

Central Lancashire Employment Land Study

Chorley, Preston and South Ribble Councils



Key Issues Report - Final Report

November 2017

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1.0 INTRODUCTION

Introduction

- 1.1 This Key Issues Report provides a synopsis of the key findings of the Employment Land Study for the Central Lancashire sub-region of Chorley, Preston and South Ribble (see Figure 1). It was carried out by BE Group on behalf of Chorley and South Ribble Borough Councils, as well as Preston City Council.

Figure 1 – Central Lancashire



- 1.2 This 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 support the development of Local Plan documents for Central Lancashire.
- 1.3 The Key Issues Report summarises and brings together the main findings of the Employment Land Study Technical Report. As findings have been condensed it does not follow an identical format to the Technical Report but does include references to where more detail can be found regarding key findings in the Technical Report.

Methodology

- 1.4 Several research methods have been used, including site visits and interviews with stakeholders such as developers, investors and their agents. Major employers in Central Lancashire have been individually consulted, as have key public-sector agencies and Parish/Town Councils. A telephone survey of 850 local businesses was completed. The property market in the neighbouring local authority areas of Central Lancashire's Functional Economic Market Area (FEMA) has been reviewed. Finally, the land supply has been assessed against forecast data to understand future land need. This comprises both 'Policy Off' and 'Policy On' forecasts, the latter accounting for the impacts of City Deal and the Central Lancashire's two strategic sites – The Cuerden Strategic Site and the Samlesbury Enterprise Zone (part of the Lancashire Enterprise Zone).

2.0 CENTRAL LANCASHIRE IN CONTEXT

Technical Report Reference – More detail on the findings summarised below can be found in Section 3.0: Economic Context Assessment of the Technical Report.

The Central Lancashire Economy

Findings

- 2.1 Central Lancashire, and particularly Chorley, has a growing population both through natural factors but also through its ability to attract residents from other UK Local Authorities, along with some international migration.
- 2.2 Preston has higher proportion of people aged 15-24 and a lower proportion of people over 65, than wider averages, reflecting, at least in part, the local student population associated with the University of Central Lancashire.
- 2.3 Central Lancashire is economically active, with activity rates ranging from 83.4 percent in South Ribble to 68.5 percent in Preston, against a national average of 74.2 percent. Self-Employment and Homeworking rates are average overall but strongest in Chorley.
- 2.4 The average Central Lancashire resident earns more than the average Central Lancashire worker in South Ribble and Chorley. In Preston, the opposite is true which reflects the in-commuting of highly paid service sector workers to the City.
- 2.5 The public sector is strong in Central Lancashire, but not excessively so for the county or region. Public employment is focused in the health sectors of Chorley and Preston and in administration in Preston. The Central Lancashire health sector has lost 2,300 jobs since 2009 while administration gained 1,187.

Key Figures – Population/Workforce

2016 Population: 366,300, increased by 5.2 percent since 2006

75.6 percent of working age people in employment

4.9 percent unemployed

8.2 percent of workers self-employed

2.8 percent work from home

37.9 percent qualified to NVQ Level 4, rising to 50 percent in Chorley

Chorley a focus for staff in professional occupations, Preston/South Ribble focus for skilled trades and caring/service employment

Key Figures – Economy

12,995 businesses trading in 2016, increased by 2013 percent since 2010

On average, there are 58 businesses per 1,000 working age residents

Growth sectors include Construction, ICT, business administration, retail/wholesale and public admin.

97.7 percent of businesses are Micro/Small, employing less than 50

- 2.6 In the private sector, Construction is a major strength accounting for 9.6 percent of employment. South Ribble saw a gain of 2,000 jobs in this sector over 2009-2015.
- 2.7 Service sector strengths are in business administration and support services and information and communication, which accounted for 12.5 percent of employment in 2016. Preston saw its best growth in business administration, gaining some 2,300 jobs over 2009-2015. However, Chorley recorded a decrease of 2,800 jobs in this sector, over the same period, a surprising level of reduction which, which is difficult to attribute to any specific cause. Good growth was also observed in information and communication. This sector grew by some 1,300 jobs in South Ribble, but saw a 1,000-job reduction in Preston.
- 2.8 Manufacturing and logistics are strengths of South Ribble, accounting for 15.7 percent of employment in the Borough, against 11.0 percent across Central Lancashire, 14.4 percent regionally and 12.8 percent nationally. This is despite an employment reduction in manufacturing employment of some 10 percent, or around 1,400 jobs, across Central Lancashire, over 2009-2015. That reduction was spread relatively evenly through the three local authorities, each seeing 400-600 jobs reduced.

The Functional Economic Market Area

Technical Report Reference – More detail on the Functional Economic Market Area (FEMA) of Central Lancashire can be found in Section 7.0: Functional Economic Market Area of the Technical Report.

- 2.9 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. West Lancashire has strong connections to South Ribble via the M6/M58, A59 and comparable routes. Finally, Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour. Some overlapping market issues are described in Table 1.

Table 1 – FEMA Issues (areas listed in alphabetical order)

<p>Blackburn with Darwen – The Whitebirk Site, at Junction 6, M65 is the closest competing strategic location to the Cuerden Strategic Site, it is expected to deliver larger B2/B8 uses over the next few years, but has yet to do so.</p>
<p>Blackpool – There will be a likely overlap in the aviation sector between Blackpool Airport and the Lancashire (Samlesbury-Warton) Enterprise Zones. However, there are also clear differences with the Lancashire Enterprise Zone focused on aviation manufacture and the BAE supply chain. Blackpool Airport by comparison is a civilian and commercial facility, with a focus on the operational aspects of the aviation sector.</p>
<p>Bolton – The 80 ha Cutacre development off Junction 4, M61 is a major logistics scheme, with considerable spare capacity, which will compete with the Cuerden Strategic Site/Junction 31(a), Preston for requirements.</p>
<p>Fylde – There are clear service sector linkages along the M55 Corridor, between Whitehills and Preston. However, Whitehills has seen little recent growth and is not attracting larger inward investment opportunities that might otherwise have gone to Central Lancashire.</p>
<p>Ribble Valley – There is a cross boundary labour flow, particularly along the A59 and to the shared BAE Samlesbury site.</p>
<p>West Lancashire – Strategic scale will be focused around Skelmersdale. Skelmersdale is an established and growing logistics location which will compete with Central Lancashire for logistics and industrial requirements emerging from the growing Liverpool Superport.</p>
<p>Wigan – Local planning has allowed for several strategic sites here, which may compete with Central Lancashire. However, these are expected to deliver mostly housing options in the short-medium term.</p>
<p>Wyre – Hillhouse Business Park in Thornton-Cleveleys is expected to meet large-scale chemicals sector requirements in the region, especially when combined with a growing chemicals sector offer in West Runcorn.</p>

Source: BE Group, 2017

3.0 STAKEHOLDER ENGAGEMENT

Engagement Completed with:

850 Local Businesses	26 Larger Employers	12 Developers/Investors	10 Property Agents	Parish/ Town Councils	NHS/ Colleges/ UCLan
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Local Businesses

Technical Report Reference – More detail on local business views can be found in Section 6.0: Demand Assessment – Company Survey of the Technical Report.

- 3.1 The local business survey results reflect the sub region’s local economy structure, with responses from industrial companies dominating in South Ribble and office businesses in Chorley and particularly Preston. Most respondents were micro businesses, employing less than ten staff.
- 3.2 Business confidence is moderately strong, with most companies forecasting slight growth or a static position, but few indicating profitability, staff retention, trade and other factors will decline in the next few years.
- 3.3 Of the 850 businesses contacted, around 10 percent or 86 businesses are considering moving premises within the next three years. Demand is for unserviced offices, required by 37 respondents and industrial/warehouse space, required by 39. Demand for serviced offices and land was modest.
- 3.4 Most businesses want units of up to 2,000 sqft/200 sqm, with Chorley and South Ribble companies favouring 1,000 sqft/100 sqm options and Preston ones seeking 1,000-2,000 sqft/100-200 sqm units. Individual industrial and warehouse requirements extend up to 20,000-50,000 sqft/2,000-5,000 sqm however. The preference is for freehold rather than leasehold premises. While Central Lancashire has enough marketed premises to meet these requirements overall, there is a strong shortage of freehold options in all three local authority areas and for all

Respondents in all three local authority areas are highly satisfied with facilities and services in Central Lancashire.

The main stated reasons for trading in Central Lancashire were its accessibility to customers, affordability and availability of premises, as well as being the home of the business owners.

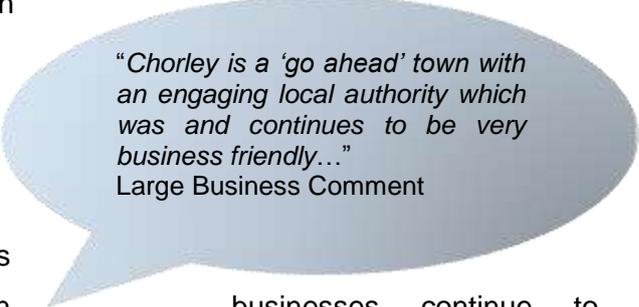
types and sizes of premises.

