

# Central Lancashire - Employment Land Study Update

Preston, Chorley and South Ribble Councils

Final Report

February 2022

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## **EXECUTIVE SUMMARY**

### **Introduction**

- i) This report provides an Employment Land Study for the Central Lancashire sub-region and its component local authority areas of Preston, Chorley and South Ribble. The study was commissioned to provide an up to date and proportionate 'Update' of the Central Lancashire Employment Land Study, produced in 2017 by BE Group. The Employment Land Study Update aims to support the emerging Central Lancashire Local Plan and consider the Covid 19 Pandemic, changes in national planning policy, Brexit, and their impact on the local and sub-regional economies. In detail, the Study aims to:
- Review updated national, county, sub-regional and local guidance, with a focus on where key guidance has changed since 2017
  - Consider the available socio-economic data, at the UK, regional, county, sub-regional and local level, which has been updated since 2017 and particularly which illustrate the impact of Covid-19 on the local/sub-regional land and property market so far and what the longer term impacts may be
  - Provide an updated high level understanding of the local/sub-regional property market in the rapidly changing conditions
  - Update the Functional Economic Market Area Analysis through email contacts with adjoining local authorities.
  - Undertake a high level review of the Central Lancashire employment land supply
  - Provide updated employment land forecasting, including modelling of jobs growth which, as much as possible, takes into account the changing circumstances of 2020/2021
  - In light of the above, provide a review of the Conclusions and Recommendations of the 2017 Study and identify the scale, location and type of demand for employment land and property in Central Lancashire over the study period.

### **Methodology**

- ii) Several research methods have been used, including site visits and telephone/e-meeting interviews with property market stakeholders such as developers, investors and their agents. The property market of the Functional Economic Market Area (FEMA) of Central Lancashire, as identified in 2017, has been reviewed through desktop analysis of employment and planning strategies, and consultations with officers from those local authorities. The methodology follows Planning Practice

Guidance on employment land reviews.

### **Market Findings**

- iii) Central Lancashire has a large and relatively active workforce. Key sectors in the sub-regional economy include:
- A manufacturing sector which employed 14,000 in 2019. While this is not proportionally large in the North West or UK context, the sub regional manufacturing sector is growing, having gained 2,250 jobs over 2015-2019, a 19.1 percent increase. This is in opposition to forecast scenarios from 2017 to the present which have projected sharp drops in manufacturing employment. The extra employment seems to have been in existing businesses as the number of new manufacturing businesses in Central Lancashire recorded over 2015-2019 was only 15 or a 1.9 percent increase
  - The Construction sector is an established strength of Central Lancashire. It is also a growing sector both in terms of jobs and businesses, with 2,250 new jobs (14.3 percent growth) and 335 new businesses (21.6 percent growth) in Central Lancashire over 2015-2019. Construction jobs were focused in South Ribble although recent businesses creation has been focused in Chorley and Preston
  - Private office sectors in Central Lancashire employed 40,000 in 2019, over half of which (21,250) were found in Preston, a sub-regional centre for Administration and Financial services. These Administration and Financial jobs are focused in Preston City Centre and will include administrative roles in UCLan. Pre-Covid at least, office-based sectors were mostly growing in terms of number of jobs and businesses, with the Finance sector seeing the best growth a 51.2 percent increase in jobs and a 22.4 percent increase in businesses over 2015-2019, equating to 75 extra firms. Growth was focused in Preston, which gained 45 businesses (and 750 jobs) over 2015-2019, against 15 each in Chorley/South Ribble
  - The Transportation sector is strengthening, with both the number of jobs (2,500 or a 38.5 percent increase) and the number of firms (165 or a 34.7 percent increase) in the sector increasing significantly over 2015-2019. The number of businesses grew in all three local authority areas, but the gain was focused in Preston, which saw an increase of 105 businesses coming into the City or starting up locally, 70 percent growth over 2015-2019, and a gain of 1,000 jobs or a third increase over the same period. The logistics sector in Preston is

focused in North East Preston, which is home to major occupiers such as Booths and James Hall and has good prospects for further B8 developments on the remaining employment land here.

- iv) In terms of the short term impacts of the Covid-19 Pandemic, across Central Lancashire, the number of claimants on out of work benefits more than doubled between March 2020 and May 2020, from 6,470 to 13,125 as Covid-19 forced business closures across the nation. This trend was broadly the same across each of the local authority areas. Claimants continued to fall to January 2021 when the second national lockdown was imposed. This resulted in a spike in February 2021 to 12,380 cases. Since then, the number of claimants has continued to fall to 10,645 in June 2021, the most recent data record, which is still significantly higher than the number of claimants on out of work benefits in March 2020. Overall, the economic impacts of Covid-19 have been somewhat lower than elsewhere in the LEP area and region, in areas such as numbers furloughed.
- v) The UK's industrial market has proved resilient over the Covid-19 Pandemic. Similarly, property market stakeholders indicate that industrial and warehousing demand has remained consistently strong across Central Lancashire over the Covid-19 Pandemic and continues to do so. This is partly driven by increased needs for storage and logistics premises as businesses have moved more of their trading online, however, demand for production space is also strong.
- vi) Demand is for space in a range of sizes, with good past transaction rates for industrial and warehouse properties up to 5,000 sqm, but smaller units of 0-500 sqm and particularly 0-100 sqm seem most needed. Good quality new build light industrial space can attract rents of £10-15/sqft (£108-161/sqm). Larger new B2 and B8 units are attracting still reasonable rates of £6-9/sqft (£65-96/sqm) depending on size and location.
- vii) Although the sub-regional office market was clearly inhibited over the Lockdowns of 2020-2021, the consensus of views was that some demand is returning in 2021. Most market interest is for small, flexible and, frequently, serviced suites that can allow businesses to move staff between full/part time homeworking and office based work, as required. Serviced offices can achieve £15-20/sqft (£161-215/sqm), unserviced a more variable £8-16/sqft (£86-172/sqm) subject to quality, size and location.



- viii) Views on demand for larger offices are more varied. Existing space is well occupied, and the Covid-19 Pandemic does not seem to have led to mass vacancies in Central Lancashire. Stakeholders report some shortages of premises, and a modest demand for smaller offices to support micro businesses and particularly those looking for options to move up from homeworking after the lockdowns of 2020-2021. Further development of office uses in Preston City Centre is inhibited by a lack of modern multi-occupancy space, with a lot of secondary stock here being converted to other uses. The longer term prospect of building up Preston's office market would be dependent on delivering new or refurbished premises into the City Centre. However, demand for new large scale space remains modest and does not yet seem to support large scale investment in new build options, as evidenced by the cautious attitude of developers of new offices in Buckshaw Village.
- ix) Based on the above the following long term trends which will affect the demand for land and premises in Central Lancashire over the Local Plan period (see Table ES1).

**Table ES1 – Long Term Market Trends Summary**

Sector	Comments
Industrial	<ul style="list-style-type: none"> <li>• The Central Lancashire manufacturing industry has grown steadily in recent years, in defiance of forecasting which consistently shows declines in local manufacturing employment. This trend has been consistent in Employment Land Reviews completed by BE Group across England and Wales over the last 15 years. The manufacturing sector held up well during both the national recession of 2008-2013 and the Covid-19 Pandemic and the market for light industrial space was the first to recover from the former. There is thus no reason to assume that future market shocks will derail the broad trend of steady, if sometimes small growth in Central Lancashire's manufacturing economy</li> <li>• Past experience with automation suggests that while increased use of machines decreases employment densities it doesn't decrease demand for land and property as machines take up comparable areas of space to the people they replace</li> <li>• Smaller light industrial/industrial units of 0-500 sqm (requiring up to 0.13 ha each) are most consistently required, even during period of economic weakness by SMEs. They can be accommodated on small sites largely anywhere in Central Lancashire with good main road access, nearby services and ideally a critical mass of existing firms close by</li> <li>• Larger units up to 5,000 sqm (requiring up to 1.3 ha each) will be required to allow large businesses to grow, again on accessible sites linked to established Employment Areas. However, experience shows requirements for larger units can be extremely volatile with large businesses abandoning, or putting on hold, growth plans when hit by periods of economic uncertainty and having urgent property requirements during periods of economic growth. Long term land use planning cannot therefore assume any site will automatically be needed for larger B2 uses but rather must have flexibility to allow a mixture of industrial and warehouse uses, as required by market conditions of the time</li> <li>• The last decade has seen a growing demand for freehold premises, not just from institutional investors but from businesses looking to purchase premises for owner occupation and as a personal investment for the business owners. Experience in Central Lancashire since 2015 indicates that even light industrial units will sell rapidly when offered freehold, even at times when other aspects of the commercial property market were still recovering from recession. This trend is expected to continue into the long term, the only factor which could inhibit it would be another 'credit crunch' which inhibited business owners' access to finance again</li> <li>• More generally, businesses want modern, high bay units. The logistics movement of parts and goods is an increasingly key part of industrial and warehouse operations and businesses are increasingly seeking generous HGV parking and manoeuvring space. This can increase the land requirement for individual units within a scheme by 10-20 percent</li> </ul>

Sector	Comments
	<ul style="list-style-type: none"> <li>While the 'just in time' model of product delivery and parts acquisition may persist in some industries, the post Pandemic and post Brexit market seems to incorporate a lot of volatility in supply chains. While this may not be a permanent feature of the future economy, there is certainly good incentive for businesses to hold more stock and parts on site in short and medium term, which increases their storage requirements onsite. Linked to this, national market stakeholders are noticing a new trend for major companies to engage in short term rentals of warehouse properties to address supply chain complexities, which adds to logistics demand as noted below.</li> </ul>
Warehouse	<ul style="list-style-type: none"> <li>The B8 market grew steadily over 2020-2021 and is showing no signs of slowing, with steady investment by major businesses forecast to continue well into this decade</li> <li>Increasing automation of logistics facilities will decrease the amount employment generated by each warehouse, something which explains the modest growth in transportation and storage jobs forecast by Cambridge Econometrics. However, as warehousing property sizes are linked to the volume of goods to be stored and processed, rather than employment numbers, there will be no reduction in the scale of properties required.</li> <li>Logistics businesses have diverse requirements from national and regional distribution centres which will require premises of 50,000 sqft (5,000 sqm) to 3 million sqft (300,000 sqm) on sites of 1.3-7.7 ha close to motorway junctions, down to last mile/urban depots which can be accommodated in local industrial estates. Central Lancashire, home to a range of motorway junctions is well placed to compete for the largest facilities, notably at the Cuerden Strategic Site. Major investment in logistics premises is already underway and the Local Plan can usefully seek to ensure sites of an appropriate scale and location are available to meet B8 requirements throughout the Plan period.</li> <li>As noted last mile/urban depots can be accommodated within more general infill sites of no more than 1-2 ha within existing employment areas</li> <li>Growing and increasingly technically advanced warehouses will have linked requirements for administrative, ICT and call centre facilities. Past experience indicates that businesses will look to incorporate such uses into their larger B8 facilities, where possible, for maximum efficiency of operations. Thus, large numbers of separate office requirements are unlikely to be generated</li> <li>As noted, Amazon is investing in a high street presence, but it is too early to say if this will be a success or if other logistics operators will copy this</li> </ul>
Office	<ul style="list-style-type: none"> <li>At the time of writing, January 2022, a post Pandemic office market, free of requirements to work from home, has still yet to be achieved. However, the emerging long term trend seems to be for a mixture of home and office working. Thus, while most office based businesses will still want a business premises, the priority will be to secure a small, flexible office where the amount of accommodation held by each business can be increased or decreased fairly rapidly to respond to short term decisions on staff working. This favours premises in multi let or serviced buildings over larger inflexible freehold/long leasehold opportunities. There are as yet no definitive measures of what this trend may mean in terms of property requirements. Combined with pre-existing growth in flexible hours, hot desking, etc. best estimates suggest the average property requirement will reduce by 25 percent on 2020 needs. This will reduce office land needs, although by exactly how much is impossible to estimate at this time</li> <li>It is likely to remain a 'buyers market' for accommodation and businesses will increasingly expect not just flexibility in leases, etc. but a stronger range of services and facilities in the scheme to attract them to the space</li> <li>Research suggests businesses still expect parking options at multi-let schemes, even in town and city centre schemes and schemes that cannot offer this, on site or via arrangement with a nearby public car park are disadvantaged in marketing their space, something multiple stakeholders have noted about City Centre schemes in Preston, against out of centre schemes. This is not expected to change in the future indeed the need to provide vehicle charging points will, if anything, increase parking requirements</li> <li>The market for larger offices never fully recovered from the last recession and has now been hit again by the Covid-19 Pandemic. Developers are extremely cautious about delivering speculative new offices and there is no sign this will change in the foreseeable future. Construction costs are increasing sharply against achievable rents and values and while a future recession would stop this price inflation, it remains a considerable barrier to development in the short to medium term.</li> <li>Thus, most new development for is likely to be for multi-let schemes or as design and build opportunities for major businesses which are seeking growth</li> <li>Despite these limits on the scale and type of premises sought, forecasting shows steady growth in all private office sectors, notably in Preston. Past experience suggests more volatility in the ICT sector though with numbers employed/business numbers rising and dropping at the local scale. Amongst other impacts this makes it hard to plan for tech focused micro business facilities as it is difficult to be confident about long term business growth. As new technologies grow and are superseded that volatility is likely to continue.</li> </ul>

Source: BE Group, 2022

- x) 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 and the west coast rail line. 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. Finally, Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour. The main overlapping issues with Central Lancashire are identified in Table ES2.

**Table ES2 – FEMA Issues Summary**

Area	Comments
Bolton	<ul style="list-style-type: none"> <li>• By far the most significant strategic development in Bolton currently being built is the 80 ha Cutacre development off Junction 4, M61. This is a major logistics scheme, marketed as Logistics North, and offering 400,000 sqm of space in plots capable of accommodating properties of 10,000-100,000 sqm. Existing occupiers include Aldi in 54,000 sqm and MBDA in 12,000 sqm. Joy Global, Costa Coffee and Green King are occupiers with some 250,000 sqm of space completed to date in the North West's largest active commercial development. It retains considerable spare capacity to compete with equivalent schemes in Central Lancashire</li> <li>• This will be combined with a development of 33 ha West of Wingates Industrial Estate at M61, Junction 6. This site is under the control of developer Harworth and was granted consent for 100,000 sqm of employment floorspace by the Secretary of State in June 2021 following a call-in inquiry. Delivery is expected over the next few years.</li> </ul>
Wigan	<ul style="list-style-type: none"> <li>• Most significant for Central Lancashire is likely to be the 140,000 sqm of employment floorspace proposed at M6 Junction 25, Wigan</li> <li>• A planning application from Tritax Symmetry (App. No. A/18/85947/MAJES) for 133,966 sqm of B8 floorspace (with ancillary office floorspace) at M6 Junction 25 (Places for Everyone Plan Allocation) was approved in June 2021 following public inquiry</li> </ul>
Blackburn with Darwen	<ul style="list-style-type: none"> <li>• Frontier Park, Junction 6, M65 is nearing completion and largely occupied with large B2/B8 businesses including Fagan and Whalley and Alufold.</li> <li>• A new strategic employment site allocation is proposed at Junction 5 of the M65 and would be the closest competing strategic location to the Cuerden Strategic Site. Further details on this proposed site have yet to be established, but it is expected to deliver larger B2/B8 uses. However, the strong B2/B8 market at present could support the delivery of multiple such strategic sites in the North West, simultaneously.</li> </ul>
Ribble Valley	<ul style="list-style-type: none"> <li>• Excluding the cross-boundary Samlesbury Enterprise Zone, there are no other strategic scale sites and employment areas in Ribble Valley.</li> </ul>
Blackpool	<ul style="list-style-type: none"> <li>• There will be a likely overlap in the aviation sector between Blackpool Airport and the Lancashire (Samlesbury-Warton) Enterprise Zones.</li> <li>• However, there are also clear differences with the Lancashire Enterprise Zone, focused on aviation manufacture, and the BAE supply chain, particularly for defence activities. Blackpool Airport by</li> </ul>

Area	Comments
	<p>comparison is a civilian and commercial facility, with a focus on the operational aspects of the aviation sector.</p> <ul style="list-style-type: none"> <li>• The Airport Enterprise Zone also extends to include local office and industrial/warehouse areas which support occupiers in a range of more general business sectors.</li> </ul>
Fylde	<ul style="list-style-type: none"> <li>• Some service sector linkages along the M55 Corridor, between Whitehills and Preston, but no recent growth at Whitehills which is a long established mixed employment area of offices, industrial units and warehouses.</li> </ul>
Wyre	<ul style="list-style-type: none"> <li>• Hillhouse Business Park in Thornton-Cleveleys is a strategic development site and Enterprise Zone focused on the hi-tech chemical and polymer sectors alongside energy and advanced manufacturing.</li> <li>• While growth at Hillhouse may draw some chemicals, energy and waste sector specific companies away from Central Lancashire, Hillhouse Business Park has been an established chemicals/waste cluster since World War II and the Enterprise Zone designation here does not change this basic focus.</li> <li>• More generally, major employment developments in Wyre Borough tend to be focused in the urban peninsula submarket of Fleetwood/Thornton-Cleveleys and Poulton which are distant from Central Lancashire.</li> </ul>
West Lancashire	<ul style="list-style-type: none"> <li>• Skelmersdale is particularly likely to compete with Central Lancashire for logistics and industrial requirements emerging from the growing Liverpool Superport (see the Liverpool City Region Freight and Logistics Strategy, 2017). There is 52 ha of further growth land available in the town across multiple employment sites.</li> </ul>

Source: BE Group, 2021

### Present Employment Land Supply

- xi) In 2017, Central Lancashire had a realistic employment land supply of 177.63 ha. As of October 2021, the supply had actually increased slightly to 190.78 ha, comprising:
- Chorley: 56.28 ha
  - Preston: 82.52 ha – Comprising 71.31 ha in EP1 allocations and another 11.21 ha in ELR sites which were excluded from the 2017 Study, which could provide further growth options (0.66 ha of these ELR sites fall in the City Centre Boundary, as defined in the Local Plan, all fall outside of EP2 Employment Areas)
  - South Ribble: 51.98 ha.
- xii) When split by the use class likely to be delivered on the land, 61 percent of the supply is flexible enough to support the full mix of B-Class options, including E(g)(i) offices and the smaller industrial space which appears most in demand according to the market assessment summarised above. Another 29.8 percent could specifically support the requirements for larger B8 logistics space also noted.

- xiii) In terms of the Preston sites, the City Council has requested that this Study's site grading system be related to the Local Plan and ELR grading of the EP1 sites as Best Urban, Good Urban or Other Urban. Making a comparison between gradings suggests that the only remaining Best Urban EP1 site is EP1.3: Preston East Employment Area reflecting its strong position adjacent to J31(a), M6 and the development proposals actively being delivered here. EP1.8: Deepdale Street / Fletcher Road and EP1.11: Roman Road Farm are now graded Other Urban. This reflects the backland status of the remaining development land and the lack of short-medium term development prospects on both sites.
- xiv) By authority, the key changes in the land supply on 2017 are:
- *Chorley* – Improved delivery prospects on EP1.2: Botany Bay, Chorley and particularly EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley for mostly B-Class premises. At EP1.5: Euxton Lane, Chorley the Strawberry Fields scheme is progressing, with the Digital Hub now operational. Finally, at EP1.13: Southern Commercial, Buckshaw Village, Orbit Developments has delivered the first large office of the Buckshaw Parkway scheme.
  - *Preston* – Development is actively progressing on EP1.3: Preston East Employment Area and EP1.7: Land North of Eastway (formerly Broughton Business Park. The most significant development in the pipeline is the Longridge Road Energy Centre, expected to take up 9.27ha on EP1.4: Red Scar Industrial Estate. Of the ten ELR sites this Study has reviewed, seven appear to offer small scale regeneration opportunities mostly in Central Preston.
  - *South Ribble* – South Ribble's land supply has seen only modest change since 2017. However, E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington, is expected to deliver the only speculative unit of over 50,000 sqm in the North West in 2021. At C2: Moss Side Test Track, Leyland plans for a business park of some 5.70 ha (Titan Business Park) are becoming firmer, with planning consents being sought
- xv) In addition to the above, South Ribble contains two strategic land allocations – the 65 ha Cuerden Strategic Site and the 72 ha Samlesbury Enterprise Zone. At the Cuerden Strategic Site (Lancashire Central), previous plans for development have largely been discarded. The County Council is working with developer partner Maple Grove to produce a new masterplan for the site, which it is expected to be more focused on B-Class employment.

xvi) The Samlesbury Enterprise Zone has been in operation for around a decade and has now seen several high value developments in areas such as defence logistics, asset management and skills development. An Advanced Manufacturing Research Centre (AMRC) is under construction. In October 2021, it was also announced that the Samlesbury Enterprise Zone will be home to a £5 billion campus for the National Cyber Force, likely to take up a substantial area of land by 2030. Additionally, the LEP report receiving a number of confidential enquiries for industrial, office and lab space. These include a lot of spin offs from the emerging AMRC. A net developable area of 44.46 ha has been identified, of which 35 ha is in South Ribble and some 4.10 ha has been, and is being, taken up to date.

### Objectively Assessed Needs

xvii) As in 2017, to assess needs two recognised methods of forecasting have been used, creating four distinct models of OAN. The outputs from these models are outlined in Table ES3.

**Table ES3 – Central Lancashire Land Forecast Models – Summary**

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2021-2038, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha <i>D=A-(B+C)</i>	Assumptions
Chorley	Local Take Up	56.28 ha of Local Supply	58.99	17.35	(20.06)	Based on historic (30 years) take-up of 3.47 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	56.28 ha of Local Supply	Growth: +6.4 Change: +2.7	+1.78 +0.75	1) 48.10 2) 54.33	Based on 1) projected growth sectors 2) projected employment change across sectors
Preston	Local Take Up	82.52 ha of Local Supply (with ELR Sites)	54.91	16.15	11.46	Based on historic (28 years) take-up of 3.23 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	82.52 ha of Local Supply (with ELR Sites)	Growth: +7.9 Change: +3.7	+2.19 +1.03	1) 72.43 2) 77.79	Based on 1) projected growth sectors 2) projected employment change across sectors

South Ribble	Local Take Up	51.98 ha of Local Supply	60.01	17.65	(25.68)	Based on historic (30 years) take-up of 3.53 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	51.98 ha of Local Supply	Growth: +7.8  Change: +4.2	+2.17 +1.17	1) 42.01 2) 46.61	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2021

### ***Historic Land Take Up***

- xviii) The first method is a forward projection of historic land take up trends. Based on this projection, Central Lancashire needs 225.06 ha of land, inclusive of a five-year buffer. Split by local authority area, this comprises:
- Chorley – 76.34 ha
  - Preston – 71.06 ha
  - South Ribble – 77.66 ha.
- xix) Against the realistic employment land supply of Central Lancashire, there are shortfalls in Chorley and South Ribble, but not Preston:
- Chorley – **20.06 ha (further need)**
  - Preston – **-11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha**
  - South Ribble – **25.68 ha (further need).**

### ***Labour Demand***

- xx) The second method looks at jobs growth, as identified in Cambridge Econometrics forecast modelling, an updated (2021) model which allows for macro-economic changes since 2017/2019. As can be seen in Table ES1, the resulting jobs based forecast model suggests Central Lancashire has much smaller land shortfalls.
- xxi) However, the market assessment, the impacts of the Covid-19 Pandemic on jobs densities and a review of the historic trends in employment change and land take up (see Section 7.0 of the Main Report) suggest that these forecasts underestimate land

needs significantly. **The preferred forecasting method is therefore a projection forward of past take-up rates that considers both strategic and local needs.**

### Recommendations

xxii) 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 key recommendations are:

- That the Council should adopt the land take-up scenario. This suggests that Central Lancashire needs 225.06 ha of land to 2038. A residual need of 45.74 ha above current supply levels is identified, comprising:
  - Chorley – 20.06 ha
  - Preston – -11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha
  - South Ribble – 25.68 ha.
- Some options to meet this need are:
  - *Chorley* – Consider alternatives to EP1.1: Great Knowley, Chorley around the M61 Corridor, particularly if they offer scope to provide the larger B2/B8 properties which remain in demand. Away from the motorway, stakeholders highlight Buckshaw Village as a focus of demand for smaller industrial uses despite the reducing options for new development here. Buckshaw Village could thus be a useful area of search for new opportunities, possibly extending into South Ribble. In the post Covid-19 Market, there is still some market interest for small, flexible office options. There are long term prospects for the development of further offices on EP1.13: Southern Commercial, Buckshaw Village, building on the development completed to date. If developed to its maximum capacity, EP1.13 could meet the bulk of Chorley's E(g)(i) needs for the rest of the Plan Period. However, at present, the scheme developer is looking to let space in bulk to larger businesses. There are no plans to sub-divide accommodation to provide the small suites, serviced or unserviced, which the market requires. It should also be noted that a large office scheme in Buckshaw Village would meet needs across most of Chorley District as much of South Ribble too, taking businesses away from Chorley (and Leyland) Town



Centres, unless alternative options are also provided within those Centres.

- *Preston* – The small surplus in Preston, against needs is unlikely to last long and offers little choice for businesses. Looking at the ELR sites, only ELR 10: Fulwood Barracks is large enough to meet needs. Assuming the Barracks does indeed close in 2027, masterplanning will be required to identify the deliverable mix of uses it could accommodate in its reuse. Otherwise North East Preston, remains a focus for market interest from the industrial and warehouse sectors. Modest demand for smaller offices continues in the post Covid-19 market. Further development of office uses in Preston City Centre is inhibited by a lack of modern multi-occupancy space. The longer term prospect of building up Preston's office market would be dependent on delivering new or refurbished premises into the City Centre, something which could be usefully considered in ongoing regeneration programmes.
- *South Ribble* – The revised plans at the Cuerden Strategic site could be considered towards meeting local land needs for both South Ribble and Preston. More generally, the demand for larger B2/B8 units remains strong enough to support development on any of the main road corridors in the Borough and particularly of course close to Motorway junctions
- Review and monitor the employment land and premises position and undertake the study again regularly, and as a minimum within five years
- The Councils should continue to work with neighbouring authorities on issues in which interests will overlap.

## 1.0 INTRODUCTION

1.1 This report provides an Employment Land Study for the Central Lancashire sub-region and its component local authority areas of Preston, Chorley and South Ribble. It was carried out on behalf of Chorley and South Ribble Borough Councils and Preston City Council (the three Councils).

1.2 BE Group, Warrington-based economic development and property consultants, compiled this report during August-November 2021.

1.3 The study was commissioned to provide an up to date and proportionate 'Update' of the Central Lancashire Employment Land Study, produced in 2017 by BE Group. The Employment Land Study Update aims to support the emerging Central Lancashire Local Plan and consider the Covid 19 Pandemic, changes in national planning policy, Brexit, and their impact on the local and sub-regional economies. In detail, the Study aims to:

- Review updated national, county, sub-regional and local guidance, with a focus on where key guidance has change since 2017 and what the impacts of those changes might be for Central Lancashire
- Consider the available socio-economic data, at the UK, regional, county, sub-regional and local level, which has been updated since 2017 and particularly which illustrate the impact of Covid-19 on the local/sub-regional land and property market so far and what the longer term impacts may be
- Provide an updated high level understanding of the local/sub-regional property market in the rapidly changing conditions, evaluating the performance of the different property sectors in terms of levels of demand, take up of space and the current supply available to the business community, both in terms of land and premises
- Update the Functional Economic Market Area Analysis through email contacts with adjoining local authorities.
- Undertake a high level review of the Central Lancashire employment land supply
- Provide updated employment land forecasting, including modelling of jobs growth which, as much as possible, takes into account the changing circumstances of 2020/2021. Consider whether the forecast models used in 2017 remain valid and accurate
- In light of the above, provide a review of the Conclusions and Recommendations

of the 2017 Study and identify the scale, location and type of demand for employment land and property in Central Lancashire over the study period.

- 1.4 It should be noted that this study was completed during the Covid-19 Pandemic. This may influence the views of some stakeholders regarding future demand for land and property, although BE Group has encouraged all parties to think long term, beyond the lockdown and the short-term economic impacts resulting from it. Where possible, research has considered what the longer term impacts of the Covid-19 Pandemic might be on the local demand for land and property.

### **Background**

- 1.5 In July 2012, the three councils adopted the Central Lancashire Core Strategy which sets out the strategic planning policies for Central Lancashire and which is supported by the individual local plans, produced by each respective Council in 2015.
- 1.6 In 2018, a review of the Core Strategy and individual local plans was begun with a view to delivering a single Central Lancashire Local Plan (CLLP), reflecting both the shared strategic policy objectives and more detailed non-strategic policies. Work completed by the Central Lancashire Team, to date, includes three Call for Sites exercises between 2018 and 2020, and updated Local Development Scheme and consultation on the Issues and Option Document. The next Milestone for the CLLP is the consultation on a Preferred Options Document, scheduled for summer 2022. This Central Lancashire Employment Land Study Update will provide an evidence base on employment land matters to inform that Preferred Options Document and the CLLP more generally.

### **Methodology**

- 1.7 Research methods used include e-meeting and telephone interviews with property market stakeholders such as developers, investors and their agents, reflecting the latest guidance on social distancing in the Covid-19 Pandemic, where relevant. Desktop analysis of national, sub-regional and local reports and strategies has been undertaken, to ensure conformity with strategic policy.
- 1.8 The Functional Economic Market Area is identified and the property market in the local authority areas within that area of economic influence has been reviewed. This has been undertaken through consultations with officers from the relevant Councils.

- 1.9 Finally, the land supply has been assessed against up to date forecast data, accounting for the latest macro-economic trends, to understand the future need for any additional employment land. This is then developed into a series of economic development recommendations that cover not just land, but also premises.
- 1.10 Attached at Appendix 1 is a list of all consultees.

*Employment Land Review Guidance*

- 1.11 A reason for undertaking the Central Lancashire Employment Land Study Update is to take account of updated Planning Practice Guidance (PPG), which provides guidance on how local authorities should approach both housing and employment land reviews. Two guidance notes were produced in 2014 and updated over 2018/19 – *Housing and Economic Land Availability Assessment* which provides a methodology of reviewing suitable land, and *Housing and Economic Needs Assessments*, which provides guidance on how future needs can be determined. A third PPG *Effective Use of Land* provides advice on assessing whether existing employment allocations should be protected or reallocated for a more deliverable use.
- 1.12 The assessment process takes the form of a five-stage methodology under the following headings:
- **Stage 1: Identification of sites and broad locations** to provide an audit of available land of 0.25 ha and above. This will be a review identifying as wide a range as possible of sites and broad locations for development (including those existing sites that could be improved, intensified or changed). Identification methods may include a public ‘Call for Sites’ exercised by the local authority. The outcome of this stage is to understand key employment land supply issues and generate a portfolio of potential employment sites to take forward for more detailed review.
  - **Stage 2: Site/broad location assessment** to estimate the development potential. This will include a re-appraisal of the suitability of previously allocated land, and the potential to designate allocated land for different or a wider range of uses. This stage entails a qualitative review of all significant sites and premises for their ‘suitability’, ‘availability’ and ‘achievability’ in order to confirm which of them are unsuitable for/unlikely to continue in B1/B2/B8 employment use; to establish the extent of ‘gaps’ in the portfolio; and if necessary, identify additional sites to be

allocated or safeguarded. This exercise will help to inform whether a site is 'deliverable', 'developable' or neither. In assessing the portfolio, factors which need to be considered include:

- *"The best fit functional economic market area*
- *The existing stock of land within the area - this will indicate a baseline for land in employment uses*
- *The recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or loss to permitted development)*
- *Market demand – sourced from market intelligence from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums including locational and premises requirements of particular types of business*
- *Market signals – based on projected growth in the certain markets and demographic changes and*
- *Oversupply and evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively."*
- When considering whether there is a realistic prospect of an existing employment site being developed for its intended use, PPG Effective Use of Land suggests that the following factors be taken into account:
  - *"The length of time since the site was allocated in the development plan*
  - *The planning history of the site including any planning applications or pre-application enquiries*
  - *Whether there is evidence that the site has been actively marketed for its intended use for a reasonable period, and at a realistic price; and*
  - *Whether there are any changes of circumstance that mean that take-up of the site for its intended use is now unlikely.*
- *Where an alternative use for the allocated site is proposed, it will also be relevant to consider the extent to which evidence suggests the alternative use would address an unmet need, as well as the implications for the wider planning strategy for the area and other development plan policies."*
- **Stage 3: Windfall assessment** Not applicable as relates to housing only.
- **Stage 4: Assessment review** ascertaining the need for economic development uses. To understand the future quantity of land required across the main business sectors; to provide a breakdown of that analysis in terms of quality and location

and provide an indication of ‘gaps’ in supply through economic forecasting, consideration of recent trends and/or assessment of local property market circumstances. Preferred forecast methods include:

- *“Sectoral and employment forecasts and projections (labour demand)*
- *Demographically derived assessments of future employment needs (labour supply techniques)*
- *Analysis based on the past take-up of employment land and property and/or future property market requirements.”*
- This is combined with *“consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.”*
- The outcome of this stage is to provide broad quantitative employment land requirements across the principal market segments covering the Borough’s Local Plan period and an analysis of the likely ‘gaps’ in supply that need to be filled
- **Stage 5: Final evidence base**, the outcome of which will be the completion of the employment land review, to be taken forward in the Local Plan. The Central Lancashire Employment Land Study is prepared in line with this advice.

1.13 Table 1 shows how the Central Lancashire Employment Land Study Update aligns with this Guidance. The link between the report and the PPG methodology is not always clear cut, with different sections overlapping, indeed certain steps overlap.

**Table 1 – Employment Land Reviews – PPG Guidance**

<b>Stage 1 – Site / Broad Location Identification</b>	
Determine assessment area and site size	Undertaken by the three Councils
Desktop review of existing information	Review of the policy position, socio-economic position, local/sub-regional property market and the 2021 land supply (Covered in Sections 2, 3, 4, 6)
Call for sites / broad locations	Call for Sites exercises completed internally by three Councils. Updated employment land supply positions provided by the three Councils
Site / broad location survey	Updated review of available employment sites. Broad locations to meet future land needs completed in Conclusions and Recommendations. (Covered in Sections 4,5 and Appendices)
<b>Stage 2 – Site / Broad Location Assessment</b>	
Estimating the development potential in parallel with assessing suitability, availability, achievability – including viability	Covered in Section 4 and Appendices

Overcoming constraints	Covered in Section 4 and Appendices
<b>Stage 3 – Windfall Assessment</b>	
Determine housing / economic development potential of windfall sites (where justified)	N/A
<b>Stage 4 – Assessment Review</b>	
Review assessment and prepare draft trajectory; enough sites / broad locations?	Section 7
<b>Stage 5 – Final Evidence Base</b>	
Step 12 – Evidence Base and monitoring	Central Lancashire Employment Land Study Update produced by BE Group and monitoring undertaken by the three Councils.

*Source: BE Group, 2021*

## 2.0 STRATEGIC CONTEXT UPDATE

### Introduction

- 2.1 This section focuses on national, sub-regional and local reports and strategies that have a relevance to the allocation of employment land and premises. It updates and reviews the policy position from the 2017 Central Lancashire Employment Land Study and shows how that study, and this Update, conform to national and strategic policy and have influenced local policy. Where policy documents are unchanged from the 2017 Central Lancashire Employment Land Study, but remain up to date and relevant, these are not repeated here, rather reference is made to where they were reviewed in the 2017 Study – Section, page and paragraph numbers.

### National Policy/Strategy

#### ***National Planning Policy Framework (NPPF), 2021***

- 2.2 The framework set out planning policies for England and the ways in which they can be applied. The introduction stated that it “*provides a framework within which locally-prepared plans for housing and other development can be produced.*” The NPPF must be taken into account when developing local authority development plans and remains a material consideration in planning decisions.
- 2.3 Amendments to the 2019 NPPF now make it mandatory for councils to produce local design codes and increase the emphasis on ‘beauty’ in development - “*all local planning authorities should prepare design guides or codes consistent with the principles set out in the National Design Guide and National Model Design Code, and which reflect local character and design preferences*” (Para 128). Additionally, the framework now requires local plans to look 30 years ahead where large scale development forms part of the areas strategic policy, “*to take into account the likely timescale for delivery*” (Para 22).
- 2.4 Key for employment, and other sites, was Chapter 11 on making ‘Effective Use of Land.’ Para 122 encouraged reallocating land where there is no reasonable prospect of an application coming forward for the allocated use. Specifically Local Planning Authorities should:
- “*As part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is*



*undeveloped)*

- *In the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.”*

2.5 *“Local planning authorities should also take a positive approach to applications for alternative uses of land which is currently developed but not allocated for a specific purpose in plans, where this would help to meet identified development needs. In particular, they should support proposals to ... use retail and employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework.” (Para 123).*

2.6 Additionally, planning policy should *“promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure)” (Para 120).*

### ***Use Class Order Amendments, September 2020***

2.7 As of September 2020, adjustments have been made to the Use Classes Order which mean that Use Classes A1, A2, A3 and B1 are now to be treated as Class E. The B1 class has been changed to E(g) and defined as “ [Employment] *Uses which can be carried out in a residential area without detriment to its amenity.*” E(g) is further separated into three sub-categories which reflect the previous a, b, c division of the B1 Use Class:

- E(g)(i): Offices to carry out any operational or administrative functions (former B1(a))
- E(g)(ii): Research and development of products or processes (former B1(b))
- E(g)(iii): Industrial processes. (former B1(c)).

2.8 Class D has also been redefined to newly introduced Classes E and F, with Class F comprising of Local Community and Learning premises. D1 is split out and replaced by the new Classes E(e-f) and F1. D2 is split out and replaced by the new Classes E(d) and F2(c-d) as well as several newly defined ‘Sui Generis’ uses, including:

- Pubs, wine bars and other drinking establishments (including those with expanded food provision)
- Hot food takeaways
- Live music venues
- Cinemas, concert halls, bingo halls and dance halls.

2.9 The residential (C classes), general industrial (B2) and storage and distribution (B8) use classes remain unchanged.

2.10 The E Class brackets together a wide variety of uses, all of which are now considered to be in the same use class:

- Retail
- Restaurants
- Financial, professional or other commercial services
- Publicly accessible indoor sport, recreation or fitness
- Publicly available medical or health services
- Crèches, day nurseries and day centres
- Offices, including research and development
- Industrial uses which do not harm amenity.

2.11 Planning permission is not required for changes of use within the same use class. This means that many types of business user will be able to change the uses of properties without seeking planning permission. For example, under the new rules, a shop will be able to change to an office and then to a gym and back again, without planning permission.

2.12 In order to change the uses within a class, there must have been actual and lawful use (i.e. if the building is not being used or occupied for the use permitted under an existing planning permission, it will need to be brought into that use before it can then change to another use within Class E).

2.13 The government has said that the main driver of the changes has been the need to enable a repurposing of buildings on high streets and town centres. The new Class E allows for a mix of uses to reflect changing retail requirements. It will allow a building to be used flexibly by having a number of uses taking place concurrently or by allowing different uses to take place at different times of the day. The aim is for this to support the high street revival and allow greater flexibility to change uses within town centres

without the need for planning permission.

- 2.14 The Government has also implemented separate changes to permitted development rights. These include allowing the demolition and rebuilding of vacant and redundant office and light industrial buildings into dwellings, without planning permission.
- 2.15 To implement this will require that prior approval from the local authority prior to commencement of the development. This includes approval in respect of traffic and highway matters, air traffic and defence asset impacts, contamination risks, flood risk, the external appearance of the building, the provision of adequate natural light in all habitable rooms of the new dwellings, impact on amenity of the existing building and neighbouring premises including overlooking, privacy and loss of light, and the impact on any protected views.

### **Sub-Regional Policy/Strategy – Central Lancashire**

#### ***Central Lancashire Employment Land Study 2017***

- 2.16 BE Group was commissioned to complete an Employment Land Study on behalf Central Lancashire's three local authorities in 2017. In its analysis of the property market, it found that commercial sectors in the UK economy were experiencing a continued period of growth. For the first time since 2007 speculative development was a realistic prospect, particularly in the markets for light industrial space and major warehousing. However, stakeholders reported an undersupply of premises across all three areas, which was pushing up rents. In terms of offices there was an oversupply reported, particularly in Preston and South Ribble with a market that will not support the speculative development of new offices.
- 2.17 The identified realistic Central Lancashire land supply of 177.63 ha, as of 31<sup>st</sup> March 2016, was not sufficient to meet needs over the period 2014-2034 even when backdated to 2014 (190.77 ha). Based on a forward projection of Local Take Up rates the shortfall is 82.23 ha – 36.05 ha in Chorley, 14.67 ha in Preston and 31.51 ha in South Ribble.
- 2.18 Table 2 below shows the full employment land need forecast in 2017, broken down by use classes.

**Table 2 – Full Need, Split by Use Class – Strategic/Local**

Further Needs	Use Class (Percentage Split, percent)					Total (ha)	
	B1(a) (Now E(g)(i))	B1(b) (Now E(g)(ii))	B1(c) (Now E(g)(iii))	B2	B8		Mixed
Chorley	13.52	-	(3.02)		22.25	3.30	36.05
Preston	40.91	-	(24.74)		(1.50)	-	14.67
South Ribble	26.49	-	2.38		21.90	(19.26)	31.51
<b>Central Lancashire</b>	<b>80.92</b>		<b>-25.38</b>		<b>42.65</b>	<b>-15.96</b>	<b>82.23</b>

Source: BE Group, 2017

2.19 The Study also made recommendations to encourage development, where market failures were most likely to occur at the mid-range of industrial and office space. In order to achieve, this it was recommended that flexibility be maintained over the mix of uses to allow viable combinations to be identified. Additionally, in order to ensure the accuracy of future employment land reviews and consequently the effectiveness of future employment land allocations, it was recommended that each local authority focus on providing strong and consistent monitoring of land completions. Finally, it was recommended that Central Lancashire’s authorities review their employment land portfolios at appropriate intervals of around five years as well as maintaining an awareness of external influences and retaining an understanding of their responsibility of helping to develop the economy of Central Lancashire’s Functional Economic Market Area (FEMA).

### **Central Lancashire Employment Land Study – Objectively Assessed Needs Update 2019**

2.20 BE Group was commissioned in 2019 to provide an Objectively Assessed Needs Update of the 2017 Employment Land Study. This document provided a revised evidence base on employment land needs to support the review of the Central Lancashire Core Strategy, and individual plans of Preston, Chorley and South Ribble, which was being undertaken with a view to delivering a single Central Lancashire Local Plan (CLLP).

- 2.21 The market analysis, conducted for this Study noted that demand was growing for smaller industrial units while demand was falling for larger stand-alone factories. For warehousing, at the smaller end of the market, most requirements are for mixed industrial/storage space. At the larger scale, warehouse demand was continuing to grow, driven by the expanding logistics sector. Demand was mostly for high specification logistics units with older warehousing space increasingly becoming surplus to requirements. Finally, in terms of offices, business sizes were seen to be reducing, which favoured the development of higher density multi-let, serviced schemes rather than larger self-contained units.
- 2.22 As in 2017, it was considered that it was most appropriate that the forecasts for future employment land needs be based on the Local Take-Up Scenario. Although this does not permit consideration of strategic requirements at Cuerden/Samplesbury, it does accurately measure local needs and suggests that each authority does require additional local land to 2036, against the backdated supply, comprising:
- Chorley – 37.18 ha further need
  - Preston – 22.54 ha further need
  - South Ribble – 43.72 ha further need.
- 2.23 Central Lancashire's previous take up was be split by the main employment use classes – B1(a, b, c now E(g)), B2, B8 – and then compared to an equivalent split of the backdated local land supply. This method identified the following main gaps in supply by use class:
- Chorley – Larger B8 options are needed. Some 13.55 ha of office land is also required
  - Preston – Preston needs more sites suited for offices and B8 warehousing, but has more than sufficient land allocated for industrial uses, with any oversupply likely focused in North East Preston (i.e. Local Plan Sites EP1.1-1.6 and EP1.10-1.11) where land will also suit B8 options
  - South Ribble – Sites suiting both larger B2/B8 uses and offices are required.
- 2.24 Included in the total land needed was the specific need for office space which was identified as:
- Chorley – 13.55 ha
  - Preston – 22.33 ha
  - South Ribble – 24.97 ha.

