



*Knowsley Council*

# **Knowsley Local Plan: Core Strategy**

Technical Report

## **Planning for Employment Growth**

Final Version - Core Strategy Proposed Submission Document

**November 2012**

# Planning for Employment Growth in Knowsley

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## 0. Executive Summary

- 0.1 This technical report supports the Knowsley Local Plan Core Strategy and its policies around planning for retail growth. This version of this report has been produced to support the Core Strategy Proposed Submission Version and the policies contained therein.
- 0.2 Using a variety of information sources and evidence base documents, this report sets out a range of relevant influences and policy parameters affecting the land requirements and distribution of employment provision which could be delivered in Knowsley, including factors relating to national and regional policy and locally collated evidence.
- 0.3 The report asks a series of questions, firstly to assess the wide range of evidence available to inform the content of this technical report. The evidence (see chapter 2 of the main report) comprises:
- National planning policy documents, which set out the framework for the preparation of Local Plans
  - A range of regionally-collected evidence which inform employment requirements
  - Locally set policies, including the Sustainable Community Strategy, which directly or indirectly will influence localised approaches to employment provision
  - A vast range of sub-regional and local evidence and information, collected by the Council and its partners, which will inform consideration of existing need and regeneration priorities.
- 0.4 Chapter 3 of the report assesses the influence of local circumstances and historic trends in terms of employment (including previous trends and future forecasts), deprivation, levels of land supply and demand (take up). In this regard it is evident that the Local Plan approach needs to adapt to local circumstances to ensure sustainable economic growth in the future. In this regard, Knowsley has several key assets including:
- remaining a key employment location – the Borough’s business parks provide substantial employment in manufacturing, distribution and services. They have good access to employment locations along and around the Liverpool-Manchester corridor and excellent transport linkages;
  - recent precedent of a growing business base between 1995 and 2008 employment rose by 41% with job density rises of over 8.5%, compared to a 2.5% drop nationally over the same period; and
  - businesses in priority sectors , including a wide range of companies operating in the Borough in priority sectors for both the Liverpool City Region and the wider North West (e.g. knowledge driven, creation and high technology, such as the automotive uses in Halewood).

- 0.5 Knowsley also faces several key challenges that must also be accounted for as part of the Local Plan approach, such as;
- a falling Working Age Population – the Borough’s working age population is set to fall over the Core Strategy’s plan period;
  - worklessness – the Borough has high levels of worklessness;
  - lower than average incomes – the incomes of the Borough’s residents are lower than those of residents in surrounding districts, while many higher paid jobs appear to be taken by people who live outside the area;
  - a continued need to improve educational attainment – the educational attainment of many of the Borough’s young people is below the national and regional averages. Raising attainment levels will enable more people to enter work and better equip the Borough’s workforce for more knowledge intensive economic activity.
  - high levels of deprivation – many of the challenges faced by residents of the Borough stem from a high level of deprivation and the multiple disadvantages which are associated with it. Knowsley remains one of the most deprived areas of the country both in the intensity and extent of deprivation in the Borough; and
  - risk of economic downturn – the Borough has made progress in strengthening its economy but its gains can easily be offset by continuation of the current economic downturn. The extent to which public sector spending cuts will affect the Borough’s economy is currently uncertain.
- 0.6 Chapter 4 of the report identifies the employment land supply at the Local Plan base date of 2010 based upon realistic prospect of development. On 1 April 2010 the Borough had **151.6 ha** of land with a realistic prospect of development for employment purposes. This included 122.4 ha of land allocated for employment purposes but without planning permission; 15.6 ha of land with planning permission, but where development has not commenced, 11.1 ha of other land in the Primarily Industrial Areas, and 2.5 ha of land under construction.
- 0.7 Chapter 5 assesses the full range of reasonable scenarios for deriving future jobs and employment land targets, together with the strengths and weaknesses of methodologies before decide on preferred methodology for determining employment land need. The forecasting methods to identify employment land requirements fall into two basic categories which include: projections based on jobs forecasting; and projections forward of historic take-up of employment land over different time periods. The various methods included use of evidence from the Regional Spatial Strategy, the Joint Employment Land and Premises Study and the Overview Study. Methods based on jobs forecasting included translation into land requirements by minimum and maximum limits being put on floorspace per job to allow for different type of job, and plot ratio to allow for different industry needs.

0.8 Chapter 5 identified the most appropriate method is long-term historic take up of employment land (**Method Historic 2**) will provide the most robust means of determining the future level of employment land provision that will be needed to support the Borough's economic growth. This is noting that short-term historic trends are too strongly influenced by major investment or lack of investment in an individual year. The technical report recommends that the 20% uplift (incorporated by RSS) above the historic trends is not implemented when determining future employment land need. This is justified for the following reasons:

- The Overview Study concluded that historic trends forecasting often result in high requirements over plan periods when projected forward.
- The preferred method for predicting future needs (Method Historic 2) already produces a high figure for future needs even without the flexibility factor when compared with econometric approaches used by some neighbouring authorities.
- It is unlikely that there will be significant losses of employment land within the existing supply to other uses aside from a large site at South Prescott and a small scale site at Prescott Trade Centre which will need to be replaced. This is because most B use classes remaining in Knowsley are within industrial estates of significant scale which provide a critical mass of industries that share the same infrastructure, customers and skills base which offer an operating environment for growth. The majority of these heavily industrialised areas are therefore a constrained, unsuitable or an unattractive environment for other uses such as residential. These areas are therefore likely to remain available for employment development.
- there is likely to be some movement to higher density office accommodation subject to an improvement in economic circumstances;
- Although econometric based forecasting methods) are not favoured as means of predicting future land requirements, it is considered that some account still needs to be taken of predicted economic trends used in these methods. Method Historic 4 offers a hybrid viewpoint in this regard, which indicates that Method Historic 2 (plus 20% flexibility) is a significant overestimation of employment requirements.
- NPPF (Paragraph 14) confirms that Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change unless (underlining inserted) specific policies in the Framework indicate development should be restricted. In the case of Knowsley, expansion of the existing industrial areas is heavily constrained by Green Belt designation. Although the Local Plan recognises that some release of Green Belt is required (to meet needs without the 20% flexibility factor) it is necessary to follow a balanced approach under which impact on the Green Belt is kept to a minimum. Investment in Local Plan economic regeneration priorities could be undermined by excessive release of less

sustainable Green Belt sites, which are likely to be more attractive to investment due to fewer existing site constraints.

- Although neighbouring authorities are not considered to be capable of meeting Knowsley's future employment land need, it is considered that the strong cross boundary commuter flows are likely to exist, particularly to strategic employment sites in Speke / Garston, North Liverpool, the 3MG site in Halton, and to a lesser extent the proposed Omega development in Warrington.
- The Council should avoid a potential oversupply of additional employment land in Knowsley which could otherwise undermine the investment in regeneration priorities of neighbouring authorities, for example the area covered by the South Liverpool International Gateway area and 3MG in Halton.

0.9 Chapter 6 considers whether there is likely to be a shortfall of provision over the period to 2028 taking account of potential losses of existing employment land to other uses. In this regard it was identified that Knowsley's potential shortfall of employment land is 31.9 ha but could potentially rise to 57.3 ha if the extant planning consent for South Prescott (former Pirelli land) site is developed primarily for housing, and further increased if other releases of supply occur (for example, Prescott Trade Centre which is subject to an undetermined application). Flexibility is therefore required in terms of additional employment land identified to account for unforeseen future changes to supply, noted that further significant losses are unlikely and release of Green Belt is necessarily restricted to the minimum required in accordance with the NPPF.

0.10 Chapter 6 also assesses the merits of different ways to make up any shortfall of provision, e.g. through more efficient use of existing employment areas (remodelling), meeting needs in neighbouring districts or expansion into areas currently identified as Green Belt. In order to ensure that the Borough continuously has at least five years employment land supply for the whole plan period, land will need to be removed from the Green Belt to ensure that it is available when required. In this regard, it was noted that a proportion of remodelling will be necessary to ensure flexibility of supply for the plan period given the need to limit Green Belt release in accordance with the NPPF. Nevertheless the specific proportion remains dependent upon the extent of any loss at South Prescott and other smaller sites, which as yet remains undetermined. In view of this uncertainty, the Local Plan approach (Policy CS4 and Policy CS11) is necessarily seeking to develop the maximum capacity of remodelling in Knowsley Industrial Park to ensure the optimum amount of flexibility.

0.11 The Local Plan distribution of employment land provision is heavily influenced by the existing pattern of land supply and where land and jobs have historically been located. The Local Plan ensures sufficient flexibility to ensure that opportunities are available to re-consider whether currently allocated sites are still the most appropriate and to



identify further locations for potential future allocation through subsequent stages of Local Plan preparation in accordance with NPPF requirements. The distribution of proportions of employment land to specific townships has therefore been guided by Local Plan priorities. This is reflected by;

- emphasis upon the sub-regional importance of employment and regeneration opportunities in Knowsley Industrial and Business Parks which results in a high proportion of growth in Kirkby;
- identification of a successor site to Kings Business Park at Knowsley Lane (as recommended by JELPS), to complement the existing provision in Huyton which also includes Huyton Business Park, and;
- identification of a suitable alternative employment provision in Prescott / Whiston at Cronton Colliery to account for the possibility of the loss of a significant proportion of existing allocations at South Prescott.

0.12 The Local Plan objectives are consistent with the national policy approach in the NPPF, and therefore the distribution pursued is considered to be sufficiently flexible to support a strong and responsive economy, ensuring that appropriate land of the right type is available in the right places and at the right time to support growth and innovation. In this regard, it should be noted that not all locations are equally suitable for growth. This is because existing employment areas benefit from the most sustainable and accessible locations in Knowsley that are well served by existing infrastructure. As a consequence, existing employment areas remain the most attractive locations for future investment provided suitable sites are available; given the existing critical mass of businesses enhance competitive advantages and there is proven developer interest. These circumstances have also informed the identification of broad locations in the Green Belt which may be suitable for employment purposes. This is noting that sites at; Land to the east of KIP / KBP, Knowsley Lane and Carr Lane all remain close to established employment areas and are intended to complement these areas when the existing range and choice of sites is exhausted. The other proposed site at Cronton Colliery is considered to benefit from similar accessibility advantages (i.e. immediate proximity to the M62 and M57) and comprise a strategic scale to develop a viable critical mass of employment uses. This should ensure that it is capable of sustaining a new employment destination that will be attractive for future investment noting previous developer interest.

## 1. Introduction

### 1.1 Policy background

- 1.1.1. This Technical Report is one of several produced by Knowsley Council to ensure that the Borough's Local Plan is supported by 'robust and credible' evidence. It has informed the Knowsley Local Plan: Core Strategy (published in 2012) about the current and required future provision of land for employment development.
- 1.1.2. A draft of this report was published in June 2011. Revisions have been made in the light of representations made in response to consultation on the Core Strategy Preferred Options Report between June and September 2011, new evidence and changes to the planning system through the Localism Act (2011) and the National Planning Policy Framework (NPPF)<sup>1</sup>.
- 1.1.3. The Core Strategy will lie at the heart of the Knowsley Local Plan and will guide subsequent documents including the Site Allocations and Development Policies Development Plan Document. The Core Strategy is expected to be adopted in 2013 and will set the strategic framework for the growth and development of Knowsley for 15 years.

### 1.2 Local context

- 1.2.1. Knowsley is strategically located within the Liverpool and Manchester corridor. It is connected to these cities by the M62 and A580. The Borough is only 15 minutes drive from Liverpool City Centre and 30 minutes from the centre of Manchester. The M57 also runs through the Borough which provides good North-South connectivity by car. The M6 is reachable within 20 minutes. Four railway lines also pass through Knowsley. Work is underway to electrify the Liverpool-Manchester and Liverpool-Preston lines, which will deliver faster and more frequent services.
- 1.2.2. Knowsley plays an important role within the Liverpool City Region, containing several major industrial and business parks including one of the largest in Europe (Knowsley Industrial and Business Parks) which provides employment for 56,000 people<sup>2</sup>. Other key employment sites include Kings Business Park, Prescott Business Park, Huyton Business Park and Whiston Enterprise Park which offer high quality business space. Knowsley is therefore a major location for employment in the City Region. In total, around 49,000 of the Borough's residents work in the City Region (either in Knowsley or neighbouring districts), which means that Knowsley has a net import labour position, when considering jobs provided compared to total number of employed residents.

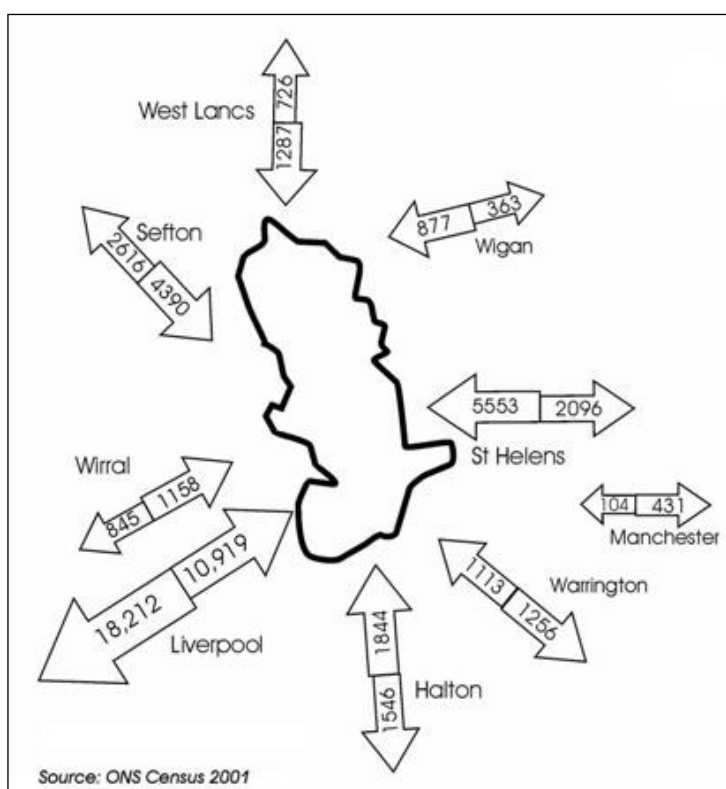
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<sup>1</sup> National Planning Policy Framework (DCLG, 2012)

<sup>2</sup> 2008 Annual Business Inquiry Employee Analysis (ONS, 2009)

- 1.2.3. The Borough has a significant manufacturing sector with concentrations in the automotive industry and its supply chain, advanced manufacturing and engineering. Since the late 1990s major new employment developments in Knowsley's industrial and business parks, town centres and at Whiston Hospital have created substantial numbers of new jobs. This has included a growing role for the business services, ICT, creative, tourism, leisure, financial services, health care, communications, logistics and distribution sectors.
- 1.2.4. Knowsley's connectivity means the Borough is well placed for both business and commuting, within the City Region and beyond. A recent local business survey indicated that Knowsley's transport infrastructure is one of the main reasons why companies choose to be based in the Borough<sup>3</sup>. In terms of commuting flows, on a daily basis around 24,000 City Region residents travel into Knowsley for work and around 25,000 Knowsley residents leave the Borough to work in the City Region<sup>4</sup>. The Borough's excellent rail and motorway networks also place it within easy reach of Liverpool John Lennon Airport, Manchester Airport and the Port of Liverpool. This makes international business a viable and attractive option.

**Figure 1.1: Knowsley's Daily Commuting Flows**



- 1.2.5. The Census information on travel patterns from 2001 re-produced in Figure 1.1 although not up to date in terms of precise commuter figures, remains

<sup>3</sup> A Knowsley Chamber Business Survey that was conducted with around 50 local businesses (2012). 58% indicated that transport was one of the main reasons for having a base in Knowsley.

<sup>4</sup> Local calculation based on 2001 Census and 2010 Annual Population Survey.

illustrative in terms of general trends of commuter flows and functional relationships with the rest of the Liverpool City Region. In this regard, it is apparent that Knowsley is an important source of workforce for the sub-region, with links to Liverpool particularly strong. In this regard, it is clear that the Employment Technical Report cannot focus upon Knowsley's existing and future needs in isolation.

- 1.2.6. Notable businesses which invest in Knowsley include; Jaguar Land Rover (JLR), Getrag, QVC, News International, Vertex, Virgin Media and Goodrich. As well as providing employment opportunities for local residents, these companies offer valuable supply chain contracts to small and medium sized enterprises (SMEs). More than 2,900 SMEs are based in the borough and make a significant contribution to the local economy.
- 1.2.7. Development in Knowsley is guided at present by the Borough's current Development Plan comprising the Unitary Development Plan<sup>5</sup> and the Regional Spatial Strategy (RSS)<sup>6</sup>. Under powers in the Localism Act, the Secretary of State proposes to revoke the current RSS. Further information about the current status of RSS is set out below.

### 1.3 Core Strategy preparation to date

- 1.3.1. The Regional Spatial Strategy<sup>7</sup> for the North West<sup>8</sup> provides a regional tier of planning policy and clearly sets out employment policies to be applied at the local level. As part of the adopted development plan for all North West local authorities, regional policy is particularly important, setting the policy parameters within which local authorities could operate.
- 1.3.2. As standard practice in preparing Development Plan Documents, the Regional Spatial Strategy policies were accounted for in the previous stages of Knowsley Core Strategy preparation, including consultation on an Issues and Options Paper, which took place from November 2009 to January 2010. It was anticipated that this approach would be carried forward to influence subsequent stages of the Core Strategy, eventually being incorporated in the adopted version of the Core Strategy.
- 1.3.3. The RSS provides specific policies for different sub-areas. For areas like Knowsley, in the "outer area" of the Liverpool City Region, the RSS prioritises promotion of economic development, addressing worklessness and working towards urban renaissance and social inclusion. The document also contains important policies about economic development and growth that local authorities such as Knowsley should be seeking to achieve.

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<sup>5</sup> Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006)

<sup>6</sup> The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

<sup>7</sup> Also known as the "Regional Strategy", after the Local Democracy, Economic Development and Construction Act 2009 but referred to for the purposes of this paper as "Regional Spatial Strategy" or "RSS"

<sup>8</sup> The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

- 1.3.4. Policies W1 - W4 of the RSS provide the specific regional policy focus for employment development.
- 1.3.5. Policy W1 of RSS provides clarity on the priorities and opportunities for strengthening the regional economy. In the Liverpool City Region this focused on promoting advanced manufacturing and engineering, financial and professional services, media, creative and cultural industries, biomedical, high value added knowledge based industries, ICT / digital, tourism, maritime and communications. This is supplemented by Policy W2 of RSS which includes criteria for appropriate broad locations for regionally significant development.
- 1.3.6 Policy W3 of RSS identifies and provides criteria for the required supply of employment land. The supply figures were disaggregated to sub-regions with 'Merseyside and Halton' requiring an additional 494 ha of land to be identified for employment purposes between 2005 and 2021. This was in addition to land already allocated for employment uses in development plans across the North West and / or which already had planning permission for employment uses<sup>9</sup>. The requirement was based on the assumption that there would be an 18.5% increase above the historic take-up of employment land. It also included a further 20% increase in recognition that there may, exceptionally, be a need to provide additional land to take account of special circumstances, such as the expansion requirements of a particular business or the realisation of significant inward investment potential. A subsequent guidance note<sup>10</sup> states that local authorities must use their own judgement as to whether to apply the 20% flexibility factor in supply calculations. The RSS did not set specific targets for individual districts.
- 1.3.7 Policy W4 of RSS clarifies circumstances where the release of allocated employment land may be permissible.
- 1.3.8 The Knowsley Core Strategy has been prepared in accordance with the requirements of the Regional Spatial Strategy, and therefore includes an identification of required supply and distribution of employment development which is considered to reflect local needs and regeneration requirements. Specific detail regarding the Council's policy approach can be found within the Core Strategy Proposed Submission document.

## 1.4 Proposed revocation of Regional Spatial Strategies

- 1.4.1 The Regional Spatial Strategy for the North West<sup>11</sup> was published by the Secretary of State in 2008. Following the 2010 general election, the Coalition Government signalled its intention to abolish adopted Regional Spatial Strategies<sup>12</sup>. On 6<sup>th</sup> July 2010, the formal revocation of Regional Spatial

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<sup>9</sup> Regional Employment Land Study Phase 1 and 2, Arup, 2005 and Regional Employment Land Study Phase 3 (Arup, 2005)

<sup>10</sup> North West of England Plan – Regional Spatial Strategy to 2021 Employment Land Implementation Note – April 2009 (4NW, 2009)

<sup>11</sup> North West of England Plan Regional Spatial Strategy to 2021 (DCLG, 2008)

<sup>12</sup> See letter from the Secretary of State to Chief Planning Officers (CLG, May 2010)

Strategies was confirmed by the Government<sup>13</sup>. However, in November 2010, the revocation decision was subject to legal challenge, and was subsequently overturned in a High Court decision<sup>14</sup>.

- 1.4.2 Following this decision the Government has signalled its intention to abolish Regional Spatial Strategies by using primary legislation through the Localism Act 2011 to make legislative provision for the abolition of this regional planning tier. In advance of this abolition, work towards a replacement Regional Strategy for the North West (known as RS2010) was cancelled. This means that whilst Regional Spatial Strategies have not yet been abolished, there is a clear likelihood that they will be, subsequent to the finalisation of strategic environmental assessments required to satisfy European directives. This has important implications for the preparation of Local Plans, including documents like the Knowsley Core Strategy which will not be adopted until 2013, as they must be prepared with regard to the future abolition of Regional Spatial Strategies. This will enable them to remain relevant once adopted and in circumstances when the regional tier has been removed.
- 1.4.3 It should be noted that the RSS and the evidence which underpinned it will remain in the public domain as evidence base, following its revocation. This includes work undertaken towards a replacement Regional Strategy, which was progressed in the North West by 4NW and partner organisations during 2009 and 2010. The Government has also taken steps to change aspects of national planning policy, and has published a new National Planning Policy Framework (NPPF), which replaced the majority of the previous Planning Policy Statements and Planning Policy Guidance Notes.
- 1.4.4 It is within this context of change that this report has been written, with the rationale of seeking to adapt to and address the newly created policy void. This report is particularly important when considering the need to make timely progress on the Knowsley Core Strategy, bearing in mind that the previous iterations of the document were heavily influenced by the regional policy which is now proposed to be abolished.

## 1.5 Purpose of this report

- 1.5.1. This Technical Report assesses what level of employment land provision is required to support Knowsley's needs for employment growth up to 2028. In this regard, although it is noted that other land uses such as retail and leisure provide jobs, this report only covers employment uses within the "B" classes' in the Town and Country Planning (Use Classes) Order 1987 (as amended). "B" classes' of employment use include offices, light industry, general industry, and warehousing. Future needs for other employment uses such as retail and

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<sup>13</sup> See letter from the CLG Chief Planner to Chief Planning Officers (CLG, July 2010)

<sup>14</sup> See *Cala Homes (South) Limited vs. Secretary of State for Communities and Local Government* High Court decision at <http://www.bailii.org/ew/cases/EWHC/Admin/2010/2866.html>

leisure uses are alternatively considered within the Town Centres and Shopping Study<sup>15</sup> and Technical Report: Planning for Retail in Knowsley<sup>16</sup>.

1.5.2. The remainder of this Report sets out:

- The policy context and evidence base at national, regional, City Region and local levels (see Chapter 2);
- The key features and challenges facing the Borough's economy (Chapter 3);
- The overall approach used to assess future employment land requirements and Knowsley's current employment land supply (Chapter 4)
- How much employment land is needed during the Local Plan period up to 2028, including an assessment of various methods used to derive this figure (Chapter 5), and;
- Options for addressing a shortfall identified to meet the requirements up to 2028, together with the proposed distribution of future employment across Knowsley (Chapter 6).

