



Report of	Meeting	Date
Director (Business, Development and Growth), Chorley Council	Central Lancashire Strategic Planning Joint Advisory Committee	30 January 2017

CENTRAL LANCASHIRE EMPLOYMENT LAND STUDY 2017

PURPOSE OF REPORT

1. To update Members on the findings of the Central Lancashire Employment Land Study 2017.

RECOMMENDATION(S)

2. That the report be noted.

EXECUTIVE SUMMARY OF REPORT

3. The Central Lancashire Employment Land Study has been carried out to provide a common evidence base for all three local authorities on employment matters to compliment the Central Lancashire Strategic Housing Market Area Assessment and meet the requirements of the National Planning Policy Framework and Planning Practice Guidance. The evidence will be used to review Central Lancashire Core Strategy employment policies and employment site allocations.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

4. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	X	A strong local economy	X
Clean, safe and healthy communities	X	An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

5. The Central Lancashire Employment Land Study is required to provide a common evidence base for all three local authorities on employment matters, to compliment the Central Lancashire Strategic Housing Market Area Assessment. The evidence will be used to support the Review of the Central Lancashire Core Strategy and site allocations.
6. It meets the requirement, set out in paragraph 158 of the National Planning Policy Framework that: "*Each local planning authority should ensure that the Local Plan is based on*

adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.”

7. BE Group, economic development and property consultants, compiled this report during February-November 2017. The study updates and supersedes previous employment land evidence base documents for Central Lancashire, specifically the Chorley, Preston and South Ribble Employment Land Review to 2021 (2009). In the case of South Ribble, it complements and updates the South Ribble Employment Land and Property Study, carried out on behalf of South Ribble Borough Council by BE Group in 2015.
8. Research methods used include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents. Consultations were undertaken with the Sub-Region's major developers/landowners, Parish/Town Councils and key public-sector agencies. A telephone survey of 850 local businesses was completed (300 each in Preston and South Ribble, 250 in Chorley) while 71 larger companies were approached for more detailed face-to-face discussions. Desktop analysis of national, sub-regional and local reports and strategies has been undertaken.

FINDINGS OF THE EMPLOYMENT LAND STUDY

9. **The Functional Economic Market Area (FEMA):** The FEMA for Central Lancashire includes the Fylde Coast local authority areas of Blackpool, Fylde and Wyre which have strong links to Preston via the M55/A583. In Pennine Lancashire, Blackburn with Darwen and Ribble Valley also fall within the economic catchment area of Preston. In the west, West Lancashire has strong connections to South Ribble via the M6/M58, A59 and comparable routes. Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour.
10. **Growth Forecasts – Jobs:** Employment forecasts were prepared by Oxford Economics in July 2016. These forecasts projected employment by sector to 2034 for the three authority areas. Between 2014 and 2034, total employment in Central Lancashire is forecast to grow by 10,276 jobs, an average of 514 jobs per year. Over half of this job growth is anticipated to be in Chorley (+6,412 jobs), South Ribble (+ 4,671 jobs) and Preston seeing an overall loss (-808 jobs).
11. Table 1 is focused on ‘policy-off’ forecasts that do not account for any public-sector plans or strategies for growth above the baseline. Forecast growth as shown in Table 1 is focused in Construction (primarily in South Ribble), health and administration/professional services. Growth in the latter service sectors is concentrated in Chorley and to a lesser degree Preston. All areas will see some declines in manufacturing employment, but the loss is sharpest in South Ribble.

Table 1 – Key Jobs Change, by Sector

Premises Needed	Key Jobs Gain/Loss to 2034			
	Chorley	Preston	South Ribble	Central Lancashire
Industrial/Warehouse	-	Construction: +542	Construction: +3,027 Manufacturing: -1,457	Construction: +4,158 Manufacturing: -2,867
Office	Human health and social	Administrative and support	Professional, scientific and	Human health and social work: +3,035

	work: +2,142 Administrative and support services: +1,483 Professional, scientific and technical activities: +1,021	services: +703 Professional, scientific and technical activities: +632 Public administration and defence: -2,389	technical activities: +531	Administrative and support services: +2,660 Professional, scientific and technical activities: +2,184 Public administration and defence: -2,830
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Source: Oxford Economics, 2016