### Local Policy/Strategy Amended Since 2017

2.25 The following Policy/Strategies are unaltered from the 2017 Study (Table 3).

**Table 3 – Policy/Strategies Unchanged from the 2017 Central Lancashire Employment Land Strategy**

Study	Author	Section, Paragraph Numbers in the Central Lancashire Employment Land Study – Technical Report, 2017
<b>National Policy/Strategy</b>		
Building Our Industrial Strategy	HM Government	Section 2.0, Pages 8-9, Para 2.18-2.20
Northern Powerhouse Strategy	HM Government	Section 2.0, Pages 8-9, Para 2.18-2.20
<b>Sub-Regional Policy/Strategy – Lancashire LEP Area</b>		
Strategic Economic Plan: A Growth Deal for the Arc of Prosperity and City Deal Implementation Plan 2015-2018	Lancashire Enterprise Partnership	Section 2.0, Page 11, Para 2.18-2.20
<b>Sub-Regional Policy/Strategy – Central Lancashire</b>		
Central Lancashire Local Development Framework, Adopted Core Strategy	Preston, Chorley and South Ribble Councils	Section 2.0, Pages 11-13, Para 2.21-2.23
Central Lancashire Controlling Re-Use of Employment Premises Supplementary Planning Document	Preston, Chorley and South Ribble Councils	Section 2.0, Page 13, Para 2.24-2.25
Central Lancashire Rural Development Supplementary Planning Document	Preston, Chorley and South Ribble Councils	Section 2.0, Pages 13-14, Para 2.26-2.29
Central Lancashire Economic Regeneration Strategy 2026	Preston, Chorley and South Ribble Councils	Section 2.0, Pages 14-15, Para 2.30-2.32
Central Lancashire Office Needs Assessment	Preston, Chorley and South Ribble Councils	Section 2.0, Pages 15-16, Para 2.33-2.35
Chorley, Preston and South Ribble Employment Land Review to 2021	Preston, Chorley and South Ribble Councils	Section 2.0, Pages 16-19, Para 2.36-2.43
<b>Local - Preston</b>		
Preston Local Plan 2012 – 2026	Preston Local Plan 2012 – 2026	Preston Local Plan 2012 – 2026
<b>Local - Chorley</b>		
Chorley Local Plan 2012 – 2026: Site Allocations and Development	Chorley Council	Section 2.0, Pages 19-20, Para 2.44-2.48

Management Policies Development Plan Document		
Chorley Town Centre Masterplan – Stage 3 Report	Chorley Council	Section 2.0, Pages 20-21, Para 2.49-2.51
Chorley Economic Development Strategy	Chorley Council	Section 2.0, Pages 21-22, Para 2.52-2.54
<b>Local – South Ribble</b>		
Local Plan 2012-2026	South Ribble Borough Council	Section 2.0, Pages 25-27, Para 2.70-2.75
Our Recipe for Economic Success: South Ribble Economic Regeneration Strategy 2018	South Ribble Economic Partnership	Section 2.0, Pages 27-28, Para 2.76-2.77
Employment Land and Property Study	South Ribble Borough Council	Section 2.0, Pages 28-31, Para 2.78-2.79

Source: BE Group, 2021

### **Adopted Preston City Centre Plan 2016**

- 2.26 Preston’s City Centre Plan sits within the planning framework for Preston overarched by the Central Lancashire Core Strategy. Section Two of the City Centre Plan focuses on the economic vitality of Preston City Centre.
- 2.27 The City Centre already offers a wide range of office provision. However, much is ageing, of sub-prime quality and suffers from high vacancy levels. There has been no significant investment in new office development within the City Centre for some time, which means that the City Centre struggles to compete with out-of-town developments.
- 2.28 In accordance with the Local Plan and Central Lancashire Core Strategy, new office development should be located within the City Centre, unless it can be demonstrated that it is not viable. As such, the Plan promotes and encourages new office development in appropriate locations across the City Centre.
- 2.29 The City Centre Plan highlights the Corporation Street and the City Centre North Opportunity Areas as ideal locations to deliver modern, high quality and sustainable offices. Furthermore, underused properties in Winckley Square can be re-used for office use, to support the existing cluster of professional business activity here. The Plan also promotes creative and commercial industries, for example research and development business use in the Corporation Street Opportunity Area, and small-scale general industrial business use in the Stoneygate Opportunity Area.

- 2.30 Section Three provides more development advice for the City Centre Opportunity Areas of Corporation Street and Winckley Square. The Council envisage the Corporation Street area to be strongly affiliated with the University of Central Lancashire and therefore best placed to create the opportunities for the integration of the University with the City Centre. The Core Strategy also acknowledges that this part of the City Centre is well placed to deliver high quality, sustainable office accommodation, including specialist knowledge-based industries.
- 2.31 This area is focused on the corridor created by Corporation Street and the developable opportunities branching off it. It benefits from the improved connectivity created by the Fishergate Central Gateway Project. *Policy OP1 – Corporation Street* states that proposals for new, high-quality, mixed-use development will be permitted. In particular, proposals containing any one, or mixture, of office, hotel, leisure or retail uses (in the Primary Shopping Area) will be encouraged. Mixed-use proposals will be encouraged where they contain at least one these primary uses, alongside retail and/or housing.
- 2.32 In *Policy OP2 – Winckley Square, Proposals*, including mixed-use schemes, within the designated Winckley Square 'Inner Zone', will only be permitted where they comprise restaurants, offices, hotels, housing or non-residential institution uses.

### **Stoneygate Regeneration Framework – Supplementary Planning Document (SPD) 2020**

- 2.33 The Stoneygate Masterplan area covers a large part of the city centre, extending from the heart of the city centre, and including Queens Retail Park in the east and the Cardinal Newman College to the south. The framework SPD and associated Vision for Stoneygate will “*act to co-ordinate and encourage the actions of both public and private sector partners in the regeneration and development of Stoneygate as a mixed use ‘urban village’.*” Stoneygate will comprise “*a distinctive, characterful, sustainable, vibrant and successful ‘urban village’ that the City can be proud of, providing a safe, engaging, connected, enterprising, inclusive, people orientated environment for local residents, students, businesses, community groups and visitors.*” It includes a number of distinct areas, which require different approaches to design and development. The Horrocks Quarter, east of Manchester Road, had the most scope for large-scale development.
- 2.34 Stoneygate “*has inherent potential due to its proximity to the heart of the city centre*



*and has many of the factors that can make it a successful area*". Market research identified a steady increase in demand for city centre living opportunities in 2020 and accordingly the masterplan has a focus on residential opportunities. A residential-led Urban Village is sought in the Stoneygate Opportunity Area in City Centre Policy OP4. Some potential commercial development opportunities proposed include:

- A landmark development adjacent to Avenham Car Park
- A new commercial building with aspect to St. John's Minster public space.
- Shepherd Street/Manchester Road development
- New space off Queen Street/Manchester Road
- New build adjacent to Arkwright House designed to maintain and reveal views of the Church.

2.35 Since adoption of the Stoneygate Regeneration Framework in June 2020, residential development activity in the area has increased. Key schemes include changes of use, to residential, at former LCC offices at Winckley House, Guild House and 58-60 Guildhall Street. A major apartment scheme, of 200 units, is under construction at the Exchange at Pole Street and there is extant planning permission for 28 apartments at the SP4.6 housing allocation within the OP5 Horrocks Quarter Opportunity Area (25 Grimshaw Street). A major apartment scheme, of 294 units, has full planning permission at the Avenham Street Car Park site. Finally, Bishopsgate Gardens is a scheme of 130 apartments and seven retail units in the latter stages of construction at the former Red Rose House and Elizabeth House offices site in the City Centre North Opportunity Area.

### 3.0 SOCIO-ECONOMIC CONTEXT ASSESSMENT UPDATE

#### Introduction

- 3.1 This section provides a summary profile of the prevailing social and economic conditions in Central Lancashire. It aims to provide the socio-economic context which shapes employment land demand and supply factors in the Study Area to facilitate sustainable growth. It also provides an important context for understanding economic demand/need, having regard to the wider regional and national economies.
- 3.2 This section therefore considers the size of the economy, where the businesses are, and what type of businesses they are. By appreciating these aspects, it is easier to facilitate economic development by allocating land and premises in the correct locations and of the right type. The profile is a result of secondary research, drawing together several existing data sources. It also uses demographic data to build the picture, given that there were no readily available answers to some of the key questions included within this section.
- 3.3 Statistics which illustrate the impacts of the Covid-19 Pandemic on Central Lancashire since March 2020 are particularly featured.
- 3.4 It should be noted that commuting patterns are considered separately in Section 6.0, where they relate to calculations of the Functional Economic Market Area.

#### Population and Labour Market

- 3.5 Central Lancashire had a population of 374,103 in 2020, increased from 366,300 in the 2017 Study. 38.5 percent of the 2020 population was in the Preston local authority area.

**Table 4 – Population Change 2010-2020**

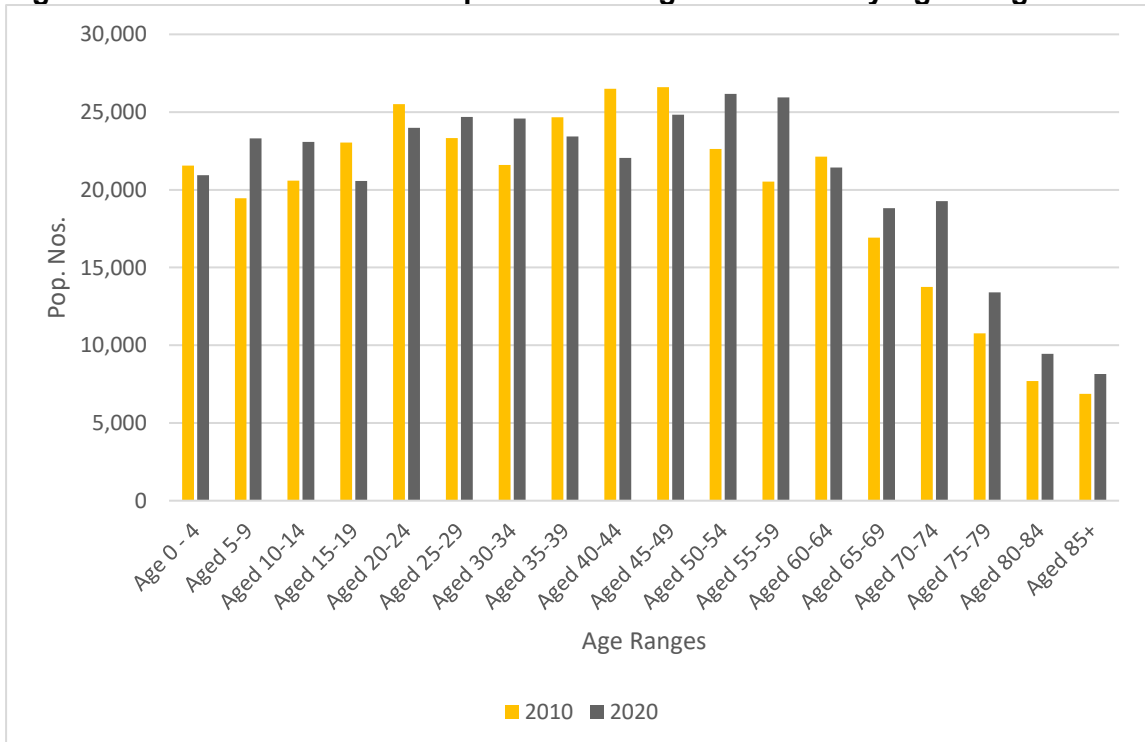
Local Authority	2010 Population	2020 Population	Population change	Percentage change
England	52,642,452	57,187,894	4,545,442	8.6
North West	7,019,921	7,367,456	347,535	5.0
Lancashire LEP	1,457,298	1,515,487	58,189	4.0
Central Lancashire	354,120	374,103	19,983	5.6
<i>Chorley</i>	<i>106,443</i>	<i>118,870</i>	<i>12,427</i>	<i>11.7</i>
<i>Preston</i>	<i>138,831</i>	<i>144,147</i>	<i>5,316</i>	<i>3.8</i>

South Ribble	108,846	111,086	2,240	2.1
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Source: Population Estimates, 2021

- 3.6 As Table 4 shows, Central Lancashire saw 5.6 percent population growth between 2010 and 2020, with Chorley seeing the greatest growth at 11.7 percent – higher than the growth seen across the North West (5.0 percent) and England (8.6 percent).
- 3.7 Figure 1 shows the ten year population change by age group for Central Lancashire. It shows that the largest growth has been in the older workers and retired groups aged 50 and over, a total increase of 21,354. By comparison, the worst declines were in the 40 year olds (6,225 less) and in school and University aged people of 15-24 (3,976 less). However, it is worth noting that there was some growth in ‘younger’ workers aged 25-34, a net gain of 4,357, who will be in employment for some decades yet. There was also growth in children aged 5-14, a gain of 6,331, who will be entering employment in 5-10 years. These trends are broadly consistent across the three authorities.

**Figure 1 – Central Lancashire Population Change 2010-2020 by Age Range**



Source: Population Estimates, 2021

3.8 Tables 5 and 6 provide age breakdowns for the 2020 populations of both Central Lancashire and the three constituent local authorities. Table 5 shows that Central Lancashire generally follows the same age breakdown as the North West and England, with the largest proportion of people being of 50-64 years (19.7 percent) and the smallest proportion being those over 75 years. The three authorities generally follow wider trends, apart from Preston, which has a higher proportion of younger people aged under 35. In part, this will reflect the City's student population, primarily linked to the University of Central Lancashire, along with an element of recent in-migration.

**Table 5 – Age Breakdown – Sub Regional**

Age	Central Lancashire		Lancashire LEP		North West		England	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Under 15	67,316	18.0	269,226	17.8	1,326,317	18.0	10,214,484	18.1
15-24	44,564	11.9	179,157	11.8	873,124	11.9	6,588,393	11.7
25-34	49,269	13.2	185,820	12.3	986,737	13.4	7,596,145	13.4
35-49	70,316	18.8	268,750	17.7	1,353,238	18.4	10,853,151	19.2
50-64	73,540	19.7	306,478	20.2	1,443,644	19.6	10,833,946	19.2
65-74	38,091	10.2	166,531	11.0	752,649	10.2	5,598,428	9.9
75+	31,007	8.3	139,525	9.2	631,747	8.6	4,865,591	8.6
<b>Total</b>	<b>374,103</b>	<b>100.0</b>	<b>1,515,487</b>	<b>100.0</b>	<b>7,367,456</b>	<b>100.0</b>	<b>56,550,138</b>	<b>100.0</b>

Source: Population Estimates, 2021

**Table 6 – Age Breakdown – Local Authority Area**

Age	Chorley		Preston		South Ribble		Central Lancashire	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Under 15	20,507	17.3	27,972	19.4	18,837	17.0	67,316	18.0
15-24	11,541	9.7	21,861	15.2	11,162	10.0	44,564	11.9
25-34	14,513	12.2	21,621	15.0	13,135	11.8	49,269	13.2
35-49	23,740	20.0	26,024	18.1	20,552	18.5	70,316	18.8
50-64	24,706	20.8	25,399	17.6	23,435	21.1	73,540	19.7
65-74	13,493	11.4	11,575	8.0	13,023	11.7	38,091	10.2
75+	10,370	8.7	9,695	6.7	10,942	9.9	31,007	8.3
<b>Total</b>	<b>118,870</b>	<b>100.0</b>	<b>144,147</b>	<b>100.0</b>	<b>111,086</b>	<b>100.0</b>	<b>374,103</b>	<b>100.0</b>

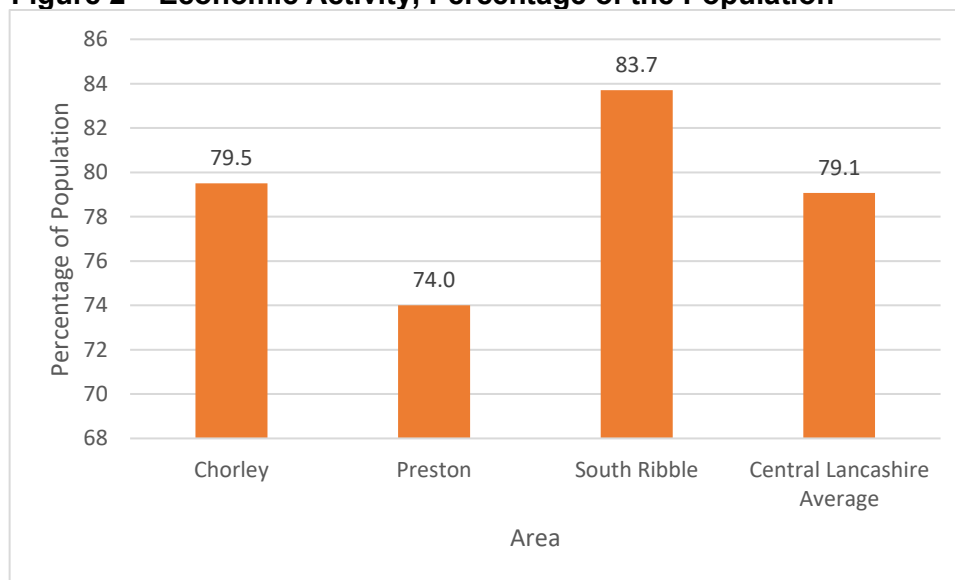
Source: Population Estimates, 2021

### **Key Labour Market Indicators**

3.9 Figure 2 shows patterns of economic activity in Central Lancashire, with South Ribble having a noticeably higher rate of economic activity than Chorley and Preston. As of

December 2020, Preston had the highest unemployment rate at 4.6 percent while Chorley and South Ribble had rates of 3.6 percent and 2.9 percent respectively. These latter two were notably below the average North West unemployment rate of 4.2 percent.

**Figure 2 – Economic Activity, Percentage of the Population**



Source: ONS Annual Population Survey, 2021

### **Self-Employment and Homeworking**

3.10 On average, 8.3 percent of workers were self-employed across Central Lancashire in 2020, primarily in Chorley, where 9.2 percent were self-employed, and South Ribble, where 8.8 percent were (see Table 7). 7.2 percent of Preston’s workforce was in self-employment in 2020.

**Table 7 – Self-Employment, 2020**

	Number	Percent
Chorley	6,300	9.2
Preston	6,400	7.2
South Ribble	5,900	8.8
Central Lancashire	18,600	8.3
Lancashire LEP	87,300	9.8
North West	403,700	9.0
England	3,539,700	10.1

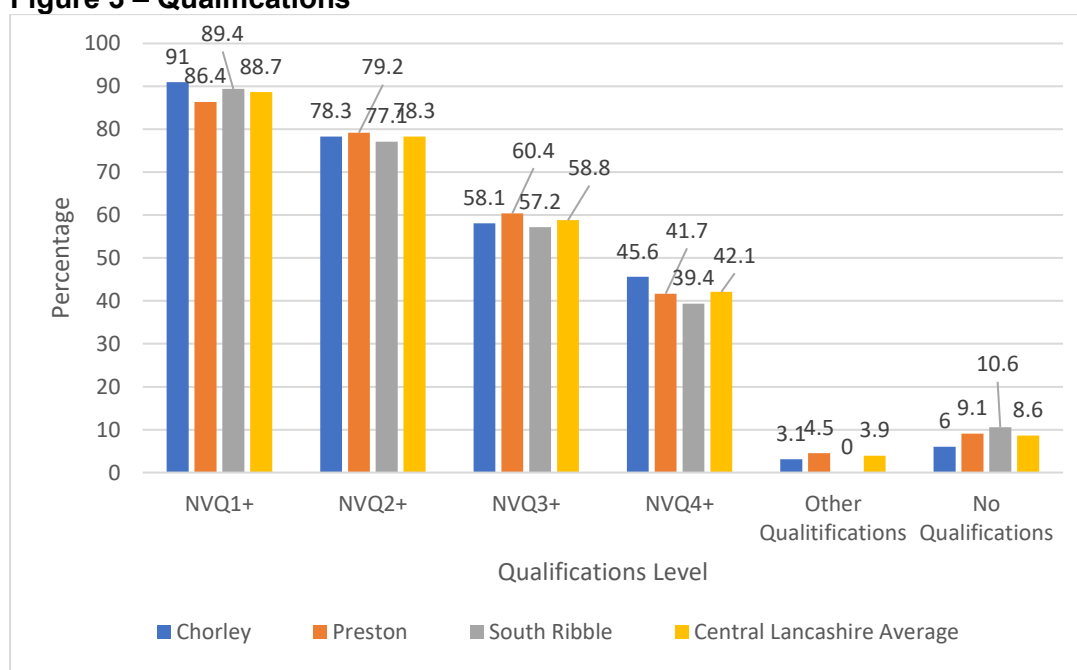
Source: Annual Population Survey, 2020

3.11 Home working figures are based on 2011 Census data so are unchanged from the Central Lancashire Employment Land Study – Technical Report (2017) – Section 3.0, Page 36-37, Paragraph 3.10 and Table 15.

**Skills and Qualifications**

3.12 Figure 3 shows that Chorley has the best qualified population of the three authorities, with 45.6 percent qualified to NVQ Level 4 or above, followed by Preston and South Ribble. All three however, compare well to the Lancashire LEP and North West average levels of NVQ Level 4+ attainment of 36-38.7 percent. Of the three local authority areas, the proportion of people with no qualifications was highest in South Ribble (10.6 percent), well above wider averages. Just 6.0 percent of Chorley’s working age population were not qualified in any way.

**Figure 3 – Qualifications**



Source: Annual Population Survey, 2021

**Annual Pay**

3.13 Median weekly pay varies between each of the Central Lancashire authorities. As Table 8 shows, Preston has the lowest workplace earnings, lower than the North West average and just over £100 less than England’s median weekly pay. Preston also has the lowest resident earnings in Central Lancashire. Chorley has the highest resident earnings in Central Lancashire, a rate which was also higher than the regional and national averages.

**Table 8 – Median Weekly Pay**

	<b>Workplace Earnings</b>	<b>Resident Earnings</b>
Chorley	498.0	613.7
Preston	485.7	507.8
South Ribble	560.6	560.5
North West	559.6	560.3
England	589.9	589.8

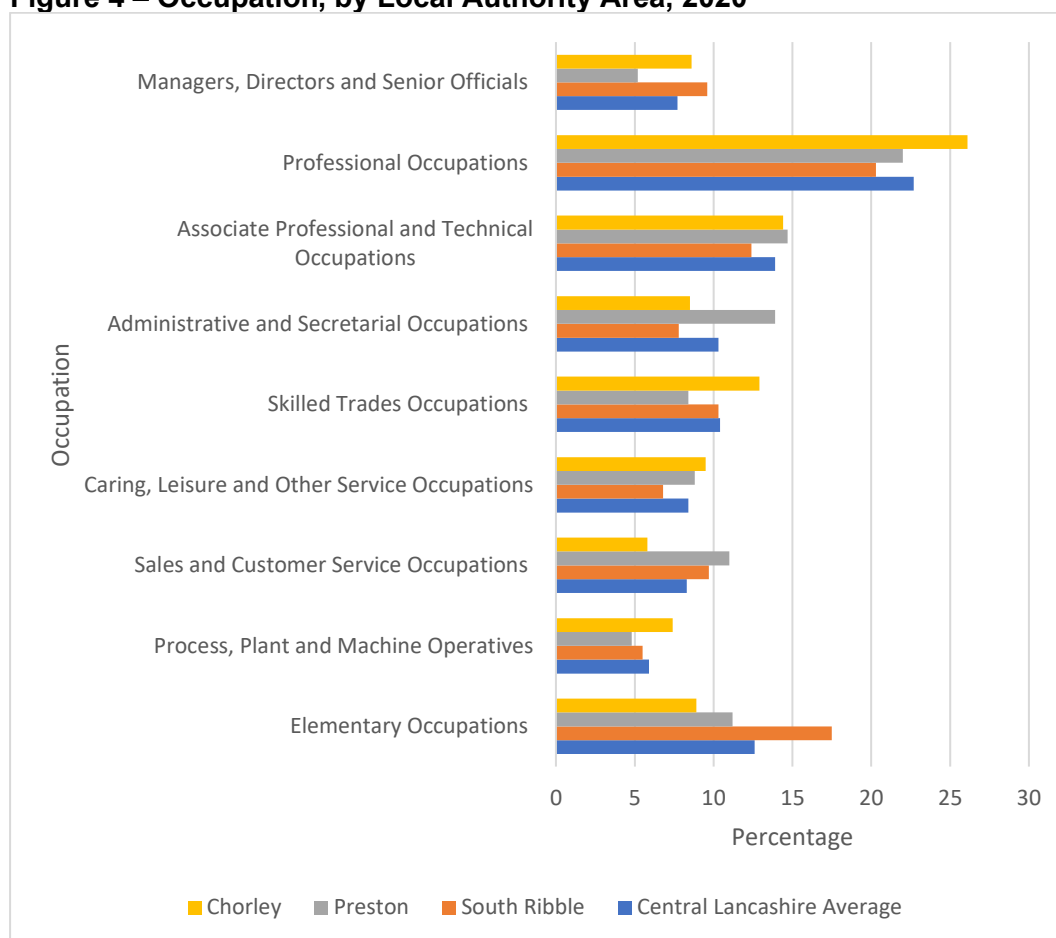
*Source: Annual Survey of Hours and Earnings, 2020*

- 3.14 South Ribble’s workers earn marginally more than the regional average, but less than the English standard. South Ribble’s workers earn more than those working in Preston and Chorley, by both the workplace and resident rates.

***Employment by Occupation***

- 3.15 Figure 4 below shows the split of employment by occupation of residents in Central Lancashire from December 2019 – December 2020. Across the three local authorities the highest proportion of employment was in Professional Occupations, with the individual proportions ranging from 22.7 percent in South Ribble to 26.1 percent in Chorley. Elsewhere, Chorley had strengths amongst those in mid level Skilled Trades (12.9 percent) and Preston a strength in Administrative and Secretarial Occupations (13.9 percent). South Ribble had the highest proportion of workers at both extremes – In Managers, Directors and Senior Officials (9.6 percent) and Elementary Occupations (17.5 percent).

**Figure 4 – Occupation, by Local Authority Area, 2020**



Source: Annual Population Survey, 2021

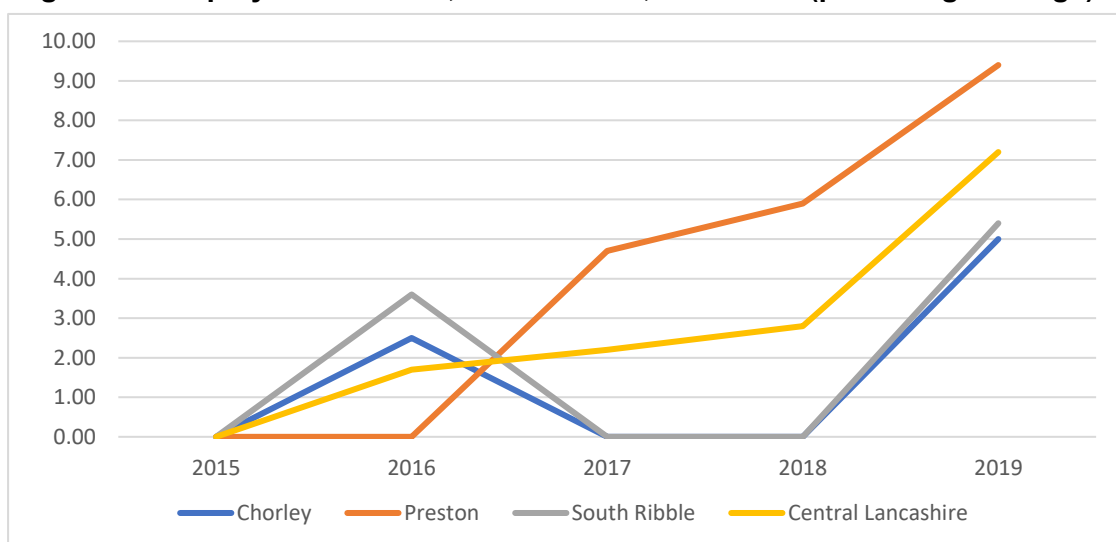
**Current Sectoral Composition**

- 3.16 The following section uses Business Register and Employment Survey (BRES) data to measure sectoral employment composition across Central Lancashire. It should be noted that BRES data represents a sample survey of local employment, rounded up, and accordingly subject to errors. Figures in this section should thus be taken to represent broad trends only.
- 3.17 Data was only available for the period 2015-2019 so jobs figures for the 2020-2021 period of the Covid-19 Pandemic cannot yet be provided.
- 3.18 As of 2019, the data identified a total of 194,000 jobs in within Central Lancashire split between 19 different industries. Nearly half of these, 93,000, were found in Preston, 30.4 percent (59,000) were in South Ribble and 21.6 percent (42,000) in Chorley.



3.19 Figure 5 shows the year on year proportionate jobs growth for the period 2015-2019. The Figure shows a similar pattern in Chorley and South Ribble, with modest gains in 2015-2016 and no growth over 2017-2018. In 2018-2019, the two authorities saw jobs growth of around 5 percent. Contrastingly, Preston saw strong proportionate growth from 2016-2017 onwards. Over the five year span, Preston saw the highest growth in employment, by 9.4 percent. Employment grew in Central Lancashire overall by 7.2 percent over the five year period.

**Figure 5 – Employment Growth, Year on Year, 2015-2019 (percentage change)**



Source: BRES, 2021

3.20 Table 9 measures local economic activity by sector within Central Lancashire as of 2019.

3.21 The figures in Table 9 show that Wholesale and retail trade accounted for the largest number of employees within Central Lancashire, with 33,000 in employment equating to 17.0 percent of the total within the sub-region (194,000). Unsurprisingly, nearly half of the jobs in this sector were focused in Preston which will include the City Centre retail core, Docks and various local/neighbourhood retail centres.

3.22 The Health sector employed 31,000 in Central Lancashire, 16.0 percent of the total. The majority of the employment in the health sector was in Preston and Chorley, likely linked to the two hospitals, with the Health sector only representing 10.2 percent of employment in South Ribble. Employment in the Health sector represents a higher proportion of the workforce than seen regionally and nationally.

**Table 9 – Economic Activity by Sector, 2019**

Sector	Employment Structure						
	Chorley	Preston	South Ribble	Central Lancashire	Lancashire LEP	North West	England
Agriculture, forestry and fishing	800	700	600	2,100	11,375	38,000	357,000
Mining, quarrying and utilities	25	50	10	85	405	3,000	23,000
Manufacturing	3,000	4,000	7,000	14,000	85,000	317,000	2,113,000
Electricity, gas, steam and air conditioning	0	300	45	345	2,080	18,000	110,000
Water supply, sewerage and waste management	150	400	2,000	2,550	5,150	23,000	171,000
Construction	2,500	4,500	11,000	18,000	37,500	165,000	1,355,000
Wholesale and retail trade	8,000	16,000	9,000	33,000	115,000	564,000	4,091,000
Transportation and storage	1,500	4,000	3,500	9,000	29,150	196,000	1,355,000
Accommodation and food services	3,000	4,000	2,500	9,500	47,250	243,000	2,033,000
Information and communication	1,750	1,750	1,750	5,250	13,900	97,000	1,188,000
Financial and insurance	600	2,250	400	3,250	9,200	95,000	942,000
Property	500	1,250	1,250	3,000	8,575	60,000	541,000
Professional, scientific and technical	3,000	5,000	3,000	11,000	39,150	311,000	2,490,000
Business administration and support services	2,500	11,000	4,000	17,500	44,800	297,000	2,413,000
Public administration and defence	2,500	9,000	2,250	13,750	33,000	155,000	1,064,000
Education	3,000	8,000	3,000	14,000	55,750	273,000	2,288,000
Health	8,000	17,000	6,000	31,000	104,750	488,000	3,368,000
Arts, entertainment and recreation	1,000	1,750	900	3,650	15,400	90,000	670,000
Other Services	1,250	1,250	900	3,400	12,400	68,000	582,000
<b>Total</b>	<b>42,000</b>	<b>93,000</b>	<b>59,000</b>	<b>194,000</b>	<b>669,000</b>	<b>3,498,000</b>	<b>27,154,000</b>

Source: BRES, 2021

3.23 14,000 were employed in manufacturing in Central Lancashire in 2019, comprising 7.2 percent of Central Lancashire jobs. This was proportionately below the 12.7 percent average for the Lancashire LEP and the 9.1 percent average for the North West. It was comparable to the English average of 7.8 percent. Manufacturing employment was focused in South Ribble which accounted for half of sectoral jobs in Central Lancashire

in 2019. The proportion of jobs in manufacturing in South Ribble was 11.9 percent i.e., close to the LEP average. In Chorley and Preston, the proportions of manufacturing employment were far smaller at 7.1 percent and 4.3 percent respectively.

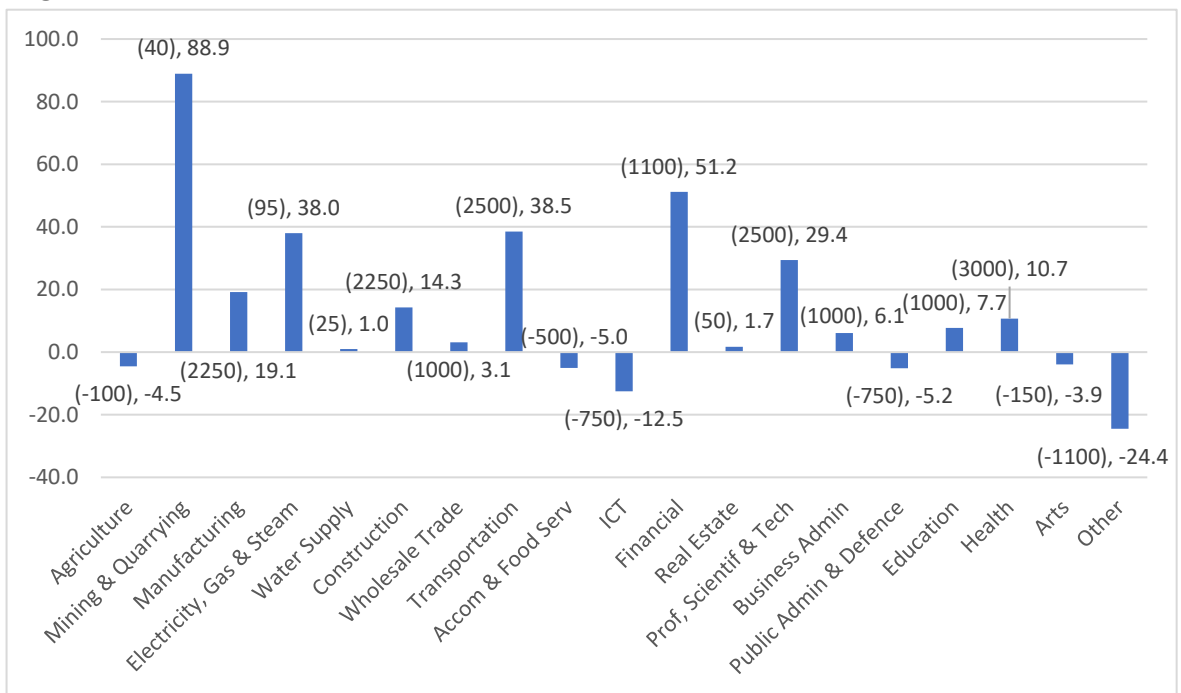
- 3.24 The public sector employed 58,750 in Central Lancashire in 2019, 30.3 percent of Central Lancashire employment. This was somewhat above LEP area, regional and English averages of 25-28 percent. Proportionately, the public sector dominates in Preston, where Public administration, Health and Education accounted for 36.6 percent of employment, followed by Chorley at 32.1 percent. The Public sector had a modest role in South Ribble where it accounted for only 19.1 percent of all local jobs. Alongside Health, Public administration had a strong role in Preston's economy.
- 3.25 Private office sectors – ICT, Financial and insurance services, Real estate activities, Professional, scientific and technical activities and Administrative and support service activities – employed 40,000 across Central Lancashire in 2019, or 20.6 percent of sub-regional employment. By comparison private office sectors only accounted for 17.3 percent of employment across the Lancashire LEP, showing the relative strength of the office economy in Central Lancashire.
- 3.26 By local authority area, the following can be said about the private office economy:
- Unsurprisingly Preston had the lion's share of sub-regional office jobs, both numerically (21,250) and as a proportionate share of local jobs (22.8 percent). Preston had strengths in Administrative and support service activities with 11,000 employed in 2019. It was also a sub-regional focus for Financial and insurance services with 2,250 employed.
  - Chorley had the smallest private office sector numerically, with 8,350 employed. It had strengths in Professional, scientific and technical activities and Administrative and support service activities, which collectively accounted for 13.1 percent of local employment
  - In South Ribble, private office sectors accounted for 17.8 percent of employment in 2019. The Borough had a proportionate strength in Real estate activities.
  - Perhaps surprisingly, employment in ICT was spread relatively evenly between the three authorities.

3.27 Transportation and storage accounted for 9,000 jobs across Central Lancashire or 4.6 percent of employment. This was in line with the Lancashire LEP average of 4.4 percent but below regional and English averages of 5.0-5.6 percent. The sector was focused in Preston and South Ribble, unsurprising as these two local authority areas are home to a number of very large industrial estates with direct Motorway access.

3.28 The Construction sector in Central Lancashire employed a significantly larger proportion of employees than both regional and national averages, 9.3 percent compared to 4.7 percent regionally and 5.0 percent nationally. Sectoral employment was focused in South Ribble, where 11,000 were employed locally. This reflects the presence of a number of large construction employers in the Borough, including Eric Wright Group who will also account for at least some of the local employment in Real estate.

3.29 Figure 6 shows change in sectoral employment over 2015-19 across Central Lancashire.

**Figure 6 – Growth and Decline of Sectors in Central Lancashire, 2015-2019**



Source: BRES, 2021

\*Number in brackets is number of jobs which increased/ decreased.

3.30 Within the three authorities, and across Central Lancashire, the following trends can be noted:

- Proportionately the Mining and quarrying sector saw the highest growth, but the number of jobs involved was modest and the sector only employed 85 across the whole sub-region in 2019
- The Health sector saw the largest numerical growth over 2015-19, gaining 3,000 jobs. That growth was relatively evenly spread across the three authorities with each seeing a gross gain of 1,000-2,000 jobs
- One surprising point to note was that Central Lancashire gained manufacturing 2,250 jobs, with South Ribble gaining around 1,000 jobs, Chorley 750 and Preston 500. As will be discussed below, the net gain in businesses over this period was modest suggesting the growth comes from existing businesses expanding their employment. This was a notable departure from current and past forecasting which all indicates that manufacturing employment will decline across Central Lancashire. Forecasting for the 2017 Study, for example, suggested that Central Lancashire would lose some 800 manufacturing jobs over 2015-2019
- In terms of private office sectors, very strong growth was noted in Professional, scientific and technical (2,500 extra jobs) and Financial services (1,100 extra jobs), with the latter representing an increase of 51.2 percent. Professional sector growth was spread across the three authorities while Financial services growth was concentrated in Preston, a gain of 750 jobs
- Conversely ICT saw a net loss of 750 jobs, with South Ribble losing 500 jobs and Preston 250, while employment in Chorley did not change. There is no readily identifiable single cause for those losses
- Transportation was another growth sector, gaining 2,500 jobs over 2015-2019, an increase of over a third across the sub region. Growth was recorded in all three local authority areas ranging from a gain of 250 jobs in Chorley, 1,000 in Preston and 1,250 in South Ribble. Given the ongoing growth of e-commerce activities over the Covid-19 Pandemic this trend is likely to have continued into 2020-2021
- The Construction sector also saw reasonable growth of 2,250 jobs across Central Lancashire with gains of 1,000 jobs each in Preston and South Ribble and 250 in Chorley.

### Number and Sizes of Businesses

3.31 There were 13,815 VAT and PAYE registered businesses operating as of 2020, in Central Lancashire, split as follows:

- Chorley – 4,415 (32.0 percent)
- Preston – 5,425 (39.2 percent)
- South Ribble – 3,975 (28.8 percent).

3.32 In the last five years, the number of businesses in the area has been gradually increasing aside from a dip in 2018. Overall, there were 267,055 businesses registered within the North West, meaning Central Lancashire accounted for 5.2 percent of firms within the region. A breakdown of these businesses by size is shown in Table 10 and compared with wider averages.

**Table 10 – Businesses by Size Category**

Area	Number/ Percentage	Employees						
		Micro		Small		Medium		Large
		0-4	5-9	10-19	20-49	50-99	100-249	250+
Central Lancashire	Number	10,590	1,565	880	480	160	80	55
	Percentage	76.7	11.3	6.4	3.5	1.2	0.6	0.4
North West	Number	206,340	30,760	15,690	8,775	2,870	1,565	1,055
	Percentage	77.3	11.5	5.9	3.3	1.1	0.6	0.4
England	Number	1,883,505	260,675	130,420	70,025	23,620	13,265	9,460
	Percentage	78.8	10.9	5.5	2.9	1.0	0.6	0.4

Source: ONS, 2021

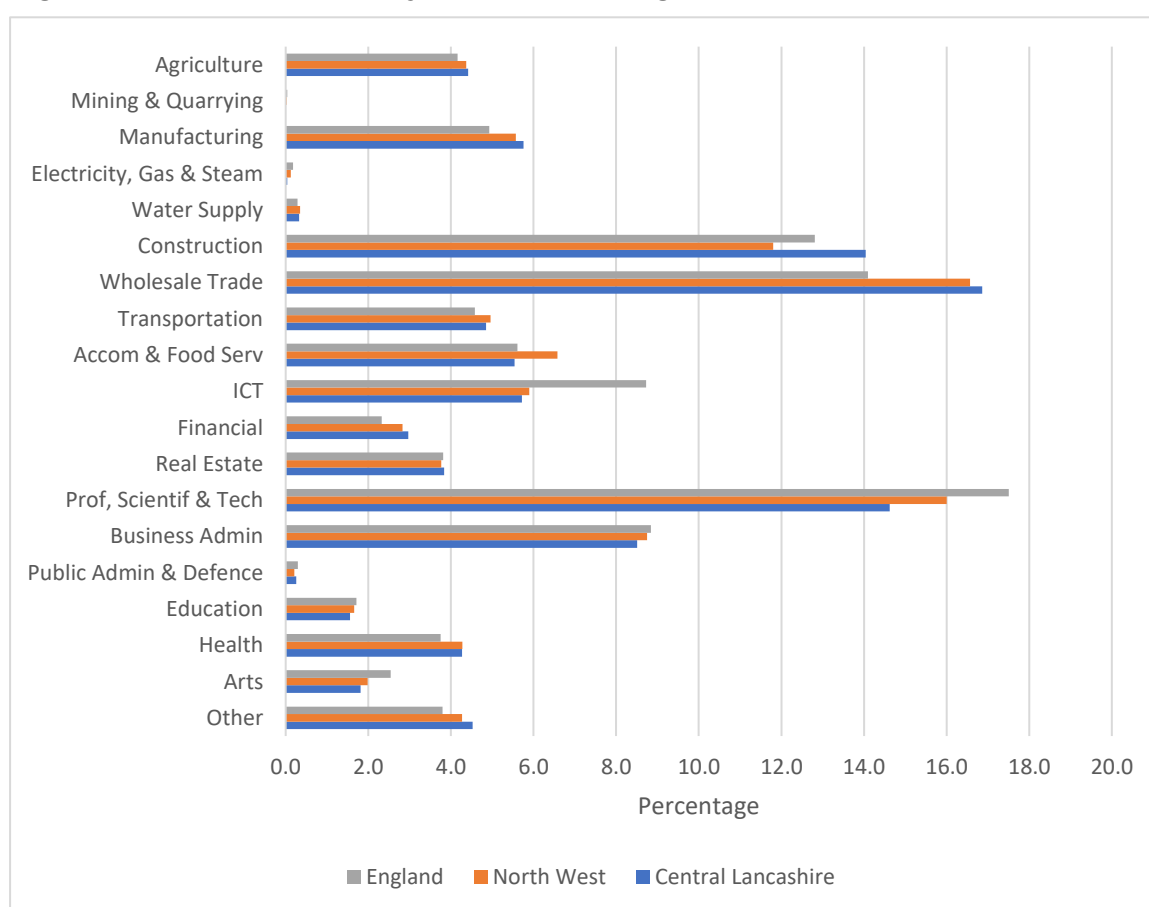
3.33 The total number of micro firms (0-9 employees) in Central Lancashire was 12,155, 88.0 percent, with local authority area averages ranging from 86.7 percent in South Ribble, to 87.6 percent in Preston and 89.7 percent in Chorley. These were slightly below the averages seen in the North West (88.8 percent) and nationally (89.7 percent) in the case of Preston and South Ribble, but above or equal to those averages in the case of Chorley. Other businesses in Central Lancashire were mainly identified as small, employing 10-49 (1,360 businesses).

3.34 There were 235 businesses considered to be medium-sized (50-249 business) and 55 businesses considered to be large in size (250 or more employees). The percentage of businesses that were of medium or large size in Central Lancashire was in line with regional and national averages.

3.35 The total number of businesses can also be broken down by industry sector, as seen in Figure 7.

3.36 The largest number of businesses in Central Lancashire were found in the Wholesale and retail trade sector, accounting for 16.6 percent of the total and 2,330 businesses of which 995 (42.7 percent) were in Preston. With 33,000 employed in the sector, the average business within the Wholesale and retail trade sector employed 14 workers and therefore would be classified as small in size.

**Figure 7 – Business Count by Sector Percentage, 2020**



Source: Business Count, 2021

3.37 There were 795 manufacturing businesses in Central Lancashire, with a comparatively even split between the three authorities – 245 in Chorley, 290 in Preston and 260 in South Ribble. With 14,000 employees in 2019, the average industrial business employed 18 and so was small in size.

3.38 There were 4,925 businesses in private office sectors in Central Lancashire in 2020, over a third of firms, each employing an average of eight people. As with the

employees, Preston has a strength in Financial services with 225 businesses against 90-95 in Chorley and South Ribble. However, there were also 250 Real estate businesses in Preston against 150-130 in Chorley and South Ribble. In all three local authority areas, the largest numbers of businesses were in Professional services and Administrative services 3,195 firms across Central Lancashire.