Larger Employers

Technical Report Reference – More detail on larger business views can be found in Section 5.0: Demand Assessment – Stakeholder Consultations (paragraphs 5.4-5.14) of the Technical Report

3.5 Larger businesses are also seeking growth although prospects are somewhat subdued on research carried out in 2015, for South Ribble, and there is a degree of concern about long term economic conditions in the face of Brexit.

3.6 Despite these concerns, only two businesses have actively reduced staffing levels and/or property holdings over the last few years while ten businesses continue to aspire for growth. Demand is for industrial, warehouse premises of up to 10,000 sqft/1,000 sqm, offices of 5,000-7,000 sqft/500-700 sqm and open storage/operational sites of up to 16 ha. These are requirements which are difficult to meet locally.



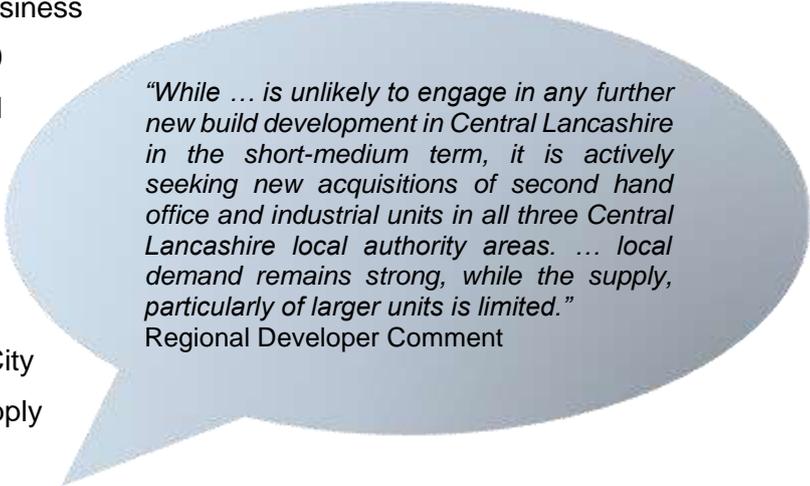
“Chorley is a ‘go ahead’ town with an engaging local authority which was and continues to be very business friendly...”
Large Business Comment

Developers/Investors

Technical Report Reference – More detail on local business views can be found in Section 5.0: Demand Assessment – Stakeholder Consultations (paragraphs 5.15-5.21) of the Technical Report

3.7 Developers and landowners/investors recognise that demand for industrial space is strong in all three Boroughs and are actively seeking to acquire and refurbish second-hand schemes in Central Lancashire to meet those needs. Viability and rental levels are still a barrier to new speculative development though, except for light industrial units of sub 1,000 sqft/100 sqm which have been successfully and viably delivered in several locations in South Ribble. More developments of this type are likely.

- 3.8 In terms of offices, micro business suites of no more than 700 sqft/70 sqm are desirable and schemes offering such space have been a success in all three local authority areas. Demand for larger space is more variable and Preston City Centre retains a sizable oversupply of stock.



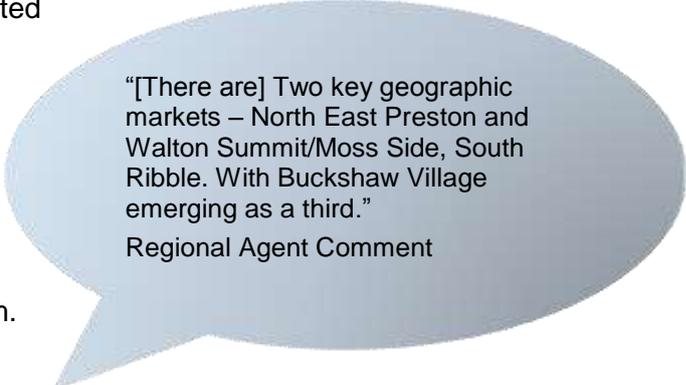
“While ... is unlikely to engage in any further new build development in Central Lancashire in the short-medium term, it is actively seeking new acquisitions of second hand office and industrial units in all three Central Lancashire local authority areas. ... local demand remains strong, while the supply, particularly of larger units is limited.”
Regional Developer Comment

- 3.9 Viability issues make speculative development of offices unlikely except for specialist schemes such as the Chorley Digital Health Park.

Property Agents

Technical Report Reference – More detail on local business views can be found in Section 4.0: Demand Assessment – Property Market Assessment (paragraphs 4.27-4.33) of the Technical Report

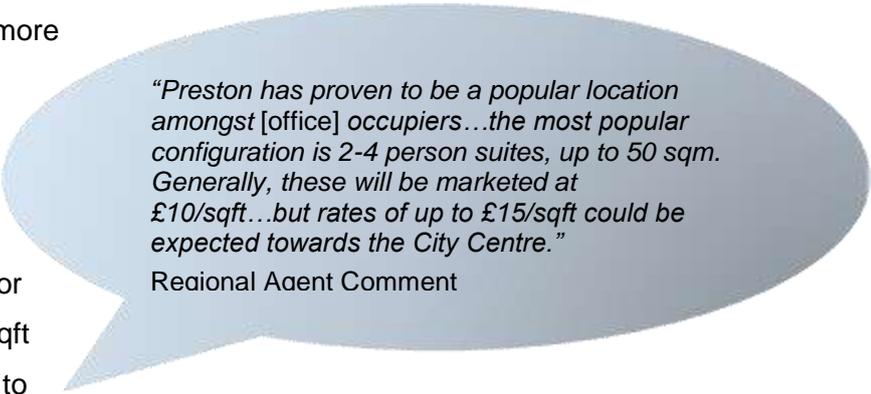
- 3.10 Property market stakeholders highlighted the need for further employment land options, although rents and prices are, with some exceptions, still below the levels needed to support speculative schemes. Local industrial demand is for premises up to 1,500 sqm.



“[There are] Two key geographic markets – North East Preston and Walton Summit/Moss Side, South Ribble. With Buckshaw Village emerging as a third.”
Regional Agent Comment

- 3.11 Larger businesses are looking for industrial and warehouse units of up to 50,000 sqft/5,000 sqm and there is an undersupply of premises in all three areas, and for all types and tenures within this size range. Rents for reasonable quality space are at £6.50/sqft although the best light industrial schemes can attract rents of up to £10/sqft.

3.12 Local office market demand is more varied, but Preston, and to a lesser degree Chorley, are viewed as having reasonable local markets, mostly for small suites of 500 sqft/50 sqm or less. Rents of around £10-12/sqft are achievable generally, rising to £14.50/sqft in Ackhurst Park, Chorley and £15/sqft in Preston City Centre. While some City Centre schemes are doing well, the overall picture is of an oversupply of secondary options and a lack of Grade A space which would allow Preston to compete for key regional requirements.



“Preston has proven to be a popular location amongst [office] occupiers...the most popular configuration is 2-4 person suites, up to 50 sqm. Generally, these will be marketed at £10/sqft...but rates of up to £15/sqft could be expected towards the City Centre.”

Regional Agent Comment

Parish/Town Councils

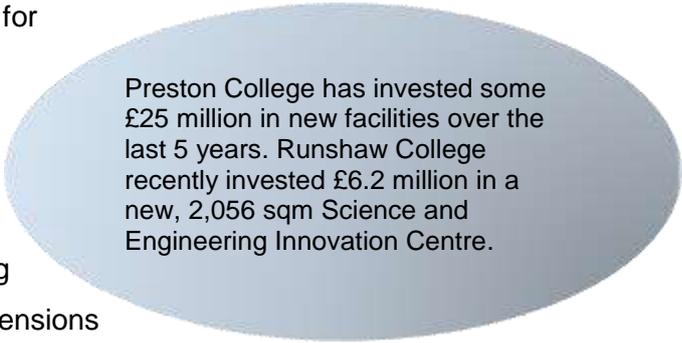
Technical Report Reference – More detail on Town, Parish, Neighbourhood views can be found in Section 5.0: Demand Assessment – Stakeholder Consultations (paragraph 5.25 and Table 28) of the Technical Report

3.13 Central Lancashire’s Town, Parish and Neighbourhood Councils were consulted by letter, and eight responses secured. Generally, these supported the use and protection of existing employment sites and employment areas for B-Class use, along with several proposed retail/leisure facilities such as the Cottam Hall Brickworks Scheme, Ingol, Preston. No completely new sites were put forward for B1/B2/B8 uses, however.

Other Stakeholders

Technical Report Reference – More detail on the views of these other, primarily educational stakeholders, can be found in Section 9.0: Demand Assessment – Needs of Non B-Class (paragraphs 9.25-9.55) of the Technical Report

3.14 UCLan has a Masterplan Framework for the delivery of a further £200 million in investment, in Preston, to 2025. The Masterplan, if delivered in full would provide 36,462 sqm (gross) of additional floorspace comprising infill development and Campus extensions



Preston College has invested some £25 million in new facilities over the last 5 years. Runshaw College recently invested £6.2 million in a new, 2,056 sqm Science and Engineering Innovation Centre.

south, towards the City Centre. Relevant projects include the 8,390 sqm Engineering Innovation Centre and a Construction Skills Hub for construction sector skills and training.