1.5.3. Of particular importance within the report is the assessment of the different scenarios for future employment land growth requirements in Knowsley within Chapter 5, based on a range of different methods for predicting need. This establishes a preferred level of employment land provision for Knowsley in the Local Plan which is justifiable, deliverable and supported by robust and up-to-date evidence.

1.5.4. The methods assessed to plan for future employment growth in Chapter 5 use a number of sources including:

- The evidence base which underpinned the adopted RSS (2008),
- Initial work carried out by 4NW and partners in 2010 to inform a review of RSS proposed at that time, and;
- Local and sub-regional studies including the Joint Employment Land and Premises Study and the Liverpool City Region Overview Study.

1.5.5. This Report forms part of the evidence available for the Council to draw on in determining and if necessary justifying and defending its Local Plan policies for employment growth. Other Technical Reports produced by the Council covering other aspects of the Local Plan are as follows:

- "Planning for Housing Growth in Knowsley"
- "Green Belt"
- "Spatial Profile"
- "Planning for Retail in Knowsley"

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<sup>15</sup> Knowsley Local Development Framework: Town Centres and Shopping Study (Roger Tym and Partners, 2010)

<sup>16</sup> Knowsley Local Plan Core Strategy Technical Report: Planning for Retail in Knowsley (Knowsley MBC, 2012)

## 2. Context

### 2.1 National policy and evidence

2.1.1. This chapter outlines the policy context within which the Local Plan has been developed at national, City Region and local level, whilst summarising the relevant evidence base relating to each.

2.1.2. In March 2012, the Government introduced a new and consolidated set of national planning policy within the **National Planning Policy Framework (NPPF)**<sup>17</sup>. The NPPF replaced the majority of Planning Policy Statements and Planning Policy Guidance Notes which previously constituted the Government's national planning policy. The NPPF focuses on achieving sustainable development, including guidance relating to the economic, social and environmental aspects of this. With regard to plan-making undertaken by local authorities, the NPPF is clear that plans should seek to positively meet the development needs of the area, and should be flexible in seeking to meet such objectively assessed needs. The NPPF also sets out the soundness tests which Local Plans will be required to meet, when they are submitted for examination.

2.1.3. The NPPF recognises that provision and distribution of land for employment uses is a key component of the sustainable communities agenda needed to support sustainable economic growth. A particular focus of the NPPF is ensuring that policies are in place to meet the strategic need to secure economic growth in order to create jobs and prosperity. In this regard, the NPPF also requires Local Plans to;

- Set a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement, and;
- Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.1.4. The NPPF is also clear that:

*“Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used*

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<sup>17</sup> The National Planning Policy Framework (CLG, 2012)



*for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities”.*

- 2.1.5. The above requirements of the NPPF are relevant to the preparation of the Local Plan: Core Strategy and therefore inform the context of this technical report.
- 2.1.6. **Planning Policy Statement 4: Planning for Sustainable Economic Growth**<sup>18</sup> (PPS4) set out the national planning policies for employment development up to March 2012. This document formed the planning focus to support the Government’s overarching objective for sustainable economic growth. PPS4 was replaced in totality by the NPPF in March 2012.
- 2.1.7. Up to March 2012, the Government’s approach to the forward planning activities of local authorities was set out within **Planning Policy Statement 12: Local Spatial Planning**<sup>19</sup> (PPS12). This document provided guidance about how local authorities should go about preparing their plans, in particular focussing on the development of Core Strategies. The document set out the processes and parameters within which plans should be prepared, and also set out the criteria which must be met by the documents that local authorities are preparing to achieve “soundness”. There was a clear focus within PPS12 to ensure that all policy content is supported by a robust evidence base which justifies the chosen approaches, and clearly demonstrates that alternative approaches have been considered. This focus was a key driver for the preparation of this technical report, and continues to be reflected in the NPPF, which replaced PPS12 in March 2012.
- 2.1.8. The government introduced new legislation relating to planning within the **Localism Act 2011**<sup>20</sup>. This legislation amended the Planning and Compulsory Purchase Act 2004<sup>21</sup>, with regard to preparation of local plans, and also formed the basis for new regulations<sup>22</sup> around the preparation of local plans. The Act also sets out the legislative basis for the abolition of Regional Spatial Strategies, whilst introducing a new responsibility known as the “duty to cooperate”, which demands that local authorities demonstrate cooperation with each other and other key stakeholder in the preparation of their local plans and other planning related matters. Additional key changes in the Act relate to the implementation of the Community Infrastructure Levy, modifications to the plan preparation process, and the introduction of the ability of communities to lead on the production of “neighbourhood plans”.

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<sup>18</sup> Planning Policy Statement 4: Planning for Sustainable Economic Growth (CLG, 2009)

<sup>19</sup> Planning Policy Statement 12: Local Spatial Planning (CLG, 2009)

<sup>20</sup> Localism Act 2011 (HM Government, 2011)

<sup>21</sup> Planning and Compulsory Purchase Act 2004 (HM Government, 2004)

<sup>22</sup> The Town and Country Planning (Local Planning) (England) Regulations 2012 (HM Government, 2012)

- 2.1.9. The **Office of National Statistics** (ONS) publishes a range of statistics relevant to planning. These datasets which are directly relevant to considering the employment requirements, including population projections and household projections, as well as a range of contextual information such as economic information. Much of the data produced by ONS is at the Local Authority level or lower, which enables easy comparison with surrounding areas as well as regional or national averages.
- 2.1.10. The **Department of Communities and Local Government** (CLG) also publishes a wide range of statistics and contextual information, whilst collating a number of datasets from Local Authorities, helping to inform the national picture for economic projections and forecasting.

## 2.2 Regional policy and evidence

- 2.2.1. In addition to the adopted Regional Spatial Strategy, work also began on its replacement – the Regional Strategy for the North West, known as **RS2010**<sup>23</sup>. 4NW and NWDA commenced evidence base work for this strategy. However, due to the proposed abolition of Regional Strategies by the Government, work completed towards RS2010 was re-directed into a non-statutory regional document known as **Future Northwest**<sup>24</sup>, which stated strategic shared priorities for the North West region.
- 2.2.2. Notwithstanding the Government's intention to revoke the RSS, the evidence which underpinned the Regional Strategies remains in the public domain as evidence base. This includes the work undertaken towards a replacement Regional Strategy, which was progressed in the North West by 4NW (the successor to the North West Regional Assembly) and the North West Development Agency in consultation with other bodies during 2009 and 2010.
- 2.2.3. The initial work undertaken by 4NW to inform RS2010 included a Technical Background Paper<sup>25</sup> that outlined the approach towards developing housing provision and job growth figures for the North West region for the period to 2030. The paper set out five different scenarios that would have provided a starting point for further work and discussion. Three of these scenarios (known as Runs A-C) form the basis for three of the potential methods assessed in Chapter 5 of this document for predicting future employment land needs in Knowsley. The remaining runs (D and E) have not been considered as these did not set targets for job growth or employment land provision.
- 2.2.4. **REFP** was a long term baseline forecast for the region published in March 2010. This is a “policy-off” forecast and does not take into account any aspirations and policy interventions. This was developed using forecasts from the three main forecasting houses: Cambridge Econometrics, Oxford Economics and Experian. Regional partners were advised by consultants to

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<sup>23</sup> RS2010 Part 1: The High Level Strategic Framework (4NW, 2010)

<sup>24</sup> Future Northwest: Our Shared Priorities (4NW, 2010)

<sup>25</sup> Technical Background Paper Initial Technical work on Housing Provision and Job Growth Figures for the North West July 2010 (4NW, 2010)

use the REFP work as a starting point for setting employment land and job targets and then work with local authorities in order to reality test the forecasts and factor in policy targets and aspirations.

2.2.5. The **North West Regional Economic Strategy (RES)**<sup>26</sup> set strategic economic priorities for the region. The Strategy identified Knowsley as:

- an under-performing area for enterprise and a priority area for business survival and start-up support;
- one of nine local authorities earmarked for action to ensure that numbers of people without qualifications is reduced;
- a priority area for action to reduce the numbers of people in receipt of incapacity benefit; and
- an area for measures to encourage local employment creation.

2.2.6. In addition to the above, Kings Business Park in Huyton was identified as a key regional strategic investment site.

## 2.3 Sub-regional policy and evidence

2.3.1. The local authorities within the Liverpool City Region have a strong history of working together on economic development issues, as evidenced by the production of the **Liverpool City Region Development Programme**<sup>27</sup> in 2006 and a **Multi-Area Agreement (MAA)**<sup>28</sup> in 2009. These provided a common set of goals agreed by Knowsley and the other constituent authorities of the Liverpool City Region.

2.3.2. **Local Enterprise Partnerships (LEP)** are partnerships between local authorities and businesses. The role of LEPs is to determine local economic priorities, drive economic growth and create local jobs. In October 2010 the Government approved the proposal to set up the Liverpool City Region Local Enterprise Partnership (LCRLEP), which was then formally constituted in March 2012. The LCRLEP plan<sup>29</sup> focuses on the City Region's economic strengths of: the SuperPort; Advanced Manufacturing; the Low Carbon and Knowledge economies; and the Visitor Economy (see Figure 2.1 on the following page).

2.3.3. The City Region also proposes to invest £15m to provide incentives to small and medium (SMEs) to create additional jobs and apprenticeships from which it hopes to create up to 10,000 new jobs. This is noting that the business base of Liverpool City Region needs to grow from the 47,471 businesses existing (in 2009) to 62,164 businesses to eliminate the gap to the national average<sup>30</sup>.

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<sup>26</sup> North West Regional Economic Strategy 2006 (NWDA, 2006)

<sup>27</sup> Liverpool City Region Development Programme Report 2006 (TMP, 2006)

<sup>28</sup> Liverpool City Region Multi-Area Agreement (TMP and Local Authorities, 2009)

<sup>29</sup> Liverpool City Region Deal with Government (Liverpool City Region Local Enterprise Partnership, 2012)

<sup>30</sup> The Mersey Partnership Economic Review 2011 (TMP, 2012)

**Figure 2.1: Key Economic Priorities of the Liverpool City Region Local Enterprise Partnership**  
(Source: <http://liverpoollep.org/>)

Knowledge Economy - knowledge intensive industries including advanced manufacturing, life sciences, creative and digital industries, environmental technologies, and financial and professional services.

Liverpool SuperPort - transformation of the City Region's ports, airport, road, rail and logistics assets into a low carbon SuperPort of international status.

Low Carbon Economy - job creation and growth through new opportunities in the low carbon sector including; renewable energy generation, retrofitting homes and building, and low emission vehicles and transport.

Visitor Economy - establishing the City Region as a major visitor destination through the marketing and development of the region's cultural and heritage assets, retail and hospitality offer, and tourist attractions.

- 2.3.4. A specific priority relating to Knowsley within the **Liverpool City Region - Visitor Economy Strategy to 2020**<sup>31</sup>, relates to Prescot which is identified as a City Region priority for investment in the quality of visitor experience. In this regard, it is considered that employment provision will be influential; however this is likely to be focused around main town centre uses which are alternatively dealt with in the Technical Report: Planning for Retail in Knowsley.
- 2.3.5. To monitor progress in the City Region economy, the Mersey Partnership (which has now been incorporated into the LEP) publishes regular Economic Reviews. The most recent **Merseyside Partnership Economic Review (2011)**<sup>32</sup> identified that the impact of the financial crisis since the "credit crunch" of 2008 has been severe in terms of overall economic performance. Nevertheless despite significant levels of unemployment within Liverpool City Region (10.1% compared to the national average of 7.8% in 2009), the recent increase has been proportionally less than the national average and in other Local Enterprise Partnership areas. The levels of unemployment are considered to be influenced by the legacy of industrial change resulting from a decline in traditional manufacturing sectors with all six districts (including Knowsley) consequently having unemployment rates within the top 20% nationally. Emphasis is therefore placed upon investment opportunities in the Liverpool City Region which can rebalance the economy away from its current public sector reliance and provide opportunities for private investment in key growth sectors and job creation. In this regard, major investment opportunities

<sup>31</sup> Liverpool City Region – Visitor Economy Strategy to 2020 (The Mersey Partnership / L & R Consulting, 2009)

<sup>32</sup> The Mersey Partnership Economic Review 2011 (TMP, 2012)

in Knowsley at Kirkby Town Centre and Knowsley Industrial Park are specifically identified.

- 2.3.6. **The Liverpool City Region “Overview Study”**<sup>33</sup> was commissioned by seven Local Authorities in the Liverpool City Region and adjacent areas to consider strategic and cross-boundary issues concerning future requirements and land supply for housing and employment development. As far as employment land is concerned, its primary purpose was to explore the extent to which any excess employment land supply in one or more local authority area(s) could meet the needs / demands of neighbouring or other local authorities. The study covered Halton, Knowsley, Liverpool, Sefton, St Helens, West Lancashire, and Wirral (the Core Area), and a wider area of Preston, South Ribble, and Chorley, Wigan, Warrington, and Cheshire West and Chester.
- 2.3.7. The Overview Study evaluated the methodologies used in each authorities’ employment land studies and established a composite picture of the demand for land across the area. The detailed findings and influence in relation to planning for employment growth in Knowsley are assessed later in this Report.
- 2.3.8. The **Employment and Skills Strategy and Commissioning Framework**<sup>34</sup> promotes improvements to the Liverpool City Region’s employment and skills profile. This includes focussing on the learning, employment and skills outcomes for 14 - 24 year olds, tackling deprivation and increasing the numbers of graduates in the workforce.

## 2.4 Local Plans and Projects in the Sub-region

- 2.4.1. Neighbouring local authorities in the Liverpool City Region and Lancashire are at varying stages in preparing their Local Plans (summarised in the separate “Duty to Cooperate” statement). The Core Strategies of two neighbouring districts - Halton and St.Helens have been through their public hearings, however only St. Helens has been adopted to date (as at November 2012). West Lancashire have also recently submitted their Plan to the Secretary of State, with the remaining neighbouring authorities (as at November 2012) yet to submit their Plans to the Secretary of State. A brief summary of the employment land approaches of Local Plans in the sub-region (and those of relevance nearby) is provided below.
- 2.4.2. The **Halton Core Strategy Revised Proposed Submission**<sup>35</sup> proposes to allocate a total of 295 ha of employment land provision for B1/B2/B8 uses up to 2028, approximately 198 ha of which comprises existing supply. The calculation of employment land requirements for the plan period is based

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<sup>33</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

<sup>34</sup> Liverpool City Region Employment and Skill Strategy and Commissioning Framework (MLEP, 2010)

<sup>35</sup> Halton Core Strategy Revised Proposed Submission (Halton Borough Council, 2012)

upon historic take up rates, but includes a proportionate deduction (20%) for the first five years of the plan period to reflect reduced take up resulting from the economic downturn. In this regard, although the overall employment land requirements includes a 20% flexibility factor to maintain a range and choice of sites during the plan period, the resultant Local Plan provision remains approximately 5% less than an up-to-date calculation using the historic trends methodology within the Joint Employment Land and Premises Study. The Revised Proposed Submission document also identifies two key employment areas of regional significance - the combined area of Daresbury and Daresbury Science and Innovation Campus and 3MG, Ditton. The status of 3MG in particular is of specific significance to Knowsley, as its location to the west of Widnes is in close proximity to the Borough boundary with functional linkage to Halewood. This includes shared highway infrastructure in terms of the A562 and A6300 interchange. It is considered that Halton has sufficient supply to meet their own employment land needs arising during the plan period, but insufficient surplus land to address Knowsley's identified needs, despite the functional linkage between travel to work areas, particularly in terms of Halewood and Cronton.

2.4.3. The **Liverpool Core Strategy Submission Draft**<sup>36</sup> proposes to allocate between 200 and 320 ha for B1/B2/B8 uses. The calculation of employment land requirements for the plan period is based upon a labour demand (econometric forecast) methodology, rather than historic take up rates. New employment development is intended to be directed towards 5 Strategic Investment Areas (SIAs) where 274 hectares of development land has been identified. Of these SIAs, Aintree / Gillmoss / Fazakerley (A580 Corridor) to the north and Speke / Garston to the south immediately adjoin the Knowsley boundary, with Edge Lane / Wavertree / M62 Corridor also in close proximity, and Liverpool City Centre / Liverpool Waters also providing significant employment supply which is likely to attract Knowsley residents. However, as the employment requirements are focused primarily on existing supply it is considered that Liverpool has sufficient supply to meet its own needs without relying upon Knowsley, but has an insufficient surplus of employment land to meet Knowsley's identified needs. This is notwithstanding the functional linkage between travel to work areas, particularly in terms of the Kirkby, Huyton and Halewood settlements. In this regard, localised scope has been identified in terms of employment requirements arising in the south of Knowsley which could complement investment within South Liverpool (see South Liverpool International Gateway Strategic Framework later in this section).

2.4.4. The **St. Helens Re-Publication Core Strategy**<sup>37</sup> proposes to allocate a total of 37ha of employment land provision for B1/B2/B8 uses up to 2027, all of which comprises existing supply. The calculation of employment land requirements for the plan period is based upon labour demand (econometric forecast) methodology, rather than historic take up rates. In addition, the

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<sup>36</sup>

Liverpool Core Strategy Submission Draft (Liverpool City Council, 2012)

<sup>37</sup>

St. Helens Re-Publication Core Strategy Accepted Changes Version (St. Helens Council, 2011)

Proposed Submission document also identifies Parkside as a strategic regional site which is important to meet the needs for transfer of freight between rail and road, with association to the delivery of SuperPort. It is anticipated that development at Parkside would contribute significantly to the sub-regional employment land supply for employment, particularly B8 uses (up to 160 ha estimated in the Overview Study<sup>38</sup>), although it is unlikely to come forward until the latter part of the plan period. Notwithstanding the potential delivery of Parkside, it is considered that St. Helens has sufficient supply of employment land to meet its own long term needs without a dependency on Knowsley, but has no suitable surplus supply with which to meet Knowsley's identified needs. This is noting a degree of uncertainty regarding the levels of delivery in Parkside during the plan period and its eastern location remaining distant from the functional linkage of travel to work areas which are primarily focused upon the western and central areas of St. Helens with the Prescot / Whiston areas in Knowsley.

2.4.5. The **Sefton Core Strategy Options Paper**<sup>39</sup> proposed a range of potential employment land provision options, ranging from 57 ha - 82 ha in total, which includes 57 ha of existing supply. In view of the indeterminate nature of the potential employment land requirement to be taken forward, it would not be appropriate to presume which methodological approach Sefton intend to adopt at this stage. Nevertheless it is apparent that the upper threshold within the range may be sufficient to accommodate either the labour demand (econometric forecast) or historic take up rate methodologies within the Joint Employment Land and Premises Study. It is anticipated that although a number of strategic employment sites are likely to be identified in the Local Plan, these will remain locally significant rather than regionally significant and therefore have limited influence upon Knowsley. It should be noted that Sefton have recently contacted Knowsley regarding the potential to meet some of their future needs. A response was provided by Knowsley that this would not be possible due to the Local Plan approach in Knowsley requiring Green Belt release to meet longer term plan period needs. This means that it would not be appropriate to increase the required supply to meet additional neighbouring needs. Further detail in this regard, and relating to cross boundary co-operation with other neighbouring authorities is provided in Knowsley's Draft Duty to Co-operate Statement<sup>40</sup>.

2.4.6. The **Warrington Local Plan Core Strategy Submission**<sup>41</sup> proposes to allocate a total of 277 ha of employment land provision for B1/B2/B8 uses up to 2028, including approximately 267 ha of which is located within the regionally significant sites at Omega and Lingley Mere. The calculation of employment land requirements for the plan period is based upon updated historic take up rates plus 20% flexibility, with a surplus of up to 60 ha over the plan period, although this could be utilised for purposes other than B1/B2/B8

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<sup>38</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

<sup>39</sup> Sefton Core Strategy Options Paper (Sefton Council, 2011)

<sup>40</sup> Knowsley Draft Duty to Co-operate Statement (Knowsley MBC, 2012)

<sup>41</sup> Warrington Local Plan Core Strategy Submission (Warrington Borough Council, 2012)

uses rather than meeting neighbouring needs. Warrington is not immediately adjoining Knowsley, however the strategic nature and location of the employment land provision at Omega and Lingley Mere adjacent to the M62 means that it is likely to attract travel to work movements from the south and east of Knowsley. This is important as Omega has the ability to absorb approximately three years take-up or demand for the whole of the Merseyside and Halton sub-region, with particular suitability for B8 uses given its location and scale. This location could therefore attract sub-regional investment associated to Superport. Nevertheless it is considered that Warrington has sufficient supply to meet its own needs, but no surplus supply of employment land which is suitable to meet Knowsley's identified needs. This is noting a degree of uncertainty regarding the level and type of delivery which will occur at Omega during the plan period and noting its detachment from Knowsley with accessibility confined to M62 highway links.

2.4.7. The **West Lancashire Local Plan Publication Version**<sup>42</sup> proposes to allocate a total of 75 ha of employment land provision for B1/B2/B8 uses up to 2028, including approximately 60 ha of existing supply. The calculation of employment land requirements for the plan period is based upon updated historic take up rates plus 20% flexibility, with re-profiling to remove two anomalies of years with high take up. In this regard, although the overall employment land requirements include a 20% flexibility factor to maintain a range and choice of sites during the plan period, the resultant Local Plan provision remains 50% less than 150 ha identified within the Joint Employment Land and Premises Study. Although a number of strategic employment sites are identified in the Local Plan, these remain locally significant rather than regionally significant and have limited influence upon Knowsley. It is considered that West Lancashire has sufficient supply to meet their own employment land arising during the plan period, but insufficient surplus land to address Knowsley's identified needs.

2.4.8. The **Core Strategy for Wirral Preferred Options Report**<sup>43</sup> proposed to allocate a total of 381 ha of employment land provision for B1/B2/B8 uses up to 2028, including approximately 204 ha of existing supply. The calculation of the employment land requirements for the plan period was based upon historic take up rates and the aspirations of the Wirral Investment Strategy. A caveat was however included that the land supply will need to be reassessed before the draft Core Strategy is prepared, given the influence of reduced take up rates experienced recently. The document identifies a number of strategic employment sites of regional importance comprising Wirral International Business Park and Wirral Waters. Whilst these locations may become attractive as employment destinations for some Knowsley residents, it is not considered that Wirral has sufficient surplus supply of employment land which is suitable to meet Knowsley's identified needs, or vice versa. This is noting that Knowsley and Wirral have no adjoining boundary and are physically

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<sup>42</sup> West Lancashire Local Plan Publication Version (West Lancashire Borough Council, 2012)  
<sup>43</sup> Core Strategy for Wirral – Preferred Options Report (Wirral Council, 2011)



separated by the River Mersey with distant accessibility available only via road and rail through Liverpool and Halton respectively.