12. In terms of ‘policy-on’ modelling, sensitivity testing has been undertaken to understand the forecast growth, above the baseline, accounting for the impacts of the City Deal initiative on Preston/South Ribble and the South Ribble strategic sites – Cuerden and the Samlesbury Enterprise Zone. The impact of this on Preston is a net gain of 3,540 jobs on the baseline and in South Ribble, the focus of strategic sites, a gain of 15,580 jobs on baseline.
- 13 **Objectively Assessed Needs:** To assess need two recognised methods of forecasting have been used creating three distinct models of OAN for the study period 2014-2034.
 1. **Historic Land Take Up:** The first method is a forward projection of historic land take up trends to produce local only projections. Based on this the needs are:
 - Chorley = 95.50 ha
 - Preston = 89.00 ha
 - South Ribble = 88.50 ha.
 The Central Lancashire total need requirement is 273.00 ha. Figures are inclusive of a five year buffer to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2034 period. The buffer also makes some allowance for the loss of further employment land to non B-Class uses over the period to 2034.
 2. **Jobs Growth:** The second method looks at jobs growth, as identified in Oxford Economics (2016) forecast modelling. The resulting jobs based forecast model suggests that all three Boroughs have sufficient land to meet needs. When a ‘Policy On’ allowance is made, as discussed in para 12 above Preston has needs of 11.50-14.90 ha to 2034. In South Ribble, the focus of strategic sites, the needs are much larger at 52.90-53.20 ha. Both Boroughs have sufficient employment land to meet these projected needs, with the greater requirement in South Ribble being supportive of strategic allocations.

- 14 However, to test how closely jobs change translates to land take-up, historic trends have been compared for South Ribble, Chorley and Preston. Using the same methodology, the land needs based on employment change has been calculated for two historic periods. For this analysis, just baseline (policy-off) forecasts are used as the relevant strategic initiatives had yet to be implemented during the bulk of these historic periods. The long-term period from 1991-2016 has been compared to the actual land take-up during that period and 2001-2007 which was a period of sustained economic growth nationally. The two assessments show that low net jobs growth during both periods, would have resulted in negative land needs. Even if the sectors predicted to grow only are considered, the projected land requirements represent only a fraction of what was taken up in reality. Thus, the trend shows that net jobs growth is not an accurate method of calculating land. **The preferred forecasting method is therefore a projection forward of past take-up rates that considers local needs.**

Employment Land Study Main Recommendations

15. **Recommendation 1: Employment Land and Premises Supply/Employment Land Provision Definition:** The total Central Lancashire Baseline Supply is **239.89 hectares**. However, consideration of this supply which includes existing Local Plan allocations suggests that these totals include areas of land which will not be brought forward for development, will be developed for non B-Class uses, to meet the needs of specific occupiers only (i.e. expansion space) or where development has now completed. For the purpose of this study, the current available local land supply in Central Lancashire is defined as 31 sites, comprising **175.29 ha** split for:

- Chorley: 51.95 ha in 14 sites
- Preston: 73.32 ha in 10 sites
- South Ribble: 52.36 ha in 7 sites.

16. **Recommendation 2 – Employment Areas to Be Retained.** This Study has undertaken an independent grading of 33 Employment Areas in Central Lancashire (including the Cuerden Strategic Site and Samlesbury Enterprise Zone). The following sites in Chorley, South Ribble and Preston locations are above average in quality and could be designated as 'Key' or 'Best Urban' sites:

Chorley	South Ribble	Preston
<ul style="list-style-type: none"> • Common Bank Area, • Ackhurst Business Park • Chorley Business and Technology Park, Euxton • Momentum/Southern Commercial Area/Revolution, Buckshaw Village 	<ul style="list-style-type: none"> • Emp. Area 2: Sceptre Way, Bamber Bridge • Emp. Area 3: Walton Summit Employment Area • Emp. Area 8: Aston Moss, Leyland • Emp. Area 10: Lancashire (Enterprises) Business Park, Farington • Emp. Area 11: Moss Side Employment Area, Leyland • Emp. Area 18: Matrix Park, Buckshaw Village. <p>At the strategic level, the Samlesbury Enterprise</p>	<ul style="list-style-type: none"> • ELR No 1: Millennium Business Park • ELR No 7: Preston East Employment Area • ELR No 19: Mondiboard, Longridge Road • ELR No 27: Bow Lane • ELR No 28: Riversway A – Portway/West Strand • ELR No 30: North Preston Employment Area • ELR No 54: Winckley Square/ Chapel Street • ELR No 65: Winckley Square (SW)/East Cliff • ELR No 66: Winckley Square (South and East)/Cross Street

