



Rebuttal Omega Rebuttal Proof of Andrew Hunt (for the Applicants) on Economic Benefits

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

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

LPA REF: P/2020/0061/HYBR

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

April 2021

Introduction

- 1.1 This rebuttal responds to the statements of Ms Jackie Copley on behalf of the Bold and Clock Face Action Group. Her Proof deals with a number of points relating to employment and economic need and benefits. This rebuttal proof deals with them in the order in which they are made in her proof and uses the same sub-headings.

Background

- 1.2 At paragraph 4 Ms Copley states that there is a plentiful supply of brownfield sites which should be used before greenfield sites. This conflicts with the evidence base for the Council's draft Local Plan. As set out in the Statement of Common Ground (CD37.1) at paragraphs 8.4 to 8.6, land will need to be released from the Green Belt to meet the need for large scale logistics development.

Economic Need

- 1.3 At paragraph 37 Ms Copley states her belief that Policy CE1 of the adopted Core Strategy is flexible enough to accommodate needs not anticipated in the plan. It is common ground between the applicant and St Helens Council that this is not that case and that policy CE1.1 is out of date because it does not provide for enough land to accommodate need. Paragraph 8.2 of the Statement of Common Ground (CD37.1) states:

The market for employment land has changed significantly since the adoption of the Core Strategy in 2012 to the extent that Part 1 of Policy CE1 is out of date, as far as it refers to a requirement for employment land which is not reflective of the objectively assessed need for development of this type. Part 1 of Policy CE1 should accordingly be afforded no material weight.

- 1.4 At paragraph 38 she states that part of the evidence base, the Liverpool City Region (LCR) 2018 SHELMA (CD4.160) has been criticised for being based on too high growth scenarios. She provides no evidence of such criticism. She goes on to say at paragraph 39 that other elements of the evidence base, including that of the LCR, and the level of Objectively Assessed Needs "should be treated with caution." Again, no evidence is provided.
- 1.5 As set out in Mr Hunt's Proof of Evidence (CD38.3) at paragraphs 4.5 to 4.39, the evidence bases produced by both the LCR and St Helens show that significantly more employment land is needed for B2 and B8 uses. If anything, the LCR evidence base suggests there could be even more land required, rather than less.
- 1.6 At paragraph 40, she asserts that there is local concern at "saturation from speculative road dependent developments." Again, there is no evidence to support this assertion and as set out in Mr Pexton's Proof of Evidence (CD38.5) at paragraphs 7.3 to 7.10, there is a shortage of suitable development sites.
- 1.7 Ms Copley also suggests that St Helens is not very economically complex and sets out a concern that the economy is dominated by the wholesale, retail and transport and storage sectors.

- 1.8 Ms Copley's concerns are misplaced for five reasons.
- 1.9 Firstly, concerns about complexity are a second-order issue. St Helens needs more jobs and it needs them now. If it reaches the point of having enough jobs, policy makers could then choose which jobs it wants to encourage or discourage. Unfortunately, it is not yet in that position.
- 1.10 Secondly, Ms Copley is drawing the wrong conclusion from Figure 9 of the Liverpool Local Industry Strategy which she includes in her proof. The lack of economic complexity relates to the lack of scale and jobs. The figure shows that the most complex places (in yellow) are London and the surrounding area and then the big cities across the UK. Liverpool, Manchester, Leeds, Birmingham, Bristol and Newcastle in England, Cardiff and Swansea in Wales and Glasgow and Edinburgh in Scotland. The least complex places are mainly deprived former industrial areas. Bigger places with more jobs are more likely to be more economically complex.
- 1.11 Thirdly, having 25.7% of jobs in three sectors is not particularly problematic. As a counter example, Daventry, which is at the heart of the "Golden Triangle" for UK distribution has 29% of its jobs in those three sectors and ranks amongst the least deprived places in the UK. It ranks 291st (of 317) on the employment domain of the Indices of Multiple Deprivation (IMD) and 238th overall. Furthermore, the biggest single component of the 25.7% is the retail sector which accounts for 11% and to which the proposed development will not directly add.
- 1.12 Fourthly, and related to the three previous points, the draft Local Plan assumes significant growth in distribution jobs because St Helens needs more jobs and has failed to get them from any sector over the last 35 years.
- 1.13 Finally, Ms Copley has ignored the fact that the scheme includes a significant amount of B2 space which will contribute to a wider range of jobs on the site and in the Borough.
- 1.14 At paragraph 42 Ms Copley states that the proposals will not meet the economic need identified in the Bold Forest Park Action Plan Policy BFP ECON1: Supporting Economic Growth (CD43.1). This states:
- Proposals which support the Forest Park economy or which enhance the range and quality of economic opportunities or facilities, will be considered favourably where the developer can demonstrate they help to deliver the objectives of Bold Forest Park, and they comply with national and local planning policies, particularly with regard to the Green Belt. Any proposal which would reduce the range and quality of businesses or tourism attractions and facilities will be resisted unless it can be demonstrated that there will be no adverse impacts upon the local economy, the environment or on the quality of visitors' experience.*
- 1.15 The first objective of the Park is to "Create new economic opportunities through sustainable development within Bold Forest Park."
- 1.16 The Omega West proposals are sustainable development as defined by the NPPF and will clearly create new economic opportunities and support the local economy. The site currently has no significant economic role and does not house any business or tourist attractions and is not identified to do so within the AAP. In my opinion the proposals comply with this policy.