- 3.15 The two further education colleges have invested extensively in their property holdings over the last 20 years and have no further requirements. Runshaw College is, for financial reasons, scaling down its adult education facilities in Chorley, freeing up space for other uses in Chorley Town Centre. A growing population in Central Lancashire will generate further needs for health and school facilities, which are being planned for. No current plans encroach on local B-Class employment uses or land.

4.0 THE MARKET CONTEXT

- 4.1 From research completed for this study, including consultations with businesses, developers/investors and their agents (as summarised above), review of past property transactions, business enquiry data and the regional/national market picture, the premises needs of Central Lancashire have been identified. These needs are summarised in Tables 2 and 3 (overleaf)

Technical Report Reference – Tables 2-3 relate to Tables 67-68, pages 214-218, of Section 11.0: Conclusions of the Technical Report. The full Market Assessment which informed these tables can be found in Section 4.0 of the Technical Report.

Table 2 – Premises Need by Type – Local Needs

Type of Need	Size Range	Evidence of Demand	Preferred Locations
Light Industrial Units, Including Freehold Options	Mostly 0-1,000 sqft/0-100 sqm, not exceeding 3,000 sqft/300 sqm	<ul style="list-style-type: none"> Main product delivered speculatively since 2015, at Buckshaw Village and South Rings, Cuerden. All units sold or let off plan before completion Around 40% of public enquiries in South Ribble were for units of 0-100 sqm, comparable amounts in the other Boroughs for sub-300 sqm units Business Survey identified good demand for 100-200 sqm units Jobs growth of 4,158 is forecast in the construction sector to 2034 (5,729 for Policy-On scenarios for Preston/South Ribble), generating needs for 13,000-17,000 sqm of additional floorspace which is likely to primarily comprise smaller industrial and storage requirements Gains in manufacturing jobs are more uncertain, but likely under Policy-On allowances for Preston/South Ribble 0-300 sqm units most commonly transacted previously, particularly in Chorley and Preston Stakeholders report significant unmet in all areas and a growing desire amongst micro business owners to invest in freehold property. This trend is enhanced by the increasing availability of commercial mortgages There is a shortage of freehold options 	<p>Preferred are smaller infill sites in modern industrial estates, accessible to the strategic road network and in proximity to services. In addition to South Rings, Cuerden and Matrix Point, Buckshaw, where premises have been delivered, some other viable locations could include:</p> <p><i>Chorley</i></p> <ul style="list-style-type: none"> EP1.8: Lyons Lane Mill, Townley Street Chorley – centrally located site with a compatible consent EP1.11: The Revolution, Buckshaw Avenue, Buckshaw Village/ EP1.12: Group 1, Buckshaw Village/ EP1.13: Southern Commercial, Buckshaw Village/ – High grade expansion sites in a key market area of Chorley <p><i>Preston</i></p> <ul style="list-style-type: none"> EP1.1: Whittingham Hospital – A viable/deliverable use option for the B-Class element here EP1.3: Preston East Employment Area – Open land, accessible to M6 EP1.7: Land North of Eastway – A viable/deliverable use option for the B-Class element here <p><i>South Ribble</i></p> <ul style="list-style-type: none"> E1(e): West Paddock, Leyland – A likely use here although distance from strategic road network and adjacent housing would be issues
Mid-Range Industrial Options Including Freehold Options	3,000-9,000 sqft/300-900 sqm, with options up to 10,000 sqft/1,000 sqm	<ul style="list-style-type: none"> Two thirds of industrial enquiries were for units of up to 900 sqm in Preston Agents report steady demand up to 1,500 sqm from local businesses looking to grow across all three Boroughs, including freehold options Larger businesses in Central Lancashire commonly have property requirements up to 1,000 sqm Policy-On jobs forecasts, allowing for Strategic Sites, suggest good construction industry jobs growth and reasonable manufacturing sector growth 	<p>Requirements for premises of this kind seen in all three Boroughs, and the location requirements are similar to the above. Could be accommodated on most of the sites mentioned above, with allowance made for greater space needs and increased HGV traffic potential.</p>
Larger industrial/ware house units	Up to 50,000 sqft/5,000	<ul style="list-style-type: none"> Enquiries data shows market interest for units in all size brackets up to 2,300 sqm in South Ribble Past transaction evidence, suggests that mid-sized units of 1,001-5,000 	<p>The largest 'local' scale requirements which may come from within Central Lancashire. Requirements of this size may only come infrequently, but when they do, Central Lancashire needs to have the</p>

Type of Need	Size Range	Evidence of Demand	Preferred Locations
Including Freehold Options	sqm	<p>are the most common sizes transacted, in South Ribble. 78 Deals at this scale were recorded over the last decade</p> <ul style="list-style-type: none"> Agents report regular enquiries in the 4,000-5,000 sqm range for industrial and warehouse options, covering the whole of Central Lancashire Individual industrial and warehouse requirements, identified thin the Business Survey, extend up to 2,001-5,000 sqm, with 20 larger companies, seeking such growth in Central Lancashire over the next three years South Ribble is forecast to gain some 1,174 storage and distribution jobs, or 39,000 sqm of floorspace to 2034 under Policy-On scenarios 	<p>space available to accommodate them if it is to be competitive. Many requirements will be for a mix of B2 and B8 space and so sites must be able to accommodate both, including the HGV journey levels and strategic road access requirements of logistics operations. The historic market focus for such larger industrial/warehouse premises has been South Ribble, but needs extend across Central Lancashire. Some viable locations could include:</p> <p><i>Chorley</i></p> <ul style="list-style-type: none"> EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley – The current Outline planning application seeks units of this size range on a motorway accessible site EP1.15: Land east of Wigan Lane, Clayton-Le-Woods – Scale of site would support larger units although access and proximity to housing may be barriers <p><i>Preston</i></p> <ul style="list-style-type: none"> EP1.2: Red Scar Site H/ EP1.4: Red Scar Industrial Estate – Accessible sites marketed for design and build options in this size range (but could also suit smaller properties, as described above) The largest expansion sites of North East Preston – EP1.10: Preston East Junction 31A M6 and EP1.11: Roman Road Farm – are of a scale which supports such uses. Limitations of Motorway access at Junction 31s (no northbound slip roads) would be barriers though <p><i>South Ribble</i></p> <p>The Cuerden Strategic Site will be the prime site for meeting such larger requirements, with the Samlesbury Enterprise Zone meeting specialist needs in advanced manufacturing sectors. C2: Moss Side Test Track, Leyland (Doll Lane) would be a strong secondary location in terms of the scale and quality of premises which could be offered and the critical mass of larger employers nearby</p> <p>Land at Lancashire/Leyland Business Parks, Farington is also of a scale to meet needs although would be less desirable to companies which require immediate motorway/major road access.</p> <p>Walton Summit is also identified as a desirable location for larger industrial operators although there is little land to meet needs at</p>

Type of Need	Size Range	Evidence of Demand	Preferred Locations
			present.
Micro Business/Start-Up Offices Managed but not necessarily serviced/business centres	Suites of up to 500 sqft/ 50 sqm	<ul style="list-style-type: none"> Office requirements in South Ribble are generally for small suites, with 40 percent of enquires for sub-100 sqm units Two thirds of those enquiring for office space in Chorley sought suites of less than 300 sqm. Of this, 35 percent were for less than 93 sqm Agents report that in Preston City Centre, the most popular space option is 2-4 person suites, up to 50 sqm. Chorley has strengths in financial and professional services. Agents report that, outside of Buckshaw Village local businesses are seeking suites of 50 sqm or less 	Meeting the smallest office requirements will be a question of premises rather than land. Evidence is that need is focused in Preston (City Centre/Docks) and Chorley (Chorley Town/Buckshaw Village) and property owners have been working to sub-divide existing buildings to provide managed/unserviced options. This has met a lot of needs and will likely continue to do so. New micro-business offices could be provided on a range of sites across Central Lancashire which enjoy good access to services and public transport, but viability considerations will discourage delivery on many sites. The exception is likely to be EP1.5: Euxton Lane, Chorley where a specialist micro-business scheme is actively proposed and supported through funding.
Larger offices for established firms/inward investors	Up to 5,000-7,000 sqft/ 500-700 sqm on average	<ul style="list-style-type: none"> Almost three quarters of deals in Central Lancashire were for suites of up to 300 sqm, with the 101-300 sqm size range most active in all three authority areas Agents suggest demand, focused on Preston and Chorley for suites up to 500 sqm. However, comments from stakeholders and the business survey suggests that over time expanding/relocating businesses, plus an element of inward investment, will generate requirements up to 700 sqm Major gains in office based employment are forecast to 2034. By the Baseline measure these equate to 5,882 extra jobs and 70,000 sqm of extra floorspace to 2034. Under Policy-On scenarios the Preston/South Ribble specific gain would be 9,750 jobs and 115,000 sqm of floorspace Over the last decade, a modest level of larger transactions in the 1,000-5,000 sqm range was recorded in Preston, 23 individual deals. Demand may support individual building development of this scale, but not a scheme of such major offices 	<p>Chorley, Preston and particularly Preston City Centre, could benefit from investment in new modern office premises which could both meet the growth needs of service sector businesses and allow competition for inward investment. In practice, achieving financially viable new development, other than design and build for specific occupiers, is challenging and likely to remain so for some years yet. However, there is a strong chance of larger office provision at the Cuerden Strategic Site, serving the Preston Conurbation along with smaller scale office provision at EP1.5: Euxton Lane, Chorley.</p> <p>Several smaller sites may also deliver offices within mixed-use schemes, where B1(a) development can be cross-funded by other uses. These include:</p> <p><i>Chorley</i></p> <ul style="list-style-type: none"> EP1.6: Cowling Farm, Chorley – Although site’s location may favour industrial uses over offices EP1.15: Land east of Wigan Lane, Clayton-Le-Woods <p><i>Preston</i></p> <ul style="list-style-type: none"> EP1.1: Whittingham Hospital EP1.7: Land North of Eastbay (formerly Broughton Business Park)

