of the Pilkington group but left in the early 1990's.
- 5.44 The firm currently has about 220 full-time equivalent positions on site. The manufacturing process is a labour intensive operation. As the process is so specialised there is limited automation available. Therefore labour costs are very significant to the business.
- 5.45 The specialisation also means that it is difficult to recruit staff with appropriate skills. They generally train staff internally. Engineering staff are particularly difficult to recruit. Staff typically reside locally within the St Helens or Wigan areas, although some are from further afield. Commuting to work is mainly by car, bicycle or walking. No one uses the Lea Green train station.
- 5.46 The representative sees particular benefits for NGF Europe from improvements to freight infrastructure due to their operations being so export focussed. Currently exports are sent by road to Southampton and shipped from there to Europe. A rail

option would be useful for the firm. Improvement to the capacity of the Port of Liverpool may result in them shipping from there, rather than Southampton. Either way, the business would want the most efficient and reliable means of delivering products, so increasing the capacity of freight infrastructure would be of benefit.

- 5.47 The freight projects also would have the potential to increase the overall economic output of the region, which would have a flow-on economic benefit to all businesses and increase the local employment pool.
- 5.48 NGF Europe has research links with Sheffield University and sponsors a doctorate student in London.
- 5.49 The representative considers that Council business support is very good, with a strong local Chamber of Commerce. An issue that Council faces is the on-going pressure for brownfield sites being lost to housing, whereas there needs to be protection to maintain for industrial uses.

Relocated Businesses

- 5.50 The BE Group also consulted with three businesses that had relocated their premises away from St Helens in recent times. The three businesses were:
- Crane Ltd
 - EB Guarding
 - Alfred H Knight.
- 5.51 While the consultations were brief, Crane and EB Guarding stated that the reasons for closing their St Helens premises were to do with operational efficiencies of their parent organisations, rather than for local reasons. Crane reported that it was more cost effective for their UK operations to have a more centrally located premises and thus they consolidated their operations to their other facilities in Ipswich and Northampton. EB Guarding had three office locations and recently consolidated to one site, in Warrington.
- 5.52 Alfred H Knight stated that they were unable to adequately expand its business in St Helens so is in the process of relocating their main operations to Knowsley, while maintaining a satellite facility in St Helens.

Other Organisations

Liverpool City Region Local Enterprise Partnership

- 5.53 The Liverpool LEP was consulted primarily in relation to the expanding Port of Liverpool and the associated SuperPort Liverpool Programme.
- 5.54 The LEP confirmed that the Liverpool City Region SuperPort: Market Analysis Land and Property Study (2014) remains the most up to date evidence of the additional land needs emerging from port growth. However, this study does not clarify how that need could be divided between the local authorities of the Liverpool City Region and beyond. It is accepted that further sub-regional research may be required to understand how the need could be realistically split between the different local authority areas. Research would also need to clarify the likely time period in which further land needs to be brought forward.
- 5.55 The need is for unconstrained sites, which can support premises of 10,000 sqm or more. Needs are likely to be split between B2 and B8 uses and accordingly there is the need for flexibility between these two uses in site allocations. The representative acknowledged that the current focus is on warehousing/logistics. When specific requirements emerge they are likely to be relatively urgent and it is felt that if a plot cannot be brought forward in less than 18 months it will not meet needs. Occupiers want well connected sites with capacity for expansion and that are ready in the near term.
- 5.56 The new port terminal is expected to double port throughput over the next 10-20 years. To account for this growth the LEP, supporting the Port Access Steering Group, is prioritising infrastructure investment in a range of transport modes. This includes supporting road improvements. On the railways, port growth is expected to increase rail activity to 38 trains a day, and lines through Bootle may need upgrades to support this. Traffic along the Manchester Ship Canal is expected to reach 30,000 containers a day.
- 5.57 The representative considers that the Parkside Strategic Rail Freight Interchange is a key component of the SuperPort programme and the LEP is very supportive of it. However, it is recognised that this is likely to be a longer term project. It is multi-modal, which is important for improving logistics delivery and such projects are supported by the EU. The representative stated that they can see Liverpool 2 supporting the North

West's access to the American markets, whereas Parkside would support the region's access to the European market, through rail connections to the southern ports.

Engineering Employers Federation

- 5.58 The Engineering Employers Federation (EEF) is an industry body for engineering and manufacturing employers, offering support on employment law, employee relations, health and safety, skills, productivity improvement, research and intelligence, health, safety and environmental issues. It has 300 members in the North West, including international firms such as Heinz and Siemens.
- 5.59 In discussions, the EEF commented on business sectors which, in its opinion, have potential for further growth in the region, including logistics, automotive and food and drink.

6.0 BUSINESS SURVEY

Introduction

- 6.1 A business survey has been carried out to establish evidence of local demand for land and property, and substantiate findings in other sections of this study. It also widens the consultation process and provides direct empirical data on the demand for property and land. It is another strand of evidence that is used to inform the study's conclusions and recommendations. Furthermore the survey is used to gain an insight into the awareness of St Helens' businesses of the Liverpool 2 and Parkside projects and their opinions on the potential benefits for their operations.
- 6.2 These views are the opinions of the representatives of the surveyed businesses at the time of the consultation. They are not the views of St Helens Council or its officers.

Methodology

- 6.3 200 St Helens businesses were surveyed by telephone in July 2015. The survey comprised of a written questionnaire completed by the surveyor during the telephone conversation. The questionnaire covered basic information regarding the respondent's business, questions regarding intents to relocate premises and awareness of the major infrastructure projects. Business details were derived from business databases, including EGi, Intergovernmental Business Data Register (IDBR) and St Helens Council's in-house database of businesses. The databases were filtered to target businesses types that typically locate in B-Class building stock were targeted. The questionnaire is provided in Appendix 3.

Company Size

- 6.4 The 200 companies together employ some 3,899 people. Of these, 4.0 percent are part-time employees. 170 respondents (85 percent) only reported having full-time staff. The median number of full-time employees of the respondents was 15.
- 6.5 Table 39 shows the number of staff for each responding business. The ONS data on business sizes in St Helens presented in section 3.0 showed that some 84.6 percent of St Helens' businesses had less than 10 staff and 2.6 percent had more than 50 workers. The survey responses had a different profile, with 29 percent having less than 10 workers and 6 percent having more than 50 workers. The reason for this discrepancy is that the surveyed businesses were targeted to those typically locating on B-class sites and single operator businesses were filtered out.

Table 39 – Business Size

| | Business Size, employees | | | | | | | Total |
|-------------|--------------------------|-----|------|-------|-------|------|------------|-------|
| | 0-2 | 3-5 | 6-10 | 11-20 | 21-50 | 51 + | Not Stated | |
| Respondents | 13 | 13 | 45 | 66 | 50 | 12 | 1 | 200 |

Source: BE Group 2015

Current Premises

- 6.6 Businesses were asked to state the type of property they occupy e.g. offices, industrial, warehouse, etc. Table 40 summarises the split of types of property. The targeted nature of the survey is reflected in the distribution of property types of the respondents. 70 percent of respondents are in industrial or warehouse premises.

Table 40 – Accommodation Type

| Size, sqm | Number of Businesses Responding | Proportion of Businesses Responding, percent |
|-------------------------|---------------------------------|--|
| Office | 32 | 16.0 |
| Service Office | 1 | 0.5 |
| High-tech/Laboratory | 2 | 1.0 |
| Industrial | 129 | 64.5 |
| Warehouse | 11 | 5.5 |
| Home-based | 24 | 12.0 |
| Site (undeveloped land) | 0 | 0.0 |
| Barn Conversion | 1 | 0.5 |
| Other | 0 | 0.0 |
| Total | 200 | 100.0 |

Source: BE Group 2015

- 6.7 Even though the survey was targeted towards businesses typically in B-class units, some 12 percent of businesses surveyed were home-based. This indicates a potential further opportunity for St Helens as these businesses mature and may look for designated business space.
- 6.8 Businesses were asked to indicate whether they own or rent their property. Two-thirds indicated that they own their premises and one-third rent. This is considered a high proportion of owner/occupiers, particularly when considering 70 percent are in industrial or warehouse accommodation.

- 6.9 Table 41 indicates the sizes of premises occupied by companies. Reflecting the dominance of industrial/warehouse premises and the lower proportion of microbusinesses, the size profile of the premises occupied shows that the significant majority of businesses were in the 500-5,000 sqm floorspace range.

Table 41 – Size of Premises Occupied

| Area | Size, sqm | | | | | | | | |
|-------------|-----------|---------|---------|-----------|-------------|-------------|--------|------------|-------|
| | 0-100 | 101-200 | 201-500 | 501-1,000 | 1,001-2,000 | 2,001-5,000 | 5,001+ | Not Stated | Total |
| Respondents | 0 | 0 | 25 | 41 | 60 | 57 | 5 | 13 | 200 |

Source: BE Group 2015

- 6.10 Respondents were asked to comment on whether they were satisfied with their present accommodation, and if not to explain why. All 200 respondents reported satisfaction with their premises (198 satisfied, 2 very satisfied). The BE Group has undertaken several of these surveys throughout the UK over several years and it is unusual that no respondents reported some level of dissatisfaction with their premises.
- 6.11 Dissatisfaction often is associated with inefficient use or lack of space. A reason for the lack of dissatisfaction with current premises may be due to the relative availability of space for local firms to move into in St Helens. As revealed in section 4.0 there is a variety of built, vacant office and industrial stock in St Helens across a range of sizes that would be appropriate for the types of businesses surveyed in this study. Therefore any dissatisfaction could be addressed by a relocation of premises within St Helens. Also there has been a period of development pre-recession, and the overall stock has improved in the Borough.
- 6.12 Furthermore all respondents were asked whether their business had an intention to relocate premises within the coming year or within 2-3 years. No respondent stated that their business had an intention to relocate premises within that timeframe, which is a typical period within which businesses consider and plan for a movement of their operations. This is unusual and may be for a variety of reasons – satisfaction with existing space, a caution in expansion following recession, or relocation to premises in recent years has met short term needs.

Infrastructure Projects

- 6.13 Respondents were asked about the potential implications of the SuperPort and Parkside projects for their business. In separate questions they were asked whether

they thought the projects would be beneficial for their business. Table 42 detail the responses for both questions. Interestingly, the expansion of the port was considered by more businesses to be of benefit for their operations, compared with the Parkside project.

Table 42 – Benefit of Major Projects

| Size, sqm | Yes, Beneficial | No, Not Beneficial | No Change |
|-----------|-----------------|--------------------|-----------|
| Parkside | 15 | 181 | 4 |
| SuperPort | 48 | 151 | 1 |

Source: BE Group 2015

- 6.14 It is not considered that the ‘no, not beneficial’ responses represent a position that the respondents consider the projects to be a negative for their business, rather it is unlikely to affect their businesses, essentially the same as the ‘no change’ option.
- 6.15 Respondents were prompted to provide a reason for their answer. Responses for stating that Parkside would be beneficial for their business included:
- Helping in the import or export of goods
 - Assisting in general business growth
 - Complements their transport/distribution operations
 - Takes lorries off the motorway network
 - Transportation of large items
 - Improves their distribution around the UK
 - Improves connections to Europe.
- 6.16 Responses for stating that the SuperPort would be of benefit to their business included:
- Helping in the import or export of goods (most popular response)
 - Improve business activity for their business
 - Complements their transport/distribution operations.
- 6.17 Respondents were asked as to the likelihood of using the rail freight facilities at Parkside. 17 businesses stated that they were likely or very likely to use the facilities, which equates to 8.5 percent of respondents.

Summary

- 6.18 In the BE Group’s experience of undertaking these surveys, it is highly unusual that we do not receive any responses stating an intention to relocate premises. It is

considered that one of the reasons for this are that there is a sufficient availability of stock in the local area to accommodate businesses of the type that have been surveyed, although there are other factors associated with business planning that also influence the responses.

- 6.19 Those indicating that they consider the major infrastructure projects as a benefit for their business are in the minority but still suggest a recognition of the potential for St Helens. The higher recognition of the benefits of the SuperPort probably reflect the more understood and clear role that the Port of Liverpool has in the economy, rather than the potential strategic rail freight interchange.

7.0 FUNCTIONAL ECONOMIC MARKET AREA

7.1 This section defines and reviews the functional economic market area of St Helens, as a recognition that the St Helens economy does not operate in isolation, but rather it has intricate and important relationships with neighbouring areas.

7.2 The guidance for Housing and Economic Development Needs Assessments produced by the Department for Communities and Local Government includes guidance for the definition and consideration of a functional economic market area. The guidance states:

“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- *extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*
- *administrative area;*
- *Catchment areas of facilities providing cultural and social well-being;*
- *transport network.”*

7.3 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for the local economy.

7.4 Being part of a broader conurbation, St Helens' economy clearly does not operate in isolation. The evidence base that influences the definition of St Helens' functional economic market area includes:

- St Helens is part of the Liverpool City Region and Liverpool City Region Local Enterprise Partnership

- St Helens has a net outflow of workers (i.e. more local residents commuting out of St Helens for work than workers commuting into St Helens), as seen in Table 20 of section 3.0
- 60 percent of St Helens' workforce also reside in St Helens. This was reinforced in the consultation process
- Other key destinations for employment of St Helens working residents are Warrington, Knowsley, Liverpool and Wigan
- In terms of worker flows in and out of the St Helens, St Helens has a far stronger relationship with the Liverpool City Region than with Greater Manchester. Most of the relationship with Greater Manchester is St Helens' relationship with Wigan
- The 2011 and 2015 Mid-Mersey Strategic Housing Market Assessments incorporated St Helens, Halton and Warrington boroughs
- The business survey for this study highlighted that a minority but significant proportion of St Helens businesses did consider that the SuperPort, including expansion of the Port of Liverpool, would have benefits to their business, inferring a relationship between Liverpool and St Helens
- St Helens' position relative to the motorway network is such that it has excellent north-south links and east-west links between Liverpool and Manchester
- Higher order retail facilities available for St Helens residents are located within Liverpool, Trafford and Manchester. Sub-regional facilities would be within St Helens itself as well as Warrington. St Helens would attract consumers from neighbouring authorities.

7.5 On balance, it is considered that the functional economic market area for St Helens should be defined as the Liverpool City Region plus Warrington and Wigan boroughs.

7.6 The remainder of Greater Manchester has been excluded due to its lower relationship with St Helens. As mentioned previously, the functional economic market area should incorporate the key relationships, rather than all relationships. St Helens has some relationship with Manchester and there would be individual businesses within St Helens that would consider Manchester part of their core client base. However, overall the relationship is significantly weaker the relationship with the defined area.