- 1.17 Paragraph 6.1.3 of the AAP states that visitor spending in Bold Forest Park is currently less than £350,000. Table 1 shows how that could be increased by £1.9m, thereby increasing GVA by £0.9m per year. This is insignificant when compared to the £178m of annual GVA that the proposed development will generate (see Table 5.1 of CD38.3).
- 1.18 It is notable that Ms Copley does not mention policy BFP ECON2: Tackling Worklessness, the justification for which makes clear the need for jobs, skills and training to help tackle unemployment and improve people's lives.
- 1.19 At paragraph 43 she goes on to say that there would be an adverse impact on the equestrian sector. Again, little evidence of the economic benefits of this sector is provided beyond a photograph of some horses in a field. It is not clear what the economic value of these is, but the AAP gives a sense of the possible order of magnitude. At paragraph 6.17 of CD43.1 it states that spending on equestrianism across the whole Liverpool City Region is £33m. The benefits in terms of GVA will be significantly lower than that and those attributable to the proposed development site would be insignificant, especially when set against both the need for jobs in St Helens (as acknowledged in AAP policy BFP ECON2) and the massive benefits of the scheme as set out in Table 5.1 of Mr Hunt's proof (CD38.3).

Employment Land Supply

- 1.20 At paragraph 46 Ms Copley states that there is a lot of speculative floorspace that has been approved.
- 1.21 Mr Pexton's proof (CD38.5) makes clear at paragraphs 7.3 to 7.10, there is a shortage of suitable development sites, including speculative development.

Economic Benefits & Reality Check

- 1.22 At paragraph 47 Ms Copley sets out the economic benefits as reported in the Environmental Statement. These have since been updated through the Operator Statement that was appended to the Updated Planning Statement that forms part of the application and the Proof of Mr Clarke on behalf of TJ Morris (CD38.7) and in Table 5.1 of Mr Hunt's proof (CD38.3).
- 1.23 In paragraph 49 she questions whether the reported benefits will arise, stating that the actual benefits from recent large warehouses (including Omega) are not as high as claimed and have had no impact on improving deprivation. She goes on to say in paragraph 50 that jobs will be low skill, low pay and on insecure zero hours contracts and at paragraph 51 that the area needs a broad range of employment, worries about dependence on low wage sectors and that the existence of Florida Farm and Omega have not reduced deprivation. These contentions are not accepted for the reasons set out in summary form below.
- 1.24 As set out above in relation to Ms Copley's points about economic complexity, St Helens needs more jobs of any kind and it is the policy of the draft Local Plan to accommodate necessary growth in distribution.
- 1.25 As set out in Mr Clarke's proof (CD38.7), the jobs at TJ Morris will be well paid. Table 2 shows an average wage of £30,900. This compares to the average for full-time workers who live in St

Helens of £28,100 and in Warrington of £30,000 (source: ONS Annual Survey of Hours and Earnings, 2020).

- 1.26 Ms Copley is correct to note that deprivation in St Helens has worsened, however, she draws the wrong conclusion from this fact as can be demonstrated by comparing St Helens (which has seen relatively little employment growth) with Warrington, which is home to Omega and has seen significant growth.
- 1.27 Omega was first occupied in 2012. The last time the Indices of Multiple Deprivation (IMD) were produced before that was in 2010 and the most recent was 2019.
- 1.28 According to the ONS's Business Register and Employment Survey, in 2010 St Helens had 62,000 jobs. In 2019 this had barely risen to 62,500, a rise of 500 (0.8%).
- 1.29 In 2010 Warrington had 116,500 jobs. In 2019 this had risen to 141,000, a rise of 24,500 (21%).
- 1.30 Over that period, St Helens got relatively more deprived moving from 51st most deprived to 26th. In the same time period, Warrington barely moved (from 153rd to 148th). In addition, the most deprived parts of Warrington became relatively less deprived as is shown in the following figures.