Type of Need	Size Range	Evidence of Demand	Preferred Locations
			<p><i>South Ribble</i></p> <ul style="list-style-type: none"> • C2: Moss Side Test Track, Leyland (Doll Lane) – B-Class element assumed to be primarily B2/B8 though • C1: Pickering’s Farm, Bee Lane, Penwortham – Supporting the Preston market <p>In Chorley EP1.13: Southern Commercial, Buckshaw Village has been consented and marketed to office users, attracting interest, but has been unable to achieve a viable scheme. A way forward here might be for industrial development which has been successfully delivered on adjacent land.</p>

Source: BE Group, 2017

Table 3 – Premises Need by Type – Strategic Needs

Type of Need	Size Range	Evidence of Demand	Preferred Locations
RDC Level Logistics Facilities	Likely up to 400,000 sqft/40,000 sqm	<ul style="list-style-type: none"> • 2016 saw the highest amount of national large shed take-up on record. • Against needs however, England only has one year of larger logistics supply remaining and the North West has a shortage of Grade A space • Existing schemes such as Omega, Warrington are reaching capacity, while new sites such as Parkside, St Helens are still some years from providing viable development plots • Past completions, including Waitrose, Buckshaw Village, Amazon, Farington; James Hall. Preston and the Wincanton Defence Logistics Facility, Samlesbury show the viability of Central Lancashire to support major logistics options • Several local businesses report aspirations to invest in larger logistics and industrial facilities 	<p>The Cuerden Strategic Site is generally accepted as the preferred location for motorway-linked logistics and, along with Samlesbury for specialist uses, the best location for the largest manufacturing requirements. Central Lancashire has a second motorway accessible employment site at EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley, although the largest single building which could be accommodated here would be 27,000 sqm in size.</p> <p>The largest expansion sites of North East Preston – EP1.10: Preston East Junction 31A M6 and EP1.11: Roman Road Farm – are of a scale which supports such uses. Limitations of Motorway access at Junction 31s (no northbound slip roads) would be barriers though.</p>
Industrial (Advanced)	Likely up to 200,000 sqft/20,000	<ul style="list-style-type: none"> • Evidence is that the Samlesbury Enterprise Zone is attracting interest from a range of manufacturing companies, not all of which are eligible under Enterprise Zone rules. This generates overspill 	<p>C2: Moss Side Test Track, Leyland (Doll Lane) would be a strong secondary location in terms of the scale and quality of premises which could be offered and the critical mass of larger employers nearby. It</p>

Type of Need	Size Range	Evidence of Demand	Preferred Locations
Manufacturing Investment	sqm	opportunities for the rest of the Borough <ul style="list-style-type: none"> • Although most local level demand does not exceed 5,000 sqm, inward investment requirements of up to 20,000 sqm are reported by agents for the whole Central Lancashire Catchment • Single transactions for up to 45,000 sqm of space have been achieved at key industrial locations such as Walton Summit 	would not be of interest to companies that need direct motorway access though, neither would Land at Lancashire/Leyland Business Parks, Farington. Walton Summit is also identified as a desirable location for larger industrial operators although there is little land to meet needs at present.

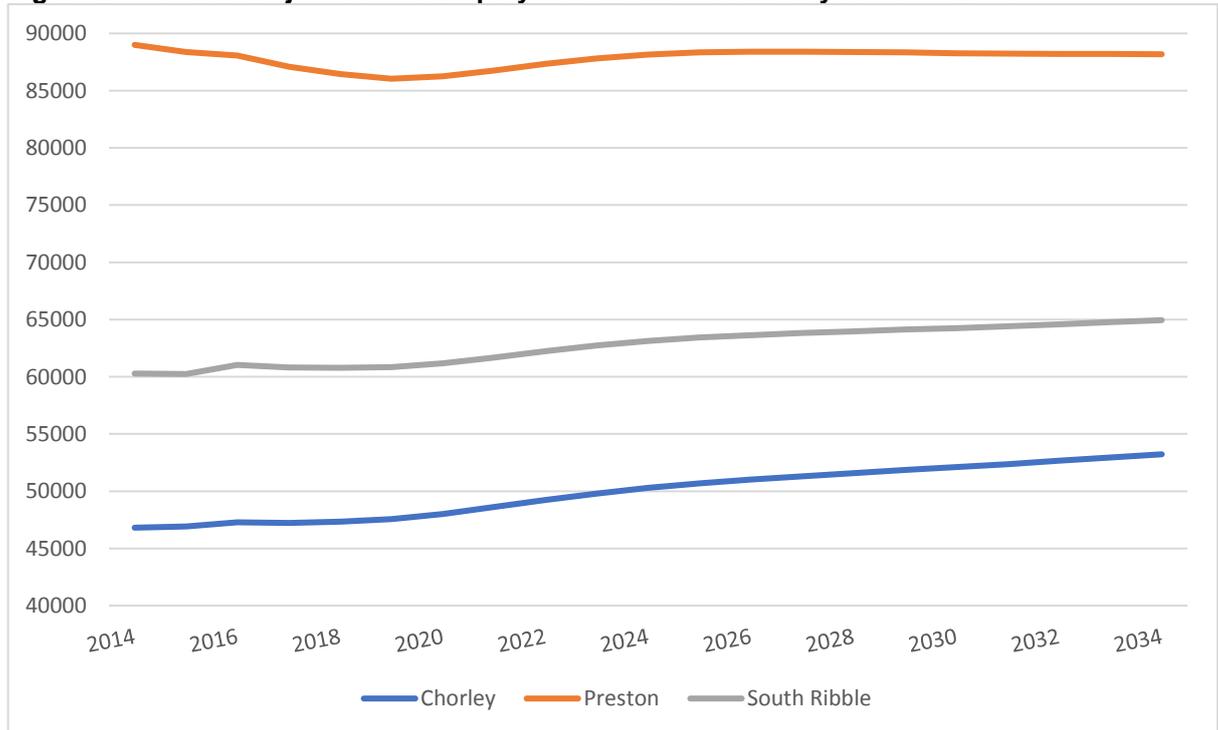
Source: BE Group, 2017

5.0 GROWTH FORECASTS – JOBS

Technical Report Reference – More detail on the jobs forecasting, can be found in Section 8.0: Objectively Assessed Needs (paragraphs 8.28-8.35) of the Technical Report

- 5.1 Employment forecasts were prepared by Oxford Economics in July 2016. These forecasts projected employment by sector to 2034 for the three authority areas.
- 5.2 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 jobs growth is anticipated to be in Chorley (+6,412 jobs), with South Ribble adding 4,671 jobs and Preston remaining seeing an overall loss (-808 jobs). Illustrated in Figure 2 is the growth trajectories for employment in each local authority area. As can be seen, Oxford Economics forecast a short-term decline in overall employment numbers in Preston, before returning to a level of negligible change from 2024 onwards.

Figure 2 – Growth Trajectories of Employment in Three Authority Areas to 2034



Source: Oxford Economics, 2016

- 5.3 Table 4 summarises the major growth or decline prospects, of sectors relevant to this study, for the three Boroughs. It shows that forecast growth 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 4 – 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 work: +2,142 Administrative and support services: +1,483 Professional, scientific and technical activities: +1,021	Administrative and support services: +703 Professional, scientific and technical activities: +632 Public administration and defence: -2,389	Professional, scientific and technical activities: +531	Human health and social work: +3,035 Administrative and support services: +2,660 Professional, scientific and technical activities: +2,184 Public administration and defence: -2,830

Source: Oxford Economics, 2016

Policy-On Forecasts

Technical Report Reference – More detail on the policy-on jobs forecasting, can be found in Section 8.0: Objectively Assessed Needs (paragraphs 8.47-8.52) of the Technical Report.