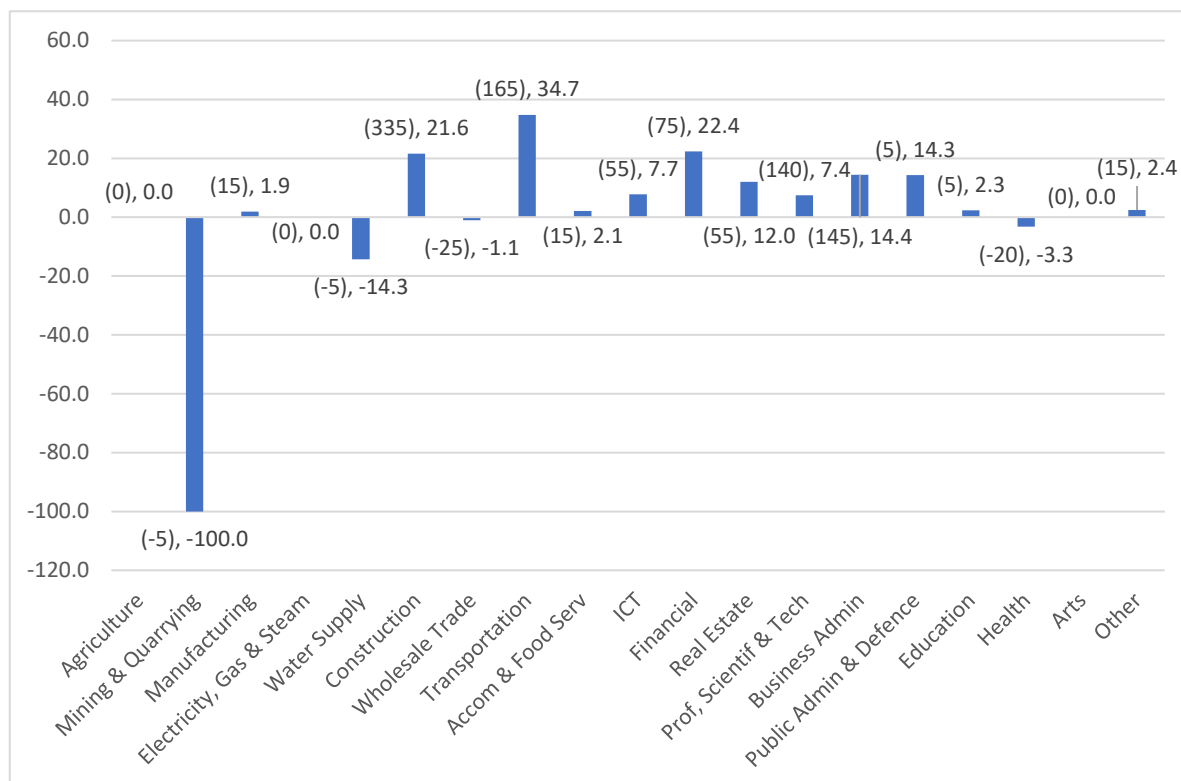
- 3.39 There were 670 businesses in Transportation in Central Lancashire in 2020, employing an average of 13, 4.8 percent of businesses, in line with regional and English averages of 5.0-4.6 percent. The largest number of Transportation businesses were in Preston (250), followed by Chorley (230) and South Ribble (190).
- 3.40 Central Lancashire had a higher larger proportion of firms in the Construction sector than wider averages – 1,940, employing 9 on average, or 14.0 percent of businesses, against wider averages of 11.8-12.9 percent. Construction businesses were relatively evenly split across the three authorities with 685, 640 and 615 in Preston, Chorley and South Ribble. Interestingly South Ribble which had the highest numbers employed in Construction but the lowest number of businesses, indicating those businesses were comparatively large, employing 18 on average.

### **Growth of Businesses**

- 3.41 Figure 8 illustrates how the total number of businesses within each sector has fluctuated between 2015-2019 across Central Lancashire.



**Figure 8 – Growth and Decline of Businesses Across Central Lancashire, 2015-2019**



Source: UK Business Count, 2021

\*Number in brackets is number of businesses which were gained/lost

3.42 Some point worth noting with regards to the above sectoral change between 2015-2019 include:

- As noted above, Central Lancashire gained 2,250 manufacturing jobs but only 15 businesses over this period, indicating that most of this jobs growth happened in existing local businesses rather than incomers/start-ups to the market. The businesses growth was spread relatively evenly across the three authorities
- Over 2015-2019 i.e., before the Covid-19 Pandemic, Office-based sectors appeared to be on the rise in Central Lancashire with all sectors experiencing an increase in both jobs and businesses, aside from the ICT sector which saw a decline in job numbers but an increase in businesses
- The ICT sector lost 750 jobs (12.5 percent of the sector) whilst in the same time period gained 55 new businesses. This would suggest that businesses entering/starting up in the sub-region were micro firms making a negligible impact

on jobs number, whilst employees were being lost from larger firms. Business growth was seen in both Chorley (40 new businesses, likely including gain from the opening of the Chorley Business and Technology Centre) and Preston (15 new firms) but no gain was recorded in South Ribble

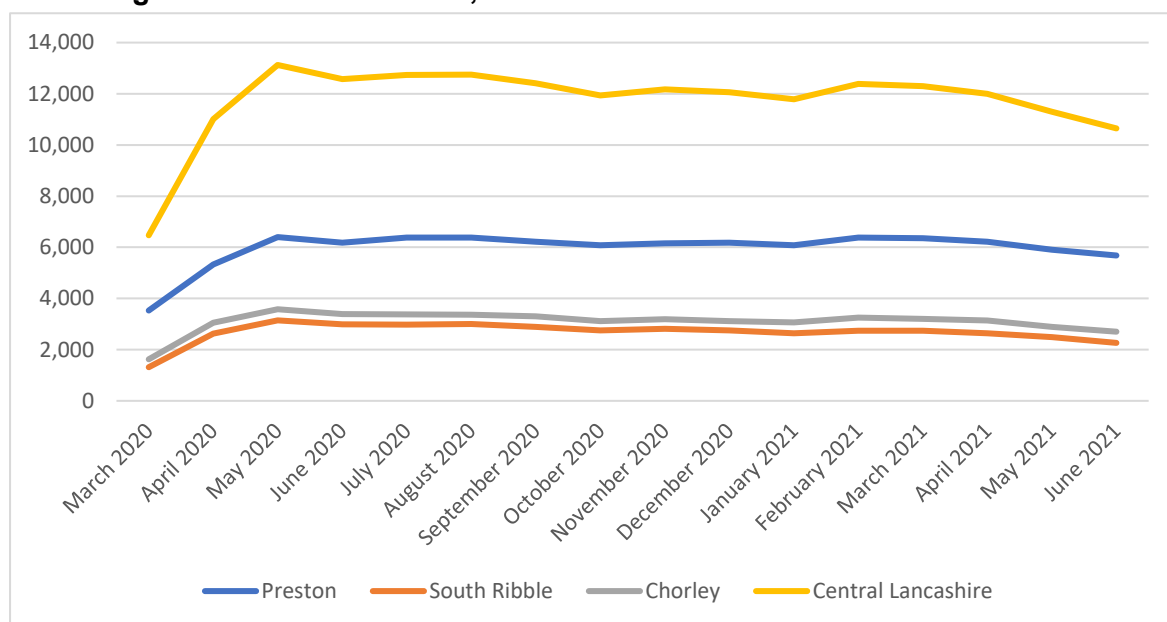
- The Finance sector saw the best growth overall in the office market, a 51.2 percent increase in jobs and a 22.4 percent increase in businesses, equating to 75 extra firms. This would suggest that existing Finance firms were growing in Central Lancashire, with some new firms entering the market as well. Growth was focused in Preston, which gained 45 businesses (and 750 jobs), against 15 each in Chorley/South Ribble
- The Transportation sector was strengthening, with both the number of jobs (2,500) and the number of firms (165) in the sector increasing significantly. The number of businesses grew in all three local authority areas, but the gain was focused in Preston, which saw an increase of 105 businesses coming into the City or starting up locally
- The Construction sector was also growing both in terms of jobs and businesses, with 2,250 new jobs (14.3 percent growth) and 335 new businesses (21.6 percent growth). Construction continues to contribute a significantly larger share of the number of businesses in Central Lancashire than was seen both regionally and nationally, again with a focus on South Ribble although recent businesses growth was more focused in Chorley and Preston, which gained over 100 new businesses each, against 70 new firms in South Ribble.

### **Overview of Covid-19's Impact on the Economy**

3.43 Covid-19 is still an ongoing situation and therefore much of the actual, near-term impacts have yet to be fully realised and the economic data (which has a lag time) has yet to fully emerge. The impacts over the longer term (such as the planning period for the Central Lancashire Local Plan) are still less certain, most pertinently in relation to the upward curve of the economic recovery in the medium term following the pandemic; however, some evidence has been gathered to show potential impacts upon Central Lancashire and the component areas.

3.44 Figure 9 uses data from the Office for National Statistics show the number of people claiming out of works benefits in each local authority area.

**Figure 9 – Claimant Count, 2020-2021**

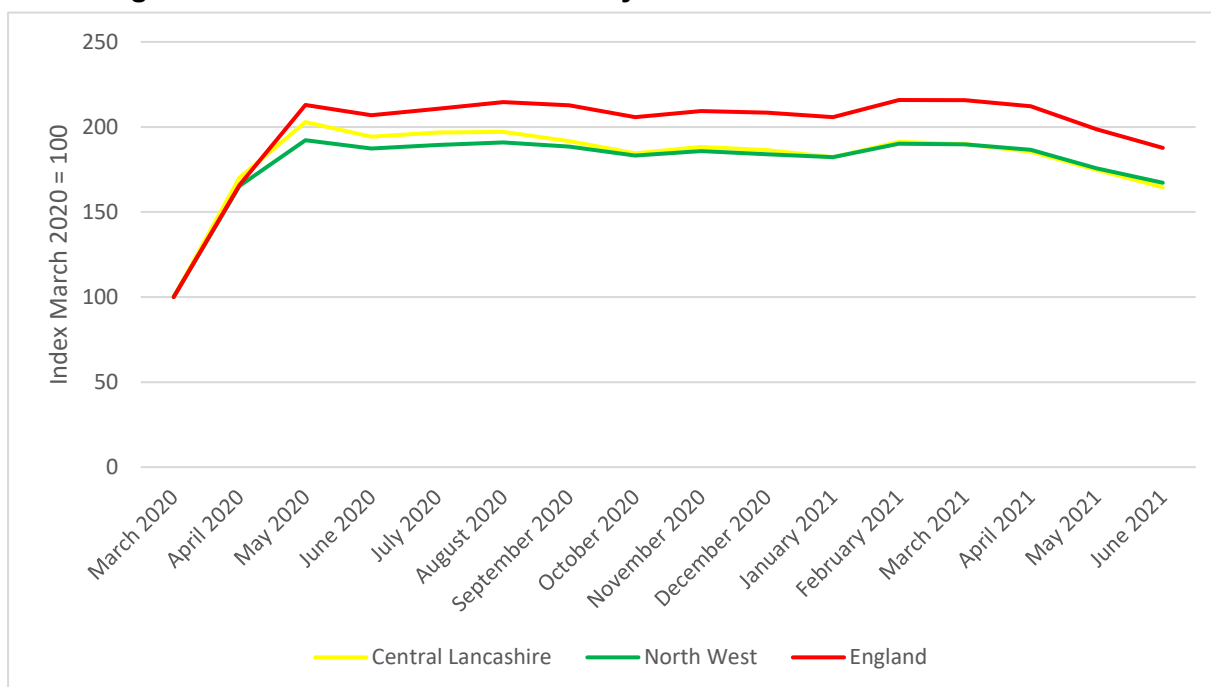


Source: Office of National Statistics, 2021

3.45 Across Central Lancashire, the number of claimants more than doubled between March 2020 and May 2020, from 6,470 to 13,125 as the First Lockdown forced business closures across the nation. This trend was broadly the same across each of the local authority areas. From June 2020 to September 2020, the number of claimants remained fairly consistent around the 12,500 mark, before falling below 12,000 for the first time since April 2020 in October 2020. Claimants continued to fall between November 2020 – January 2021 until the second national lockdown was imposed. This resulted in a spike in February 2021 to 12,380 cases. Since then, the number of claimants has continued to fall to 10,645 in June 2021, the most recent data record.

3.46 Figure 10 below shows the percentage change in the number of claimants between March 2020 – June 2021.

**Figure 10 – Claimant Count Growth by Location**



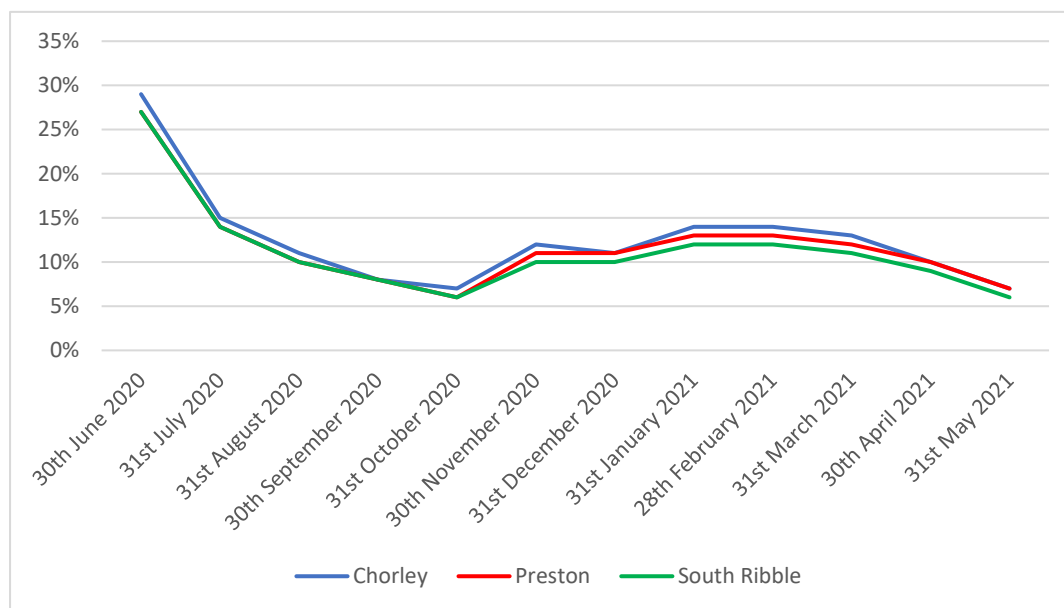
Source: Office of National Statistics, 2021

3.47 Figure 10 shows that Central Lancashire closely followed the trend seen in the North West, but that both the North West and Central Lancashire did not experience a percentage increase in claimants as significant as the English average.

3.48 The Coronavirus Job Retention Scheme (furlough scheme) has protected some jobs during the lockdowns, including in Central Lancashire. Unemployment would be higher if not for the scheme, therefore the number and proportion of claimants would be higher.

3.49 Her Majesty’s Revenue and Customs (HMRC) data (illustrated in Figure 11) on the take up rate of the furlough scheme among eligible employees shows that on the 30<sup>th</sup> June 2020, when data first started being recorded, the take up rate of the furlough scheme was at its highest for all local authority areas, 25-30 percent. Chorley had the highest rate of take up of all the local authority areas at this time, and for the full course of the 12-month period in which data is available. The rate of take up falls consistently from 30<sup>th</sup> June 2020 through to 31<sup>st</sup> October 2020. The take up rate then began to rise in all three local authority areas from 31<sup>st</sup> October 2020 through to 28<sup>th</sup> February 2021. Since then, the rate of take up has continued to fall to its current rate, as of 31<sup>st</sup> May 2021, of between 6-7 percent.

**Figure 11 – Total Furlough Take Up Rate in Central Lancashire – Percentage of Employees**

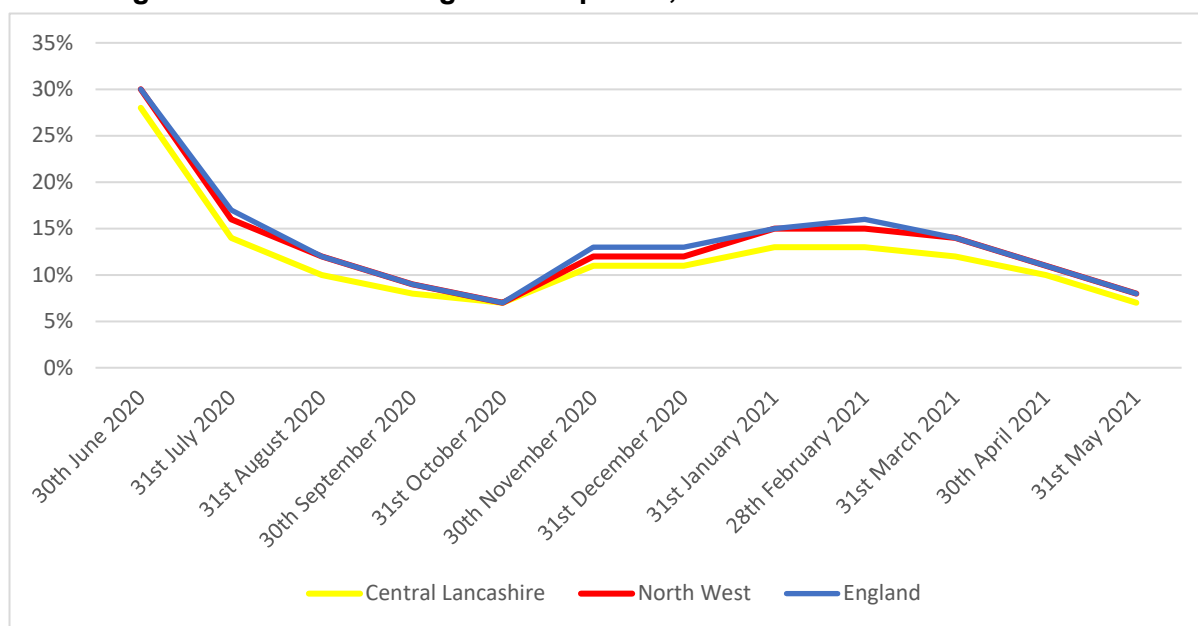


Source: HM Revenue and Customs, 2021

3.50 Figure 12 shows that the rate of take up of the furlough scheme among eligible employees was consistently lower in Central Lancashire than in the North West and England, suggesting a resilient local economy. The rates of take up in each location follow the same trend throughout with an initial peak in June, after the initial outbreak and national lockdown, followed by a second peak in February 2021, during the second national lockdown.

3.51 Therefore, the socio-economic data suggests that Central Lancashire has been significantly impacted by the lockdowns, but somewhat less so than the North West and England. This could be due to its stronger underlining socio-economic characteristics, such as the low proportion of claimants pre-Covid when compared to the English average.

**Figure 12 – Total Furlough Take Up Rate, 2020-2021**



Source: HM Revenue & Customs, 2021

### Summary

- 3.52 As of 2020 Central Lancashire had a population of 374,103 in 2020. 38.5 percent of this was in the Preston local authority area. Central Lancashire saw 5.6 percent population growth between 2010 and 2020, with Chorley seeing the greatest growth at 11.7 percent, higher than wider averages. The population base was largest in the ‘older workers’ aged 50-64 although Preston has a somewhat younger population than Chorley/South Ribble, likely as a result of the further/higher education institutions found within the City and recent in-migration.
- 3.53 As of December 2020, Preston had the highest unemployment rate at 4.6 percent while Chorley and South Ribble had rates of 3.6 percent and 2.9 percent respectively. These latter two were notably below the average North West unemployment rate of 4.2 percent. Chorley has the best qualified population of the three authorities, with 45.6 percent qualified to NVQ Level 4 or above, followed by Preston and South Ribble. All three however, have good qualification rates compared to LEP, regional and national norms.
- 3.54 Preston has the lowest workplace earnings, lower than the North West average and just over £100 less than England’s median weekly pay. Preston also has the lowest resident earnings in Central Lancashire. Chorley has the highest resident earnings in

Central Lancashire, a rate which was also higher than the regional and national averages.

- 3.55 BRES data from 2019 was based on the economy pre-pandemic and so whilst analysed, it is understood that the economy and certain sectors are likely to have changed significantly over the last two years. As of 2019, the data identified a total of 194,000 jobs within Central Lancashire split between 19 different industries. Nearly half of these, 93,000, were found in Preston, 30.4 percent (59,000) were in South Ribble and 21.6 percent (42,000) in Chorley. Over 2015-2019 Preston saw good jobs growth of 9.4 percent, against a Central Lancashire-wide growth rate of 7.2 percent.
- 3.56 14,000 were employed in manufacturing in Central Lancashire in 2019, 7.2 percent of Central Lancashire jobs, modest in the LEP and English context and focused in South Ribble.
- 3.57 Private sectors which are typically found within offices comprise:
- Information and communication
  - Financial and Insurance
  - Professional, scientific and technical
  - Business Administration and support services.
- 3.58 These sectors accounted for a combined total of 17.3 percent, 40,000 employees, over half of which (21,250) were found in Preston, a sub-regional centre for Administration and Financial services. Transportation and storage accounted for 9,000 jobs across Central Lancashire or 4.6 percent of employment, focused in Preston and South Ribble, likely on Motorway linked sites. Construction was a strength of South Ribble, with 11,000 employed.
- 3.59 13,815 businesses were registered in Central Lancashire as of 2020, 32.0 percent in Chorley, 39.2 percent in Preston and 28.8 percent in South Ribble. 88.0 percent employed less than 10 people, and 97.7 percent classified as small (up to 49 employees). Only 25 businesses were identified as having more than 250 employees (classified as large).
- 3.60 Overall, sectors which require E(g) or B-class accommodation have seen reasonable growth over 2015-2019, notably:

- Manufacturing – In opposition to forecasts of jobs change, Central Lancashire gained 2,250 jobs. However, the number of businesses only increased by 15 over this period, indicating that most of this jobs growth happened in existing local businesses rather than incomers/start-ups to the market
- Pre Covid at least, office-based sectors appeared to be on the rise in Central Lancashire with all sectors experiencing an increase in both jobs and businesses. The ICT sector has seen growth in businesses, focused in Chorley, but a loss of jobs. This would suggest that businesses entering/starting up in the sub-region were micro firms making a negligible impact on jobs number, whilst employees were being lost from larger firms. The Finance sector saw the best growth overall in the office market, a 51.2 percent increase in jobs and a 22.4 percent increase in businesses, with a focus on Preston
- The Transportation sector was strengthening, with both the number of jobs (2,500) and the number of firms (165) in the sector increasing significantly.
- The Construction sector was also growing both in terms of jobs and businesses, with 2,250 new jobs (14.3 percent growth) and 335 new businesses (21.6 percent growth). Construction jobs were focused in South Ribble although recent businesses creation has been focused in Chorley and Preston.

3.61 In terms of the short term impacts of the Covid-19 Pandemic, across Central Lancashire, the number of claimants of out of work benefits more than doubled between March 2020 and May 2020, from 6,470 to 13,125 as the Covid-19 pandemic forced business closures across the nation. This trend was broadly the same across each of the local authority areas. Claimants continued to fall to January 2021 when the second national lockdown was imposed. This resulted in a spike in February 2021 to 12,380 claimants. Since then, the number of claimants has continued to fall to 10,645 in June 2021, the most recent data record.

3.62 Overall, the economic impacts of Covid-19 have been somewhat lower than elsewhere in the LEP area and region, in areas such as numbers furloughed.



## 4.0 PROPERTY MARKET ASSESSMENT

### Introduction

- 4.1 The current property market in Central Lancashire is discussed in this Section based on an analysis of public sector property enquiries recorded by the three Councils, recorded information on commercial property transactions conducted within Preston, Chorley and South Ribble, currently marketed commercial property and discussions with locally active property agents and select local businesses. It first provides some brief comments on national and regional market trends which will impact on the local demand for land and premises. The Section provides an update on the market analyses provided in the 2017 and 2019 Studies, reflecting the events of the last two years, including the Covid-19 Pandemic and Christmas 2020 Brexit Deal.

### National and Regional Property Markets

- 4.2 Some brief comments on the wider market are first provided below, informed by recent national and regional research.

#### ***Industrial Market***

- The resilience of the industrial sector amid the pandemic has been well-documented and was clearly reflected in the final quarter of 2020. Nationally, industrial volume surged to a record high of £3.4 billion in Q4, smashing the previous high of £2.3 billion set in Q2 2018.
- The total value of North West large scale industrial transactions during 2020 stood at £695 million (62 deals), a 37 percent increase (by value) on the £508 million (61 deals) transacted in 2019. Investor demand has remained extremely strong. Supply has remained restricted throughout the year, for all types and sizes of premises. (B8 Real Estate, 2021)
- As with all sectors of the national and global economy, the North West industrial investment market in 2020 has been largely defined by the effects of Covid-19. This overshadowed the potential threat of a no-deal Brexit, which had far less of an impact on market confidence than perhaps it would have in a normal year. (B8 Real Estate, 2021)
- With supply constraints, particularly for larger units, Knight Frank anticipates continued rental growth with rent for big box in core markets set to reach £7+/sqft (£75+/sqm). Also, with diminishing stock levels and occupiers preference for Grade A units, Knight Frank expect Design and Build to become more prevalent.

**Warehouse Market**

- The resilience - and indeed vital role - of logistics amid the Covid-19 Pandemic was clearly reflected in the final quarter of 2020. As noted, industrial volume surged to a record £3.4 billion in Q4, twice the five-year quarterly average. At £3.0 billion, distribution warehouses dominated industrial volume and comprised a flurry of portfolio deals. (Lambert Smith Hampton, 2021)
- The distribution sector has not only been resilient during the pandemic but, in the case of distribution, has arguably benefitted from it. This is reflected in performance. Provisional industrial returns of 6.9 percent in 2020 are in stark contrast with other sectors, a trend forecast to continue in 2021 albeit to a lesser degree. (Lambert Smith Hampton, 2021)
- In the North West the supply of large warehouse space has decreased dramatically in the last 12 months, falling from the peak of 670,000 sqm in the end of 2019 to 390,000 sqm at the end of 2020 in 22 separate units. Using the five-year average, annual take-up rate of 370,000 sqm/year this equates to just 1.07 years' worth of supply in the region. (Savills, 2021)
- E-commerce/logistics was the dominant sector in North West big shed market accounting for 95 percent of all take-up in 2020. The Covid-19 crisis has clearly accelerated the expansion of this sector leading to several high-profile occupiers taking additional space in the North West during H2 2020, including Dixons Carphone Warehouse, Gousto, AO.com and The Hut Group. (B8 Real Estate, 2021)
- With diminishing levels of existing new build/Grade A stock and limited future pipeline, the main threat to the North West big box market is the potential supply shortage in next 6 - 12 months. (B8 Real Estate, 2021)

#### **Office Market**

- Many occupiers are now giving thought to what their post-pandemic return to the office looks like, with a greater boardroom acceptance of remote-working and in terms of premises quantity increasingly exchanged for quality. (Lambert Smith Hampton, 2021)
- Demand for office space remained subdued while supply continued to rise in some locations. UK take-up rose to 130,000 sqm in the final quarter, the highest quarterly total since before the first lockdown in March 2020. However, leasing activity remains well below the five-year quarterly average of 176,000 sqm. Total take-up for the year reached 715,000 sqm, comparable to the period immediately after the Global Financial Crisis. (Cushman and Wakefield, 2021)
- UK office investment turnover rose to £4.2 billion in the final quarter of the 2020, more than double the previous quarter but still a third below the same quarter last year. The increase in activity signals renewed confidence in the sector after fears over the effects of working from home on occupational demand. Many businesses have now indicated that the office remains important despite changing working practices. (Cushman and Wakefield, 2021)
- Uncertainty in the market, around the economic recovery from the Pandemic and longer term thinking around the office generally, is expected to fast-track demand for more flexible options. Much of the current supply of serviced offices is, however, not conducive in the current climate, with desks packed into tight spaces and shared environments being shunned by a large proportion of SMEs. There remains a lack of Grade A supply, flexible enough to meet changing needs against the supply of refurbished grade B space which cannot meet modern requirements. (Lambert Smith Hampton, 2021)

#### **Preston Office Submarket Report**

- 4.3 An office market report was prepared in November 2021 by CoStar for Preston City Council and covering the Preston Local Authority Area (the Preston Submarket). It notes that the Preston Submarket contained some 409,000 sqm of office space. The vacancy rate rose significantly over the previous 12 months, and at 8.3 percent, the rate was the highest it's been in more than five years.
- 4.4 Office take up was some 21,000 sqm down on past years, a major turn towards the negative. Although the report notes that the office submarket has largely been stagnant for some years preceding the start of the Covid-19 Pandemic.
- 4.5 Although take up has been low, rents grew by 5.3 percent over the past 12 months to an average of £11-12/sqft (£118-129/sqm), easily exceeding the 0.4 percent average annual change over the past decade. This was argued to reflect supply side pressures rather than increasing demand, there has been no office development during 2021 and

the office inventory had actually contracted over the past 10 years, as demolition activity outpaced new construction.

- 4.6 Office properties traded regularly in recent years, though that momentum has slowed in the past year. The Covid-19 Pandemic remained a major disrupter to the economy at large and created profound uncertainty in Lancashire. *“The effect of the Pandemic has the potential to redefine the use of office space, as employers re-evaluate the safety and health of workers.”*

### Public Sector Enquiries

- 4.7 All three of the respective local authorities have collected property enquiries information, through a mixture of telephone contacts with officers and online sources. This information is then collated and analysed using the Evolutive software programme. The Evolutive systems records the size and type of commercial property required for each enquiry received by the Council but, Evolutive floorspace data is either incomplete or includes exceptionally high figures which are difficult to interpret. Thus, the tables below examine the supplied data regarding property type only, although commentary is provided on the sizes of premises most commonly sought in the industrial and office markets.

### Chorley

- 4.8 Table 11 provides a year by year analysis of the number of enquiries for Chorley, between 1<sup>st</sup> January 2006 and Summer 2021. Over this period, there were 2,529 property enquiries. Over a third of enquiries were for industrial properties. Almost a quarter were for retail, 18 percent for offices and some 14 percent for storage or trade units. Other sectors saw only modest market interest. This same broad pattern, in terms of relative levels of interest can be seen in Preston and South Ribble as well.

**Table 11 – Enquiries 2006-2021 Type – Chorley**

	Office <sup>1</sup>	Industrial <sup>2</sup>	Storage <sup>3</sup>	Retail <sup>4</sup>	Land <sup>5</sup>	Investment Purchase (Any Type)	Leisure / Tourism	Medical / Clinical	Total
<b>2006</b>	68	142	33	79	2	3	7	3	<b>337</b>
<b>2007</b>	63	88	32	62	15	4	5	1	<b>270</b>
<b>2008</b>	41	62	22	36	9	6	5	9	<b>190</b>
<b>2009</b>	21	26	10	9	6	3	4	3	<b>82</b>
<b>2010</b>	25	59	38	26	13	13	3	4	<b>181</b>
<b>2011</b>	65	75	33	91	4	15	5	2	<b>290</b>
<b>2012</b>	18	67	30	31	8	8	6	2	<b>170</b>
<b>2013</b>	32	66	47	51	9	7	3	-	<b>215</b>

<b>2014</b>	18	47	39	36	4	2	3	1	<b>150</b>
<b>2015</b>	36	91	32	73	3	14	2	2	<b>253</b>
<b>2016</b>	23	63	26	39	6	8	-	-	<b>165</b>
<b>2017</b>	3	13	5	1	4	-	-	-	<b>26</b>
<b>2018</b>	15	30	8	11	1	2	-	-	<b>67</b>
<b>2019</b>	18	40	2	18	-	7	-	-	<b>85</b>
<b>2020</b>	9	15	3	6	-	2	-	-	<b>35</b>
<b>2021</b>	1	7	-	4	-	1	-	-	<b>13</b>
<b>Total</b>	<b>456</b>	<b>891</b>	<b>360</b>	<b>573</b>	<b>84</b>	<b>95</b>	<b>43</b>	<b>27</b>	<b>2,529</b>
<b>Percent</b>	<b>18</b>	<b>35</b>	<b>14</b>	<b>23</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>100</b>

Source: CBC, 2021

1. *Office – includes Call Centre enquiries, which are recorded separately. Call centre requirements were specifically recorded in 2007, 2008, 2009, 2010, and 2011*
2. *Industrial – includes Garages (not motor showrooms) which fall within industrial use class and are recorded separately*
3. *Storage – includes Trade Units, which fall within B8 Use Class which are recorded separately*
4. *Retail – includes Food Outlets which are separately recorded*
5. *Land – includes those enquires listed as Yard.*

4.9 In Chorley, enquiries gradually reduced from 2006 to 2009, reflecting the recession period, and dropped to their lowest recorded level in 2009. Industrial enquiries saw an early decrease between 2006 and 2007, but by 2009 decreases in interest for all types of property were evident. 2010/11 saw a sharp improvement in interest, reflecting the first onset of national recovery, with fluctuations since then. 2013 and 2015 were the strongest post-recession years as since 2015 the level of enquiries has dropped dramatically and has far from reached the same level since. There looked to be marginal improvements between 2018 and 2019, however 2020 and the first half of 2021 enquiries fell to their lowest ever rates. This suggests a notable decrease in demand during the period of the Covid-19 Pandemic and lockdowns. However, it is difficult to make definitive statements from this one data source, and it also seems to be the case that, since 2016, less people have made property enquiries through public sector sources generally, presumably preferring to go to private sector property agents.

4.10 As noted, total floorspace figures are difficult to analyse but most enquiring for industrial units sought premises of sub-300 sqm while 11 percent of industrial enquiries were for premises of more than 2,300 sqm. It is likely that those enquiring for very large space likely had an area of search greater than Chorley Borough and may also have enquired for Preston and/or South Ribble as well.

4.11 70 percent of those enquiring for office space sought suites of less than 300 sqm. Of this, 38 percent were for less than 93 sqm. Only 7 percent of enquiries for office premises were for suites of 2,300 sqm or greater.

### **Preston**

4.12 Table 12 provides a year by year analysis of the number of enquiries for Preston, between January 2006 and Summer 2021. Over this period, there were 5,977 property enquiries. As for Chorley and South Ribble, industrial enquiries dominate, followed by retail and offices. The main variation is a lack of interest in local storage space, compared to other parts of Central Lancashire.

**Table 12 – Enquiries 2006-2021 Type – Preston**

	Office <sup>1</sup>	Industrial <sup>2</sup>	Storage <sup>3</sup>	Retail <sup>4</sup>	Land	Investment Purchase (Any Type)	Leisure / Tourism	Medical / Clinical	Total
<b>2006</b>	156	276	8	206	2	6	8	2	<b>664</b>
<b>2007</b>	157	199	8	198	18	21	2	1	<b>604</b>
<b>2008</b>	153	220	2	178	12	22	4	-	<b>591</b>
<b>2009</b>	107	202	4	166	9	6	12	1	<b>507</b>
<b>2010</b>	97	169	2	137	15	13	15	-	<b>448</b>
<b>2011</b>	90	224	16	202	13	43	26	1	<b>615</b>
<b>2012</b>	84	183	7	203	7	23	7	-	<b>514</b>
<b>2013</b>	91	189	5	198	7	23	10	-	<b>523</b>
<b>2014</b>	69	179	2	174	6	17	17	-	<b>464</b>
<b>2015</b>	61	161	2	93	5	21	5	-	<b>348</b>
<b>2016</b>	53	112	3	107	5	3	3	-	<b>286</b>
<b>2017</b>	7	13	2	5	6	2	-	-	<b>35</b>
<b>2018</b>	24	71	1	42	5	9	-	-	<b>152</b>
<b>2019</b>	27	49	2	20	3	6	-	-	<b>107</b>
<b>2020</b>	9	39	1	18	-	5	-	-	<b>72</b>
<b>2021</b>	11	18	-	15	1	2	-	-	<b>47</b>
<b>Total</b>	<b>1,196</b>	<b>2,304</b>	<b>65</b>	<b>1,962</b>	<b>114</b>	<b>222</b>	<b>109</b>	<b>5</b>	<b>5,977</b>
<b>Percent</b>	<b>20</b>	<b>39</b>	<b>1</b>	<b>33</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>100</b>

Source: PCC, 2021

1. Office – includes Call Centre enquiries, which are recorded separately.
2. Industrial – includes Garages (not motor showrooms) which fall within industrial use class and are recorded separately
3. Storage – includes Trade Units, which fall within B8 Use Class which are recorded separately
4. Retail – includes Food Outlets which are separately recorded
5. Land – includes those enquires listed as Yard.

4.13 Following a strong level of enquiries from 2006 to 2011, enquiry levels declined and in contrast to other locations did not show any evidence of recovery in the post-recession

period from 2013 onwards. Again, however, this may indicate a reduced use of public sector agencies for property enquiries rather than a reduction in market activity.

- 4.14 Of the 1,196 office enquiries received, 60 (or 5 percent) were call centre specific.
- 4.15 70 percent of industrial enquiries were for units of less than 900 sqm and 44 percent wanted units of less than 300 sqm. 64 percent of office enquiries were for suites of less than 300 sqm, with most seeking properties of 93-300 sqm.

### **South Ribble**

- 4.16 Table 13 provides a year by year analysis of the number of enquiries for South Ribble, between 1st January 2004 and Summer 2021. Over this period there were some 5,720 relevant enquiries. Again, the industrial market dominates, followed by office and retail.

**Table 13 – Enquiries 2004-2021 Type – South Ribble**

	Office <sup>1</sup>	Industrial <sup>2</sup>	Storage <sup>3</sup>	Retail <sup>4</sup>	Land	Investment Purchase (Any Type)	Leisure / Tourism	Medical / Clinical	Total
2004	120	255	-	111	-	2	3	-	491
2005	138	245	1	115	-	3	-	-	502
2006	75	168	34	69	2	3	12	2	365
2007	96	127	39	75	22	17	7	16	399
2008	80	141	22	58	27	19	14	-	361
2009	138	184	11	102	12	41	31	3	522
2010	103	188	7	106	6	31	30	-	471
2011	127	281	90	135	4	22	43	11	713
2012	53	113	13	55	10	9	2	-	255
2013	18	62	12	23	6	1	-	-	122
2014	69	203	12	83	9	24	3	2	405
2015	49	122	14	53	14	16	4	1	273
2016	41	126	21	41	14	20	4	2	269
2017	8	21	1	8	-	-	-	-	38
2018	34	118	-	71	1	17	-	-	241
2019	47	79	1	55	4	22	-	-	208
2020	9	35	2	17	1	7	-	-	71
2021	-	12	-	2	-	-	-	-	14
<b>Total</b>	<b>1,205</b>	<b>2,480</b>	<b>280</b>	<b>1,179</b>	<b>132</b>	<b>254</b>	<b>153</b>	<b>37</b>	<b>5,720</b>
<b>Percent</b>	<b>21%</b>	<b>43%</b>	<b>5%</b>	<b>21%</b>	<b>2%</b>	<b>4%</b>	<b>3%</b>	<b>1%</b>	<b>100%</b>

Source: SRBC, 2021

1. Office – includes Call Centre enquiries, which Evolutive records separately. Call centre requirements were specifically recorded in 2007, 2008, 2009, 2011, 2014 and 2016
2. Industrial – includes Garages (not motor showrooms) which fall within industrial use class, but which Evolutive records separately
3. Storage – includes Trade Units, which fall within B8 Use Class, but which Evolutive records separately
4. Retail – includes Food Outlets which are separately recorded by Evolutive.

- 4.17 For certain categories, including the primary categories of office and industrial, the general level of enquires remained high over 2004-2011 and only reduced in the late recession period of 2012/13. The level of enquiries spiked in 2014 but then fell successively in the years 2015, 2016 and 2017 with 2017 seeing a dramatic 85 percent fall on the previous year. 2018 saw the number of enquiries spike back up close to the levels of 2016, however since the number of enquiries has fallen in successive years, to the very low levels in 2020-2021 also evident in Chorley and Preston.
- 4.18 Over 40 percent of all enquiries recorded since 2004 were for industrial premises and more than a fifth were for office premises. Over one-fifth of enquiries were accounted for by retail enquiries, where figures were especially high from 2009 to 2011. In terms of industrial enquiries, while 37 percent of enquiries were for units of 300 sqm or less, it is important to note that market interest has been recorded for units in all size brackets up to 2,300 sqm, although demand for larger units has reduced since 2011.
- 4.19 Office requirements in South Ribble are generally for small suites, with 47 percent of enquires for sub-100 sqm units. Very large property enquiries, for premises of more than 2,300 sqm are rare and likely to be Central Lancashire-wide. Interest for call centre operations is focused on smaller facilities of less than 1,000 sqm.

### **Deals**

- 4.20 Transactions of commercial stock in Central Lancashire, sourced from Radius Data Exchange (EGi), have been reviewed to gauge interest in the market and performance levels over the past decade. Not all transactions are recorded, although the available data provides a good indication of types of transactions and market preferences.

### **Industrial**

- 4.21 Table 14 and Figure 13 show that 883 industrial deals occurred across Central Lancashire between 2011 and 2021, with a floor area totalling approximately 1,013,485 sqm. The size band of 201-500 sqm saw the highest number of transactions, comprising over a quarter of all deals.

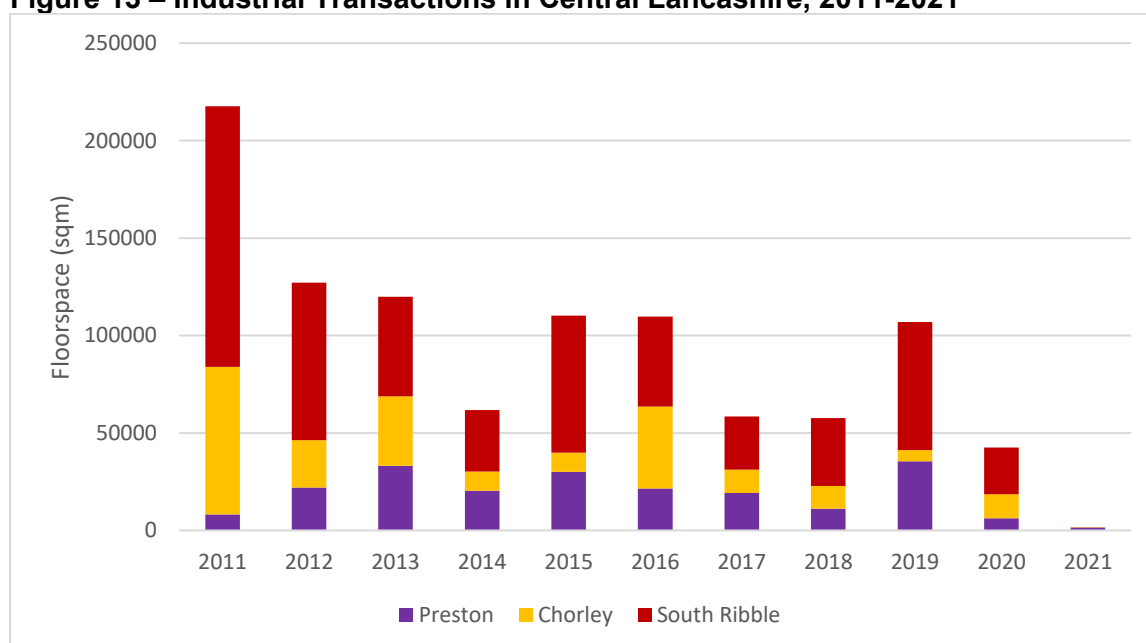


**Table 14 – Summary of Industrial Transactions 2011-2021 by Size Band**

Area		Size Band (sqm)								Total
		0-100	101-200	201-500	501-1,000	1,001-5,000	5,001-10,000	10,000+	Unknown	
Preston	Floorspace (sqm)	4,129	9,726	27,513	38,458	83,953	20,236	24,738	0	208,754
	Total Properties	53	68	82	53	45	3	1	5	310
Chorley	Floorspace (sqm)	1,635	4,506	10,542	30,239	61,690	5,023	125,759	0	239,394
	Total Properties	23	30	34	41	30	1	7	2	168
South Ribble	Floorspace (sqm)	5,980	6,357	36,706	46,839	127,993	55,135	286,326	0	565,337
	Total Properties	85	45	112	68	64	7	14	10	405
Central Lancashire	Floorspace (sqm)	11,745	20,588	74,762	115,537	273,636	80,394	436,823	0	1,013,485
	Total Properties	161	143	228	162	139	11	22	17	883

Source: EGi 2021

**Figure 13 – Industrial Transactions in Central Lancashire, 2011-2021**



Source: EGi 2021

4.22 2015 was the year with the highest number of transactions as 137 were completed, contributing 16 percent of the decade total, with a total floor area of 110,234 sqm. However, this was not the year with the greatest take up of floorspace as 2011 saw 217,554 sqm of floorspace transacted, accounting for 21 percent of the decade total. This total was largely driven by three large transactions that occurred in South Ribble's Matrix Park, including the letting of a newly developed 39,000 sqm logistics unit to

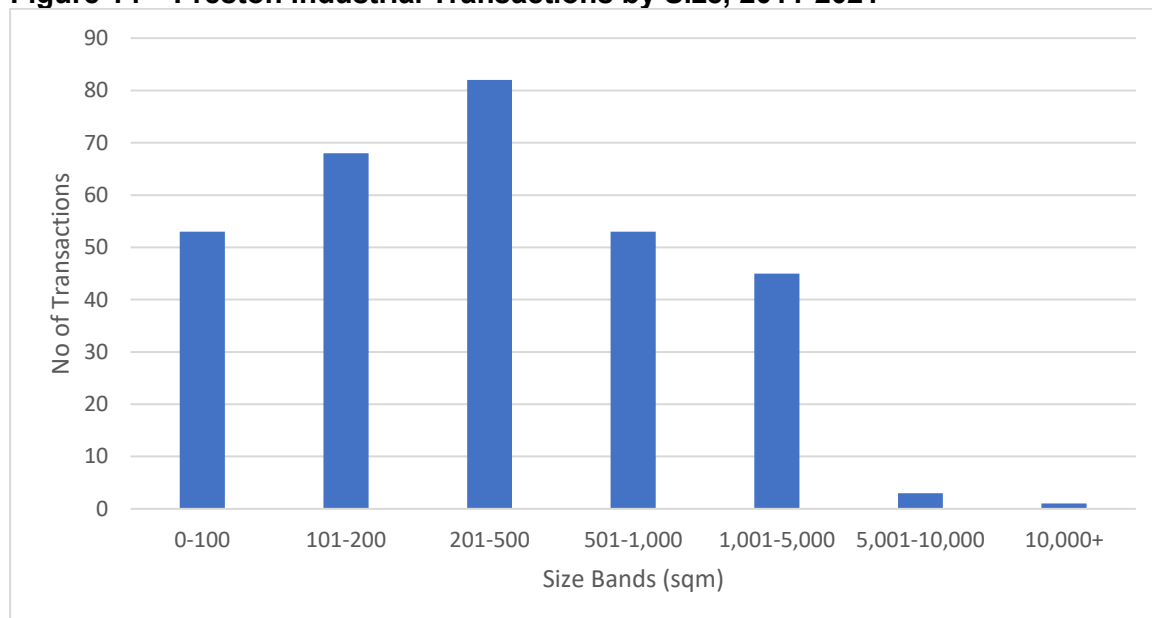
Waitrose, which accounted for 53 percent of the total. The same Waitrose property was sold to L&G properties in 2015, as an investment sale, and accounted for just over a third of that year's total. In 2021, the Waitrose logistics unit was let to GXO, which delivers to Waitrose stores on behalf of Waitrose, this transaction came to late to be included in the EGi data, used in Figure 13.