Figure 1 Deprivation in 2010

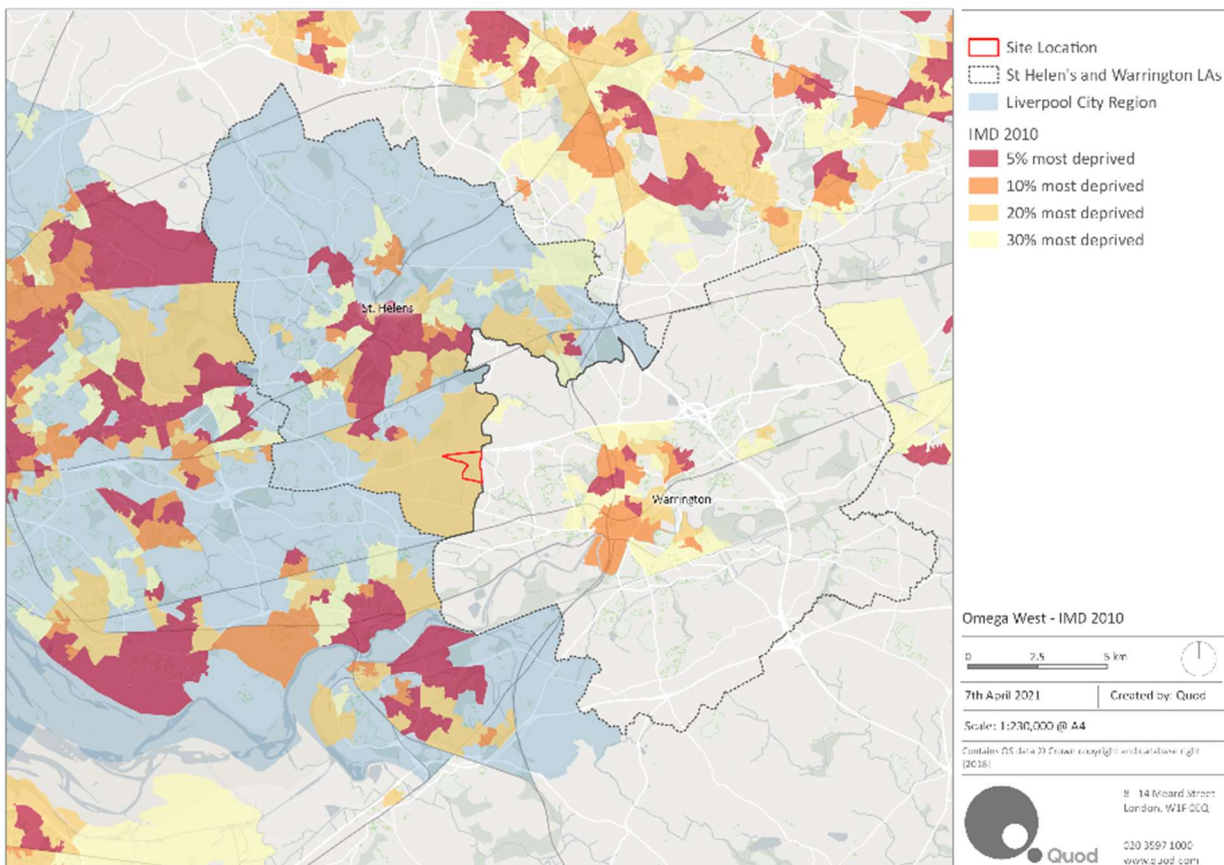
