



# Employment Land and Property Study

South Ribble Borough Council



Main Report

October 2015

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### INTRODUCTION

This Main Report provides a synopsis of the employment land and property study carried out on behalf of South Ribble Borough Council (the Council) by BE Group and ekosgen. It summarises the research which is discussed, in full, in a separate Technical Report and associated appendices.

The study was commissioned in order to *“provide the Council with a better understanding of the economy of the Borough, the current stock of commercial property and how the required future supply of commercial property can be delivered to promote economic growth.”*

### Study Objectives

Five main areas of research are addressed in this Employment Land and Property Study:

- Economic Context Assessment – local, regional, national and global economic trends and the impact they have on the economic opportunities for South Ribble over the next ten years
- Commercial Property – Demand Assessment – examining local, regional and national demand trends
- Commercial Property – Supply Assessment, looking at vacancy rates, market attractiveness, condition and quantity in the following groups

- Office premises
- Leisure and tourism facilities
- Industrial premises
- Retail premises
- Storage and distribution premises
- Land for employment uses.
- Gap Analysis – Through the assessment of the existing and proposed employment sites, a gap analysis for employment land and premises over the next ten years is provided to:
  - *“Set out the gap between the current employment provision and the employment needs of the growing population by 2026*
  - *Identify how the current provision of employment premises meets the needs of the economic sectors with growth potential*
  - *Make recommendations on the overall land and property portfolio / supply required to deliver sustainable economic growth”*
  - Suggest supply deliver the required employment land and premises.
- Way Forward and delivery options – Based on the above, the study makes recommendations on:
  - Land delivery through mechanisms for bringing each site forward
  - Types and sizes of premises required to promote economic growth
  - Partners to be engaged in delivery of premises.

### **Economic Context**

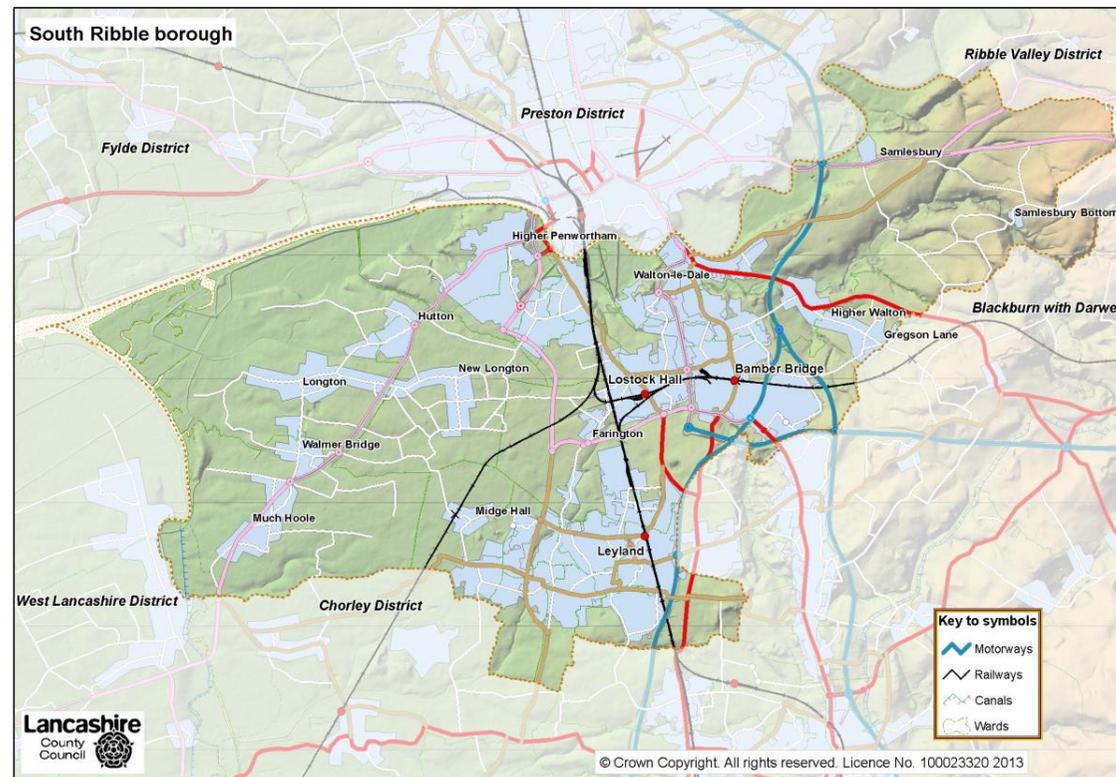
To assess future demand for South Ribble, the study looks at the current economic activity, and from that base looks forward to assess how the economy might grow, particularly in the identified industry growth sectors. This provides a basis for the assessment of future land needs in South Ribble.