- 2.4.9. It is apparent from the review of neighbouring and sub-regional Local Plan approaches to employment land provision that there is no consistent approach to forecasting and modelling future demand. It is therefore appropriate that this Technical Report consider the appropriateness of the different methodologies, with a detailed assessment included in Chapter 5.
- 2.4.10. In terms of investment priorities relating to specific projects, Liverpool's **Mayoral Development Corporation (MDC)** will operate a single investment programme utilising public and private finance and assets through a single capital pot. The MDC will oversee an Enterprise Zone (EZ), the City Fringe and Commercial Zone, and Mersey Waters. Enterprise Zones are specific areas where a combination of financial incentives, reduced planning restrictions and other support are used to encourage the creation of new businesses and jobs – and contribute to the growth of the local and national economies. All business rates growth within Enterprise Zones for a period of at least 25 years will be retained by the local area, with the receipts from Liverpool's EZ reinvested. In this regard, five designated Mayoral Development Zones (MDZ) in; North Liverpool, the Knowledge Quarter, Stonebridge Cross, Eastern Approaches and Speke Garston, will be prioritised for investment. It should be noted that the MDZs located in Stonebridge Cross, Eastern Approaches and Speke Garston, are immediately adjacent to or in close proximity to the Knowsley settlements of Kirkby, Huyton and Halewood respectively with functional linkages to employment opportunities for residents. The Local Plan therefore must be mindful of the context of investment priorities in these strategic locations when considering Knowsley's employment requirements, whilst noting that the EZ and all of the MDZs are expected to provide additional employment opportunities for the City Region in the future.
- 2.4.11. In addition to the above, evidence has been prepared in the form of the **Liverpool City Centre Strategic Investment Framework (SIF)**<sup>44</sup> which creates a new 15 year vision for the city centre, outlining exciting developments and improvements to key business and residential districts. These areas include a focus upon six major transformational projects in Liverpool, Waterfront, St Georges, Central, Knowledge Quarter, Commercial District and Great Streets, which are likely to provide employment opportunities which will attract Knowsley residents.
- 2.4.12. South Liverpool (which incorporates Speke and Garston) is just outside Knowsley but is contiguous with Halewood in the south of the Borough. Speke Garston as mentioned previously is also one of the Strategic Investment Areas identified by the emerging Liverpool Local Plan, as well as an MDZ. The **South Liverpool International Gateway Strategic Regeneration**

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Liverpool City Centre Strategic Investment Framework (Liverpool Vision, 2012)

**Framework**<sup>45</sup> identified new development opportunities for housing, leisure, office, and manufacturing. The report states that the area “... *has a total of 129.16 hectares of available employment land and could provide for shortages in supply in Knowsley.*” The report, however, did not quantify the amount of land that could be available to meet Knowsley’s needs. Although the Regeneration Framework does not have formal status as a planning policy document, it is understood that Liverpool City Council intend to take account of its findings in future stages of its Local Plan.

- 2.4.13. With regard to the above, it is clear that the South Liverpool International Gateway site and other strategic employment sites such as 3MG in Widnes remain regionally significant investment priorities in accordance with RSS (as identified by Liverpool and Halton UDPs and their emerging Local Plans respectively). As a consequence, there is a need to consider the potential effect upon employment provision within Knowsley and particularly in terms of the functional linkage of these areas with adjoining settlements. This includes consideration of the extent to which additional employment provision is appropriate in terms of neighbouring regeneration priorities. This should influence policy approaches in terms of appropriate distribution of new development, together with other factors such as land availability and any consequences relative to the requirement to release land in the Green Belt within Knowsley, which should only occur in very special circumstances.
- 2.4.14. The importance of the consideration of the functional linkage between Halewood and Speke, and Kirkby with areas of Liverpool is emphasised by historical precedent provided by the **Merseyside Objective 1 Programme 2001 – 2006** (the second programming period following the original 1993 – 2000 period). The Objective 1 programme identified eight areas (known as Strategic Investment Areas), which had the greatest potential to generate further employment and economic growth. Knowsley contained all or part of three of these, located at:
- Huyton / Prescott
  - Kirkby / Gillmoss (known as “Approach 580”)
  - Halewood / Speke
- 2.4.15. In terms of the above, it should be noted that the Huyton/Prescot and Approach 580 Strategic Investment Areas were partly within the Green Belt in Knowsley. These areas included the Cronton Colliery, and land to the east of Knowsley Industrial Park which are both included as broad locations suitable for Green Belt release in the Local Plan (Policy CS5). These areas were identified as having considerable economic potential as part of the Merseyside Objective 1 Programme, but their Green Belt designation has constrained the potential development of these locations to date.

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<sup>45</sup> South Liverpool International Gateway Strategic Regeneration Framework (Liverpool Vision, 2011)

## 2.5 Local policy and evidence

2.5.1. The **Knowsley Sustainable Communities Strategy (SCS)**<sup>46</sup> identifies that despite high levels of economic growth since 2000, Knowsley's economic performance still lags behind the UK and North West average. As a consequence this document identifies a need for an additional 233 VAT registrations each year to bring the number of businesses in the Borough up to the UK average. It also identified a need for an additional 2,900 businesses to be located in the Borough by 2023 and that 15% of business premises should be designated for office use.

2.5.2. The general focus of the SCS remains relevant in terms of the Local Plan approach despite the recent economic downturn since its preparation. In this regard, although Knowsley has experienced the highest increase in business density rates in the Liverpool City Region since 2004 at around 218 businesses per 10,000 residents, the Borough rate remains the lowest in the City Region.

2.5.3. The **Knowsley Economic Regeneration Strategy**<sup>47</sup> responds to the City Region context and LEP priorities by recognising the need to re-balance the Borough's employment base away from reliance upon the public sector. It therefore sets out the contribution of Knowsley to the City Region economic priorities as follows:

- Knowledge Economy - Knowsley's infrastructure provides a competitive advantage across knowledge based industries in particular advanced manufacturing and financial and business services. Knowsley has an internationally recognised advanced manufacturing industry with Jaguar Land Rover, Getrag and Halewood International choosing to locate in the Borough.
- Liverpool SuperPort – There is an aspiration for transformation of the City Region's ports, airport, road, rail and logistics assets into a low carbon SuperPort of international stature. Knowsley is likely to be attractive for investment in associated employment sectors given its infrastructure advantages.
- Low Carbon Economy - Knowsley Industrial Park is home to a growing nucleus of businesses in renewable energy and environmental technologies and has the potential to be a 'Green Energy Hub'<sup>48</sup>
- Visitor Economy - establishing the City Region as a major visitor destination through the marketing and development of the region's cultural and heritage assets, retail and hospitality offer, and tourist attractions. This includes popular tourist destinations in Knowsley such as Knowsley Safari Park, Knowsley Hall and Prescot Town Centre.

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<sup>46</sup> Knowsley The Borough of Choice – Sustainable Community Strategy 2008 –2023 (Knowsley Partnership, 2008)

<sup>47</sup> Knowsley – A Good Investment Knowsley's Economic Regeneration Strategy 2012-15 (Knowsley MBC, 2012)

<sup>48</sup> Knowledge Economy: delivering new opportunities for growth (U.R.C Associates)

- 2.5.4. As part of the statutory development plan for Knowsley, the saved policies<sup>49</sup> of the **Knowsley Replacement Unitary Development Plan (UDP)**<sup>50</sup> and the evidence collated for the Plan are considered to be still relevant, although must be considered in terms of degrees of weight which can be applied relative to compliance with the NPPF. The Proposals Map is also relevant as it indicates the extent of the Borough's urban and Green Belt areas as well as existing employment areas and allocations.
- 2.5.5. The **Joint Employment Land and Premises Study (JELPS)**<sup>51</sup> considered the supply and future need for employment land in Knowsley, Halton, Sefton, and West Lancashire and covered the period 2008 - 2026. In order to determine future need, the study considered the merits of three different methodologies as follows:
- economic forecasting;
  - projecting forward historic take-up of employment land based on short term trends;
  - projecting forward historic take up of employment land based on long term trends.
- 2.5.6. The above methods formed the basis for three of the scenarios considered in detail within this Report (see Chapter 5) for assessing future employment development requirements in Knowsley, namely methods "Economic 4", "Historic 2" and "Historic 3". Detailed conclusions relating to the JELPS relating to the suitability of each approach is therefore included in that section.
- 2.5.7. In addition to the forecasting of employment land requirements, the JELPS concluded that a partial remodelling of parts of the Knowsley Industrial and Business Parks could contribute to the new land supply required, by making more efficient use of the land available in this area. In response, the Council, in partnership with the North West Development Agency (NWDA), commissioned DTZ in conjunction with ARUP and Taylor Young to review the role of Knowsley Industrial Park (KIP) and Business Park. The resultant document produced was the **Delivering a New Future for Knowsley Industrial Park - Strategic Framework**<sup>52</sup>. The overall aim of the study was to provide a deliverable physical development and investment framework to drive future increased business growth at KIP, reinforcing its role as a major city region and regional business and employment hub.
- 2.5.8. The main findings of the Delivering a New Future for Knowsley Industrial Park - Strategic Framework report identified that:
- Knowsley Industrial Park (and Business Park) remains a positive asset, but there are some key gaps and weaknesses that need to be addressed;

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<sup>49</sup> All UDP policies except: H1, S3, S8 and T4.

<sup>50</sup> Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006)

<sup>51</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>52</sup> Delivering a New Future for Knowsley Industrial Park - Strategic Framework, (DTZ / Taylor Young / Arup, 2010)

- There is a need to strengthen linkages to Kirkby Town Centre in terms of physical, business and employment links;
- Significant financial investment is required to modernise some key areas of Knowsley Industrial Park;
- Opportunities to attract growth sector businesses including 'green businesses' must be pursued to enhance the breadth of businesses on Knowsley Industrial Park and broaden its appeal as an inward investment location; and
- There is 24.6 hectares of additional land capacity for employment development which could (subject to funding and site assembly) be created by remodelling parts of the current Industrial Park.

2.5.9. The recommendations of the Delivering a New Future for Knowsley Industrial Park - Strategic Framework report are progressed through a Local Plan designation as a Principal Regeneration Area with a specific policy approach (Policy CS11) to support identified employment land requirements (Policy CS4).

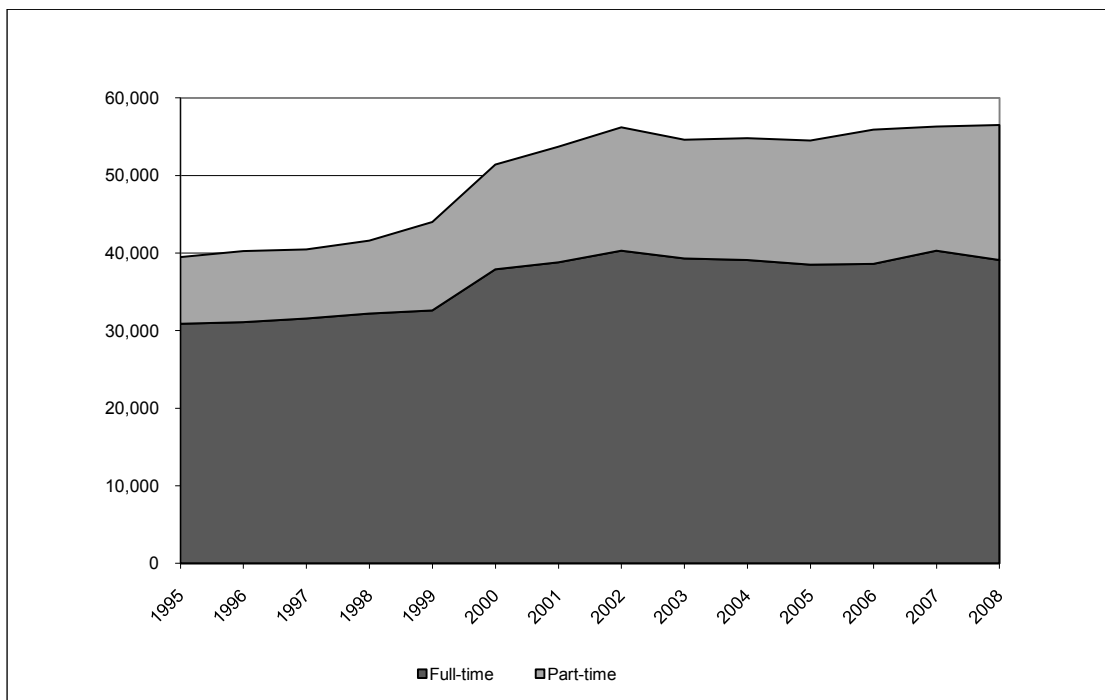
### 3. Influence of Local Circumstances and Historic Trends

#### 3.1 Knowsley's Employment

3.1.1. The Borough's current employment role is dominated by manufacturing industries which have primarily developed since 1945. The period of growth and investment coincided with the expansion of the suburban fringe of Liverpool, which linked and / or merged with Knowsley's existing market towns and rural economy which preceded the growth in manufacturing. The manufacturing industries have primarily been located in Borough's Industrial and Business Parks and the Ford (now Jaguar / Land Rover) car plant at Halewood. During the late 1970s and 1980s over 20,000 jobs were lost from Knowsley Industrial Park alone and thousands of local people faced unemployment. Since the 1990s employment levels have increased again, but still remain less than former levels.

3.1.2. In terms of recent historic trends, Figure 3.1 provides an indication of employment change within Knowsley between 1995 and prior to the recent recession in 2008.

**Figure 3.1: Employment Change 1995 to 2008**



Source: ONS Annual Business Inquiry Employee Analysis

3.1.3. Figure 3.1 identifies a consistent increase in total employees (43% in total) within Knowsley, including a more rapid period of growth between 1999 and 2002. In terms of employment type, the most substantial increases arise through proportionate growth in additional part time employees (102% increase) compared to full time employees (26% increase).

- 3.1.4. The trends of employment growth between 1995 and 2008 are important for the purposes of future forecasting as it is consistent with the most recent economic cycle, including periods of growth and recession. Although it is unlikely that such precise conditions will repeat in the future at the same rate, it is evident that the general trend of prevailing employment growth justifies the need to plan for additional employment requirements irrespective of current economic conditions or their potential duration.
- 3.1.5. Sustainable economic growth is particularly significant for Knowsley's future to build upon previous progress in narrowing the gap to regional and national averages in employment. Between 2000 and 2009, the Borough's Job Density (the numbers of jobs per resident aged 16-64) rose by 8.5% while nationally it fell by 2.5%<sup>53</sup>. The recent strong growth in employment reflects efforts by public and private sector partners to expand the business base and promote enterprise in the Borough resulting in substantial numbers of jobs being created. This was particularly reflective in the investment in Kings Business Park, which together with Prescott Business Park, provided significant growth in the high quality office sector during the last decade.
- 3.1.6. Knowsley's economic performance however still lags behind the UK and North West average as displayed in Table 3.1 below. In this regard, the Council's Economic Regeneration Strategy<sup>54</sup> reports that the Borough has below average business start up and business survival rates, thereby presenting a challenge that will need to be addressed by sustainable economic growth in target and emerging sectors.

**Table 3.1: Employment (2008)**

Total employee jobs	Knowsley		North West	GB
	Number	%	%	%
Full-time	39,100	69.2	69.1	68.8
Part-time	17,400	30.8	30.9	31.2
Manufacturing	11,200	19.8	11.6	10.2
Construction	3,000	5.2	5.2	4.8
Distribution, hotels & restaurants	9,900	17.5	23.5	23.4
Transport & communications	2,800	4.9	5.8	5.8
Finance, IT, other business activities	9,200	16.4	19.7	22
Public administration, education & health	18,100	32.1	28.2	27
Other services	2,100	3.8	4.9	5.3

Source: ONS Annual Business Inquiry employee analysis

<sup>53</sup> Nomis Job Density [accessed 7 December 2011]

<sup>54</sup> Knowsley – A Good Investment Knowsley's Economic Regeneration Strategy 2012-15 (Knowsley MBC, 2012)

- 3.1.7. Table 3.1 identifies that the manufacturing sector (which accounts for 10% of businesses and 20% of total employment) has declined as a proportion of total jobs in recent years but still accounts for a higher proportion of jobs in Knowsley than it does at the national level<sup>55</sup>. This reflects the Borough's role in the automotive industry and its supply chain, as well as advanced manufacturing and engineering sub-sectors. New investment has also expanded the employment base in the business services, ICT, creative, tourism, leisure, financial services, communications, logistics and distribution sectors.
- 3.1.8 With regard to the above, JELPs suggested that it is important to plan for new manufacturing development in Knowsley, even though as a sector it is forecast to decline nationally. This was due to the nature of the local economy; with manufacturing forecast to continue to play an important role due to local circumstances being favourable for this sector. Nevertheless the sectoral shift identified in Table 3.1 presents significant issues for Knowsley's industrial areas in terms of the need for adaptation. This is noting that existing premises and associated infrastructure in some areas may no longer be suitable or sufficiently attractive for modern employment needs, thereby increasing the potential for high vacancy levels. In this regard, there will be a need to address constraints to unlock the potential of existing employment land (for example, the need for remodelling and investment in Knowsley Industrial Park), to assist the adaptation to modern needs and accommodate the diversification of local economies towards office, financial and service-based uses, in line with wider trends and forecasts. This is necessary if local employment opportunities are to be maintained and improved.
- 3.1.9. Aside from private sector employment, Knowsley has the highest proportion of employment at 32% in Public Administration, Education and Health sectors which form a large part of the Borough's economy. This is reflected by the presence of Whiston Hospital, a major sub-regional employer, together with substantial local government functions, schools provision and other public services. Whilst a significant proportion of this employment in the public sector is likely to be unaffected, any future forecasts need to be mindful of the potential implications of the Government's austerity programme which has budget constraints for the continuation of some services in the future. This also reaffirms the need for diversification of the local economy to ensure that Knowsley remains sufficiently adaptable and attractive for emerging and growth employment sectors.
- 3.1.10. The requirement to diversify the local economy to ensure sustainable development in the future to meet local needs is also emphasised by Table 3.2 on the following page, which identifies the proportion of occupations of Knowsley residents.

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<sup>55</sup>

Knowsley MBC: Core Evidence Base Report (Regeneris Consulting Ltd, 2007)



**Table 3.2: Occupation of Residents**

Occupation	Knowsley		North West (%)	Great Britain (%)
	Number	%		
Managers, directors and senior officials	4,200	6.9	9.1	10
Professional occupations	6,900	11.3	17.9	19.2
Associate professional & technical	6,800	11.2	12.6	14
Administrative & secretarial	7,400	12.1	11.9	11.1
Skilled trades occupations	7,700	12.6	10.4	10.8
Caring, leisure and Other Service occupations	6,900	11.2	10.2	9.1
Sales and customer service occupations	6,600	10.8	8.8	8.1
Process plant & machine operatives	6,200	10.2	7	6.4
Elementary occupations	7,900	13	11.9	10.9

Source: Annual Population Survey April 2011 to March 2012

- 3.1.11. Table 3.2 indicates that Knowsley residents are under-represented in managerial and professional occupations with the lowest representation in the Liverpool City Region in these occupations. Professional occupations are also significantly lower than rates for the North West and also for Great Britain. The influence is however much broader than the availability of employment land and premises in Knowsley alone (i.e. educational attainment, available skills, willingness to commute, availability of sustainable transport options, etc) and is therefore addressed by a wider scope of policy approaches in the Local Plan. It is however evident that the diversification of employment opportunities in Knowsley would have positive benefits for the local economy, noting the data within Table 3.3 below.

**Table 3.3: Residents Pay 2011**

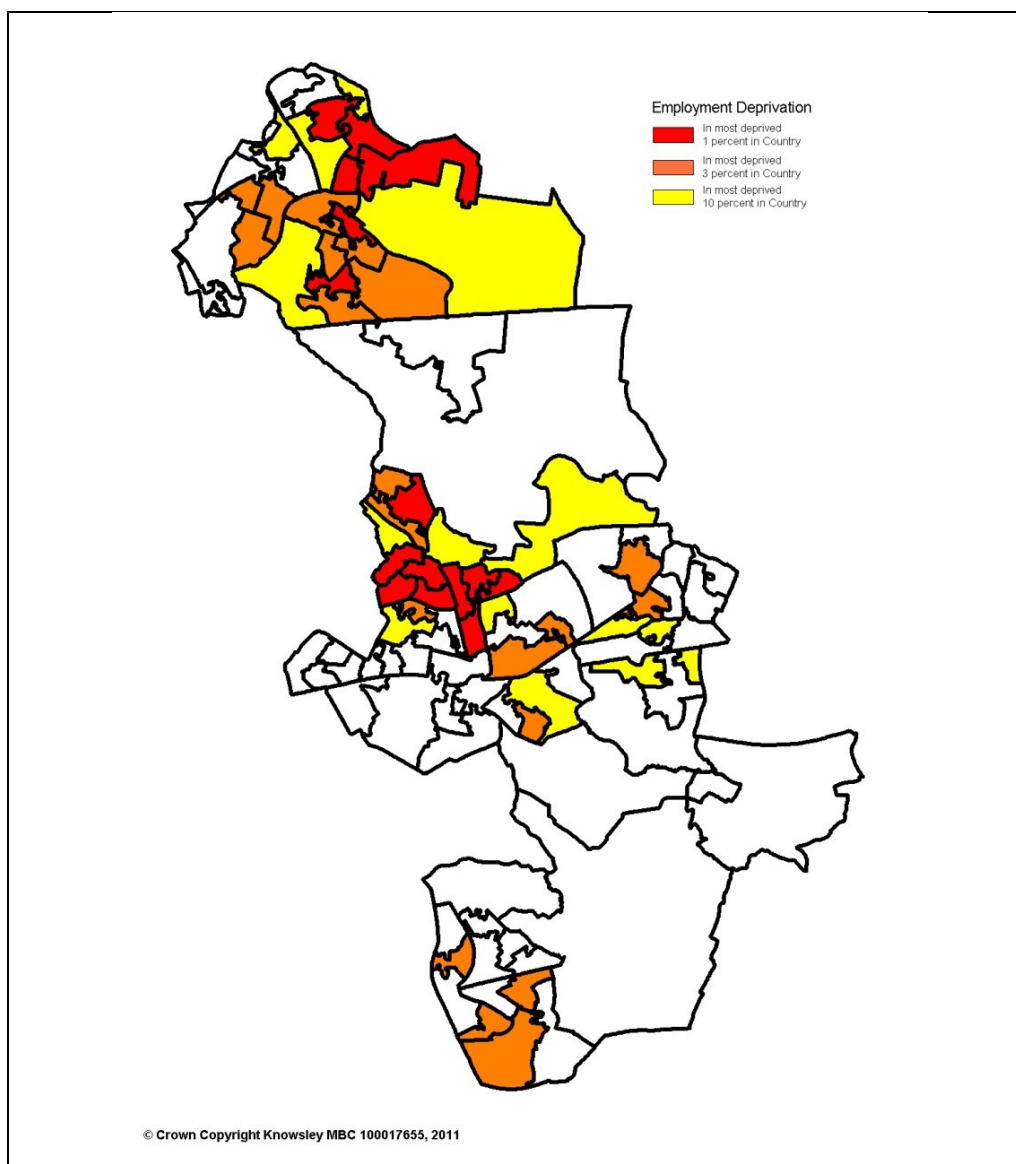
	Knowsley (£)	North West (£)	Great Britain (£)
<b>Gross weekly pay</b>			
Full Time Workers	439.6	460	503.1
Male Full Time Workers	472.7	498.4	541.7
Female Full Time Workers	398.4	415.6	446.3
<b>Hourly Pay</b>			
Full Time Workers	11.14	11.75	12.77
Male Full Time Workers	11.8	12.22	13.32
Female Full Time Workers	10.76	11.15	11.95

Source: Annual Survey of Hours and Earnings - resident analysis  
ONS Crown Copyright Reserved [from Nomis on 13 September 2012]

3.1.12. Table 3.3 indicates that the Borough has low average wage levels for residents across both full time and part time employment and applicable to both genders, when compared to the average wage in both the North West and Great Britain. In this regard, there is a clear correlation with levels of deprivation in Knowsley.