	Zone and BAE facility, plus the Cuerden Strategic Site, when delivered, could also be included in this list.	<ul style="list-style-type: none"> • ELR No 84: West Strand/Marsh Lane.
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17. Within the Best Urban Employment Areas, only applications for B-Class use should generally be permitted. Non-B Class uses should only be allowed if unless strongly justified and it is proved that the proposals will not have a significant adverse impact on surrounding local uses. It is accepted that on rare occasions some exceptions may have to be made, for example to provide for complimentary services, or where a site such a Cuerden is established for a mix of uses. Other circumstances which might justify such a change could include:
 - Delivery of a broader strategy of economic development or urban regeneration
 - If the alternative use delivers significant community and/or employment/skills value compared to uses already present
 - If the Local Authority Area lacks dedicated high quality locations for uses such as trade/motor trade, and there are no viable alternative sites.
18. For the other Employment Areas, a more flexible approach could be taken to help facilitate a broad range of economic development. In some cases, a more intensive mixed use development could provide greater benefit to the local community than if the site was retained solely in employment use.
19. **Recommendations 3 and 5 – Sites Not Deliverable for Primarily B-Class Schemes and Protecting Key Local Plan Employment Sites.** Assessing the baseline employment supply has identified several employment sites which do not appear to be viable and deliverable for B1/B2/B8 uses, or have significantly reduced net developable areas for B-Class use. The study recommends the affected land should not be counted as part of the local or sub-regional supply of employment land in future monitoring or included in any Local Plan allocations for B-Class uses.
20. For example the Study states in Chorley, whatever decisions are made on the current planning applications, it remains highly unlikely that the full 26.90 ha of employment land is available in the three sites of the Great Knowley/Botany Bay area, Junction 8, M61. EP1.1 Great Knowley in particular, is heavily constrained, both in physical terms and in terms of ownerships. A review of this broader policy area is required to clarify the realistic land supply which can be taken forward for the rest of the Local Plan period.
21. Protection of the remaining employment land for B1/B2/B8 development, particularly key sites and defined employment areas, needs to be considered a policy priority. Further losses in the land supply, to alternative uses, should be resisted.
22. **Recommendation 4 and 6 – Future Employment Land Provision and Meeting Needs.** The Central Lancashire authorities should collectively and individually, use the roll forward of historic take-up as the main measure of future land need for the period up to 2034. This indicates a sub-regional need of **273.00 ha** to 2034, incorporating a five-year buffer. Measured against Central Lancashire's current realistic supply, backdated to 2014, there is a shortfall of **84.57 ha** comprising:
 - Chorley 35.75 ha (further need)
 - Preston 17.31 ha (further need)
 - South Ribble 31.51 ha (further need).

23. **Recommendation 7 - Encouraging Development.** The study states the simplest method is to maintain flexibility over the mix of uses on each site to allow viable combinations to be identified, although this can sacrifice land supply and conflict with other policies. The study provides information on a range of commonly used support delivery mechanisms which are applicable to development matters in Central Lancashire e.g. private sector led/private sector funded; joint venture agreement.
24. **Recommendation 8 – Monitoring Arrangements.** The Study states the Central Lancashire authorities should review their monitoring arrangements to be consistent going forward.
25. **Recommendation 9 – Future Reviews.** Market conditions in Central Lancashire are evolving, with a business base seeking growth and increased prospects of inward investment. This is combined with greater prospects of delivery on some strategic and local employment sites and ongoing deliverability issues on others. In view of these factors, the Central Lancashire authorities should review their employment land portfolios, individually and collectively, as appropriate at intervals of around five years. This is also in accordance with the NPPF which recommends regular monitoring and review of the local land supply to ensure a robust evidence base.

NEXT STEPS

- 26 The Central Lancashire Employment Land Study has been carried out to provide a common evidence base for all three local authorities on employment matters to compliment the Central Lancashire Strategic Housing Market Area Assessment and meet the requirements of the National Planning Policy Framework and Planning Practice Guidance. The evidence will now be used to review the Central Lancashire Core Strategy Policies 9: (Economic Growth and Employment) and 10 (Employment Premises and Sites) and review employment site allocations.

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