8.0 OBJECTIVELY ASSESSED NEEDS

Introduction

8.1 Planning Practice Guidance states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods. This section explains the approach used to take account of PPG. That methodology uses three models to assess land needs. None provide a definitive answer, but they provide influences to be understood. They must also be considered in light of the market overview undertaken as part of this study. The three models are:

- Historic land take-up forecast

This reviews the actual take-up of employment land in the Borough over a period of time. The method is not wholly reliable as there will be peaks and troughs, different time periods taken can also result in different outcomes and it relies on accurate recording of land take-up over several years. A period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up.

- Employment based forecast

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on a jobs to floorspace density, which in turn can be translated into the projected land need.

- Resident workforce forecast

This uses the same method of forecasting as the employment based method but takes forecast changes in the working population i.e. labour supply, rather than jobs – labour demand.

We have found in other recent studies that labour supply figures do not accurately predict future land needs. The relevance of the figures are more related to evaluating the relationship between economic and housing needs. Therefore, there is more reliance on the other two methods.

8.2 The forecast period is 2012 to 2037, provided in five-year periods.

8.3 Employment based forecasts use data commissioned for this study from Cambridge Econometrics and Oxford Economics. They represent modelling based on data that was available up to June 2015. As such they should incorporate recession and post-recession economic performance in St Helens. The forecasts received from

Cambridge Econometrics are to 2031, whereas the forecasts from Oxford Economics are to 2037. The BE Group has extrapolated the Cambridge figures to 2037 based on a continuation of the trends in the model.

- 8.4 For each model we have commented upon the implications in terms of the volume of land required. Historic take-up is a direct comparison of land developed, whereas forecast data must be translated from jobs numbers to land. This is achieved through estimating the number of employees likely to be employed on a per floorspace basis, and that floorspace in turn is translated to a rate per ha. Job related densities used equate to those identified in the Homes and Communities Agency and OFFPAT (Office of Project and Programme Advice and Training) Employment Densities Guide 2nd Edition, published in 2010. Floorspace to land ratios are based on our experience of development requirements, and are in line with industry accepted norms.
- 8.5 Consideration is then given to whether forecasts based on historical growth (land, population or workforce) is applicable in the forecast period for St Helens. The current market trend of strong growth in the logistics sector and further potential impetus from major projects such as Liverpool 2 or Parkside are factored into the models to produce a series of adjusted models.

Baseline Forecasts

Model 1: Historic Land Take-Up

- 8.6 Employment land take-up was reviewed in Tables 26 and 27 of section 4.0 of this report, from data recorded by St Helens Council. Table 44 below summarises the gains in employment land take-up from 1997.

Table 44 – Employment Land Take-Up 1997-2014

| Period | Total (ha) |
|---------|------------|
| 1997/98 | 1.86 |
| 1998/99 | 7.19 |
| 1999/00 | 7.14 |
| 2000/01 | 9.26 |
| 2001/02 | 1.26 |
| 2002/03 | 19.13 |
| 2003/04 | 5.33 |
| 2004/05 | 6.73 |

| Period | Total (ha) |
|---|-------------------|
| 2005/06 | 12.32 |
| 2006/07 | |
| 2007/08 | 6.98 |
| 2008/09 | 0.41 |
| 2009/10 | 3.35 |
| 2010/11 | 4.43 |
| 2011/12 | 1.43 |
| 2012/13* | 0.11 |
| 2013/14* | 0.08 |
| 2014/15* | 0.53 |
| Total | 87.54 |
| Average Gain Per Annum (1997-2015) | 4.86 |
| Average Gain Per Annum (1997-2012) | 5.79 |

Source: St Helens Council 2015

* Shaded years show the actual take-up after 2012, the commencement date of this study's forecast period 2012-2037

- 8.7 Table 44 shows an average annual take-up rate of about 4.9 ha since 1997. It is noted that the more recent years have been below the full period's average, with 2007/08 the most recent period that was above average. This is typical of most regions in the UK, with softer economic conditions impacting on developer confidence. The highest take-up in a given year was 19.13 ha in 2002/03, over double any other individual year. This was due to the 17 ha development of the Wincanton (The Co-op) distribution centre at Lea Green. This is indicative of the very land consumptive nature of large-scale distribution centres and the influences on local land take-up.
- 8.8 The strongest growth period of land take-up was the decade 1998-2008, which had a total take-up of 75.34 ha or 86 percent of the total gain. This period recorded an average annual take-up of 7.5 ha. This strong growth period could be considered as indicative of a more aspirational scenario for take-up in St Helens and one in which there was substantial choice in the supply of land. Furthermore, it is prudent planning practice to consider the potential for stronger growth so that planning has sufficient flexibility to accommodate a strengthening market.
- 8.9 Employment land take-up rates are influenced by supply and demand forces. The ready availability of adequately serviced and appropriately positioned employment land is a key determinant in the level of take-up, as businesses considering locating on

employment land would have more options for their particular needs. A more constrained area, with limited options of employment land, may miss out on potential take-up by businesses unable to find adequate land and thus may choose land in neighbouring local authorities. Demand can change due to overarching economic conditions influencing the appetite for property development or more localised influences such as changes to the local economy. The performance of a locality's catalytic businesses, either positive or negative, would influence the demand for employment land from those businesses seeking to locate near to the catalytic businesses. For example, the automotive industry is characterised by a small number of very large auto manufacturers surrounded by a large array of smaller component manufacturers and suppliers that gravitate to the industrial area around the auto manufacturers. Changes to the large auto manufacturers have substantial impacts on the performance of the surrounding industry.

8.10 The historic take-up of employment land in St Helens, as summarised in Table 46, has been influenced by the economic performance of the UK throughout this period and the localised issues of the availability of land.

8.11 Table 45 provides forecasts for employment take-up for the period 2017-2037 based on three average annual take-up options – the overall 1997-2015 average of 4.9 ha; the 1997-2012 average of 5.8 ha; and the average based on the growth period 1998/08 of 7.5 ha. It is known that the period 2012-2015 has recorded a total gain of 0.74 ha (0.25 per annum). Therefore there is a further column in Table 45 allowing for the actual growth.

Table 45 – Employment Land Take-Up Scenarios, Cumulative Take-up (ha)

| Scenario | Assumed Ha/Year | 2017 | 2022 | 2027 | 2032 | 2037 | Projection of Ha/Year (2012-2037) | Projection of Ha/Year (2012-2037), including actual growth 2012-2015 |
|------------------|-----------------|------|------|-------|-------|-------|-----------------------------------|--|
| Period 1997-2015 | 4.9 | 24.5 | 49.0 | 73.5 | 98.0 | 122.5 | 122.5 | 108.5 |
| Period 1997-2012 | 5.8 | 29.0 | 58.0 | 87.0 | 116.0 | 145.0 | 145.0 | 128.3 |
| Growth Period | 7.5 | 37.5 | 75.0 | 112.5 | 150.0 | 187.5 | 187.5 | 165.7 |

Source: BE Group, 2015

8.12 The model should also build in a further buffer of five years' supply to reflect a choice

of sites by size, quality and location and to provide a continuum of supply beyond the end of the planning period. Table 46 shows what the land need looks like for each of the scenarios, inclusive of such a buffer.

Table 46 – Employment Land Take-Up Scenarios with a Five Year Buffer, ha

| Scenario | Assumed Ha/Year | Inc Five Year Buffer | |
|------------------|-----------------|-----------------------------------|--|
| | | Projection of Ha/Year (2012-2037) | Projection of Ha/Year (2012-2037), including actual growth 2012-2015 |
| Period 1997-2015 | 4.9 | 147.0 | 133.0 |
| Period 1997-2012 | 5.8 | 174.0 | 157.3 |
| Growth Period | 7.5 | 225.0 | 203.2 |

Source: BE Group, 2015

Model 2: Employment Based Forecast

- 8.13 This model assesses the changes in forecast jobs by industry sector for St Helens and calculates the employment land demand changes based on these jobs forecasts. The forecasts were purchased from Cambridge Econometrics and Oxford Economics. Table 47 provides a summary of the overall employment projections of the two forecasters by five year period. The Cambridge Econometrics projections are to 2031 only. BE Group has extrapolated the figures to 2037 to accord with the study period by continuing the model's trends.
- 8.14 The forecasts from both organisations are based on historical patterns in employment, population growth and other demographic indicators. The historic employment changes in St Helens would be influenced by the availability of land at that time and thus demand projections built upon such trends would implicitly assume comparable levels of land supply. A more growth oriented policy from Council, with increased choice of available employment land, may mean that such an assumption is unreasonable.
- 8.15 Cambridge Econometrics has projected a higher rate of employment growth in St Helens than Oxford Economics. It is also noted that the 2012 base for Cambridge is slightly lower than that for Oxford.

Table 47 – Employment Forecasts 2012-2037

| Forecast | 2012 | 2017 | 2022 | 2027 | 2032* | 2037* | Change 2012-37 |
|------------------|--------|--------|--------|--------|--------|--------|----------------|
| Cambridge | 67,800 | 71,100 | 72,400 | 73,400 | 74,500 | 75,800 | 8,000 |
| Oxford | 68,900 | 69,900 | 70,700 | 70,900 | 70,600 | 70,400 | 1,500 |
| Difference (C-O) | -1,100 | 1,200 | 1,700 | 2,500 | 3,900 | 5,400 | |
| Difference (%) | -1.6 | 1.7 | 2.3 | 3.4 | 5.2 | 7.1 | |

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

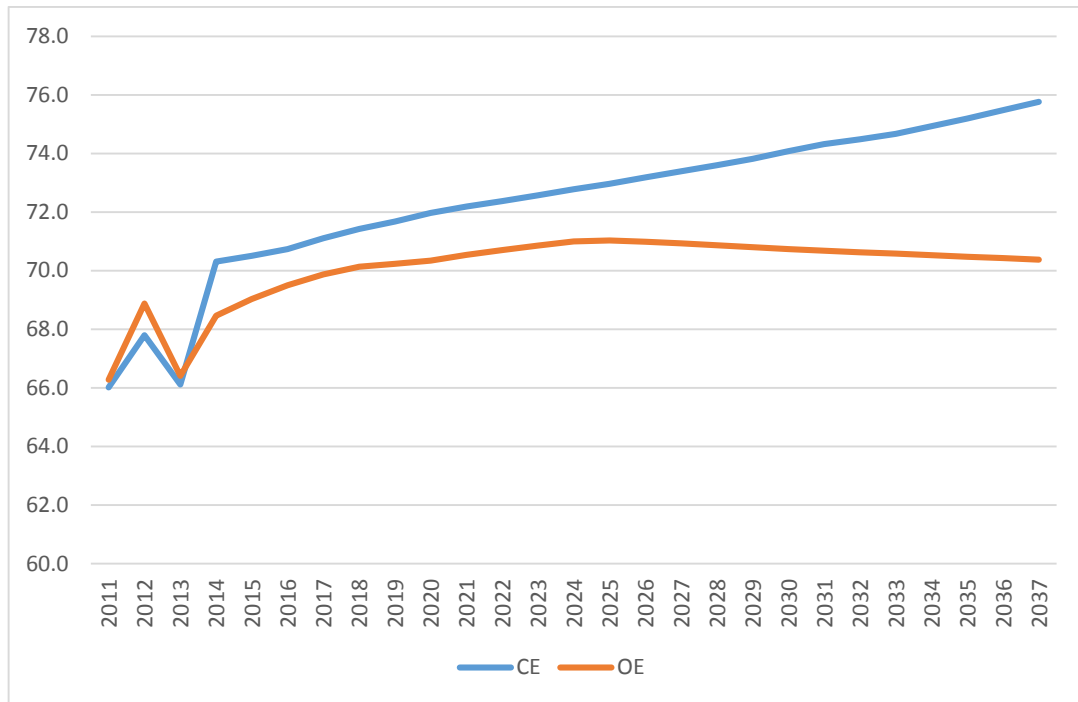
8.16 The employment projections of Oxford peak in 2025 before slowly declining, whereas the Cambridge projections grow year-on-year. Figure 7 illustrates the different projection profiles of the forecast models.

8.17 By comparison, Figure 8 illustrates the ONS' residential population growth projection for St Helens, for both the total population and the working population (15-64 year olds). It shows a positive growth in the total population over the projections period, although tapering off beyond 2030. However, the working age cohort is projected to decline over the projected period. While the projection profiles of the St Helens residential population cannot be directly compared with the workforce projections (due to in/out commuting), the declining working age residential population in St Helens may suggest that the Oxford Economics projections represent a more likely outcome for St Helens. In order to continue to increase the local employment in St Helens while the 15-64 year old cohort is declining (i.e. following the Cambridge Econometrics forecasts or similar) would require one or both of the following:

- An increase in the number of 65+ year olds remaining in the workforce. In recent years, in several areas of the UK this has been observed to already be happening
- An increase in the net level of in-commuting to St Helens.

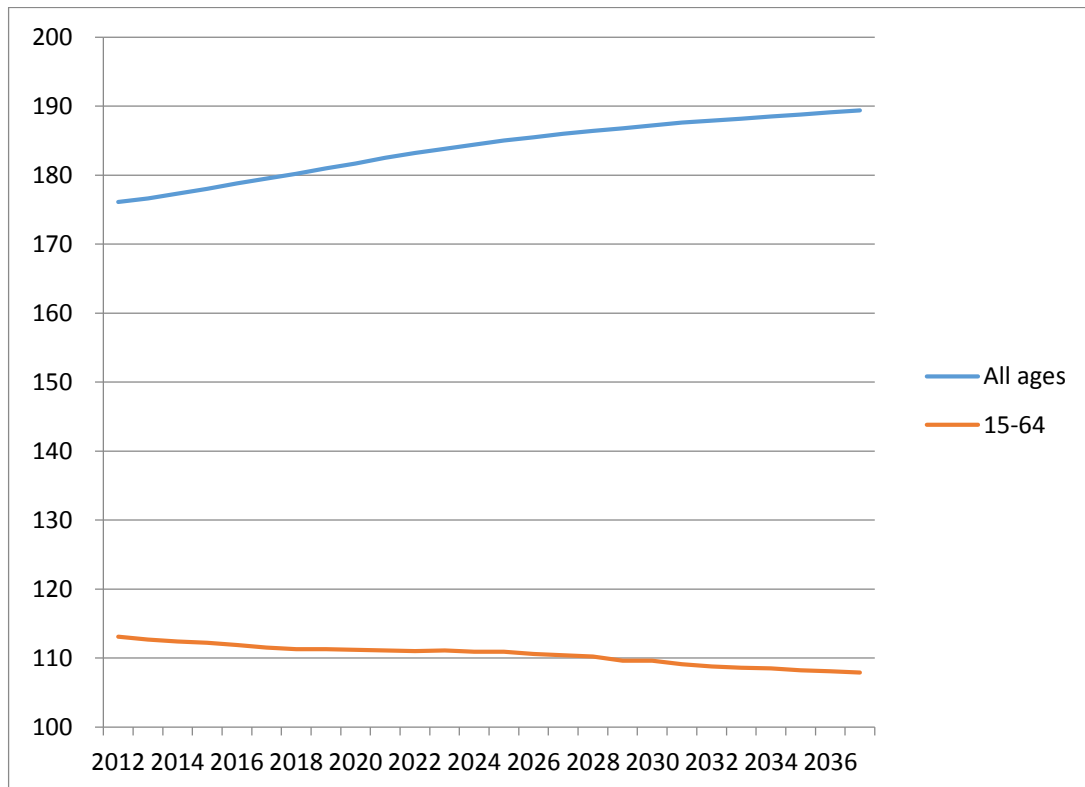
8.18 Alternatively, if the higher growth rate is to occur, the actual population growth for St Helens would need to be higher than that projected by the ONS in 2012.