3.1.13. Figure 3.2 below, identifies Index of Multiple Deprivation (IMD) Super Output Areas (SOAs) for the employment domain within Knowsley that are within the 10% most deprived in the Country. The Employment Deprivation Domain measures involuntary exclusion of the working age population from the labour market. The colour codes on the Map represent areas within the 1% most deprived (red - most severe), within the 5% most deprived (orange) and within the 10% most deprived (yellow).

**Figure 3.2: Areas of Employment Deprivation**



Source: *The English Indices of Deprivation 2010 - Employment Domain, DCLG, 2010*

- 3.1.14. Figure 3.2 identifies that there are specific clusters of deprivation, with the most severely affected areas in the Kirkby and Huyton settlements, with smaller clusters in Prescott, Whiston and Halewood. These areas correlate with high levels of worklessness with the percentage of people claiming Job Seekers allowance highest in Kirkby (7.4%), followed by Huyton (6.6%), Halewood (5.5%) and Prescott, Whiston, Cronton and Knowsley Village (4.9%)<sup>56</sup>.
- 3.1.15. Locations and levels of worklessness are influenced by a number of broader factors than employment provision alone and therefore a general conclusion regarding employment need cannot be specifically derived from social circumstances. This is noting that employment in Knowsley is not restricted to residents alone, as the high quality road and rail links serving the Borough encourage movement to and from the area for employment within the sub-region. Nevertheless the Local Plan approach does need to acknowledge that the distribution of employment land for the plan period can have some positive benefits in terms of resident's quality of life. This is noting that access to employment is a significant barrier in circumstances of high deprivation due to low car ownership and therefore a suitable local range of employment opportunities is likely to increase the prospects of residents gaining employment.
- 3.1.16. In 2001, 41.8% of households in Knowsley did not have access to a car. This was above the average in Merseyside (37.6%), and significantly above North West (30.2%) and national (26.8%) averages<sup>57</sup>. Residents of the Borough are therefore less able to access job opportunities that are only realistically accessible by car and where hours of operation (e.g. shift work) make it difficult. It is therefore essential that employment opportunities facilitated by the Local Plan are accessible by modes of travel other than the car, such as walking, cycling or public transport to ensure maximum local benefit to the wider objectives of the Core Strategy.

## 3.2 Future Workforce

- 3.2.1. The Borough saw a large population decline in the 1970s and 1980s followed by a smaller loss in the 1990s and stabilisation since 2000. Population projections indicate what will happen if past trends continue. The Borough's population is expected to increase by 5,000 between 2010 and 2028<sup>58</sup>. This is due to a projection that will be 11,100 more births than deaths and that there will be a net migration loss of 6,700 people<sup>59</sup>. Figure 3.3 identifies the projected population change between 2010 and 2028, it should however be noted that these forecasts should be treated with caution given the initial results of the 2011 Census suggest a potential overestimation of Knowsley population by projections between 2001 and 2011.

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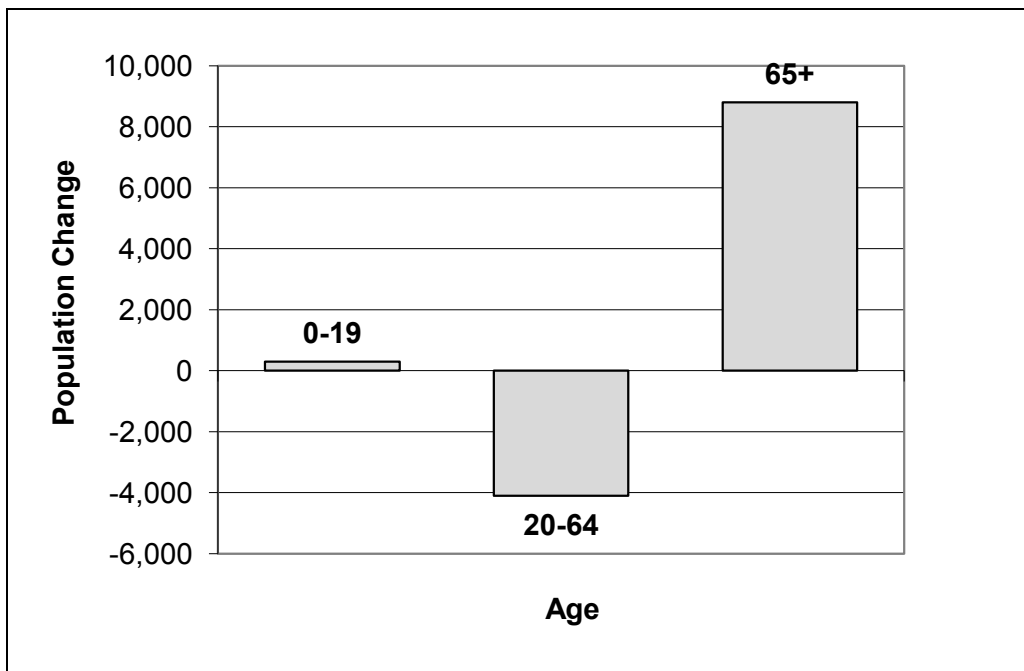
<sup>56</sup> Area Profiles (Policy Impact and Intelligence Team, Knowsley MBC, 2011)

<sup>57</sup> 2001 Census

<sup>58</sup> 2010-based Sub national Population Projections Table 5: Natural change and migration summaries for all local authorities and higher administrative areas (ONS, 2012)

<sup>59</sup> 2008-based Sub-national Population Projections (ONS, 2010)

**Figure 3.3: Knowsley Projected Population Change 2010 – 2028**



Source: Office for National Statistics, 2012

3.2.2. Figure 3.3 identifies that it is expected that the structure of the population will continue to move to a more ageing population. It is projected that by 2028 the number of persons age 20 to 64 will fall by 4,100. The most mobile people are often the young, skilled and qualified and it is these types of person who have left in the past. Loss of working age population however does not indicate a loss of demand for employment and consequently less employment land being required. This is noting that the loss of working age population can occur due to a lack of suitable range and choice of jobs, therefore additional investment and growth is required to ensure population retention. The potential consequences of maintaining the current situation is that it could have the negative effect of making it more difficult to attract new employment to an area and thereby reduce prospects for investment. This is noting that high levels of out-migration are likely to be a threat to the attractiveness of the Borough to employers. In this regard it is considered that the Local Plan approach is appropriate in seeking interventions which will secure a more diverse range and choice of employment opportunities with aspirations for the delivery of sustainable economic growth. The contribution of new employment development and appropriate opportunities being available has the potential to increase the attractiveness of the Borough as a place for local people to work and therefore address the forecast trend of outward migration of young, skilled and qualified residents.

**3.3 Employment land - supply and demand**

3.3.1. Table 3.4 identifies the annual take-up of employment land between 1995/6 and 2011/12. This information is important as it provides an indication of the range of previous annual demand for employment development in Knowsley over a significant time period.

**Table 3.4: Employment Land take-up 1995/6 to 2011/12**

<b>Year</b>	<b>Hectares</b>
1995/96	21.85
1996/97	0.00
1997/98	18.21
1998/99	29.54
1999/00	10.12
2000/01	19.02
2001/02	15.38
2002/03	17.81
2003/04	6.88
2004/05	0.00
2005/06	12.95
2006/07	6.88
2007/08	6.88
2008/09	6.10
2009/10	0.00
2010/11	0.00
2011/12	1.69
<b>Mean</b>	<b>10.195</b>

*Source: Knowsley Council: Policy Impact and Intelligence Division*

- 3.3.2. Table 3.4 above, indicates that there has been significant variation in employment land take up rates during the period covering 1995 - 2012, with a range between 0 ha to approaching 30 ha per annum, and a mean of just over 10 ha per annum. In this regard, the predominant period of growth was in the first decade which coincided with a period when Knowsley contained a significant amount of vacant industrial land (primarily available due to previous closures) providing a range and choice of available land. This was supported by other significant influences on delivery such as favourable economic conditions for borrowing together with availability of investment sources such as the North West Development Agency, grant assistance, etc, which enhanced development viability during this period, including the later period of high take up attributed primarily to Kings Business Park in 2005/06. Knowsley also benefitted from significant economic investment from European and National Government, including the Objective 1 Programme (which existed from 1993 until 2007).
- 3.3.3. It should however be noted that the availability of public sector investment and grant funding has declined significantly in recent years and is expected to remain at a similarly low level in the future. This suggests that notwithstanding an ability to improve the range and choice of available sites through the Local Plan, the optimum build rate levels experienced in the past may be difficult to achieve in the future and thereby create a potential anomaly that results in the

inflation of annual average used in forward projections. Current economic conditions introduce challenges with regard to economic viability for most employment uses during the early part of the plan period, which reduces the potential of speculative builds. This creates reliance upon operator and business model led requirements encouraging development based upon Knowsley's locational advantages<sup>60</sup>. This existing position is reflected in the recent employment land take up rates whereby the cumulative rate over a six year period (2006 - 2012) is less than the two individual years and only marginally above a further four individual years during the economic 'boom' period. On this basis, it is evident that short term fluctuations in terms of take up rates cannot be relied upon, could be considered anomalous and may be influenced by the quality and supply of available sites. Nevertheless, the significant variation resulting from different economic conditions must reasonably be considered in terms of an assessment of an appropriate Local Plan figure for employment land requirements up to 2028. Current low levels of employment land take up do however re-affirm the need to provide a sufficient range, choice and quality of sites to attract investment in during difficult economic conditions and thereby support sustainable economic growth in Knowsley. This includes the experience of the successful investment and delivery of Kings Business Park, and the associated need for a successor site to deliver diversification of employment sectors in Knowsley, as recommended by JELPS.

3.3.4. In view of the above, it is not considered appropriate to emphasise the worst case scenario during extreme economic conditions as indicative of anticipated take up rates in the future. This is noting that the Local Plan policy approach intends to be aspirational in promoting economic investment over a 15 year period that will reflect a more diverse range of economic conditions. On this basis, it is considered that information relating to the period immediately prior to the economic recession provide a conservative indication of likely business interest in locating within Knowsley. More moderate conditions between optimal economic conditions and those during a recession are considered more typical of expected future trends than those experienced recently. In this regard, Tables 3.5 - 3.7 identify the annual amount of employment premises that were marketed for sale or let in, compared to enquiries in Knowsley during a typical year before the economic recession (2006/2007).

**Table 3.5: Amount of Marketed Employment Premises 2006 - 2007**

	Size Band (sq. m.)							Total
	0 - 100	101 - 200	201 - 500	501 - 1000	1001 - 2000	2001 - 5000	5001 +	
<b>Floorspace (sq. m.)</b>	250	2,330	5,950	15,971	24,367	20,781	169,135	238,784
<b>Properties</b>	3	15	17	23	19	8	9	94

Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>60</sup>

Knowsley Economic Viability Assessment (Keppie Massie, 2012)

3.3.5. Table 3.5 appears to imply that there was a significant range and choice of employment premises that were marketed and or let during 2006 – 2007, the supply of which could be another influence on the more recent slowdown of take up rates. However to identify any specific trends, this data must be compared to the number of premises and land enquiries during the same period as displayed in Tables 3.6 and 3.7.

**Table 3.6: Annual Number of Premises Enquiries 2006 - 2007**

	Size Band (sq. m.)						Total
	0 - 100	101 - 500	501 - 1000	1001 - 3500	3501 - 5000	5001 +	
<b>Industry</b>	48	95	31	47	10	15	246
<b>Office</b>	104	38	8	2	1	0	153
<b>Total</b>	152	133	39	49	11	15	399

*Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)*

3.3.6. Table 3.6 identifies the number of enquiries that Knowsley Council received from businesses looking for premises (reported in the JELPS study). In this regard, it is apparent that the highest demand for existing premises is for those between 0 sq.m and 2,000 sq.m, which primarily serve Small and Medium Enterprises (SMEs) a specific target sector for both Knowsley and the wider Liverpool City Region. When comparing the levels of demand identified in Table 3.6 to the scale and number of premises marketed or let in Table 3.5, it is evident that there is a significant deficiency of suitable premises to satisfy the demand from businesses in both industrial and office sectors.

3.3.7. The implications of the demand and supply imbalance in terms of available employment premises are displayed in Table 3.7 below.

**Table 3.7: Annual Number of Land Enquiries 2006 - 2007**

Size (ha)							Total
0 - 0.40	0.41 - 1.20	1.21 - 2.00	2.01 - 4.00	4.01 - 8.00	8.01 - 12.00	12.01+	
27	22	18	12	3	1	3	86

*Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)*

3.3.8. The data within Table 3.7 suggests that the demand and supply imbalance relative to smaller premises is reflected by a trend in the highest proportion of land enquiries being towards smaller sized plots of land. Although there remains some demand for larger land areas, the general trend suggests that Knowsley's Local Plan approach focusing upon regeneration and remodelling of existing available employment land to meet modern employer requirements is appropriate. This is supported by JELPS identifying that in 2008, 83 ha of employment land was available or would be available within three years, which other than potential losses to subsequent planning permissions remains comparable to the scale in 2012 due to limited development having taken

place in the interim period. The limited take up rate in the interim period despite a large number of land enquiries, again supports the need for remodelling of some of Knowsley's older industrial areas where vacancy is high to ensure that they remain adaptable to emerging employment sectors.

### **3.4 Knowsley's Strengths and Challenges**

3.4.1. It is evident that the Local Plan approach will need to adapt to local circumstances to ensure sustainable economic growth in the future. In this regard, Knowsley has several key assets including:

- as a key employment location – the Borough's business parks provide substantial employment in manufacturing, distribution and services. They have good access to employment locations along and around the Liverpool-Manchester corridor and excellent transport linkages;
- recent precedent of a growing business base between 1995 and 2008 employment rose by 41% with job density rises of over 8.5%. This compares to a 2.5% drop nationally over the same period; and
- businesses in priority sectors - there are a wide range of companies operating in the Borough in priority sectors for both the Liverpool City Region and the wider North West (e.g. knowledge driven, creation and high technology, such as the automotive uses in Halewood).

3.4.2. Knowsley however also faces several key challenges that must be accounted for as part of the Local Plan approach, such as;

- a falling Working Age Population – the Borough's working age population is set to fall over the Core Strategy's plan period;
- worklessness – the Borough has high levels of worklessness;
- lower than average incomes – the incomes of the Borough's residents are lower than those of residents in surrounding districts, while many higher paid jobs appear to be taken by people who live outside the area;
- continued need to improve educational attainment – the educational attainment of many of the Borough's young people is below the national and regional averages. Raising attainment levels will enable more people to enter work and better equip the Borough's workforce for more knowledge intensive economic activity.
- high levels of deprivation – many of the challenges faced by residents of the Borough stem from a high level of deprivation and the multiple disadvantages which are associated with it. Knowsley remains one of the most deprived areas of the country both in the intensity and extent of deprivation in the Borough; and
- risk of economic downturn – the Borough has made progress in strengthening its economy but its gains can easily be offset by continuation of the current economic downturn. The extent to which public sector spending cuts will affect the Borough's economy is currently uncertain.



## 4. Identifying Employment Land Requirements

### 4.1 Methodology

4.1.1. In order to identify the amount of employment land needed to ensure continued economic growth, the following process has been used:

- **Step 1 – identify current employment land supply.** This was accomplished by the Council initially identifying a land supply and external consultants assessing the extent to which the sites have a realistic prospect of development.
- **Step 2 – assess a full range of reasonable scenarios for deriving future jobs and employment land targets.** This step included the development of a range of scenarios based on different methodologies for assessing future employment land supply. These forecasting methods fell into two basic categories which included: projections based on jobs forecasting; and projections forward of historic take-up of employment land over different time periods. The various methods included use of evidence from the Regional Spatial Strategy<sup>61</sup> and the Joint Employment Land and Premises Study<sup>62</sup>. Methods based on jobs forecasting included translation into land requirements by minimum and maximum limits being put on floorspace per job to allow for different type of job, and plot ratio to allow for different industry needs. Step 2 is contained in Chapter 5.
- **Step 3 – assess strengths and weaknesses of methodologies and decide on preferred methodology for determining employment land need.** This includes consideration of the Overview Study<sup>63</sup> which compared the approaches to this issue in 8 local authorities across the Liverpool City Region. Step 3 is contained in Chapter 5.
- **Step 4 – identify whether there is likely to be a shortfall of provision over the period to 2028 taking account of potential losses of existing employment land to other uses.** Step 4 is contained in Chapter 6.
- **Step 5 – assess the merits of different ways to make up any shortfall of provision e.g. through more efficient use of existing employment areas, meeting needs in neighbouring districts or expansion into areas currently identified as Green Belt.** Step 5 is contained in Chapter 6.

4.1.2. The steps set out above were supplemented by specific consideration being given to the need to provide a wide range and quality of sites, and of the distribution of land across the Borough. This analysis is also contained in Chapter 6.

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<sup>61</sup> North West of England Plan – Regional Spatial Strategy to 2021 Employment Land Implementation Note – April 2009 (4NW, 2009)

<sup>62</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>63</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

## 4.2 What land is available for employment in Knowsley?

- 4.2.1. In order to evaluate if the Borough contains a sufficient quantity of employment land to meet its future need, it is first necessary to identify the amount of land that is currently available for employment purposes.
- 4.2.2. In March 2011, the Council identified 149.1 ha of land that it considered to be suitable for future employment use<sup>64</sup>. The sites were spread across the main industrial locations and business parks in the Borough and included:
- sites allocated in the UDP<sup>65</sup> for employment development (Policy EC2) that have not been developed;
  - vacant sites allocated within Primarily Industrial Areas (Policy EC3); and
  - sites with extant planning permission for employment purposes.
- 4.2.3. Knowsley's main locations in which B1, B2 and B8 employment uses are located are:
- **Knowsley Industrial and Business Parks** form one of the largest industrial estates in Europe, covering 377 hectares and 120 hectares respectively. The location benefits from its proximity to the M57 and M58 motorways, the A580 and to Knowsley's rail freight terminal.
  - **Huyton Business Park** covers around 102 hectares and benefits from its proximity to the M57 and M62 motorways.
  - **Kings Business Park, Huyton** covers about 20 hectares and was designated as a Regional Strategic Employment Site in a previous version of the North West Regional Economic Strategy. It is a mixed use site combining high specification office space and leisure facilities with planning permission for a hotel. It benefits from its proximity to the M57 motorway.
  - **Jaguar / Land Rover plant, Halewood** covers 139 hectares in total, 19 hectares of which is allocated in the UDP as being suitable for B1, B2, and B8 uses. The site could accommodate suppliers to the firm, as well as the company's own operations. The site benefits from its proximity to the M62 motorway.
  - **South Prescot** covers 47 hectares in total, which is designated as an Action Area in the UDP which is suitable for B1, B2 and B8 uses, and includes an employment site of 29.38 ha, although a recent planning application has been granted consent subject to a legal agreement for part alternative use for residential purposes.
- 4.2.4. In addition to the above, there are also a number of B1 offices located in Knowsley's main town centres (Huyton, Kirkby and Prescot). For the purposes of employment land calculations, other uses including retail sectors and other major employers such as Whiston Hospital, schools, etc, are excluded from consideration, as they are more specialised in terms of their respective needs. In this regard, projections relating to retail need are alternatively considered in the "Planning for Retail in Knowsley" Technical Report, whilst schools,

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<sup>64</sup> Annual Monitoring Report 2011 (Knowsley MBC, 2011)

<sup>65</sup> Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006)

hospitals and other public sectors services are defined as infrastructure and are evaluated in the Infrastructure Delivery Plan.

4.2.5. As part of the Employment Land and Premises Study<sup>66</sup> (JELPS), each of the sites identified as main locations in which B1, B2 and B8 employment uses are located by the Council were evaluated. The study considered that, of the 156.77 ha of land identified by the Council for future employment use, five sites totalling 5.86 ha were unlikely to be developed for employment purposes.

**Table 4.1: Sites considered not have a realistic prospect of development for employment purposes**

Ref	Site	Location	Area (ha)	Reason
37	Land to East of Cross Huller, Randles Road / Gellings Road / School Lane	Knowsley Business Park	1.00	Owner intending to use for a car park for adjacent complex.
127	Premises to the rear of Robcliffe Ltd, Ellis Ashton Street	Huyton Business Park	0.14	Site in use for storing vehicles
133	Hooper's Insurance Assessors, Admin Road	Knowsley Industrial Park	0.47	Site is in use as a customer car park
167	County Road / Arbour Road	Knowsley Industrial Park	0.62	Likely to be developed for non-B class uses
184	Kipling Avenue	Huyton Business Park	3.63	Poor access. Owner pursuing residential use on residue of site
<b>Total</b>			<b>5.86</b>	

Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010) (Table 97 and Appendix 22)

4.2.7. Following the deduction of the sites listed within Table 4.1, the JELPS study considered 150.91 ha<sup>67</sup> of land to have a realistic prospect of being developed.

4.2.8. Table 4.2 summarises the evaluation of the sites that the JELPS study identified as having a realistic prospect of future employment development. It shows that over half of the land area (82.38 ha) was considered to be available or likely to be available within the following three years (2010/11 - 2013/14). It also identifies that approximately half of the realistically available land (75.53 ha) is or would be available for office and industrial uses, with 63.59 ha being available for solely industrial use and 11.79 ha available solely for office use.

<sup>66</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>67</sup> Mathematical error led the BE Group to report 151.14 ha as being the realistic supply figure.

**Table 4.2: Realistic Land Supply**

Type	Within 3 years		3-5 years		5+ years		Total	
	Number of sites	Area of sites (ha)	Number of sites	Area of sites (ha)	Number of sites	Area of sites (ha)	Number of sites	Area of sites (ha)
Industrial less than 1ha	12	7.51	2	1.36	2	0.83	16	9.70
Industrial 1ha to 5ha	5	11.90	0	0.00	2	4.20	7	16.10
Industrial more than 5ha	2	14.05	0	0.00	2	23.74	4	37.79
<b>Total Industrial</b>	<b>19</b>	<b>33.46</b>	<b>2</b>	<b>1.36</b>	<b>6</b>	<b>28.77</b>	<b>27</b>	<b>63.59</b>
Industrial / Office less than 1ha	3	1.93	1	0.22	0	0.00	4	2.15
Industrial / Office 1ha to 5ha	6	13.88	3	8.80	0	0.00	9	22.68
Industrial / Office more than 5ha	3	21.32	1	29.38	0	0.00	4	50.70
<b>Total Industrial / Office</b>	<b>12</b>	<b>37.13</b>	<b>5</b>	<b>38.40</b>	<b>0</b>	<b>0.00</b>	<b>17</b>	<b>75.53</b>
Office less than 1ha	1	0.22	0	0.00	0	0.00	1	0.22
Office 1ha to 5ha	3	4.98	0	0.00	0	0.00	3	4.98
Office more than 5ha	1	6.59	0	0.00	0	0.00	1	6.59
<b>Total Office</b>	<b>5</b>	<b>11.79</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>5</b>	<b>11.79</b>
<b>Total</b>	<b>36</b>	<b>82.38</b>	<b>7</b>	<b>39.76</b>	<b>6</b>	<b>28.77</b>	<b>49</b>	<b>150.91</b>

4.2.9. The 2010 Annual Monitoring Report<sup>68</sup> contained an updated position of what the JELPS study considered to be the Knowsley's realistic employment land supply. It identified that on 1 April 2010 the Borough had **151.6 ha** of land with a realistic prospect of development for employment purposes. This

<sup>68</sup> Annual Monitoring Report 2010 (Knowsley MBC, 2010)

included 122.4 ha of land allocated for employment purposes but without planning permission; 15.6 ha of land with planning permission, but where development has not commenced, 11.1 ha of other land in the Primarily Industrial Areas, and 2.5 ha of land under construction. In this regard, it should be noted that only 1.69 ha of employment land has been developed since JELPS (as per annual take up in Table 3.4) and the additional land identified is due to updated monitoring.