- 5.4 The above are 'policy-off' forecasts that do not account for any public-sector plans or strategies for growth above the baseline. 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.
- 5.5 To create Policy-On forecasts, the following has been considered:
- The overall parameters of the City Deal, including objectives to deliver 17,000 new dwellings and 20,000 new jobs over 2013-2023.
 - Information where available on the likely jobs capacity at strategic employment sites at Cuerden and Samlesbury, including schedules for Cuerden, set out in the latest Outline planning application and Samlesbury's Enterprise Zone

application, which provides an indication of overall development intents.

- It is assumed that the growth sectors in the baseline forecasts will get an additional impetus due to the higher population growth in Preston and South Ribble due to the City Deal, estimated to be 25 percent above the projected growth.
- Furthermore, specific sectors, such as construction, transportation and storage, manufacturing and office-based support services would have an impetus due to the interventions to support the roll-out of employment land. This boost will not be uniform across sectors or areas and it is expected that South Ribble’s impetus would be focussed around construction, transportation and storage and manufacturing and Preston’s impetus would be more focussed on office based support sectors (although industrial uses would still see some uplift). The uplift is assumed to be between 5 and 20 percent above baseline levels.

5.6 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. Table 5 shows the gains, by key sectors, relevant to this study. Although for the most part the Policy-On allowance just enhances jobs trends already evident, it is worth noting the positive growth now shown in Manufacturing and Transport and Storage, trends not evident in baseline. In the service sectors, the emphasis remains on Health, Professional and Administrative employment.

Table 5 – Policy On Forecast Jobs Growth 2014-2034

SIC Group	Preston Workforce Growth 2014-34	South Ribble Workforce Growth 2014-34
Manufacturing	776	1,510
Construction	920	4,809
Wholesale and Retail Trade	241	2,667
Transportation and Storage	(101)	1,174
Information and Communication	574	1,065
Finance and Insurance	25	392
Real Estate	(225)	482
Professional, Scientific and Technical	1,206	1,410
Administrative and Support Service	407	4,189
Public Administration and Defence	(2,547)	(107)
Human Health and Social Work	1,202	662
Other Service Activities	(88)	150

SIC Group	Preston Workforce Growth 2014-34	South Ribble Workforce Growth 2014-34
Total (Includes Sectors Not Shown Above)	2,732	20,251

Source: Oxford Economics, 2016/BE Group, 2017

6.0 OBJECTIVELY ASSESSED NEEDS

6.1 To assess need two recognised methods of forecasting have been used creating three distinct models of OAN for the study period 2014-2034. The outputs from these models are outlined in Table 6, for each Borough.

Historic Land Take Up

Technical Report Reference – More detail on the historic land take up forecasting, can be found in Section 8.0: Objectively Assessed Needs (paragraphs 8.14-8.27) of the Technical Report

6.2 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.**

Central Lancashire total requirement – 273.00 ha

6.3 Figures are inclusive of 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. Also, to make some allowance for the loss of further employment land to non B-Class uses over the period to 2034.

6.4 Need has been compared to local level supply, which has been backdated from 2016 to 2014, to ensure that the need and supply dates match. Against this backdated supply, Central Lancashire has a shortfall of **81.93 ha** to meet local needs, comprising:

- Chorley – 95.50 ha (need) – 59.75 ha (realistic supply, local only, backdated) = **35.75 ha (further need)**
- Preston – 89.00 ha (need) – 71.69 ha (realistic supply, local only, backdated) = **17.31 ha (further need)**
- South Ribble – 88.50 ha (need) – 56.99 ha (realistic supply, local only) = **31.51 ha (further need).**

Labour Demand

Technical Report Reference – More detail on the labour demand forecasting, can be found in Section 8.0: Objectively Assessed Needs (paragraphs 8.36-8.66) of the Technical Report

6.5 The second method looks at jobs growth, as identified in Oxford Economics (2016) forecast modelling. As can be seen in Table 6, the resulting jobs based forecast model suggest that all three Boroughs have sufficient land to meet needs. When a 'Policy On' allowance is made, as discussed in Section 5.0 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.

Table 6 – Central Lancashire Land Forecast Models – Summary

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2014-2034, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha <i>D=A-(B+C)</i>	Assumptions
Chorley	Local Take Up	59.75 Local Supply, backdated	76.40	19.10	(35.75)	Based on historic (25 years) take-up of 3.82 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock – Policy-Off Model	59.75 Local Supply, backdated	+10.60 Growth +5.20 Change	+2.65 +1.30	1) 46.50 2) 53.25	Based on 1) projected growth sectors 2) projected employment change across sectors A local growth only scenario
	-	-	-	-	-	-
Preston	Local Take Up	71.69 Local Supply, backdated	71.20	17.80	(17.31)	Based on historic (23 years) take-up of 3.56 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock – Policy-Off Model	71.69 Local Supply, backdated	+5.80 Growth -6.40 Change	+1.45 N/A	1) 64.44 2) 78.09	Based on 1) projected growth sectors 2) projected employment change across sectors A local growth only scenario
	Employment based on adjusted stock – Policy-On Model	71.69 Local Supply, backdated (with strategic sites in SR)	+14.90 Growth +11.50 Change	+3.73 +2.88	1) 53.06 2) 57.31	Based on 1) projected growth sectors 2) projected employment change across sectors

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2014-2034, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha $D=A-(B+C)$	Assumptions
						A local/strategic growth scenario
South Ribble	Local Take Up	56.99 Local Supply, backdated	70.80	17.70	(31.51)	Based on historic (25 years) take-up of 3.54 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock – Policy-Off Model	56.99 Local Supply, backdated	+7.90 Growth -6.20 Change	+1.98 N/A	1) 47.11 2) 63.19	Based on 1) projected growth sectors 2) projected employment change across sectors A local growth only scenario
	Employment based on adjusted stock – Policy-On Model	115.36 Strategic/Local Supply, backdated	+53.20 Growth +52.90 Change	+13.30 +13.23	1) 48.86 2) 49.23	Based on 1) projected growth sectors 2) projected employment change across sectors A local/strategic growth scenario

Source: BE Group, 2017

*Backdated land supply at 2014

Employment Land Take-Up/Employment Change Comparison

6.6 In reality, employment change does not translate to land provision in the way set out in the above employment-based models, both policy-on and policy-off. There are several factors that will influence the land requirement and it is necessary to understand the market signals to predict a more accurate employment land requirement. These factors include:

- To what extent the growth in office employment takes place in town centre locations, at higher densities, rather than in low-density business parks. Preston, for example, will see both higher density development in the City Centre and lower density development in North East Preston. Where growth is predicted in town or city centres different densities would be applied, closer to 100 percent site coverage.
- Will the decline in jobs lead to the release of land? Experience suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvement and change. Where jobs are being lost to

automation, those new automated processes will still require land on which to operate and can lead to higher productivity and growth.

- Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, land banking for future needs.
- Expansion may also be within existing premises or on expansion land not accounted for in land allocations.

6.7 However, to test how closely jobs change translates to land take-up, historic trends have been compared for South Ribble only (*equivalent exercises are completed for Chorley and Preston in Tables 56-59, pages 146-148 of the Technical Report*). 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 and compared to the actual land take-up during that period (Table 7)
- 2001-2007 which was a period of sustained economic growth nationally (Table 8).

Table 7 – Employment Land Take-Up/Employment Change Comparison 1991-2016 – South Ribble

Employment Change	Total Jobs	Land (Ha)
Growth	25,900	24.2
Decline	(9300)	(72.1)
Net growth	16,600	(47.9)
Historic land take-up	-	88.50

Source: BE Group, Oxford Economics, SRBC 2017

Table 8 – Employment Land Take-Up/Employment Change Comparison 2001-2007 – South Ribble

Employment Change	Total Jobs	Land (Ha)
Growth	6900	1.80
Decline	(2700)	(11.0)
Net growth	4200	(9.20)
Historic land take-up	-	34.68