The South Ribble Borough’s economy is not working in isolation, it is very much part of the Central Lancashire sub-geography, which also includes Chorley and Preston and accounts for almost a quarter of Lancashire’s total population. With around 56,000 employees and an above average level

of economic activity, South Ribble has a strong economy with key sectors such as construction and manufacturing.

The Borough provides a strong business location and several major business parks which provide significant employment opportunities for local residents. Over 10,000 jobs have been created in the borough in the last eight years, although South Ribble continues to experience strong commuter outflows to the nearby city of Preston.

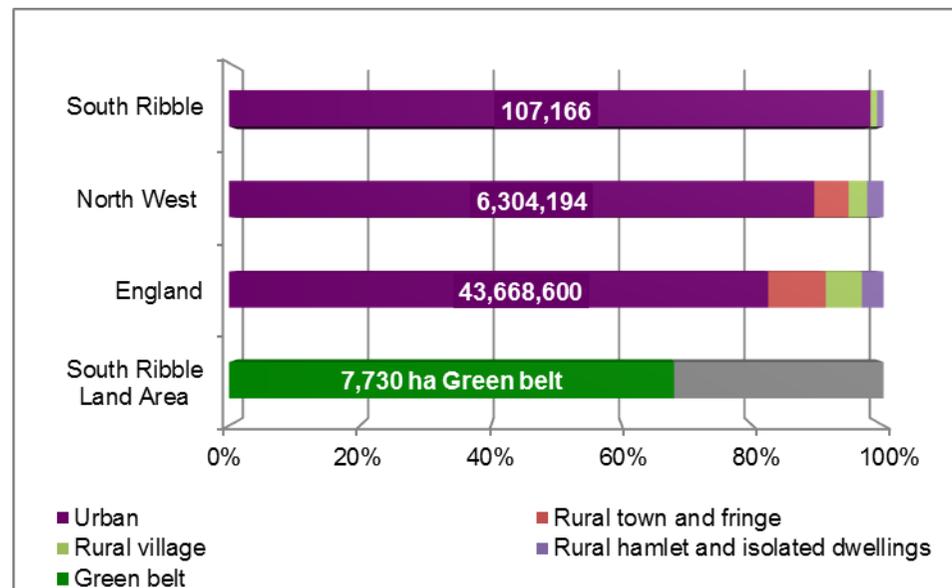
**Figure 1 – South Ribble**



## Population

The nature of the local labour market will influence the ability of an area to capture economic growth. South Ribble has a largely urban population of 108,900 and has experienced population growth of 4.8 percent over the period of 2001 – 2013, equating to an increase of 5,000 residents. This growth has outpaced that of the wider Lancashire Enterprise Partnership (LEP) area over this period. Despite population being concentrated in urban areas the Borough as a whole is largely rural in terms of land area with 68.4 percent of the total land area (7,730 ha) classified as Greenbelt.

**Figure 2 – Rural / Urban Population of South Ribble**



Source: Census 2011/SRBC, 2015

## Business Base

A strong employee and business base that contributes strongly to the sub-regional economy:

**Table 1 – Overall Business Base**

	South Ribble	Central Lancashire	Lancashire LEP
Employees (2013)	55,100	176,601	601,805
Employment (2013)	56,100	180,335	617,643
<b>The Business Base</b>			
Businesses (2013)	3,920	12,945	49,825
Local Units (2014)	4,130	14,140	55,030
<b>Gross Value Added</b>			
GVA £/million (2012)	£2,524	£7,332	£24,722
GVA per FTE (£)	-	-	£49,580
GVA per FTE as percentage of England Average	-	-	77

Source: BRES, Business Demography, Activity Size Location, Regional Accounts, Mid Year Population Estimates

South Ribble has a strong labour market, with 52,700 economically active residents (ONS annual population survey Jul 2014-Jun 2015) exceeding the LEP wide and regional average economic activity rates (see Table 2).