- 4.2.10. The figure of **151.6 ha** of employment land supply is used in the subsequent calculations to assess whether the Borough has a sufficient quantity of employment land to meet its future need with individual site details contained within Appendix A. The 2010 figure is used because this is the base date for the Local Plan: Core Strategy, notwithstanding the subsequent publication of the 2011 Annual Monitoring Report. This is appropriate, noting that the employment land supply is broadly unchanged across these two years (reduced to 149.1 ha in 2011<sup>69</sup>).

### 4.3 Range and suitability of existing employment sites

- 4.3.1. The JELPS study evaluated the quality of sites and the employment types that the sites could be developed to accommodate. Assessing the quality of sites is subjective and can be interpreted in a number of ways. Businesses may not always want a high quality site as they are often more expensive to purchase or rent. The JELPS study therefore categorised sites on the basis of suitability for offices (generally the higher quality sites) and industrial (generally the lower quality sites). They concluded that, of the sites that they considered to have a realistic probability of being developed, 7 sites could be developed for office use only, 27 for industrial use only, and 16 could be developed for either office or industrial or both. Tables 4.3 and 4.4 show that the Borough has a good supply of sites for offices and industry, which are deliverable within a five year period.

**Table 4.3: Sites suitable for Office Use (2008)**

Site Type	Less than 1 year	1 - 3 years	3- 5 years	5 years and over
Number of sites less than 1 ha	2	2	0	0
Number of sites between 1 ha and 5 ha	3	5	3	1
Number of sites over 5 ha	1	2	1	0
<b>Total</b>	<b>6</b>	<b>9</b>	<b>4</b>	<b>1</b>

Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>69</sup>

**Table 4.4: Sites suitable for Industrial Uses (2008)**

Site Type	Less than 1 year	1 - 3 years	3- 5 years	5 years and over
Number of sites less than 1 ha	4	12	2	1
Number of sites between 1 ha and 5 ha	3	8	3	4
Number of sites over 5 ha	1	3	1	1
<b>Total</b>	<b>8</b>	<b>23</b>	<b>6</b>	<b>6</b>

Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

- 4.3.2. With regard to Tables 4.3 and 4.4 above, it is clear that the majority of suitable sites for office and industrial uses within Knowsley would be available in the first five years of the Local Plan. Whilst this provides a sufficient range and choice of employment sites to account for short term needs, it is clear that there is a higher proportion of lower quality sites. As a consequence, there will be a requirement for additional land to ensure longer term needs are addressed in positive circumstances which encourage sustainable economic growth. In this regard, it is apparent that a significant take up rate of higher quality sites (i.e. offices) in the early part of the plan period could result in a potential undersupply of suitable land of sufficient quality. This justifies the Local Plan approach of remodelling parts of Knowsley Industrial and Business Parks whilst seeking a successor site(s) to Kings Business Park to meet longer term needs.
- 4.3.3. In the context of the above, Table 4.5 identifies that the Borough has a balanced portfolio of different sizes of site within the broad categories outlined in Tables 4.3 and 4.4.

**Table 4.5: Size of Available Sites**

Size of Site	Availability									
	Years 0 to1		Years 1 to 3		Years 3 to 5		Over 5 Years		To be evaluated	
	No. of sites	Area (ha)	No. of sites	Area (ha)	No. of sites	Area (ha)	No. of sites	Area (ha)	No. of sites	Area (ha)
Less than 1ha	4	3.0	13	6.5	2	1.4	1	0.5	3	0.7
1ha to 5ha	3	8.2	10	22.6	3	8.8	3	5.2	2	4.8
More than 5ha	1	8.3	4	28.6	1	29.4	2	23.7	0	0.0
<b>Total</b>	<b>8</b>	<b>19.5</b>	<b>27</b>	<b>57.7</b>	<b>6</b>	<b>39.6</b>	<b>6</b>	<b>29.4</b>	<b>5</b>	<b>5.5</b>

Source: Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010) and KMBC

Note: this table includes the former Pirelli site in South Prescott. The site of 29.4ha was considered by the BE Group to be available for development in 3-5 years. It is now considered that most of this site is likely to be developed for residential purposes.

- 4.3.4. Table 4.5 indicates that the existing land supply provides an appropriate range and choice of available sites to accommodate different types of employment development. This suggests that reduced take up rates experienced recently are more likely to have been influenced by unfavourable economic conditions, rather than a suitable range and choice of sites being unavailable. Nevertheless, higher take up rates in the past are likely to have been influenced by the availability of a larger number of higher quality sites at the time. In this regard, it is apparent that the Council will need to adapt its existing land supply for the Local Plan period to ensure it is attractive for development which will support sustainable economic growth.
- 4.3.5. On the basis of the above, there is a clear need for an improved quality and quantity of site during the plan period. However the Council must be cautious in avoiding an overreaction to current economic circumstances which are unlikely to be maintained in the long term, noting the significant available supply and the need to support regeneration priorities in the most suitable locations. It is therefore considered that the Council's emphasis should be upon improving the quality of the existing sites in the early part of the plan period, through appropriate remodelling. Any release of additional supply in greenfield or Green Belt locations (as required) to consolidate the employment land supply in the latter part of the plan period should be carefully controlled through Local Plan policies CS4 and CS5 respectively to ensure no harm to regeneration priorities.

## 5. How much employment land is needed in Knowsley up to 2028?

### 5.1 Methods of employment land forecasting

5.1.1. This chapter aims to predict the amount and type of land that will be required for employment purposes in the Borough from a base date of April 2010 up to March 2028. It does so by considering seven methods which fall into two basic categories as follows:

- **Economic forecasting** (see methods Economic 1 to 4 below); and
- **Historic trends** (see methods Historic 1 to 3 below).

5.1.2. Some of the methods examined in this chapter use evidence collected during the preparation of the Regional Strategy<sup>70</sup>, whilst others use evidence from the Joint Employment Land and Premises Study (JELPS)<sup>71</sup>. Although the Government intends to revoke the current Regional Spatial Strategy evidence which underpinned the RSS will remain in the public domain. This includes work undertaken by 4NW and partner organisations during 2009 and 2010 towards a replacement Regional Strategy, which was not completed due to the change in Government in 2010.

### 5.2 Economic Forecasting models (Methods “Economic 1, 2, 3 and 4” – see below)

5.2.1. Economic forecasting models project the number of jobs that will be required in an area. They require an understanding of the macroeconomic context, exploring past trends, and applying economic relationships, whilst making assumptions about Government strategic policy and changes to different types of employment. In this regard, the methods tend not to take account of policy interventions and aspirations such as those included in Local Plans and therefore reflect only an estimate of future economic performance in a ‘policy off’ situation.

5.2.2. National policy prior to 2012<sup>72</sup> required regional planning authorities to set regional job targets and then disaggregate minimum job targets to local authority level. This was provided in evidence from Regional Strategy (RS2010) preparation - Runs A, B, and C. Local authorities were then expected to identify a range of sites to facilitate a broad range of economic development. In this regard, it should be noted that the NPPF has maintained a national policy focus on job creation, but has now removed references to the ‘regional level’ and the specific disaggregation of ‘job targets’ to districts. As a consequence, any specific job data is now an informative tool for Local Authorities to interpret into an appropriate policy approach given the absence of a consistent regional approach. In Knowsley’s case the Council has chosen

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<sup>70</sup> 4NW Setting Employment Land Targets For North West England (Roger Tym and Partners, 2010)

<sup>71</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>72</sup> Planning Policy Statement 4: Planning for Sustainable Economic Growth (DCLG, 2009)



to pursue a continuation of the existing land supply based approach within the UDP.

- 5.2.3 In January 2010, the former 4NW commissioned Roger Tym and Partners to undertake a scoping study<sup>73</sup> to develop a preferred methodology for developing district level job targets. The subsequent report (April 2010) recommended that 4NW use job growth forecasts, provided by the Regional Economic Forecasting Panel, as a starting position. 4NW were then to work with local authorities to “reality test” the forecasts and factor in policy targets and aspirations. A dissemination event held with officers from local authorities in the North West confirmed that the Regional Strategy would set job targets and then work would commence on an authority by authority basis to translate the job targets into a requirement for employment land.
- 5.2.4. In July 2010 a technical background paper<sup>74</sup> was produced by 4NW setting out initial technical work undertaken to predict future housing and job growth figures for the North West. Although five different scenarios were modelled (known as Runs A to E) only Runs A, B & C set out job growth figures. The runs were informed by the published Regional Economic Forecasting Panel (REFP) long term baseline forecast for the region as a whole<sup>75</sup>. The forecast developed by the REFP considered forecasts from three economic forecasting houses (Cambridge Econometrics, Oxford Economics and Experian) but did not align directly with any of them. It was a ‘policy off’ forecast and did not take into account any aspirations or policy interventions.
- 5.2.5. Runs A to C of this work produced job targets for districts (i.e. net additional jobs required in Knowsley up to 2030). Whilst they did not produce land supply targets the Council has used the work that was undertaken to form the basis of three of the methods used to assess future land supply requirements in Knowsley (methods “Economic 1 to 3” below).

### Run A

- 5.2.6. Under Method Economic 1 – Run A – RSS housing distribution<sup>76</sup> a jobs growth target was produced for the North West which was then disaggregated to district level according to the proportion of housing growth to be accommodated in each district.
- 5.2.7. The regional jobs growth target for this method was based on modelling work by Experian, using three scenarios – long term growth, recent trends and aspirational growth. The aspirational growth scenario was disregarded as being too optimistic. The long-term scenario suggested that, between 2005 and 2021, there would be an increase of 120,000 jobs in the North West,

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<sup>73</sup> 4NW Setting Employment Land Targets For North West England (Roger Tym and Partners, 2010)

<sup>74</sup> Technical Background Paper Initial Technical Work on Housing Provision and Job Growth Figures for the North West July 2010 (4NW, 2010)

<sup>75</sup> Regional Economic Forecasting Panel State of the Northwest Economy: A Long-term Forecast for the Northwest 2010 – 2030 (NWDA, 2010)

<sup>76</sup> RS2010 Part 2 housing provision and job growth figures summary and background data Final version July 2010, sheet 13

whereas the recent trends scenario suggested that the figure would be 306,000. Using a ratio between the resultant RSS figure for housing in the region, long term trends and housing growth forecasts, applied to job growth forecasts a figure for the North West of 245,921 additional jobs was forecast between 2005 and 2021. The annual average number of jobs of 13,662 was then multiplied by 24 to arrive at the jobs requirement for the region of 327,888 for the period of 2006 - 2030.

- 5.2.8. The regional job growth figure was then distributed to district level using a percentage distribution equivalent to the localised distribution of the RSS's housing growth targets to each district (in Knowsley's case 450 net dwelling completions per year which accords with the Local Plan approach in Policy CS3). An annualised figure was then produced for each district and applied to the period 2006-30. Run A produced, for Knowsley, a projected job increase of 266 per annum (6,384 between 2006 and 2030). Between 2010 and 2028, Run A therefore forecasts that the Borough will see a **4,788** increase in jobs.
- 5.2.9. Jobs growth in Run A is directly linked to housing growth; therefore it is intended to reflect a disaggregated need from a regional level, rather than being consistent with localised need. This is noting that it does not take any account of changes to commuter flows, the distribution of existing employment or future policy initiatives. For example, the disaggregation method produces a baseline presumption that additional Knowsley residents will be employed within Knowsley at the same rate as existing, and additional residents in other districts will be employed within Knowsley at the same rate as existing. This scenario is considered unlikely given the proximity of residential and employment areas in districts immediately adjoining Knowsley are likely to influence changes to localised employment demand. As a consequence, whilst such an approach may be appropriate at a regional scale, and for other types of use such as the distribution of other types of development such as housing, it clearly must be treated with caution and therefore cannot be considered sufficiently robust to translate to employment land requirements. This is noting that there is unlikely to be a consistent sub-regional approach to employment land needs which could otherwise address the fundamental local weaknesses at a larger scale.

### Run B

- 5.2.10. Method Economic 2 - Run B – Regional Economic Forecasting Panel was based on work produced by Cambridge Econometrics for the former 4NW and NWDA. This work provided indicative Local Authority forecasts of population (total and by age bands), Gross Value Added (GVA, total and by sector), and employment (total and by sector, occupation and status). These were developed using Cambridge Econometrics Local Economic Forecasting Model, and therefore reflect the assumptions within that model. The outputs were constrained, however, to the overall regional long-term baseline forecast published by the Regional Economic Forecasting Panel (REFF)<sup>77</sup>. This was

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<sup>77</sup>

RS2010 Part 2 housing provision and job growth figures summary and background data Final version

based on the assumption, by the REFP, that the influence of the previous recession on slow growth would continue to 2015, after which there would be a return to long-term growth rates. Although updated economic forecasts have been produced in the interim period, the REFP assumptions on differential growth levels and the duration of the period of slow growth remain consistent.

- 5.2.11. The work by Cambridge Econometrics forecast that in Knowsley, 44 new jobs would be created each year up to 2015, after which 227 new jobs would be created each year. Under this scenario, between 2010 and 2028 there would be a **3,171** increase in jobs in the Borough.
- 5.2.12. Run B is similar to Run A in terms of reflecting isolated need that does not take any account of local circumstances such as changes to commuter flows, the distribution of existing employment or future policy initiatives. As a consequence, the job creation figures must be treated with caution and cannot therefore be considered sufficiently robust to translate to employment land requirements. This is noting that there is unlikely to be a consistent sub-regional approach to employment land needs which could otherwise address the fundamental local weaknesses at a larger scale.

### Run C

- 5.2.13. Method Economic 3 – Run C – ONS Population and CLG Household Forecasts was based on sub national population projections published in June 2008 by ONS and fed into the 2006-based sub-national household projections published in March 2009<sup>78</sup>. This is noting that although the ONS produced population forecasts, it has not produced employment forecasts.
- 5.2.14. Run C<sup>79</sup> calculated the relationship between jobs and population within the indicative Local Authority forecasts to identify comparative job density rates and applied them to the ONS population forecasts. Run C produced, for Knowsley, a projected job increase of 206 per annum. Under this scenario, between 2010 and 2028, there would be a **3,708** increase in jobs required in the Borough.
- 5.2.15. Run C is directly linked to population numbers therefore it does not take any account of changes to commuter flows, the distribution of existing employment or future policy initiatives. For example, the method produces a baseline presumption that additional Knowsley residents will be employed within Knowsley at the same rate as existing, and additional residents in other districts will be employed within Knowsley at the same rate as existing. This scenario is considered unlikely given the proximity of residential and employment areas in districts immediately adjoining Knowsley are likely to influence changes to localised employment demand. As a consequence such

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<sup>78</sup> July 2010, sheet 14 and 15

The 2008-based sub-national population projections have subsequently been produced. The revised population projections are significantly lower than the 2006-based projections reflecting changes to assumptions around migration.

<sup>79</sup> RS2010 Part 2 housing provision and job growth figures summary and background data Final version July 2010, sheets 10, 14 and 15

an approach must be treated with caution and cannot therefore be considered sufficiently robust to translate to employment land requirements. This is noting that there is unlikely to be a consistent sub-regional approach to employment land needs which could otherwise address the fundamental local weaknesses at a larger scale.

### **5.3 Translating regional work on job growth forecasts into employment land figures**

- 5.3.1. To provide an indication of the relationship between job and land requirements, jobs forecasting can be translated into land requirement by setting minimum and maximum limits on floorspace per job to allow for different type of job, and plot ratios (floorspace to site area, e.g. a plot ratio of 40% indicates that one hectare of land can accommodate 4,000 sq m of floorspace) to allow for different industry needs. For the purposes of this report all land requirements are based upon gross figures unless otherwise stated.
- 5.3.2. A report prepared by Roger Tym and Partners for the former 4NW<sup>80</sup> suggests that an office worker will need on average 16 m<sup>2</sup> net floorspace while an industrial or warehouse worker will require on average 61 m<sup>2</sup> net floorspace. It also suggested that for industrial and warehousing development and for out-of-centre offices, a reasonable plot ratio assumption is around 35%, which is therefore applicable to Knowsley.
- 5.3.3. The Technical Reference Report to the Overview Study<sup>81</sup> identified a broadly consistent approach in the employment land and premises studies across the sub-region to the amount of space needed for workers in office accommodation (19.1 m<sup>2</sup> to 20.1 m<sup>2</sup>). The space required for each factory worker, however, varied from 30 m<sup>2</sup> to 58.1 m<sup>2</sup> while for warehouse workers it varied between 40 m<sup>2</sup> and 67.4 m<sup>2</sup> within the Liverpool City Region.
- 5.3.4. The Technical Reference Report to the Overview Study<sup>82</sup> also found that assumed plot ratios used in employment land and premises studies, varied across the sub-region. The biggest variance was for office use with 33% in St. Helens and 100% in Liverpool. Factory plot ratios varied from 33% in St. Helens to 45% in Liverpool. Warehouse plot ratios varied from 40% to 50%.
- 5.3.5. The general variance between the areas appears to be the difference between sub-urban locations such as St. Helens and urban centre locations like Liverpool where the pattern of development would be entirely different. For example, the types of offices, warehouses and factories in St. Helens and other sub-urban districts are likely to be lower density developments with a limited proportion of multiple storey buildings resulting in high land take per job. In contrast, urban centre development in Liverpool would be expected to

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<sup>80</sup> 4NW Setting Employment Land Targets For North West England (Roger Tym and Partners, 2010)

<sup>81</sup> Housing and Economic Development Evidence Base: Overview Study Technical Reference Report (Liverpool City Region Partners, 2011)

<sup>82</sup> ibid

be much more high density in terms of both land take and per job, with significant potential for a high number of storeys (particularly for office uses in central locations). In this regard, it should be noted that Knowsley does not have any baseline data for existing job density or plot ratios, therefore differing scenarios based upon the ranges identified are required to be modelled accordingly.

- 5.3.6. Table 5.1 identifies the area of land required for Regional Strategy Runs A, B, and C from 2010 to 2028 under a range of scenarios. The table uses the RTP / 4NW assumption of 35% plot ratio as a minimum. A maximum of 90% plot ratio was selected from the Technical Reference Report to the Overview Study<sup>83</sup> as a number of authorities in the North West used this plot ratio for office accommodation. Liverpool's plot ratio of 100% was not chosen because it is considered unlikely that in Knowsley the density of development would be the same as Liverpool's. In this regard, the plot ratio identified in the Overview Study of the other North West districts (range of 33% to 40%) was considered to be close enough to the 35% minimum to justify its use.

**Table 5.1: Employment land needed for Methods "Economic 1, 2 and 3" for 2010 to 2028<sup>84</sup>**

<b>Method Economic 1 - Run A - Jobs for plan period 4788 (266 jobs per year)</b>				
<b>Jobs for plan period</b>	<b>Floorspace per job (m2)</b>	<b>Floorspace needed (m2)</b>	<b>Plot Ratio (%)</b>	<b>Site area required (ha)</b>
4,788	16	76,608	35	21.9
4,788	61	292,068	35	83.4
4,788	16	76,608	90	8.5
4,788	61	292,068	90	32.5
<b>Method Economic 2 - Run B - Jobs for plan period 3171 (44 jobs per year for 5 years followed by 227 jobs per year for 12 years)</b>				
<b>Jobs for plan period</b>	<b>Floorspace per job (m2)</b>	<b>Floorspace needed (m2)</b>	<b>Plot Ratio (%)</b>	<b>Site area required (ha)</b>
3,171	16	50,736	35	14.5
3,171	61	193,431	35	55.3
3,171	16	50,736	90	5.6
3,171	61	193,431	90	21.5
<b>Method Economic 3 - Jobs for plan period 3708 (206 jobs per year)</b>				
<b>Jobs for plan period</b>	<b>Floorspace per job (m2)</b>	<b>Floorspace needed (m2)</b>	<b>Plot Ratio (%)</b>	<b>Site area required (ha)</b>
3,708	16	59,328	35	17.0
3,708	61	226,188	35	64.6
3,708	16	59,328	90	6.6
3,708	61	226,188	90	25.1

<sup>83</sup> Housing and Economic Development Evidence Base: Overview Study Technical Reference Report (Liverpool City Region Partners, 2011)

<sup>84</sup> Based on runs A to C of the work undertaken by 4NW – see preceding paragraphs

- 5.3.7. Table 5.1 identified the following ranges of potential requirements for the Core Strategy Plan period of 2010 until 2028 based upon the upper and lower plot ratio and floorspace density scenarios as follows:
- Method “Economic 1” - between 8.5 ha and 83.4 ha
  - Method “Economic 2” - between 5.6 ha and 55.3 ha
  - Method “Economic 3” - between 6.6 ha and 64.6 ha.
- 5.3.8. With regard to the above, it is important to note that the variation in assumptions applied based upon plot ratios and floorspace densities is intended to cover all potential scenarios of varying use types. This includes the anticipated scenario of a mix of employment uses which reflects the flexibility of the Local Plan approach in Policy CS4.
- 5.3.9. An alternative Method “Economic 4” is based on forecasting produced for the JELPS study by Oxford Economics. It used a demand-based modelling technique which included the move to different types of employment particularly the shift from industrial to office-based employment. The basic principle is that less space is needed to accommodate higher job density employment such as office space than in traditional manufacturing industries. The Oxford Economics methodology suggests that 1,529 new jobs will be created between 2008 and 2026. However forecast sectoral change (included in Appendix B and C of this Technical Report) identifies significant losses in the manufacturing sector, which is a significant proportion of Knowsley’s existing employment provision.
- 5.3.10. Using average floorspace requirements to disaggregate calculations to Knowsley from a number of research documents for different type of jobs and plot ratios<sup>85</sup> this method estimated that a further 9.3 ha was required for office use, although 7.4 ha of land was surplus for industrial use. An additional **1.9 ha** would therefore be required for the whole of the plan period (see Appendix C of the Technical Report for detailed breakdowns).
- 5.3.11. The JELPS study found, however, that the theoretical forecasts contradict what was happening in practice when compared to Valuation Office data. The BE Group stated in the JELPS study that in their opinion there will be a move to higher density employment. Counter to this, however, they believe that there will be an increasing need for employment land because of an increase in numbers of small businesses who will want better quality, more spacious accommodation. BE Group also feel that more ‘service sector employment’ will be in light industrial premises rather than offices than is generally predicted. This is likely to be the case for Knowsley to some extent, with the Council’s Economic Regeneration Strategy<sup>86</sup> also prioritising other target sectors in the Liverpool City Region that are likely to require significant land take, such as;

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<sup>85</sup> See Paragraph 9.25 of Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>86</sup> Knowsley Economic Regeneration Strategy (Knowsley MBC, 2012)

- **Transport, communication and distribution:** including freight movement, logistics services and warehousing.
- **Manufacturing:** including advancing engineering and materials, green energy generation, automotive industry, food and drink.
- **Finance and business services:** including banking, finance, insurance, legal services, accountancy, management consultancy, recruitment and property services.

5.3.12. With regard to the above, it is apparent that the use of sectoral trends applied by Oxford Econometrics would result in a significant underestimation of employment land forecasts given its assumption of a decline in the manufacturing sector for Knowsley, which is different from longer term trends identified in the Overview Study<sup>87</sup>. Local circumstances suggest that due to Knowsley's location and infrastructure advantages, it is likely to be suitable for growth manufacturing sectors and other high land take uses such as distribution and warehousing. This would necessitate a significant uplift in employment land requirements above economic models.