Source: BE Group, Oxford Economics, SRBC 2017

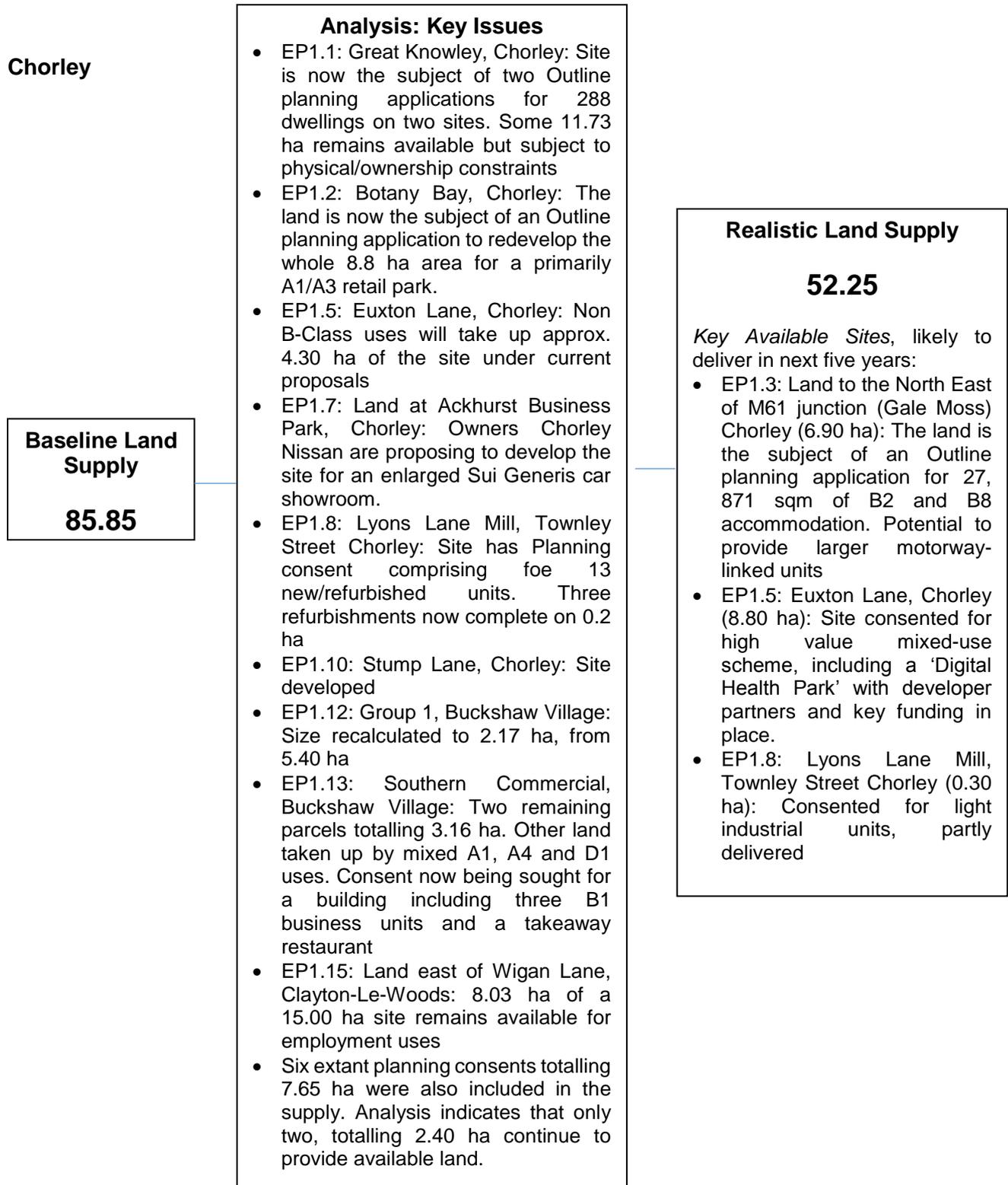
- 6.8 The two tables show that low net jobs growth during both periods, would have resulted in negative land needs. Even if the sectors predicted to grow only are considered, the projected land requirements represent only a fraction of what was taken up in reality.
- 6.9 Thus, the trend shows that net 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.**

7.0 EMPLOYMENT LAND AND PREMISES SUPPLY

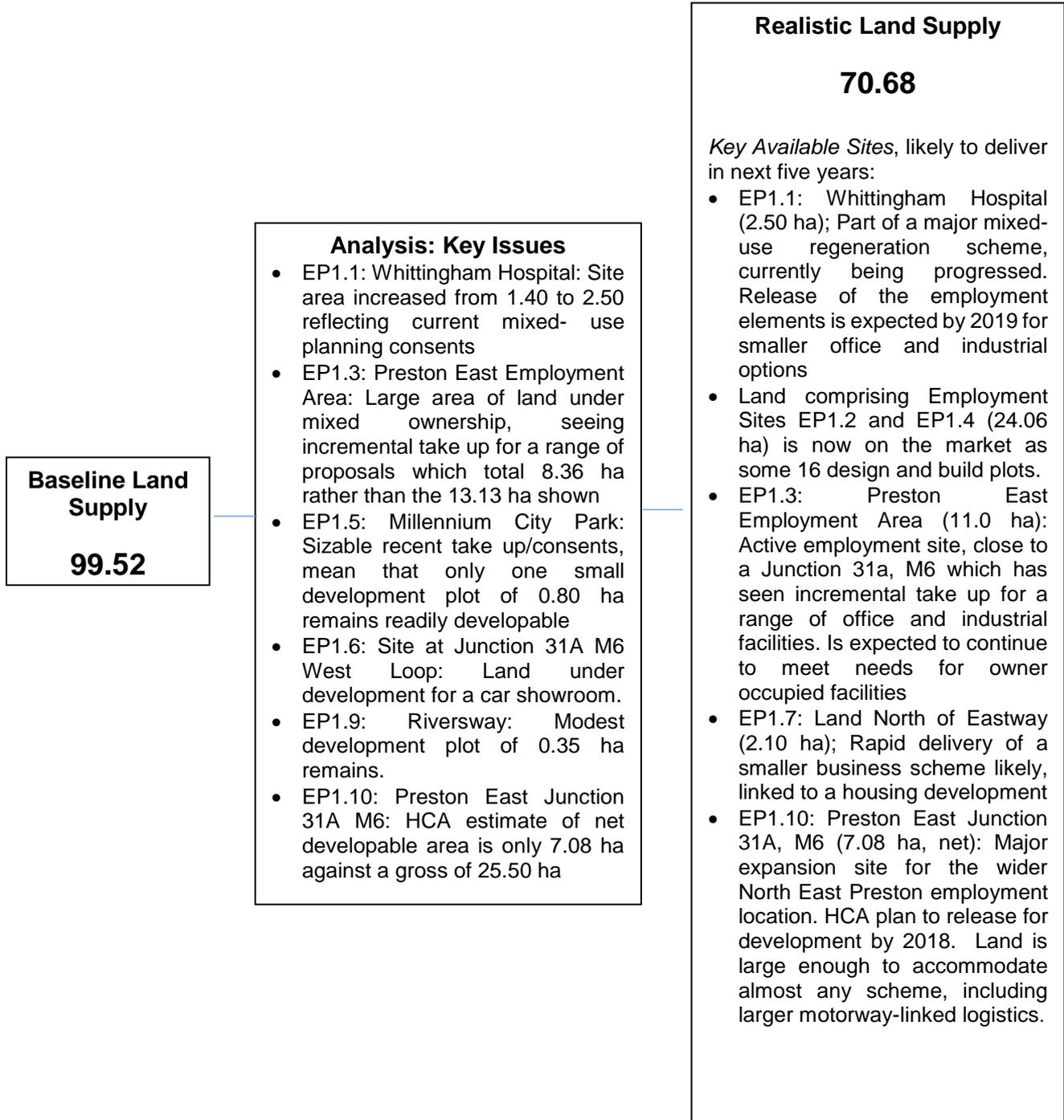
Technical Report Reference – More detail on the employment land and premises supply of Central Lancashire, can be found in Section 10.0: Employment Land and Premises Supply of the Technical Report

- 7.1 The total Central Lancashire Baseline Supply is 239.89 ha. However, consideration of this supply 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. The Realistic Employment Land Supply, allowing for these issues, is 175.29 ha. This is broken down, by local authority are, in Figure 3 below.

Figure 3 – Land Supply Analysis



Preston



South Ribble

**Baseline
Land Supply**

54.52

Analysis: Key Issues

- E1(e): West Paddock, Leyland: It is anticipated that around a third of the site should be retained for open space. 1.28 ha remains
- B3: South Rings, Cuerden: Remaining land recalculated to 11.05 ha in three plots

Realistic Land Supply

52.36

Key Available Sites, likely to deliver in next five years:

- E1(e): West Paddock, Leyland (1.28 ha): Council-owned local growth site for Leyland which could meet micro business needs in the town
- E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington (22.20): Major development site adjacent to the Farington Business Parks, likely to be delivered as a major mixed-use opportunity, capable of accommodating the full range and sizes of premises needed.
- B3: South Rings, Cuerden (11.05 ha): Much of the land is in the hands of a local developer who has successfully delivered light industrial units speculatively over the last two years and intends further comparable development
- C2: Moss Side Test Track, Leyland (Doll Lane) (6.08 ha): Despite some issues to address, prospect remains good for a sizable development of major B2/B8 premises here, particularly allowing growth of the advanced manufacturing cluster which exists on the adjacent Moss Side Industrial Estates
- C1: Pickering's Farm, Bee Lane, Penwortham (0.45 ha): delivery of an office scheme, as part of the development of significant new community for the Borough.