Figure 7: Cambridge and Oxford Total Employment Growth (000's)



Source: Cambridge Econometrics and Oxford Economics

Figure 8: St Helens Residential Population and Working Age Projections (000's)



Source: ONS

Industry Sectors

8.19 Both forecasts include employment projections for industry sectors. The full year-on-year projections are provided in Appendix 4 (Cambridge Econometrics) and Appendix 5 (Oxford Economics). The two forecasts are not broken into the same industry sectors. BE Group has amalgamated the industry sectors in each model to the SIC 2007 Divisions for direct comparison. Table 48 below summarises the Cambridge Econometrics results to 2037 (figures extrapolated from 2031 by BE Group). The following Figure 9 illustrates the change in employment numbers between 2012 and 2037 forecast by Cambridge.

Table 48 – Cambridge Econometrics Forecast Employment Change by SIC Divisions 2012-2037

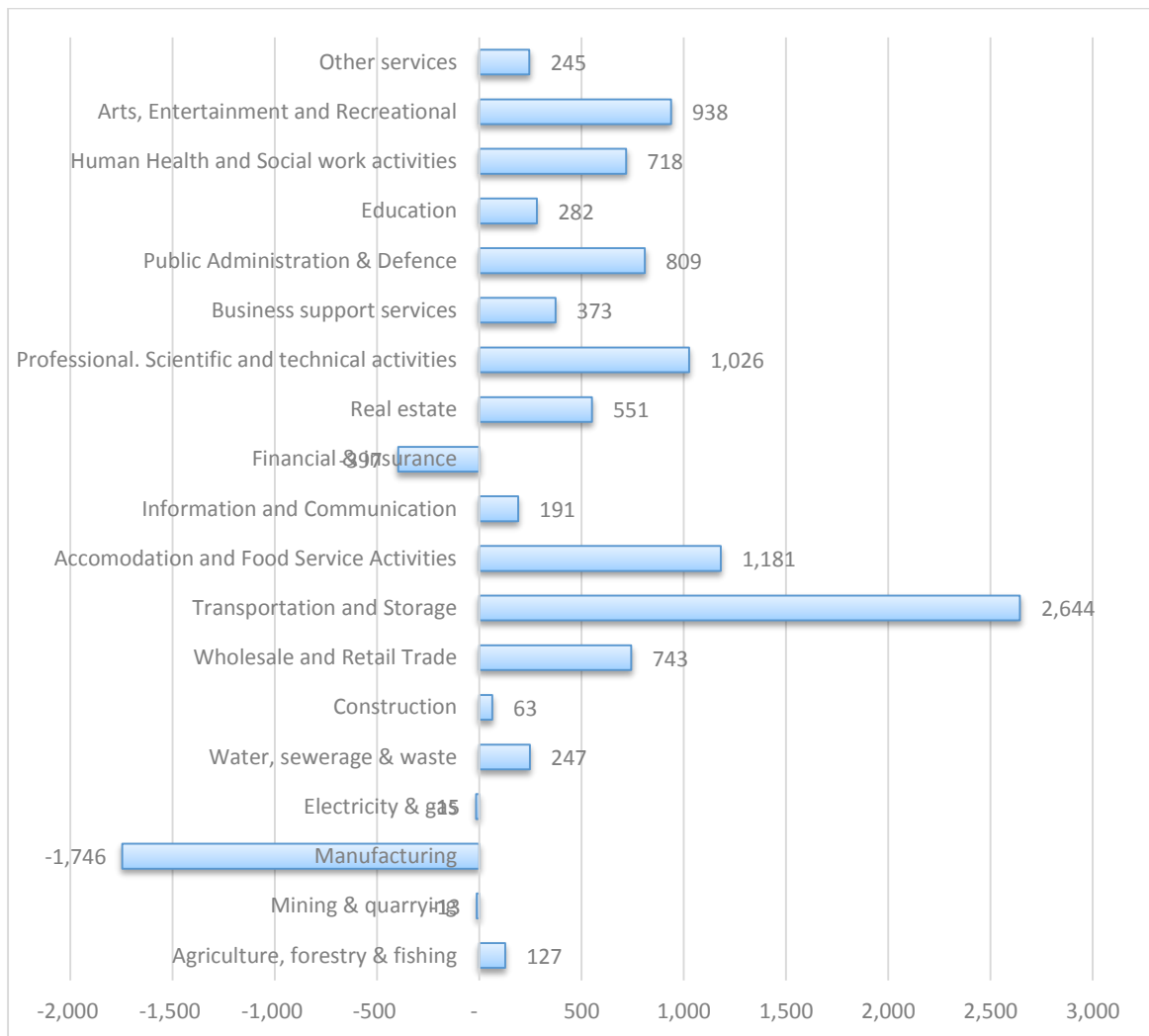
| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032* | 2037* | Change 2012-37 |
|---|-------------|-------------|-------------|-------------|--------------|--------------|-----------------------|
| Agriculture, forestry & fishing | 300 | 452 | 438 | 433 | 430 | 427 | 127 |
| Mining & quarrying | 21 | 12 | 11 | 10 | 9 | 8 | - 13 |
| Manufacturing | 7,125 | 6,476 | 6,120 | 5,797 | 5,554 | 5,379 | - 1,746 |
| Electricity, gas, steam and air conditioning | 78 | 52 | 54 | 56 | 59 | 63 | - 15 |
| Water, sewerage & waste | 614 | 677 | 762 | 795 | 827 | 861 | 247 |
| Construction | 4,878 | 4,579 | 4,728 | 4,808 | 4,875 | 4,941 | 63 |
| Wholesale and Retail Trade | 11,847 | 11,850 | 12,108 | 12,299 | 12,440 | 12,590 | 743 |
| Transportation and Storage | 5,249 | 6,977 | 7,270 | 7,380 | 7,631 | 7,893 | 2,644 |
| Accommodation and Food Service Activities | 3,392 | 3,715 | 3,973 | 4,234 | 4,400 | 4,573 | 1,181 |
| Info and Communication | 1,361 | 1,491 | 1,524 | 1,542 | 1,544 | 1,552 | 191 |
| Financial & insurance | 1,130 | 673 | 684 | 700 | 716 | 733 | - 397 |
| Real estate activities | 1,006 | 1,383 | 1,437 | 1,479 | 1,519 | 1,557 | 551 |
| Professional, Scientific and technical activities | 3,280 | 4,184 | 4,172 | 4,219 | 4,262 | 4,306 | 1,026 |
| Business support services | 8,115 | 7,713 | 7,941 | 8,128 | 8,300 | 8,488 | 373 |
| Public administration and defence | 2,720 | 2,359 | 2,690 | 2,958 | 3,220 | 3,529 | 809 |
| Education | 5,645 | 5,942 | 5,832 | 5,863 | 5,897 | 5,927 | 282 |
| Human Health and Social work activities | 7,675 | 8,464 | 8,455 | 8,427 | 8,410 | 8,393 | 718 |

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032* | 2037* | Change 2012-37 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Arts, entertainment and recreational | 1,379 | 2,021 | 2,045 | 2,095 | 2,199 | 2,317 | 938 |
| Other services | 1,978 | 2,083 | 2,133 | 2,166 | 2,190 | 2,223 | 245 |
| Total | 67,792 | 71,102 | 72,374 | 73,389 | 74,482 | 75,758 | 7,966 |

Source: Cambridge Econometrics

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

Figure 9: Change in Employment by Sector, Cambridge Econometrics



Source: Cambridge Econometrics

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

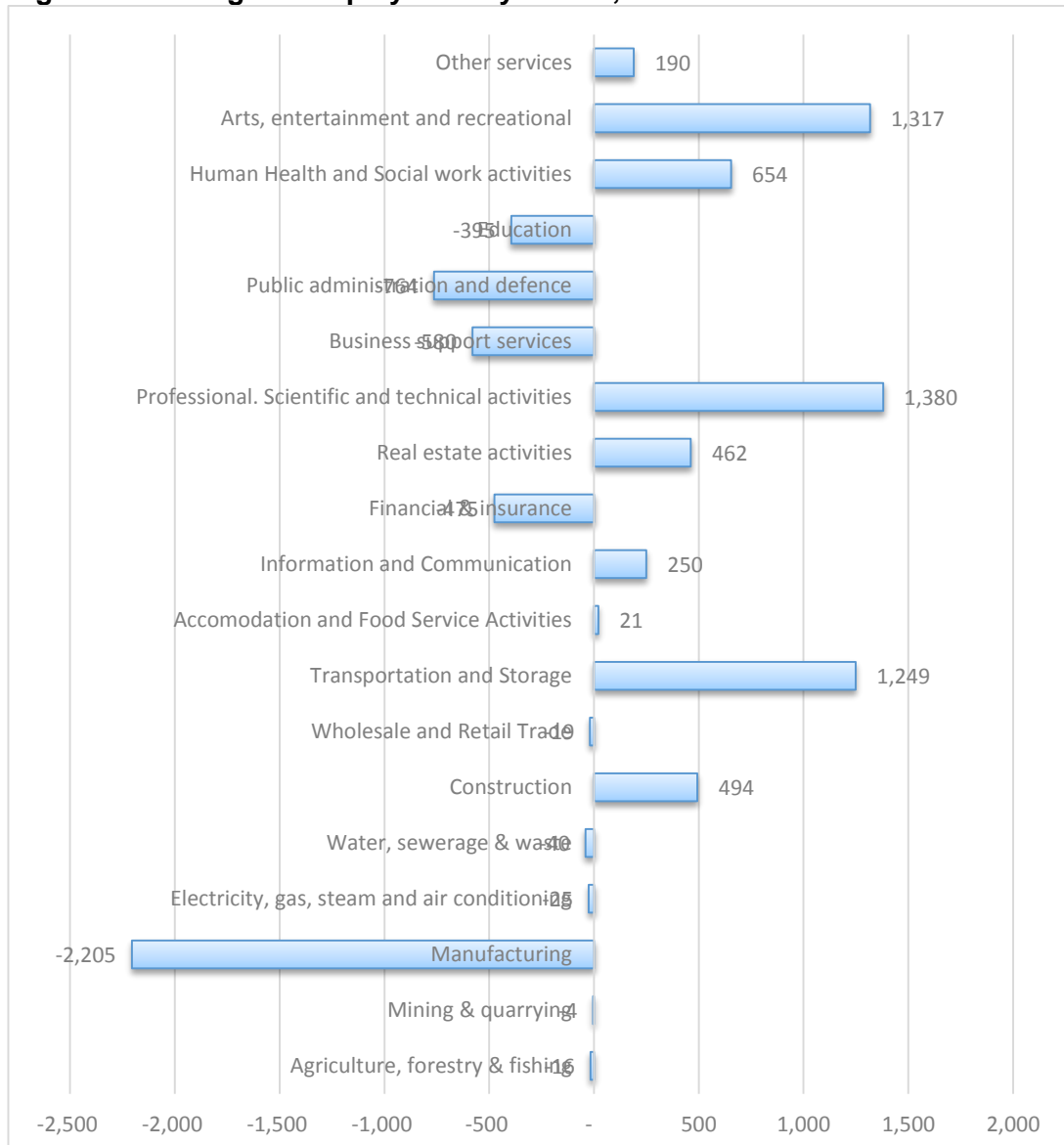
8.20 Table 49 summarises the Oxford Economics results to 2037 and illustrated in Figure 10.

**Table 49 – Oxford Economics Forecast Employment Change by SIC Divisions
2012-2037**

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 | Change 2012-37 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|
| Agriculture, forestry & fishing | 429 | 515 | 489 | 465 | 438 | 413 | - 16 |
| Mining & quarrying | 6 | 4 | 3 | 3 | 2 | 2 | - 4 |
| Manufacturing | 7,209 | 6,638 | 6,256 | 5,838 | 5,407 | 5,003 | - 2,205 |
| Electricity, gas, steam and air conditioning | 51 | 35 | 33 | 31 | 28 | 26 | - 25 |
| Water, sewerage & waste | 609 | 707 | 676 | 642 | 604 | 569 | - 40 |
| Construction | 4,452 | 4,182 | 4,427 | 4,620 | 4,782 | 4,946 | 494 |
| Wholesale and Retail Trade | 11,846 | 11,821 | 12,027 | 12,027 | 11,932 | 11,827 | - 19 |
| Transportation and Storage | 5,812 | 7,257 | 7,386 | 7,310 | 7,186 | 7,061 | 1,249 |
| Accommodation and Food Service Activities | 3,566 | 3,526 | 3,613 | 3,627 | 3,609 | 3,587 | 21 |
| Info and Communication | 1,295 | 1,381 | 1,458 | 1,494 | 1,519 | 1,545 | 250 |
| Financial & insurance | 1,090 | 657 | 647 | 637 | 626 | 614 | - 475 |
| Real estate activities | 1,150 | 1,423 | 1,494 | 1,542 | 1,577 | 1,612 | 462 |
| Professional, Scientific and technical activities | 3,102 | 3,836 | 4,073 | 4,230 | 4,354 | 4,482 | 1,380 |
| Business support services | 8,661 | 7,236 | 7,628 | 7,821 | 7,950 | 8,081 | - 580 |
| Public administration and defence | 2,718 | 2,368 | 2,165 | 2,107 | 2,028 | 1,954 | - 764 |
| Education | 5,786 | 5,752 | 5,611 | 5,566 | 5,476 | 5,391 | - 395 |
| Human Health and Social work activities | 7,816 | 8,192 | 8,187 | 8,328 | 8,396 | 8,470 | 654 |
| Arts, entertainment and recreational | 1,374 | 2,305 | 2,438 | 2,536 | 2,613 | 2,691 | 1,317 |
| Other services | 1,909 | 2,037 | 2,090 | 2,106 | 2,103 | 2,099 | 190 |
| Total | 68,880 | 69,872 | 70,703 | 70,929 | 70,631 | 70,375 | 1,494 |

Source: Oxford Economics

Figure 11: Change in Employment by Sector, Oxford Economics



Source: Oxford Economics

8.21 The key points to note in the sectoral projections are that:

- The manufacturing sector is projected to have the largest decline in jobs in St Helens by both Cambridge and Oxford
- Transport and storage was significantly the largest growth sector in the Cambridge modelling over the study period. Accommodation and food services and professional, scientific and technical services were the two other sectors with a projected growth of over 1,000 jobs
- Professional, scientific and technical services, transport and storage and arts, entertainment and recreational services were the three largest growth sectors in the Oxford Economics modelling

- The largest difference for a sector between the two models was 1,573 jobs in the public administration and defence sector. Cambridge Econometrics projected a 30 percent rise over 2012 levels, whereas Oxford Economics projected a 28 percent decline
- While overall the Oxford Economics projections were lower than the Cambridge Econometrics modelling, in some of the sectors that take office space the Oxford modelling was higher than Cambridge (e.g. professional, scientific and technical activities, information and communication).