5.3.13. As will be seen later in this report, historically the development of employment land in Knowsley has been considerably above Methods "Economic 1 - 4" at an average of 10.2 ha per year. The accuracy of future forecasting based upon historic trends in this context is considered in more detail later in the report. Nevertheless at this stage, it is considered that there is justification to presume a disparity between an potential under estimation provided by economic forecasts and actual delivery in the future , for the following reasons:

- Econometric projections only represent the absolute minimum amount of land needed<sup>88</sup>.
- Econometric forecasts assume that there will be a shift from industrial to office-based employment. The JELPS study concluded that the theoretical forecasts for Knowsley contradict what is happening in the Borough even though the trends have been occurring for some twenty years or more.
- The Borough being a location for employment of sub-regional significance with Knowsley Industrial and Business Parks and the Jaguar Land Rover plant. Consequently a large number of workers in Knowsley live outside the Borough (56.7%).
- Econometrics not accounting for accelerated growth associated to significant sub-regional projects such as the Liverpool SuperPort, and;
- Econometrics not accounting for policy aspirations, including the need for additional growth and locational advantages relative to certain employment sectors.

5.3.14. This report concurs with the conclusion of the JELPS study<sup>89</sup> that employment forecasts appear to contradict what is happening in practice in terms of

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<sup>87</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011), Figure 5.13.

<sup>88</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>89</sup> ibid

employment take up rates at a local level. The economic forecasts are therefore considered to provide an underestimation of long term needs which would not meet the NPPF requirements of flexibility for emerging sectors and sustainable economic growth. In this regard, although the economic forecasts are not considered suitable to take forward as a land requirement, they do provide a conservative indication of business need in a 'policy off' situation. On this basis, sufficient land will need to be available to accommodate these future business needs, as identified in these job projection models.

#### **5.4 Historic Trend models (Methods “Historic 1, 2, 3 and 4”)**

- 5.4.1. The continuation of historic trends is a straightforward employment land forecasting method, taking account of the evidence of past take-up and creates an average build rate. It assumes that the average rate of development that has occurred in the past will continue into the future. In this regard it is acknowledged that average rates can be significantly influenced by short term peaks associated to large developments. This will be considered accordingly in the context of the employment land take up trends displayed in Table 3.4. This is noting that there is a significant contrast between the cumulative longer term take up rates in the first eight years between 1995/96 – 2002/03 of 131.93 ha (annual average of 16.5 ha per year), and the cumulative take up in the more recent nine year period between 2003/04 – 2011/12 of 41.38 ha (annual average of 4.6 ha per year).
- 5.4.2. The JELPS study<sup>90</sup> considered three methods of projecting employment land need using historic take-up of land (all calculations are based upon gross figures unless otherwise stated). This includes necessary consideration of scenarios which both include and exclude a “buffer” in the figures to allow for additional choice and flexibility. A further scenario has been added for the purposes of this Technical Report to consider the implications of historic trends accounting for forecast economic change.
- 5.4.3. Finally it is also necessary to update the historic trends on which the figures are based for methods to 2012 to ensure they are as up to date as possible.

##### Method Historic 1

- 5.4.4. Method Historic 1 (“Regional Spatial Strategy 2008 employment land requirement”) was considered as part of the JELPS study. Policy W3 of the current adopted RSS (2008) set out the supply of employment land for each of the sub-regions across the North West. ‘Merseyside and Halton’ (including Knowsley) required an additional 494 ha of land for employment purposes between 2005 and 2021. The requirement was grounded in the findings of the 2005 Regional Employment Land Study (RELS)<sup>91</sup> which identified 111.86 ha of available land in the Borough. The study, however, was limited in that it only identified sites in excess of 5 ha, which if compared to Knowsley’s current

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<sup>90</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>91</sup> Regional Employment Land Study Phase 1 and 2, Arup, 2005 and Regional Employment Land Study Phase 3 (Arup, 2005)



realistic supply (Table 4.2) would exclude 37% of the total employment land area available.

- 5.4.5. The RSS did not set specific targets for individual districts. The JELPS study updated the RELS land supply data to 2008 using known land take-up figures, new allocations and new planning permissions to produce an updated sub-area land requirement. This was then disaggregated to districts in proportion of the supply of land that each district had in 2005. When including the 20% flexibility factor to allow for choice of site, the JELPS study suggested that Knowsley's proportion of the 494 ha sub regional requirement should be 95 ha of additional land<sup>92</sup>. Based on the 2005 data updated to 2008, the Borough's total employment land requirement to meet the RSS target was 278.5 ha (126.9 ha of additional land based upon 2010 supply). In attaining this figure the RSS applied an 18.5% increase above the historic trends to allow for further growth, in addition to the standard 20% flexibility factor. When this is rolled forward to 2028, the overall employment land requirement would be **313.3 ha** (161.7 ha of additional land based upon 2010 supply). If the flexibility factors were not applied the target would have been 195.84 ha in total (12.24 ha per annum over 16 years) or **220.3 ha** in total (68.7 ha of additional land based upon 2010 supply) when rolled forward to 2028 (see Table 5.2 for more details).
- 5.4.6. Whilst the Regional Spatial Strategy requirement will no longer form part of the adopted development plan when the RSS is revoked, it is still appropriate to consider Method Historic 1 as one of the scenarios when considering Knowsley's future employment land requirements. However, it should be noted that the figure of 313.3 ha required for the plan period exceeds that produced by any of the other methods in this chapter.

#### Method Historic 2

- 5.4.7. Method Historic 2 (long-term take-up of employment land) was considered in the JELPS study and using the average build rates between 1995 and 2008. This was then uplifted by 20% to be consistent with the RSS methodology. Using the 1995 to 2008 long-term trend (12.73 ha per year) **229.1 ha** would be required between 2010 and 2028 (77.5 ha of additional land based upon 2010 supply). This would be increased to **275.0 ha** if the 20% uplift was applied (123.4 ha of additional land based upon 2010 supply).
- 5.4.8. If the long-term trend was updated relative to the additional annual rates of completion up to 2012 then the required amount of land per year would be 10.2 ha or 12.2 ha if the 20% uplift was applied. This would mean that **183.5 ha** and **220.2 ha** respectively of total land would be required between 2010 and 2028 (or 31.9 ha and 68.6 ha of additional land respectively based upon 2010 supply).

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<sup>92</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

5.4.9. The JELPS study considered that the 1995 to 2008 trend with the 20% uplift was the best method of determining projected need as it is dependent on actual completions. It does, however, assume that the scale and nature of development in the future will be the same as what was delivered in the past. Although the recession is likely to affect future employment growth at least in the early years of the Plan period, the study considered that, after a two to three year downturn, economic trends would revert to their long term averages. This differs from the conservative approach utilised by the REPF modelling which aligns more consistently with the subsequent experience of a slow recovery from an initial severe recession, including a short term relapse during early 2012. This indicates that the timescale for a return to previous levels of growth remains less predictable than forecast in JELPS. As a consequence, there is an immediate potential for over-estimation of employment land requirements based upon future forecasting at a baseline level, even before a 20% uplift for flexibility is included.

### Method Historic 3

5.4.10. Method Historic 3 was considered by the JELPS study and is based upon the short-term take-up of employment land between 2003 and 2008. At 6.72 ha per annum this is significantly below the long-term trend. The main factors that may have contributed to this include:

- short term reductions in the range, quality and choices immediately developable employment sites following the major investment before 2003 - although Knowsley had 54 ha of employment land with planning permission in 2005<sup>93</sup> which reduces the likely significance of this issue, and;
- the recession in the UK economy forming part of the period used to determine the trend.

5.4.11. As per Table 3.4, if the 2003 to 2008 short-term trend was applied then **121 ha** would be required in total between 2010 and 2028 (reflecting an oversupply of 30.6 ha based upon 2010 supply) or **145 ha** if the 20% uplift was applied (reflecting an oversupply of 6.6 ha based upon 2010 supply).

5.4.12. If the short-term trend was updated relative to the additional annual rates of completion up to 2012, i.e. 2007/8 to 2011/12, then the required amount of land (based on 2.9 ha per year) for 2010 to 2028 would be **52.8 ha** (reflecting an oversupply of 98.8 ha based upon 2010 supply) or **63.4 ha** if the 20% uplift was applied (reflecting an oversupply of 88.2 ha based upon 2010 supply).

5.4.13. With regard to the above, it is considered that the JELPS study conclusion that short-term historic trends are too strongly influenced by major investment or lack of investment in an individual year is reasonable. On this basis it is not considered appropriate to plan for the future provision based on this method.

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Annual Monitoring Report 2005 (Knowsley MBC, 2005)

Method Historic 4 (additional scenario exclusive to this report)

- 5.4.14. Employment land requirements based upon Method Historic 2 between 2010 - 2015 can be re-profiled to account for REPF econometric forecasts (40% reduction to the level of pre-recession take up, plus 20% flexibility) rather than applying JELPS average annual take up assumptions. This process would reduce the annual rate to 7.32 ha for the early part of the plan period, with a higher rate of 12.2 ha applied to 2016 – 2028. This would result in a reduction in overall employment land requirements for the plan period to **190.32 ha** of total land required (or 38.72 ha of additional land based upon 2010 supply), which reduces to **159.12 ha** if the 20% flexibility buffer is removed. The proportionate reductions tested in this context are considered reasonable; given that JELPS identified that there is a sufficient range and choice of land to meet short term requirements. Furthermore any qualitative improvements to the range and choice of sites available via remodelling supported by the Local Plan, which could influence higher rates of development than existing, are unlikely to be delivered between 2012 and 2015.

Summary of Findings – historic trends based methods

- 5.4.15. The findings can be summarised as:
- Method Historic 1 – **220.3** hectares of land required up to 2028 (or 313.3 hectares if the 20% buffer and the additional 18.5% increase used for RSS is included).
  - Method Historic 2 – **183.5** hectares of land required up to 2028 (or 220.2 if the 20% buffer is included)
  - Method Historic 3 – **52.8** hectares of land required up to 2028 (or 63.4 if the 20% buffer is included).
- 5.4.16. The additional hybrid scenario in this report (Method Historic 4) would result in **190.32 ha** of employment land required including 20% flexibility (or 159.12 ha if the flexibility is removed).
- 5.4.17. The primary historic trend methodologies (Method Historic 1 to 3 above) cover different timescales. Table 5.2 on the following page shows a range of scenarios of future provision of employment land for the common time period of 2010 to 2028. The scenarios are calculated by producing an annual requirement of land based on the total land requirement of each method and dividing by the number of years covered by each. For example, in the case of Method Historic 1 (based on the RSS figures) this was a land requirement of 278.5 ha divided by the number of years covered by the RSS (16 years). This annualised requirement was then applied to the period 2010 to 2028 to give an employment land requirement (in the RSS case this was 17.4 ha per year for each of the 18 years). The employment land supply at 2010 (151.6 ha) was then deducted to provide an updated additional land requirement (in the RSS case this was 161.7 ha).
- 5.4.18. Table 5.2 shows the figures that are obtained for each of Method Historic 1 – 4 both with a buffer of 20% and without the buffer.

**Table 5.2: Range of Employment Land Requirements**

<b>Method</b>	<b>Time period</b>	<b>Land required (rounded)</b>	<b>Amount required per year</b>	<b>Equivalent land required for 2010 to 2028</b>	<b>Land Supply 2010</b>	<b>Equivalent <u>Additional</u> Land required in ha for 2010 to 2028</b>
<b>Method Historic 1 - Regional Spatial Strategy requirement (2005 - 2021)</b>	16	278.5	17.4	313.3	151.6	161.7
Regional Spatial Strategy requirement (2005 - 2021) excluding 18.5% increase and 20% flexibility factor	16	195.8	12.2	220.3	151.6	68.7
<b>Method Historic 2 - Joint Employment Land Study Long-term trend</b>						
1995 - 2008	13	165.5	12.7	229.1	151.6	77.5
1995 - 2008 with 20% uplift	13	198.6	15.3	275.0	151.6	123.4
Updated to 1995-2012	17	173.3	10.2	183.5	151.6	31.9
Updated to 1995-2012 with 20% uplift	17	208.0	12.2	220.2	151.6	68.6
<b>Method Historic 3 - Joint Employment Land Study Short-term trend</b>						
2003 - 2008	5	33.6	6.7	120.9	151.6	-30.7
2003 - 2008 with 20% uplift	5	40.3	8.1	145.1	151.6	-6.5
Updated to 2007-2012	5	14.7	2.9	52.8	151.6	-98.8
Updated to 2007-2012 with 20% uplift	5	17.6	3.5	63.4	151.6	-88.2
<b>Method Historic 4 – Hybrid JELPS long term trend and econometrics</b>						
2010 - 2015	6	36.7	6.1	159.1	151.6	-7.5
2015 - 2028	12	122.4	10.2			
2010 - 2015 +20% (annual)	6	44.1	7.3	190.5	151.6	38.9
2015 - 2028 +20% (annual)	12	146.4	12.2			

## 5.5 Preferred Methodology for estimating employment land need

- 5.5.1. Determining future land requirement is not an exact science and each of the methods considered have advantages and disadvantages. As can be seen in Table 5.1 and 5.2, the different approaches used to quantify new employment land requirements for the plan period produced significantly varying results.
- 5.5.2. Economic forecasting (used for Methods Economic 1, 2, 3 and 4) is dependent on a number of factors including the performance of the economy and consequently the number of jobs over a long period. It is also dependent on a range of assumptions including assumed space required per job and plot ratios. Economic forecasts do not take account of policy aspirations or policy interventions. The economic forecasting that takes account of housing growth does not take account that some districts are predominantly commuter areas and are likely to experience change in this regard, nor that there are structural differences in employment patterns between local authorities. According to the JELPS study<sup>94</sup>, econometric projections only represent the absolute minimum amount of land needed. They do not provide for choice of site and are not responsive to changing circumstances. A choice of different types, sizes, and locations of site is necessary throughout the Plan period. They are therefore unable to produce a robust forecast of employment land need that will meet the requirement in the NPPF for Local Plans to plan proactively with sufficient flexibility to deal with changing circumstances. For these reasons, the Council has not used any of Methods Economic 1, 2, 3 and 4 to underpin the employment requirements in its Local Plan.
- 5.5.3. Historic take-up rates assume that the scale and nature of development will remain unchanged, in terms of employment density and patterns, together with market drivers. In this regard, they do not account of changes in these factors. However they are believed to reflect what demand could be released if appropriate supply is made available and economic conditions are favourable<sup>95</sup>. Nevertheless a weakness of rolling forward historic trends forecasting is that they can be skewed by significant development levels in certain years or, as shown in the short-term trends, years of low activity. In this regard, the Council also must recognise that high levels of take up in the past were likely to be attributable in part to the availability of grant funding, which enhanced deliverability across a range of sites and may not be available in the future (for example, Objective 1 funding which existed in two tranches between 1993 – 2000, and 2000 – 2007). The reduced availability of this funding source is likely to influence reduced delivery rates in the future due to reduced deliverability. This is particularly evident in current economic conditions given the Economic Viability Assessment<sup>96</sup> has identified viability issues across all types of employment development. Whilst this does not account for business models that benefit from the locational advantages of operating from Knowsley and therefore can overcome losses directly

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<sup>94</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

<sup>95</sup> *ibid*

<sup>96</sup> Knowsley Economic Viability Assessment (Keppie Massie, 2012)

associated to a development, it does suggest that speculative developments are much less likely than was the case in the late 1990s / early 2000s.

5.5.4. When considering the appraisal of Methods Historic 1- 4, it can be concluded that only Method Historic 2 and Method Historic 4 are a potentially suitable basis for establishing employment land requirements in the Local Plan. This is noting that JELPS appropriately discounted Method Historic 1 and Method Historic 3 for the following reasons;

- Method Historic 1 is likely to produce an excessive surplus of employment land, given the economic recession which has taken place since the completion of RSS and comparisons with the other methods (including those used by 4NW in preparing for the review of RSS).
- Method Historic 3 based upon the short-term historic take-up method is unreliable as the figure is skewed by the low rate of delivery in recent years.

5.5.5. The JELPS study recommended use of the long-term historic take-up method (Method Historic 2), on the basis of which it concluded that the Borough will require a significant amount of additional employment land, including an additional 20% above the actual historic take-up. This was included to make the methodology consistent with studies which underpinned the RSS.

5.5.6. With regard to the above, in considering the suitability of the hybrid Method Historic 4, a degree of caution is required in terms of relying upon econometric adjustments as a basis for employment land requirements, noting the unpredictability of forecasting in current economic conditions. This method is therefore considered more appropriate as a re-profiling exercise of this type which provides a realistic check of the requirement for the inclusion or exclusion of the 20% flexibility measure on the preferred approach of Method Historic 2. This is essential given that the Overview Study<sup>97</sup> suggested that the Method Historic 2 methodology often results in higher requirements over plan periods when projected forward, due to the influence of short term anomalies and the assumptions relating to market conditions that are unlikely to be replicated in the future.

5.5.7. The conclusion of this technical report is therefore that long-term historic take up of employment land (**Method Historic 2**) will provide the most robust means of determining the future level of employment land provision that will be needed to support the Borough's economic growth. This is noting that short-term historic trends are too strongly influenced by major investment or lack of investment in an individual year. Additional detail relating to the whether the flexibility factor should be included is within Section 5.6 below.

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Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

## 5.6 Should a flexibility factor be built into the figures?

- 5.6.1. In accordance with the NPPF it is necessary to consider whether the proposed employment land figures contain enough flexibility to accommodate new development or changes in the development market.
- 5.6.2. The RSS method (Method Historic 1) included a 20% flexibility factor in recognition that there may, exceptionally, be a need to provide additional land to take account of special circumstances, such as the expansion requirements of a particular business or the realisation of significant inward investment potential. A subsequent guidance note<sup>98</sup> states that local authorities must use their own judgement as to whether to apply the flexibility factor in supply calculations.
- 5.6.3. The Joint Employment Land Study identified long and short-term historic trends (Historic Methods 2 and 3) which included the provision of a buffer above the trend. The JELPS study included a buffer in order to maintain a choice (by quality, size, type and location) of sites on a continuing basis beyond the Core Strategy's end date. The JELPS study chose 20% as a buffer to be consistent with the Regional Spatial Strategy flexibility factor.
- 5.6.4. The Overview Study<sup>99</sup> notes that while an allowance for choice and churn is not a specific requirement of government guidance it is standard practice to include a buffer for flexibility within the preferred requirements. This allowance recognises that a proportion of employment land may be lost to non-employment uses over the plan period, and that there will be requirements resulting from movements within the economy (i.e. business relocations) that do not necessarily generate additional jobs but require additional land. The Overview Study<sup>100</sup> suggested that although a continuation of the historic trend is likely to be unrealistic, it does show a general trend. However it also concluded that the demand figure identified within JELPS (long-term historic trend plus 20% uplift) is likely to represent an optimistic view of employment requirements relating to deliverability and favourable economic conditions. This is also noting that the Method Historic 2 figures (including 20% flexibility) are higher than the RSS employment forecast share and historic Valuation Office Agency (VOA) data.
- 5.6.5. With regard to the above, the general indication is that the inclusion of a 20% flexibility buffer above the baseline Method Historic 2 rates identified would be inappropriate, noting the 7.32 ha re-profiled rate of take up in Method Historic 4 (including flexibility) has only been attained and exceeded on two occasions in the previous decade. This trend occurred despite a period of favourable economic conditions, which preceded the recent economic recession in 2008, with no robust evidence of an insufficient land supply during this period. On

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<sup>98</sup> North West of England Plan – Regional Spatial Strategy to 2021 Employment Land Implementation Note – April 2009 (4NW, 2009) (Paragraph 3.2)

<sup>99</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

<sup>100</sup> ibid

this basis, the Method Historic 2 (including 20% flexibility) and the lower Method Historic 4 calculation (also including 20% flexibility), could be considered to include a potential over-estimation of need. This thereby justifies considering the suitability of adopting an approach based upon the lower range of Method Historic 2 (i.e. excluding 20% flexibility buffer). This is noting that the requirement to prevent over-estimation of need is particularly important in the Local Plan given that any undersupply incapable of being addressed by remodelling will necessitate Green Belt release, which the NPPF permits in only exceptional circumstances. In this regard, the Method Historic 2 annual take up rate of 10.2 ha excluding flexibility, has again only been achieved on two occasions in the previous ten years and the cumulative take up within this period at 59.19 ha is around 40% lower than the annual average. On this basis, Method Historic 2 is considered to incorporate some built in flexibility to account for a range and choice of sites, together with vacancy and churn.

5.6.6 On the basis of the above, this Technical Report recommends that the 20% uplift above the historic trends is not implemented when determining future employment land need. This is justified for the following reasons:

- The Overview Study<sup>101</sup> concluded that historic trends forecasting often result in high requirements over plan periods when projected forward.
- The preferred method for predicting future needs (Method Historic 2) already produces a high figure for future needs even without the flexibility factor, when compared with econometric approaches used by some neighbouring authorities.
- It is unlikely that there will be significant losses of employment land within the existing supply to other uses aside from a large site at South Prescott and a small scale site at Prescott Trade Centre which will need to be replaced (see Chapter 6). This is because most B use classes remaining in Knowsley are within industrial estates of significant scale which provide a critical mass of industries that share the same infrastructure, customers and skills base which offer an operating environment for growth. The majority of these heavily industrialised areas are therefore a constrained, unsuitable or an unattractive environment for other uses such as residential. These areas are therefore likely to remain available for employment development.
- Although the JELPS study suggested that there will be more of a requirement for light industrial premises in Knowsley than is generally predicted, there is likely to be some movement towards higher density office accommodation subject to an improvement in economic circumstances;
- Although econometric based forecasting methods (Methods Economic 1 to 3 as described above) are not favoured as means of predicting future land requirements, it is considered that some account still needs to be taken of predicted economic trends used in these methods. Method Historic 4 offers a hybrid viewpoint in this regard, which indicates that

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<sup>101</sup>

Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)



Method Historic 2 (plus 20% flexibility) provides a significant overestimation of employment requirements.

- NPPF (paragraph 14) confirms that Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change unless (underlining inserted) specific policies in the Framework indicate development should be restricted. In the case of Knowsley, expansion of the existing industrial areas is heavily constrained by Green Belt designation. Although the Local Plan recognises that some release of Green Belt is required (to meet needs without the 20% flexibility factor) it is necessary to follow a balanced approach under which impact on the Green Belt is kept to a minimum. Investment in Local Plan economic regeneration priorities could be undermined by excessive release of less sustainable Green Belt sites, which are likely to be more attractive to investment due to fewer existing site constraints.
- Although neighbouring authorities are not considered to be capable of meeting Knowsley's future employment land need, it is considered that there are strong cross boundary flows which are likely to exist, particularly to strategic employment sites in Speke / Garston, North Liverpool, the 3MG site in Halton, and to a lesser extent the proposed Omega development in Warrington. Opportunities for development in these areas provide some flexibility to meet unanticipated requirements which can be of benefit to Knowsley residents.
- The Council should avoid a potential oversupply of additional employment land in Knowsley which could otherwise undermine the investment in regeneration priorities of neighbouring authorities, for example the area covered by the South Liverpool International Gateway area and 3MG in Halton.

5.6.7. In conclusion this Report recommends that the long-term historic land supply (1995 to 2012) should be used to project employment land need for the period April 2010 to March 2028 (10.2 ha per year x 18 years = **183.5** ha).