The proportion of the population who are economically inactive is lower than the LEP and North West averages, although somewhat above national levels. There were 2,300 people unemployed in South Ribble in mid-2015, 4.4 percent of the economically active population. This is close to the LEP average and noticeably below the regional and national averages of 5.9 and 5.7 percent respectively.

**Table 2 – Economic Activity, 2015**

	South Ribble	Lancashire LEP	North West	Great Britain

	No.	Percent	Percent	Percent	Percent
Economically Active	52,700	75.3	74.5	74.6	77.5
Employment*	50,000	71.4	71.5	70.1	73.1
Unemployment**	2,300	4.4	4.1	5.9	5.7
Inactivity*	16,800	24.7	25.5	25.4	22.5

Source: Annual Population Survey, 2015

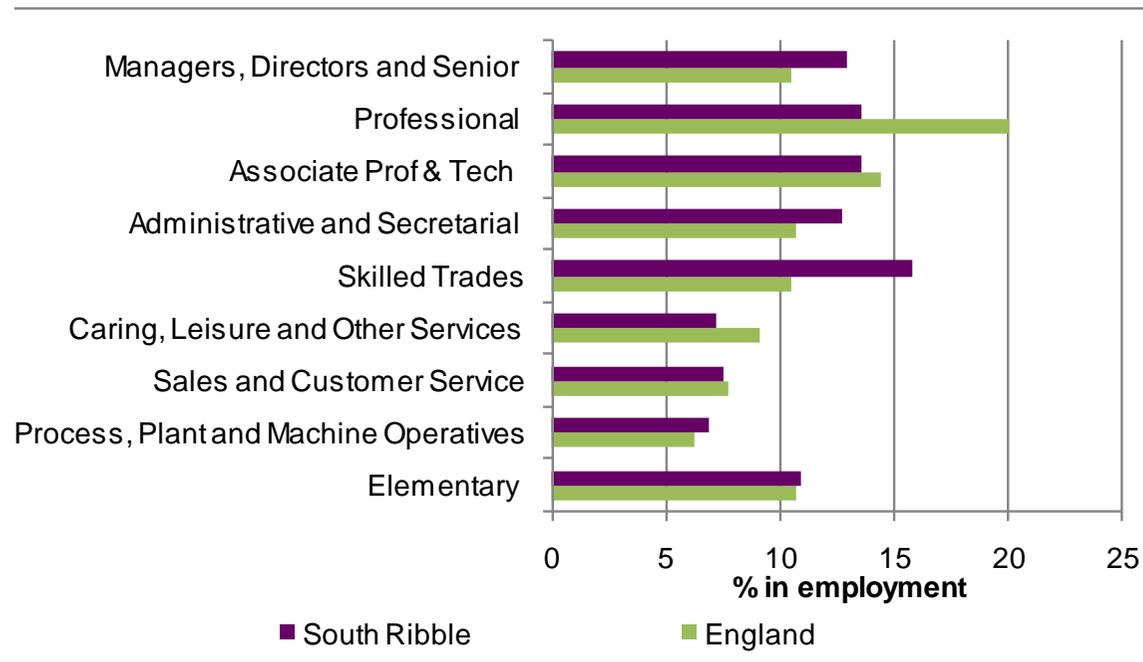
\*Percentage of working age population

\*\*Percentage of economically active

The occupational profiles of the South Ribble employment base and resident base have several differences:

- Managers, directors and senior official occupations are highly represented in both the employment and resident base
- Skilled trade occupations are highly represented in the resident base
- Associate, professional and technical occupations and process, plant and machine operatives are highly represented in the employment base
- There is a particularly low representation of professional and administrative occupations across both bases
- A higher proportion of self-employed residents compared with the LEP
- 8 percent of residents work from home.