- 4.23 In the years since 2017, 2019 saw a reasonable floorspace total of 106,970 sqm, but 2020 saw the lowest take up of industrial floorspace seen in the decade with only 42,591 sqm being transacted, down 60 percent from the year before. This seems to echo the drop in property enquiries noted above, suggesting there was a significant reduction in market activity in 2020, at least at the sub-regional level. The question then to be answered is how much of this downturn reflects reduced demand and if any of it reflects a reduced supply of space to meet needs?

#### **Preston**

- 4.24 Within the last ten years 310 transactions have been recorded in Preston, totalling 208,754 sqm of floorspace.
- 4.25 Figure 14 shows a breakdown by size band and analysing this it is clear that units of 201-500 sqm within Preston have been the most popular. These have accounted for 26 percent of all transactions over the decade. However, it was the 1,001-5,000 sqm size band that saw the most floorspace taken up with a total of 83,953 sqm, a figure that is 40 percent of the decade's total.
- 4.26 2016 saw the most industrial transactions occur in Preston throughout the decade with 55 deals completed. However, since 2016 there has been a sharp and consistent decline in the number of deals occurring in Preston, with the 16 deals that occurred in 2020 cementing a 70 percent fall in transactions since 2017.

**Figure 14 – Preston Industrial Transactions by Size, 2011-2021**



Source: EGi 2021

### Rents

- 4.27 The vast majority of deals that occurred in Preston were leasehold, 259 transactions taking place, or 84 percent of the total. Of these transactions 71 recorded the level of rent achieved with the average rent achieved per square foot being £5.42/sqft (£58/sqm). The highest rent achieved per annum was £165,000 which was paid in 2014 for a 4,394 sqm unit on Longridge Road to the east of the centre of Preston.

### Sales

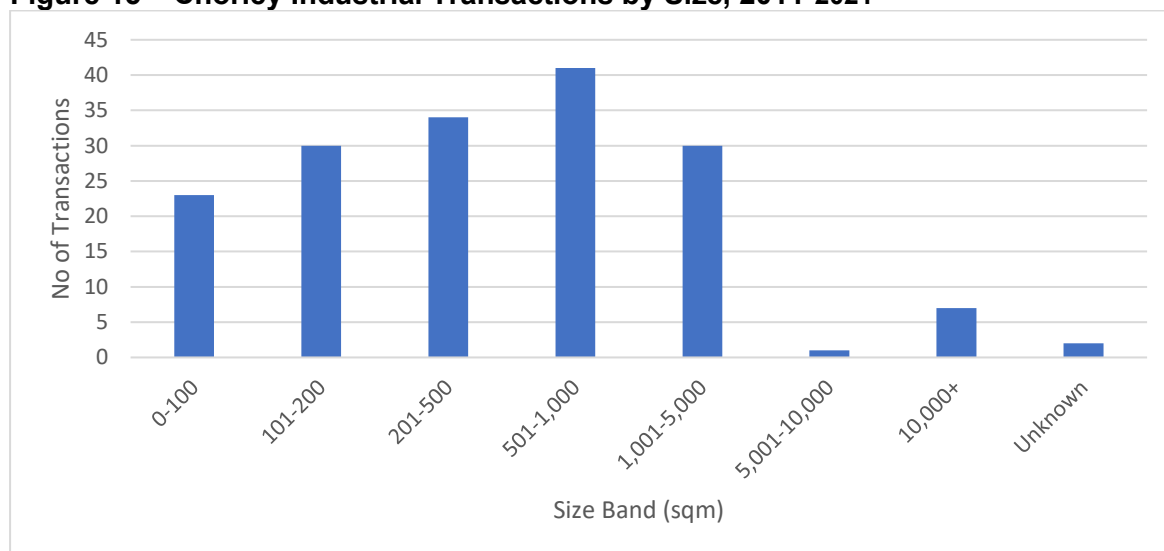
- 4.28 51 of Preston's 310 transactions were freehold deals, accounting for 16 percent of the decade's total. Of these 51 deals, EGi recorded the achieved price of 22 of the deals. The average price achieved was £650,136 which largely driven upwards by a £6,850,000 deal. This was the greatest price achieved in the decade and was paid in 2019 for a 24,738 sqm unit at Channel Way Business Park.

### Chorley

- 4.29 Within the last ten years 168 industrial transactions have been recorded in Chorley, totalling 239,394 sqm of floorspace.

4.30 From Figure 15 it can be seen that the 501-1000 sqm size band has been the most popular in Chorley with the 41 deals taking place accounting for 24 percent of the decade's total. However, there was reasonable market activity for all premises sizes up to 5,000 sqm.

**Figure 15 – Chorley Industrial Transactions by Size, 2011-2021**



Source: EGi 2021

4.31 Like Preston, 2016 saw the most industrial transactions occur in Chorley also with 26 deals being completed that year. 2020 saw 18 deals occur which is not a very significant reduction in average market activity, 2017 saw only 13 deals recorded, for example.

#### *Rents*

4.32 Of the 168 deals taking place in Chorley, 134 were leasehold, 79 percent of the decade total. 43 of these deals stated the level of rent achieved with an average rent reaching £5.35/sqft (£57.57/sqm). The highest rent achieved per annum of the decade was found on Buckshaw Avenue in Revolution Park when a 17,223 sqm unit was rented for £1,009,290 per annum by GA Pet Food Partners Limited in 2016. Only one of the top five rents achieved of the decade was found after 2017 as a 2056 sqm unit on Ordnance Road in Buckshaw Village was rented for £133,209 per annum in 2019.

4.33 *Sales*

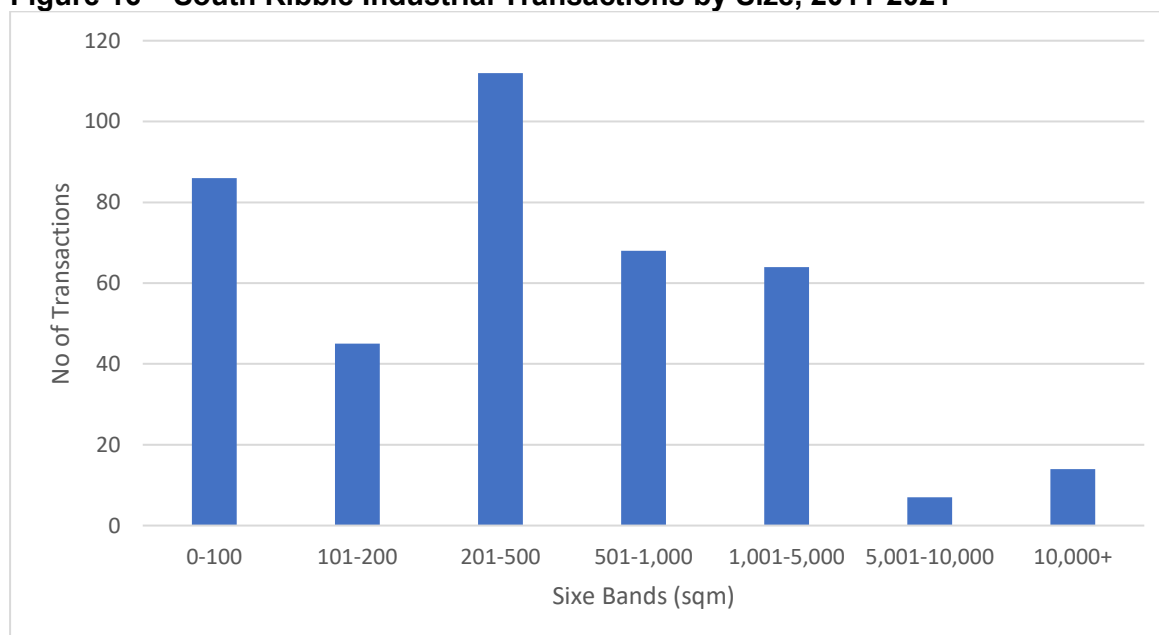
35 of Chorley’s deals were freehold, representing 21 percent of the decade total. 17 transactions stated the price achieved with the average price reaching £367,882. This average was driven upwards by an £810,000 deal for a 1,344 sqm unit on Drumhead Road at Chorley North Business Park that occurred in 2018.

### South Ribble

4.34 405 deals took place in South Ribble between 2011 and 2021, with a floorspace totalling 565,337 sqm.

4.35 Figure 16 shows that the 201-500 sqm size band was the most popular in South Ribble with 112 deals accounting for 28 percent of all transactions. However, as with Chorley, there was reasonable market activity at all levels up to 5,000 sqm. South Ribble also saw 14 transactions of more than 10,000 sqm.

**Figure 16 – South Ribble Industrial Transactions by Size, 2011-2021**



Source: EGi 2021

4.36 Unlike Preston and Chorley, it was 2015 that saw the most industrial transactions occur in South Ribble when 73 deals took place. However, this year did not see the greatest amount of floorspace transacted as 2011 saw 133,586 sqm change hands compared to 70,308 sqm in 2015.

### Rents

- 4.37 309 of South Ribble's transactions were leasehold, representing 76 percent of the decade's total. 90 of these transactions stated the level of rent achieved with the average level settling at £4.91/sqft (£52.72/sqm). Since 2017, the highest rent achieved was £515,000 which was paid by HP Haulage Limited for a 12,535 sqm unit at Walton Summit Industrial Estate.

#### *Sales*

- 4.38 96 freehold deals occurred in South Ribble over the past decade, representing almost a quarter of the decade total. 59 of these deals stated the price paid, with the average price reaching £512,427 sqm. The greatest price being £2,350,000 which was paid in 2017 for a unit on Walton Summit Road.

#### *Office*

- 4.39 753 office deals occurred in Central Lancashire between 2011 and 2021, with a floor area totalling 242,843 sqm. 0-100 sqm was the size band of offices that proved the most popular with 250 transactions occurring throughout the decade, a figure that is almost a third of the decade total. However, it was the 1,001-5000 sqm category that saw the most floorspace with 85,681 sqm changing hands.
- 4.40 2013 was the year that saw the most office transactions with 98 occurring that year, accounting for 13 percent of the decade total. This year also saw the most floorspace transacted by far with 40,238 sqm changing hands. 2013 was the year when the recovery from the previous recession began in earnest, particularly for the office market. Similar levels were reached in 2016 and 2017 when 92 transactions occurred however since then there has been a successive decline in the number of transactions occurring with 2020 seeing a record low 45 transactions taking place. Clearly, this year of the Covid-19 Pandemic did see greatly reduced market activity in the sub-region, although market activity was declining for the two previous years.
- 4.41 2017 saw 28,118 sqm transacted, accounting for 12 percent of the decade total. Similar to the trend seen with the number of transactions, there has been a sustained decline in the level of floorspace transacted since 2017, eventually reaching 18,342 sqm in 2020.
- 4.42 Table 15 provides a summary of the decade's office transactions broken down by size.

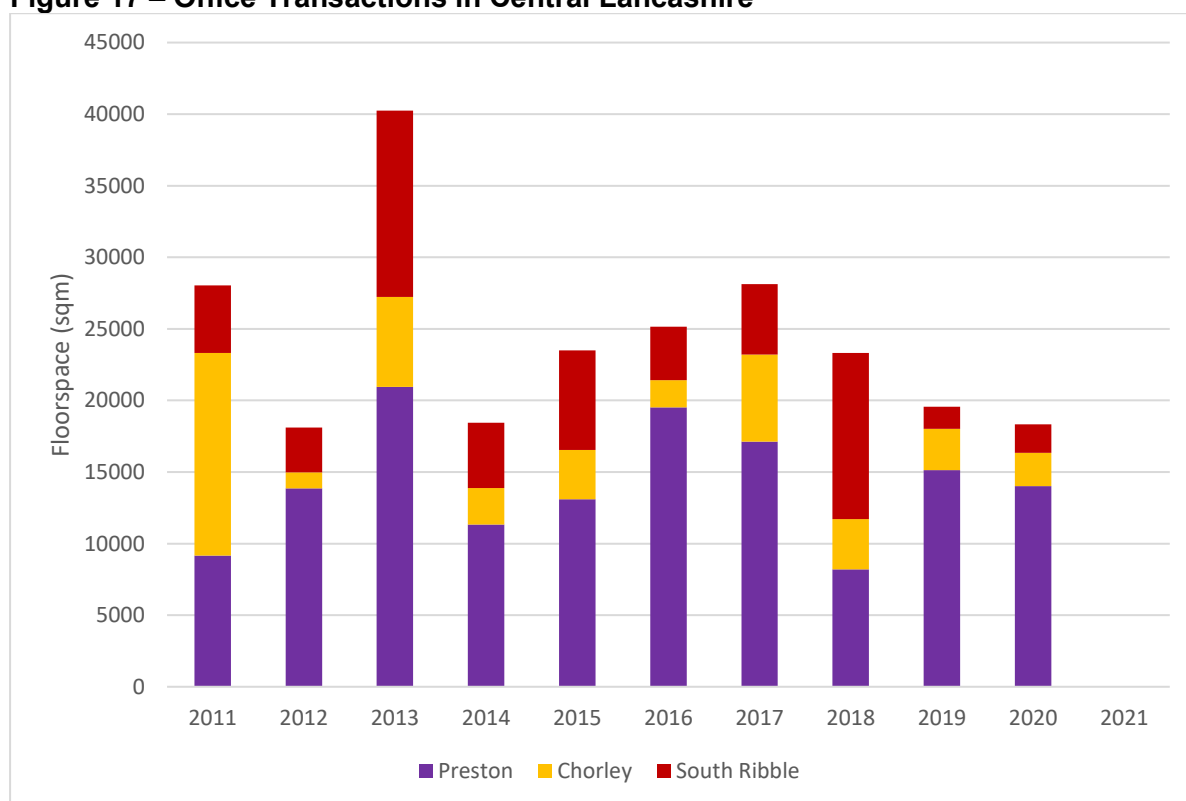
**Table 15 – Summary of Office Transactions 2011-2021 by Size Band**

Area		Size (sqm)								Total
		0-100	101-200	201-500	501-1,000	1,001-5,000	5,001-10,000	10,000+	Unknown	
Preston	Floorspace (sqm)	6,263	18,199	27,456	18,124	54,127	18,215	0	0	142,384
	Total Properties	117	129	85	25	26	3	0	6	391
Chorley	Floorspace (sqm)	2,636	6,700	11,977	9,430	13,557	0	0	0	44,300
	Total Properties	75	46	38	14	8	0	0	4	185
South Ribble	Floorspace (sqm)	3,112	5,913	15,739	6,490	17,997	6,909	0	0	56,160
	Total Properties	58	43	50	10	9	1	0	6	177
Central Lancashire	Floorspace (sqm)	12,012	30,812	55,172	34,043	85,681	25,125	0	0	242,843
	Total Properties	250	218	173	49	43	4	0	16	753

Source: EGi 2021

4.43 Figure 17 illustrates the relative sizes of the office markets in the three Central Lancashire authorities in terms of floorspace transacted.

**Figure 17 – Office Transactions in Central Lancashire**



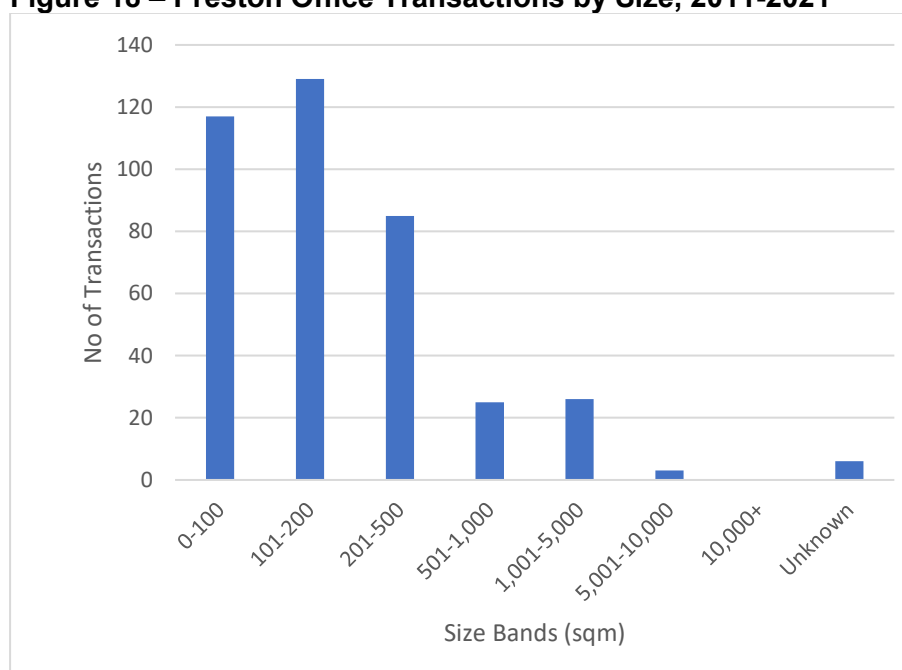
Source: EGi 2021

**Preston**

4.44 Within the last ten years 391 office transactions were recorded in Preston with a floorspace totalling 142,384 sqm.

4.45 Figure 18 shows the 101-200 sqm size range within Preston have been the most popular. The 129 transactions that occurred within this category accounted for almost a third of all transactions over the decade. Overall, the vast majority of transactions were for units of 0-500 sqm.

**Figure 18 – Preston Office Transactions by Size, 2011-2021**



Source: EGi 2021

4.46 2016 saw the most office transactions occur in Preston as 56 properties changed hands, accounting for 14 percent of all transactions. Broadly following Central Lancashire wide trends, since 2016 there has been a decline in the number of transactions occurring in every year apart from one (2019) with the total eventually falling to 18 in 2020.

**Rents**

4.47 310 of the 391 office transactions occurring in Preston over the past decade were leasehold. 109 transactions stated the level of rent achieved and the average of these transactions settled at £10.84/sqft (£116.61/sqm). The highest rent achieved per



annum of the decade was £360,000 which was paid in 2017 for a 3,359 sqm office at Preston Technology Park.

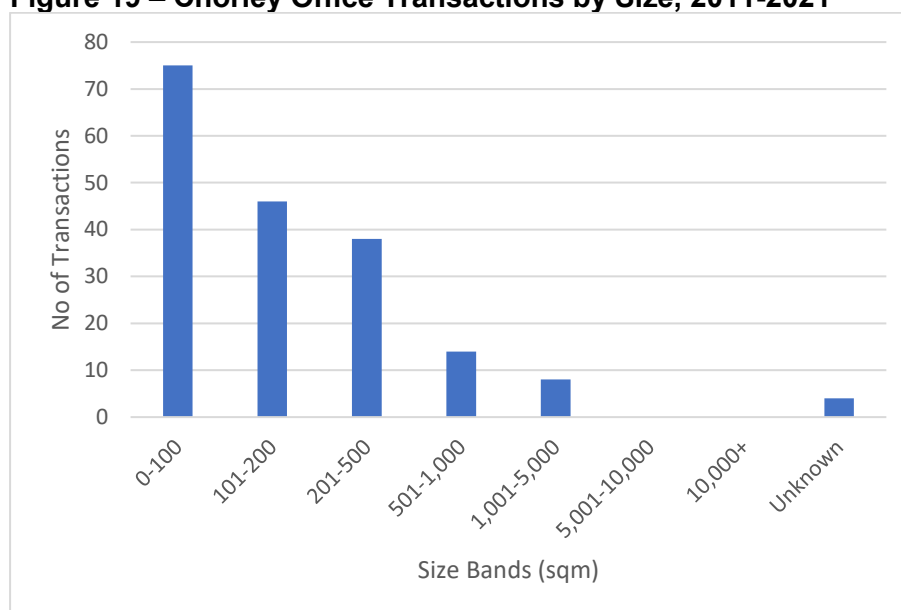
### *Sales*

- 4.48 Freehold transactions made up 21 percent of all deals as 81 occurred during the decade. 44 of these transactions recorded the fees paid with the average fee being £667,895. This average was dragged upwards by a £6,975,000 transaction which was paid in 2013 for a 5,585 sqm property on Lancaster Road by Trillium Property Limited. The next greatest fee achieved was seen in 2020 when the 3,416 sqm Charles House, 8/8a Winckley Square was sold for £2,600,000 to Featherfoot Charles House Limited. However, the latter had prior notification consent for change of use from offices to 70 residential apartments, at the time of the sale in May 2020. This will have boosted the value of this property above which it might otherwise have achieved, although it is difficult to estimate by exactly how much.

### ***Chorley***

- 4.49 185 office transactions occurred in Chorley over the past decade with a floorspace totalling 44,300 sqm.
- 4.50 Figure 19 shows that the 0-100 sqm size band was the most popular in Chorley over the past decade with 75 deals falling within this category. Transactions in Chorley were strongly focused in this smallest category in a way that it was not true for Preston on South Ribble.

**Figure 19 – Chorley Office Transactions by Size, 2011-2021**



Source: EGi 2021

- 4.51 2013 and 2015 saw the most transactions occur in the decade as 23 transactions occurred in both years, each accounting for 12 percent of the decade total. 2017 saw 21 transactions occur and while in the years succeeding the level has not reached the same level, the level of transactions has remained relatively stable each year with 2018's total of 17 being the largest deviation from 2017's total.

#### *Rents*

- 4.52 151 of Chorley's deals were leasehold, constituting 82 percent of the decade's deals. The level of rent achieved was recorded for 70 of these deals with the average rent achieved being £14.26/sqft (£153.44/sqm). The highest rent achieved per annum of the decade was seen in 2020 when a 560 sqm office at Ackhurst Business Park was let for £87,290 per annum by Taziker Construction Management Limited.

#### *Sales*

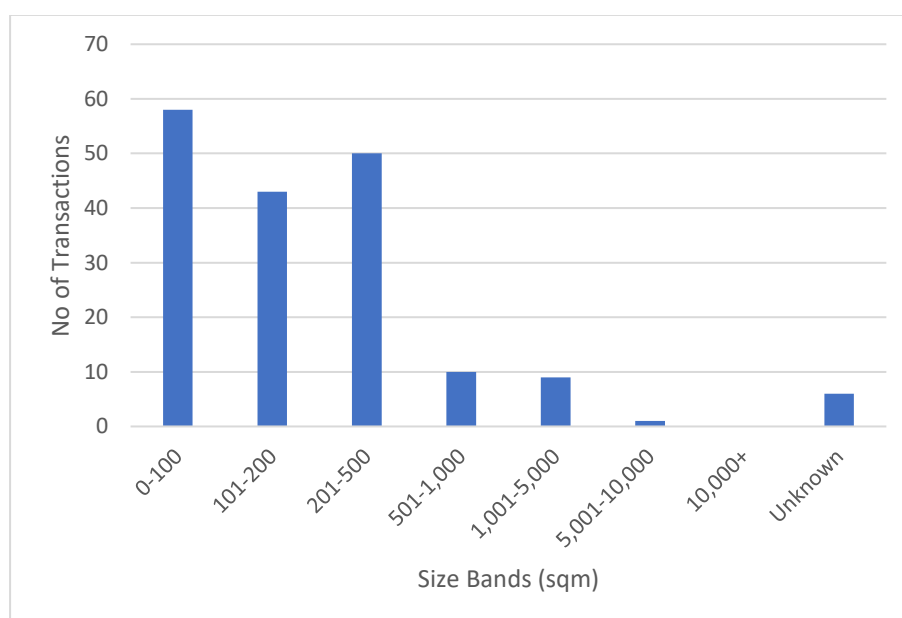
- 4.53 Freehold transactions made up 18 percent of the decade total with 34 deals occurring. Of these 34 deals, EGi recorded the achieved price of 23 deals. The average price achieved was £476,121. The greatest fee of the decade was £2,250,000 which was seen in 2017 when a building on Church Street called Leonard Farclough House was purchased by Stable Vast (UK) Limited.

#### **South Ribble**

4.54 Within the last decade 177 office transactions have taken place in South Ribble, totalling 56,160 sqm of floorspace.

4.55 Figure 20 shows that the 0-100 sqm size band was the most popular in South Ribble over the last decade. Transactions of this size accounted around a third of the decade’s total with 58 transactions occurring in total. However, as was the case for Preston, good market activity continues for offices up to 500 sqm.

**Figure 20 – South Ribble Office Transactions by Size, 2011-2021**



Source: EGi 2021

4.56 2013 saw the most office transactions completed in South Ribble over the past decade with 28 deals completed, as was the case across Central Lancashire. This year also saw the most floorspace transacted with the 13,011 sqm transacted accounting for 23 percent of the decade total. Since 2018, when 21 office deals were completed, the same level of transactions has not been reached. 2019 and 2020 saw quite significant drop offs, recording eight transactions and nine transactions respectively.

**Rents**

4.57 Leasehold deals made up the majority of South Ribble’s transactions with 150 deals occurring of this nature, accounting for 85 percent of the total. 31 of these transactions recorded the level of rent achieved and the average level of rent of these transactions

was £16.68/sqft (£179.44 sqm). The highest level of rent achieved of the decade was £478,263/year which was paid in 2015 for a 2,780 sqm office unit at Gordon House on Spectre Way by James Fisher Nuclear. The second and third highest rents achieved of the decade took place in 2018 when units 1,243 sqm and 975 sqm in size at Matrix Park in Buckshaw Village were rented for £188,824 and £131,000/year respectively.

### *Sales*

- 4.58 Freehold deals made up 15 percent of South Ribble's transactions over the decade with 27 deals taking place. 15 of these deals recorded the price level achieved with the average price settling at £303,851. The highest fee commanded for an office in South Ribble was seen in 2017 when an office on Chapel Lane was sold for £675,000.

### **Property Supply**

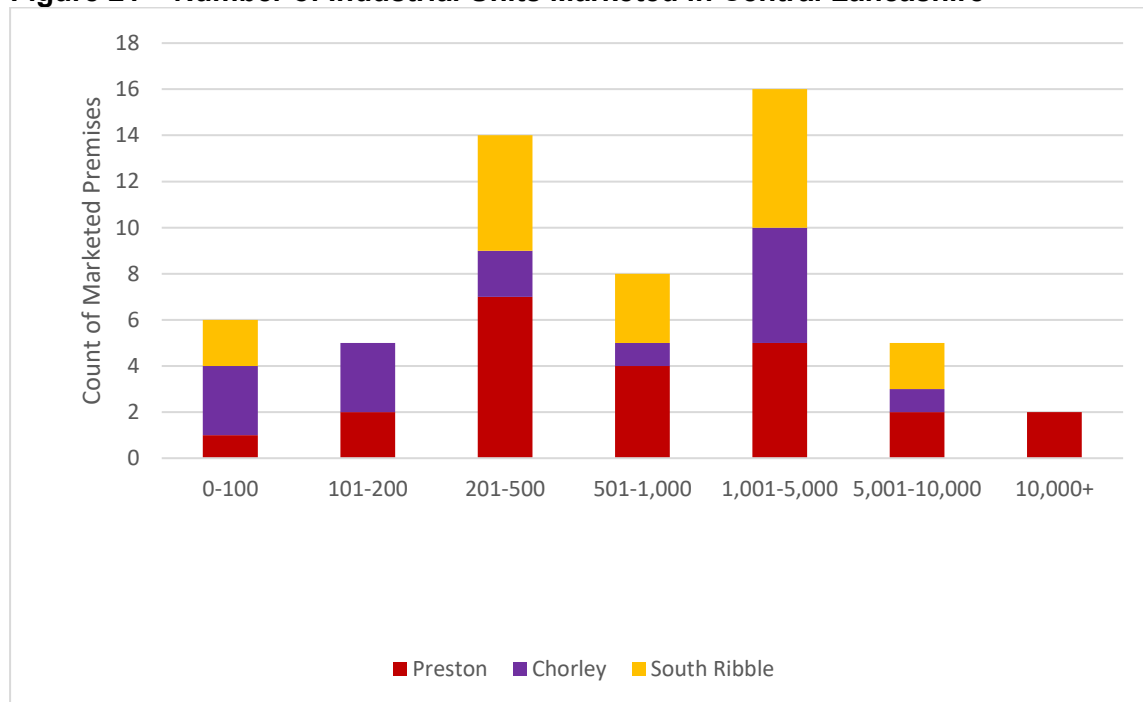
- 4.59 The commercial premises currently being marketed have been analysed as a proxy of the vacant premises within Central Lancashire. It is recognised that not all vacant premises are marketed, with landlords choosing not to market the premises for a variety of reasons, e.g., the property is committed to an occupier but not yet occupied, previously marketed and no occupiers found, strategic business planning, etc.). Furthermore, marketed premises may include some as yet unconstructed premises (i.e., being sold/let off plan) and thus would not be considered existing vacant stock. This is also a snapshot in time as marketed premises are constantly changing as leases and transactions are completed and further stock becomes available. The actively marketed stock provides a good indication however of the capacity for the market to absorb additional demand and would represent the choices available to businesses looking for new premises.

### **Industrial**

- 4.60 There are 23 vacant industrial premises in Preston totalling approximately 53,563 sqm of floorspace, 15 available units in Chorley totalling 18,581 sqm and 18 units available in South Ribble, totalling 38,583 sqm. The total for Central Lancashire is 56 industrial units with a total floor area of 110,727 sqm.
- 4.61 The total quantity of floorspace being marketed has increased since 2017 in Preston by 22,267 sqm and in Chorley by 3,199 sqm but it has decreased in South Ribble significantly by 25,217 sqm. Therefore overall, in Central Lancashire the total quantity of marketed stock has stayed relatively constant as it has only increased by 2,021 sqm.

4.62 There are a wide range of sizes of industrial units on offer across Central Lancashire, with the highest number being within the 1,001-5,000 sqm size bracket, with 16 units being marketed. As seen in Figure 21, the majority of premises available are medium sized, falling between the 201 sqm and 5,000 sqm which broadly accords with market demand based on the past transactions discussed above.

**Figure 21 – Number of Industrial Units Marketed in Central Lancashire**



Source: EGi 2021

4.63 Of the available properties on the market in Central Lancashire, 47 units are available on a leasehold basis, 7 on a freehold basis and 2 are available on either a freehold or leasehold basis.

4.64 The supply of marketed space in Central Lancashire can be graded on their quality. From the 47 properties to let, two thirds are stating an asking rent. These achieved rents give a guide to the quality of the premises to let, based on the following assumptions:

- <£2.50/ sqft (£27.00/ sqm) – Poor Quality
- £2.50-5.00/ sqft (£27.00-54.00/ sqm) – Average Quality
- > £5.00/sqft (£54.00/ sqm) – Good Quality.

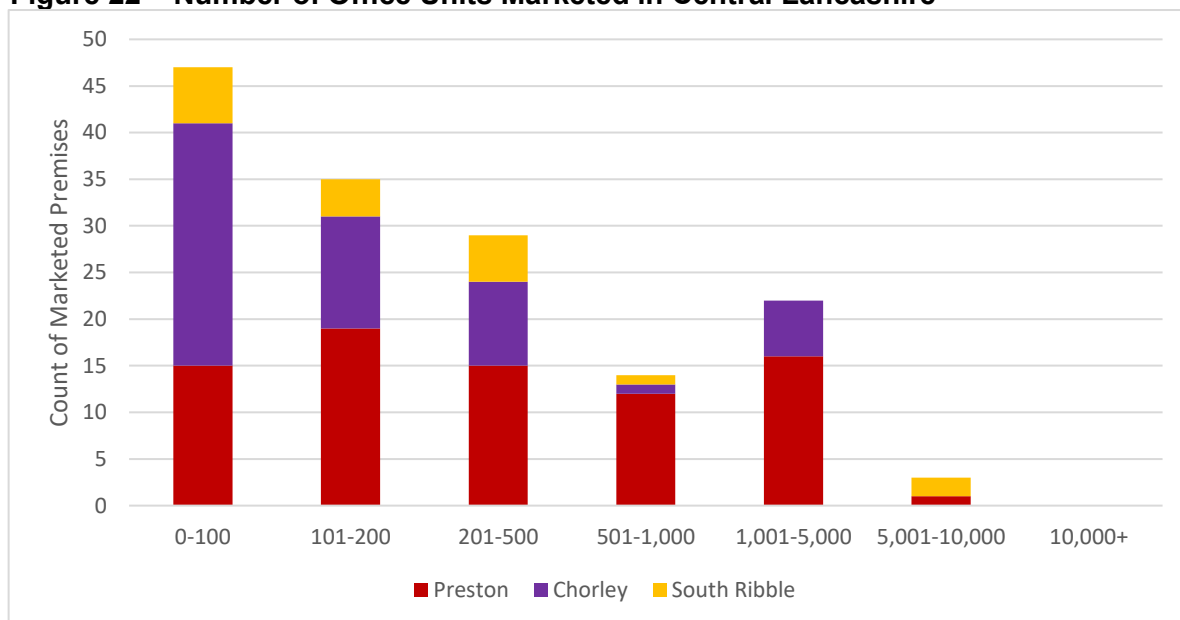
- 4.65 Of these properties, 23 were of good quality. The remaining properties consisted of two poor quality and six moderate quality space.
- 4.66 In terms of overall current supply, the 56 available industrial units comprising 110,727 compares to the average of take up of 88 units/year and 101,189 sqm/year of floorspace transacted over the last decade. On this basis, Central Lancashire only has 7.6 months of forward industrial supply by units, 13 months by floorspace, assuming an average rate of take up per year.

### **Office**

- 4.67 There are 78 vacant office premises in Preston totalling approximately 49,000 sqm of floorspace, 55 available units in Chorley totalling 23,220 sqm and 19 units available in South Ribble, totalling 18,144 sqm. The total for Central Lancashire is 152 office units with a total floor area of 90,364 sqm.
- 4.68 The total quantity of floorspace being marketed has increased all three areas since 2017 – Preston’s floorspace has increased by 2,021 sqm, South Ribble’s by 5,852 and most significantly Chorley’s by 16,395 sqm. Therefore overall, in Central Lancashire the total quantity of marketed stock has increased considerably, a 25,446 sqm increase.
- 4.69 There are a wide range of sizes of office units on offer across Central Lancashire, with the highest number being within the 0-100 sqm size bracket, with 47 units being marketed, accounting for 31 percent of the total. Most supply is in the 0-500 sqm range, again reflecting historic take up as evidenced through the transactions data above. As seen in Figure 22, there are significant numbers of premises being marketed in the small to medium size ranges, but less so in the larger size bands. Stock above 500 sqm is most likely to be available in Preston, although South Ribble has a couple of very large offices on the market.
- 4.70 The supply of marketed space in Central Lancashire can be graded on their quality. From the 133 properties to let, 103 are stating an asking rent. These achieved rents give a guide to the quality of the premises to let, based on the following assumptions:
- <£10.00/ sqft (£107.00/ sqm) – Poor Quality
  - £10.00-15.00/ sqft (£107.00-161.00/ sqm) – Moderate Quality
  - > £15.00/sqft (£161.00/ sqm) – Good Quality.

4.71 Of these properties, 39 were of moderate quality, 37 poor quality and 27 were of good quality.

**Figure 22 – Number of Office Units Marketed in Central Lancashire**



Source: EGi 2021

4.72 In terms of overall current supply, the 152 available office units comprising 90,364 sqm compares to the average of 75 units/year and 24,281 sqm/year of floorspace transacted over the last decade. Thus, Central Lancashire has a forward supply of around 2 years by units and 3.75 years by floorspace, assuming an average annual take up rate.

4.73 Of the available office properties on the market in Central Lancashire, 133 units are available on a leasehold basis, seven on a freehold basis and 12 are available on either a freehold or leasehold basis.

**Property Market – Stakeholders**

4.74 The above analysis of the property data pertaining to Central Lancashire has been supported by consultations with commercial property agents active in the Sub-Region. Agents were asked about activity levels in Central Lancashire, and the three local authority areas individually, key market sectors, spatial differences, the key employment nodes and the recent impacts of factors such as the Covid-19 Pandemic and Brexit. Feedback from the agents is summarised in the tables below. Information

provided has been separated from the name of the agent or agency to protect confidentiality. Table 16 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

**Table 16 – Property Market Comments – Industrial**

Contact	Comment
National Agent	<p><i>Central Lancashire Wide</i></p> <p>Specialise in letting light industrial units, with schemes across all three authorities, but some focus in Chorley. Within that market, units of 50-80 sqm are most in demand, achieving rents of £10-11.5/sqft (£108-124/sqm) for good quality space.</p> <p>Requirements have remained strong during the Covid-19 Pandemic, with no noticeable reduction in market activity or change in the type of space required. The problem has been with existing tenants who have seen disruptions in their revenue stream which prevented them from paying their rents. Several units have thus become vacant but reoccupying them has not been a problem.</p>
National Agent	<p><i>Preston</i></p> <p>Are marketing new industrial units at North East Preston. 7,500 sqm in total, in strong location close to M6 Junction 31a. Five terraced units built, with four under offer mostly to national and international business in the distribution sector. The quoted, and achieved, rent was £7.25/sqft (£78/sqm).</p> <p>The Covid-19 Pandemic has boosted industrial and warehouse demand as more of the economy has become focused online. 2021 has seen further growth as businesses who had growth plans on hold due to Covid and Brexit uncertainties have now begun to invest again.</p> <p>It is telling that industrial land can now attract values equal to that for residential uses.</p>
National Agent	<p><i>Chorley</i></p> <p>Seeing very high demand against supply for units of all sizes, particularly for sites close to the M61.</p> <p>One key issue is the rising cost of construction materials for development. For new build it is still possible to increase rents in line with costs, given high demand levels. However, it is making the refurbishment of second hand units more costly against the lower rents which can be charged for such properties, damaging viability.</p> <p>Rents:</p> <ul style="list-style-type: none"> <li>• For a 100 sqm unit = £10-15/sqft (£108-161/sqm)</li> <li>• For 10,00 sqm unit = £7-8.5/sqft (£75-91/sqm).</li> </ul>
Regional Agent	<p><i>Central Lancashire Wide</i></p> <p>There is a real shortage of space at the moment, so any property that is available on the market is receiving significant attention. Demand is led by a growing online sales and distribution sector.</p> <p>Are currently letting 600 sqm on Peregrine Place, Leyland, 180 sqm on Moorlandgate, Chorley and 100 sqm on Ranglet Road, Walton Summit. All three have had double figure enquiries.</p> <p>Rents are £6-9/sqft (£65-96/sqm) depending on size/location.</p> <p>There is very limited available stock to meet needs, but the general quality is good. Moving forward schemes such as Preston East and Farrington Park will meet some of the logistical demand but there remains a</p>



Contact	Comment
	<p>significant shortage of 250 sqm and smaller industrial/business units. The main out of town business park remain sought after due to parking and motorway connectivity. Buckshaw, Roman Way, Redscar, Preston East, Walton Summit, Moss Side, South Rings, Leyland Business Park/Centurion Way, Lancashire Business Park and Chorley North are the main ones.</p>
Sub-Regional Agent	<p><i>Central Lancashire Wide</i></p> <p>2020 and 2021 the industrial market remained strong, with demand for units of all sizes. All the new industrial and warehouse developments, completed in Central Lancashire since 2015 have been successful and let very quickly. Demand is equally strong in all of the three authorities and indeed across the North West.</p> <p>New larger units are achieving £7.5/sqft (£81/sqm) and light industrial units, around 150 sqm, are achieving £10/sqft (£108/sqm).</p> <p>There has been a shortage of new build developments against demand, with Buckshaw Village in particular needing new space.</p> <p>The Covid-19 Pandemic has boosted industrial and warehouse demand as more of the economy has become focused online. Feel that a further boost is coming as the end of furlough payments push the whole workforce back into activity, likely generating demand for extra space, at least for smaller units.</p>
Sub-Regional Agent	<p><i>Preston</i></p> <p>Experiencing good demand, although there is not enough availability so usually have a waiting list for requirements. This seems to be a common experience for property agencies. The Covid-19 Pandemic has been a factor in causing the shortage with the growth of online retailing meaning firms have needed more storage space.</p> <p>Small units of around 100 sqm are most in demand. Businesses appear flexible about the broader spec of their property, although major things like parking still affect rental levels.</p> <p>North East Preston near the motorway appears to be a popular location for industrial activity.</p>

Source: BE Group, 2021

4.75 Table 17 provides a summary of the comments received on the local office property market.

**Table 17 – Property Market Comments – Office**

Contact	Comment
National Agent	<p><i>Central Lancashire Wide</i></p> <p>Specialise in letting small serviced/unserviced units, with schemes across all three authorities, but some focus in Chorley. Within that market, units of 20-50 sqm are most in demand, achieving rents of £14-16/sqft (£151-172/sqm) for good quality space.</p> <p>Following a sharp drop in market activity in 2020-2021, demand from small offices is starting to pick up again as people look to move up from homeworking.</p> <p>Feel that Chorley is better placed to benefit from this latest improvement in demand than Preston. Chorley has a strong stock of affordable serviced/unserviced small offices, in locations with parking/affordable parking.</p>

Contact	Comment
National Agent	<p><i>Chorley</i></p> <p>After 18 months of market hesitancy, demand has increased. However, it is still very much a buyers' market and businesses want flexibility in their space i.e., to increase or decrease their space rapidly in line with staffing requirements to work from home or the office. This benefits serviced offices over less flexible unserved options. Businesses also expect an improved offering within serviced schemes, i.e., gyms and cafes alongside meeting rooms and parking.</p> <p>Serviced offices in Chorley can attract £15-20/sqft (£161-215/sqm).</p>
Regional Agent	<p><i>Central Lancashire Wide</i></p> <p>The market has stalled over the Covid-19 Pandemic and it remains unclear what the Post Covid market will look like. Have received a couple of enquiries for properties of around 300 sqm. However, anticipate that as people come off furlough and people are encouraged back to the office the demand will grow. However, that demand will be for smaller flexible space. Early indications are that working from home, hotdesking and flexi-hours, are here to stay so the gross demand for floorspace by businesses will reduce. Have already seen a number of larger office users in Preston reduce operational floor areas.</p> <p>Rents are £8-10/sqft (£86-108/sqm) subject to quality, size and location. There is little Grade A supply.</p> <p>Across Central Lancashire, there is enough supply to meet demand in the short term. A lack of speculative development over recent years may lead to shortage should the existing stock become occupied.</p>
Regional Developer	<p><i>Central Lancashire Wide</i></p> <p>Demand is for smaller offices of 50-100 sqm which can achieve £12-14/sqft (£129-151/sqm). Supply is sufficient to meet needs. In the past 18 months demand has fallen off a cliff with landlords desperate to keep current tenants.</p> <p><i>Preston</i></p> <p>Preston City Centre suffers from lack of parking and old buildings built in the 1970s with low ceilings which don't make ideal space nowadays. As a result office based businesses are increasingly looking outside the centre for growth opportunities.</p>
Sub-Regional Agent	<p><i>Central Lancashire Wide</i></p> <p>Feel the market is doing better than people realise, with small schemes and particularly serviced business centres mostly performing well. At the larger scale, there are office parks in Chorley, Ackhurst and Leyland that are more or less fully let.</p> <p>A good quality office would likely let for between £12.5-13 /sqft (£135-140/sqm). There is a shortage of freehold opportunities against demand as lots of businesses have the cash and the ability to get cheap finance for owner occupation.</p> <p><i>Preston</i></p> <p>While public sector agencies have been active in trying to encourage offices to locate in the City Centre, the space available to meet those needs has been reducing, with a lot of the offices in the centre have been turned into residential properties. Recently received a requirement for an office over 1,000 sqm but there was not a lot available of any quality, only 1960s blocks.</p>
Sub-Regional Agent	<p><i>Preston</i></p> <p>The office market has been slow over 2020-2021, but has been picking up in the last few months with demand focused in North East Preston for unserved properties.</p>

Source: BE Group, 2021

- 4.76 Industrial and warehousing demand has remained consistently strong across Central Lancashire over the Covid-19 Pandemic and continues to do so. This is partly driven by increased needs for storage and logistics premises as businesses have moved more of their trading online, however, demand for production space is also strong. Some companies may have put growth plans on hold in 2020 given uncertainties over Covid-19 and the final Brexit Trade Deal. However, that investment is now happening in 2021. Where space is freed up by companies reducing the scope of their operations, that space is reoccupied quickly.
- 4.77 Demand is for space in a range of sizes, but smaller units of sub-500 sqm and particularly 100 sqm seem most needed. Companies are flexible about the detailed spec of such units although good car and HGV parking remains important.
- 4.78 Good quality new light industrial space can attract rents of £10-15/sqft (£108-161/sqm), i.e., frequently equal to rates for unserviced offices in the sub-region. Larger units are attracting still reasonable rates of £6-9/sqft (£65-96/sqm) depending on size and location.
- 4.79 Strong demand is boosting developer interest in delivering industrial and particularly logistics premises, despite rising construction costs, with land values for industrial land reportedly approaching residential levels, at least in some cases. The pipeline of development, in all three local authority areas, is focused on delivering larger B2/B8 units, notably at locations such as Farrington in South Ribble and North East Preston, and there remains a shortage of smaller space across the sub-region.
- 4.80 Although the sub-regional office market was clearly inhibited over the Lockdowns of 2020, the consensus of views was that demand is returning in 2021. Most market interest is for small, flexible and frequently serviced suites that can allow businesses to move staff between full/part time homeworking and office based work, as required. It remains a 'buyers' market' however and companies expect a good standard of services and facilities associated with their accommodation.

