

KNOWSLEY CORE STRATEGY

MATTER 4:EMPLOYMENT PROVISION

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Introduction to Responses

Answers to all the questions posed by the Inspector must be put into the context of national policy and the economic and social problems facing Knowsley.

The NPPF is strongly pro-growth and makes clear that this approach must be carried forward into Local Plans. Paragraphs 7 and 8 are unambiguous that facilitating economic growth is an essential part of sustainable development. Paragraph 18 says that the Government is "*committed*" to securing economic growth in order to secure jobs and prosperity. Paragraph 19 adds that the Government is also "*committed*" to ensuring the planning system does everything it can to support sustainable economic growth. It says planning should operate to "*encourage and not act as an impediment to sustainable growth.*" Paragraphs 160 and 161 deal with the implications for local plans, including very importantly making clear there is a requirement to address both quantitative and qualitative needs.

The Ministerial Announcement of September 2012 reinforces the overriding importance of the planning system facilitating economic growth. It says:

"The Coalition Government's number one priority is to get the economy growing. We must create the conditions that support local economic growth and remove barriers that stop local businesses creating jobs and getting Britain building again."

The emphasis on the need for the planning system to place a high priority on economic growth is particularly pertinent to Knowsley because of its very severe economic and social problems. Knowsley is the fourth most deprived Authority in England. According to Nomis figures, its residents also have some of the highest rates in England of unemployment (11.5%), worklessness (28.6% economically inactive) and low pay (£450.80 per week). There are encouraging signs that Knowsley is beginning to turn round, but this should not disguise the magnitude of the need for continued high levels of economic development.

Issue 1: Objectively Assessed Needs

1. Question 4.1: The SCS Employment Land Requirement

1.1 The Submitted Core Strategy (SCS) projects forward the annual average rate of employment land take-up (10.19ha per annum) to produce an employment land requirement of 183.5ha for the plan period 2010 to 2028. JPL considers that this methodology is not robust as it takes no account of:-

1. Whether the long term average take-up is a true reflection of past demand for employment land in the Borough or whether it has been constrained by a lack of adequate market-attractive supply in the recent past.
2. Whether the requirement it produces is sufficient to remedy the qualitative deficiencies in the Council's supply, and in particular whether it would cater for the likely growth sectors of the economy over the plan period, including those set out in the SCS and the Knowsley Economic Regeneration Strategy.

1.2 JPL supports the reasons given in the Council's 2013 Employment Technical Report (ETR) (TR01) and the Joint Employment Land and Premises Study (JELPS) (EB07), why historic long term take-up rates should be the starting point to consider future demand for employment land. However, when assessing past take-up it is always necessary to consider whether demand has been suppressed by an inadequate supply of market attractive sites.

1.3 The 2013 ETR (Table 3.4) shows there has been considerable variation year by year in take-up since 1995. However, the highest rates of take-up were in the period before 2002 (an average of 14.7ha per annum). Since then, average take-up rates have been significantly less (7.0ha per annum). Not surprisingly there has been a very substantial drop in take-up since 2008, reflecting the very severe economic downturn nationally. However there was also a significant downturn between 2002 and 2007. The issue is whether this reflected lower demand or was the result of an inadequate land supply.

1.4 The Council was previously clear on this point. The 2011 version of the Employment Technical Report (TR02b) said (para 3.3):-

*"Figure 3.2 shows the take-up of employment land between 1995/6 and 2009/10. In the initial part of the period the Borough contained a lot of vacant industrial land and take-up was high. **As the choice of available sites diminished so did the take-up.**" (our boldening and underlining)*

1.5 The 2013 version of the ETR seeks to claim the opposite but without giving any evidence to back its claim. In line with the 2011 ETR, JPL considers that the downturn in take-up after 2001 is primarily a reflection of lack of market-attractive supply rather than lack of demand. This is best illustrated by the experience of other Authorities in the same employment market area. As JELPS Table 116 demonstrates, all the authorities covered by the Study, including Halton, Sefton and West Lancashire, showed a significant increase in take-up between 2002 and 2008. Knowsley alone suffered a downturn. As such, lack of market demand in the employment market area could not have been the determining factor in reducing take-up in Knowsley since 2002.