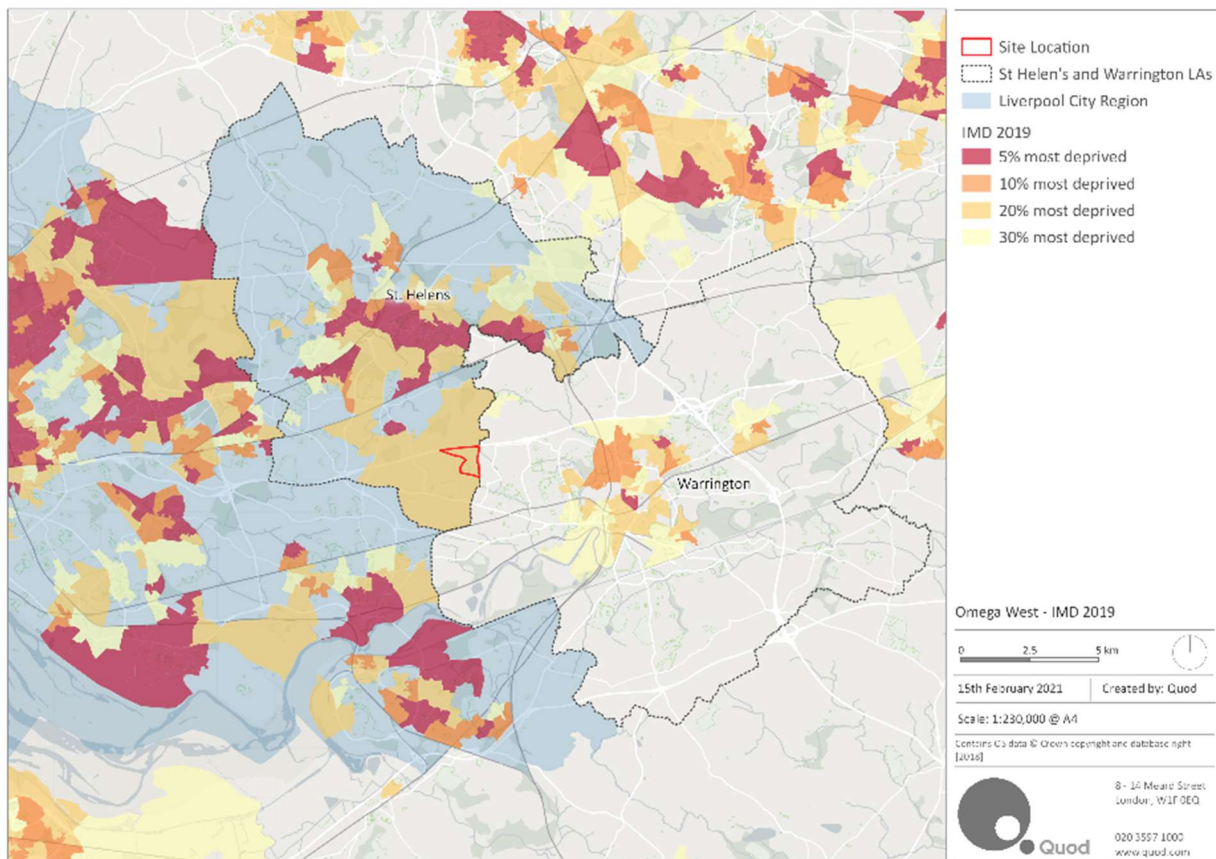
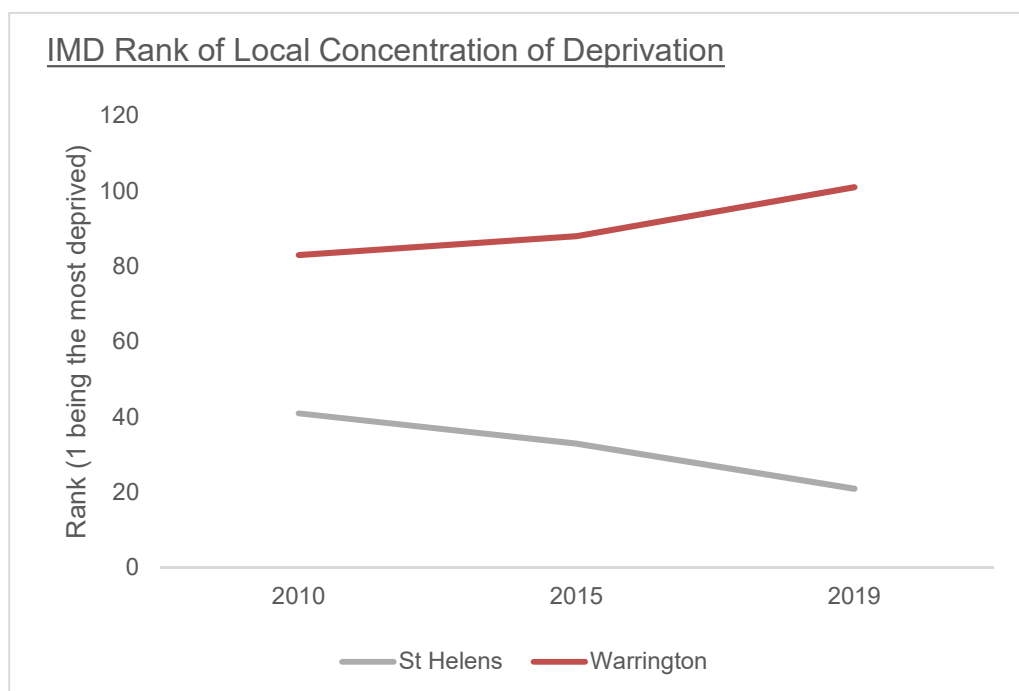