Strategic Employment Locations

7.2 South Ribble contains two strategic land allocations – the 65 ha Cuerden Strategic Site and the 72 ha Samlesbury Enterprise Zone. The net land supply of the two is: **58.37 ha**. These are strategic locations, to be marketed primarily to companies outside of South Ribble and, in the case of the Enterprise Zone, outside of Lancashire:

- *Cuerden Strategic Site:* Development partners, Eric Wright Group and Brookhouse Group, in place and have submitted a hybrid application for the whole site. Proposals include a Southern Employment Area of 17.64 ha focused on larger manufacturing and storage uses and providing up to 80,000 sqm of floorspace. This represents a key opportunity site for Central Lancashire, providing larger logistics options at a main motorway junction. Also proposed is a Northern Business Park of 5.725 ha fronting Lostock Lane and providing up to 26,000 sqm of B1(a) floorspace, delivered in a phased programme over the next 16 years to reflect demand. The two areas would support some 3,000 FTE jobs.
- *Samlesbury Enterprise Zone:* Enterprise Zone established since 2011, and with a net developable area of 35 ha within South Ribble. The location has seen major investment in road infrastructure to open it up for business development. Development to date includes the BAE Academy for Skills and Knowledge and the Wincanton Defence Logistics Centre. Marketing is underway, with plots available which could support units of 250 to 35,000 sqm. interest has been established from a range of organisations although securing commitments from businesses in compatible sectors is proving challenging.

Central Lancashire Premises Supply

7.3 Across the study area of Central Lancashire, a total supply of 173,811 sqm of vacant space is reported (see Table 9).

Table 9 – Premises Supply of Central Lancashire

	Borough		
	Chorley	Preston	South Ribble
Available Premises	Industrial/warehouse: 17 premises totalling 14,011 sqm Office: 44 marketed premises totalling 6,825 sqm	Industrial/warehouse: 47 premises totalling 30,896 sqm Office: 187 marketed premises totalling 45,801 sqm	Industrial/warehouse: 66 premises totalling 63,755 sqm Office: 95 marketed premises totalling 12,523 sqm

	Borough		
	Chorley	Preston	South Ribble
Occupancy Rates of the Borough: Industrial	97.4 percent by floorspace 98.0 percent by premises numbers	96.8 percent by floorspace 96.6 percent by premises numbers	93.9 percent by floorspace 92.7 percent, by premises numbers
Occupancy Rates of the Borough: Offices	92.3 percent by floorspace. 92.5 percent by premises numbers	88.3 percent by floorspace 85.7 percent by premises numbers	89.2 percent by floorspace 76.8 percent by premises numbers
Comments/Issues	<p>Available industrial units are found almost exclusively in Chorley and Buckshaw Village, which does reflect demand</p> <p>Reasonable offer of industrial space up to 4,000 sqm, available offices up to 300 sqm</p> <p>Key shortage of freehold space for all types and sizes of accommodation.</p>	<p>A good range of industrial/warehouse options across all size bands up to 5,000 sqm</p> <p>Industrial supply focus is on 51-500 sqm units, argued to be most required by local micro/small firms</p> <p>Preston has a comprehensive mix of available office property with options across all size ranges up to 5,000 sqm, although most suites are sub-500 sqm in size and focused in the City Centre</p> <p>Supply likely to meet most local needs but may struggle to accommodate the largest firms and inward investors</p> <p>Key shortage of freehold space for all types and sizes of accommodation.</p>	<p>Good industrial supply up to 500 sqm, which can meet local demand. More moderate but still reasonable supply of units greater than 1,000 sqm in size.</p> <p>Supply focused in the key Employment Areas – Walton Summit, Farington and Bamber Bridge</p> <p>Office supply focused in Leyland/Farington</p> <p>Most suites sub 50 sqm in size which will meet a lot of local needs but provides little to support larger business requirements.</p> <p>Key shortage of freehold space for all types and sizes of accommodation.</p>

Source: BE Group, 2017

8.0 RECOMMENDATIONS

Technical Report Reference – More detail on Study recommendations, can be found in Section 12.0: Recommendations of the Technical Report

- 8.1 This report has had full regard to the requirements of the NPPF and the PPGs to encourage and deliver growth through the planning system. The recommendations are:

Recommendation 1 – Employment Land Provision Definition

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:

- **Chorley: 52.25 ha in 14 sites**
- **Preston: 70.68 ha in 10 sites**
- **South Ribble: 52.36 ha in 7 sites**

Recommendation 2 – Employment Areas to be Retained

Key/Best Urban Sites and Recommendations

This Study has undertaken an independent grading of Employment Areas in Central Lancashire. From this, the following locations are above average in quality and could be designated as ‘key’ or ‘Best Urban’ sites:

Chorley

- **Common Bank Area, Chorley**
- **Ackhurst Business Park, Chorley**
- **Chorley Business and Technology Park, Euxton**
- **Momentum/Southern Commercial Area/Revolution, Buckshaw Village**

Preston

- **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**
- **ELR No 84: West Strand / Marsh Lane.**

South Ribble

- **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.**

At the strategic level, the Samlesbury Enterprise Zone and BAE facility, plus the Cuerden Strategic Site, when delivered, could also be included in this list.

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.**

General retail/hot food uses should not normally be supported on the Best Urban Employment Areas unless strongly justified, ancillary to the main B-Class uses and clearly intended to serve the business community in the Employment Area. Where alternative uses are considered, the general priority should be linked uses such as car showrooms, tyre and exhaust centres, or trade counters, providing the employment areas have good access to a range of sustainable transport options.

B/C-D Graded Employment Areas

For ***B/C-D Graded 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.

D/E or E Graded Employment Areas

For the two areas graded ***D/E*** and ***E*** in Preston, there is a more urgent need for change, and ultimately these low-quality locations may no longer be viable for retention as **B-Class** employment locations.

Other Employment Locations

Employment development outside Employment Areas contributes to local employment activity and jobs. Any consideration of future non-employment use, in such locations, should be addressed in the same way as land in **Best Urban Employment Areas**.

Recommendation 3 – Sites Not Deliverable for Primarily B-Class Schemes

In Section 10.0 of the Technical Report, Central Lancashire's baseline land supply was reviewed in detail. The research 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. They should not be considered part of Central Lancashire's realistic land supply.

Recommendation 4 – Future Employment Land Provision

Chorley Borough Council, Preston City Council and South Ribble Borough Council, should 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 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).

Recommendation 5 – Protecting Key Local Plan Employment Sites

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.

Recommendation 6 – Meeting Needs

Some points to note in identifying further land options are:

Chorley

- If less constrained sites around the M61 exist, they should be considered, although it is accepted that most other land in this area is protected by Green Belt/other countryside designations or is Safeguarded for the Local Plan period
- Stakeholders highlight Buckshaw Village (also noted for South Ribble) as a focus of demand for both office and industrial uses, along with the adjacent Euxton Lane Corridor
- Further regeneration opportunities in Chorley Town Centre should also be reviewed.

Preston

- A recalculation of the supply of HCA owned land in North East Preston may meet much of the identified extra need
- Otherwise North East Preston, remains a focus for market interest from the local industrial and warehouse sectors
- Further office options in Preston City Centre and/or Preston Docks would be desirable, both to meet local needs and attract inward investment, but may prove challenging to realise. Regeneration programmes which do include offices, likely as part of a mix of uses, would be welcome.

South Ribble

- The focus of both demand and recent development activity is the A6/A582 Corridor of Bamber Bridge and Cuerden. Stakeholders regularly cited the lack of opportunity sites at Walton Summit, an industrial estate of regional significance.

- **Buckshaw Village is now established as a key market focus in Central Lancashire. Options to maintain the momentum generated here, in both the Chorley and South Ribble parts of the Village, would be welcome.**

Recommendation 7 – Encouraging Development

Evidence is that several sites and premises schemes will deliver premises, both office and industrial, and the smaller and larger ends of the supply spectrum. Market failure appears most likely for mid-range property options. To address this, it is recommended that the three Councils and other relevant partners proactively explore delivery strategies by which sites can be brought forward, in discussions with owners and developers.

Recommendation 8 – Monitoring Arrangements

The three Councils should pursue a common and consistent approach to monitoring their employment land supply.

Recommendation 9 – Future Reviews

The Councils should work with neighbouring authorities on issues in which interests will overlap.

Recommendation 10 – Maintain Awareness of External Influences

Review and monitor the employment land and premises position and undertake the study again in about five years, as 2034 is a long time in the future and much will happen before then.

9.0 COMMERCIAL HEADLINES

9.1 This Section provides headlines on the growth potential of the Central Lancashire economy, the nature of property demand and key opportunities for businesses and investors.

Growth Potential

Central Lancashire is forecast to gain 29,395 jobs over 2014-2034 when major strategic investment is accounted for.

Chorley

Forecast growth in Chorley is some **6,412 extra jobs over 2014-2034.**

Key gains will be in human health and social work, a specialism of Chorley Borough (2,142 extra jobs) and in office-based activities, specifically administrative and support services (1,483 extra jobs) and professional, scientific and technical activities (1,021 extra jobs).

6,412 jobs can be translated into a need for 41,205 sqm of floorspace or some 10-11 ha of land

Preston

Preston will benefit from City Deal investment and growth in housing and population. Allowing for this policy, the jobs growth will be **2,732 extra jobs over 2014-2034.**

Specific sectors would have an impetus due to the interventions to support the roll-out of employment land and delivery of housing including construction (920 extra jobs) although Preston's impetus is expected to be focussed on office based support sectors (e.g. 1,206 extra jobs in professional and scientific uses), plus the health sector (1,202 extra jobs).