## **6. Options for addressing the overall shortfall in land supply – 2010 to 2028**

### **6.1 Introduction**

6.1.1. Chapter 4 shows that, in April 2010, the Borough had **151.6 ha** of land that was available or would become available during the plan period of the Local Plan and had a realistic prospect of development. Chapter 5 concludes that the Borough will require (using the preferred method i.e. Method “Historic 2 – long term trends”) up to **183.5 ha** of land to accommodate its employment land needs from 2010 to 2028. The Borough therefore has an unmet need of **31.9 ha** over this period. This shortfall could be increased if sites currently in the employment land supply are developed for other purposes –see Section 6.2 below.

6.1.2. This chapter sets out what strategic options the Council has considered to address the shortfall of supply that could arise up to 2028.

### **6.2 Potential losses of employment land to other uses**

6.2.1. To assess requirements for future provision of employment land it is necessary to factor in potential losses of existing employment land to other uses such as housing. The NPPF establishes that vacant employment land should not be preserved for employment uses if there is no realistic possibility of the land actually being used for employment in the future.

6.2.2. The shortfall of 31.9 hectares in provision from 2010 until 2028 could therefore be increased by the loss of existing employment sites to housing. The scope for this however is limited due to the nature of Knowsley’s industrial estates which are of a significant scale providing a critical mass of industries that share the same infrastructure, customers and skills base thereby offering an operating environment for growth. The majority of these heavily industrialised areas are therefore a constrained, unsuitable or an unattractive environment for other uses such as residential. These areas are therefore likely to remain primarily available for employment development

6.2.3. The main area where there is likely to be pressure to change existing employment land to housing and other uses is South Prescott. This is because (unlike the large industrial areas like Knowsley Industrial and Business Parks) this area already contains a mix of uses and there is known developer interest in promoting predominantly residential development in this area.

6.2.4. With regard to the above, it is noted that the Employment Land and Premises Study<sup>102</sup> recommended that the former Pirelli site in South Prescott (Area A of UDP Policy EC5) be protected for employment purposes. However the report also suggested that as the site was also considered suitable for housing in the

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<sup>102</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010)

Strategic Housing Land Availability Assessment, it may make a significant contribution to meeting the Borough's housing need. Outline planning permission was granted in 2012 for a mixed use development which contained a small amount (4ha) of employment uses and a much larger amount (25.4 ha) which could accommodate residential development. If this permission is implemented or another development proceeds which is primarily for non employment uses, the shortfall in employment land for 2010 - 2028 would be increased.

- 6.2.5. In addition to the above, there are existing undetermined planning applications for residential development at Prescott Trade Centre (2.75 ha) an existing Primarily Industrial Area in the UDP. If approved, this would further increase the shortfall against Local Plan employment land supply requirements up to 2028, thereby suggesting that a degree of flexibility will be required in identifying sufficient supply to account for unforeseen circumstances in the future.
- 6.2.6. In contrast, it should also be noted that an existing undetermined planning application for residential development at Kipling Avenue (also an existing Primarily Industrial Area) would not increase any shortfall. This is noting that this site has already been removed from the realistic supply in accordance with JELPS recommendations (see Table 4.1 for full list).
- 6.2.7. Table 6.1 shows that the Borough's potential shortfall of employment land is 31.9 ha but could potentially rise to 57.3 ha if the South Prescott (former Pirelli land) site is developed primarily for housing. At this stage, only extant planning consents for non-employment uses relating to existing supply (i.e. South Prescott) can reasonably be evaluated in terms of potential loss of employment land.

**Table 6.1: Employment land shortfall**

	Minimum (ha)	Maximum (ha)
Projected Employment Land Need	183.5	183.5
Employment Land Supply 2010	151.6	151.6
Short-fall	31.9	31.9
Loss of employment land through development of former Pirelli land for non-employment purposes	0	25.4
<b>Potential Short-fall</b>	<b>31.9</b>	<b>57.3</b>

- 6.2.8. Table 6.1 above, indicates a potential shortfall of up to 57.3 ha of employment land for the plan period that should be addressed by approaches in the Local Plan. In this regard, it will be appropriate to ensure there is some flexibility in addressing this shortfall through the identification of additional land for the plan period (i.e. between 10 – 20% extra above the existing shortfall), to account for potential and unforeseen losses of employment land which may need to be replaced.

### 6.3 Options to address shortfall

6.3.1. In developing the Core Strategy (for example in its Issues and Options paper<sup>103</sup>) the Council has assessed several options as to how additional employment land provision could be made over the Plan period. These included:

- Remodelling of Industrial Parks
- Development in neighbouring districts
- Development in sustainable locations in the Green Belt.

6.3.2. Having regard to the consultation responses received, sustainability appraisal findings and the evidence collated to date, the Council's views on each of these options are set out below.

### 6.4 Additional capacity from remodelling of Industrial Parks

6.4.1. The Strategic Framework and Delivery Plan for Knowsley Industrial Park<sup>104</sup> assessed options for the future use and development of this area, and estimates that the equivalent of 24.6 hectares of new employment land could be created through the development of opportunity areas within the Park. If delivered, this would potentially reduce Knowsley's shortfall in employment land supply, as illustrated in Table 6.2 below. This would, however, require significant funding as a range of actions would be required including amalgamating land holdings and sites.

**Table 6.2: Employment land short-fall 2010-2028**

	Minimum (ha)	Maximum (ha)
Potential short-fall taking account of potential loss of employment land to other uses (see Table 6.1)	31.9	57.3
Potential capacity from remodelling in Knowsley Industrial Park	24.6	0
<b>Potential Short-fall</b>	<b>7.3</b>	<b>57.3</b>

6.4.2. With regard to Table 6.2 above, the Local Plan: Core Strategy (in Policy CS4 and Policy CS11) supports the approach of remodelling industrial parks to meet some of the shortfall of employment land in the Borough.

6.4.3. The remaining shortfall of land would total between 7.3 and 57.3 hectares. The "best case" scenario (a shortfall of only 7.3 hectares) would exist if South Prescott remains in employment use and the maximum achievable remodelling of Knowsley Industrial Park (24.6 hectares) is achieved. The "worst case" scenario (a shortfall of 57.3 hectares) would arise if South Prescott is lost to housing and there is no remodelling in Knowsley Industrial Park.

<sup>103</sup> Knowsley Local Development Framework Core Strategy Issues and Options Paper (Knowsley MBC, 2009)

<sup>104</sup> Delivering a New Future for Knowsley Industrial Park - Strategic Framework (DTZ/Taylor Young/Arup, 2010)

## 6.5 Additional capacity obtained through development in adjacent districts

- 6.5.1. The Liverpool City Region "Overview" study<sup>105</sup> evaluated the methodologies used and established a composite picture of the demand for land across the City Region. The key findings in relation to employment are set out in Paragraph 2.3.6 of the Study. In summary the key issues for Knowsley are:
- Supply and demand for employment sites and premises across the Core study area of the City Region up to 2031 are balanced, provided that aspirations for remodelling/regeneration and site delivery and potentially significant contributions to supply at Omega (Warrington) and Parkside (St Helens) are delivered.
  - The importance of potential B8 delivery at Speke (South Liverpool), Omega, and Parkside, to potentially accommodate or offset demand and growth requirements in both Halton and to a lesser extent Knowsley.
  - The potential need to identify additional land supply in the longer term across a greater number of authority areas if aspirations for remodelling / regeneration are not realised, relating specifically to West Lancashire, Knowsley, Halton, and Sefton.
- 6.5.2. As mentioned previously, the study concluded that Knowsley has a key functional relationship with Liverpool. In this regard, the Council considers that Liverpool has insufficient capacity to realistically contribute to the delivery of Knowsley's employment land shortfall. Nevertheless there are strong cross boundary commuting flows which are likely to exist particularly in terms of the Halewood area and Speke / Garston (South Liverpool International Gateway) together with 3MG in Halton, Kirkby area and northern areas of Liverpool, and to a lesser extent the Huyton, Prescott and Whiston areas with the proposed Omega development in Warrington. It is therefore important that the Council limits the possibility of overestimation of employment land requirements in these locations which could otherwise re-direct investment from the regeneration priority areas of neighbouring authorities.
- 6.5.3. The Overview Study also identified that, in the long term, St. Helens may be able to meet some of Knowsley's B8 employment land need if the rail freight terminal at Parkside is delivered. However, it remains uncertain whether the rail freight terminal at Parkside will be delivered and therefore no reliance can be made on the possibility that St. Helens could meet some of Knowsley's B8 employment land need. In this regard, it is also likely that many Knowsley residents would find it difficult to access jobs at Parkside, due to limited public transport provision between Knowsley and the eastern part of St. Helens.
- 6.5.4. There is considered to be no scope for Sefton or West Lancashire (or to a lesser extent Halton) districts to meet Knowsley's employment development needs as these districts have a shortage of supply in existing urban areas to meet their own needs.

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<sup>105</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

6.5.5. Having regard to this evidence and the findings of consultation in developing the Local Plan, the Core Strategy does not propose that the shortfall be met in adjoining local authorities. This is also because:

- such an approach would undermine the Council's objective of increasing economic activity and encouraging inward investment in Knowsley; and
- reliance on neighbouring districts would increase the need to travel for residents.

6.5.6. Although adjoining districts are not capable of meeting Knowsley's future employment development need, the existence of opportunities in neighbouring districts should still be taken into account in assessing pressures for further employment land in specific parts of Knowsley. For example the South Liverpool International Gateway Strategic Regeneration Framework<sup>106</sup>, which covers Speke and Garston, has a total area of 129.16 hectares of available employment land. This concentrated availability of developable employment land in the Speke/Garston area has (along with the earlier evidence in the JELPS and other studies) helped to confirm that additional employment land is not required in the Halewood area of Knowsley. This is noting that the South Liverpool International Gateway site and another strategic employment site in close proximity at 3MG in Widnes both remain regional strategic investment priorities in accordance with RSS (as identified by Liverpool and Halton UDPs and their emerging Local Plans respectively). As a consequence, there is a need to avoid any potential negative effect of providing additional employment land provision within Halewood's Green Belt, which could undermine these regeneration priorities, noting the functional linkage between these areas which will provide employment opportunities for Halewood residents.

## **6.6 Additional capacity through development on sustainable sites within the Green Belt**

6.6.1. Under national policy, significant changes to Green Belt boundaries can only be made under exceptional circumstances. However, the Overview Study<sup>107</sup> recognises that in the medium / long term Green Belt land release may be required. The Core Strategy therefore (in policy CS5) proposes to meet some of the land requirements to 2028 through release of land from the Green Belt. The location and timing of delivery would (under policy CS5) be carefully controlled to ensure that regeneration in existing industrial areas is not jeopardised. The phasing of site release will also take account of the wider Liverpool City Region context where adjoining districts are also seeking to regenerate their industrial areas.

6.6.2. In order to identify appropriate sites, the Employment Land Study recommended areas of search for additional land. The suggested areas of search were to the north east of Junction 6, M62 at Windy Arbor Road,

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<sup>106</sup> South Liverpool International Gateway Strategic Regeneration Framework (Liverpool CC, 2010)

<sup>107</sup> Housing and Economic Development Evidence Base Overview Study (Liverpool City Region Partners, 2011)

Whiston, and to the south west of Knowsley Business Park. The Study also identified a need for a successor site to the successful King's Business Park. The Study recommended that the successor site should be in close proximity to the Business Park and suggested that it could be accommodated on land in Knowsley Lane, Huyton. All three of the suggested areas of search are, however, in the Green Belt.

6.6.3. The Knowsley and Sefton Green Belt Study assessed the capability of areas currently within the designated Green Belt to accommodate future residential and / or employment development. Further information on the Council's approach to this issue is in the Green Belt Technical Paper. Key points from this work (which explain why some Green Belt locations recommended in the JELPS have not all been taken forward in Policy CS5) are as follows:

- The land south of Whiston (to the north of the M62) is considered to be more appropriate as a housing site rather than an employment site. The need for additional employment land in this area identified in the JELPS is proposed to be met through the allocation of Cronton Colliery which is immediately adjacent to the south of the M62. Cronton Colliery is included as a Green Belt reserved location in Policy CS5 (rather than previously safeguarded in the Core Strategy Preferred Options), to reflect it now being required to meet Knowsley's employment land needs during the plan period. This is noting the interim loss of employment land supply in other parts of the Borough and to provide sufficient flexibility to ensure delivery of sustainable economic growth.
- The southerly expansion of Knowsley Business Park is not put forward as a future employment area (contrary to the recommendations of the JELPS) as the subsequent Green Belt study has identified this as part of a "strategic gap" which should be protected from development. The need for an expansion of this Business Park identified in the JELPS is instead to be met through an easterly expansion alongside the A580. This is consistent with the Knowsley Industrial Park Regeneration Framework which has been published subsequent to the JELPS in 2010.
- Consistent with the JELPS findings, the land at Knowsley Lane is identified as a potential employment site, albeit with a flexible approach which could include residential uses.

## 6.7 Five-year employment land supply

6.7.1. The Joint Employment Land and Premises Study recommended that local authorities should seek to ensure that there is always a five year supply of land that is available<sup>108</sup>. The Core Strategy proposes (see Policy CS4) to make provision for 10.2 ha of land per annum to be provided for employment development over the period from 2010 to 2028. This equates to a minimum five year target of 51.0 ha. At April 2010, the Borough had at least 151.6 ha of land available of which 116.8 ha was considered to be available or likely to become available within five years, which exceeds the five year requirement.

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<sup>108</sup> Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010), page 306

## 6.8 Should employment sites be restricted to specific types of employment use?

6.8.1. The Core Strategy's Issues and Options Paper considered if the use of some employment sites should be restricted to specific employment types such as office and knowledge based industries. This would encourage similar types of site to be located in close proximity to each other which may engender competition. This approach would, however, be less flexible and therefore less responsive to changing market conditions, which does not accord with the requirements of the NPPF. The Core Strategy therefore does not follow this approach. The Strategy does however require that high density jobs such as office uses should be located as a first preference in the most accessible locations such as town centres and the major employment areas of Knowsley Industrial and Business Parks, Huyton Business Park, and Kings Business Park. This is consistent with the sequential test within the NPPF.

## 6.9 Distribution of Supply

6.9.1. Table 6.3 shows the indicative distribution of land that the JELPS study considers has a realistic prospect of development for employment purposes. The majority is located in the Knowsley Industrial Park in Kirkby (64.9 ha). Of the 45.6 ha located in Prescot / Whiston / Cronton / Knowsley Village, 10.8 ha is located in Knowsley Business Park. Halewood only contains one site which is the Jaguar Land Rover expansion land (18.4ha).

**Table 6.3: Employment Land Distribution (Existing Supply as at 2010)**

Township	Total Area (ha)	% of 2010 Supply
Huyton	22.7	15%
Kirkby	64.9	43%
Prescot / Whiston / Cronton / Knowsley Village	45.6	30%
Halewood	18.4	12%

6.9.2. The distribution of employment land provision is heavily influenced by the existing pattern of land supply and where land and jobs have historically been located. The Local Plan ensures sufficient flexibility to ensure that opportunities are available to re-consider whether currently allocated sites are still the most appropriate and to identify further locations for potential future allocation through subsequent stages of Local Plan preparation in accordance with NPPF requirements. Table 6.4 below includes this distribution of existing supply and adds the additional Green Belt broad locations identified as suitable for potential release for employment purposes to provide an indication of the potential range of spatial distribution in the Local Plan. This includes the influence of;

- Potential loss of employment land at South Prescot.
- Non-delivery of remodelling at Knowsley Industrial and Business Parks
- Physical and planning constraints to developable areas of Green Belt locations (see Appendix D for details).



**Table 6.4: Local Plan Indicative Scenarios of Employment Land Distribution**

<b>Township</b>	<b>Minimum</b>	<b>Maximum</b>
Huyton	33.9 ha (18% of plan period target)	33.9 ha (18% of plan period target)
Kirkby	72.2 ha (39% of plan period target)	96.8 ha (53% of plan period target)
Prescot / Whiston / Cronton / Knowsley Village	50 ha (27% of plan period target)	75.5 ha (41% of plan period target)
Halewood	18.4 ha (10% of plan period target)	18.4 ha (10% of plan period target)
<b>Total</b>	<b>174.5 ha</b>	<b>224.6 ha</b>

6.9.3. With regard to Table 6.4, it is evident that the maximum scenario for employment land relative to the Local Plan requirements to 2028 would result in a surplus of 41.1 ha, whereas the minimum scenario would result in an undersupply of 9 ha relative to the plan period requirement of 183.5 ha required up to 2028 (see Policy CS4). This re-affirms the importance of the delivery of opportunities for remodelling in Knowsley Industrial and Business Parks is essential to ensure sufficient flexibility for the potential loss of employment land at South Prescot and other smaller sites.

6.9.4. In general, the distribution of proportions of employment land to specific townships has been guided by the extent that opportunity and need, together with land availability and suitability align with Local Plan priorities. This is reflected by;

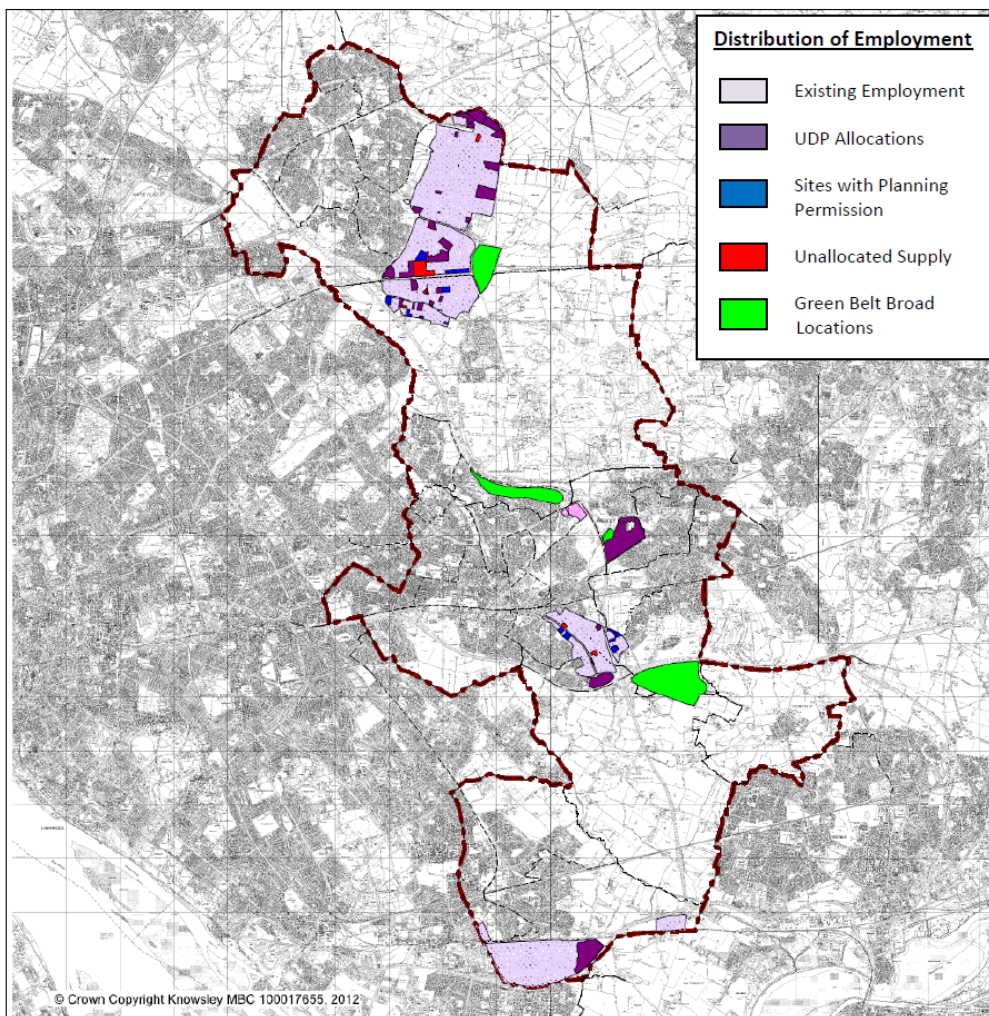
- emphasis upon the sub-regional importance of employment and regeneration opportunities in Knowsley Industrial and Business Parks which results in a high proportion of growth in Kirkby;
- identification of a successor site to Kings Business Park at Knowsley Lane (as recommended by JELPS), to complement the existing provision in Huyton which also includes Huyton Business Park, and;
- identification of a suitable alternative employment provision in Prescot / Whiston at Cronton Colliery to account for the possibility of the loss of a significant proportion of existing allocations at South Prescot.

6.9.5. In adopting the proposed distribution as part of the Local Plan, the Council is mindful of the need for a balanced approach in meeting Knowsley's needs, whilst not impacting upon regeneration initiatives in the surrounding districts. The availability of existing and potential future employment opportunities for example in South Liverpool, North Liverpool, Widnes and St Helens have all been taken into account in assessing the most appropriate distribution of new sites in Knowsley. For example, the South Liverpool International Gateway

site and the strategic employment site at 3MG in Widnes are very close to Halewood, and thereby limit any justifiable benefits of considering Green Belt release to provide additional employment land around Halewood.

6.9.6. The Local Plan approach is considered the most appropriate method to account for market signals in terms of areas with proven market interest in ensuring deliverability of Local Plan priorities and is indicated on Figure 6.1. In this regard, the Local Plan approach to employment distribution addresses the areas of greatest need in deprivation terms (Huyton and Kirkby) and reflects the need for additional land in other areas (i.e. Prescott / Whiston) to support housing growth that will not detract from regeneration priorities nearby. Furthermore, noting that there is a need for Green Belt release to address Knowsley’s employment land needs through to 2028 and beyond, it seeks to direct the development to the most appropriate and sustainable locations as identified by the Green Belt Study<sup>109</sup> and Technical Report: Green Belt<sup>110</sup>.

**Figure 6.1: Distribution of Employment in Knowsley**



*\*Green Belt Broad Locations indicated reflect the boundaries in the Local Plan Core Strategy*

109  
110

Knowsley and Sefton Green Belt Study – Final Knowsley Report (Knowsley MBC, 2012)  
Technical Report: Green Belt (Knowsley MBC, 2012)

6.9.7. The Local Plan objectives are consistent with the national policy approach in the NPPF, and therefore the distribution pursued is considered to be sufficiently flexible to support a strong and responsive economy, ensuring that appropriate land of the right type is available in the right places and at the right time to support growth and innovation. In this regard, it should be noted that not all locations are equally suitable for growth. This is because existing employment areas benefit from the most sustainable and accessible locations in Knowsley that are well served by existing infrastructure. As a consequence, existing employment areas remain the most attractive locations for future investment provided suitable sites are available; given the existing critical mass of businesses enhance competitive advantages and there is proven developer interest. These circumstances have also informed the identification of broad locations in the Green Belt which may be suitable for employment purposes. This is noting that sites at; Land to the east of KIP / KBP, Knowsley Lane and Carr Lane all remain close to established employment areas and are intended to complement these areas when the existing range and choice of sites is exhausted. The other proposed site at Cronton Colliery is considered to benefit from similar accessibility advantages (i.e. immediate proximity to the M62 and M57) and comprise a strategic scale to develop a viable critical mass of employment uses. This should ensure that it is capable of sustaining a new employment destination that will be attractive for future investment noting previous developer interest.

## **6.10 Discounted Alternative Distributions of Employment Growth**

6.10.1. It is acknowledged that the Local Plan approach is not the only potential option for the distribution of employment growth. However it is considered to be the most appropriate policy approach for Knowsley to ensure compliance with the NPPF with regard to planning for sustainable economic growth, whilst addressing the existing constraints on land availability up to 2028.