Figure 2 Deprivation in 2019



- 1.31 It can be seen that Warrington has fewer areas in red (the top 5% most deprived) and orange (top 10%), so although on average its deprivation may not have improved significantly, its poorest areas have seen a material improvement.
- 1.32 By contrast, St Helens now has even more areas with the most acute deprivation. The contrast can be seen by comparing the local concentration of deprivation where Warrington has moved from 83rd worst in 2010 to 101st in 2019 and St Helens has gone from 41st to 21st.

Figure 3 Changes in Deprivation



1.33 Two important points can be made here:

- I. More jobs are associated with lower deprivation
- II. The proposed development includes a range of interventions that directly target residents of deprived neighbourhoods in St Helens, so even though the existing Omega site (which is in Warrington) may not have significantly benefitted St Helens, the proposals for Omega West (which is in St Helens) will do so.

Job Density

1.34 At paragraphs 52-54 Ms Copley claims that the job densities used in the assessment are wrong and should be lower. This is based on two contradictory points.

1.35 At paragraph 52 she notes that decision makers should rely on the HCA's Employment Density Guide, but that the assessment for the proposed development should use one of its lower densities (that for National Distribution Centres at 1 job per 95 sqm). At paragraphs 53 and 54 she then argues that the Guide should be set aside and refers to the specific example of Florida Farm to suggest a much lower density should be used.

1.36 The HCA Guidance should be used, unless there is more accurate information from a specific operator or occupier.

- 1.37 In this case, the job numbers come from the specific operator for the detailed element of the proposed scheme. As a consequence there is no need to use the HCA numbers, or those from another nearby scheme.
- 1.38 For the outline element, the assessment is based on both B2 and B8 floorspace. The employment numbers set out in Chapter 15 of the ES (CD33.63, Table 15.11, page 18) are consistent with the HCA employment density guide which states that B2 employment is 36 sqm per FTE for industrial and manufacturing and 70 to 95 sqm per FTE for B8. This generates an average employment density of 46sqm per job.
- 1.39 These numbers are broadly in line with the actual employment densities across the existing Omega site. As set out in Appendix 4 of Mr Milloy's proof (CD38.8B) there are 450,000sqm of occupied space at Omega and 9,807 jobs – also an average of 46sqm per job.
- 1.40 Ms Copley is wrong to state that the scheme should be treated as a National Distribution Centre with a job density of 1 job per 95sqm and that the benefits are overstated.

Economic & Social Benefits

- 1.41 Ms Copley summarises her views of the impacts at paragraphs 89-91 and these are as follows:
- i) The proposals do not support the type of economic activity in BFP ECON1
 - ii) They will harm existing businesses
 - iii) Lead to a narrower and lower value business base in St Helens
 - iv) The applicant's existing premises are only half-full
 - v) Job density assumptions are unreliable
- 1.42 Points i), iii) and v) are addressed above. There is no evidence in front of this inquiry to suggest harm to existing businesses. With regard to point iv), this is addressed in Mr Clarke's proof (CD38.7) where he makes clear that the existing facilities both serve different geographical markets and in any case will soon be at capacity.
- 1.43 At paragraph 92 Ms Copley asserts there will be social disbenefits arising from the loss of horse-related businesses. Again, there is no evidence in front of this inquiry to support this assertion.

Declaration

1.44 The evidence which I have prepared and provide for this called-in planning application (reference APP/H4315/V/20/3265899) is true and has been prepared and is given in accordance with the guidance of my professional institution and I confirm that the opinions expressed are my true and professional opinions.

Dated: 13th April 2021

A handwritten signature in black ink that reads "Andrew Hunt". The signature is written in a cursive style with a large initial 'A'.

Andrew Stephen Hunt

Director