2,732 jobs can be translated into a need for 58,291 sqm of floorspace or some 15 ha of land

South Ribble

South Ribble is the focus of strategic investment into Central Lancashire, the home of the Cuerden Strategic Site, the Samlesbury Enterprise Zone and City Deal investment. Combined with baseline growth, the result is a forecast gain in jobs of **20,251 over 2014-2034.**

Most sectors will benefit from strategic investment, but particular gain will be seen in construction (4,809 extra jobs) through the development projects resulting; logistics (1,174 extra jobs in transport/storage, plus 2,667 in wholesale and retail) a beneficiary of City Deal and a development focus on Cuerden; manufacturing, with Samlesbury a focus for advanced manufacturing (1,510 extra jobs) and office-based admin and support services (4,189 extra jobs).

20,251 jobs can be translated into a need for 207,545 sqm of floorspace or some 53 ha of land.

Industrial

9.2 The headline event of Central Lancashire in the last few years has been the speculative development of sub 100 sqm/1,000 sqft light industrial units Buckshaw Village and South Rings, Cuerden. All were sold or let off plan before completion.

9.3 All the sources examined in this study show a strong need for light industrial units of 0-300 sqm/3,000 sqft, across Central Lancashire, with a particular emphasis on freehold options. This is driven by expanding sectors such as construction and

engineering, but particularly a growing desire amongst micro business owners to invest in freehold property, both to provide independence for business operations and as a personal investment opportunity.

- 9.4 Demand is not limited to light industrial space however, and evidence from enquiries, transactions and stakeholder consultations suggests steady demand up to 1,500 sqm/15,000 sqft from local businesses looking to grow across all three Boroughs, including freehold options. This is supported by this Study's independent discussions with major businesses who report property requirements of up to 1,000 sqm/10,000 sqft.
- 9.5 In South Ribble specifically, demand extends further upwards, with noted market interest for units in all size brackets up to 2,300 sqm/23,000 sqft. Individual industrial and warehouse requirements, identified in the Business Survey, extend up to 2,001-5,000 sqm/ 2,0000-50,000 sqft.
- 9.6 Locations of specific interest for companies include Buckshaw Village and the Euxton Lane Corridor of Chorley/South Ribble; South Rings, Cuerden; Walton Summit and Ackhurst Park, Chorley. In Preston, the areas of industrial demand are focused around the Docks and North East Preston. Rents for reasonable quality space are at £6.50/sqft although the best light industrial schemes can achieve up to £10/sqft.
- 9.7 Drivers for larger requirements moving forward will include Samlesbury Enterprise Zone which is attracting interest from a range of manufacturing companies, not all of which are eligible to locate in the Zone under Enterprise Zone rules. This generates overspill opportunities for the rest of South Ribble and Central Lancashire.
- 9.8 In terms of supply, there is an urgent need for more modern light industrial space across Central Lancashire and developers are looking to fill that gap. At south Rings, Roundhouse is looking to repeat its success with speculative units with a next phase of 90 sqm/900 sqft properties on land at Craven Drive. In Chorley, land at Euxton Lane, Chorley (Site EP1.5) the wider Digital Health Park facility, being part delivered by the Council and will provide light industrial units alongside more specialist facilities. In Chorley Town, land at Lyons Lane Mill and Stump Lane, has seen delivery of light industrial space but with more room for growth.

- 9.9 Buckshaw Village remains a focus for industrial activity, with further small units seeking consent at EP1.13: Southern Commercial. Opportunities remain for further investment here, with some 2.17 ha of land at EP1.12 Group 1, Buckshaw Village on the market for further industrial development.
- 9.10 Speculative development remains less likely for larger industrial accommodation, but Central Lancashire retains an active market for design and build developments. This is most evident in North East Preston, where 24.06 ha of land at Red Scar Industrial Estate (sites EP1.2/1.4) is actively being marketed for such options and attracting interest. Moving forward in this area, the Homes and Communities Agency will shortly be bringing forward another 25 ha of land at Preston East Junction 31A, M6 (Site EP1.10) which will be available for development and could support the full range of uses, likely with a strong industrial emphasis.
- 9.11 In South Ribble, the Moss Side Test Track, Leyland (Doll Lane) has a developer partner and provides an opportunity for some 6 ha of industrial-led development land which can build on the established advanced manufacturing offer of Ashton Moss. This is in addition to the strategic scale advanced manufacturing offer at the Samlesbury Enterprise Zone, where 35 ha of land remains available for development with Enterprise Zone incentives. Marketing of this is underway and attracting interest.
- 9.12 Finally, it is worth noting that while many local and regional developers are not yet pursuing new build schemes, most are seeking to acquire second hand industrial schemes for refurbishment and letting, across Central Lancashire.

Warehousing

- 9.13 At the strategic scale 2016 saw the highest amount of national large shed take-up on record, while nationally and regionally there are major shortages of logistics accommodation. In the North West, a key issue is that existing major schemes such as Omega, Warrington are reaching capacity, while new sites such as Parkside, St Helens are still some years from providing viable development plots
- 9.14 Sitting at the confluence of the region's motorway network, Central Lancashire has long been established as a focus for logistics investment, with an established B8 park at Revolution, Buckshaw Village and multiple large-scale operations elsewhere.

Recent investments include Amazon who took 168,000 sqft of space at Leyland Business Park.

- 9.15 Strategic level investments can extend up to 40,000 sqm/400,000 sqft, but agents also report regular local scale enquiries in the 4,000-5,000 sqm/40,000-50,000 sqft range for industrial and warehouse options, covering the whole of Central Lancashire. Requirements of this scale were also noted from some 20 local businesses contacted for the Study.
- 9.16 The Cuerden Strategic Site, now consented in outline, provides a key opportunity for strategic scale warehousing, delivered rapidly on a motorway linked site at a time when other logistics locations on the M6 Corridor of Lancashire and Cheshire are still some years from being realised. With design and build options of up to 65,000 sqm/650,000 sqft possible, this location can support the largest Regional Distribution Centres.
- 9.17 North East Preston is a further location of interest for larger B2/B8 operators and the above-mentioned land at Preston East Junction 31A, M6 (Site EP1.10), which sits adjacent to the JC Hall depot will be of interest.
- 9.18 Finally, it is worth noting the strength of the existing property offer for this use. Stakeholders routinely identify Walton Summit as a location of interest for the largest B2 and B8 requirements. Although there is no expansion land remaining in this area, there is a strong offer of modern, flexible space which has previously met some of the largest requirements in Central Lancashire, up to 45,000 sqm/450,000 sqft in one instance. Comparable comments can be made on Lancashire Business Park, Farington, which has also seen past investment in new large B2/B8 units and has further expansion land surrounding.

Offices

- 9.19 Evidence is that Preston (the Docks, City Centre and extending south, in market terms, to Cuerden/South Rings) and Chorley are the focus of market activity and interest. Both Boroughs have strengths in finance and insurance and Preston is home to a range of large scale businesses in this sector. Both past transactions and current enquiries/market interest are focused on the smaller end of the market, suites of less than 100 sqm/1,000 sqft and particularly less than 50 sqm/500 sqft. This is the case even in Preston City Centre where reported demand is for 2-4 person suites.

- 9.20 In terms of larger properties, while headline grabbing major investments are rare, deals up to 300 sqm/3,000 sqft are more regular, with the 101-300 sqm/1,000-3,000 sqft size range most active in all three authority areas. Agents report that demand exists, from larger companies, for suites of up to 500 sqm/5,000 sqft in Preston and Chorley. However, comments from stakeholders and the business survey suggests that over time expanding/relocating businesses, plus an element of inward investment, will generate requirements up to 700 sqm/7,000 sqft.
- 9.21 Although local serviced schemes are performing well, the strongest need is for unserviced or ‘managed’ space. Managed offices generally offer suites on flexible terms, with common facilities but little or no on-site staffing. This reduces costs, allowing space to be offered more readily in the price ranges of new micro firms.
- 9.22 Meeting the smallest office requirements is question of premises rather than land, and owners are actively looking at refurbishment options to meet this need. In Chorley, Ackhurst Park is identified as the prime office location, achieving some of the highest rents in Central Lancashire (£14.50/sqft). The best recent success has been achieved in sub-dividing buildings to provide incubation suites of around 20 sqm/200 sqft each and more such activity is likely. In Central Preston, the equivalent opportunities are diverse but generally focused around Winckley Square and the three blocks extending east to Glovers Court. Several developers/owners have considered options here, albeit often linked to mixed use options.
- 9.23 In the short term, the key new development opportunity (developed speculatively) in Central Lancashire will be the specialist Digital Health Park scheme at EP1.5: Euxton Lane, Chorley, which has development partners and funding in place, for uses including a digital office building of 5,195 sqm/55,920 sqft. In the longer term however, the most significant opportunity will be the Cuerden Strategic Site where up to 26,000 sqm/260,000 sqft of B1(a) offices of 929- 3,252 sqm/10,000- 35,000 sqft each now has consent. This will be not be delivered speculatively, but provision is judged within realistic take up rates for a 16-year timetable and provides key opportunities to attract inward investment into Central Lancashire.