6.10.2. With regard to the above, it is considered that alternatives, for example, distribution of employment land in proportion to the working age population, levels of unemployment, or the projected housing growth of the townships would not be suitable to address Knowsley's long terms needs in the context of the Core Strategy objectives. In distributing land, the Local Plan must take into consideration the Core Strategy policy objectives, particularly relating to sustainable economic and employment growth and its contribution to wider objectives relating to regeneration, reducing social and economic regeneration, and narrowing the gap between the richest and poorest communities.

6.10.3. The alternative distributions of new employment land which have been considered and discounted by the Council are as follows;

- Pro rata distribution in relation to housing growth: Huyton and Stockbridge Village (33%), Kirkby (15%), PWCKV (33%), Halewood (19%).
- Pro rata distribution in relation to existing working age population: Huyton and Stockbridge Village (37.6%), Kirkby (28.6%), PWCKV (19.2%) and Halewood (14.6%).

- Pro-rata distribution in relation to existing unemployment rates: Huyton and Stockbridge Village (6.6% rate – 27% distribution), Kirkby (7.4% rate - 30% distribution), PWCKV (4.9% - 20% distribution) and Halewood (5.5% - 23% distribution).

6.10.4. These alternative distributions have been dismissed, for the following reasons;

- The existing distribution and supply is already significantly exceeded by existing provision in Kirkby.
- Each of the discounted scenarios would fail to utilise opportunities of location, accessibility and sustainability advantages associated to existing employment sites. This is particularly evident for the sub-regionally important Knowsley Industrial and Business Parks, where there is sufficient critical mass and proven developer interest which is likely to prove most attractive for future economic growth.
- Each of the discounted scenarios would require identification of new sites in Huyton and Halewood which due to constraints on land availability in these settlements would necessitate release of additional land within the Green Belt. This would be inappropriate in the context of the NPPF, noting the conclusions of the Green Belt Study<sup>111</sup> and Technical Report: Green Belt<sup>112</sup>.
- The development of additional employment land in Halewood has the potential to impact upon regeneration priorities of neighbouring authorities relating to South Liverpool and 3MG (Halton).

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<sup>111</sup> Knowsley and Sefton Green Belt Study – Final Knowsley Report (Knowsley MBC, 2012)  
<sup>112</sup> Technical Report: Green Belt (Knowsley MBC, 2012)

## 7. Conclusion

- 7.1.1. National, city regional and local policy requires the Local Plan to take a positive approach towards meeting economic development needs over the Plan period up to 2028. These should link effectively to established priorities, for example those of the Liverpool City Region Local Enterprise Partnership (see Chapter 2).
- 7.1.2. As a result of the proposed revocation of RSS, the Knowsley Local Plan includes a locally derived employment target. The Council has developed this in cooperation with neighbouring districts including through the completion of the LCR Overview Study (see Chapter 2). A range of evidence has been considered in deriving the target including the Joint Employment Land and Premises Study, the Overview Study, evidence which underpinned the RSS (2008) and further evidence which 4NW gathered in preparation for reviewing the RSS in 2009 and 2010.
- 7.1.3. The Borough has a complex range of economic challenges including high levels of deprivation (see Chapter 3). It also has significant opportunities resulting from its range of attractive employment locations which are accessible from other districts. The economy of the Borough is inextricably linked with that of the wider Liverpool City Region (see Chapter 3).
- 7.1.4. Key employment locations in Knowsley include Knowsley Industrial and Business Parks. These are located next to each other and comprise one of the largest industrial areas in the North West. Other major employment locations are at Huyton Business Park, Kings Business Park and the Jaguar / Land Rover plant in Halewood.
- 7.1.5. A central objective of the Council is to regenerate Knowsley Industrial Park in accordance with the published regeneration framework for this area (see Policy CS11 of the Core Strategy).
- 7.1.6. The Council has followed a logical stepped approach to identifying its future employment land requirements which is summarised in Chapter 4.
- 7.1.7. The Borough had, at April 2010, **151.6 ha** of land that was considered to have a realistic prospect of development for employment purposes. It has an appropriate range and choice of size of site for all employment types, with a distribution of available employment land across all settlements in the Borough to meet needs during the early part of the Local Plan period.
- 7.1.8. To identify how much land is required to meet needs up to 2028, eight different methods have been considered. Four of these were based on econometric forecasting models, three based on projecting forward historic trends and a single hybrid based on projecting forward historic trends, but with adaptations for econometric trends. The relative merits of these are outlined in Chapter 5.

- 7.1.9. The preferred method (referred to as Method “Historic 2” in Chapter 5) is to project forward long term historic trends. Based on this method **183.5 hectares** of employment land will be needed to meet the needs for employment development from 2010 to 2028. There is therefore an existing shortfall of supply comprising **31.9 hectares** over this period.
- 7.1.10. It is estimated that this shortfall could increase to a total of **57.3 hectares** if the maximum amount of existing employment land at South Prescott is changed to housing use. Conversely if this land remains in employment use and remodelling opportunities at Knowsley Industrial Park totalling 24.6 hectares are delivered, the shortfall of up to 2028 could reduce to as little as 7.3 hectares. In this regard, a proportion of remodelling will be required to ensure flexibility of supply for the plan period given the need to limit Green Belt release in accordance with the NPPF, nevertheless this remains dependent upon the extent of any loss at South Prescott and other smaller sites, which as yet remains undetermined. In view of this uncertainty, the Local Plan approach (Policy CS4 and Policy CS11) is necessarily seeking to develop the maximum capacity of remodelling in Knowsley Industrial Park to ensure the optimum amount of flexibility.
- 7.1.11. In order to meet this shortfall the Council has considered three strategic options:
- Remodelling of Industrial Parks (see above);
  - Development in neighbouring districts; and
  - Development in sustainable locations in the Green Belt.
- 7.1.12. Chapter 6 contains a detailed assessment of each of these options. The Council considers that, on the available evidence, adjoining districts could not accommodate Knowsley’s future employment land need shortfall appropriately. This conclusion takes account of evidence in the Overview Study, the increased need of residents to travel, and the need to ensure that jobs are accessible to Knowsley residents. Nevertheless the location of Halewood, its existing employment area to the south and the proximity to adjoining industrial areas in South Liverpool (Speke / Garston) and to a lesser extent 3MG (Halton) ensure a functional relationship for employment provision which justifies not addressing additional needs arising from Halewood in isolation.
- 7.1.13. In order to ensure that the Borough continuously has at least five years employment land supply for the whole plan period, land will need to be removed from the Green Belt to ensure that it is available when required. In order to ensure that regeneration objectives and Brownfield priorities are not undermined policy CS5 of the Core Strategy requires that land currently in the Green Belt only be developed when necessary during the latter part of the Plan period. That policy proposes a robust release mechanism based on monitoring of supply and take-up rates.
- 7.1.14. Policy CS4 of the Local Plan: Core Strategy will ensure that, at all times, a sufficient quantity of deliverable sites is available to meet the needs for employment development over the following five year period. The five year

supply is defined as 5 x the annual average required to meet the overall need for the plan period; that is 51.0 ha (5 x 10.2 ha). This should be monitored on an annual basis.

- 7.1.15. Core Strategy policies CS4 and CS11 aim to facilitate the remodelling of the Borough's industrial parks in order to utilise opportunities of location, accessibility and sustainability advantages, including proximity to residential communities, together with proven developer interest associated to existing employment sites. This suggests that the existing employment locations are most likely to be attractive for future investment. Remodelling existing industrial parks also has the additional benefit of limiting the need for take-up of additional land currently in the Green Belt. For the same reason, the Core Strategy proposes to safeguard existing employment land from development for other uses, except where there is no reasonable prospect of a site being used for economic purposes or when an alternative use would bring overriding benefits and contribute to the regeneration of the area.

## 8. Glossary

Core Strategy	The overarching development plan document of the Local Plan. It sets out the long term spatial vision for the local planning authority area, as well as the spatial objectives and the strategic policies to deliver that vision.
Development Plan Document	The documents, together with the Regional Strategy that, that make up the development Plan for the Borough. They include the core strategy, site specific allocations of land, and area action plans (if considered necessary) and other documents deemed necessary by the council to deliver the spatial strategy.
Employment Land	Although in the wider context land uses such as retail and leisure contribute to employment, in this Technical Report employment uses refer to those within the B use classes in the Town and Country Planning (Use Classes) Order 1987 (as amended).
Employment Land Supply	Land considered suitable for employment use whether or not it has a realistic prospect of being developed for such use.
JELPS	The Joint Employment Land and Premises Study Halton, Knowsley, Sefton and West Lancashire (BE Group, 2010) was a study undertaken by the BE Group for Halton, Knowsley, Sefton and West Lancashire Councils to assess existing supply and future need of employment land.
Local Plan	The name given to the local development documents and other documents that provide the framework for delivering the spatial strategy for a council area.
Liverpool City Region	The Liverpool City Region covers the boroughs of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral.
Plan Period	The period between 2013 and 2028.
Regional Strategy	Document that sets out the region's policies in relation to the development and use of land. It forms part of the development plan.
Realistic Employment Land Supply	Land with a realistic prospect of being developed for employment purposes.
Use Classes Order	The Town & Country Planning (Use Classes) Order 1987 lists 16 classes of use. A change from one use to another use within the same Class does not normally require planning permission.



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The Town and Country Planning (Use Classes) Order 1987 (as amended)

### **Weblinks**

4NW Setting Employment Land Targets For North West England (Roger Tym and Partners, 2010)

- See [http://www.4nw.org.uk/documents/?page\\_id=4&category\\_id=318](http://www.4nw.org.uk/documents/?page_id=4&category_id=318)

RS2010 Part 2 housing provision and job growth figures summary and background data Final version July 2010, sheets 10

– see [http://www.4nw.org.uk/downloads/documents/jul\\_10/4nw\\_1278662515\\_RS2010\\_Part\\_2\\_housing\\_provisio.xls](http://www.4nw.org.uk/downloads/documents/jul_10/4nw_1278662515_RS2010_Part_2_housing_provisio.xls)

RS2010 Part 2 housing provision and job growth figures summary and background data Final version July 2010, sheet 13

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**Appendix A: Employment Land Supply April 2010**

Reference	Status	Address	Township	Site Area	Employment Type
<b>BE Group Availability 0-1 years</b>					
38	Allocated for Employment Development	Land north of Kodak, Acornfield Road	Kirkby	3.3	B1/B2/B8
41	Allocated for Employment Development	Land adjacent to BASF Coatings and Inks Ltd, Ellis Ashton Street	Huyton	0.9	B1/B2/B8
103	Primarily Industrial Area	Land between St. Ivel And Yorkshire Metals, located off East Lancashire Road, Kirkby	Kirkby	8.3	B1/B2/B8
169	Primarily Industrial Area	Wilson Road / Brickfields	Huyton	0.6	B1/B2/B8
40	Full Planning Permission Granted	Part of Yorkshire Imperial Metals off Coopers Lane.	Kirkby	3.2	B1/B2/B8
40.2	Under Construction	Part of Yorkshire Imperial Metals off Coopers Lane.	Kirkby	1.7	B1/B2/B8
183	Under Construction	Esselte Ltd, Wilson Road Huyton	Huyton	0.8	B2, B8
28	Full Planning Permission Granted	Land at junction of Gores Road / Acornfield Road	Kirkby	0.7	B8
Total Available 0-1 Years				19.5	
<b>BE Group Availability 1-3 years</b>					
2	Allocated for Employment Development	Roscoe's Wood, Cronton Road, Huyton	Huyton	7.9	B1/B2
6	Allocated for Employment Development	Perimeter Road / Acornfield Road	Kirkby	7.7	B1/B2/B8
8	Allocated for Employment Development	Marl Road	Kirkby	0.5	B1/B2/B8
9	Allocated for Employment Development	Arbour Lane	Kirkby	1.4	B1/B2/B8
10	Allocated for Employment Development	Hornhouse Lane	Kirkby	3.0	B1/B2/B8
12	Allocated for Employment Development	Britonwood	Kirkby	6.4	B1/B2/B8
13	Allocated for Employment Development	Moss End Way (East)	Kirkby	2.1	B1/B2/B8

Reference	Status	Address	Township	Site Area	Employment Type
14	Allocated for Employment Development	Moss End Way (West)	Kirkby	4.2	B1/B2/B8
17	Allocated for Employment Development	School Boys Plantation, Randles Road	Prescot / Whiston / Cronton / Knowsley Village	0.5	B1/B2/B8
18	Allocated for Employment Development	Ainsworth Lane / Penrhyn Road	Prescot / Whiston / Cronton / Knowsley Village	0.5	B1/B2/B8
20	Allocated for Employment Development	Davis' Pits, Randles Road	Prescot / Whiston / Cronton / Knowsley Village	0.3	B1/B2/B8
23	Allocated for Employment Development	Land at junction of Penrhyn Road / School Lane	Prescot / Whiston / Cronton / Knowsley Village	0.6	B1/B2/B8
24	Allocated for Employment Development	Land Between Randles Road and School Lane	Prescot / Whiston / Cronton / Knowsley Village	1.2	B1/B2/B8
27	Allocated for Employment Development	Penrhyn / Villiers Road	Prescot / Whiston / Cronton / Knowsley Village	2.1	B1/B2/B8
32	Allocated for Employment Development	Land adjacent to Ethel Austin Site, Ainsworth Lane	Prescot / Whiston / Cronton / Knowsley Village	2.3	B1/B2/B8
36	Allocated for Employment Development	Land between Villiers Court and Overbrook Lane	Prescot / Whiston / Cronton / Knowsley Village	0.5	B1/B2/B8
166	Primarily Industrial Area	Woodward Road	Kirkby	0.9	B1/B2/B8
170	Primarily Industrial Area	Rear of Garage, Wilson Road	Huyton	0.7	B1/B2/B8
176	Primarily Industrial Area	Randles Road	Prescot / Whiston / Cronton / Knowsley Village	0.3	B1/B2/B8

Reference	Status	Address	Township	Site Area	Employment Type
177	Primarily Industrial Area	Ainsworth Lane, Knowsley Business Park	Prescot / Whiston / Cronton / Knowsley Village	0.4	B1/B2/B8
182	Regional Investment Site	Kings Business Park	Huyton	6.6	B1/B2, C1
178	Full Planning Permission Granted	Land Fronting D Evans Electrical, Wilson Road, Huyton	Huyton	0.2	B1
118	Regional Investment Site	Kings Business Park, Liverpool Road, Prescot	Huyton	1.4	B1(a)
20.2	Full Planning Permission Granted	Davis' Pits, Randles Road	Prescot / Whiston / Cronton / Knowsley Village	0.2	B1/B2
174	Allocated for Employment Development	Pirelli North, Prescot	Prescot / Whiston / Cronton / Knowsley Village	2.3	B1/B2/B8
19	Full Planning Permission Granted	Gellings Lane / Randles Road	Prescot / Whiston / Cronton / Knowsley Village	0.9	B1/B2/B8
168	Outline Planning Permission	Rear of Moorgate Point, Moorgate Road	Kirkby	2.6	B1/B2/B8
Total Available 1-3 Years				57.7	
<b>BE Group Availability 3-5 years</b>					
25	Allocated for Employment Development	Part of Dairy Crest / Kraft site, A580	Kirkby	3.6	B1/B2/B8
33	Allocated for Employment Development	Land at corner of A580 / Moorgate Lane	Kirkby	3.3	B1/B2/B8
35	Outline Planning Permission	Land adjacent Delphi Delco, Hornhouse Lane, adjacent to junction with South Boundary Road	Kirkby	1.9	B1
4.1	Allocated for Employment Development	Land to North of CDMS, Fallows Way, Whiston	Prescot / Whiston / Cronton / Knowsley Village	0.9	B1(c),B2,B8
175	Allocated for Employment Development	Pirelli South, Prescot	Prescot / Whiston / Cronton / Knowsley Village	29.4	B1/B2/B8

Reference	Status	Address	Township	Site Area	Employment Type
4	Full Planning Permission Granted	Plot 5, Whiston Enterprise Park, Fallows Way	Prescot / Whiston / Cronton / Knowsley Village	0.6	B2
Total Available 3-5 Years				39.6	
<b>BE Group Availability 5+ years</b>					
1	Allocated for Employment Development	Jaguar Land Rover Expansion Land, Speke Boulevard, Halewood	Halewood	18.4	B1/B2/B8
7	Allocated for Employment Development	Depot Road	Kirkby	3.2	B1/B2/B8
15	Allocated for Employment Development	North Perimeter Road / Moss End Way	Kirkby	5.3	B1/B2/B8
31	Allocated for Employment Development	Land adjacent to Knowsley rail freight terminal, Depot Road	Kirkby	1.0	B1/B2/B8
37	Allocated for Employment Development	Land to the east of Cross Huller, Randles Road / Gellings Road / School Lane	Prescot / Whiston / Cronton / Knowsley Village	1.0	B1/B2/B8
42	Allocated for Employment Development	Land adjacent 2 Gladeswood Road, Kirkby Industrial Park	Kirkby	0.5	B1/B2/B8
Total Available 5+ years				29.4	
<b>Permissions since BE Group Study</b>					
191	Full Planning Permission Granted	All Seasons Construction, 1 Adastra Works, Birchill Road, Knowsley Industrial Park, Kirkby	Kirkby	0.1	B1(a)
192	Full Planning Permission Granted	Plot G3, Deltic Way, Knowsley Industrial Park, Kirkby	Kirkby	0.1	B1/B2/B8
187	Full Planning Permission Granted	Land Between And Including Units 1-9 Interchange Motorway Estate, Wilson Road, Huyton	Huyton	3.6	B2
188	Full Planning Permission Granted	Batleys Cash And Carry, Fallows Way, Whiston	Prescot / Whiston / Cronton / Knowsley Village	1.2	B8

Reference	Status	Address	Township	Site Area	Employment Type
189	Full Planning Permission Granted	Batleys Cash And Carry, Fallows Way, Whiston	Prescot / Whiston / Cronton / Knowsley Village	0.5	B8
Total Permissions since BE Group Study				5.5	



## Appendix B: Oxford Econometric for JELPS Study Area (Halton, Knowsley, Sefton and West Lancashire)

### Employment Occupation Forecast

Sector	2008 Number of People	2026 Number of People	Change 2008 -2026	% Change
Agriculture & Fishing	4,080	2,481	-1,599	-39.2%
Energy & Water	473	281	-192	-40.6%
Manufacturing	33,755	23,222	-10,533	-31.2%
Construction	17,757	19,260	+1,503	+8.5%
Distribution, Hotels & Restaurants	61,758	67,360	+5,602	+9.1%
Transport & Communications	17,630	18,107	+477	+2.7%
Banking, Finance, Insurance, etc	48,336	61,195	+12,859	+26.6%
Public Administration, Education & Health	82,436	86,797	+4,361	+5.3%
Other Services	16,361	16,013	-348	+2.1%
<b>Total</b>	<b>282,586</b>	<b>294,716</b>	<b>+12,130</b>	<b>+4.3%</b>

Source: Adapted from Oxford Econometrics (via JELPS), 2008 – Data relates to 4 Authorities rather than just Knowsley

**Economic Forecast Floorspace Need**

Sector	Floorspace required (sq.m)							
	2008		2026		Change		% Change	
	Office	Industrial	Office	Industrial	Office	Industrial	Office	Industrial
Agriculture & Fishing	28,560	31,824	17,367	19,352	-11,193	-12,472	-39.2%	-39.2%
Energy & Water	3,311	3,689	1,967	2,192	-1,344	-1,497	-40.6%	-40.6%
Manufacturing	236,285	354,248	162,554	243,831	-73,731	-110,417	-31.2%	-31.2%
Construction	63,925	186,449	69,336	202,230	+5,411	+15,781	+8.5%	+8.5%
Distribution, Hotels & Restaurants	469,361	222,329	511,936	242,496	+42,575	+20,167	+9.1%	+9.1%
Transport & Communications	137,541	267,976	141,235	275,226	+3,694	+7,250	+2.7%	+2.7%
Banking, Finance, Insurance, etc	763,709	43,502	966,881	55,076	+203,172	+11,574	+26.6%	+26.6%
Public Administration, Education & Health	842,360	61,827	867,970	65,098	+25,610	+3,271	+5.3%	+5.3%
Other Services	121,071	24,542	118,496	24,020	-2,575	-522	+2.1%	+2.1%
<b>Total</b>	<b>2,648,096</b>	<b>1,196,565</b>	<b>2,857,742</b>	<b>1,129,500</b>	<b>+191,619</b>	<b>-66,865</b>	<b>+4.3%</b>	<b>+4.3%</b>

Source: Adapted from Oxford Econometrics (via JELPS), 2008 - Data relates to 4 Authorities rather than just Knowsley

## Appendix C: Oxford Econometrics Disaggregated for Knowsley

### Employment Occupation Forecast

Sector	2008		2026		Change in Employment numbers 2008 -2026
	Proportion %	Number (jobs)	Proportion %	Number (jobs)	
Agriculture & Fishing	0.24	149	0.15	93	-56
Energy & Water	0.07	38	0.04	29	-9
Manufacturing	20.64	12,545	14.64	9,119	-3 426
Construction	6.07	3,688	6.30	3,925	-237
Distribution, Hotels & Restaurants	17.27	10,498	18.60	11,589	+1 091
Transport & Communications	4.32	2,623	4.00	2,492	-131
Banking, Finance, Insurance, etc	16.11	9,788	19.62	12,225	+2 427
Public Administration, Education & Health	31.01	18,842	32.55	20,278	+1 436
Other Services	4.28	2,602	4.10	2,552	-50
<b>Total</b>	<b>100.00</b>	<b>60,774</b>	<b>100.00</b>	<b>62,303</b>	<b>+1045</b>

Source: Adapted from Oxford Econometrics (via JELPS), 2008

**Floorspace required based upon Oxford Econometrics Employment Occupational Change forecasts for Knowsley 2008 2026**

Area	2008		2026		Change	
	Office	Industrial	Office	Industrial	Office	Industrial
Knowsley	564,970 sq.m	276,411 sq.m	601,251 sq.m	247,559 sq.m	+36,281 sq.m	-28,852 sq.m

Source: Adapted from Oxford Econometrics (via JELPS), 2008

**Oxford Econometrics forecasts for Employment Land Need (Oversupply) based on Employment Occupation Changes 2008 - 2026 and a development density of 3900 sqm/ha**

Area	Office	Industrial	Change
Knowsley	9.30 ha	(7.40) ha	1.90 ha

Source: Adapted from Oxford Econometrics (via JELPS), 2008

## Appendix D: Green Belt Locations and Employment Capacity

Township Area	Ref No.	Location	Potential Employment Capacity
Huyton	3	Knowsley Lane	11.2 ha
Kirkby	2	East of KIP / KBP	7.31 ha
Prescot, Cronton, Whiston and Knowsley Village	6	Carr Lane*	3.31 ha
Prescot, Cronton, Whiston and Knowsley Village	8	Cronton Colliery	26.51 ha
<b>Borough Total</b>			<b>48.33 ha</b>
<i>*the location at Carr Lane could be brought forward for either residential or employment development. For the purpose of this report, a maximum yield for employment development is presented.</i>			

Source: Knowsley Green Belt Study and Technical Report: Green Belt (Knowsley MBC, 2012)

**For more information log on to**  
**[www.knowsley.gov.uk/Local](http://www.knowsley.gov.uk/LocalPlan)**  
**Plan**

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