- 4.81 Market interest is focused on Chorley and Preston. Stakeholders feel that Chorley is better placed to benefit from this latest improvement in demand than Preston. Relative to the size of the settlement, Chorley has a strong stock of affordable serviced/unserviced small offices, in locations with parking/affordable parking. In comparison, offices in Preston City Centre suffer from a lack of parking and old buildings built in the 1970s with low ceilings which don't make ideal space nowadays. As a result, office based businesses are increasingly looking outside the City Centre for growth opportunities. Serviced offices can achieve £15-20/sqft (£161-215/sqm) in Preston and Chorley, unserviced a more variable £8-16/sqft (£86-172/sqm) subject to quality, size and location.
- 4.82 Views on demand for larger offices is more varied. Existing space is well occupied, and the Covid-19 Pandemic does not seem to have led to mass vacancies in Central Lancashire. Stakeholders report some shortages of premises, particularly in the freehold market while Preston City Centre has lost a lot of space to residential conversion. However, demand for new large scale space remains modest and does not yet seem to support large scale investment in new build options.
- 4.83 In both the industrial and office markets, there is a shortage of freehold opportunities against demand as lots of businesses have the cash and the ability to get cheap finance for owner occupation.

#### **Business Consultations**

- 4.84 A select number of businesses in Central Lancashire have been contacted to gain views on business conditions as of Autumn 2021. To maintain confidentiality, individual businesses are not named. Those businesses operate in manufacturing, financial services and logistics/wholesale sectors. None report any significant impact from the Brexit process to date. One manufacturing businesses reports it lost some European customers due to trade uncertainty, but the financial impacts were mitigated by some domestic customers looking to buy more products in the UK than face import restrictions.
- 4.85 In terms of the Covid-19 Pandemic, the financial services business contacted had to furlough around a third of its staff during the Lockdown periods. The company's income dropped sharply in 2020 as many of its customers shut down operations. Income has recovered well however in 2021 and redundancies were avoided. Most staff now work

part time at home and part time at the office, and that is expected to be the permanent way of working from now on. The manufacturing and logistics firms saw only limited staff furloughed while operations continued, and product demand remained good and even increased over 2020/2021, with one business forecasting 40 percent growth by the end of 2021.

- 4.86 In terms of premises demand, the manufacturing businesses contacted had strong space needs. This was largely linked to the need to accommodate new or improved production equipment, bring in merged/partnered businesses and HGV access/parking. The need is for expansion sites close to existing industrial estates, for freehold purchase, a requirement for 0.68 ha was noted in discussions. Large yard space was essential for vehicle operations and hard to find in the sub region. Against this need there is a significant shortage of land and premises.
- 4.87 Office-based businesses based in Preston City Centre have struggled with the loss of rented office space to housing and finding properties large enough to meet their needs. Generally, difficulties in access and parking for clients and the poor quality of the office offer are pushing companies out of Central Preston.
- 4.88 All the businesses report difficulties recruiting staff in a wide range of sectors, from production to solicitors. This is a recent phenomenon and a nationwide issue, with labour demand exceeding supply. For the manufacturing/logistics businesses, the national shortage of HGV drivers is a major barrier to product and parts delivery, which is impacting on operations, but not yet profits.

### **Summary**

- 4.89 The UK's industrial and warehouse market has proved resilient over the Covid-19 Pandemic, with a record fourth quarter in terms of floorspace transacted. Investor interest has remained strong although the pipeline of development remains modest. The Pandemic overshadowed the potential threat of a no-deal Brexit, which had far less of an impact on market confidence than perhaps it would have in a normal year.
- 4.90 The resilience - and indeed vital role - of logistics amid the Covid-19 Pandemic was clearly reflected in the final quarter of 2020 where again record take up rates were noted. With limited development in the pipeline, the space available to meet needs is reducing. The North West has only 1.07 years' worth of supply against recent take up, according to one source.

- 4.91 After a year of lockdowns and a largely stagnant office market, most notably in Preston, office-based businesses are looking to return to the office, but with a greater emphasis on flexible space and quality over quantity. New working practices will favour some facilities over others, with the old business centre model of high density, tightly packed workspace seeming increasingly out of date. There is a particular shortage of high grade space which could meet these new needs. More generally, stakeholders argue that the office market is picking up, even if transaction rates remain below historic averages and there has been no new major office development in 2021, even in Preston.
- 4.92 Through the Evolutive database, it is noted that Central Lancashire has received 14,226 property enquiries since 2006:
- Chorley – Industrial requirements dominate, enquiry rates dropped sharply in 2020, but numbers enquiring through public agencies have been reducing generally since 2016. Office and industrial premises of less than 300 sqm are sought
  - Preston – Again industrial interest is strong and enquiry levels have declined since 2016. 70 percent of industrial enquiries are for units of less than 900 sqm. 64 percent of office enquiries are for suites of less than 300 sqm, with most seeking properties of 93-300 sqm
  - South Ribble – In terms of industrial enquiries, while 37 percent of enquiries were for units of 300 sqm or less, it is important to note that market interest has been recorded for units in all size brackets up to 2,300 sqm. Office requirements in South Ribble are generally for small suites, with 47 percent of enquires for sub-100 sqm units.
- 4.93 883 industrial deals occurred across Central Lancashire between 2011 and 2021, with a floor area of 1.01 million sqm. The size band of 201-500 sqm saw the highest number of transactions, comprising over a quarter of all deals and similarly dominating in Preston and South Ribble. The larger 501-1,000 sqm size band was most popular in Chorley, although in all three areas there was reasonable transaction activity for sizes up to 5,000 sqm. 2020 saw the lowest level of transactions in the decade although in most cases transaction rates have reduced since 2016. Average achieved rents were around £5/sqft (£58/sqm).

- 4.94 753 office deals occurred in Central Lancashire between 2011 and 2021, with a floor area totalling 242,843 sqm. The 0-100 sqm size band was most popular across the sub-region, although in Preston the larger 101-200 sqm size band dominated and there was reasonable activity up to 500 sqm in all areas. Again, while there was a marked decline in transaction rates in 2020, recorded market activity has been reducing since 2016/17. Average achieved rents were £10-17/sqft (£108-183/sqm).
- 4.95 As of Summer 2021, there was 110,727 sqm of vacant industrial floorspace being marketed in Central Lancashire, within 56 properties. Across the three authorities that is little changed on availability rates noted in the 2017 Study. The majority of premises available are medium sized, falling between the 201 sqm and 5,000 sqm which broadly accords with market demand based on the past transactions discussed above. However, based on the average of take up of 88 units/year and 101,189 sqm/year of floorspace transacted over the last decade Central Lancashire only has 7.6 months of forward industrial supply by units, 13 months by floorspace.
- 4.96 As of Summer 2021, there was 90,364 sqm of marketed office floorspace in Central Lancashire, comprising of 152 properties. 25,446 sqm more stock is on the market in 2021 than was the case in 2017. Most supply is in the 0-500 sqm range, again reflecting historic take up as evidenced through the transactions data above. Based on the average of take up of 75 units/year and 24,281 sqm/year of floorspace transacted over the last decade Central Lancashire has 2 years of forward office supply by units, 3.75 by floorspace.
- 4.97 Property market stakeholders indicate that industrial and warehousing demand has remained consistently strong across Central Lancashire over the Covid-19 Pandemic and continues to do so. This is partly driven by increased needs for storage and logistics premises as businesses have moved more of their trading online, however, demand for production space is also strong. Demand is for space in a range of sizes, but smaller units of sub-500 sqm and particularly 100 sqm seem most needed. Good quality light industrial space can attract rents of £10-15/sqft (£108-161/sqm). Larger units are attracting still reasonable rates of £6-9/sqft (£65-96/sqm) depending on size and location.

- 4.98 Strong demand is boosting developer interest in delivering industrial and particularly logistics premises. The pipeline of development is focused on delivering larger B2/B8 units, however, and there remains a shortage of smaller space across the sub-region.
- 4.99 Although the sub-regional office market was clearly inhibited over the Lockdowns of 2020, the consensus of views was that demand is returning in 2021. Most market interest is for small, flexible and frequently serviced suites that can allow businesses to move staff between full/part time homeworking and office based work, as required. It remains a 'buyers' market' however and companies expect a good standard of services and facilities associated with their accommodation.
- 4.100 Market interest is focused on Chorley and Preston. Stakeholders feel that Chorley is better placed to benefit from this latest improvement in demand than Preston. Relative to the size of the settlement, Chorley has a strong stock of affordable serviced/unserviced small offices, in locations with parking/affordable parking. In comparison, offices in Preston City Centre suffer from a lack of parking and old buildings built in the 1970s with low ceilings which don't make ideal space nowadays. As a result, office based businesses are increasingly looking outside the City Centre for growth opportunities. Serviced offices can achieve £15-20/sqft (£161-215/sqm) in Preston and Chorley, unserviced a more variable £8-16/sqft (£86-172/sqm) subject to quality, size and location.
- 4.101 In both the industrial and office markets, there is a shortage of freehold opportunities against demand as lots of businesses have the cash and the ability to get cheap finance for owner occupation
- 4.102 In terms of businesses contacted, no company reported significant lasting impacts from the Brexit process to date or the Covid-19 Pandemic, although office-based firms expect to see their staff working at least part time from home from now. Manufacturing firms are growing well and report demand for expansion land/premises, particularly for freehold purchase, and a shortage of supply against that need. Preston-based office firms are finding working in the City Centre more difficult in terms of access, parking and the quality of available space. This is encouraging firms to look for space outside of the city centre. All firms report problems with recruiting skilled staff, in a range of sectors, although this is a national issue.



## 5.0 EMPLOYMENT LAND SUPPLY UPDATE

### Introduction

- 5.1 This section provides a review, updated to Autumn 2021, of existing portfolio of potential employment land in the study area to meet that demand, not only how much there is, but also its quality, type, suitability and availability. Central Lancashire needs a balanced portfolio of land to accommodate a sustainable, growing economy that can respond to dynamic market conditions, changing business needs and working practices.

### Land Supply

- 5.2 Each Council has provided updated details on its local land supply as of April 2021. The Strategic land supply, comprising the Cuerden Strategic Site and Samlesbury Enterprise Zone, is considered separately below. The Baseline Local Supply for each local authority area, comprises:

#### *Chorley*

- 5.3 Chorley's Employment Land Supply comprises the 15 allocations under Policy EP1 – 'Employment Site Allocations' of the Adopted Chorley Local Plan 2012 – 2026: Site Allocations and Development Management Policies Development Plan Document (2015). The latest Chorley Employment Land Monitoring Report, May 2021, indicates that these total 66.02 ha.
- 5.4 Two unimplemented planning consents for B-Class use remain from the 2017 Study. These are the main employment consents, outside of the EP1 Employment Site Allocations, which cover land areas of more than 0.25 ha and so can be considered as part of the supply under national guidance. The two relevant sites provide a further supply of 2.16 ha.
- 5.5 The total Chorley Baseline Supply is thus 68.18 ha. This can be compared to a baseline supply of 85.85 ha as set out in the 2017 Study, a 17.67 ha reduction in four years.

#### *Preston*

- 5.6 Preston's Employment Land Supply comprises and the 11 allocations under Policy EP1 – 'Employment Site Allocations' of the Adopted Preston Local Plan 2012-26: Site

Allocations and Development Management Policies Document (2015). These total 92.99 ha, reduced from 99.52 ha<sup>1</sup> in the 2017 Study.

- 5.7 This Study has also been asked to review ten additional sites (ELR Sites excluded from the 2017 Study) with the potential to deliver E(g)/B-Class uses. With two exceptions, all are focused in, or on the edge of, the City Centre and all fall outside EP2 Employment Areas. These total 18.32 ha pre analysis, giving a total Preston Baseline Supply of 111.31 ha

#### *South Ribble*

- 5.8 The South Ribble Baseline Employment Land Supply includes the four sites defined under Policy E1 – ‘Allocation of Employment Land’ in the Adopted Local Plan (2015). These total 34.78 ha. Building on past research three further employment sites are included:

- South Rings, Cuerden (11.05 ha) – Employment Area with further available development land
- C2: Moss Side Test Track, Leyland (Titan Business Park) (6.08 ha based on past Development Brief) – Mixed-Use Site with employment potential
- C1: Pickering’s Farm, Bee Lane, Penwortham (0.45 ha according to Homes England estimate) – Homes England housing site with modest additional employment potential.

- 5.9 The total South Ribble Baseline Supply is thus 52.36 ha, unchanged from 2017. The total Central Lancashire Baseline Supply is 231.836 ha, only slightly reduced on the 2017 supply of 239.89 ha.

- 5.10 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 E(g)/B-Class uses, to meet the needs of specific occupiers only (i.e., expansion space) or where development has now completed. Tables 18-21 outlines the assumptions made about sites included in the three Councils Baseline Supplies, explaining why revised

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<sup>1</sup> Discussions with Preston City Council indicate that historic totals of employment land supply, set out in the Preston Local Plan (2015) and relayed in the 2017 Study, underestimate the gross employment land supply by underestimating the size of site allocation EP1.3 Preston East Employment Area by some 24.04 ha, including land east and west of the B6242. However, this Study uses, as its base, the remaining undeveloped employment land in all EP1 sites, as identified in 2021 Local Plan Monitoring. It does not use Local Plan figures for any of the land supply calculations undertaken in this Section..

site areas have been used in some cases. The Tables provide an update on sites considered in the 2017 Study.

Table 18 – Employment Sites Schedule – Chorley

Site Ref.: Site Name	Stated Site Area, ha	Revised Site Area, ha	Changes Since 2017	Use Classes
EP1.1: Great Knowley, Chorley	14.10	11.73	Around half of the wider 23.7 ha EP2 site is now the subject of residential consents. Some 11.73 ha remains undeveloped in the south of the site and, in principle, available for B-Class development. In practice, viability, topography, adjacent housing and landowner intentions are likely to be significant barrier to any employment development in this area	E(g), B2
EP1.2: Botany Bay, Chorley	5.90	5.90	The existing consent would redevelop the whole area for a primarily A1/A3 retail park. However, in 2020 First Investments indicated that it would not proceed with the proposed retail park "due to the continued decline in the retail sector"; something "further compounded by the coronavirus pandemic". In its place, First Investments proposes the 'Botany Bay Business Park', comprising 30,200 sqm of industrial and commercial space, consisting of 12 main blocks. A planning consent is now being sought for this. Details on the land area which will be developed for E/B-Class Uses has yet to be identified, however based on the floorspace proposed it is likely to be larger than 5.90 ha. At the time of writing, Botany Bay Mill was closed for refurbishment/redevelopment, but no external work had commenced.	E(g), B2, B8
EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley	6.90	6.90	The land is now the subject of Outline planning consent for 27,871 sqm of B2 and B8 accommodation, car parking, landscape, drainage and other infrastructure. The employment space would comprise six units, indicatively split 75 percent B2, 25 percent B8 and capable of generating some 770 jobs. A timetable for delivering the consent is not set out.	B2, B8
EP1.5: Euxton Lane, Chorley	9.85	9.85	Planning consent was granted on 10.42 ha of the total 13.1 ha allocated site for mixed use development comprising a Digital Health Hub. Planning was granted on 2.97 ha of land in the west of the site for the erection of six B1.B2/B8. Proposals are for 9,386 sqm of terraced industrial or hybrid premises comprising 33 units in six blocks. Seddon Developments are the development partner on the site, alongside Ascalon Properties (operating as Euxton Lane Developments). The scheme is referred to as the Strawberry Fields Digital Hub is now complete and operating a high-tech business centre offering collaborative office space, hot desks, pods and meeting space, for digital and creative innovators. Other aspects of the wider consents are under construction, particularly in the west of the site.	E(g), B2, B8
EP1.6: Cowling Farm, Chorley	3.50	3.50	No change	E(g) (iii). B2, B8
EP1.7: Land at Ackhurst Business Park, Chorley	0.00	0.00	Now developed for car showroom uses (Sui Generis) for Chorley Nissan.	-
EP1.8: Lyons Lane Mill, Townley Street Chorley	0.33	0.33	Planning consent proposed mixed use development consisting of 10 new starter industrial units, 3 refurbished existing units within an enclosed employment site together with 10 residential dwellings. Housing element developed. Three refurbished units have been completed and have a B2 use class. Six new starter industrial units remaining with the 0.33 ha undeveloped.	E(g) (iii). B2
EP1.9: Woodlands Centre, Southport Road, Chorley	0.80	0.80	No change	E(g)(i)
EP1.10: Stump Lane, Chorley	0.00	0.00	Developed	E(g) (iii)/B2
EP1.11: The Revolution, Buckshaw Avenue, Buckshaw Village	3.26	3.26	Was leased to Kimberly Clarke but that lease ran out in June 2021. No other change.	B2, B8
EP1.12: Group 1, Buckshaw Village	2.30	0.00	Land now proposed for housing, reflecting surrounding uses and ownership by a housebuilder. Consent being sought for 81 dwellings and school pick-up/drop-off car park across both of the sites. Its loss to other uses therefore seems likely.	Assumed housing
EP1.13: Southern Commercial, Buckshaw Village	2.88	2.88	<i>Northern Site</i> Northern portion of the site is developed for a KFC drive-thru. A children's nursery is under construction with the loss of 0.28 ha of employment land. <i>Southern Site</i> Proposed for Buckshaw Parkway a scheme of five large, three-storey office buildings of 1,970-3,154 sqm each. Building Two (2,153 sqm) is developed and on the market, to let.	E(g)(i)
EP1.14: Fairport, Market Place Adlington	0.60	0.60	No change	B2, B8
EP1.15: Land east of Wigan Lane, Clayton-Le-Woods	15.00	8.03	No change	E(g), B2, B8
EP1.17: Rear of New Street, Mawdesley	0.60	0.60	No change	E(g)(iii)/B2/B8
Plan App.1: Land adjacent Weir Mill, Crosse Hall Street, Chorley	0.26	0.00	Consented for the erection of an extension to the existing industrial unit with part first floor ancillary office accommodation and the erection of a new detached industrial unit and associated parking. The extension to the existing industrial unit has been constructed. Other site cleared but no development of the new detached industrial unit in evidence as of October 2021. Some seven years after the consent it appears increasingly unlikely this will be implemented. Development also for a single company only. Not available to wider market.	E(g)(iii)/B2
Plan App.2: Twin Lakes Industrial Estate, Brickcroft Lane, Croston	1.90	1.90	Erection of 27 Industrial Units. The permission has been partially implemented with the erection of seven industrial units. Some of the site is used for the open storage of equipment hire by a company Readyplant. No evidence of further progression as of October 2021	E(g)(iii)/B2
<b>Totals</b>	<b>68.18</b>	<b>56.28</b>		

Source: CBC and BE Group, 2021

Table 19 – Employment Sites Schedule – Preston EP1 Sites

Site Ref.: Site Name	Stated Site Area, ha	Revised Site Area, ha	Changes Since 2017	Use Classes
EP1.1: Whittingham Hospital	1.40	0.00	On the wider site as a whole there has been a reserved matters permission for phase 1 of the development by Taylor Wimpey which is currently under construction for the erection of 132 dwellings and 18 apartments.  Implementing App. No. 06/2019/0365 (48.7ha) would result in the development of 48.7ha of the 51.6ha HS1.5 housing allocation for mixed-use development, involving no provision of floorspace in the B use classes. The applicant made a viability case that the previous permissions were unviable and in order to deliver development over the entire site, a revised scheme must be entirely residential. No other application/consent proposes E/B Class uses. Employment uses thus look increasingly unlikely here.	Housing
EP1.2: Red Scar Site H	2.75	2.75	No change	B2, B8
EP1.3: Preston East Employment Area	12.84	12.84	There is a Reserved Matters Consent for 6,447 sqm of Class B2 / B8 use floorspace and 582 sqm of office space within a single block. A Henry Boot Developments scheme, under construction. First phase estimated for practical completion in September 2021. The Site is located in the middle of the southern land parcel, to the south of the Girl Guide HQ. Site marketed as 'Preston East' and to be developed in three phases. Another Reserved Matters application for a 5,936 sqm B8 use is being considered.  EP1.3 area Employment Land Take Up as at Aug 2021 was 19.1ha, comprising Girl Guides HQ in southern parcel and James Hall Spar development in northern parcel). In addition, 2.44ha has been developed for Perrys Vehicle Sales, Sui Generis use.  As at Aug 2021 there is no land remaining to be developed in the northern parcel and 12.84ha remaining in the southern land parcel. All of this would be taken up by the Preston East development. .	B2, B8
EP1.4: Red Scar Industrial Estate	17.44	17.44	Diverse range of consents across the site. Key is Longridge Road Energy Centre - Nearly 45 percent of the EP1.4 area is consented for the 9.27ha, 16,335 sqm, Longridge Road Energy Centre. The Applicant is MT Green Power Limited, Miller Turner to construct. A development partner is now being introduced and Savills is working with Miller Turner to sign off the nine planning conditions that require submission and approval of details prior to commencement of development. A three year construction period is anticipated.  It appears that remaining land in the allocation without completed development or extant planning permission is at the northern and south-western ends of the site. Given 3.87ha of the allocation has been developed and the proposed Longridge Road Energy Centre is 9.27ha, then 13.14 ha of this allocation is committed leaving 8.17ha	E(g), B2, B8 – Inc. Energy Generation
EP1.5: Millennium City Park	4.16	4.16	No change	E(g), B2, B8
EP1.6: Site at Junction 31A M6 West Loop	0.00	0.00	Fully developed for alternative employment generating uses.	Sui Generis
EP1.7: Land North of Eastway (formerly Broughton Business Park)	2.10	2.10	Full planning consent for 12 commercial units. Totals 7,556 sqm. employment uses, comprising – 426 sqm office use, 2,377 sqm light industrial 2,377 sqm B2 use and 2,377 sqm B8 use. Scheme under development, with expected completion by September/October 2021. On the market as 'Preston Eastway Business Park', with units 1 and 2 as under offer. Unit sizes for units 3-10 marketed as 456 sqm. each.	E(g), B2, B8
EP1.8: Deepdale Street / Fletcher Road	0.49	0.00	Land fully developed	B2, B8
EP1.9: Riversway	1.37	0.00	<i>The northern site</i> – The southern strip of this site has already been developed for an extension to the existing engine sheds. The remainder is in active use by J N Civils, mostly for vehicle storage but also with some storage and admin buildings on site. Remaining land is in use and appears unlikely to be developed by anyone other than J N Civils.  <i>The southern site</i> – This site has been developed by Mulberry homes for residential.	E(g) (iii)
EP1.10: Preston East Junction 31A M6	25.50	7.08	No change	B2, B8
EP1.11: Roman Road Farm	24.94	24.94	No change	E(g)(iii), B2, B8
<b>Totals</b>	<b>92.99</b>	<b>71.31</b>		

Source: PCC and BE Group, 2021

Table 20 – Employment Sites Schedule – Preston ELR Sites

Site Ref.: Site Name	Stated Site Area, ha	Revised Site Area, ha	Comment	Use Classes
ELR 10: Fulwood Barracks	9.8	9.8	<p>The future of the Barracks remains uncertain. Plans for closure have been delayed once, from 2022 to 2027, and may be delayed again. Assuming the closure occurs in 2027, and the facility is not required for other military uses, then there will need to be a clear masterplan for its re-use.</p> <p>Reflecting such developments elsewhere any redevelopment is likely to be for a mix of uses, with residential predominating, particularly in the conversion of historic buildings. Other properties could suit conversion for higher quality employment uses, including offices/serviced offices and workshops. The exact split of uses would need to be determined by a demand analysis nearer the time.</p> <p>The (long term) likelihood of a mixed use redevelopment here should be recognised in the Local Plan.</p> <p>Larger industrial/warehouse uses would be harder to support here without clearing some buildings or developing some of the recreational land to the east. Also, while needed more generally in Preston there are no existing industrial uses in this immediate area so again demand testing would be needed, to confirm that they are supported here. Transport assessments would also need to identify what level of traffic could be supported on local roads and from the site access points.</p>	E(g), B2, B8 – In a mixed use scheme
ELR 31: Moor Lane/Craggs Row	3.10	0.00	<p>The single site occupied by Lancashire Constabulary is suitable for employment use, providing improved office accommodation, parking and servicing. The Lancashire Constabulary site is well used and has seen recent investment. It is therefore assumed the Constabulary intend to occupy the site for the long term and the site cannot be counted on for short-mid term employment land supply. Should the Police vacate the site, the quality of building is re-lettable and should be retained for employment purposes – 1.04 ha of land.</p> <p>The remainder of the site has largely been intensively developed for student accommodation and is therefore unsuitable for future employment purposes.</p> <p>The boundaries of the employment site should be reduced to reflect the change of the remainder of this area to student accommodation.</p>	E(g)(i)
ELR 51: Trinity Place	0.52	0.38	<p>The Car Park represents the main development opportunity here, 0.38 ha. Although some surrounding sites have been converted to housing, the character of much of the area remains industrial and the site enjoys good access to the strategic road network in Preston.</p> <p>Thus, the site would be a good location for light industrial or B8 uses, which remain in demand in Preston, assuming they can be delivered without impact on adjoining housing. The site should be protected for employment uses. Residential is likely to be the main alternative use.</p>	E(g)(iii), B8
ELR 52: Trinity Student Village, Great Shaw Street	0.56	0.00	<p>Most land developed and in active use as student accommodation. The remaining strip of land, fronting Walker Street, is too small (0.04 ha approx.), too narrow and too close to the adjacent student housing to provide any employment development.</p>	-
ELR 58: Site of St.Mary's Church, Friargate Brow	0.21	0.21	<p>The Car Park is in active use. Over the long term this would represent a redevelopment opportunity. The backland nature of the site would make it poorly suited for most retail uses.</p> <p>In terms of E(g)/B-Class uses, light industrial/storage uses, which generate HGV traffic, would be discouraged by the narrow and one way access of Marsh Lane. A possible secondary access, Simpson Street off Heatley Street in the south, appears even more narrow and constrained.</p> <p>Offices are a possible employment use here, especially given the proximity of the City Centre, but again the backland nature of the site and limited access are barriers to demand.</p> <p>These constraints could be partially addressed by a larger scheme which clears/substantially refurbishes some of the older industrial premises to the west, providing frontage to Corporation Street. However, this would add considerable costs to any scheme and a mixed use development, including higher value uses, would likely be required to ensure viability.</p> <p>One likely occupier of this land would be UCLan, or an affiliate organisation, given the adjacent University offices (Livesey House) and its ongoing programme of expansion. The most likely other use would be residential – city centre flats or student accommodation.</p> <p>Site should therefore be considered for mixed use development, likely either offices and/or housing</p>	E(g)(i) or non E(g)/B-Class
ELR 59: Hope Street/Corporation Street	0.18	0.18	<p>Very prominent site at the A583/A5071 junction, with few constraints beyond its small size and some access issues. It would suit an office use that required such a visible site. Less suitable for other Class B uses due to the size of the site and road access.</p> <p>Given that the site is on the edge of the main UCLan Campus, and is part owned by UCLan, University uses are most likely here.</p> <p>Land should therefore be protected for employment uses, recognising that education uses are also likely here. Part of the site is located in the Primary Shopping Area.</p> <p>Alternatives would include good quality retail, hot food or flats, with student accommodation likely</p>	E(g)(i) or education
ELR 60: Walker Street/Great Shaw Street	1.00	0.00	<p>Outline planning consent being sought for access, appearance, scale and layout for a 30 storey building comprising 174 residential apartments, 166 room hotel and ancillary facilities, marketed as Foresters Hall. To be delivered on the Foresters Hall site in the south east.</p> <p>Assuming the above scheme is delivered, the whole area will be in non E(g)/B-Class use, with buildings to the west in residential use and the property to the north of Foresters Hall being in hot food use.</p> <p>The site would thus not offer any employment land development opportunities. This should be reflected in the Local Plan Designation.</p>	Primarily residential
ELR 67: Princes Building, Lancaster Road	0.27	0.27	<p>A small but prominent undeveloped site in the City Centre. Although 'backland' in the context of Lancaster Road it sits on strong footfall routes between the Bus Station and Primary Shopping Streets.</p> <p>Its development could make a useful contribution to City Centre regeneration. Any employment uses delivered here would likely be offices, possibly with ground floor retail and potentially within a larger regeneration scheme.</p> <p>As the landowner, the City Council could have a role in promoting it to developers, both individually and within wider development programme. It is likely that any employment uses delivered would be part of a mix with retail, hot food and residential uses, especially given the modest market for pure office uses in Preston at present.</p> <p>The site could therefore be protected for employment uses, but any designation would need to recognise that a mixed use scheme would be most likely here.</p> <p>Adjoining buildings could be brought into any scheme, but all are in active use and many are protected.</p>	E(g)(i) or mixed use
ELR 74: Lane Ends Trading Estate	1.47	0.11	<p>Most of the site has been re-developed so is no longer suitable for employment purposes.</p>	B2, B8 or non E(g)/B-Class

Site Ref.: Site Name	Stated Site Area, ha	Revised Site Area, ha	Comment	Use Classes
			Remaining warehouse site (0.11ha - 377 Blackpool Road) is re-lettable for employment purposes, likely for a trade use as found elsewhere along Blackpool Road. It could usefully be protected for employment uses, although not to the exclusion of all other opportunities as the scale and importance of the opportunity is modest. Any redevelopment would likely be for housing, reflecting adjoining uses.	
ELR 83: Leighton Street	1.21	0.26	Land to the north is developed. Facilities are being improved on the gypsy site for its long term operation and there is no realistic prospect of this land becoming available for employment purposes. The UCLan Car Parks offer two modest development opportunities of around 0.13 ha each. Given adjoining residential uses, the most likely use would be offices or very low impact light industry or storage. As the sites are under UCLan ownership and Leighton Street is dominated by University Campus facilities, it is likely that any development here would be for university facilities. Additionally, adjoining residential uses may make the land less attractive to third party employment developers or occupiers. The UCLan Car Parks thus represents a development opportunity, which may deliver employment uses, although other uses are equality, if not more likely here so any designation in the Local Plan should not be prescriptive. Other parts of the site are in permanent residential use.	E(g) (i), E(g) (ii), B8 - Education
<b>Totals</b>	<b>18.32</b>	<b>11.21</b>		

Source: PCC and BE Group, 2021

Table 21 – Employment Sites Schedule – South Ribble

Site Ref.: Site Name	Stated Site Area, ha	Revised Site Area, ha	Changes Since 2017	Use Classes
E1(d): North of Lancashire Business Park, Farington	9.20	9.20	No change.	E(g)(i), B2, B8
E1(e): West Paddock, Leyland	1.28	1.28	No change.	E(g)(i)/(iii)
E1(f): Land Adjacent to Leyland Business Park, Farington	2.10	2.10	No change.	E(g)(iii), B2, B8
E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington	22.20	22.20	Applications were submitted by Caddick Developments for a major logistics development (Phase 1 Farington Park - 56,904sqm).  Following on from outline approval for the scheme in January 2021, enquiries from potential occupiers have led to the submission of a Reserved Matters application. As of January 2022, that had yet to be decided. The original timetable for the facility would see completion and occupation by the fourth quarter of 2022.	B2/B8
B3: South Rings, Cuerden	11.05	11.05	Remaining land is split into three main plots south of Craven Drive/Nook Lane:  <i>West Plot (5000)</i> – B1 and B8 starter units completed. D2 Health and Fitness Club (929 sqm) from Places for People, also now complete and operating as Places Gym. Overall, some 0.75 ha has been completed here  <i>Central Plot (6000)</i> – Now consented for a single large warehouse unit, to be developed by Commercial Development Projects.  <i>East Plot (7000, separated from other plots by J. Sharples Plant and Machinery dealers)</i> – Now developed for 43 micro business units as Momentum Business Centre). Overall, some 0.75 ha has been completed here.  <i>Land north of Craven Drive in South Rings Business Park</i> – Divided into a maximum of 24 development plots. Six developed and let at present. Owners now understood to be seeking an industrial development on this site, to comprise small workshop units of around 90 sqm each and comparable to that already delivered at the adjacent Momentum Business Centre on East Plot (7000).	E(g), B2, B8
C2: Moss Side Test Track, Leyland (Titan Business Park)	6.08	5.70	There is an undecided application for the commercial/employment element of the - Hybrid application for a mixed-use development covering use classes B2, B8, E and a petrol filling station (sui generis) with restaurant drive thru with associated roads and landscaping. The employment development, to be known as Titan Business Park, proposes modern office facilities, as well as light industrial and warehouse buildings, alongside some services. This will be built on 5.7 ha on the northern edge of the former vehicle testing site, the remainder of which is proposed for up to 950 homes.  Accessed off Titan Way, close to the existing Moss Side Industrial Estate, proposals are for flexible industrial and commercial units from 75-4,000 sqm with removable internal panels so they can be made larger or smaller depending on the requirements of the occupier.  Providence Gate Group Holdings indicate that they have received good levels of initial enquiries from local and regional companies looking to expand and relocate in this location. Terms are already being agreed on some of the units, increasing the likelihood of delivery. Subject to planning, Providence Gate expect to deliver the employment uses in 2022.	E(g), B2, B8
C1: Pickering's Farm, Bee Lane, Penwortham	0.45	0.45	Outline planning application (App. No. 07/2021/00886/ORM) for a residential-led mixed-use development (The Lanes) of up to 920 dwellings, a local centre including retail, employment and community uses was refused in December 2021 on a variety of grounds, most linked to traffic.  It is expected Homes England will resubmit with a revised application but further details on this are not yet known.  The employment element is subject to planning and further negotiation, but Homes England estimate is for 1760 sqm of office led property.	E(g)(i)
<b>Totals</b>	<b>52.36</b>	<b>51.98</b>		

Source: SRBC and BE Group, 2021



5.11 Allowing for these revisions gives a revised supply total of **190.78 ha** for Central Lancashire (the Realistic Supply), comprising:

- **Chorley: 56.28 ha** (slightly above the 2017 total of 51.17 ha)
- **Preston: 82.52 ha – Comprising 71.31 ha in EP1 allocations and another 11.21 ha in ELR sites which were excluded from the 2017 Study, which could provide further growth options** (0.66 ha of these ELR sites fall in the City Centre Boundary, as defined in the Local Plan)
- **South Ribble: 51.98 ha** (unchanged from 2017).

5.12 By authority, the key changes on 2017 are:

- *Chorley* – At EP1.2: Botany Bay, Chorley, earlier plans for a retail led scheme have largely been abandoned, in the face of a weakened retail market. Revised proposals are for 'Botany Bay Business Park', comprising 30,200 sqm of industrial and commercial space. To the west, at EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley scheme of six large B2/B8 units has outline consent, potentially giving Chorley a sizable new logistics park. At EP1.5: Euxton Lane, Chorley the Strawberry Fields scheme is progressing, with the Digital Hub now operational. Finally, at EP1.13: Southern Commercial, Buckshaw Village, Orbit Developments has delivered the first large office of the Buckshaw Parkway scheme. In principle, four other three-storey office buildings of 1,970-3,154sqm can be brought forward here. However, Orbit is not confident on demand, suggesting further delivery will be slow.
- *Preston* – In terms of the EP1 sites, development is actively progressing on EP1.3: Preston East Employment Area and EP1.7: Land North of Eastway (formerly Broughton Business Park) with completion of both sites likely in the short term. Looking forward, the most significant development in the pipeline is the Longridge Road Energy Centre, expected to take up 9.27 ha on EP1.4: Red Scar Industrial Estate. Of the ten ELR sites this Study has reviewed, seven appear to offer regeneration opportunities mostly in Central Preston. All could support E(g)/B-Class uses although in most cases residential and/or retail uses are equally likely to be put forward here. Most are small however, with three being less than 0.25 ha in size and none are subject to active regeneration plans. Most significant is the 9.8 ha, ELR 10: Fulwood Barracks. Assuming the Barracks does close in 2027, as planned, it will offer a sizable regeneration opportunity that could support a diverse (likely) mixed use scheme which will need to be masterplanned and programmed in advance.

- *South Ribble* – South Ribble’s land supply has seen only modest change since 2017. Moving forward, however, at E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington, Caddick Developments is progressing a major logistics development (Phase 1 Farrington Park - 56,904sqm). It is expected to deliver a speculative unit of over 50,000 sqm in 2022. At C2: Moss Side Test Track, Leyland plans for a business park of some 5.70 ha (Titan Business Park) are becoming firmer, with planning consents being sought.

5.13 More detail is provided in the proformas for each site (which include plans), which are provided at Appendices 2-5. These proformas follow the layout established in the 2017 Study.

### Land Use

5.14 In Table 22 below, land is divided between four types of uses – E(g)(i) Offices, E(g)(iii)/B2 Industry, B2/B8 Larger Industry and Warehousing and a mix of these.

**Table 22 – Use Class Assessment (Realistic Supply)**

Area	Use Class*								Total	
	E(g)(i)		E(g)(iii)/B2		B2/B8		E(g)/B2/B8			
	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)	No of Sites	Total Area (Ha)
Chorley	2	3.68	4	20.86	2	3.86	5	27.88	13	56.28
Preston – EP1	-	-	-	-	3	22.67	4	48.64	7	71.31
Preston – ELR	3	0.66	-	-	1	0.11	3	10.44	7	11.21
South Ribble	1	0.45	-	-	1	22.2	5	29.33	7	51.98
<b>Total</b>	<b>6</b>	<b>4.79</b>	<b>4</b>	<b>20.86</b>	<b>7</b>	<b>48.84</b>	<b>17</b>	<b>116.29</b>	<b>34</b>	<b>190.78</b>

Source: BE Group, 2021

\*To avoid double counting sites have been placed into one Use Class category only.

5.15 Little of the land suits office options only. By far the most significant office only site is the 2.88 ha EP1.13: Southern Commercial, Buckshaw Village where offices are being delivered. In Preston, there are three very small ELR regeneration opportunities which would particularly suit offices although collectively these only total around two thirds of a hectare.

5.16 Only four sites, all in Chorley, are likely to be developed for smaller E(g)(iii)/B2 industry. 25.6 percent of the supply is likely to provide larger B2 General Industry and/or B8 warehousing. This includes larger sites in North East Preston which would suit

motorway linked logistics and industry. In South Ribble, the 22.20 ha E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington is proposed for a major logistics development, expected to be developed in the next year. This could point to an oversupply of land suitable for large industrial/warehouse units against the identified need for smaller units noted in Section 4.0. However, it should also be noted that 60.9 percent of the supply is flexible enough to support the full mix of B-Class options, including E(g)(i) offices and light industrial space.

### Sites Quality

- 5.17 All sites in the realistic supply have been graded using a standard scoring system that consists of objective measures (as far as possible). Each site is scored out of a 100, made up of ten individual measures, each scored out of ten. These are: proximity to the strategic highway network, proximity to key local routes, prominence, access to public transport, planning status, access to services, constraints, environmental setting, flexibility and availability. The scoring system and the detailed scores are provided in Appendix 6 and 7.
- 5.18 Two scores are provided in Tables 23 to 25 a total score and a market-led score, which reflects the locational strengths and weaknesses of each site. The market-led score is made up of just strategic and key local highway proximity, prominence environmental setting and flexibility. These are the characteristics that are very difficult to improve. The other five aspects (public transport, planning status, services, constraints and availability), which combine to make up the total score, are easier to improve and hence provide the ability to raise the quality of a site.

**Table 23 – Employment Sites Scoring (Realistic Supply) – Chorley\***

Site Ref.	Name	Revised Size, ha	Score, max 100	Market -led Sub-total
EP1.5	Euxton Lane, Chorley	9.85	91	41
EP1.13	Southern Commercial, Buckshaw Village	2.88	87	42
EP1.11	The Revolution, Buckshaw Avenue, Buckshaw Village	3.26	84	43
EP1.8	Lyons Lane Mill, Townley Street Chorley	0.33	74	34
EP1.3	Land to the North East of M61 junction (Gale Moss) Chorley	6.90	65	42
EP1.2	Botany Bay, Chorley	5.90	63	38
EP1.6	Cowling Farm, Chorley	3.50	62	39

Site Ref.	Name	Revised Size, ha	Score, max 100	Market -led Sub-total
EP1.9	Woodlands Centre, Southport Road, Chorley	0.80	62	26
Plan App.2	Twin Lakes Industrial Estate, Brickcroft Lane, Croston	1.90	60	19
EP1.15	Land east of Wigan Lane, Clayton-Le-Woods	8.03	59	43
EP1.14	Fairport, Market Place Adlington	0.60	55	27
EP1.1	Great Knowley, Chorley	11.73	53	41
EP1.17	Rear of New Street, Mawdesley	0.60	36	13

Source: BE Group, 2021

\* Excludes sites which will not be brought forward for development, will be developed for non E(g)/B-Class uses, to meet the needs of specific occupiers only (i.e., expansion space) or where development has now completed, as identified in Tables 18-21.

- 5.19 In Chorley, the remaining sites at Buckshaw Village score well, reflecting their size, flexibility, proximity to the motorway network/local train station and reasonable prospects for at least some further delivery in the short/medium term. EP1.5 Euxton Lane, Chorley scores best overall reflecting the fact that delivery of the scheme here is well advanced.
- 5.20 Perhaps surprisingly, EP1.1: Great Knowley, Chorley is the second worst scoring overall. Although the site is well located, close to an M61 junction, accessing and servicing the site appear challenging, land is in multiple ownerships, and is likely to see land lost to housing. Overall, EP1.17: Rear of New Street, Mawdesley scores by far the lowest though reflecting its small size, backland nature and position in Chorley Borough's rural west.
- 5.21 In terms of the Preston sites, the City Council has requested that this Study's site grading system be related to the Local Plan and ELR grading of the EP1 sites as Best Urban, Good Urban or Other Urban. To provide a meaningful linkage between these two grading systems we have made the following assumptions:
- Any site scoring 70-100 overall = Best Urban
  - Any site scoring 50-69 overall = Good Urban
  - Any site scoring 0-49 overall = Other Urban.
- 5.22 As an indicative only measure, the ELR sites are graded in the same way.

5.23 In terms of Preston’s EP1 Sites (see Table 24), EP1.3: Preston East Employment Area scores best reflecting its strong position adjacent to J31(a), M6 and the development proposals actively being delivered here. Reflecting its high score of 78 overall, the site is graded as the only remaining Best Urban EP1 site, consistent with the grading it was given in Preston Local Plan.

**Table 24– Employment Sites Scoring (Realistic Supply) – Preston\***

Site Ref.	Name	Revised Size, ha	Score, max 100	Market -led Sub-total	Preston Local Plan/ELR Grading
<b>EP1 Sites</b>					
EP1.3	Preston East Employment Area	12.84	78	41	Best Urban
EP1.4	Red Scar Industrial Estate	17.44	69	37	Good Urban
EP1.5	Millennium City Park	4.16	69	37	Good Urban
EP1.2	Red Scar Site H	2.75	66	40	Good Urban
EP1.7	Land North of Eastway (formerly Broughton Business Park)	2.10	64	29	Good Urban
EP1.10	Preston East Junction 31A M6	7.08	55	37	Good Urban
EP1.11	Roman Road Farm	24.94	32	23	Other Urban
<b>ELR Sites</b>					
ELR 74	Lane Ends Trading Estate	0.11	73	34	Best Urban
ELR 83	Leighton Street	0.26	64	35	Good Urban
ELR 67	Princes Building, Lancaster Road	0.27	62	37	Good Urban
ELR 51	Trinity Place	0.38	61	39	Good Urban
ELR 10	Fulwood Barracks	9.80	60	35	Good Urban
ELR 59	Hope Street/Corporation Street	0.18	59	37	Good Urban
ELR 58	Site of former St. Mary’s Church, Friargate Brow	0.21	58	36	Good Urban

Source: BE Group, 2021

\* Excludes sites which will not be brought forward for development, will be developed for non E(g)/B-Class uses, to meet the needs of specific occupiers only (i.e., expansion space) or where development has now completed, as identified in Tables 18-21.

5.24 Conversely, nearby EP1.11: Roman Road Farm scores most poorly, reflecting its backland status and lack of clear plans for development. Compared to the Preston Local Plan/ELR grading of sites, the main variation is that EP1.11: Roman Road Farm is now graded Other Urban. This reflects the backland status of the remaining development land and the lack of short-medium term development prospects on both sites.