- 1.6 On this basis, we consider that the long-term annual average take-up of 10.19ha must be considered to be the minimum indicator of demand for employment land in the Borough and a higher take-up should be achievable if a good portfolio of market attractive sites is established.
- 1.7 The second part of our case why the methodology used to establish the employment land requirement is defective is because it involves no analysis of whether the existing identified supply is capable of meeting the qualitative needs of the area. As we have already emphasised, national policy emphasises the importance of meeting qualitative as well as quantitative needs. In this regard, NPPF paragraph 21 (2nd bullet point) makes the clear distinction between sites for local investment (of the type which nearly all the sites within the Council's existing supply are only suitable for) and sites for inward investment "*to match the strategy and to meet anticipated needs over the plan period*". The third bullet point identifies the need for local plans to provide for the needs of specific business sectors. Similarly, NPPF paragraph 161 makes clear that local planning authorities should assess "*the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic development.*"
- 1.8 In relation to qualitative needs, SCS paragraph 5.27 identifies four key economic development sectors "*that have the potential to create new jobs and new opportunities.*" These include knowledge intensive industries including advanced manufacturing; warehousing and logistics; and offices. These are the same as identified in the Knowsley Economic Regeneration Strategy (KERS) and are key to achieving the economic development objectives of the Council. Despite this, the Council has undertaken no assessment of whether the existing employment land supply provides adequate opportunities for these very important economic sectors. This is a very serious failing. This lack of consideration of qualitative need, and whether additional land needs to be identified to meet it, takes the Council's appraisal out of accordance with national policy.
- 1.9 JPL's assessment, shared by its commercial development partners, is that there is a lack of larger, market attractive sites generally in the Borough. In particular, Knowsley's existing land supply does not provide adequately for the key economic development target sectors, particularly for knowledge based light industry and research, advanced manufacturing, and warehousing and logistics. As part of this deficiency, there are no available large sites along the M62 Corridor in Knowsley. The motorway corridor is the focus of much of the demand regionally for these sectors; whilst the success of the Liverpool John Lennon Airport has further intensified demand, as will the Atlantic Gateway proposals (PG26).
- 1.10 In conclusion, the methodology used by the Council to assess the need for additional employment is flawed because:-
- It does not properly reflect demand.
 - It does not provide for flexibility and choice (see Q4.3).
 - It does not address the qualitative deficiencies in the Council's current land supply in particular for sites for inward investment and especially for logistics, warehousing and advanced manufacturing.

- It is not sufficiently pro-growth as required by national policy.

2. Question 4.2: Reliability of Council Data.

2.1 This is a question for the Council to answer initially.

3. Question 4.3: Flexibility Allowance.

3.1 This question raises the issue of whether the objective of SCS Policy CS4 is to achieve the development of 183.5ha of land over the plan period or simply to limit the supply to this figure. Policy CS4 implies the latter but this would not be consistent with how the figure has been derived.

3.2 If the intention is to limit the supply to 183.5ha over the plan period, it is inevitable that the SCS will achieve a lower rate of economic development than the Borough has sustained in the past. This is because not all sites identified for employment will be developed in the plan period for a variety of reasons including unforeseen market, ownership or physical constraints. The Council accepts this for sites identified for housing development (hence the 20% discount for SHLAA sites) but seemingly not for economic development. This is perverse especially as constraints on employment sites are often much more difficult to overcome because of lower land values.