8.22 In regards to this study, the key differences that potentially would have implications for the study are the differences in the transport and storage and wholesale and retail trade sectors. The difference in the manufacturing sector is probably of less relevance to the study, with the key point to note being that both show a substantial decline in manufacturing employment over the forecast period.

8.23 The more detailed subsectors of the transport and storage division are summarised in Table 50 for both data sets. The most significant difference between the Cambridge and Oxford projections was in the land transport subsector. With the proposed strategic rail interchange likely to have an impact over the planning period, the higher growth rate may be more likely. However, it should be noted that such a specific project is unlikely to be an explicit part of the Cambridge modelling.

Table 50 – Transport and Storage Division 2015-2033

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032* | 2037* | Change 2012-37 |
|-------------------------------|-------|-------|-------|-------|-------|-------|----------------|
| Cambridge Econometrics | | | | | | | |
| Land Transport | 3,201 | 3,193 | 3,301 | 3,421 | 3,720 | 4,033 | 832 |
| Water Transport | 5 | 1 | 1 | 1 | 1 | 1 | - 4 |
| Air Transport | 1 | 5 | 6 | 5 | 5 | 5 | 4 |
| Warehouse and Postal | 2,042 | 3,778 | 3,962 | 3,953 | 3,905 | 3,854 | 1,812 |
| Total Transport and Storage | 5,249 | 6,977 | 7,270 | 7,380 | 7,631 | 7,893 | 2,644 |
| Oxford Economics | | | | | | | |
| Land Transport | 3,737 | 3,051 | 3,110 | 3,080 | 3,028 | 2,976 | - 761 |
| Water Transport | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Air Transport | 1 | 0 | 0 | 0 | 0 | 0 | - 1 |
| Warehouse and Postal | 2,074 | 4,206 | 4,276 | 4,231 | 4,158 | 4,085 | 2,011 |

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032* | 2037* | Change 2012-37 |
|-----------------------------|-------|-------|-------|-------|-------|-------|----------------|
| Total Transport and Storage | 5,812 | 7,257 | 7,386 | 7,310 | 7,186 | 7,061 | 1,249 |
| Difference (CE-OE) | | | | | | | |
| Land Transport | - 536 | 142 | 191 | 341 | 692 | 1,057 | 1,593 |
| Water Transport | 5 | 1 | 1 | 1 | 1 | 1 | - 4 |
| Air Transport | 0 | 5 | 6 | 5 | 5 | 5 | 5 |
| Warehouse and Postal | - 32 | - 428 | - 314 | - 278 | - 253 | - 231 | - 199 |
| Total Transport and Storage | - 563 | -280 | - 116 | 70 | 445 | 832 | 1,394 |

Source: Cambridge Econometrics and Oxford Economics

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2033 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

8.24 Further examination of the wholesale and retail trade sector suggests that the key difference in this sector is the projections for the retail sector, which is of less relevance for the examination and projection of B-class employment land demand.

8.25 Using the two models, the BE Group has forecast employment floorspace and employment land requirements for St Helens. The methodology of calculating this requirement is as follows:

- Identify which industry sectors are likely to take up employment land, including the proportion of that sector's employment on employment land
- Adopt the Homes and Communities Agency's (HCA) employment densities as outlined in the Employment Densities Guide Second Edition (2010) to convert employment numbers to floorspace demand
- Adopt a plot ratio of 39 percent to convert floorspace to employment land demand.

Table 51 – Model Assumptions

| Sectors | Employment | | |
|-----------------------------|------------------------------------|----------------------------|--|
| | Percentage Occupying B-Class space | Floorspace per person, sqm | Comments |
| Agriculture | 5 | 12 | Managerial, admin |
| Manufacturing | 100 | 36-47 | Higher density reflects largely B2; a lower density can be applied to B1 light industry. Given the local St Helens economy, BE Group has adopted the higher density (36 sqm/job) |
| Utilities | 26 | 12 | Managerial, admin |
| Construction | 26 | 12 | Managerial, admin |
| Distribution | 48 | 70 | Warehouses, offices-non large scale/high bay facilities |
| Transport | 48 | 70 | Warehouses, offices-non large scale/high bay facilities |
| Financial & Business | 100 | 12 | |
| Government & Other Services | 22 | 12 | Local Government, Public Administration |

Source: SERPLAN and HCA, 2010

- 8.26 The calculations of employment land demand have been done separately for both models. Table 52 summarises the employment land demand projections based on the Cambridge Econometrics forecasts and Table 58 provides the land demand projections based on the Oxford forecasts.
- 8.27 The large projected decline in employment in the manufacturing sector is heavily influencing the calculations of land demand. Even the higher growth scenario, the Cambridge Econometrics forecast, has a relatively low employment land demand due to the influence of the declining workforce in the manufacturing sector.
- 8.28 Critically, this methodology relies on the assumption of a constant sqm floorspace/job over the forecast period. With productivity improvements through automation, streamlining of processes or component outsourcing, this is unlikely to correct. Considering the historic performance of the manufacturing sector over many decades, there has been a substantial increase in output per worker due to automation, technology and improved processes, which has resulted in some manufacturing areas declining in number of workers, yet continuing to operate and grow in the region.

8.29 Therefore it is unreasonable to assume that a decline in a sector's workforce would necessarily lead to a commensurate decline in the floorspace of that sector, as a declining workforce is not necessarily due to lower production levels. Businesses would require floorspace for additional plant and machinery for automated processes and therefore, while reducing their workforce may not reduce (or indeed may increase) their floorspace. Furthermore, due to the business disruption of relocating premises, even if a business did have lower floorspace needs as their workforce declined, there would still be a considerable lag between the reduction of the workforce and the reduction of the floorspace.

8.30 The employment land demand calculations for the growth sectors for both models are driven by the transport and storage and professional, scientific and technical sectors. Land demand calculated from workforce changes in growth sectors is more likely to represent a reasonable forecast of potential changes in employment land than for the same calculations in declining sectors. The two models show a B-class land demand of an additional 18.2-30.8 ha in St Helens from the sectors that are forecast to have an increasing workforce over the planning period 2012-2037.

Table 52 – Forecast Employment Land Demand based on Cambridge Econometrics 2012-2037

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job (sqm) | Floorspace Required (sqm) |
|--|--------------------------|-----------------------------------|---------------------------------------|--------------------------|---------------------------|
| Agriculture, forestry & fishing | 127 | 5 | 6 | 12 | 72 |
| Mining & quarrying | -13 | 0 | 0 | - | - |
| Manufacturing | -1,746 | 100 | -1,746 | 30 | -52,380 |
| Electricity, gas, steam and air conditioning | -15 | 26 | -4 | 12 | -48 |
| Water, sewerage & waste | 247 | 26 | 64 | 12 | 768 |
| Construction | 63 | 26 | 16 | 12 | 192 |
| Wholesale and Retail Trade | 743 | 0 | 0 | - | - |
| Transportation and Storage | 2,644 | 48 | 1,269 | 70 | 88,830 |
| Accommodation and Food Service Activities | 1,181 | 0 | 0 | - | - |
| Information and Communication | 191 | 100 | 191 | 12 | 2,292 |
| Financial & insurance | -397 | 100 | -397 | 12 | -4,764 |

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job (sqm) | Floorspace Required (sqm) |
|---|---------------------------------|--|--|---------------------------------|----------------------------------|
| Real estate activities | 551 | 100 | 551 | 12 | 6,612 |
| Professional, Scientific and technical activities | 1,026 | 100 | 1,026 | 12 | 12,312 |
| Business support services | 373 | 100 | 373 | 12 | 4,476 |
| Public administration and defence | 809 | 22 | 178 | 12 | 2,136 |
| Education | 282 | 0 | 0 | - | - |
| Human Health and Social work activities | 718 | 22 | 158 | 12 | 1,896 |
| Arts, entertainment and recreational | 938 | 0 | 0 | - | - |
| Other services | 245 | 22 | 54 | 12 | 648 |
| Total | 7,966 | | 1,739 | | |
| Increase in Floorspace – Growth Sectors (sqm) | | | | | +120,234 |
| Decline in Floorspace – Declining Sectors (sqm) | | | | | -57,192 |
| Net Change in Floorspace Demand (sqm) | | | | | +63,042 |
| | | | | | |
| Assumed Developable Floorspace per Hectare (sqm/ha) | | | | | 3,900 |
| | | | | | |
| Equivalent Employment Land Needed – Growth Sectors (ha) | | | | | +30.8 |
| Equivalent Employment Land Needed – Declining Sectors (ha) | | | | | -14.7 |
| Equivalent Employment Land Needed – Net (ha) | | | | | +16.2 |

Source: BE Group analysis

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

Table 53 – Forecast Employment Land Demand based on Oxford Economics 2012-2037

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job | Floorspace Required |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------|
| Agriculture, forestry & fishing | -16 | 5 | -1 | 12 | -12 |
| Mining & quarrying | -4 | 0 | 0 | - | |
| Manufacturing | -2,205 | 100 | -2,205 | 30 | -103,635 |
| Electricity, gas, steam and air conditioning | -25 | 26 | -6 | 12 | -72 |
| Water, sewerage & waste | -40 | 26 | -10 | 12 | -120 |
| Construction | 494 | 26 | 128 | 12 | 1,536 |
| Wholesale and Retail Trade | -19 | 0 | 0 | - | |
| Transportation and Storage | 1,249 | 48 | 600 | 70 | 42,000 |
| Accommodation and Food Service Activities | 21 | 0 | 0 | - | |
| Information and Communication | 250 | 100 | 250 | 12 | 3,000 |
| Financial & insurance | -475 | 100 | -475 | 12 | -5,700 |
| Real estate activities | 462 | 100 | 462 | 12 | 5,544 |
| Professional, Scientific and technical activities | 1,380 | 100 | 1,380 | 12 | 16,560 |
| Business support services | -580 | 100 | -580 | 12 | -6,960 |
| Public administration and defence | -764 | 22 | -168 | 12 | -2,016 |
| Education | -395 | 0 | 0 | - | |
| Human Health and Social work activities | 654 | 22 | 144 | 12 | 1,728 |
| Arts, entertainment and recreational | 1,317 | 0 | 0 | - | |
| Other services | 190 | 22 | 42 | 12 | 504 |
| Total | 1,494 | | -439 | | |
| Increase in Floorspace – Growth Sectors | | | | | +70,872 |
| Decline in Floorspace – Declining Sectors | | | | | -81,030 |
| Net Change in Floorspace Demand | | | | | -10,158 |
| Assumed Developable Floorspace per Hectare | | | | | 3,900 |
| Equivalent Employment Land Needed – Growth Sectors (ha) | | | | | +18.2 |
| Equivalent Employment Land Needed – Declining Sectors (ha) | | | | | -20.8 |

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job | Floorspace Required |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------|
| Equivalent Employment Land Needed – Net (ha) | | | | | -2.6 |

Source: BE Group analysis

8.31 The following Table 54 summarises the total cumulative employment land needs for both scenarios by five yearly periods. The final column includes the requirement for employment land by 2037 with a buffer equivalent to five years' supply for the Cambridge Econometrics scenario as it is a growing scenario.

Table 54 – Cumulative Employment Land Needs Over 2012 by Five Year Periods 2012-2037 (ha)

| Projection | 2017 | 2022 | 2027 | 2032 | 2037 | 2037 (inc 5-year buffer) |
|---|-------|-------|-------|-------|-------|--------------------------|
| Cambridge Econometrics | | | | | | |
| Employment Land Needs – Growth Sectors | +19.9 | +22.8 | +24.3 | +27.4 | +30.8 | +37.0 |
| Employment Land Needs – Declining Sectors | -8.1 | -9.8 | -11.6 | -13.4 | -14.7 | |
| Net Employment Land Needs | +11.8 | +13.0 | +12.7 | +14.0 | +16.2 | +19.4 |
| Oxford Economics | | | | | | |
| Employment Land Needs – Growth Sectors | +16.3 | +18.6 | +18.8 | +18.5 | +18.2 | +21.8 |
| Employment Land Needs – Declining Sectors | -10.6 | -12.3 | -14.9 | -18.0 | -20.8 | |
| Net Employment Land Needs | +5.7 | +6.3 | +3.9 | +0.5 | -2.6 | |

Source: BE Group analysis

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

8.32 It is noted that most of the employment land need requirement resulting from the two forecast sets are in the near term (i.e. 2012-17). Beyond this, the impact of the declining manufacturing sector is offsetting the growth of other sectors, such as transport and storage.

- 8.33 It is known that the actual employment land take-up during the period 2012-2015 has been only 0.74 ha, thereby suggesting that this near-term need has not been adequately met, potentially leading to a pent up demand that would need to be serviced in coming years.
- 8.34 The employment numbers and land projections based on the Cambridge and Oxford forecasts should be considered as a baseline level only. Such forecasts do not readily account for structural changes in a local economy, such as major infrastructure projects or significant changes in a sector's relative performance (e.g. the current strong growth in logistics in the region). These figures are baseline figures, with further analysis of the models to incorporate these additional factors provided under the Adjusted Forecasts heading later in this section.