- 5.25 In terms of the Preston ELR sites, ELR 74: Lane Ends Trading Estate scores best, and using the same grading criteria as the EP1 sites, could be considered as Best Urban (relating only to the developable land rather than the wider Employment Area). Although, less central than most sites, the land enjoys a prominent position on the A5085 Blackpool Road and is not far from the A59. As land already in E(g)/B-Class Use, it provides readily available employment opportunity land, albeit of a comparatively small scale. ELR 58: Site of former St. Mary's Church, Friargate Brow scores most poorly. Although in Preston City Centre, it has a backland position, constrained access and lack of flexibility which would make any E(g)/B-Class development challenging.
- 5.26 In South Ribble (Table 25), land at B3: South Rings, Cuerden continues to score best, reflecting its strong position at the heart of the Central Lancashire strategic road network and the delivery which has occurred here since 2015. Land around Leyland and Lancashire Business Parks, Farington also scores well in terms of site size and availability, with site E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington expected to see delivery in the short term.
- 5.27 E1(e): West Paddock, Leyland has the weakest score, both overall and in market terms. Although the site is the main growth opportunity within Leyland town, this small site is comparatively isolated in the settlement area and has seen no progress towards delivery since 2017.

**Table 25 – Employment Sites Scoring (Realistic Supply) – South Ribble\***

Site Ref.	Name	Revised Size, ha	Score, max 100	Market -led Sub-total
B3	South Rings, Cuerden	11.05	87	50
E1(f)	Land Adjacent to Leyland Business Park, Farington	2.10	76	45
E1(g)	Farington Hall Estate, West of Lancashire Business Park, Farington	22.20	75	40
E1(d)	North of Lancashire Business Park, Farington	9.20	72	47
C1	Pickering's Farm, Bee Lane, Penwortham	0.45	63	38
C2	Moss Side Test Trak, Leyland	5.70	53	28
E1(e)	West Paddock, Leyland	1.28	41	25

Source: BE Group, 2021

\* Excludes sites which will not be brought forward for development, will be developed for non E(g)/B-Class uses, to meet the needs of specific occupiers only (i.e., expansion space) or where development has now completed, as identified in Tables 18-21.

### **Strategic Employment Locations**

- 5.28 South Ribble contains two strategic land allocations – the 65 ha Cuerden Strategic Site, now known as Lancashire Central, and the 72 ha Samlesbury Enterprise Zone. 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. They are also emerging allocations, distinct from the established local supply.
- 5.29 The current status and future potential of these strategic locations is considered here, informed by discussion with Lancashire LEP officers.

#### ***Cuerden Strategic Site (Lancashire Central)***

- 5.30 Located at the western terminus of the M65, Lancashire Central extends include 65 ha of primarily greenfield land, bounded by the A582 to the north, A5083 Stanifield Lane to the west and by the M65/A49 to the east. There is a sand and gravel extraction site to the south.
- 5.31 Previous plans for development, as set out in Central Lancashire Employment Land Study – Technical Report, Section 10.0, pages 181-185, paras, 10.31-10.44 have largely been discarded since the key occupier Ikea pulled out of the scheme in 2018. The County Council is now working with developer partner Maple Grove to produce a new masterplan for the site. Details on this remain confidential but it is expected to be more focused on B-Class employment.

#### ***Samlesbury Enterprise Zone***

- 5.32 The Samlesbury Enterprise Zone has been in operation for around a decade. The net developable area of approximately 44.46 ha is identified. Some 35 ha of this falls within South Ribble. Since 2011 the following has been completed:
- Access is in place from the A59 and other junction work has been completed
  - The Wincanton Defence Logistics Centre, which is purpose built to support BAE Systems production and through life support programmes. The Facility currently handle's raw materials, aircraft components, tooling, roughing's and forgings for

the F35, Hawk and Typhoon aircraft. It has a 13,000 sqm footprint and employs 170

- BAE's 7,400 sqm Academy for Skills and Knowledge (ASK), an apprentice and training facility
- BAE's 13,000 sqm Asset Management Facility
- An Advanced Manufacturing Research Centre (AMRC) of 4,500 sqm is under construction. It Will be operated as a partnership between BAE and the University of Sheffield to support advanced research and innovation activities in the North West.

5.33 The above developments, completed/underway, have taken up approximately 4.10 ha of the available land.

5.34 In October 2021, it was also announced that the Samlesbury Enterprise Zone will be home to a £5 billion campus for the National Cyber Force. The properties developed will accommodate cyber experts from MI6, GCHQ, the Ministry of Defence and the Defence Science and Technology Laboratory. The size of the buildings, to be developed by 2030, have yet to be agreed but the campus is likely to take up a sizable area of land within the Enterprise Zone.

5.35 Marketing is ongoing for plots which could support units of 250 to 35,000 sqm. The LEP report receiving a number of confidential enquiries for industrial, office and lab space. These include a lot of spin offs from the emerging AMRC.

### **Summary**

5.36 The 2017 Study identified a realistic land supply of 177.63 ha across Central Lancashire. Updating this assessment to 2021, and excluding land now developed, unlikely to be brought forward, completed for alternative uses or held for specific occupiers suggests a supply figure, as of October 2021, of 190.78 ha for Central Lancashire, comprising:

- Chorley: 56.28 ha
- Preston: 82.521 ha – Comprising 71.31 ha in EP1 allocations and another 11.21 ha in ELR sites which were excluded from the 2017 Study, which could provide further growth options (0.659 ha of these ELR sites fall in the City Centre Boundary, as defined in the Local Plan)
- South Ribble: 51.98 ha.



5.37 By authority, the key changes on 2017 are:

- *Chorley* – At EP1.2: Botany Bay, Chorley, revised proposals are for ‘Botany Bay Business Park’, comprising 30,200 sqm of industrial and commercial space. To the west, at EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley scheme of six large B2/B8 units has outline consent, potentially giving Chorley a sizable new logistics park. At EP1.5: Euxton Lane, Chorley the Strawberry Fields scheme is progressing, with the Digital Hub now operational. Finally, at EP1.13: Southern Commercial, Buckshaw Village, Orbit Developments has delivered the first large office of the Buckshaw Parkway scheme.
- *Preston* – In terms of the EP1 sites, development is actively progressing on EP1.3: Preston East Employment Area and EP1.7: Land North of Eastway (formerly Broughton Business Park). The most significant development in the pipeline is the Longridge Road Energy Centre, expected to take up 9.27ha on EP1.4: Red Scar Industrial Estate. Of the ten ELR sites, excluded from the 2017 Study, which this Study has reviewed, seven appear to offer small scale regeneration opportunities mostly in Central Preston. Most significant is the 9.8 ha, ELR 10: Fulwood Barracks. Assuming the Barracks does close in 2027, as planned, it will offer a sizable regeneration opportunity that could support a diverse (likely) mixed use scheme.
- *South Ribble* – South Ribble’s land supply has seen only modest change since 2017. Moving forward, however, at E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington, Caddick Developments is progressing a major logistics development. It is expected to deliver a speculative unit of over 50,000 sqm in 2022. At C2: Moss Side Test Track, Leyland plans for a business park of some 5.70 ha (Titan Business Park) are becoming firmer, with planning consents being sought.

5.38 When split by the use class likely to be delivered on the land, 60.9 percent of the supply is flexible enough to support the full mix of B-Class options, including E(g)(i) offices and the smaller industrial space which appears most in demand according to the market assessment completed in Section 4.0.

5.39 At the Cuerden Strategic Site (Lancashire Central) previous plans for development, have largely been discarded since the key occupier Ikea pulled out of the scheme in 2018. The County Council is working with developer partner Maple Grove to produce

a new masterplan for the site, which it is expected to be more focused on B-Class employment.

- 5.40 The Samlesbury Enterprise Zone has been in operation for around a decade and has now seen several high value developments in areas such as defence logistics, asset management and skills development. An Advanced Manufacturing Research Centre (AMRC) is under construction.
- 5.41 In October 2021, it was also announced that the Samlesbury Enterprise Zone will be home to a £5 billion campus for the National Cyber Force, likely to take up a substantial area of land by 2030. Additionally, the LEP report receiving a number of confidential enquiries for industrial, office and lab space. These include a lot of spin offs from the emerging AMRC.

## **6.0 FUNCTIONAL ECONOMIC MARKET ASSESSMENT UPDATE**

### **Introduction**

- 6.1 This section provides an updated analysis of Functional Economic Market Area (FEMA) of Central Lancashire. It also looks in detail at some of the neighbouring local authority areas, which fall within that FEMA area and which may compete with the Central Lancashire for strategic level property requirements. This is undertaken in recognition that the economies of Preston, Chorley and South Ribble, both individually and collectively, do not operate in isolation, but rather have intricate and important relationships between themselves and with neighbouring areas.

### **Functional Economic Market Area Definition**

- 6.2 The FEMA of Central Lancashire was defined in the Central Lancashire Employment Land Study – Technical Report (2017) – Section 7.0, Page 98-103, Paragraphs 7.2-7.21. That analysis used factors such as 2011 Census data on commuting, LEP status, Housing Market Area and the position of sub-regional services and transport infrastructure. These factors remain unchanged in 2021 and thus the FEMA Area defined in 2017 remains unchanged.
- 6.3 The FEMA for Central Lancashire thus continues to include 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. Finally, Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour.

### **Neighbouring Areas**

- 6.4 The remainder of this section considers each of the districts which fall within that FEMA on an individual basis. In all cases, BE Group and the three Councils consulted with the relevant local authorities on their policy positions as of Summer/Autumn 2021. In many cases those local authorities provided some of the wording for their respective sections.

### **Greater Manchester**

#### ***Greater Manchester Joint Development Plan***

- 6.5 In October 2016, the Greater Manchester local authorities published the first draft of the Greater Manchester Spatial Framework (GMSF). Following that period of consultation, a revised draft was published for consultation in January 2019. Amongst other changes, this revised document had a reduced amount of Green Belt released to meet housing and employment needs. On the 30<sup>th</sup> October 2020 the AGMA Executive Board unanimously agreed to recommend GMSF 2020 to the 10 Greater Manchester Councils for approval to consultation at their Executives/Cabinets, and approval for submission to the Secretary of State following the period for representations at their Council meetings. However, at its Council meeting on 3<sup>rd</sup> December Stockport Council resolved not to submit the GMSF 2020 following the consultation period and at its Cabinet meeting on 4<sup>th</sup> December, it resolved not to publish GMSF 2020 for consultation.
- 6.6 As the GMSF 2020 was a joint development plan document of the ten Greater Manchester authorities it required the approval of all ten local authorities to proceed. The decisions of Stockport Council/Cabinet therefore signalled the end of the GMSF as a joint plan of the ten and consequently the anticipated Regulation 19 stage did not take place in December. Instead, nine GM districts have resolved to prepare a joint development plan document without Stockport; Stockport will produce its own local plan individually.
- 6.7 Although the GMSF 2020 was not formally published under Regulation 19, a draft copy was made available in October 2020 in which GM's overall strategic approach to economic growth was set out. It identified the steps GM would take to support long-term economic growth including facilitating the development of high value clusters in prime sectors such as advanced manufacturing; digital and cyber; health innovation; low carbon goods and services; business, financial and professional services and logistics. It also identified a number of key growth locations including, the heart of GM stretching from the Etihad Campus in the east through the City Centre, the Quays and Trafford Park to the Trafford Centre and Port Salford in the west; Manchester Airport Enterprise Zone; the main town centres; a North East Growth Corridor and a Wigan and Bolton Growth Corridor.
- 6.8 The GMSF 2020 stated a target of at least 2.5 million sqm of accessible new office floorspace to be delivered across Greater Manchester by 2037. The City Centre, The

Quays, the Airport Enterprise Zone and the town centres being the focus for this development.

- 6.9 The GMSF 2020 stated a target of at least 4.1 million sqm of new, accessible industrial and warehousing floorspace to be delivered across Greater Manchester by 2037. In delivering this, the plan proposes to make the most of the conurbation's key growth locations and to significantly increase the supply of high quality sites across the northern parts of the conurbation, including the strategic opportunity at Northern Gateway.
- 6.10 This economic growth sits alongside the proposal to meet Greater Manchester's local housing need up to 2037.
- 6.11 The nine GM districts preparing a joint plan hope to use provisions in the 2004 Planning Act and the associated Regulations to enable them to proceed to Regulation 19 with their plan. On this basis, it is currently anticipated that the new "Places for Everyone" Joint Development Plan will have substantially the same effect on the remaining districts as the GMSF 2020 would have done. Therefore, whilst it is very likely that the economic and residential targets will need to be amended to take account of the fact that Stockport is no longer part of the joint plan, the overall economic strategy is anticipated to be largely the same as that expressed in the GMSF 2020. Such an approach would be consistent with the recently published GM Local Industrial Strategy.

### ***Bolton***

- 6.12 By far the most significant strategic development in Bolton currently being built is the 80 ha Cutacre development off Junction 4, M61. This is a major logistics scheme, marketed as Logistics North, and offering 400,000 sqm of space in plots capable of accommodating properties of 10,000-100,000 sqm. Existing occupiers include Aldi in 54,000 sqm and MBDA in 12,000 sqm. Joy Global, Costa Coffee and Green King are occupiers with some 250,000 sqm of space completed to date in the North West's largest active commercial development. As of January 2022, all plots were developed, under construction or held with planning for specific occupiers.
- 6.13 Owners Harworth Group entered into a joint venture with Lancashire County Pension Fund to develop the next phase, creating ten new commercial units totalling approximately 52,400 sqm across 12.6 ha.

- 6.14 This is a logistics site of regional significance which will compete with locations such as Omega, Warrington for major national and regional requirements. It may draw some potential occupiers away from equivalent Central Lancashire locations, particularly Junction 31a, Preston and Cuerden Strategic Site, dependant on price differences between the locations, but its location close to the boundaries of Bolton, Wigan and Salford means that it will be particularly attractive to those looking for a large motorway site in the heart of Greater Manchester.
- 6.15 In the west of the Metropolitan Borough, the 74 ha Horwich Loco site is also proposed for a large mixed use (residential and employment) scheme. The consented development will feature 35,225 sqm of employment/mixed use commercial, 1,700 new homes and open space including pedestrian and cycle routes. The scheme will be co-ordinated by Bolton Council, working with a number of key landowners including Bluemantle, Network Rail, HKR, the Council and Homes England and development guided by an overall masterplan. A 10-12 year delivery timetable is anticipated for this scheme which is expected to draw some labour from Chorley Borough.
- 6.16 Additional sites, now proposed in Place for Everyone, include:
- Policy JP Allocation 4: Bewshill Farm - This site provides the opportunity for a modest extension to Logistics North and development would be for industrial and warehousing uses to reflect the uses at Logistics North. Development at this site will be required to provide a location for around 21,000 sqm of industrial and warehousing floorspace to compliment the adjacent development at Logistics North.
  - Policy JP Allocation 5: Chequerbent North – Development at this site will be required to provide a location for around 25,000 sqm of industrial and warehousing floorspace in the Wigan to Bolton Growth Corridor.
  - Policy JP Allocation 6: West of Wingates / M61 Junction 6 – Development at this site will be required to provide a location for around 440,000 sqm of employment floorspace, consisting of a mix of large-scale warehousing and advanced manufacturing. This site is located within the M61 corridor and is adjacent to the existing Wingates Industrial Estate.
- 6.17 Bolton's Allocations Plan (2014) allocates 130-145 hectares of land for employment use. The 2020 Employment Update reports a remaining developable capacity of 62-

72 ha. A high proportion of this land supply is in brownfield industrial locations in Bolton, Farnworth and Kearsley and forming part of the broader urban land offer of the Greater Manchester Conurbation.

- 6.18 In addition, there are planning permissions for employment use located on land that isn't allocated for employment. The most significant is planning permission 04766/18 which permits 100,000 sqm of employment floorspace on a 33 ha site to the west of Wingates Industrial Estate. This forms part of the proposed Places for Everyone Allocation (JP Allocation 6: West of Wingates / M61 Junction 6) outlined above. The permitted site is under the control of Harworth and was granted consent by the Secretary of State on 21st June 2021 following a call-in inquiry. Although a Green Belt site, the Secretary of State agreed with the Inspectors that the development would contribute substantially to the supply of employment land evidently necessary to the economic recovery and well-being of Bolton and that the economic benefits carried very substantial weight in the planning balance.

### ***Wigan***

- 6.19 The Wigan Development Plan comprises the Wigan Local Plan Core Strategy (2013), saved policies from the Wigan Replacement Unitary Development Plan (2006), the Greater Manchester Joint Waste Plan (2012), the Greater Manchester Joint Minerals Plan (2013) and the Standish Neighbourhood Plan (2019). The Council is currently working in partnership with the Greater Manchester Combined Authority and eight other Greater Manchester districts on the preparation of a joint strategic development plan called Places for Everyone. Adoption of this is scheduled for 2023.
- 6.20 The Wigan Local Plan Core Strategy identifies a need for approximately 200 ha of employment land over the period 2011-2026, equivalent to 13.3 ha/year. However, employment land take up has been significantly below this with only 20.15 ha taken up during 2011-2020, equating to just 2.23 ha/year. Whilst the low take-up was initially primarily dictated by the international recession, the limited supply of high quality, larger deliverable employment land options has also been a considerable factor. This is evidenced by a significant fall in delivery rates after 2006, two years before the recession began, and also by a consistently high level of investment enquiries being received by the Council from potential investors over recent years, who despite interest in the borough have not found the right site. In addition to this, there has been a continuing trend of land being lost to non-employment uses, primarily housing.

- 6.21 A lack of the right sites, in terms of scale, location and quality; the significant level of enquiries received by the council; and the lack of investment in the borough collectively demonstrates a clear misalignment between the available employment land supply in the borough and the type of sites required to meet modern business needs.
- 6.22 To help address this, Wigan Council is currently developing proposals to allocate new employment sites as part of the Places for Everyone Plan, including:
- 140,000 sqm of employment floorspace at M6 Junction 25, Wigan
  - 15,000 sqm of employment floorspace at Pocket Nook, Lowton (as part of a mixed use allocation)
  - 45,500 sqm of employment floorspace at West of Gibfield, Atherton (as part of a mixed use allocation).
- 6.23 This would introduce around 200,000 sqm of new high quality employment floorspace into the borough that would meet current business requirements and enable Wigan to compete better for investment in the sub-region.
- 6.24 A planning application from Tritax Symmetry for 133,966 sqm of B8 floorspace (with ancillary office floorspace) at M6 Junction 25 (Places for Everyone Plan Allocation) was approved in June 2021 following public inquiry.

## **Lancashire – Pennine Lancashire**

### ***Blackburn with Darwen***

- 6.25 Blackburn with Darwen's Publication version (Reg19) Local Plan is under development and will be consulted on in January 2022. This will plan to meet an economic growth scenario, which requires at least 46.4ha of new land for employment purposes over the period 2021-37.
- 6.26 Key for relations with Central Lancashire will be a proposed new strategic employment site allocation at Junction 5 of the M65, replacing the now complete Whitebirk scheme (Frontier Park) at Junction 6. As with Frontier Park, the new site would likely focus on the development of larger B2/B8 uses and could provide some competition for the Cuerden Strategic Site and Junction 31a, particularly in the area of B8 logistics. However, the extensive B2/B8 demand noted elsewhere in this study suggests that



the market could support the delivery of multiple such strategic sites in the North West, simultaneously.

- 6.27 The aerospace and advanced flexible materials sectors are considered key within Blackburn and Darwen and the Borough already contains a number of companies within the BAE Systems supply chain. Stakeholders hope the Borough can attract further companies who are looking to support BAE but are not eligible to locate on the Samlesbury Enterprise Zone itself.
- 6.28 Elsewhere however, Blackburn and Darwen is felt to be relatively self contained with retail, leisure, office and industrial markets which are distinct from Central Lancashire. Blackburn and Darwen's retail and employee catchment area more naturally extends east to Burnley, Hyndburn and Pendle.

### ***Ribble Valley***

- 6.29 The Ribble Valley Core Strategy was adopted in 2014 which proposed an extra 8 Ha of employment land to 2028. As part of the production of the Housing and Economic Development, Development Plan Document (HED-DPD), a residual requirement of 2.41 ha was identified in order to meet employment land requirements in the period 2008 – 2028. In October 2019 the Council adopted the HED-DPD which identified the following employment land allocations totalling 4 ha, which have now largely been developed.
- 6.30 Ribble Valley Enterprise Park, off the A59 at Clitheroe is identified as the Borough's main established employment area with some 12 ha of land remaining here. Though land at this location has been on the market for some time, viable schemes are now beginning to come forward to develop the remaining allocation.
- 6.31 The 2013 Ribble Valley Employment Land Study Refresh suggested that while the local property market was stable, and some rural businesses were performing very well, there remained an oversupply of both office and industrial property in the Borough. However, stakeholders feel that demand has improved since that time. Clitheroe, Longridge, Whalley and rural schemes are proving increasingly successful in attracting SMEs undertaking bespoke manufacturing and small-scale warehousing. Such companies are attracted by the good environmental quality and high standard of living within the area.

- 6.32 Samlesbury Enterprise Zone is a strategic opportunity site which will inevitably benefit both Ribble Valley and Central Lancashire. Ribble Valley feels that, as with Blackburn with Darwen, it could benefit from supply chain businesses looking to relocate to the area to serve BAE, but who are ineligible to operate from the Enterprise Zone itself. Sites elsewhere on the A59 Corridor would be logical alternative locations for such businesses, likely including sites at Clitheroe if an appropriate land and premises offer can be brought forward.
- 6.33 The Council is currently updating its evidence base in relation to employment land and the local economy as part of the new Local Plan, which is due to go out for consultation as part of Regulation 18 stage in January 2022. As such, new evidence may come forward which shifts the position of the borough with regard to employment land.

## **Lancashire – Fylde Coast**

### ***Blackpool***

- 6.34 Blackpool's Core Strategy was adopted in 2016. It seeks to safeguard around 180 ha of existing industrial/business land for employment use; and promote opportunities for redevelopment to create new/enhanced B-Class premises. It also sets out a requirement for 31.5 ha of new employment land over the plan period from 2012 to 2027. The Town Centre will be a focus for office development, while new employment development generally will be focused in the south of the town.
- 6.35 The Local Plan Part Two allocates sites for development, safeguarding or protecting and sets out a suite of development management policies to guide appropriate development. In terms of employment land, Policy DM8 identifies 9 ha of additional employment land to meet needs at the Blackpool Airport Enterprise Zone, alongside 16.1 ha already available here as of March 2019. This is combined with 14 ha of employment land at Whitehills in Fylde, to be provided through the Duty to Co-operate and acknowledged in the adopted Fylde Local Plan (2018).
- 6.36 Part Two was submitted for Examination in Public in late 2021, with hearings held in December. The Inspector has requested the Council prepare additional evidence relating to employment land supply and delivery over the plan period and exceptional circumstances associated with the Blackpool Airport Enterprise Zone and the

proposed Green Belt release. This is expected to be completed by the end of February 2022.

- 6.37 Blackpool Airport secured Enterprise Zone status in 2015 and that status will continue to 2041, covering 141 ha much of which encompasses a large portion of the operational airfield. The Enterprise Zone is being targeted at a range of sectors including energy, aviation, food and drink manufacturers, creative, digital, advanced manufacturing and professional services, but unlike other Enterprise Zones there is no strong emphasis on a core sector of operations.
- 6.38 The growth targets are for more than 140 new businesses, a minimum of 5,000 new jobs over its lifetime. Development in 2021 included a new 40,000 sqm building for the carbon fibre company Multi-Ply, a new trans Atlantic internet cable which came ashore at the Enterprise Zone and a major Sports Facility, phase two of which is under development as of January 2022. Plans are also being considered for a new gateway road across the site.
- 6.39 Both Blackpool Airport and the Lancashire (Samlesbury-Warton) Enterprise Zones have an emphasis on the aviation sector although there are also clear differences with the Lancashire Enterprise Zone focused on aviation manufacture and the BAE supply chain, particularly for defence activities. Blackpool Airport by comparison is a civilian and commercial facility, with a focus on the operational aspects of the aviation sector. The Airport Enterprise Zone also extends to include local office and industrial/warehouse areas which support occupiers in a range of more general business sectors.

### ***Fylde***

- 6.40 The Fylde Local Plan to 2032 was adopted on 22 October 2018. It is informed by the Fylde Employment Land and Premises Study (2012), which was completed by BE Group. Based on the forward projection of average annual take-up of 2.7 ha/year (later amended to 2.22 ha/year), the Borough's land need is 62 ha to 2032. This includes 14 ha to meet Blackpool's requirements.
- 6.41 Major employment land allocations include 14.5 ha at Blackpool Airport Enterprise Zone, as discussed above. Another 38.6 ha is proposed in, and around, the Whitehills and Whyndyke areas, off Junction 4, M55.

- 6.42 The Whitehills Area was the subject of Development Appraisal work in 2013, also completed by BE Group. That research identified the strength of links between Whitehills/Fylde and the Preston Conurbation along the M55 Corridor. Whitehills includes an established body of public sector and financial services companies (with further large businesses in Lytham and St Annes), which link to the larger offer of Central Preston and Preston Docks. The local service sector at Whitehills has seen little recent growth however, and research suggests that future growth in the area will focus on industrial/warehousing space of 500-5,000 sqm, primarily meeting the needs of companies indigenous to the Fylde Coast. At present at least, Whitehills is not attracting larger inward investment opportunities that might otherwise have gone to Central Lancashire.
- 6.43 The other strategic site in Fylde is the Warton element of the Lancashire Enterprise Zone. This employment site is considered separately, alongside its partner site at Samlesbury, in Section 4.0.
- 6.44 A Partial Review of the Fylde Local Plan to 2032 commenced in 2019. It has reached the main modifications stage. The main objective is to update the Local Plan with respect to NPPF updates in 2019 and 2021. and NPPF21. There are no changes proposed with respect to employment land allocations.

### **Wyre**

- 6.45 The Wyre Local Plan (2011 – 2031) was adopted by Wyre Council in February 2019. The Local Plan aims to support the local economy in Wyre in terms of job creation and investment, meeting in full the employment objectively assessed need (OAN) of 43 hectares over the plan period. This includes employment allocations of 32.9 hectares, alongside existing completions and commitments. The Local Plan allocations have sought to rebalance the employment portfolio, by provide new allocation within the A6 corridor and rural sub area.
- 6.46 The Wyre Employment Land Study Update (2015) highlights the strong commuting relationships between the Fylde Coast and Centre Lancashire, particularly Preston and South Ribble. Market demand in Wyre is more self-contained with most requirements coming from within the Fylde Coast area. Demand is almost exclusively for industrial space of up to 5,000 sqm. The office market is modest and Wyre does not have a defined hub for office uses.

- 6.47 The average employment land take up was 1.87 ha/year between 2011 and 2020. Against this rate of take-up Wyre had an employment land supply of some 49 ha at 31st March 2020. This includes existing commitments of 12.37 ha and allocations (excluding commitments) of 22.5 ha. The employment land supply is higher than the OAN and this seeks to provide flexibility and offer a diverse portfolio of sites across the three sub-employment areas within the Borough.
- 6.48 Major employment developments in Wyre Borough tend to be focused in the urban peninsula sub market of Fleetwood/Thornton-Cleveleys and Poulton. This includes existing employment areas at Fleetwood Dock and Mariana and Copse Road in Fleetwood, Red Marsh Industrial Estate in Thornton and Poulton Industrial Estate in Poulton. The offer at the A6 sub market located to the north of Preston, at Garstang and Catterall, is of a more modest local scale that supports the A6 corridor and rural hinterland.
- 6.49 The main strategic site in Wyre is the 138 ha Hillhouse Technology Enterprise Zone in Thornton-Cleveleys. The site was designated an Enterprise Zone in 2015 as forms part of the Lancashire Advance and Energy Cluster that also includes Salisbury, Warton and Blackpool Airport Enterprise Zone sites. It offers development plots of 2-14 ha and design build opportunities for manufacturing, logistics and offices of 2,000-30,000 sqm.
- 6.50 The Hillhouse site has a market focus on the hi-tech chemical and polymer sectors alongside energy and advanced manufacturing which is split between the large secure access and the open access areas. The employment target is to increase employment at the site from 1,650 jobs today to more than 3,000 jobs by 2035.
- 6.51 Hillhouse, which is owned by developer NPL Group, is home to a large established chemicals cluster, with specialisations in high tech-chemicals, polymers, energy generation and environmental (waste) located within a secure site. The masterplan Planned investments are primarily in new power generation and waste processing facilities, along with associated B2/B8 business space.
- 6.52 While growth at Hillhouse may draw some chemicals, energy and waste sector specific companies away from Central Lancashire, Hillhouse Business Park has been an established chemicals/waste cluster since World War II and the Enterprise Zone designation does not change this basic focus. Overlap with the Lancashire Enterprise

Zone, which is focused on aerospace, automotive and comparable advanced manufacturing, is likely to be minimal.

- 6.53 Regeneration at Fleetwood Docks will deliver new B-Class premises, but the overall focus will remain on port-related uses, including a new fish and food processing park which is a distinct offer from anything in central Lancashire.

### **West Lancashire**

- 6.54 West Lancashire was included within the Liverpool City Region Joint Employment Land and Premises Study, completed by BE Group in 2010. That study indicated that the Borough had 69.90 ha of employment land made up of 20 sites. However, 10.44 ha of this comprised land in operational use by companies or held for future expansion. The realistic supply was therefore considered to be 59.46 ha, comprising 15 sites. Most of this land is in Skelmersdale. There is only a modest supply in the smaller northern settlements which border Chorley and South Ribble Borough's, such as Tarleton. An additional 93.04 ha is required to 2026, based on past take-up rates of 7.06 ha/year between 1992/93 and 2007/08, and including a 20 percent buffer.
- 6.55 This was updated in the Liverpool City Region Housing and Economic Development Evidence Base Overview Study, 2011. The study indicated a land supply, at December 2010, of 49.66 ha. West Lancashire needs 135.03 ha of land to 2031, giving a shortfall of 85.37 ha.
- 6.56 The West Lancashire Local Plan, 2013 indicates that 75 ha of employment land will be required between 2012 and 2027. 52 ha of this will be provided in Skelmersdale through the development of existing allocations (notably at White Moss and XL Business Park) and the regeneration of vacant and under-used premises on Pimbo, Gillibrands and Stanley Industrial Estates. The remaining 23 ha will be provided through:
- Existing allocations and remodelling of the Burscough industrial estates (3 ha)
  - Extension of the Burscough industrial estates into the Green Belt (10 ha)
  - Existing allocations and remodelling of Simonswood Industrial Estate (5 ha)
  - Existing allocations and new opportunities for rural employment sites in rural areas (5 ha).

- 6.57 The Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA), published 2018, sets out three scenarios for economic growth and corresponding employment land requirements in West Lancashire over the period 2021-2037. Under the 'Baseline Scenario', there would be a need for 14.5ha land for class B1 uses, and 7.7ha for B2 uses. Under the 'Growth Scenario', there would be a need for 14.9ha for B1 and 7.7ha for B2. Under the 'Completions Trend', there would be a need for 16.3ha for B1 and 20.4ha for B2, plus 29.2ha for small scale B8 uses. The SHELMA also looks at the need for land for large-scale B8 uses across the Liverpool City Region to 2037 and concludes there would be a need for between 308ha ('Do minimum' option) and 397ha ('Transport for the North' strategy). The SHELMA does not disaggregate this figure between the different authorities of the City Region.
- 6.58 The strongest linkages between West Lancashire and Central Lancashire are likely to be around Skelmersdale, particularly Gillibrands Industrial Estate, Pimbo Industrial Estate and Stanley Industrial Estate. These three very large industrial estates are all located within the M58 corridor and are easily accessible from the M6 Corridor. There is an established body of national and international B2 and B8 businesses that operate regional scale operations from this area including Procter and Gamble, Walkers Crisps and Matalan.
- 6.59 Also located off the M58 at Skelmersdale are White Moss Business Park and XL Business Park (which includes logistics facilities for Asda and Comet). Together these two employment areas include some 27 ha of undeveloped expansion land. Skelmersdale is therefore identified as a location which can compete with Central Lancashire for investment from larger B2 and B8 businesses. It is also geographically well placed to meet an element of land needs from the Liverpool Superport, although the draft West Lancashire Local Plan Review 2012-2050, which proposed the allocation of a significant area of land for large-scale B8 uses adjacent to the M58, linked to the Superport and its opportunities, was 'ceased' in its entirety by a decision of Cabinet in September 2019 following the Plan's 'Preferred Options' consultation. Work on a new Local Plan, to cover the period 2023-2040, is currently at an early stage.
- 6.60 The rural areas of West Lancashire overlap with those of Chorley and South Ribble, south of the Ribble Estuary. The A59 provides a major link through this area, from Preston to Burscough, Ormskirk and on into Liverpool. Along this route, the Burscough

Industrial Estates provide a sizable offer of mostly smaller industrial and warehousing space, which serve a wide rural catchment extending into Chorley/South Ribble.

### Summary

- 6.61 Based on a mix of market evidence and commuting data, as identified in the 2017 Study, 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. Finally, Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour.
- 6.62 Stakeholders with links to this wider FEMA were contacted, and key issues for Central Lancashire are identified in Table 26.

**Table 26 – FEMA Issues**

Area	Comments
Bolton	<p>The most significant strategic development in Bolton is the 80 ha Cutacre development off Junction 4, M61. This is a major logistics scheme, marketed as Logistics North, and offering 400,000 sqm of space in plots capable of accommodating properties of 10,000-100,000 sqm. Existing occupiers include Aldi in 54,000 sqm and MBDA in 12,000 sqm. Joy Global, Costa Coffee and Green King are occupiers with some 250,000 sqm of space completed to date in the North West's largest active commercial development. As of January 2022, all plots were developed, under construction or held with planning for specific occupiers.</p> <p>Replacing Logistics North as the next strategic development will be the 33 ha West of Wingates Industrial Estate site at M61, Junction 6. This site is under the control of developer Harworth and was granted consent for 100,000 sqm of mixed employment floorspace by the Secretary of State in June 2021 following a call-in inquiry. Delivery is expected over the next few years.</p>
Wigan	<p>Most significant for Central Lancashire is likely to be the 140,000 sqm of employment floorspace proposed at M6 Junction 25, Wigan</p> <p>A planning application from Tritax Symmetry (App. No. A/18/85947/MAJES) for 133,966 sqm of B8 floorspace (with ancillary office floorspace) at M6 Junction 25 (Places for Everyone Plan Allocation) was approved in June 2021 following public inquiry and is expected to commence in 2022</p>
Blackburn with Darwen	<p>The 36 ha Frontier Park, Junction 6, M65 is now developed with B2/B8 units of 1,800-13,000 sqm, some of which are still being marketed. Occupiers include Fagan and Whalley and Alufold.</p> <p>A new strategic employment site allocation is proposed at Junction 5 of the M65 and would be the closest competing strategic location to the</p>



Area	Comments
	Cuerden Strategic Site. Further details on this proposed site have yet to be established, but it is expected to deliver larger B2/B8 uses. However, the strong B2/B8 market at present could support the delivery of multiple such strategic sites in the North West, simultaneously.
Ribble Valley	Excluding the cross-boundary Samlesbury Enterprise Zone, there are no other strategic scale sites and employment areas in Ribble Valley.
Blackpool	<p>There will be a likely overlap in the aviation sector between Blackpool Airport and the Lancashire (Samlesbury-Warton) Enterprise Zones.</p> <p>However, there are also clear differences with the Lancashire Enterprise Zone, focused on aviation manufacture, and the BAE supply chain, particularly for defence activities. Blackpool Airport by comparison is a civilian and commercial facility, with a focus on the operational aspects of the aviation sector.</p> <p>The 144 ha Airport Enterprise Zone also extends to include local office and industrial/warehouse areas which support occupiers in a range of more general business sectors. At the time of writing there was some 8 ha of readily available employment development land at the Airport Enterprise Zone.</p>
Fylde	Some service sector linkages along the M55 Corridor, between Whitehills and Preston, but no recent growth at Whitehills which is a long established mixed employment area of offices, industrial units and warehouses.
Wyre	<p>Hillhouse Business Park is 138 ha Enterprise Zone occupied by over 40 companies including world leading chemical and polymer production companies located on the site of the former ICI manufacturing plant at Thornton on the west coast of the Wyre estuary. It offers development plots of 2-14 ha and design build opportunities for manufacturing, logistics and offices of 2,000-30,000 sqm</p> <p>While growth at Hillhouse may draw some chemicals, energy and waste sector specific companies away from Central Lancashire, Hillhouse Business Park has been an established chemicals/waste cluster since World War II and the Enterprise Zone designation here does not change this basic focus.</p> <p>More generally, major employment developments in Wyre Borough tend to be focused in the urban peninsula submarket of Fleetwood/Thornton-Cleveleys and Poulton which are distant from Central Lancashire.</p>
West Lancashire	Skelmersdale is particularly likely to compete with Central Lancashire for logistics and industrial requirements emerging from the growing Liverpool Superport (see the Liverpool City Region Superport Market Analysis Land and Property, 2014 and the Liverpool City Region Freight and Logistics Strategy, 2017 for more detail. Work completed to date on the Superport includes the new £400 million container terminal, dubbed Liverpool2, opened in 2017). There is 52 ha of further growth land available in the town across multiple employment sites.

Source: BE Group, 2021

## 7.0 OBJECTIVELY ASSESSED NEEDS

### Introduction

7.1 Planning Practice Guidance states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment/population change. As in the 2017 and 2019 Studies, the methodology employed in this Update study uses two models and associated sensitivity testing, to identify OAN for Central Lancashire as a whole and the three Authorities individually (but not the wider FEMA as discussed in Section 6.0). None provide a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and therefore they are considered in the context of the market overview undertaken as part of this study.

7.2 The models are:

- Historic land take-up forecast

This reviews the actual take-up of employment land in the three Central Lancashire Boroughs over a period of time. The method is not wholly reliable as there will be peaks and troughs, and different time periods taken can also result in different outcomes. For example, a period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up

- Employment based forecast

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on a jobs to floorspace density, which in turn can be translated into the projected land need. This scenario uses as its base the updated economic forecasts (summer 2021), produced by Cambridge Econometrics for LCC and covering the Central Lancashire sub-region. This latest forecast accounts for macro-economic changes since 2019, particularly the implications of Brexit as they are presently understood and the projected long term impacts of the Covid-19 Pandemic on the local economy.

7.3 These forecasts have several limitations. They are based on national and regional trends with some local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. Also, merely translating

jobs to land needs will not always reflect local property trends. Therefore, sensitivity testing against actual land take-up is undertaken to assess how the two trends in Central Lancashire are related.

- 7.4 The econometric forecasts are useful in that they analyse each industry sector and, in conjunction with other market data, the forecasts can identify where sectors may be growing or shrinking, which in turn can inform land and property needs.
- 7.5 In some forecast methodologies, a third, Resident Workforce forecast model is used. This uses the same method of forecasting as the employment based method but takes forecast changes in the working population i.e. labour supply, rather than jobs – labour demand.
- 7.6 However, in completing previous Employment Land Studies, including 2017 and 2019 Central Lancashire Studies, BE Group has found that labour supply figures do not accurately predict future land needs. Amongst other flaws there is no allowance for the impact of in-commuting or company aspirations for growth. Therefore, the method is not utilised in this study.
- 7.7 The method adopted in this Study brings together all the forecasts and compares them with historic trends through the sensitivity testing. To do this, actual land take-up and building completions over a period from 1991 to 2021 are compared with land needs that would have been generated from jobs change during the same period. The resultant land figures show that actual take-up is many times the assumed need compared with the jobs calculation for that period.
- 7.8 The methods discussed above are ‘Policy Off’ in that they make no allowance for any major public sector programmes which might generate jobs above the baseline. The 2017 and 2019 Studies incorporated ‘Policy On’ Scenarios considering the extra jobs estimated to be created by the Samesbury Enterprise Zone and City Deal programmes in Preston and South Ribble. However, the Enterprise Zone jobs estimates are now a decade old and the City Deal estimates some eight years old, with a number of City Deal projects now at least partly implemented. For these reasons a Policy On Scenario, relating to these programmes is not undertaken here.
- 7.9 The methods, and calculations, are considered in turn.

### Model One: Historic Land Take-up

7.10 Employment land take-up annually is recorded by the three Councils. Table 27 shows the schedule of completions between 1991 and 2021 based on this data. As can be seen there is a data gap for Preston for 2010-2012 and this is accounted for in calculations. Preston and South Ribble could also not split their take up for the 1990s and early 2000s by year, but the overall figures for that period are provided and utilised in calculations.

**Table 27– Employment Land Take-Up 1991-2021**

Completion Period	Chorley	Preston	South Ribble
1991-1992	1.10	27.94	5.00
1992-1993	0.50		
1993-1994	1.40		
1994-1995	0.80		
1995-1996	2.00	6.73	12.10
1996-1997	1.60		
1997-1998	3.92		
1998-1999	3.60	26.99	
1999-2000	2.30		
2000-2001	0.59		
2001-2002	0.92		
2002-2003	1.06		
2003-2004	6.73		0
2004-2005	2.91	6.71	11.24
2005-2006	12.55	1.09	9.97
2006-2007	10.91	2.25	7.7
2007-2008	12.15	1.65	4.25
2008-2009	2.53	0.38	0
2009-2010	5.11	2.83	0
2010-2011	2.63	No Data	14.62
2011-2012	2.38	No Data	12.60
2012-2013	6.49	1.11	0.70
2013-2014	3.92	3.29	0
2014-2015	1.71	0.48	0
2015-2016	5.79	0.53	4.63
2016-2017	0.61	4.77	8.98
2017-2018	0.65	0.4	3.17

Completion Period	Chorley	Preston	South Ribble
2018-2019	3.31	2.2	1.62
2019-2020	3.59	1.02	1.39
2020-2021	0.21	0	2.14
<b>Total</b>	<b>103.97</b>	<b>90.37</b>	<b>105.88</b>
<b>Annual average over 30 years (28 for Preston)</b>	<b>3.47</b>	<b>3.23</b>	<b>3.53</b>
<b>Reduced annual average, excluding anomalous years</b>	<b>2.62</b>	<b>3.22</b>	<b>2.84</b>

Source: CBC, PCC, SRBC and BE Group, 2021

- 7.11 In total, over the last 30 years 300.22 ha of land has been developed in Central Lancashire, 34.6 percent of was in Chorley, 35.3 percent was in South Ribble and 30.1 percent in Preston. The three authorities have somewhat similar average take up rates of 3.23-3.53 ha/year.
- 7.12 There have been peaks and troughs in take up over the full 30-year period recorded for each Borough, which generally accord with periods of national growth and recession. Generally, Chorley and South Ribble saw higher rates of take up this century than in the 1990s, although take-up in South Ribble did drop to zero at times during the last recession and dropped to 0.21 during the Covid-19 Pandemic in Chorley in 2020-2021. Conversely, Preston enjoyed high rates of development in the 1991-2005 period than in the last decade.
- 7.13 However, the biggest anomalies can be identified as:
- Chorley – High take up rates, equating to more than 10 ha/year over 2005-2008. This is at least partially accounted for by the delivery of several large logistics properties at the Revolution, Buckshaw Village and does accord with a period of national market growth
  - Preston – The more limited annual breakdown makes it harder to identify any anomalies, but 2004/05 was clearly a year of above average take up which accords with a high development year in North East Preston
  - South Ribble – Like Chorley, South Ribble saw high take-up during the national growth years 2004-2007/08. More surprising is the take-up recorded in 2010/11 and 2011/12, when 27.22 ha of completions were noted during a period of low growth nationally. This is explained by the completion of two very large warehouse premises in the Borough over those two years – a development on Lancashire (Enterprises) Business Park, Farington, replacing a large fire

damaged building, and completion of the 39,000 sqm Waitrose Regional Distribution Centre at Matrix Park, Buckshaw Village

- All three local authorities will have been affected by the Covid-19 outbreak in 2020/21, when Lockdown restrictions will have compelled many to work from home, the space requirements of businesses will have altered, and many growth plans will have been put on hold. Accordingly, Chorley and Preston saw negligible, or zero, take up that year. Interestingly, South Ribble still saw 2.14 ha of take up that year, below its 30-year average, but not drastically so. This comprised the completion a range of industrial and office properties that were planned/saw development commence pre Covid.

7.14 Table 27 above shows reduced average annual take-up rates, excluding those anomalous years, although, as can be seen, the difference for Preston is negligible. However, the evidence is that larger (primarily) B8 logistics developments are a feature of all three locations, even if the biggest completions happen only infrequently. They have occurred in the past and will occur again, with plans for larger B2/B8 options on sites in Farington, South Ribble; Great Knowley, Chorley and North East Preston actively being progressed at the time of writing. Periods of low take up in Central Lancashire have generally reflected periods of national economic contraction which are likely to happen again over the Local Plan period and thus need to be accounted for in forecasting. Thus, the following calculations proceed using the full average annual take-up rates recorded.

7.15 Using the full take-up rates and applying them to the period 2021-2038 (17 years), the following requirements are noted:

- Chorley – 3.47 ha/year x 17 (years) = **58.99 ha**
- Preston – 3.23 ha/year x 17 (years) = **54.91 ha**
- South Ribble – 3.53 ha/year x 17 (years) = **60.01 ha**

**Central Lancashire total requirement – 173.91 ha**

7.16 The three Boroughs should also have a buffer in supply to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2038 period. This also makes some allowance for the loss of further employment land to non E(g)/B-Class uses over the period to 2038. There is no set guidance on how long this buffer should be, however, in the many employment land studies completed

by BE Group over the last decade, a buffer of five years has usually been applied. This has been identified as an acceptable margin in Local Plan Examination's in Public, in which BE Group's employment needs assessments have been appraised. Based on the historic take-up trend this would generate the following further land needs:

- Chorley – 3.47 ha/year x 5 (years) = 17.35 ha
- Preston – 3.23 ha/year x 5 (years) = 16.15 ha
- South Ribble – 3.53 ha/year x 5 (years) = 17.65 ha.