**Figure 3 – Occupations: South Ribble Employment Base**



Source: Annual Population Survey

### Commuting

There is a relatively low containment of labour in South Ribble, with 37 percent of people who live in South Ribble also working in the borough, consequently over 43 percent of the workforce lives locally. The borough has a particularly high outflow of residents to Preston, with 13,500 residents out commuting to employment in the nearby City.

**Table 3 – South Ribble Commuting and Travel to Work Patterns**

<p>37 percent of South Ribble’s residents work in the borough, accounting for 43 percent of employees. 90 percent of residents work within Lancashire LEP area 87 percent of employees reside within the Lancashire LEP area</p>	
<ul style="list-style-type: none"> <li>• Significant inflow of workers from:</li> <li>• Chorley (6,500)</li> <li>• Preston (5,200)</li> <li>• Wigan (1,400)</li> <li>• Blackburn with Darwen (1,300)</li> <li>• West Lancashire (1,200)</li> </ul>	<ul style="list-style-type: none"> <li>• Significant outflow of residents to:</li> <li>• Preston (13,500)</li> <li>• Chorley (4,100)</li> <li>• Fylde (2,100)</li> <li>• Ribble Valley (1,300)</li> <li>• Blackburn with Darwen (1,300)</li> </ul>
<p>Occupational Dynamics Net inflow of workers for skilled trade occupations. Net outflow of residents for associate, professional and technical occupations.</p>	

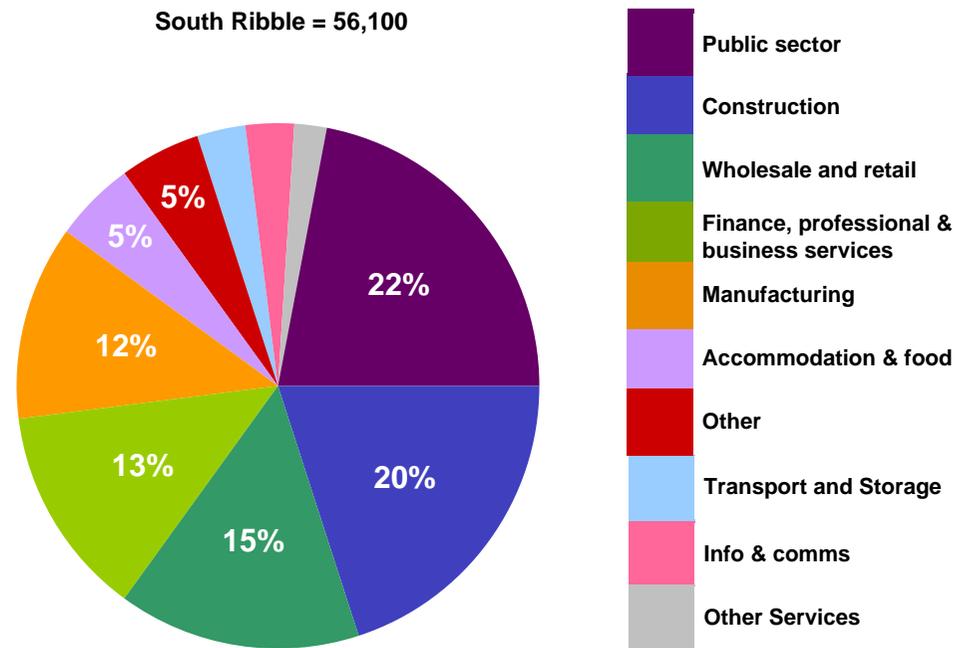
Source: Census 2011

### Industry Sectors

There are a number of key pointers in the sectoral make-up of South Ribble’s industrial base:

- In 2013 in line with the national profile, the largest proportion of people employed were in the public sector, with over 12,000 people in employment in the health, education and public administration
- Construction employment also dominates the sectoral employment profile, accounting for 20 percent of total employment (11,200 people)
- Manufacturing employment is also overrepresented in South Ribble, accounting for 12 percent of employment compared to 8 percent nationally
- Financial, professional and business services are under-represented accounting for 13 percent of employment compared to 22 percent nationally (although this is common in many regional centres outside London).