Model 3: Resident Workforce

- 8.35 The population growth of the residential workforce (i.e. those that live in St Helens and are in the workforce either locally or elsewhere) was also examined to assess employment land demand.
- 8.36 The ONS 2012 population projections for local authorities was used as the base for these projections. The ONS project that the St Helens population would increase from 176,100 in 2012 to 189,400 persons in 2037, a rise of 7.6 percent. The ONS also provide projections of the 15-64 year old cohort, which is forecast to decline from 113,100 persons in 2012 to 107,900 by 2037. Therefore, critically for the assessment of employment needs, the traditional working age population of St Helens is in decline, with the driver of population growth being the 65+ age bracket. This cohort is projected to increase from 33,100 persons in 2012 to 50,700 persons by 2026, an increase of 53.2 percent. Importantly, while the overall population of St Helens is forecast to increase by 13,300 persons over the forecast period, the 65+ cohort is anticipated to grow by more than that amount, by 17,600 persons.
- 8.37 By comparison, the Oxford Economics modelling purchased for the study included St Helens resident population forecasts. Oxford Economics have projected a lower increase in the residential population to 2037, from 176,200 in 2012 to 183,000 persons in 2037, a rise of 3.9 percent, approximately half the percentage rise projected by the ONS. Oxford Economics projected that the employed residents of St Helens would increase from 80,300 workers in 2012 to 85,700 resident workers in 2037.

- 8.38 The ageing of the population would have significant implications for the local economy, including levels of activity in the economy and demand for employment. As the community continues to age, the participation in the workforce of the 65+ age bracket would be an increasingly important component. As at 2015, the ONS estimated that some 7.2 percent of this cohort was in employment, compared with 8.6 percent of the North West region and 10.4 percent for Great Britain.
- 8.39 It is possible to apply a similar methodology used for the employment forecasting to the population figures, as increasingly the Planning Inspectorate (reflecting NPPF guidance) is seeking to understand the link between population growth and employment growth. Population growth represents labour supply, whereas the employment figures represent labour demand. Whilst the jobs created through economic growth is the most important test for determining land needs for industry, the third test is still applied.
- 8.40 Table 55 summarises the projected employment change by five-year intervals based on the ONS population projections for St Helens. The BE Group has broken down the overall ONS projections into industry sectors, having regard to the historic sector breakdowns for the working resident population (see Table 15 of Chapter 3.0), Cambridge Econometrics and Oxford Economics' forecasts for the local employment and likely trends in the mix of the local economy. Table 56 provide the comparable forecasts based on the Oxford Economics population projections.

Table 55 – Employment Change by Sector for Resident Population 2012-2037 – ONS Forecast

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 | Change 2012-37 |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Agriculture, energy, water | 1,890 | 1,900 | 1,850 | 1,780 | 1,700 | 1,620 | -270 |
| Manufacturing | 8,660 | 9,070 | 8,990 | 8,720 | 8,490 | 8,110 | -550 |
| Construction | 6,760 | 7,260 | 7,490 | 7,650 | 7,680 | 7,840 | 1,080 |
| Wholesale and Retail Trade | 14,270 | 14,860 | 14,800 | 14,590 | 14,290 | 13,970 | -300 |
| Transportation and Storage | 4,830 | 5,180 | 5,460 | 5,780 | 5,980 | 6,310 | 1,480 |
| Accommodation and Food Service Activities | 3,650 | 3,970 | 4,230 | 4,450 | 4,640 | 4,870 | 1,220 |
| Info and Communication | 2,000 | 2,250 | 2,470 | 2,670 | 2,950 | 3,250 | 1,250 |

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 | Change 2012-37 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Financial & insurance | 2,050 | 2,170 | 2,210 | 2,230 | 2,240 | 2,260 | 210 |
| Real estate activities | 1,190 | 1,260 | 1,290 | 1,300 | 1,310 | 1,320 | 130 |
| Professional, Scientific and technical activities | 3,440 | 3,710 | 3,970 | 4,270 | 4,470 | 4,780 | 1,340 |
| Admin and support services | 4,040 | 4,280 | 4,320 | 4,270 | 4,290 | 4,240 | 200 |
| Public administration and defence | 5,010 | 5,180 | 5,200 | 5,070 | 4,910 | 4,780 | -230 |
| Education | 7,470 | 7,910 | 8,020 | 8,090 | 8,040 | 8,110 | 640 |
| Human Health and Social work activities | 12,720 | 13,650 | 14,010 | 14,230 | 14,470 | 14,780 | 2,060 |
| Arts and other services | 3,530 | 3,740 | 3,820 | 3,850 | 3,870 | 3,900 | 370 |
| Total | 81,510 | 86,390 | 88,130 | 88,950 | 89,330 | 90,140 | 8,630 |

Source: ONS, BE Group 2015

Table 56 – Employment Change by Sector for Resident Population 2012-2037 – Oxford Economics Forecast

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 | Change 2012-37 |
|---|--------|--------|--------|--------|--------|--------|----------------|
| Agriculture, energy, water | 1,860 | 1,870 | 1,800 | 1,720 | 1,630 | 1,540 | -320 |
| Manufacturing | 8,530 | 8,900 | 8,730 | 8,400 | 8,140 | 7,710 | -820 |
| Construction | 6,660 | 7,120 | 7,280 | 7,370 | 7,370 | 7,460 | 800 |
| Wholesale and Retail Trade | 14,060 | 14,580 | 14,380 | 14,060 | 13,700 | 13,280 | -780 |
| Transportation and Storage | 4,760 | 5,090 | 5,310 | 5,570 | 5,740 | 6,000 | 1,240 |
| Accommodation and Food Service Activities | 3,600 | 3,900 | 4,110 | 4,290 | 4,450 | 4,630 | 1,030 |
| Info and Communication | 1,970 | 2,200 | 2,400 | 2,570 | 2,830 | 3,090 | 1,120 |
| Financial & insurance | 2,020 | 2,130 | 2,150 | 2,150 | 2,150 | 2,150 | 130 |
| Real estate activities | 1,170 | 1,240 | 1,250 | 1,250 | 1,250 | 1,250 | 80 |
| Professional, Scientific and technical activities | 3,390 | 3,650 | 3,850 | 4,120 | 4,280 | 4,540 | 1,150 |
| Admin and support services | 3,980 | 4,200 | 4,200 | 4,120 | 4,110 | 4,030 | 50 |
| Public administration and defence | 4,940 | 5,090 | 5,050 | 4,890 | 4,710 | 4,540 | -400 |

| Industry Sector | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 | Change 2012-37 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Education | 7,360 | 7,770 | 7,790 | 7,800 | 7,710 | 7,710 | 350 |
| Human Health and Social work activities | 12,530 | 13,400 | 13,610 | 13,720 | 13,880 | 14,050 | 1,520 |
| Arts and other services | 3,480 | 3,670 | 3,710 | 3,710 | 3,710 | 3,710 | 230 |
| Total | 80,310 | 84,810 | 85,620 | 85,740 | 85,660 | 85,690 | 5,380 |

Source: Oxford Economics, BE Group 2015

8.41 Importantly for this model, the employment demand for based on the growing residential population does not provide information as to where the residential workforce are employed. The projected growth in employment in Tables 55 and 56 may work within St Helens or commute outside for employment.

8.42 Using the same methodology to calculate employment land demand from jobs growth as in the Model 2 above, Table 57 summarises the employment land demand generated from the growth employment sectors of the residential population based on the ONS overall population projections. Table 58 summarises the equivalent projections based on the Oxford Economics residential population projections.

Table 57 – Resident Workforce Based Forecasts 2012-2037 based on ONS Population Projections

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job | Floorspace Required |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------|
| Agriculture, energy and water | -265 | 5 | -27 | 12 | -318 |
| Manufacturing | -547 | 100 | -547 | 30 | -16,405 |
| Construction | 1,079 | 26 | 281 | 12 | 3,366 |
| Wholesale and Retail Trade | -298 | 0 | 0 | - | |
| Transportation and Storage | 1,483 | 48 | 712 | 70 | 49,833 |
| Accommodation and Food Service Activities | 1,219 | 0 | 0 | - | |
| Information and Communication | 1,242 | 100 | 1,242 | 12 | 14,910 |
| Financial & insurance | 217 | 100 | 217 | 12 | 2,607 |

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job | Floorspace Required |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------|
| Real estate activities | 126 | 100 | 126 | 12 | 1,517 |
| Professional, scientific and technical activities | 1,337 | 100 | 1,337 | 12 | 16,050 |
| Admin and support services | 201 | 100 | 201 | 12 | 2,417 |
| Public administration and defence | -231 | 22 | -51 | 12 | -610 |
| Education | 646 | 0 | 0 | - | |
| Human Health and Social work activities | 2,068 | 22 | 455 | 12 | 5,459 |
| Arts and other services | 375 | 0 | 0 | - | |
| Total | 8,653 | | 3,948 | | |
| Increase in Floorspace – Growth Sectors | | | | | +78,825 |
| Decline in Floorspace – Declining Sectors | | | | | -81,030 |
| Net Change in Floorspace Demand | | | | | -10,158 |
| | | | | | |
| Assumed Developable Floorspace per Hectare | | | | | 3,900 |
| | | | | | |
| Equivalent Employment Land Needed – Growth Sectors (ha) | | | | | +24.7 |
| Equivalent Employment Land Needed – Declining Sectors (ha) | | | | | -4.4 |
| Equivalent Employment Land Needed – Net (ha) | | | | | +20.2 |

Source: ONS, BE Group analysis

Table 58 – Resident Workforce Based Forecasts 2012-2037 based on Oxford Economics Population Projections

| SIC Group | Workforce Growth 2012-37 | Percentage Occupying B1/2/8 Space | Growth Number of Jobs on B1/2/8 Space | Floorspace Per Job | Floorspace Required |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------|
| Agriculture, energy and water | -318 | 5 | -32 | 12 | -381 |
| Manufacturing | -820 | 100 | -820 | 30 | -24,610 |
| Construction | 791 | 26 | 206 | 12 | 2,468 |
| Wholesale and Retail Trade | -778 | 0 | 0 | - | |
| Transportation and Storage | 1,242 | 48 | 596 | 70 | 41,746 |
| Accommodation and Food Service Activities | 1,032 | 0 | 0 | - | |
| Information and Communication | 1,112 | 100 | 1,112 | 12 | 13,340 |
| Financial & insurance | 136 | 100 | 136 | 12 | 1,626 |
| Real estate activities | 79 | 100 | 79 | 12 | 946 |
| Professional, scientific and technical activities | 1,152 | 100 | 1,152 | 12 | 13,825 |
| Admin and support services | 51 | 100 | 51 | 12 | 617 |
| Public administration and defence | -394 | 22 | -87 | 12 | -1,039 |
| Education | 355 | 0 | 0 | - | |
| Human Health and Social work activities | 1,524 | 22 | 335 | 12 | 4,025 |
| Arts and other services | 234 | 0 | 0 | - | |
| Total | 5,398 | | 2,728 | | |
| Increase in Floorspace – Growth Sectors | | | | | +78,593 |
| Decline in Floorspace – Declining Sectors | | | | | -26,030 |
| Net Change in Floorspace Demand | | | | | +52,563 |
| Assumed Developable Floorspace per Hectare | | | | | 3,900 |
| Equivalent Employment Land Needed – Growth Sectors (ha) | | | | | +20.2 |
| Equivalent Employment Land Needed – Declining Sectors (ha) | | | | | -6.7 |
| Equivalent Employment Land Needed – Net (ha) | | | | | +13.5 |

Source: Oxford Economics, BE Group analysis

- 8.43 The following Table 59 summarises the total cumulative employment land needs for both scenarios by five yearly periods, including a buffer period equating to five years' supply of land for both scenarios.

Table 59 – Cumulative Employment Land Needs Over 2012 by Five Year Periods 2012-2037 (ha)

| Projection | 2017 | 2022 | 2027 | 2032 | 2037 | 2037 (inc 5- year buffer) |
|--|-------|-------|-------|-------|-------|------------------------------------|
| Projections based on ONS | | | | | | |
| Employment Land Needs – Growth Sectors | +10.3 | +14.3 | +16.7 | +19.6 | +24.7 | +29.6 |
| Employment Land Needs – Declining Sectors | 0.0 | 0.0 | 0.0 | -1.4 | -4.4 | |
| Net Employment Land Needs | +10.3 | +14.3 | +16.7 | +18.2 | +20.2 | +24.2 |
| Projections based on Oxford Economics | | | | | | |
| Employment Land Needs – Growth Sectors | +9.5 | +11.7 | +13.6 | +16.4 | +20.2 | +24.2 |
| Employment Land Needs – Declining Sectors | 0.0 | 0.0 | -1.1 | -3.3 | -6.7 | |
| Net Employment Land Needs | +9.5 | +11.6 | +12.5 | +13.1 | +13.5 | +16.2 |

Source: BE Group analysis

- 8.44 The land demand projections of Tables 57-59 would be met both within St Helens and outside, as resident workers would continue to commute outside of the local authority area for employment. It does not account for demand generated by a growing resident population in neighbouring areas, which would influence demand for employment land in St Helens (in-commuters). Assuming that there is a net balance of in and out commuting, the land calculations in Tables 57-59 would provide an indication of employment land demand generated by the growth of the residential population. It is noted that at this stage there is a net outflow of workers (see Table 17 of Chapter 3.0) and thus projected land demand in St Helens generated by residential growth would be somewhat lower than in the tables.

Summary of Baseline Analysis

- 8.45 Three methodologies have been used to assess the need for employment land in St Helens and each methodology incorporated more than one scenario. Table 60 summarises the growth in employment land need between 2012 and 2037 for each scenario assessed. For the forecast models, only the growth sectors are included as

these are the sectors of most relevance in terms of need for employment land. The link between a declining workforce and declining land requirements are tenuous, as discussed earlier, with the decline in worker numbers potentially having more to do with technological change or increased productivities than with a decline in the overall production and floorspace requirements of an industry. Similarly the land take-up scenarios are based on gains only. The table below includes the five year buffer for each growth scenario.

Table 60 – Summary of Modelling for Employment Land Needs 2012-2037 (ha)

| Model | Scenario | Land Need (inc 5 year buffer) | Assumptions |
|-----------------------|------------------|-------------------------------|--|
| 1. Land take up | Period 1997-2015 | 147.0 | Based on 4.9ha/yr, the average for 1997-2015 |
| | Period 1997-2012 | 174.0 | Based on 5.8ha/yr, the average for 1997-2012 |
| | Growth Period | 225.0 | Based on 7.5ha/yr, the average for growth period 1998-2008 |
| 2. Employment Base | Cambridge base | 37.0 | Growth sectors only |
| | Oxford base | 21.8 | Growth sectors only |
| 3. Resident Workforce | ONS base | 29.6 | Growth sectors only |
| | Oxford base | 20.4 | Growth sectors only |

Source: BE Group analysis

- 8.46 The scenarios based on the historical land take-up rates are higher than the forecast models based on growth of the workforce or working resident populations. To test the veracity of the three models, the historic performance of the models has been reviewed and compared to actual data. Table 61 provides a summary of the employment models for the period 1997 to 2015 and cites the actual employment land take-up over the same period. As can be seen, the actual gain of employment land in St Helens has been above that predicted using the forecast models, even if only considering the growth sectors.