7.17 Added to the 2038 need figure, this increases the requirement as follows:

- Chorley – 58.99 ha + 17.35 ha = **76.34 ha**
- Preston – 54.91 ha + 16.15 ha = **71.06 ha**
- South Ribble – 60.01 ha + 17.65 ha = **77.66 ha.**

#### **Central Lancashire total requirement – 225.06 ha**

7.18 Overall need of additional land can then be assessed through a comparison of current supply set against these figures.

7.19 At October 2021, there was a realistic supply of 190.78 ha of available local land in Central Lancashire, reducing to 180.06 ha if the Preston ELR options are excluded. In terms of strategic supply there is 65 ha of gross land at Cuerden, net area of employment land to be determined, and some 30 ha (net) remaining within the South Ribble portion of the Samlesbury Enterprise Zone. This gives a maximum possible supply of around 286 ha.

7.20 Taken overall, therefore, Central Lancashire has a land supply surplus of some 61 ha. However, Model One is a measure of local needs only, assessing the past take-up that has occurred locally in Central Lancashire and projecting it forward to 2038. To assess like for like, assuming Cuerden and particularly Samlesbury are focused on meeting inward investment requirements, and allowing for the fact that Chorley and Preston do not have explicitly strategic sites, the above needs should be assessed against the realistic local supply only. This generates needs for additional land in Chorley and South Ribble totalling **45.74 ha**. Preston has sufficient land to meet its needs, with or without the ELR options. Individually, the extra local requirements are:

- Chorley – 76.34 ha (need) – 56.28 ha (realistic supply, local only) = **20.06 ha (further need)**

- Preston – 71.06 ha (need) – 82.52 ha (realistic supply, local only, inc. ELR sites) = **-11.46 ha (surplus land)**
- South Ribble – 77.66 ha (need) – 51.98 ha (realistic supply, local only) = **25.68 ha (further need)**

### **Split by Use Class**

7.21 Whilst overall need is important, further analysis can evaluate what the potential needs will be in the different use classes. As was undertaken in 2017 and 2019, it is possible to split the take-up by the main employment use classes (E(g) (i, ii, iii), B2, B8) and use that as a guide to the proportions of land required, for each use class, under the Model One forecasts of need.

7.22 Therefore, projecting the historic split of land need forward for the period to 2034, for each local authority area, Tables 28 to 30 shows the anticipated need for the different use classes for the Local Take-Up Model. This is then compared to the current realistic employment land supply as defined in Section 5.0 and split, in that section, by B1/B2/B8 uses. The Further Need, by use class, for this model can then be identified.

**Table 28 – Full Need, Split by Use Class – Chorley**

Period	Use Class (Percentage Split, percent)						Total (ha)
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	
Percentage	14.8	0.0	4.7	13.0	32.6	34.9	100.00
Local Take Up Trend	11.30	-	3.59	9.92	24.89	26.64	76.34
2021 Realistic Supply	3.68	-	20.86*		3.86*	27.88	56.28
<b>Further Needs</b>	<b>7.62</b>	<b>-</b>		<b>-7.35</b>	<b>21.03</b>	<b>-1.24</b>	<b>20.06</b>

Source: CBC/BE Group, 2021

\*Indicative split only, in practice larger industrial sites will normally suit both B2 and B8 uses.

**Table 29 – Full Need, Split by Use Class – Preston**

Period	Use Class (Percentage Split, percent)						Total (ha)
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	
Percentage	24.3	-	1.4	42.2	25.8	6.3	100.0
Local Take Up Trend	17.27	-	0.99	29.99	18.33	4.48	71.06
2021 Realistic Supply – EP1	-	-	11.33*		11.34*	48.64	71.31



Period	Use Class (Percentage Split, percent)						Total (ha)
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	
2021 Realistic Supply – ELR	0.66	-	0.05*		0.06*	10.44	11.21
<b>Further Needs</b>	<b>16.61</b>	-	<b>19.60</b>		<b>6.93</b>	<b>-54.60</b>	<b>-11.46</b>

Source: PBC/BE Group, 2021

\*Indicative split only, in practice larger industrial sites will normally suit both B2 and B8 uses.

**Table 30 – Full Need, Split by Use Class – South Ribble**

Period	Use Class (Percentage Split, percent)						Total (ha)
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	
Percentage	26.7	0.0	2.0	27.8	36.2	7.3	100.00
Local Take Up Trend	20.74	-	1.55	21.59	28.11	5.67	77.66
2021 Realistic Supply	0.45	-	11.10*		11.10*	29.33	
<b>Further Needs</b>	<b>20.29</b>	-	<b>12.04</b>		<b>17.01</b>	<b>-23.66</b>	<b>25.68</b>

Source: SRBC/BE Group, 2021

\*Indicative split only, in practice larger industrial sites will normally suit both B2 and B8 uses.

7.23 The above Tables show the following trends:

- Chorley – By this measure the greatest need, unlikely to be met in the current supply, is for land suitable for larger B8 options. Some 7.62 ha of primarily office land is also required, while the Borough has sufficient land for smaller light industrial/industrial options
- Preston – In principle, Preston needs more land for offices and for light industrial/industrial and warehouse options. In practice, Preston has a surplus of land to meet a mixed range of needs
- South Ribble – As with Chorley, the largest need is for sites suiting both larger B8 uses and offices. As with Preston though, there is a sizable supply of land to meet a mixed range of needs.

7.24 The indicative only E(g)(i) requirement can be converted into the following floorspace needs:

- Chorley – 59,436 sqm
- Preston – 332,220 sqm
- South Ribble – 158,262 sqm.

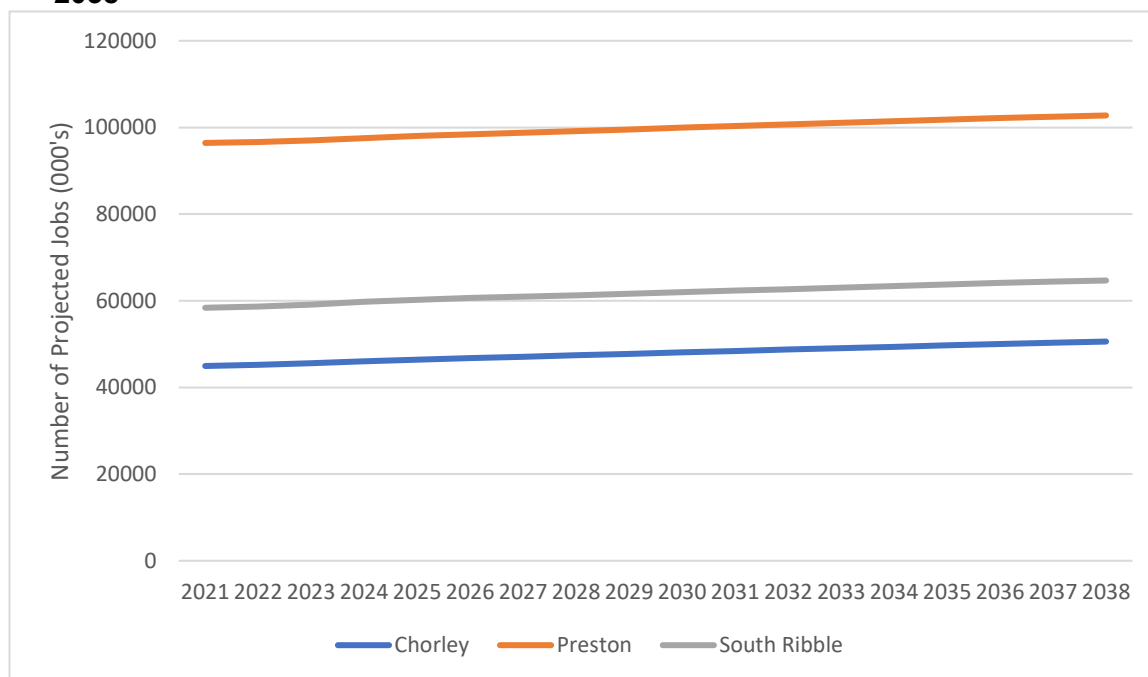
7.25 Providing these floorspace figures requires a number of assumptions to be made:

- Chorley, South Ribble – Assumes most offices will be developed in out of centre business parks or sites. Accommodation in such locations is normally developed at a rate of 3,900 sqm/hectare. However, allowing for the fact that an average out of centre office would be at least two storeys tall, the density applied is twice that at 7,800 sqm/hectare
- Preston – Assumes most offices will be developed in the City Centre. Past research completed by BE Group and others in regional cities such as Leicester suggests that City Centre E(g)(i) completions will be delivered at a much higher density than business park schemes with 20,000 sqm/hectare being the average density.

### **Model Two: Employment Forecasts**

- 7.26 Employment forecasts were prepared by Cambridge Econometrics on behalf of LCC. These forecasts projected employment by sector to 2036 for the three authority areas. In order to forecast need to 2038, the average yearly change in employment in each sector between 2032 and 2036 has been calculated. This five-year average has then been used to predict how employment will change in the years 2037 and 2038.
- 7.27 Between 2021 and 2038, total employment in Central Lancashire is forecast to grow by approximately 18,269 jobs, an average of about 1,015 jobs per year. Job growth is projected to be split fairly evenly between Chorley (+5,640 jobs), Preston (+6,336 jobs) and South Ribble (+6,293 jobs). Illustrated below are the growth trajectories for employment in each local authority area. As can be seen in Figure 23, Cambridge Econometrics forecast a steady increase in employment which is sustained throughout to time period for all local authorities.

**Figure 23 – Growth Trajectories of Employment in Three Authority Areas to 2038**

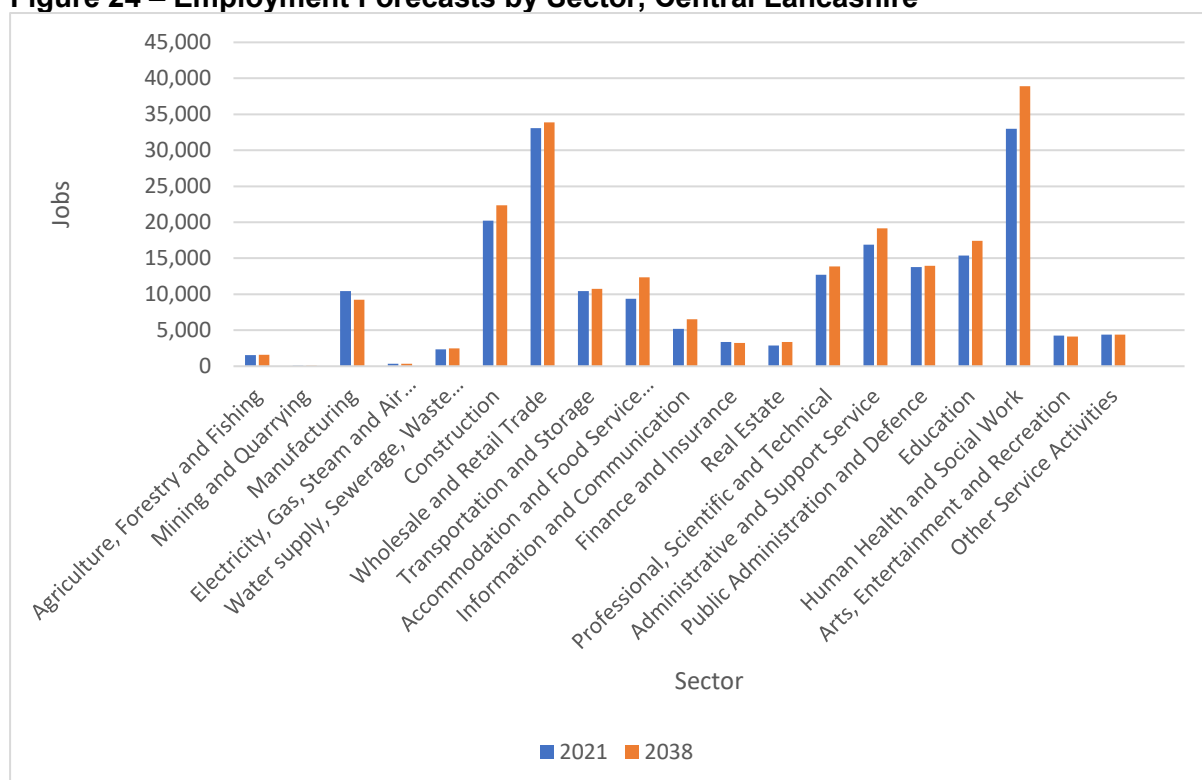


Source: Cambridge Econometrics, 2021

### Sector Level Forecasts

- 7.28 At a sector level, there are substantial differences in the forecast employment growth, as summarised by Figure 24 for Central Lancashire.
- 7.29 Overall, in Central Lancashire, it is projected that the largest employment growth sectors will be in Health (+5,901 jobs), Accommodation and food services (+2,983) Administrative and support services (+2,273), Construction (+2,146), and Education (+2,055). Of these, the growth in Accommodation and food services is perhaps most surprising given the difficulties this sector experienced during the Lockdowns associated with the Covid-19 Pandemic in 2020-2021. Cambridge clearly believe this sector will recover well from 2022 onwards, indeed the forecast jobs growth in 2021 is far better than the 337-1,623 jobs gain forecast in past studies.
- 7.30 The Cambridge Econometrics forecasts split the jobs growth into 45 industry sectors. To simplify the analysis and provide consistency with past work the 45 sectors are consolidated into the same 19 main sectors used in the 2017 and 2019 Studies.

**Figure 24 – Employment Forecasts by Sector, Central Lancashire**

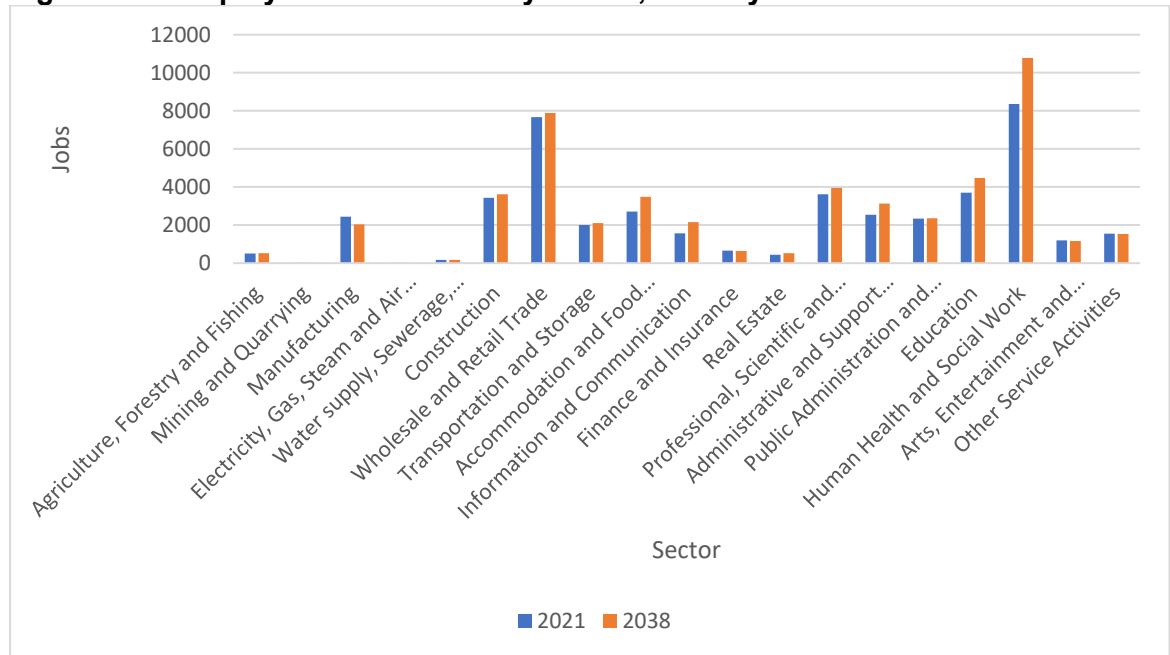


Source: Cambridge Econometrics, 2021

- 7.31 The sectors anticipated to have the most significant declines in employment numbers between 2021 and 2038 in Central Lancashire are Manufacturing (-1,208 jobs), Arts, entertainment and recreation (-123), and Finance and insurance (-101).
- 7.32 Declines in manufacturing employment, reflecting national trends in increasing automation and improving efficiency of operations generally, are commonly forecast. Indeed, past studies forecast even larger jobs reductions of -2,867 to -4,176. As noted in Section 3.0, the forecasts do not appear to be matching reality, with Central Lancashire showing gains in manufacturing employment in recent years.
- 7.33 Office-based sectors, excluding Finance and insurance are projected to see significant growth, a net gain of 5,145 jobs. This is broadly in line with past forecasts and with recent trends noted in Section 3.0, except for the fact that Finance and insurance has seen strong recent growth in both jobs and businesses, in Central Lancashire while ICT has lost some employment since 2015.
- 7.34 There are anticipated to be differences in the sectoral growth trajectories between the three local authority areas. Cambridge Econometrics' sectoral growth projections for

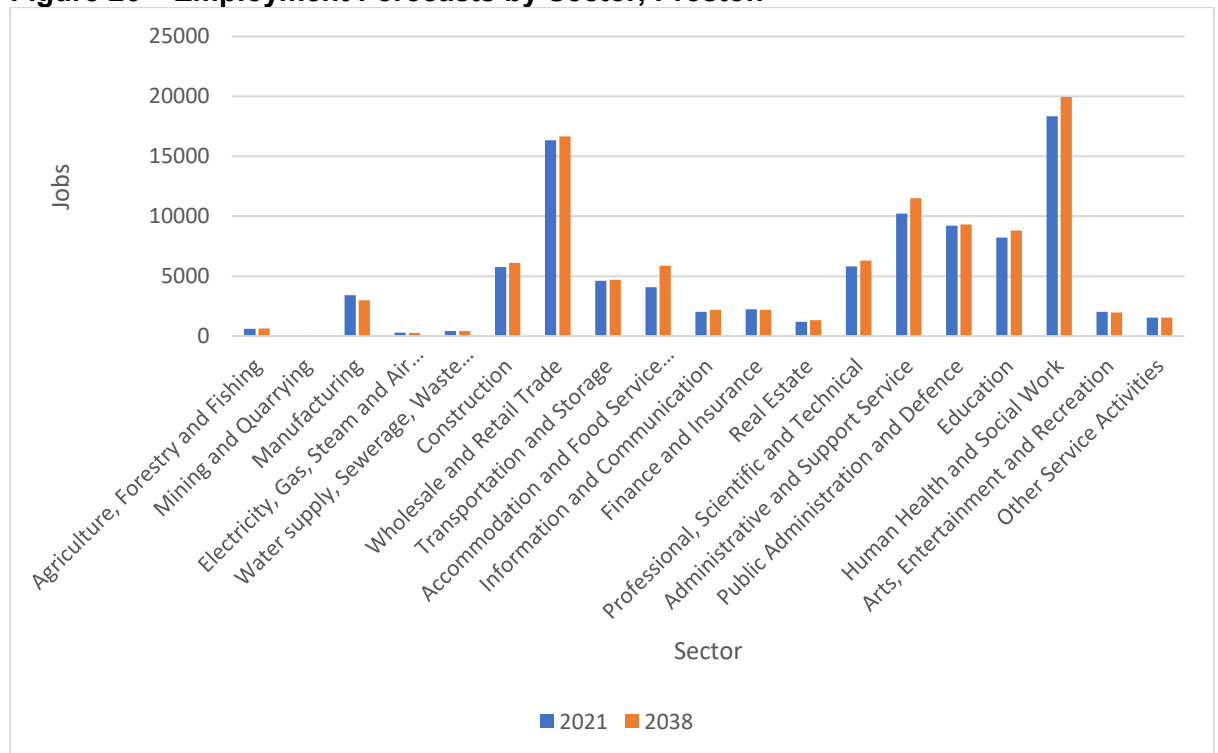
the three areas are provided in Figures 25 to 27 below.

**Figure 25 – Employment Forecasts by Sector, Chorley**



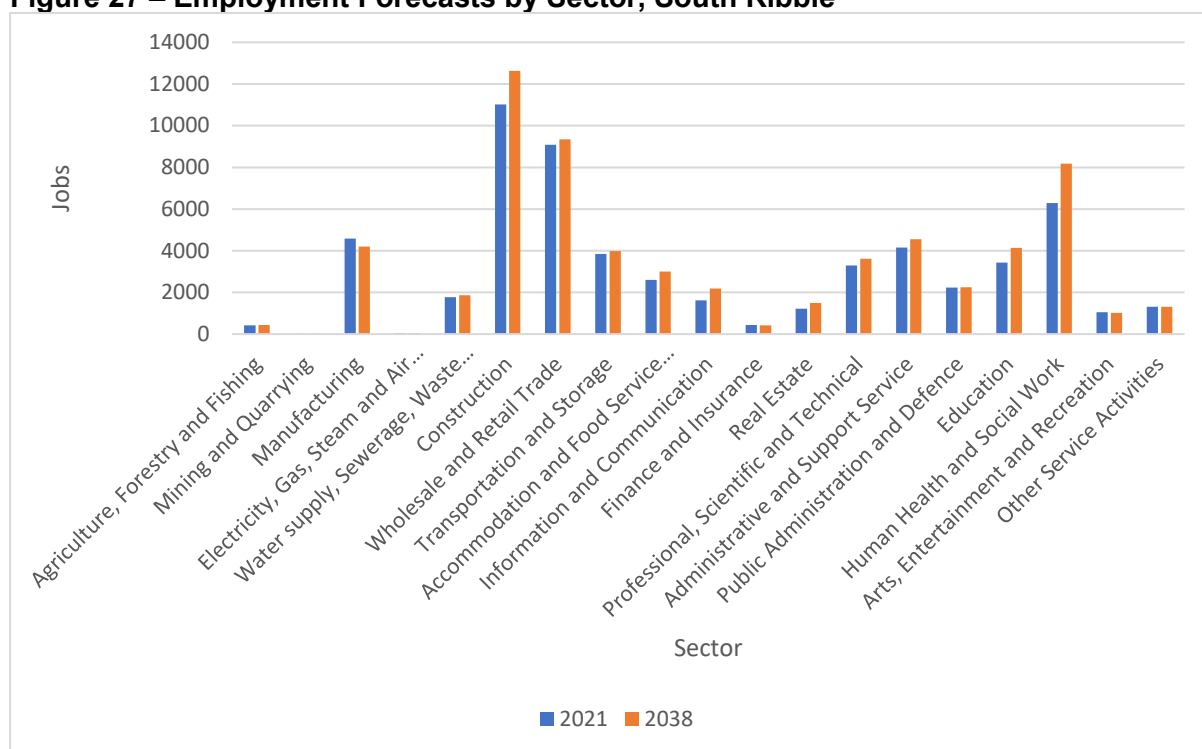
Source: Cambridge Econometrics, 2021

**Figure 26 – Employment Forecasts by Sector, Preston**



Source: Cambridge Econometrics, 2021

**Figure 27 – Employment Forecasts by Sector, South Ribble**



Source: Cambridge Econometrics, 2021

7.35 The following key points are noted from these sectoral projections for the three areas:

- The direction of growth (positive or negative) is consistent for the larger sectors throughout the three local authority areas
- The large projected growth in Accommodation and food services is primarily being driven by Preston (+1,795 jobs), which accounts for 60.2 percent of the sub-region's forecast employment growth in this sector to 2038
- South Ribble is projected to drive growth in the Construction sector in Central Lancashire, adding some 1,617 jobs to 2038, or three quarters of the sub-region's jobs growth. As was noted in Section 3.0, South Ribble has long been a focus of Construction sector activity and has seen reasonable sectoral growth in recent years
- The ICT sector in Central Lancashire is expected to grow by 1,328 jobs. South Ribble and Chorley account for most of this growth in jobs, with Preston only projected to see an additional 176 employed in the sector by 2038, just 13.3 percent of the projected increase. As noted in Section 3.0, the ICT sector has lost jobs over 2015-2019, but did gain businesses, suggesting some ongoing improvement at least in terms of micro firms
- The growth in the Administration and support services sector is primarily

focused in Preston, where 1,289 additional jobs are projected to be gained by 2038, 56.7 percent of the total projected increase in jobs in the sector. This is logical given the number of larger administrative businesses found in the city

- The three largest growth sectors in Chorley are anticipated to be Accommodation and food services, Human health and social work and Education. In Preston, the three largest growth sectors are projected to be Administrative and support services, Accommodation and food services and Human health and social work. In South Ribble, the three sectors are projected to be Construction, Human health and social work and Education. Clearly the health sector is projected to grow across Central Lancashire.

### ***Implications for B-Class Land***

7.36 Not all employment growth would result in an increase in demand for B-class employment land or premises. Only certain industry sectors are typically located on B-class land, such as manufacturing, transport and storage and professional services. The next stage of this analysis projects the likely proportions of sectoral employment growth to be located on B-class employment sites.

7.37 Using the Cambridge Econometrics forecasts, BE Group has forecast employment floorspace and employment land requirements for Central Lancashire and its constituent local authorities. The methodology of calculating this requirement is as follows:

- Identify which industry sectors are likely to take up employment land, including the proportion of that sector's employment on B-class employment land (see Table 31)
- Adopt the Homes and Communities Agency's (HCA) employment densities as outlined in the Employment Density Guide Third Edition (2015) to convert employment numbers to floorspace demand (see Table 31)
- Adopt a plot ratio of 39 percent to convert floorspace to employment land demand.

**Table 31 – Model Assumptions**

Sectors	Employment		
	Percentage Occupying B-Class, space	Floorspace per person, sqm	Comments
Agriculture	5	12	Managerial, admin
Manufacturing	100	36	HCA gives a range from 36-47 sqm/job. Higher density reflects largely B2; a lower density can be applied to B1 light industry. Given the manufacturing mix in Central Lancashire, the general industrial density has been adopted (36 sqm/job)
Utilities	26	12	Managerial, admin components of sector taking office locations
Construction	26	12	Managerial, admin components of sector taking office locations
Distribution	48	70	Warehouses, offices-non large scale/high bay facilities. HCA provides a range of 70-95 sqm/job. Range reflects final mile distribution centres (70 sqm/job), regional distribution centres (77 sqm/job) and national distribution centres (95 sqm/job). Assume 70 sqm/job for this analysis
Transport	48	70	Warehouses, offices-non large scale/high bay facilities. Same range as Distribution and same assumed level adopted
Financial and Business	100	10-12	HCA guide reports higher job densities in finance and insurance sector (10 sqm/job) than other office based sectors (12 sqm/job)
Government and Other Services	22	12	Local Government, Public Administration

Source: HCA, 2015, BE Group 2021

7.38 Using the above assumptions, applied to the Cambridge Econometrics forecasts, the B-class floorspace and land requirements have been calculated by sector, summarised in Table 32 for Central Lancashire. The large projected decline in employment in the manufacturing sector is heavily influencing the calculations of floorspace and land demand.

**Table 32 – Forecast Employment Land and Floorspace Demand based on Cambridge Econometrics Forecasts 2021-2038 – Central Lancashire**

SIC Group	Workforce Growth 2021-38	Percentage Occupying B1/2/8 Space	Growth Number of Jobs on B1/2/8 Space	Floorspace Per Job, sqm	Floorspace Required, sqm
Agriculture, Forestry and Fishing	65	5	3	12	39
Mining and Quarrying	(23)	5	(1)	12	(14)
Manufacturing	(1,208)	100	(1,208)	36	(43,488)



SIC Group	Workforce Growth 2021-38	Percentage Occupying B1/2/8 Space	Growth Number of Jobs on B1/2/8 Space	Floorspace Per Job, sqm	Floorspace Required, sqm
Electricity, Gas, Steam and Air Conditioning Supply	(14)	26	(4)	12	(44)
Water supply; Sewerage, Waste Management and Remediation Activities	105	26	27	12	328
Construction	2,147	26	558	12	6,699
Wholesale and Retail Trade	798	5	40	70	2,793
Transportation and Storage	305	48	146	70	10,248
Accommodation and Food Service Activities	2,983	0	-		-
Information and Communication	1,328	100	1,328	11	14,608
Finance and Insurance	(101)	100	(101)	10	(1,010)
Real Estate	499	100	499	12	5,988
Professional, Scientific and Technical	1,146	100	1,146	12	13,752
Administrative and Support Service	2,273	100	2,273	12	27,276
Public Administration and Defence	154	22	(34)	12	407
Education	2,056	0	-		-
Human Health and Social Work	5,901	5	295	12	3,541
Arts, Entertainment and Recreation	(123)	0	-		-
Other Service Activities	(22)	22	5	12	58
<b>Total</b>	<b>18,269</b>		<b>5,557</b>		
<b>Increase in Floorspace – Growth Sectors (sqm)</b>					<b>85,677</b>
<b>Decline in Floorspace – Declining Sectors (sqm)</b>					<b>(44,614)</b>
<b>Net Change in Floorspace Demand (sqm)</b>					<b>41,064</b>
<b>Assumed Developable Floorspace per Hectare (sqm/ha)</b>					<b>3,900</b>
<b>Equivalent Employment Land Needed – Growth Sectors (ha)</b>					<b>22.0</b>
<b>Equivalent Employment Land Needed – Declining Sectors (ha)</b>					<b>(11.4)</b>
<b>Equivalent Employment Land Needed – Net (ha)</b>					<b>10.5</b>

Source: BE Group, 2021

7.39 The analysis of B-class floorspace and land demand generated from forecast overall employment growth reveals an anticipated small increase in B-class land demand above 2021 levels of 40,367 sqm of floorspace or 10.4 ha of land. This is due to growth in demand driven by office-based sectors, construction and transportation not being offset by the decline in demand for manufacturing floorspace.

7.40 Focussing just on the growing sectors – the analysis shows that these sectors have a demand for some 85,330 sqm of floorspace or 21.9 ha of employment land.

7.41 In Appendix 8 equivalent floorspace and employment land analyses for the three local authority areas are provided. The identified needs are:

*Chorley*

- Net Needs – 10,342 sqm of floorspace, equating to 2.7 ha of land at 3,900 sqm/hectare
- Needs from Growth only Sectors – 24,789 sqm of floorspace, equating to 6.4 ha of land at 3,900 sqm/hectare.

*Preston*

- Net Needs – 14,437 sqm of floorspace, equating to 3.7 ha of land at 3,900 sqm/hectare
- Needs from Growth only Sectors – 30,616 sqm of floorspace, equating to 7.9 ha of land at 3,900 sqm/hectare.

*South Ribble*

- Net Needs – 16,315 sqm of floorspace, equating to 4.2 ha of land at 3,900 sqm/hectare
- Needs from Growth only Sectors – 30,313 sqm of floorspace, equating to 7.8 ha of land at 3,900 sqm/hectare.

7.42 The above need would be considered a baseline level of demand generated by employment changes in the three local authority areas. That is, if employment growth was to continue on trend, with unchanging levels of job densities, the floorspace and land requirements would be as detailed above.

**Employment Land Take-Up/Employment Change Comparison**

7.43 In reality the employment change does not translate to land provision in the way set out in the above employment-based models. 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

- The low jobs growth forecast for Model Two is largely driven by the forecast loss of manufacturing jobs, 1,208 jobs less by 2038. This forecast decline reflects a disaggregation of UK trends and does not account for local factors which may contradict wider trends. As was noted in Section 3.0 manufacturing remains a major element of Central Lancashire's economy and actually gained jobs over 2015-2019 while stakeholders report strong market demand for industrial premises
- 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 improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate
- Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, or land banking for future needs.
- The impacts of the Covid-19 Pandemic on the office sector which appear to include increased split office and home working for workers and lower density working environments
- Expansion may also be within existing premises or on expansion land not accounted for in land allocations.

7.44 Therefore, to test how closely jobs change translates to land take-up, historic trends have been compared for South Ribble only. Using the same methodology, the land needs based on employment change has been calculated for two historic periods.

- The long-term period from 1991-2021 and compared to the actual land take-up during that period (Table 33)
- 2001-2007 which was a period of sustained economic growth nationally (Table 34).

7.45 The two tables show that net jobs growth during both periods, would have a smaller land need than was seen in each time period. Even if the sectors predicted to grow only are considered, the projected land requirements represent only a fraction of what was taken up. South Ribble was chosen as an exemplar only for this exercise but there is no reason to assume that equivalent calculations for Chorley and Preston would show any different results.

**Table 33 – Employment Land Take-Up/Employment Change Comparison 1991-2021 – South Ribble**

Employment Change	Total Jobs	Land (Ha)
Growth	26,685	47.5
Decline	(6,224)	(55.6)
Net growth	<b>6,294</b>	<b>(8.1)</b>
Historic land take-up	-	<b>105.88</b>

Source: BE Group, Cambridge Econometrics, SRBC 2021

**Table 34 – Employment Land Take-Up/Employment Change Comparison 2001-2007 – South Ribble**

Employment Change	Total Jobs	Land (Ha)
Growth	9,092	14.9
Decline	(665)	(6.1)
Net growth	<b>8,427</b>	<b>8.8</b>
Historic land take-up	-	<b>34.68</b>

Source: BE Group, Cambridge Econometrics, SRBC 2021

- 7.46 Thus, the trend shows that net jobs growth is not an accurate method of calculating land. **Even when land is calculated on the sectors that generate a positive jobs figure over the two periods, there is still a shortfall between the anticipated take-up from a jobs calculation and the actual market take up. An allowance for strategic growth only slightly addresses this. This calculation reinforces the view that historic take-up is the most appropriate method.**

### Summary

- 7.47 Two alternative forecast options have been produced and considered for the period of 2021-2038, for the three local authority areas of Central Lancashire. The calculations for each are summarised in Table 35 and show varied outcomes.

**Table 35 – Central Lancashire Land Forecast Models – Summary**

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2021-2038, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha <i>D=A-(B+C)</i>	Assumptions
Chorley	Local Take Up	56.28 ha of Local Supply	58.99	17.35	(20.06)	Based on historic (30 years) take-up of 3.47 ha/pa.  Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	56.28 ha of Local Supply	Growth: +6.4  Change: +2.7	+1.78  +0.75	3) 48.10 4) 54.33	Based on 1) projected growth sectors 2) projected employment change across sectors
Preston	Local Take Up	82.52 ha of Local Supply (with ELR Sites)	54.91	16.15	11.46	Based on historic (28 years) take-up of 3.23 ha/pa.  Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	82.52 ha of Local Supply (with ELR Sites)	Growth: +7.9  Change: +3.7	+2.19  +1.03	3) 72.43 4) 77.79	Based on 1) projected growth sectors 2) projected employment change across sectors
South Ribble	Local Take Up	51.98 ha of Local Supply	60.01	17.65	(25.68)	Based on historic (30 years) take-up of 3.53 ha/pa.  Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	51.98 ha of Local Supply	Growth: +7.8  Change: +4.2	+2.17  +1.17	3) 42.01 4) 46.61	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2021

7.48 The scenarios outlined are based on the adjusted land availability where sites considered undeliverable (or deliverable only for specific companies), or already developed, are excluded. A distinction is made between the realistic local supply of employment land in the sub-region and the strategic supply at Cuerden/Samlesbury which will focus on meeting inward investment needs. The total land realistic supply for Central Lancashire, as noted in Section 5.0 is 190.78 ha.

- 7.49 The first scenario measures local land take-up, over the last 30 years, onwards to 2038 for each local authority area, and then measures it against local only supply. A scenario for strategic take up is not possible since there have been no B-Class completions at Cuerden and only modest development Samlesbury to date.
- 7.50 The figures also allow for a five-year buffer to allow for choice and potential change in needs during the study period as well as accounting for further possible losses in the supply.
- 7.51 If employment-based forecasts are taken, then there is a need of up to 10.5 ha across Central Lancashire. The Borough specific targets range from 6.4 ha in Chorley, to 7.9 ha in Preston and 7.8 ha in South Ribble, where sectors predicted to grow only are considered. Under the above scenario, all three authorities have ample land to meet needs.
- 7.52 However, from the market assessment and reviewing the historic trends in employment change and land take up, it is suggested that employment land need is underestimated in the forecast model. When a comparison of past employment change over the period 1991-2021 and 2001-2007 periods is made, actual land take-up is more than double the estimate put forward by the growth only approach.
- 7.53 In conclusion, it is considered that the most appropriate forecasts is the Local Take-Up Scenario. Although this does not permit consideration of strategic requirements at Cuerden/Samlesbury, it does accurately measure local needs and suggests that Chorley and South Ribble require additional local land to 2038, against the realistic supply, comprising:
- Chorley – 20.06 ha further need
  - Preston – 11.46 ha surplus. Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha
  - South Ribble – 25.68 ha further need.
- 7.54 Central Lancashire's previous take up can be split by the main employment use classes – E(g) (i, ii, iii), B2, B8 – and then compared to an equivalent split of the realistic local land supply from Section 5.0. This identifies the following main gaps:
- Chorley – Land suitable for larger B8 options and primarily office land
  - Preston – Land for offices and for light industrial/industrial and warehouse options. Overall, however, Preston has a surplus of land to meet a mixed range

of needs

- South Ribble – Sites suiting both larger B8 uses and offices.

## 8.0 CONCLUSIONS

### Introduction

- 8.1 This study has included a wide-ranging look at the factors affecting Central Lancashire's economy, with reference to those that are likely to affect the future need for land and property within the sub region. It provides a partial update to the 2016 Central Lancashire Employment Land Study and 2019 OAN Update, reflecting changes in strategic policy, recent major events such as the Covid-19 Pandemic and Brexit and changing local demand and supply conditions. This section draws together the main issues that will need to be addressed as a preliminary to the more detailed recommendations set out in Section 9.0.
- 8.2 The study has been undertaken in line with both the revised National Planning Policy Framework (2021) and relevant Planning Practice Guidance.

### *The Functional Economic Market Area*

- 8.3 Based on a mix of market evidence and commuting data, as identified in the 2017 Study, 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. Finally, Chorley has a pronounced relationship with its Greater Manchester neighbours of Bolton and Wigan as a net exporter of labour. The main overlapping issues with Central Lancashire are identified in Table 36.

**Table 36 – FEMA Issues Summary**

Area	Comments
Bolton	<p>The most significant strategic development in Bolton is the 80 ha Cutacre development off Junction 4, M61. This is a major logistics scheme, marketed as Logistics North, and offering 400,000 sqm of space in plots capable of accommodating properties of 10,000-100,000 sqm. Existing occupiers include Aldi in 54,000 sqm and MBDA in 12,000 sqm. Joy Global, Costa Coffee and Green King are occupiers with some 250,000 sqm of space completed to date in the North West's largest active commercial development. As of January 2022, all plots were developed, under construction or held with planning for specific occupiers.</p> <p>Replacing Logistics North as the next strategic development will be the 33 ha West of Wingates Industrial Estate site at M61, Junction 6. This site is under the control of developer Harworth and was granted consent</p>



Area	Comments
	for 100,000 sqm of mixed employment floorspace by the Secretary of State in June 2021 following a call-in inquiry. Delivery is expected over the next few years.
Wigan	<p>Most significant for Central Lancashire is likely to be the 140,000 sqm of employment floorspace proposed at M6 Junction 25, Wigan</p> <p>A planning application from Tritax Symmetry (App. No. A/18/85947/MAJES) for 133,966 sqm of B8 floorspace (with ancillary office floorspace) at M6 Junction 25 (Places for Everyone Plan Allocation) was approved in June 2021 following public inquiry and is expected to commence in 2 022</p>
Blackburn with Darwen	<p>The 36 ha Frontier Park, Junction 6, M65 is now developed with B2/B8 units of 1,800-13,000 sqm, some of which are still being marketed. Occupiers include Fagan and Whalley and Alufold.</p> <p>A new strategic employment site allocation is proposed at Junction 5 of the M65 and would be the closest competing strategic location to the Cuerden Strategic Site. Further details on this proposed site have yet to be established, but it is expected to deliver larger B2/B8 uses. However, the strong B2/B8 market at present could support the delivery of multiple such strategic sites in the North West, simultaneously.</p>
Ribble Valley	Excluding the cross-boundary Samlesbury Enterprise Zone, there are no other strategic scale sites and employment areas in Ribble Valley.
Blackpool	<p>There will be a likely overlap in the aviation sector between Blackpool Airport and the Lancashire (Samlesbury-Warton) Enterprise Zones.</p> <p>However, there are also clear differences with the Lancashire Enterprise Zone, focused on aviation manufacture, and the BAE supply chain, particularly for defence activities. Blackpool Airport by comparison is a civilian and commercial facility, with a focus on the operational aspects of the aviation sector.</p> <p>The 144 ha Airport Enterprise Zone also extends to include local office and industrial/warehouse areas which support occupiers in a range of more general business sectors. At the time of writing there was some 8 ha of readily available employment development land at the Airport Enterprise Zone.</p>
Fylde	Some service sector linkages along the M55 Corridor, between Whitehills and Preston, but no recent growth at Whitehills which is a long established mixed employment area of offices, industrial units and warehouses.
Wyre	<p>Hillhouse Business Park is 138 ha Enterprise Zone occupied by over 40 companies including world leading chemical and polymer production companies located on the site of the former ICI manufacturing plant at Thornton on the west coast of the Wyre estuary. It offers development plots of 2-14 ha and design build opportunities for manufacturing, logistics and offices of 2,000-30,000 sqm</p> <p>While growth at Hillhouse may draw some chemicals, energy and waste sector specific companies away from Central Lancashire, Hillhouse Business Park has been an established chemicals/waste cluster since World War II and the Enterprise Zone designation here does not change this basic focus.</p> <p>More generally, major employment developments in Wyre Borough tend to be focused in the urban peninsula submarket of Fleetwood/Thornton-Cleveleys and Poulton which are distant from Central Lancashire.</p>

Area	Comments
West Lancashire	Skelmersdale is particularly likely to compete with Central Lancashire for logistics and industrial requirements emerging from the growing Liverpool Superport (see the Liverpool City Region Superport Market Analysis Land and Property, 2014 and the Liverpool City Region Freight and Logistics Strategy, 2017 for more detail. Work completed to date on the Superport includes the new £400 million container terminal, dubbed Liverpool2, opened in 2017). There is 52 ha of further growth land available in the town across multiple employment sites.

Source: BE Group, 2021

### Economic Profile

- 8.4 The socio-economic profile of Central Lancashire shows that the sub-region had a 2020 population of 374,103, increased from 366,300 in the 2017 Study. The 2020 population has grown by 5.6 percent over the last 10 years, a growth level well above LEP area and regional averages. Population by Borough was:
- Chorley – 118,870, a 11.7 percent change on 2010
  - Preston – 144,147, a 3.8 percent change on 2010
  - South Ribble – 111,086, a 2.1 percent change on 2010.
- 8.5 Across Central Lancashire, over 2010-2020, the largest growth has been in the older workers and retired groups aged 50 and over, a total increase of 21,354. By comparison, the worst declines were in the 40 year olds (6,225 less) and in school and University aged people of 15-24 (3,976 less). However, it is worth noting that there was some growth in 'younger' workers aged 25-34, a net gain of 4,357, who will be in employment for some decades yet. There was also growth in children aged 5-14, a gain of 6,331, who will be entering employment in 5-10 years. These trends are broadly consistent across the three authorities.
- 8.6 79.1 percent of the Central Lancashire workforce was active. South Ribble has the highest proportion of people in employment (83.7 percent), and Preston had the lowest (74.0 percent). Likewise, Preston has the highest unemployment rate at 4.6 percent, and South Ribble has the lowest at 3.6 percent.
- 8.7 14,000 were employed in manufacturing in Central Lancashire in 2019, 7.2 percent of which jobs were, focused in South Ribble. This was not a large proportion of the local labour force, when compared to wider LEP or regional averages. However, in opposition to past forecasts of employment change, the sub regional manufacturing

sector is growing, having gained 2,250 jobs over 2015-2019. However, the number of businesses only increased by 15 over this period, indicating that most of this jobs growth happened in existing local businesses rather than incomers/start-ups to the market.

- 8.8 The Construction sector in Central Lancashire employed a significantly larger proportion of employees than both regional and national averages, 9.3 percent compared to 4.7 percent regionally and 5.0 percent nationally. It is also a growing sector both in terms of jobs and businesses, with 2,250 new jobs (14.3 percent growth) and 335 new businesses (21.6 percent growth). Construction jobs were focused in South Ribble although recent businesses creation has been focused in Chorley and Preston.
- 8.9 Private sectors which are typically found within offices comprise Information and communication, Financial and Insurance, Professional, scientific and technical and Business Administration and support services. These sectors accounted for a combined total of 17.3 percent, 40,000 employees, over half of which (21,250) were found in Preston a sub-regional centre for Administration and Financial services.
- 8.10 Pre-Covid at least, office-based sectors appeared to be on the rise in Central Lancashire with most sectors experiencing an increase in both jobs and businesses. The ICT sector has seen growth in businesses, focused in Chorley, but a loss of jobs. This would suggest that businesses entering/starting up in the sub-region were micro firms, making a negligible impact on jobs number, whilst employees were being lost from larger firms. Since 2019, Strawberry Fields Digital hub, which opened in Autumn of that year, will have attracted a range of new or start up businesses to the Borough. Its assumed most of these firms will be micro in size and the new jobs they have attracted may make only modest changes on ICT jobs numbers in Chorley Borough.
- 8.11 The Finance sector saw the best growth overall in the office market, a 51.2 percent increase in jobs and a 22.4 percent increase in businesses, with a focus on Preston.
- 8.12 The Transportation sector was strengthening, with both the number of jobs (2,500) and the number of firms (165) in the sector increasing significantly.
- 8.13 There were 13,815 VAT and PAYE registered businesses operating as of 2020, in Central Lancashire, split as follows:

- Chorley – 4,415 (32.0 percent)
- Preston – 5,425 (39.2 percent)
- South Ribble – 3,975 (28.8 percent).