3.3 For the reasons already given, JPL considers that the SCS should be planning for at least a take up of 183.5ha of employment land over the plan period. To achieve this requirement, there is a need to provide additional supply as part of a flexibility allowance. This flexibility allowance has two main purposes:-

1. To allow for sites not coming forward because of constraints.
2. To provide for range and choice to potential developers and occupiers. As part of this, the flexibility allowance would help make up the qualitative deficiencies in the Council's current employment land supply which we have identified above.

3.4 JPL considers that 20% should be added to the long term take-up rate to allow for range and choice. The Council's ETR says that a flexibility allowance is not a specific requirement of Government guidance. Nonetheless it is standard practice to include it, as both JELPS and the Overview Study (LC03) recognise.

3.5 Both the RS (PG18) and JELPS endorse the use of a flexibility factor of 20% in the specific circumstances of Merseyside and Knowsley in particular. JELPS says that this allowance reflects the CLG Employment Land Review guidance (that is still current) which it says "*suggests a buffer is needed to allow for churn and to allow for continuing range and choice.*"

3.6 The Council's ETR refers to the comment in the Overview Study that historic trends forecasting "*often result in high requirements over plan periods when projected forward*". On this basis, the ETR says that the 20% flexibility factor for range and choice, as recommended by JELPS, should not be applied. This logic is flawed as there is

no reason to dismiss a requirement just because it is considered "*high*" if it is necessary to meet identified needs.

- 3.7 The Council itself appear to recognise the need for a flexibility allowance of some sort in its Technical Report (paragraph 6.2.8).

4. Question 4.4: Employment Land Location and Distribution

4.1 JPL considers that location/distribution of the existing employment land supply does not match the distribution of population in the Borough. Most importantly it does not match opportunities or demand. The M62 corridor (together with the M56 corridor) is the main economic focus of the North West Region and is the area of highest demand for employment development in the Region. Knowsley sits astride this corridor but there are few genuinely attractive employment opportunities available along it in the Borough. As a result, Knowsley currently loses important economic development to other areas which, given its economic and social problems, it cannot afford to lose.

4.2 The proposed exclusion from the Green Belt of land south of Junction 6 (Cronton Colliery) would help remedy this deficiency in the Borough's land supply. The site needs to be made available early in the plan period so that it can make its maximum contribution to the economic development of the Borough in the plan period.

5. Question 4.5: Assessment of Supply

5.1 JPL's primary criticism of the Council's appraisal of existing supply is that it does not seek to match sites against potential demand over the plan period. As a result, it concludes that many sites are "*available*" when there is little likelihood that the market would take them up in the plan period. The Council's supply is made up of too many smaller sites in relatively unattractive settings which are suitable only for a limited local market; whilst there is a lack of good quality sites in high demand areas for inward investment. Lack of market attractive opportunities has been the main cause of low take-up in Knowsley when it has increased elsewhere.

6. Question 4.6: Vacant Premises

6.1 JPL considers that the relatively high level of vacant premises in certain areas reflects their unattractiveness to the modern market. As such, the potential redevelopment of such sites (if viable) would add little to the stock of market attractive sites suitable for employment growth sectors.

7. Question 4.7: Green Belt Land

7.1 JPL considers that the case for releasing Green Belt land for employment development arises from:-

1. The need to meet the quantitative deficiency identified by the Council.
2. The need to provide for flexibility and choice, including a flexibility allowance of 20%.

3. The need to meet the qualitative deficiencies within the Council's existing land supply, including for high quality sites for the key market sectors identified by the SCS (paragraph 5.27).

7.2 JPL considers that the qualitative issues alone are sufficient to justify Green Belt release given the overriding importance of Knowsley increasing employment growth to tackle its very serious social and economic problems.

8. Question 4.8: Phasing

8.1 This is a question for the Council to answer initially. However, JPL considers that any phasing must be sufficiently flexible to allow the authority to address very early the serious deficiencies in the Council's land supply for economic development. In particular, there is a need for early release of some or all of the 'Green Belt' sites.

9. Question 4.9: Sequential Test

9.1 This is a question for the Council to answer initially.