Table 61 – Sensitivity Testing of Models for Period 1997-2015 (ha)

| Model | Jobs Change | Floorspace Change | Land Requirements |
|-------------------------------|-------------|-------------------|-------------------|
| Cambridge Econometrics | | | |
| Growth Sectors | 15,562 | 218,458 | +56.0 |
| Declining Sectors | -7,870 | -173,784 | -44.5 |
| Net | 7,692 | 44,722 | +11.5 |
| Oxford Economics | | | |
| Growth Sectors | 15,048 | 221,004 | +56.7 |
| Declining Sectors | -6,044 | -126,960 | -32.6 |
| Net | 9,452 | 94,044 | +24.1 |
| Actual Land Take-up | | | +87.54 |

Source: BE Group analysis

- 8.47 As such, it is the BE Group's position that the land take-up scenarios listed in Table 62 represent the most likely predictor of baseline future land take-up. Even so, this is a significant range of employment land needs. Further consideration of these take-up scenarios is appropriate.
- 8.48 The planning period is 25 years, a substantial timeframe in the context of business growth and economic cycles. Typically economic cycles are six to ten years, which means that several periods of growth and stagnation are likely to occur within the planning period. Therefore, while it may be prudent to give due regard to a forecast scenario based solely of growth periods, over the 25 year timeframe (of which three below average years have already occurred) it is likely that the Growth Period scenario of the land take-up model is a significant overstatement of employment land needs to 2037.
- 8.49 Therefore it is BE Group's recommendation that the likely baseline employment land needs for St Helens for the period 2012-2037 is 147-174 ha.**

Consideration of Major Projects and Logistics Sector

- 8.50 The above analysis has been an assessment using multiple methodologies on the likely growth of employment land in St Helens under an assumption that the economy would continue on trend. However, there are two major forces that will influence the take-up of employment land in St Helens within the planning period.
- The high demand for large-scale logistics sites (near term effect)
 - The development of major freight infrastructure, being:

- The growth of the SuperPort, including the opening of Liverpool 2 in 2015 (near and long term effects)
- The development of the Parkside Strategic Rail Freight Interchange (long term effect).

8.51 These influences will have direct effects on the demand for logistics/warehousing and manufacturing space, which potentially could lead to further flow-on effects for other businesses, such as offices. The most immediately and largest demand will be for B8 and B2 space and this analysis has focussed on that demand.

8.52 These factors influencing demand are business demand driven, that is the demand for additional employment land would be driven by an upsurge in employment opportunities in St Helens as businesses seek to establish a position locally in response to improved freight infrastructure or logistics opportunities. Therefore the most appropriate methodology to adjust is the Model 2, employment demand model. Furthermore, given that it is BE Group's position that both the land demand resulting from the Cambridge and Oxford forecasts was too low, particularly the Oxford model, we have taken the higher of the two models as the basis (Cambridge).

8.53 In adjusting this model, we have assumed:

- An increase in the employment within the transport and storage sector between 2012 and 2017 of 15 percent compared to Cambridge forecasts.
- An increase in the employment within the transport and storage sector between 2018 and 2027 of 25 percent and an increase in employment within the manufacturing sector of 20 percent compared to Cambridge forecasts.
- An increase in the employment within the transport and storage sector between 2028 and 2037 of 40 percent and an increase in employment within the manufacturing sector of 60 percent compared to Cambridge forecasts.

8.54 This approach accounts for the near and longer term effects of the major projects. It also recognises that the logistics sector services the manufacturing sector and a strong freight network would encourage manufacturers to the area and may have a larger impact, in employment terms, on the manufacturing sector than on the logistics sector itself, in the longer term.

8.55 Table 65 provides the projected adjusted land requirements to 2037 under the Cambridge forecasts, taking into account the major projects and increased demand for

logistics.

**Table 62 – Cumulative Employment Land Needs Over 2012 by Five Year Periods
2012-2037 (ha) – Adjusted Scenario**

| Projection | 2017 | 2022 | 2027 | 2032* | 2037* | 2037 (inc 5-year buffer) |
|--|-------|-------|-------|-------|-------|--------------------------------|
| Cambridge Econometrics | | | | | | |
| Employment Land Needs – Growth Sectors | +28.9 | +40.1 | +40.1 | +67.3 | +69.4 | +83.3 |
| Employment Land Needs – Declining Sectors | -8.1 | -2.1 | -2.7 | -1.3 | -1.2 | |
| Net Employment Land Needs | +20.8 | +38.0 | +37.5 | +66.0 | +68.1 | +81.7 |

Source: BE Group analysis

* The Cambridge Econometrics projections were provided to 2031 only. The Cambridge Econometrics figure for 2037 is extrapolated by BE Group from analysis of the modelled growth patterns to 2031.

- 8.56 This adjusted result both increases the growth sector land demand and reduces the decrease of demand resulting from sectors with lowering employment. However, it is noted that this remains lower than the projected baseline employment land needs using the land take-up methodology.
- 8.57 It is insightful, however, in highlighting the movement in land take-up from manufacturing to logistics uses. While the overall quantum of land taken up in St Helens may continue at similar levels to long-term trends, the mix of uses on that employment land will be significantly different. There will be a strong movement from small and medium manufacturing uses to larger, land intensive logistics/warehouse uses. It also is insightful in that it demonstrates that in the longer term, after the rail interchange at Parkside is developed and has established momentum, that there would be a further surge in employment land as a result (both logistics and manufacturing), as indicated in the land take-up in the 2030s.
- 8.58 This has significant implications for the land requirements in St Helens. There will be movement from a large number of smaller and medium sized sites required, to a smaller number of consolidated, larger sites, suitable to accommodate large scale logistics uses.
- 8.59 The above analysis of the effects of the major projects and logistics requirements may be considered a bottom-up approach to the assessment of employment land needs. Looking at the land requirements from a regional or top-down approach would provide

another perspective to the analysis. The report titled '*Liverpool City Region SuperPort: An Analysis of the Supply of, and Demand for, Distribution Space within the Liverpool City Region (March 2014)*' reviewed in Section 4.0 outlined the requirements for warehouse and manufacturing resulting from the development of the SuperPort projects. This stated that there would be a requirement over a 20 year timeframe for some 340 ha of logistics and manufacturing land in the region, which excludes wholly port based activities and baseline demand. The BE Group has not tested the veracity of this projection. Attempts to contact the authors of the report to clarify the demand methodology were unsuccessful due to the consultant firm, NAI Haywards, being bought by another firm, Avison Young in 2014, with a resulting restructuring in the firm.

8.60 The report does not split the 340 ha into local authority or other smaller areas, rather it leaves it at the regional level. The study did examine land supply within nine local authorities, considered to be within a 1-2-hour drive of the Port of Liverpool. This approach has some limitations in regards to those local authorities positioned near the boundary of the study area (e.g. Wigan's position on the M6 and A580 means it potentially has a role to play in servicing the projected demand, however it has been excluded). The top-down approach for St Helens would be to consider what share of this requirement could or should be accommodated within St Helens. Without a regional and coordinated approach by the local authorities to assess the breakdown of the 340 ha, a subjective analysis at this point in time could provide an indicator of St Helens' potential share. As such, the following points have been considered:

- If all nine local authorities within the 1-2-hour drive time had an equal share of the 340 ha, this would equate to some 38 ha required to be provided in each area.
- Allowing for some residual demand (10 percent) to be provided by areas outside of the nine local authorities and assuming all nine authorities had an equal share of the remaining 90 percent, equates to 34 ha requirement for each local authority.
- St Helens comprises 8 percent of the residential population of the nine local authorities. An 8 percent share of the land requirement equates to 27 ha.
- St Helens comprises 6 percent of the workforce population of the nine local authorities. A 6 percent share of the land requirement equates to 20 ha.
- There is an argument that those local authorities in the immediate proximity to the Port of Liverpool (e.g. Liverpool, Sefton) should provide a higher share of the total requirement so that businesses can be in as close a proximity to the Port of Liverpool as possible.

- It is understood that Liverpool and Sefton would have more significant supply constraints, particularly for larger, logistics-oriented operations.
- St Helens has locational advantages in regards to access to the motorway network, including access to the key north-south spine of the M6 and the main link between Liverpool and Manchester, the M62. Furthermore the road links between St Helens and the Port of Liverpool are good, being the M62 and A580.
- St Helens has land capacity on the motorway network, including lands under the control of active developers.
- The Parkside site would have the further logistics advantage of the strategic rail freight interchange in the longer term.

8.61 In summary, while St Helens is not the most proximate local authority to the Port of Liverpool, which some businesses may consider as a disadvantage, the proximity to the motorway network would be of considerable appeal to other businesses, both logistics and manufacturing. The land capacity of St Helens, relative to some other local authority areas means that St Helens has the potential to take a higher share of the 340 ha requirement.

8.62 When considering the above, it is the BE Group's opinion that St Helens could deliver some 50-70 ha of the total requirement, equating to about 15 to 20 percent share of the total. If the Council wanted to pursue a stronger development policy, there would be the potential to increase this share, given that land constraints may hamper development in other areas. St Helens, however, would need to overcome their own land constraints to deliver this requirement. Alternatively, there are some arguments in the above list that would suggest a lower share, if Council was to pursue a lower development policy.

8.63 50-70 ha of employment land taken up in a ratio of 80:20 mix of logistics and manufacturing (assumed mix in regional demand report) equates to some 3,000-4,000 workers.

8.64 The extent that this 50-70 ha of the total requirement, or indeed the full regional requirement of 340 ha represents a truly additional growth on what would occur at any rate in the growing region is unclear, despite excluding the baseline demand from the SuperPort demand analysis. It is far more likely that businesses that already would locate to the region, and St Helens in particular, would form a component of this

requirement, given that the Port of Liverpool is already an existing piece of infrastructure and the region has locational, manufacturing and export oriented advantages. Therefore it is considered that adding St Helens share of the requirement to the baseline employment needs should account for some level of ‘double counting’ of demand.

- 8.65 Table 63 summarises the objectively assessed need for St Helens, incorporating the demand generated from a baseline and St Helens’ share of the total requirement as above. An adjusted amount has been assumed to accommodate likely double counting of demand in the market.

Table 63 – Employment Land Needs 2012-2037 (ha)

| | Employment Land Needs |
|--|------------------------------|
| Baseline (land take-up scenario) | 147-174 ha |
| Additional land demand major projects* | 30-40 ha |
| Total Employment Land Needs | 177-214 ha |

Source: BE Group analysis

* Adjusted to account for likely double counting

9.0 CONCLUSIONS

- 9.1 The assessment of employment land needs for St Helens in the previous section looked at various scenarios of employment growth. As was observed the approach taken to analyse employment land needs and the underlying assumptions have significant impacts on the projected need.
- 9.2 It distils the most likely growth of employment land take-up in St Helens, and BE Group has had regard to historic data, current market trends, forecast models, available information on major projects and the relative capacity of St Helens to accommodate further stock, compared to neighbouring areas. The resultant objectively assessed employment land need for St Helens, including accounting for the major projects is some 177-214 ha between 2012 and 2037.
- 9.3 This employment land needs would be a mix of B1, B2 and B8 uses. While traditionally St Helens has been a manufacturing centre, with the largest consumers of land being B2 operations, it is likely that the mix of uses will change to 2037, with a strong shift to B8 warehousing uses. This is particularly the case, given the shift is being caused by large, very land consumptive logistics operations. Table 64 provides an estimate of the breakdown of the employment land needs by type. This breakdown has had regard to the employment projections of both Cambridge Econometrics and Oxford Economics, the market drivers underpinning local demand and the assumed 80:20 split between logistics and manufacturing in the assessment of additional land demand from the SuperPort.

Table 64 – Breakdown of Employment Land Need by Type

| Employment Type | Hectares |
|--------------------------------|----------|
| B1(a) Office | 10-15 |
| B1(b) Research and development | 1-4 |
| B1(c) Light Industry | 15-20 |
| B2 General industrial | 50-65 |
| B8 Storage and Distribution | 100-130 |
| Total employment needs | 177-214 |

Source: BE Group analysis

- 9.4 These land figures, derived from an analysis of historic land take-up, with allowances for forecast structural changes in the economy, in themselves do not give a direct indication of employment growth. It is a projection of land take-up by 2037; that is, it is

land demand led, not employment demand led. Businesses often take premises in excess of their short-term requirements in order to have further capacity to expand. Often, in taking new premises they are planning for their medium and longer term needs, but the actual employment levels on taking the new premises may be less than their medium or long term expectations. Therefore, the actual employment within the premises may be less than forecast using a typical floorspace per worker calculation.

- 9.5 Furthermore, it is very difficult to develop employment land in the most efficient manner, with land losses due to sloping, infrastructure, flooding constraints, car-parking, design considerations, hardstand areas, etc. having an influence on the ultimate yield of floorspace. Adopting an average plot ratio provides some allowance for these considerations, but it is necessary in the forecasting to have an understanding of the uncertainty inherent in the projected figures.
- 9.6 The largest component of employment land growth is anticipated to be in the B8 Storage and Distribution sector. This is expected to be led by the large scale operators (greater than 200,000 sqft/19,000 sqm). In planning for the locations of such land, and the likely land sizes, it should be understood that about 60-70 percent of this land growth is likely to be taken up by the larger operators.
- 9.7 The locations of the additional land should build upon the existing employment nodes in St Helens and exploit St Helens' key location advantage – its proximity to the motorway network. In particular logistics operations need excellent access to the motorway network and the first preference would be in close proximity to a junction accessing the M6. The second most preferable area for major logistics access would be near the junction of the M62 and the Linkway. An expansion of the Haydock industrial area would also attract further warehousing and distribution uses.
- 9.8 Therefore sites such as the Parkside site, the available land at Junction 23 of the M6, and Junction 7 of the M62 would be the key sites to secure for logistics purposes. Parkside's particular intended role as the Strategic Rail Freight Interchange would enhance its attractiveness as a logistics node. However, it is recognised that there will be considerable costs in order for Parkside's rail infrastructure to be delivered to the market and as such the rail component of this site is likely to be achieved in the longer term. A staged approach to the development of Parkside, where some land is available to the market prior to the construction of the rail infrastructure may be a way of funding the rail component of the project. Given its location, employment uses, including large scale logistics, could be supported on the site even without the rail infrastructure in

place.