8.14 The total number of micro firms (0-9 employees) in Central Lancashire was 12,155, 88.0 percent, with local authority area averages ranging from 86.7 percent in South Ribble to 89.7 percent in Chorley. These were slightly below the averages seen in the North West (88.8 percent) and nationally (89.7 percent). The proportion of micro firms in Central Lancashire has remained relatively consistent over the last decade at 87.8-88.2 percent and has not noticeably increased over the period of the Covid-19 Pandemic. Other businesses in Central Lancashire were mainly identified as small, employing 10-49 (1,360 businesses).

8.15 In the last five years, the number of businesses in the area has been gradually increasing aside from a dip in 2018. Overall, there were 267,055 businesses registered within the North West, meaning Central Lancashire accounted for 5.2 percent of firms within the region.

8.16 In terms of the short term impacts of the Covid-19 Pandemic, across Central Lancashire, the number of claimants on out of work benefits more than doubled between March 2020 and May 2020, from 6,470 to 13,125 as the Covid-19 pandemic forced business closures across the nation. This trend was broadly the same across each of the local authority areas. Claimants continued to fall to January 2021 when the second national lockdown was imposed. This resulted in a spike in February 2021 to 12,380 claimants. Since then, the number of claimants has continued to fall to 10,645 in June 2021, the most recent data record. Overall, the economic impacts of Covid-19 have been somewhat lower than elsewhere in the LEP area and region, in areas such as numbers furloughed.

## **Property Market Assessment**

### ***Industrial Market***

8.17 The UK's industrial market has proved resilient over the Covid-19 Pandemic, with a record fourth quarter in terms of floorspace transacted. Investor interest has remained strong, although the pipeline of development remains modest. The Pandemic

overshadowed the potential threat of a no-deal Brexit, which had far less of an impact on market confidence than perhaps it would have in a normal year.

- 8.18 Property market stakeholders indicate that industrial and warehousing demand has remained consistently strong across Central Lancashire over the Covid-19 Pandemic and continues to do so. This is partly driven by increased needs for storage and logistics premises as businesses have moved more of their trading online, however, demand for production space is also strong.
- 8.19 Demand is for space in a range of sizes, but smaller light industrial/industrial units of 0-500 sqm and particularly 0-100 sqm seem most needed. The larger 501-1,000 sqm size band has been most popular in Chorley over the last decade, although in all three areas there was reasonable transaction activity for sizes up to 5,000 sqm.
- 8.20 Good quality new build light industrial space can attract rents of £10-15/sqft (£108-161/sqm). Larger new industrial units are attracting still reasonable rates of £6-9/sqft (£65-96/sqm) depending on size and location.
- 8.21 The Manufacturing firms contacted are growing well and report demand for expansion land/premises, particularly for freehold purchase, and a shortage of supply against that need. While some companies may have put growth plans on hold in 2020, given market uncertainties, they have moved to implement those plans in 2021. All firms report problems with recruiting skilled staff, in a range of sectors, although this is a national issue.
- 8.22 As of Summer 2021, there was 110,727 sqm of vacant industrial floorspace being marketed in Central Lancashire, within 56 properties. Across the three authorities that is little changed on availability rates noted in the 2017 Study. The majority of premises available are medium sized, falling between the 201 sqm and 5,000 sqm which broadly accords with market demand based on the past transactions discussed above. However, based on the average of take up of 88 units/year and 101,189 sqm/year of floorspace transacted over the last decade Central Lancashire only has 7.6 months of forward industrial supply by units, 13 months by floorspace. Ideally Central Lancashire should have over a year's supply of units and floorspace to meet needs over the 12 months plus timeframe over which new premises can realistically be delivered in significant numbers.

### **Warehouse Market**

- 8.23 As with the UK's industrial market, the national warehouse market has proved resilient over the Covid-19 Pandemic. Indeed, the distribution sector has not only been resilient during the pandemic but has arguably benefitted from it with major increases in e-commerce activity and more companies needing associated storage space. Amazon, for example, opened five new logistics facilities in the UK in the second half of 2021 – in Leicestershire, Doncaster, Dartford, Gateshead, and Swindon – alongside big expansions of its delivery station network, corporate offices, web services and operations networks. Collectively these increased Amazon's total UK workforce to more than 55,000 by the end of 2021. Moving forward Amazon plans to open more than 260 Amazon-owned and run cashless supermarkets (Amazon Fresh) are to be launched before the end of 2024, 60 in 2022 and 100 per year in 2023-2024. Assuming this occurs as planned it will make Amazon one of the biggest retailers on the high street as well as online.
- 8.24 Research completed in 2020 Knight Frank in 2020 noted that for every £1 billion of online sales generated an approximate requirement for 1.36million sqft (126,000 sqm) of warehouse space. With UK online sales forecast to rise by up to £67 billion over the next five years, this generates additional B8 property requirements of 92 million sqft (8.5 million sqm) nationally.
- 8.25 The need will be for a range of logistics facilities, from national and regional distribution centres which will require premises of 50,000 sqft (5,000 sqm) to 3 million sqft (300,000 sqm) on sites of 1.3-7.7 ha close to motorway junctions, down to last mile/urban depots which can be accommodated in local industrial estates. This will be alongside office based ICT and administration facilities and retail based customer click and collect/delivery stations.
- 8.26 Increasing automation will reduce the employment generated by such logistics facilities but will not reduce the premises requirements which are based on the volume of goods stored and processed rather than the staffing levels.
- 8.27 In Central Lancashire, strong demand is boosting developer interest in delivering industrial and particularly logistics premises, despite rising construction costs, with land values for industrial land reportedly approaching residential levels, at least in some cases. The pipeline of development, in all three local authority areas, is focused on delivering larger B2/B8 units, notably at locations such as Farrington in South Ribble

and North East Preston, and there remains a shortage of smaller space across the sub-region.

- 8.28 Stakeholders report that the national shortage of HGV drivers is a major barrier to product and parts delivery, which is impacting on operations, but not yet profits.

**Office Market**

- 8.29 The national office market was initially inhibited by lockdown with lots of uncertainty around the economic recovery from the Pandemic and longer term thinking around the nature of office work generally. Consequently, demand for office space remained subdued while supply continued to rise in some locations. In the final quarter of 2020, UK take-up rose to 130,000 sqm, the highest quarterly total since before the first lockdown in March 2020. However, leasing activity remains well below the five-year quarterly average of 176,000 sqm/year which reflects the fact that many occupiers are now giving thought to what their post-pandemic return to the office looks like, with a greater boardroom acceptance of remote-working and in terms of premises quantity increasingly exchanged for quality.
- 8.30 Although the sub-regional office market was clearly inhibited over the Lockdowns of 2020-2021, the consensus of views was that some demand is returning in 2021, including in Preston. Most market interest is for small, flexible and, frequently, serviced suites that can allow businesses to move staff between full/part time homeworking and office based work, as required. It remains a 'buyers' market' however and companies expect a good standard of services and facilities associated with their accommodation.
- 8.31 Market interest is focused on Chorley and Preston. Stakeholders feel that Chorley is better placed to benefit from this latest improvement in demand than Preston. Relative to the size of the settlement, Chorley has a strong stock of affordable serviced/unserviced small offices, in locations with parking/affordable parking. In comparison, offices in Preston City Centre suffer from a lack of parking and old buildings built in the 1970s with low ceilings which don't make ideal space nowadays. As a result, office based businesses are increasingly looking outside the City Centre for growth opportunities. Serviced offices can achieve £15-20/sqft (£161-215/sqm) in Preston and Chorley, unserviced a more variable £8-16/sqft (£86-172/sqm) subject to quality, size and location.

- 8.32 Views on demand for larger offices are more varied. Existing space is well occupied, and the Covid-19 Pandemic does not seem to have led to mass vacancies in Central Lancashire. Stakeholders report some shortages of premises, particularly in the freehold market while Preston City Centre has lost a lot of space to residential conversion. However, demand for new large scale space remains modest and does not yet seem to support large scale investment in new build options.
- 8.33 In both the industrial and office markets, there is a shortage of freehold opportunities against demand as lots of businesses have the cash and the ability to get cheap finance for owner occupation
- 8.34 As of Summer 2021, there was 90,364 sqm of marketed office floorspace, comprising of 152 properties. 25,446 sqm more stock is on the market in 2021 than was the case in 2017. Most supply is in the 0-500 sqm range, again reflecting historic take up as evidenced through the transactions data above. Based on the average of take up of 75 units/year and 24,281 sqm/year of floorspace transacted over the last decade Central Lancashire has 2 years of forward office supply by units, 3.75 by floorspace.

### Key Market Changes to 2038 – Summary

- 8.35 Based on the above the following long term trends which will affect the demand for land and premises in Central Lancashire over the Local Plan period (see Table 37).

**Table 37 – Long Term Market Trends Summary**

Sector	Comments
Industrial	<ul style="list-style-type: none"> <li>The Central Lancashire manufacturing industry has grown steadily in recent years, in defiance of forecasting which consistently shows declines in local manufacturing employment. This trend has been consistent in Employment Land Reviews completed by BE Group across England and Wales over the last 15 years. The manufacturing sector held up well during both the national recession of 2008-2013 and the Covid-19 Pandemic and the market for light industrial space was the first to recover from the former. There is thus no reason to assume that future market shocks will derail the broad trend of steady, if sometimes small growth in Central Lancashire's manufacturing economy</li> <li>Past experience with automation suggests that while increased use of machines decreases employment densities it doesn't decrease demand for land and property as machines take up comparable areas of space to the people they replace</li> <li>Smaller light industrial/industrial units of 0-500 sqm (requiring up to 0.13 ha each) are most consistently required, even during period of economic weakness by SMEs. They can be accommodated on small sites largely anywhere in Central Lancashire with good main road access, nearby services and ideally a critical mass of existing firms close by</li> <li>Larger units up to 5,000 sqm (requiring up to 1.3 ha each) will be required to allow large businesses to grow, again on accessible sites linked to established Employment Areas. However, experience shows requirements for larger units can be extremely volatile with large businesses abandoning, or putting on hold, growth plans when hit by periods of economic uncertainty and having urgent property</li> </ul>



Sector	Comments
	<p>requirements during periods of economic growth. Long term land use planning cannot therefore assume any site will automatically be needed for larger B2 uses but rather must have flexibility to allow a mixture of industrial and warehouse uses, as required by market conditions of the time</p> <ul style="list-style-type: none"> <li>• The last decade has seen a growing demand for freehold premises, not just from institutional investors but from businesses looking to purchase premises for owner occupation and as a personal investment for the business owners. Experience in Central Lancashire since 2015 indicates that even light industrial units will sell rapidly when offered freehold, even at times when other aspects of the commercial property market were still recovering from recession. This trend is expected to continue into the long term, the only factor which could inhibit it would be another 'credit crunch' which inhibited business owners' access to finance again</li> <li>• More generally, businesses want modern, high bay units. The logistics movement of parts and goods is an increasingly key part of industrial and warehouse operations and businesses are increasingly seeking generous HGV parking and manoeuvring space. This can increase the land requirement for individual units within a scheme by 10-20 percent</li> <li>• While the 'just in time' model of product delivery and parts acquisition may persist in some industries, the post Pandemic and post Brexit market seems to incorporate a lot of volatility in supply chains. While this may not be a permanent feature of the future economy, there is certainly good incentive for businesses to hold more stock and parts on site in short and medium term, which increases their storage requirements onsite. Linked to this, national market stakeholders are noticing a new trend for major companies to engage in short term rentals of warehouse properties to address supply chain complexities, which adds to logistics demand as noted below.</li> </ul>
Warehouse	<ul style="list-style-type: none"> <li>• The B8 market grew steadily over 2020-2021 and is showing no signs of slowing, with steady investment by major businesses forecast to continue well into this decade</li> <li>• Increasing automation of logistics facilities will decrease the amount employment generated by each warehouse, something which explains the modest growth in transportation and storage jobs forecast by Cambridge Econometrics. However, as warehousing property sizes are linked to the volume of goods to be stored and processed, rather than employment numbers, there will be no reduction in the scale of properties required.</li> <li>• Logistics businesses have diverse requirements from national and regional distribution centres which will require premises of 50,000 sqft (5,000 sqm) to 3 million sqft (300,000 sqm) on sites of 1.3-7.7 ha close to motorway junctions, down to last mile/urban depots which can be accommodated in local industrial estates. Central Lancashire, home to a range of motorway junctions is well placed to compete for the largest facilities, notably at the Cuerden Strategic Site. Major investment in logistics premises is already underway and the Local Plan can usefully seek to ensure sites of an appropriate scale and location are available to meet B8 requirements throughout the Plan period.</li> <li>• As noted last mile/urban depots can be accommodated within more general infill sites of no more than 1-2 ha within existing employment areas</li> <li>• Growing and increasingly technically advanced warehouses will have linked requirements for administrative, ICT and call centre facilities. Past experience indicates that businesses will look to incorporate such uses into their larger B8 facilities, where possible, for maximum efficiency of operations. Thus, large numbers of separate office requirements are unlikely to be generated</li> <li>• As noted, Amazon is investing in a high street presence, but it is too early to say if this will be a success or if other logistics operators will copy this</li> </ul>
Office	<ul style="list-style-type: none"> <li>• At the time of writing, January 2022, a post Pandemic office market, free of requirements to work from home, has still yet to be achieved. However, the emerging long term trend seems to be for a mixture of home and office working. Thus, while most office based businesses will still want a business premises, the priority will be to secure a small, flexible office where the amount of accommodation held by each business can be increased or decreased fairly rapidly to respond to short term decisions on staff working. This favours premises in multi let or serviced buildings over larger inflexible freehold/long leasehold opportunities. There are as yet no definitive measures of what this trend may mean in terms of property requirements. Combined with pre-existing growth in flexible hours, hot desking, etc. best estimates</li> </ul>

Sector	Comments
	<p>suggest the average property requirement will reduce by 25 percent on 2020 needs. This will reduce office land needs, although by exactly how much is impossible to estimate at this time</p> <ul style="list-style-type: none"> <li>• It is likely to remain a 'buyers market' for accommodation and businesses will increasingly expect not just flexibility in leases, etc. but a stronger range of services and facilities in the scheme to attract them to the space</li> <li>• Research suggests businesses still expect parking options at multi-let schemes, even in town and city centre schemes and schemes that cannot offer this, on site or via arrangement with a nearby public car park are disadvantaged in marketing their space, something multiple stakeholders have noted about City Centre schemes in Preston, against out of centre schemes. This is not expected to change in the future indeed the need to provide vehicle charging points will, if anything, increase parking requirements</li> <li>• The market for larger offices never fully recovered from the last recession and has now been hit again by the Covid-19 Pandemic. Developers are extremely cautious about delivering speculative new offices and there is no sign this will change in the foreseeable future. Construction costs are increasing sharply against achievable rents and values and while a future recession would stop this price inflation, it remains a considerable barrier to development in the short to medium term.</li> <li>• Thus, most new development for is likely to be for multi-let schemes or as design and build opportunities for major businesses which are seeking growth</li> <li>• Despite these limits on the scale and type of premises sought, forecasting shows steady growth in all private office sectors, notably in Preston. Past experience suggests more volatility in the ICT sector though with numbers employed/business numbers rising and dropping at the local scale. Amongst other impacts this makes it hard to plan for tech focused micro business facilities as it is difficult to be confident about long term business growth. As new technologies grow and are superseded that volatility is likely to continue.</li> </ul>

Source: BE Group, 2022

### Employment Land Supply – Local

8.36 The total Central Lancashire Baseline Supply is 231.84 ha, only slightly reduced on the 2017 supply of 239.89 ha. This supply has been reviewed in detail and the following main issues identified:

- *Chorley* – At EP1.2: Botany Bay, Chorley, earlier plans for a retail led scheme have largely been abandoned, in the face of a weakened retail market. Revised proposals are for 'Botany Bay Business Park', comprising 30,200 sqm of industrial and commercial space. To the west, at EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley scheme of six large B2/B8 units has outline consent, potentially giving Chorley a sizable new logistics park and reflecting the good demand for warehouse space noted. At EP1.5: Euxton Lane, Chorley the Strawberry Fields scheme is progressing, with the Digital Hub now operational. Finally, at EP1.13: Southern Commercial, Buckshaw Village, Orbit Developments has delivered the first large office of the Buckshaw Parkway scheme. In principle, four other three-storey office buildings of 1,970-3,154sqm can be brought forward here. However, Orbit is not confident on demand, suggesting further delivery will be slow.

- *Preston* – In terms of the EP1 sites, development is actively progressing on EP1.3: Preston East Employment Area and EP1.7: Land North of Eastway (formerly Broughton Business Park) with completion of both sites likely in the short term. Looking forward, the most significant development in the pipeline is the Longridge Road Energy Centre, expected to take up 9.27ha on EP1.4: Red Scar Industrial Estate. Of the ten ELR sites this Study has reviewed (previously excluded from the 2017 Study) seven appear to offer regeneration opportunities mostly in, or on the edge of, the City Centre. All could support E(g)/B-Class uses although in most cases residential and/or retail uses are equally likely to be put forward here. Most are small however, with three being less than 0.25 ha in size and none are subject to active regeneration plans. Most significant is the 9.8 ha, ELR 10: Fulwood Barracks. Assuming the Barracks does close in 2027, as planned, it will offer a sizable regeneration opportunity that could support a diverse (likely) mixed use scheme which will need to be masterplanned and programmed in advance.
- *South Ribble* – South Ribble’s land supply has seen only modest change since 2017. Moving forward, however, at E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington, Caddick Developments is progressing a major logistics development (Phase 1 Farrington Park - 56,904 sqm). It is expected to deliver a speculative unit of over 50,000 sqm in 2022. At C2: Moss Side Test Track, Leyland plans for a business park of some 5.70 ha (Titan Business Park) are becoming firmer, with planning consents being sought.

8.37 Accounting for the above and excluding land now developed, unlikely to be brought forward, completed for alternative uses or held for specific occupiers suggests a supply figure, as of October 2021, of 190.78 ha for Central Lancashire, comprising:

- Chorley: 56.28 ha
- Preston: 82.52 ha – Comprising 71.31 ha in EP1 allocations and another 11.21 ha in ELR sites which were excluded from the 2017 Study, which could provide further growth options (0.66 ha of these ELR sites fall in the City Centre Boundary, as defined in the Local Plan, all fall outside of EP2 Employment Areas).
- South Ribble: 51.98 ha.

8.38 When split by the use class likely to be delivered on the land, 60.9 percent of the supply is flexible enough to support the full mix of B-Class options, including E(g)(i) offices

and the smaller industrial space which appears most in demand according to the market assessment summarised above. Another 29.8 percent could specifically support the requirements for larger B8 logistics space also noted.

- 8.39 In terms of the Preston sites, the City Council has requested that this Study's site grading system be related to the Local Plan and ELR grading of the EP1 sites as Best Urban, Good Urban or Other Urban. Making a comparison between gradings suggests that the only remaining Best Urban EP1 site is EP1.3: Preston East Employment Area reflecting its strong position adjacent to J31(a), M6 and the development proposals actively being delivered here. EP1.11: Roman Road Farm is now graded Other Urban. This reflects the backland status of the remaining development land and the lack of short-medium term development prospects on both sites.
- 8.40 If the same grading was applied to the ELR Sites, ELR 74: Lane Ends Trading Estate could be considered Best Urban. Although, less central than most sites, the land enjoys a prominent position on the A5085 Blackpool Road and is not far from the A59. As land already in E(g)/B-Class Use, it provides readily available employment opportunity land. The grading of all remaining Preston employment sites is set out in Table 24, Section 5.0.

### **Employment Land Supply – Strategic**

- 8.41 In addition to the above, South Ribble contains two strategic land allocations – the 65 ha Cuerden Strategic Site and the 72 ha Samlesbury Enterprise Zone. 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.
- 8.42 At the Cuerden Strategic Site (Lancashire Central) previous plans for development, have largely been discarded since the key occupier Ikea pulled out of the scheme in 2018. The County Council is working with developer partner Maple Grove to produce a new masterplan for the site, which it is expected to be more focused on B-Class employment.
- 8.43 The Samlesbury Enterprise Zone has been in operation for around a decade and has now seen several high value developments in areas such as defence logistics, asset management and skills development. An Advanced Manufacturing Research Centre (AMRC) is under construction.

8.44 In October 2021, it was also announced that the Samlesbury Enterprise Zone will be home to a £5 billion campus for the National Cyber Force, likely to take up a substantial area of land by 2030. Additionally, the LEP report receiving a number of confidential enquiries for industrial, office and lab space. These include a lot of spin offs from the emerging AMRC. A net developable area of 44.46 ha has been identified, of which 35 ha is in South Ribble and some 4.10 has been, and is being, taken up to date.

#### **Objectively Assessed Needs**

8.45 There is no definitive model for forecasting future employment land need. Two models have been used to assess future employment land provision. These are the projection forward of historic land take and a forecast based on employment sector change. All assessments of OAN relate to the three Central Lancashire Boroughs, individually or collectively.

8.46 All models used here are Policy Off. In the 2017 and 2019 Studies, additional forecasting was produced which accounted for the projected economic impacts of the Samlesbury Enterprise Zone and City Deal in Preston and South Ribble. However, the jobs data associated with these programmes is now 8-10 years old and a range of the projects proposed by both have now been fully/partly delivered. These models thus appear dated and are not repeated in this Study.

8.47 Take-up data was obtained for the 1991-2021 period from the three Councils. This includes both small scale historic completions and larger developments at locations such as Buckshaw Village, Lancashire Business Park, Farington and Junction 31a, Preston. Projected forward over 17 years, 2021 to 2038, the following need is identified:

- Chorley – 3.47 ha/year x 17 (years) = 58.99 ha
- Preston – 3.23 ha/year x 17 (years) = 54.91 ha
- South Ribble – 3.53 ha/year x 17 (years) = 60.01 ha

Central Lancashire total requirement – 173.91 ha

8.48 The Boroughs should also have a buffer to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2038 period. This also makes some allowance for the loss of further employment land to non E(g)/B-Class uses over the period to 2038. A buffer of five years has been applied. Based on

the historic take-up trend this would generate a further land need of 51.15 ha across Central Lancashire, and by Borough:

- Chorley – 3.47 ha/year x 5 (years) = 17.35 ha
- Preston – 3.23 ha/year x 5 (years) = 16.15 ha
- South Ribble – 3.53 ha/year x 5 (years) = 17.65 ha.

8.49 Added to the 2038 need figure, this increases the requirement as follows:

- Chorley – 58.99 ha + 17.35 ha = **76.34 ha**
- Preston – 54.91 ha + 16.15 ha = **71.06 ha**
- South Ribble – 60.01 ha + 17.65 ha = **77.66 ha**.

**Central Lancashire total requirement – 225.06 ha**

8.50 When measured against realistic supply, both Chorley and South Ribble local authority areas have insufficient land available to meet needs to 2038 (plus a buffer). Preston does have sufficient land to meet the additional need, even without the ELR sites. To summarise:

- Chorley – 76.34 ha (need) – 56.28 ha (realistic supply, local only) = **20.06 ha (further need)**
- Preston – 71.06 ha (need) – 82.52 ha (realistic supply, local only, inc. ELR sites) = **-11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha**
- South Ribble – 77.66 ha (need) – 51.98 ha (realistic supply, local only) = **25.68 ha (further need)**

8.51 The baseline employment-based forecast suggests the following in terms of future employment land provision to 2038 (Table 38).

8.52 It is worth noting that the employment-based forecasting data was only available to 2036. For this reason, in order to forecast need to 2038, the average yearly change in employment in each sector between 2032 and 2036 has been calculated. This five-year average has then been used to predict how employment will change in the years 2037 and 2038.

8.53 The forecasts consider baseline local jobs only and accordingly are compared against Central Lancashire's local land supply only. Against that realistic local supply (190.78

ha across the sub-region) both Central Lancashire as a whole, and the three individual local authority areas, have ample land to meet needs under all the scenarios.

**Table 38 – Baseline Employment Based Forecast 2021-2038\***

<b>Growth Sectors</b>	<b>Chorley</b>	<b>Preston</b>	<b>South Ribble</b>	<b>Central Lancashire</b>
Total Floorspace, sqm	24,789	30,616	30,313	85,677
Divided by Development Floorspace per ha	3,900			
Equivalent Employment Land Needed, ha	6.4	7.9	7.8	22.0

<b>Sectors in Decline</b>	<b>Chorley</b>	<b>Preston</b>	<b>South Ribble</b>	<b>Central Lancashire</b>
Total Floorspace, sqm	(14,447)	(16,179)	(13,998)	(44,614)
Divided by Development Floorspace per ha	3,900			
Equivalent Employment Land Reduction, ha	(5.4)	(12.2)	(3.6)	(29.2)
<i>Net Land Need, ha</i>	<i>2.7</i>	<i>3.7</i>	<i>4.2</i>	<i>10.5</i>
<i>Net Jobs Forecast</i>	<i>5,640</i>	<i>6,336</i>	<i>6,293</i>	<i>18,269</i>

Source: BE Group, 2021

\*Figures in brackets are negative, i.e., jobs/property/land losses

- 8.54 Overall, in Central Lancashire, the strongest growth will be in Health, focused in Chorley, with a projected gain of 5,901 jobs. Accommodation and food services, focused in Preston, is expected to gain another 2,983 by 2038.
- 8.55 The sectors anticipated to have the most significant declines in employment numbers between 2021 and 2038 in Central Lancashire are manufacturing (-1,208 jobs), Arts, entertainment and recreation (-123) and Finance and insurance (-101).
- 8.56 By Borough, the key growth sectors are:
- *Chorley* – Accommodation and food services, human health and social work and education
  - *Preston* – Administrative and support services, Accommodation and food services and human health and social work
  - *South Ribble* – Construction, human health and social work and education

### Scenario Testing

- 8.57 The employment methods of forecasting make no allowance for a range of practical issues such as the extent that growth in office employment takes place in town/city centre locations, at higher densities, rather than in low-density business parks. Also, that land take-up/property needs can be for different reasons such as modernisation or geographic relocation or that expansion may also be within existing premises or on expansion land not accounted for in land allocations. Past experience also suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate, and improved productivity could lead to additional need.
- 8.58 During the Covid-19 Pandemic, the focus has been on working from home where possible. This trend is likely to continue to some degree moving forward, meaning some companies will need less space even if they increase their workforces, as most staff will be fully/partly working from home. Conversely, some firms may need more space, relative to the number they employ, if they wish to continue social distancing practices after 2021.
- 8.59 Given these uncertainties, to test how closely jobs change translates to land take-up, historic trends have been compared for an example local authority area in Central Lancashire, South Ribble. Using the same methodology, the land needs based on employment change has been calculated for two historic periods:
- The long-term period from 1991-2021 and compared to the actual land take-up during that period (Table 39)
  - 2001-2007 which was a period of sustained economic growth nationally (Table 40).

**Table 39 – Employment Land Take-Up/Employment Change Comparison 1991-2021 – South Ribble**

Employment Change	Total Jobs	Land (Ha)
Growth	26,685	47.5
Decline	(6,224)	(55.6)
Net growth	<b>6,294</b>	<b>(8.1)</b>
Historic land take-up	-	<b>105.88</b>

Source: BE Group, Cambridge Econometrics, SRBC 2021



**Table 40 – Employment Land Take-Up/Employment Change Comparison 2001-2007 – South Ribble**

<b>Employment Change</b>	<b>Total Jobs</b>	<b>Land (Ha)</b>
Growth	9,092	14.9
Decline	(665)	(6.1)
Net growth	<b>8,427</b>	<b>8.8</b>
Historic land take-up	-	<b>34.68</b>

Source: BE Group, Cambridge Econometrics, SRBC 2021

- 8.60 The two tables show that baseline forecasting predicted levels of land development over the last 20 years that were negligible compared to the levels of take-up really achieved. The example used was South Ribble but there is no reason to assume figures would be any different for Preston or Chorley. The trend shows that net jobs growth is not an accurate method of calculating land, with far more land being developed than was calculated from the jobs prediction, even when sectors forecast to grow only are considered.
- 8.61 A summary of the take up and employment-based forecast scenarios, for Central Lancashire, is set out in Table 41.
- 8.62 The variation in the outcome figures demonstrates the uncertainty of forecasting. The outputs range from an oversupply of 78.28 ha to a shortfall of 225.68 ha. However, from the market assessment and reviewing the historic trends in employment change and land take up, the conclusion is that the employment-based forecasts underestimate land need significantly. When a comparison of past employment change over the period 1991-2021 is made, actual land take-up is far higher than the estimate that even the growth only sectors suggest.
- 8.63 In conclusion, it is considered that the most appropriate forecast is based on the historic take-up rates. Although this does not permit consideration of strategic requirements at Cuerden/Samlesbury, it does accurately measure local needs and suggests that both Chorley and South Ribble local authorities require additional local land to 2038, against the realistic supply, comprising:
- Chorley – **20.06 ha (further need)**
  - Preston – **11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha**

- South Ribble – 25.68 ha (further need).

**Table 41– Central Lancashire Land Forecast Models – Summary**

Local Authority	Model	A: Land Stock 2016, ha – Strategic and/or Local Supply*	B: Land Need 2021-2038, ha	C: Buffer (five years further need), ha	D: Surplus (Shortfall), ha $D=A-(B+C)$	Assumptions
Chorley	Local Take Up	56.28 ha of Local Supply	58.99	17.35	(20.06)	Based on historic (30 years) take-up of 3.47 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	56.28 ha of Local Supply	Growth: +6.4 Change: +2.7	+1.78 +0.75	5) 48.10 6) 54.33	Based on 1) projected growth sectors 2) projected employment change across sectors
Preston	Local Take Up	82.52 ha of Local Supply (with ELR Sites)	54.91	16.15	11.46	Based on historic (28 years) take-up of 3.23 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	82.52 ha of Local Supply (with ELR Sites)	Growth: +7.9 Change: +3.7	+2.19 +1.03	5) 72.43 6) 77.79	Based on 1) projected growth sectors 2) projected employment change across sectors
South Ribble	Local Take Up	51.98 ha of Local Supply	60.01	17.65	(25.68)	Based on historic (30 years) take-up of 3.53 ha/pa. Compares a local growth rate with a local only supply picture
	Employment based on adjusted stock	51.98 ha of Local Supply	Growth: +7.8 Change: +4.2	+2.17 +1.17	5) 42.01 6) 46.61	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group, 2021

8.64 Central Lancashire’s previous take up can be split by the main employment use classes – E(g) (i, ii, iii), B2, B8. Table 42 applies the same proportionate split to the three Borough’s projected needs against supply, to 2038. It shows the bulk of the need is for office land, primarily in Preston and South Ribble but also with a sizable B8 logistics requirement for Chorley and South Ribble.

**Table 42 – Full Need, Split by Use Class**

Further Needs	Use Class (Percentage Split, percent)						Total (ha)	
	E(g)(i)	E(g)(i) As Floorspace, Sqm*	E(g)(ii)	E(g)(iii)	B2	B8		Mixed
Chorley	7.62	59,436	-	-7.35		21.03	-1.24	20.06
Preston	16.61	332,220	-	19.60		6.93	-54.60	-11.46
South Ribble	20.29	158,262	-	12.04		17.01	-23.66	25.68
<b>Central Lancashire</b>	<b>44.52</b>	<b>549,918</b>		<b>24.29</b>		<b>44.97</b>	<b>-79.5</b>	<b>34.28</b>

Source: CBC, PCC, SRBC, BE Group, 2021

\*Office land figures can be converted into an indicative only floorspace requirement, but this requires a number of assumptions to be made:

- Chorley, South Ribble – Assumes most offices will be developed in out of centre business parks or sites. Accommodation in such locations is normally developed at a rate of 3,900 sqm/hectare. However, allowing for the fact that an average out of centre office would be at least two storeys tall, the density applied is twice that at 7,800 sqm/hectare
- Preston – Assumes most offices will be developed in the City Centre. Past research completed by BE Group and others in regional cities such as Leicester suggests that City Centre E(g)(i) completions will be delivered at a much higher density than business park schemes with 20,000 sqm/hectare being the average density.

8.65 It should be noted that this is a purely indicative measure of need by use class, based on past take up. It does not account for elements of market demand, as identified previously. For example, while past take up suggests a lot of additional land is needed for offices, the present market suggests a more modest number of new and refurbished office premises are required in key locations such as Preston City Centre to support micro business start-up and relocation from homeworking after the Pandemic. Wherever possible, employment land allocations should not be subject to any restrictions on the type of E(g)/B Use Classes which can be accommodated on them, to allow flexibility in the face of such changes in market demand over the Plan period.

## 9.0 RECOMMENDATIONS

9.1 This section sets out the consultants' recommendations arising from the Central Lancashire Employment Land Study Update. The recommendations in this report have had full regard to the requirements of the new NPPF and PPGs to encourage and deliver growth through the planning system. It partially updates and supersedes the Central Lancashire Employment Land Study 2017 and 2019 OAN Update.

### **Recommendation 1 – Defining and protecting the Current Realistic Land Supply**

9.2 For this study, the current realistically available land supply in Central Lancashire, as of autumn 2021, is defined as a local supply of 190.78 ha comprising:

- Chorley: 56.28 ha
- Preston: 82.52 ha – Comprising 71.31 ha in EP1 allocations and another 11.21 ha in ELR sites which could provide further growth options)
- South Ribble: 51.98 ha.

9.3 Employment land site proformas for these sites, and others excluded from the realistic supply, are included within Appendices 2-5. In addition to the above, South Ribble contains two strategic land allocations – the 65 ha Cuerden Strategic Site and the 72 ha Samesbury Enterprise Zone (35 ha of net land within South Ribble, less some recent take up) – which focus on meeting inward investment requirements (although Cuerden will likely also accommodate large local B2/B8 businesses).

9.4 Evidence, discussed further in Recommendation 2, suggests that all of the local supply at least will be needed to meet the OAN. It is therefore **recommended that the three Central Lancashire Local Authorities protect the remaining realistic supply, for E(g)/B-Class uses in the emerging Local Plan and relevant sub-regional/local DPDs**. In the case of Preston this relates to the EP1 Sites, with the ELR Sites discussed separately in Recommendation 3.

### **Recommendation 2 – Defining the Objectively Assessed Need**

9.5 The current realistic local land supply of 190.78 ha is sufficient to meet needs in Preston, but not in Chorley and South Ribble, specifically:

- Chorley – 76.34 ha (need) – 56.28 ha (realistic supply, local only) = 20.06 ha (further need)

- Preston – 71.06 ha (need) – 82.52 ha (realistic supply, local only, inc. ELR sites) = -11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha
- South Ribble – 77.66 ha (need) – 51.98 ha (realistic supply, local only) = 25.68 ha (further need).

9.6 The forecasts of industry sector activity (jobs), suggest much more modest land needs.

9.7 However, BE Group does not recommend that the economic forecasts be the basis for defining employment land provision up to 2038. This is because the forecasts represent the absolute minimum amount of land required to accommodate the activities of different industry sectors. Other issues include:

- That within sectors expected to decline (particularly manufacturing) there will still be businesses that will grow and expand
- Uncertainties about employment densities as company working practices change in light of the Covid-19 Pandemic
- That there will be local market churn
- That there will be a need to maintain a choice of supply by size, type, location and quality of sites and premises for businesses at differing levels of their maturity
- That there should be a continuing forward supply to accommodate site development beyond 2038
- The level and nature of the existing employment land supply.

9.8 **It is therefore recommended (as in the 2017 and Studies) that Chorley and South Ribble Borough Council, and Preston City Council, use the roll forward of historic take-up as the main measure of Central Lancashire’s future land need for the period up to 2038. The Take Up Model best accounts for the full range of need the Borough will face over the next 17 years. This indicates a need of 225.06 ha to 2038 across Central Lancashire, incorporating a three-year buffer. As noted, Chorley and South Ribble have shortfalls in supply, against that need.**

9.9 Central Lancashire’s previous take up and realistic supply can be split by the main employment use classes – E(g) (i, ii, iii), B2, B8. Table 43 applies the same proportionate split to the land supply shortfall, to 2038, and shows that the strongest needs are for offices and B8 warehousing land.

**Table 43– Full Need, Split by Use Class**

Further Needs	Use Class (Percentage Split, percent)						Total (ha)	
	E(g)(i)	E(g)(i) As Floorspace, Sqm*	E(g)(ii)	E(g)(iii)	B2	B8		Mixed
Chorley	7.62	59,436	-	-7.35		21.03	-1.24	20.06
Preston	16.61	332,220	-	19.60		6.93	-54.60	-11.46
South Ribble	20.29	158,262	-	12.04		17.01	-23.66	25.68
<b>Central Lancashire</b>	<b>44.52</b>	<b>549,918</b>		<b>24.29</b>		<b>44.97</b>	<b>-79.5</b>	<b>34.28</b>

Source: CBC, PCC, SRBC, BE Group, 2021

\*Office land figures can be converted into an indicative only floorspace requirement, but this requires a number of assumptions to be made:

- Chorley, South Ribble – Assumes most offices will be developed in out of centre business parks or sites. Accommodation in such locations is normally developed at a rate of 3,900 sqm/hectare. However, allowing for the fact that an average out of centre office would be at least two storeys tall, the density applied is twice that at 7,800 sqm/hectare
- Preston – Assumes most offices will be developed in the City Centre. Past research completed by BE Group and others in regional cities such as Leicester suggests that City Centre E(g)(i) completions will be delivered at a much higher density than business park schemes with 20,000 sqm/hectare being the average density.

9.10 However, in reality, modern companies frequently require a mix of office, industrial and storage space, tailored to their individual needs. The full range of needs which may emerge cannot be predicted in advance and indeed the requirements of companies change as they grow. Demand from different sectors will also fluctuate over the lifetime of the Local Plan, as noted, the local office market is weaker presently than it has been in the past. Thus, policy should avoid being overly prescriptive on what types of B-Class uses can or cannot locate on employment sites, unless there are specific environmental reasons for excluding some uses, such as safeguarding residential amenity.

### **Recommendation 3 – Meeting Needs**

9.11 A need of 45.74 ha above current supply levels is identified, comprising:

- Chorley – 20.06 ha
- Preston – -11.46 ha (surplus land). Minus 11.21 ha of ELR sites gives a surplus of 0.25 ha
- South Ribble – 25.68 ha.

9.12 Thus, there is a need for some further land provision in Chorley and South Ribble. At the time of writing, Preston has sufficient employment land to meet its OAN from just its EP1 sites. However, with a surplus of just 0.25 ha, that sufficiency will not last long, particularly with two sites – EP1.3: Preston East Employment Area and EP1.7: Land North of Eastway – totalling 14.94 ha under development. Market demand in Preston and Chorley supports the delivery of at least some new office space, aimed at micro firms, however, new build offices are still likely to be a rarity (except for one site in Buckshaw Village, discussed below), meaning that schemes are most likely to be refurbishments of existing properties and not require employment land directly.

9.13 This study has not been asked to identify specific new employment sites, but some points to note in identifying land options are:

#### *Chorley*

- Prospects for the delivery of employment uses at Botany Bay, and on particularly EP1.3: Land to the North East of M61 junction (Gale Moss) Chorley, have improved significantly since the 2017/2019 Studies. However, delivery at the 11.73 ha EP1.1: Great Knowley, Chorley remains remote, with development, on physically developable land, more likely to be for housing. Clearly if less constrained sites can be found with M61 access they should be considered as options to meet needs, particularly if they offer scope to provide the larger B2/B8 properties which remain in demand
- Away from the motorway, stakeholders highlight Buckshaw Village as a focus of demand for smaller industrial uses. However, most existing B-Class land in Buckshaw Village has been taken up or lost to residential uses. Despite this, demand evidence suggests this could still be a useful area of search for new allocations, which would allow industrial and warehouse developments of a scale appropriate to the location and possibly extending across local authority boundaries into South Ribble
- In the post Covid-19 Market, there is still some market interest for small, flexible office options. Indeed, some stakeholders suggest there is stronger demand for smaller E(g)(i) space in Chorley Town Centre than in Preston City Centre, at the time. However, the market evidence is clear that there will be no demand for larger office developments, at least for the short- medium term. There are long term prospects for the development of further offices on EP1.13: Southern Commercial, Buckshaw Village, building on the development completed to

date. If developed to its maximum capacity, EP1.13 could meet the bulk of Chorley's E(g)(i) needs for the rest of the Plan Period. However, at present, the scheme developer is looking to let space in bulk to larger businesses. There are no plans to sub-divide accommodation to provide the small suites, serviced or unserviced, which the market requires. It would likely require a third party to acquire space here and deliver a micro business scheme, something not being proposed to date. It should also be noted that a large office scheme in Buckshaw Village would meet needs across most of Chorley District as much of South Ribble too, taking businesses away from Chorley (and Leyland) Town Centres, unless alternative options are also provided within those Centres.

#### *Preston*

- 11.21 ha of potentially available land has been identified in the ELR Sites excluded from the 2017 Study. Most options, while potentially contributing to urban regeneration, are extremely small and would make a negligible contribution to meeting City wide employment land needs. The obvious exception is ELR 10: Fulwood Barracks which could provide up to 9.8 ha of extra land. Assuming the Barracks does indeed close in 2027, masterplanning will be required to identify the deliverable mix of uses it could accommodate in its reuse
- Otherwise the Employment Areas (Red Scar, Roman Way, etc.) and EP1 employment sites of North East Preston remain a focus for market interest from the industrial and warehouse sectors. With this in mind, it is important to note that Homes England have been quite conservative in its estimates of the net developable area of some of its holdings in North East Preston, likely due to environmental concerns. It is possible that recalculation may make a lot more land available, particularly if the high demand for large B2/B8 options continues and encourages developers to look at some of the more challenging large sites in this area
- Modest demand for smaller offices continues in the post Covid-19 market, but there is no demand for larger offices, in Preston City Centre, or elsewhere, and no justification for larger allocations of E(g)(i) land in the short or medium term. Further development of office uses in Preston City Centre is inhibited by a lack of modern multi-occupancy space. The longer term prospect of building up Preston's office market would be dependent on delivering new or refurbished



premises into the City Centre, something which could be usefully considered in ongoing regeneration programmes.

#### *South Ribble*

- Evidence is that the Cuerden Strategic Site will be developed for larger B2/B8 units, which are in demand locally, as evidenced by development proposals at Farington. Although, Cuerden has been viewed as a purely strategic site in recent policy and in this Study, there is no reason to assume that land and property on the Site would not be offered to local businesses looking to grow and thus land here could be considered towards meeting local land needs for both South Ribble and Preston
- More generally, the demand for larger B2/B8 units remains strong enough to support development on any of the main road corridors in the Borough and particularly of course close to Motorway junctions
- Away from the motorway, stakeholders highlight Buckshaw Village as a focus of demand for smaller industrial uses. However, most existing B-Class land in Buckshaw Village has been taken up or lost to residential uses. Despite this, demand evidence suggests this could still be a useful area of search for new allocations, which would allow industrial and warehouse developments of a scale appropriate to the location and possibly extending across local authority boundaries into Chorley
- Conversely there has been no progress towards development at the Leyland employment site – E1(e): West Paddock, Leyland – suggesting no need for more allocations specifically in Leyland town.

#### **Recommendation 4 – Future Reviews**

- 9.14 This report has shown how conditions in Central Lancashire have changed in only the two years since the 2019 OAN Update was completed. In addition, this study has suggested a need for further land allocations to 2038, at least in Chorley and South Ribble, while Preston will likely have to think about expanding its supply soon as well. At the time of writing, a more extensive Update Employment Land Study is proposed to be undertaken in 2022, regardless, the Central Lancashire authorities should review their employment land portfolio at intervals of not less than five years. This is also in accordance with the new NPPF which recommends plan reviews, and by implication reviews of the evidence which supports that plan, every five years.

**Recommendation 5 – Maintain Awareness of External Influences**

- 9.15 As a first point, the local authorities of Central Lancashire must recognise their joint role, together with their neighbours, in developing the economy of its FEMA. In this respect, they are interconnected, to varying degrees, on several levels.
- 9.16 There are clear links between Central Lancashire and Pennine Lancashire, including the Enterprise Zone shared between South Ribble and Ribble Valley. The Cuerden Strategic Site will have influence along the M65 Corridor. Central Lancashire also has connections with Wigan along the M6 and particularly Bolton, where major logistics schemes, both established and in the pipeline will compete with equivalent strategic proposals in Central Lancashire, such as the Cuerden Strategic Site.
- 9.17 Similar competition is likely between Cuerden, other logistics sites, and sites in Skelmersdale, West Lancashire. On the Fylde Coast there are clear service sector linkages along the M55 Corridor, between Whitehills and Preston, while proposed uses at Blackpool Airport Enterprise Zone (as well as Warton) will overlap to a degree with Samesbury. **Accordingly, a high level of co-operation between these authorities and joint working between the three Councils of Central Lancashire is recommended and should be continued.**