- 9.9 B2 manufacturing users would still have a preference for sites with good access to the motorway network, but due to the breadth of operators in this sector, some would consider such a criterion to be a lower priority. Other considerations would be proximity to suppliers/customers, buffering from residential areas, access for workers and infrastructure coverage. The provision of further B2 land should build upon the existing successful nodes around Haydock and Lea Green where possible, rather than the creation of a new, separate node of employment, with associated costs in terms of infrastructure provision and issues such as access for workers into a new area.
- 9.10 There is likely to be more demand for the B1 uses in business park locations rather than town centre locations in St Helens. The quality of built stock is generally better and newer in business park locations than the town centre and new stock is likely to be cheaper to develop in greenfield business park locations than in a redevelopment of a town centre site. Overall the take-up of such uses is likely to be slower than for logistics and manufacturing for the foreseeable future, although B1 uses have the potential to benefit from increased overall economic activity led by the logistics sector.
- 9.11 Business park locations should be incorporated as part of, or on the fringes of broader employment nodes, with the Mere Grange site as part of the Lea Green employment area being a good example.
- 9.12 Whilst there is no evidence of businesses not locating to business parks because of poor public transport, this is an issue for occupiers, and should be investigated further.
- 9.13 Support and regeneration of the town centre is likely to be through uses other than offices, such as the evening economy uses. While office growth would play a role in the continued operation of the town centre, the market in St Helens and surrounding areas such as Warrington has shown a preference for the business park model of providing office space. Opportunities for town centre redevelopment of older stock should be encouraged, however it should be realised that this will be a very long, incremental process.

Appendix 1

List of Consultees

Appendix 1 – List of Consultees

Alfred H Knight
Bericote Properties
Crane Ltd
EB Guarding
Ena Shaw
Engineering Employers Federation
GL Hearn
JN Nichols
Lambert Smith Hampton
Langtree
Liverpool City Region Local Enterprise Partnership
Morgan Williams
NGF Europe
Peel Land and Property
WHR Property

Business survey had 200 respondents

Appendix 2

Schedule of Vacant Floorspace

St. Helens Vacant Property Schedules

Collated as at July 2015

Table A3.1 – Schedule of Industrial Premises

| Property | Locality | Tenure | Size, Sqm |
|---|----------------|-----------|-----------|
| Lancots Ln | Central, inner | freehold | 3,955 |
| Unit G Sherdley Rd Ind Estate, Roundwood Dr | Central, inner | either | 520 |
| Unit E Sherdley Rd Ind Estate, Roundwood Dr | Central, inner | either | 659 |
| Unit C Sherdley Rd Ind Estate, Roundwood Dr | Central, inner | either | 473 |
| Unit B Sherdley Rd Ind Estate, Roundwood Dr | Central, inner | either | 655 |
| U1 Sherdley Rd Ind Est, Wharton St | Central, inner | either | 496 |
| U11 Sherdley Rd Ind Est, Wharton St | Central, inner | either | 565 |
| Unit C Parr Industrial Estate, Cornwall St | Central, inner | freehold | 330 |
| Unit D Parr Industrial Estate, Cornwall St | Central, inner | freehold | 556 |
| U4A Delph Ct, Sullivans Way | Central, inner | leasehold | 913 |
| U17 Park Ct, Sherdley Bus Pk | Central, inner | leasehold | 421 |
| U10 Park Ct, Sherdley Bus Pk | Central, inner | leasehold | 381 |
| U9 Park Ct, Sherdley Bus Pk | Central, inner | leasehold | 348 |
| U4 Park Ct, Sherdley Bus Pk | Central, inner | leasehold | 282 |
| U13 Westside Ind Est, Jackson St | Central, inner | leasehold | 626 |
| U4 Barge Bus Pk, Merton Bank Rd | Central, inner | leasehold | 139 |
| U1 Gaskell St | Central, inner | leasehold | 902 |
| 17 Jackson St | Central, inner | leasehold | 350 |
| Cross House, Sutton Rd | Central, inner | Freehold | 2,600 |
| U2 Ravenshead Road | Central, inner | either | 843 |
| U2 Delphwood Dr | Central, inner | leasehold | 542 |
| Fishwicks Ind Est, Baxters Ln | Central, inner | leasehold | 1,942 |
| Lock St | Central, inner | either | 18,130 |
| Delta Rd | Central, inner | either | 15,611 |
| Langtree St | Central, inner | either | 1,549 |
| U20 Baxters Ln Ind Est, Sutton Oak Dr | Central, inner | leasehold | 70 |
| U32 Baxters Ln Ind Est, Sutton Oak Dr | Central, inner | leasehold | 51 |
| U2 Sutton Oak Dr | Central, inner | leasehold | 228 |
| Haydock Ind Est, Haydock Ln | Haydock | either | 1,524 |

| Property | Locality | Tenure | Size, Sqm |
|--|---------------------|-----------|-----------|
| Haydock St Bus Centre, Haydock St | Haydock | freehold | 334 |
| North Florida Rd, Haydock Ind Est | Haydock | leasehold | 690 |
| U2 Old Boston Trading Estate, Wilcock Rd | Haydock | leasehold | 387 |
| Bahama Cl, Haydock Ind Est | Haydock | leasehold | 1,105 |
| U1 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 350 |
| U2 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 350 |
| U3 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 285 |
| U4 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 285 |
| U5 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 300 |
| U6 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 300 |
| U7 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 300 |
| U8 Fishwicks Park Ind Est, Liverpool Rd | Haydock | leasehold | 300 |
| U2 Cross 580, Kilbuck Ln | Haydock | leasehold | 362 |
| U5 Cross 580, Kilbuck Ln | Haydock | leasehold | 362 |
| U6 Cross 580, Kilbuck Ln | Haydock | leasehold | 362 |
| U9 Cross 580, Kilbuck Ln | Haydock | leasehold | 401 |
| U10 Cross 580, Kilbuck Ln | Haydock | leasehold | 401 |
| U14 Cross 580, Kilbuck Ln | Haydock | leasehold | 401 |
| U15 Cross 580, Kilbuck Ln | Haydock | leasehold | 401 |
| U402 Easter Park, Haydock Ln | Haydock | leasehold | 1,491 |
| U6 Haydock Ind Est | Haydock | leasehold | 831 |
| U7 Haydock Ind Est | Haydock | leasehold | 831 |
| U11 Haydock Ind Est | Haydock | leasehold | 559 |
| U12 Haydock Ind Est | Haydock | leasehold | 463 |
| U16 Haydock Ind Est | Haydock | leasehold | 353 |
| U18 Haydock Ind Est | Haydock | leasehold | 416 |
| U19 Haydock Ind Est | Haydock | leasehold | 456 |
| U23 Haydock Ind Est | Haydock | leasehold | 354 |
| U30 Haydock Ind Est | Haydock | leasehold | 342 |
| Anglezarke Rd | Newton-le-Willows | freehold | 965 |
| Sandwash Bus Pk, Rainford Ind Est | North, inc Rainford | leasehold | 3,499 |
| Sutton Fold Ind Est, Lancots Ln | North, inc Rainford | leasehold | 801 |
| U2 Lea Green Bus Pk, Euro Link | South | leasehold | 735 |

| Property | Locality | Tenure | Size, Sqm |
|--|----------|-----------|-----------|
| U1B Lea Green Bus Pk, Euro Link | South | leasehold | 1,148 |
| U15 Lea Green Bus Pk, Euro Link | South | leasehold | 644 |
| U4 Lea Green Bus Pk, Euro Link | South | leasehold | 478 |
| U6B Lea Green Bus Pk, Euro Link | South | leasehold | 363 |
| U2C Lea Green Rd | South | leasehold | 464 |
| U1 Abbotsfield Industrial Estate | South | either | 2,342 |
| U3 Abbotsfield Industrial Estate | South | either | 1,718 |
| Reginald Rd Ind Est, Brindley Rd | South | freehold | 623 |
| U1 Eurolink Business Pk | South | either | 605 |
| U5 Eurolink Business Pk | South | either | 392 |
| U2 Harrier Ct, Euro Link Bus Pk | South | leasehold | 448 |
| U3 Harrier Ct, Euro Link Bus Pk | South | leasehold | 500 |
| Linkway Distribution Park | South | leasehold | 8,550 |
| U1 Bold Industrial Estate, Neills Rd | South | leasehold | 4,170 |
| U4 Bold Industrial Estate, Neills Rd | South | leasehold | 4,678 |
| U5 Bold Industrial Estate, Neills Rd | South | leasehold | 2,276 |
| U7 Bold Industrial Estate, Neills Rd | South | leasehold | 2,508 |
| U8 Bold Industrial Estate, Neills Rd | South | leasehold | 836 |
| U9 Bold Industrial Estate, Neills Rd | South | leasehold | 2,654 |
| U10A Bold Industrial Estate, Neills Rd | South | leasehold | 1,858 |
| U10B/C Bold Industrial Estate, Neills Rd | South | leasehold | 929 |
| U11 Bold Industrial Estate, Neills Rd | South | leasehold | 1,729 |
| U14A Bold Industrial Estate, Neills Rd | South | leasehold | 279 |
| U15 Bold Industrial Estate, Neills Rd | South | leasehold | 195 |
| U19 Bold Industrial Estate, Neills Rd | South | leasehold | 2,880 |
| U24 Bold Industrial Estate, Neills Rd | South | leasehold | 102 |

Source: BE Group compilation of data from commercial real estate websites, discussions with agents and inspections

Table A3.2 – Schedule of Office Premises

| Property | Locality | Tenure | Size, Sqm |
|---|----------------|-----------|-----------|
| Crown Buildings, 63 College St | Central, inner | either | 2,069 |
| 3rd floor Century House, Hardshaw St | Central, inner | leasehold | 192 |
| Ground floor Century House, Hardshaw St | Central, inner | leasehold | 190 |
| 5th floor Century House, Hardshaw St | Central, inner | leasehold | 176 |
| U1 Century Business Centre, Century Hse | Central, inner | leasehold | 54 |
| U2 Century Business Centre, Century Hse | Central, inner | leasehold | 57 |
| U3 Century Business Centre, Century Hse | Central, inner | leasehold | 60 |
| U4 Century Business Centre, Century Hse | Central, inner | leasehold | 47 |
| St Helens Technology Campus | Central, inner | leasehold | 60 |
| 23A Hardshaw St | Central, inner | leasehold | 438 |
| Bank House, Claughton St | Central, inner | leasehold | 96 |
| Ormskirk St | Central, inner | leasehold | 270 |
| 14 Hardshaw St | Central, inner | leasehold | 230 |
| 10 Hardshaw St | Central, inner | leasehold | 77 |
| North John St | Central, inner | leasehold | 50 |
| 3 Barrow St | Central, inner | leasehold | 38 |
| 8 Hardshaw St | Central, inner | freehold | 175 |
| Claughton St | Central, inner | freehold | 95 |
| 40/42 Claughton St | Central, inner | freehold | 180 |
| U5 The Catapult Centre | Central, inner | leasehold | 73 |
| U5A The Catapult Centre | Central, inner | leasehold | 213 |
| U13 The Catapult Centre | Central, inner | leasehold | 104 |
| Catapult Too | Central, inner | leasehold | 58 |
| Former engineering offices Pilkington Park, Albert St | Central, inner | leasehold | 557 |
| former managerial offices Pilkington Park, Albert St | Central, inner | leasehold | 425 |
| former drawing offices Pilkington Park, Albert St | Central, inner | leasehold | 500 |
| Cross House, Sutton Rd | Central, inner | leasehold | 451 |
| U 2,3,4 Riverside Campus, St Helens Technology Campus | Central, inner | leasehold | 226 |
| U5 Riverside Campus, St Helens Technology Campus | Central, inner | leasehold | 366 |

| Property | Locality | Tenure | Size, Sqm |
|---|---------------------|-----------|-----------|
| U6, 7 Riverside Campus, St Helens Technology Campus | Central, inner | leasehold | 129 |
| U11 Riverside Campus, St Helens Technology Campus | Central, inner | leasehold | 227 |
| Cedar House, Woodlands Park, Ashdon Rd | Newton-le-Willows | leasehold | 1,376 |
| Willow House, Woodlands Park, Ashdon Rd | Newton-le-Willows | either | 1,184 |
| Redwood House, Woodlands, Park, Ashdon Rd | Newton-le-Willows | either | 1,144 |
| Oak02 Centrix, Crow Ln East | Newton-le-Willows | leasehold | 22 |
| Ash05 Centrix, Crow Ln East | Newton-le-Willows | leasehold | 24 |
| Cedar07 Centrix, Crow Ln East | Newton-le-Willows | leasehold | 20 |
| High St | Newton-le-Willows | leasehold | 63 |
| Rainford Hall, Crank Rd | North, inc Rainford | leasehold | 36 |
| U110 Mere Grange, Elton Head Rd, Linkway | South | either | 322 |
| U104 Mere Grange, Elton Head Rd, Linkway | South | either | 372 |
| U105 Mere Grange, Elton Head Rd, Linkway | South | either | 592 |
| U106 Mere Grange, Elton Head Rd, Linkway | South | either | 596 |
| U107 Mere Grange, Elton Head Rd, Linkway | South | either | 470 |
| U108 Mere Grange, Elton Head Rd, Linkway | South | either | 221 |
| Micklehead Business Village | South | either | 149 |

Source: BE Group compilation of data from commercial real estate websites, discussions with agents and inspections

Appendix 3

Business Survey Questionnaire

St Helens Council Business Survey 2015

Company Details

| | |
|--------------------------|--|
| Company Name | |
| Contact Name | |
| Position | |
| Address | |
| Email Address | |
| Tel No | |
| Business Activity | |

Employees

1. Number of: **full-time** employees _____ and/or **part-time** employees _____

Current Accommodation

2. Type of accommodation (please tick main type/use)

| | | | | | |
|-------------------------|--------------------------|-------------------------------|--------------------------|-----------------------|--------------------------|
| Office | <input type="checkbox"/> | Serviced office | <input type="checkbox"/> | High-tech/lab | <input type="checkbox"/> |
| Industrial/factory | <input type="checkbox"/> | Warehouse | <input type="checkbox"/> | Home-based | <input type="checkbox"/> |
| Site (undeveloped land) | <input type="checkbox"/> | Barn conversion/Farm location | <input type="checkbox"/> | Other (specify) _____ | <input type="checkbox"/> |

3. Is the property:

| | | | |
|-------|--------------------------|--------|--------------------------|
| Owned | <input type="checkbox"/> | Rented | <input type="checkbox"/> |
|-------|--------------------------|--------|--------------------------|

4. Size of unit:

| | | | | | |
|------------------------------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|--------------------------|
| 0-100 sqm (0-1076 sqft) | <input type="checkbox"/> | 101-200 sqm (1077-2152 sqft) | <input type="checkbox"/> | 201-500 sqm (2153-5382 sqft) | <input type="checkbox"/> |
| 501-1000 sqm (5383-10,764 sqft) | <input type="checkbox"/> | 1001-2000 sqm (10,765-21,529 sqft) | <input type="checkbox"/> | 2001-5000 sqm (21,530-53,821 sqft) | <input type="checkbox"/> |

Larger, sqm _____

Site size, hectares/acres _____

5. How satisfied are you with your current accommodation?

| | | | | | | | |
|----------------|--------------------------|-----------|--------------------------|-------------|--------------------------|------------------|--------------------------|
| Very satisfied | <input type="checkbox"/> | Satisfied | <input type="checkbox"/> | Unsatisfied | <input type="checkbox"/> | Very unsatisfied | <input type="checkbox"/> |
|----------------|--------------------------|-----------|--------------------------|-------------|--------------------------|------------------|--------------------------|

6. If you are unsatisfied or very unsatisfied, please state your reasons.

Future Accommodation

7. Are you considering moving premises within the next:
 12 months? Yes No 2-3 years? Yes No

If yes to either of the above, please respond to questions 8a – 8j, otherwise go directly to question 9.

- 8a. What type of accommodation will you be looking for? (please tick main type/use)
- | | | | | | |
|-----------|--------------------------|---------------|--------------------------|-----------------|--------------------------|
| Office | <input type="checkbox"/> | Industrial | <input type="checkbox"/> | Serviced office | <input type="checkbox"/> |
| Warehouse | <input type="checkbox"/> | High-tech/Lab | <input type="checkbox"/> | Land | <input type="checkbox"/> |

- 8b. Tenure required?
- | | | | | | |
|----------|--------------------------|-----------|--------------------------|---------------|--------------------------|
| Freehold | <input type="checkbox"/> | Leasehold | <input type="checkbox"/> | No Preference | <input type="checkbox"/> |
|----------|--------------------------|-----------|--------------------------|---------------|--------------------------|

- 8c. Quality of premises preferred?
- | | | | | | | | |
|-------------|--------------------------|-----------------------|--------------------------|--------------|--------------------------|---------------|--------------------------|
| Prestigious | <input type="checkbox"/> | Standard/ Moderate | <input type="checkbox"/> | Basic/Budget | <input type="checkbox"/> | No Preference | <input type="checkbox"/> |
|-------------|--------------------------|-----------------------|--------------------------|--------------|--------------------------|---------------|--------------------------|

- 8d. Will this be **additional** or **replacement** to existing property?

- 8e. Will you need newly built premises?
- | | | | |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- 8f. Will you require custom built premises?
- | | | | |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

- 8g. What size of unit/site will you be looking for?
- | | | | | | |
|------------------------------------|--------------------------|---------------------------------------|--------------------------|---------------------------------------|--------------------------|
| 0-100 sqm (0-1076 sqft) | <input type="checkbox"/> | 101-200 sqm (1077-2152 sqft) | <input type="checkbox"/> | 201-500 sqm (2153-5382 sqft) | <input type="checkbox"/> |
| 501-1000 sqm (5383-10,764 sqft) | <input type="checkbox"/> | 1001-2000 sqm (10,765-21,529 sqft) | <input type="checkbox"/> | 2001-5000 sqm (21,530-53,821 sqft) | <input type="checkbox"/> |
| Larger, sqm | _____ | | | | |
| Site size, hectares/acres | _____ | | | | |

- 8h. Location type preferred:
- | | | | |
|---------------|--------------------------|-------------------|--------------------------|
| Town centre | <input type="checkbox"/> | Industrial estate | <input type="checkbox"/> |
| Business park | <input type="checkbox"/> | Rural | <input type="checkbox"/> |

- 8i. General location – please indicate preferred areas(s) below:
- | | | | | | | |
|---|--------------------------|--|-----------------------------|--------------------------|----------------------------|--------------------------|
| St Helens Town Centre and surrounding built up area | <input type="checkbox"/> | Earlestown Town Centre/Newton le Willows built up area | <input type="checkbox"/> | Haydock Estate | Industrial | <input type="checkbox"/> |
| Haydock Estate | Industrial | <input type="checkbox"/> | Anywhere along M62 corridor | <input type="checkbox"/> | Anywhere along M6 corridor | <input type="checkbox"/> |
| Elsewhere in St Helens | <input type="checkbox"/> | | | | | |
| Other (please specify): | _____ | | | | | |

8j. What do you consider to be the most important factor(s) when seeking alternative accommodation? Please state below.

8k Are you actively seeking additional or alternative premises?

Yes No

8l. If yes to 8k, have you had any difficulties finding new premises?

No difficulty Significant difficulty
Some difficulty Great difficulty

8m. What are the main reason(s) for needing to find new premises?

Current site too small Cost Upgrading quality
Current site too large Current site too old Lease running out
Other (please specify): _____

9a. A Strategic Rail Freight interchange is a distribution site with rail sidings and rail accessible warehousing that enables the transfer of goods to/from lorries and rail. The Council has safeguarded a site at the former Parkside Colliery east of Newton le Willows and beside the M6 as a potential strategic rail freight interchange. Do you think that the rail freight interchange at Parkside would be beneficial to your business?

Yes No No change

Please explain why.

9b How likely is it that your business would use a rail freight interchange in or around St Helens?

Very likely Likely Unlikely Very unlikely

9c. Superport is the enhancement of sea and air ports and greight facilities along the River Mersey and Manchester Ship Canal. A key part is the new Liverpool 2 deep water container port at Seaforth. Do you think that SuperPort will be beneficial to your business?

Yes No No change

Please explain why.

Additional Comments

10. If you have any additional comments affecting your choice of premises please use the space below.

Topics might include:

- Road Infrastructure
- Business support
- Planning issues
- Public transport
- Funding availability
- Staff availability
- Property availability

Please indicate if you are happy to be contacted for further research YES / NO

Appendix 4

Cambridge Econometrics Employment Projections

| Industry | Employment (000's) | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|
| | 2011 | 2012 | 2017 | 2022 | 2027 | 2031 |
| Agriculture, forestry & fishing | 0.2 | 0.3 | 0.5 | 0.4 | 0.4 | 0.4 |
| Mining & quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Food, drink & tobacco | 0.5 | 0.4 | 0.2 | 0.2 | 0.1 | 0.1 |
| Textiles etc | 0.3 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| Wood & paper | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 |
| Printing & recording | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Coke & petroleum | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Chemicals | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Pharmaceuticals | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-metallic mineral products | 2.8 | 3.0 | 2.6 | 2.2 | 1.9 | 1.7 |
| Metals & metal products | 1.5 | 1.3 | 0.9 | 0.9 | 0.9 | 0.9 |
| Electronics | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Electrical equipment | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Machinery | 0.4 | 0.4 | 0.4 | 0.3 | 0.2 | 0.1 |
| Motor vehicles | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other transport equipment | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other manufacturing & repair | 0.4 | 0.7 | 0.7 | 0.8 | 1.0 | 1.1 |
| Electricity & gas | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Water, sewerage & waste | 0.5 | 0.6 | 0.7 | 0.8 | 0.8 | 0.8 |
| Construction | 5.3 | 4.9 | 4.6 | 4.7 | 4.8 | 4.9 |
| Motor vehicles trade | 1.1 | 1.5 | 1.3 | 1.3 | 1.3 | 1.3 |
| Wholesale trade | 2.4 | 3.4 | 3.2 | 3.2 | 3.2 | 3.2 |
| Retail trade | 6.5 | 7.0 | 7.3 | 7.6 | 7.8 | 7.9 |
| Land transport | 3.2 | 3.2 | 3.2 | 3.3 | 3.4 | 3.7 |
| Water transport | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Air transport | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Warehousing & postal | 2.7 | 2.0 | 3.8 | 4.0 | 4.0 | 3.9 |
| Accommodation | 0.4 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 |
| Food & beverage services | 3.1 | 3.0 | 3.2 | 3.4 | 3.6 | 3.8 |
| Media | 0.6 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 |
| IT services | 0.9 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| Financial & insurance | 0.7 | 1.1 | 0.7 | 0.7 | 0.7 | 0.7 |
| Real estate | 0.9 | 1.0 | 1.4 | 1.4 | 1.5 | 1.5 |
| Legal & accounting | 1.1 | 1.0 | 1.3 | 1.3 | 1.3 | 1.4 |
| Head offices & management consultancies | 0.9 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| Architectural & engineering services | 0.9 | 0.8 | 1.3 | 1.3 | 1.2 | 1.2 |
| Other professional services | 0.7 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Business support services | 6.2 | 8.1 | 7.7 | 7.9 | 8.1 | 8.3 |
| Public Administration & Defence | 3.1 | 2.7 | 2.4 | 2.7 | 3.0 | 3.2 |
| Education | 5.4 | 5.6 | 5.9 | 5.8 | 5.9 | 5.9 |
| Health | 3.6 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| Residential & social | 4.9 | 4.6 | 5.4 | 5.4 | 5.3 | 5.3 |
| Arts | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 |
| Recreational services | 0.9 | 1.0 | 1.6 | 1.6 | 1.6 | 1.6 |
| Other services | 1.8 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 |
| Total | 66.0 | 67.8 | 71.1 | 72.4 | 73.4 | 74.3 |

Source: Cambridge Econometrics April 2015

Appendix 5

Oxford Economics Employment Projections

| Industry | Employment (000's) | | | | | | |
|---|--------------------|------|------|------|------|------|------|
| | 2011 | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 |
| Crop and animal production, hunting | 0.4 | 0.4 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 |
| Forestry and logging | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fishing and aquaculture | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining of coal and lignite | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Extraction of crude petroleum | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining of metal ores | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other mining and quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining support service activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of food products | 0.4 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Manufacture of beverages | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of tobacco products | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of textiles | 0.2 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Manufacture of wearing apparel | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Manufacture of leather and related | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of wood and of products | 0.4 | 0.2 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 |
| Manufacture of paper and paper products | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Printing and reproduction of recorded products | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 |
| Manufacture of coke and refined petrol | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of chemicals and chemicals | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Manufacture of basic pharmaceutical | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of rubber and plastic products | 0.4 | 0.4 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 |
| Manufacture of other non-metallic minerals | 2.4 | 2.8 | 2.2 | 2.0 | 1.9 | 1.8 | 1.6 |
| Manufacture of basic metals | 0.4 | 0.3 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Manufacture of fabricated metal products | 1.1 | 0.9 | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 |
| Manufacture of computer, electronic | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacture of electrical equipment | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Manufacture of machinery and equipment | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Manufacture of motor vehicles, trailers | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Manufacture of other transport equipment | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Manufacture of furniture | 0.1 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 |
| Other manufacturing | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Repair and installation of machinery | 0.1 | 0.1 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Electricity, gas, steam and air conditioning | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Water collection, treatment and supply | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sewerage | 0.2 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Waste collection, treatment a | 0.3 | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Remediation activities & other waste activities | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction of buildings | 1.4 | 1.0 | 1.1 | 1.2 | 1.3 | 1.3 | 1.3 |
| Civil engineering | 0.7 | 0.7 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Specialised construction activities | 3.2 | 2.8 | 2.6 | 2.8 | 2.9 | 3.0 | 3.1 |
| Wholesale and retail trade and repairs | 1.1 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Wholesale trade, except of motor vehicles | 2.3 | 3.5 | 3.3 | 3.3 | 3.3 | 3.3 | 3.2 |
| Retail trade, except of motor vehicles | 6.7 | 6.9 | 7.2 | 7.3 | 7.3 | 7.2 | 7.2 |
| Land transport and transport via pipe | 3.7 | 3.7 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 |
| Water transport | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Air transport | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Warehousing and support activities | 2.1 | 1.5 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Postal and courier activities | 0.7 | 0.6 | 1.4 | 1.4 | 1.3 | 1.3 | 1.2 |
| Accommodation | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Food and beverage service activities | 3.0 | 3.2 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| Publishing activities | 0.6 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Motion picture, video and television | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Programming and broadcasting activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Industry | Employment (000's) | | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2011 | 2012 | 2017 | 2022 | 2027 | 2032 | 2037 |
| Telecommunications | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Computer programming, consultancy | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Information service activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial service activities | 0.6 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Insurance, reinsurance and pension funds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Activities auxiliary to financial services | 0.1 | 0.7 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Real estate activities | 0.9 | 1.2 | 1.4 | 1.5 | 1.5 | 1.6 | 1.6 |
| Legal and accounting activities | 1.1 | 1.0 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 |
| Activities of head offices | 0.9 | 0.6 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Architectural and engineering activities | 0.9 | 0.9 | 1.1 | 1.2 | 1.2 | 1.2 | 1.3 |
| Scientific research and development | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Advertising and market research | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Other professional, scientific | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 |
| Veterinary activities | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Rental and leasing activities | 1.5 | 1.7 | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 |
| Employment activities | 0.5 | 1.0 | 1.6 | 1.7 | 1.7 | 1.7 | 1.8 |
| Travel agency, tour operator and other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Security and investigation activities | 1.3 | 1.7 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 |
| Services to buildings and landscape | 2.9 | 3.7 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 |
| Office administrative, office support | 0.3 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Public administration and defence | 2.9 | 2.7 | 2.4 | 2.2 | 2.1 | 2.0 | 2.0 |
| Education | 5.4 | 5.8 | 5.8 | 5.6 | 5.6 | 5.5 | 5.4 |
| Human health activities | 3.4 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| Residential care activities | 2.4 | 2.3 | 2.6 | 2.6 | 2.7 | 2.7 | 2.7 |
| Social work activities | 2.5 | 2.4 | 2.5 | 2.5 | 2.6 | 2.6 | 2.6 |
| Creative, arts and entertainment activities | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Libraries, archives, museums and other | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Gambling and betting activities | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| Sports activities and amusement | 0.7 | 0.8 | 1.7 | 1.8 | 1.9 | 1.9 | 2.0 |
| Activities of membership organisation | 0.8 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Repair of computers and personal | 0.1 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other personal service activities | 0.8 | 1.1 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Total | 66.3 | 68.9 | 69.9 | 70.7 | 70.9 | 70.6 | 70.4 |

Source: Oxford Economics June 2015