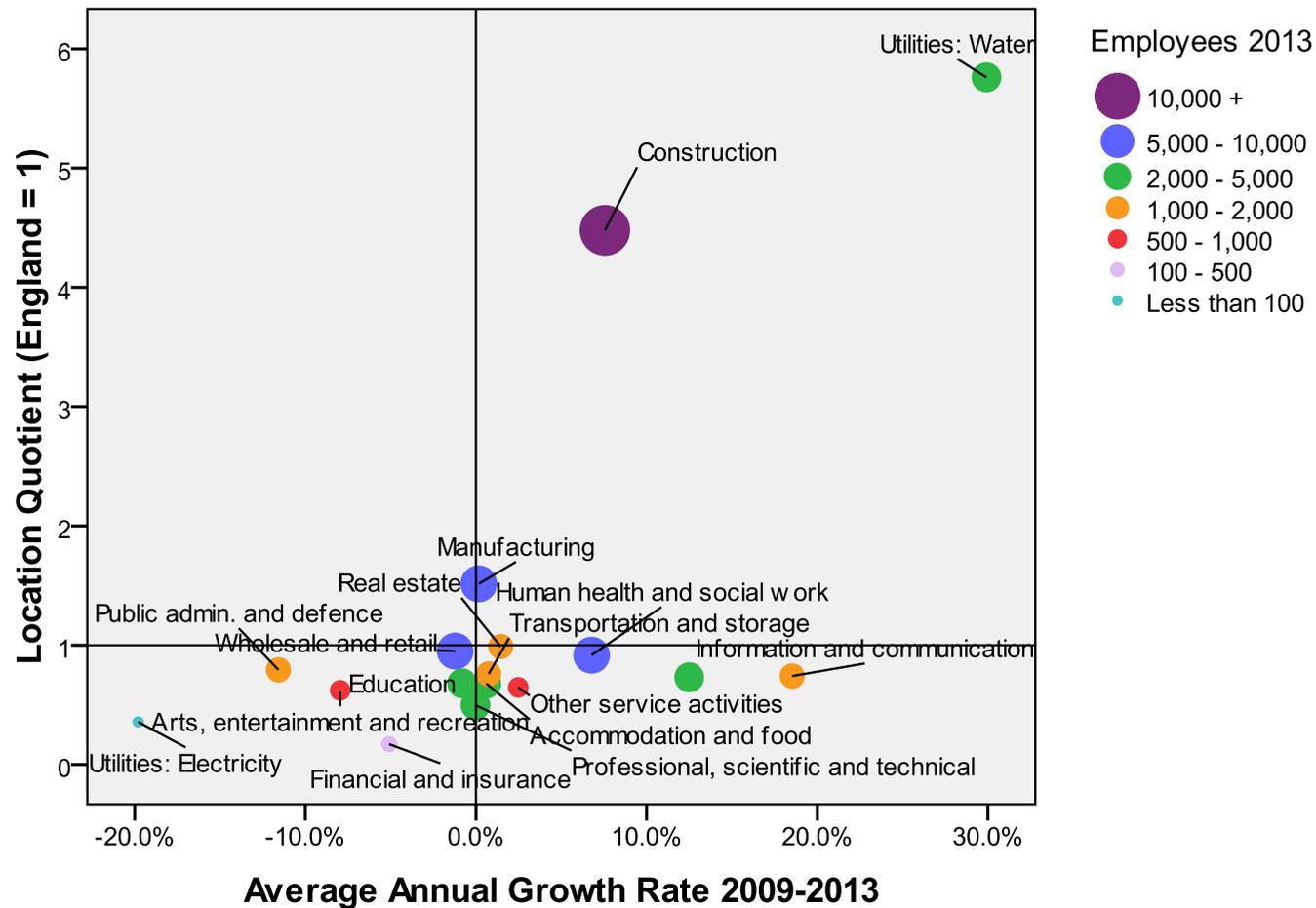
**Figure 4 – BRES Employment Breakdown, percent**



Source: BRES, 2013

The strength of the sectors can be seen through location quotients which compare the sectors to national averages. The figure shows strong local concentrations, and growth prospects, for Utilities (Water) and Construction relative to the national average of 1.

**Figure 5 – South Ribble Employment Growth (2009-2013) and Specialisation (2013)**



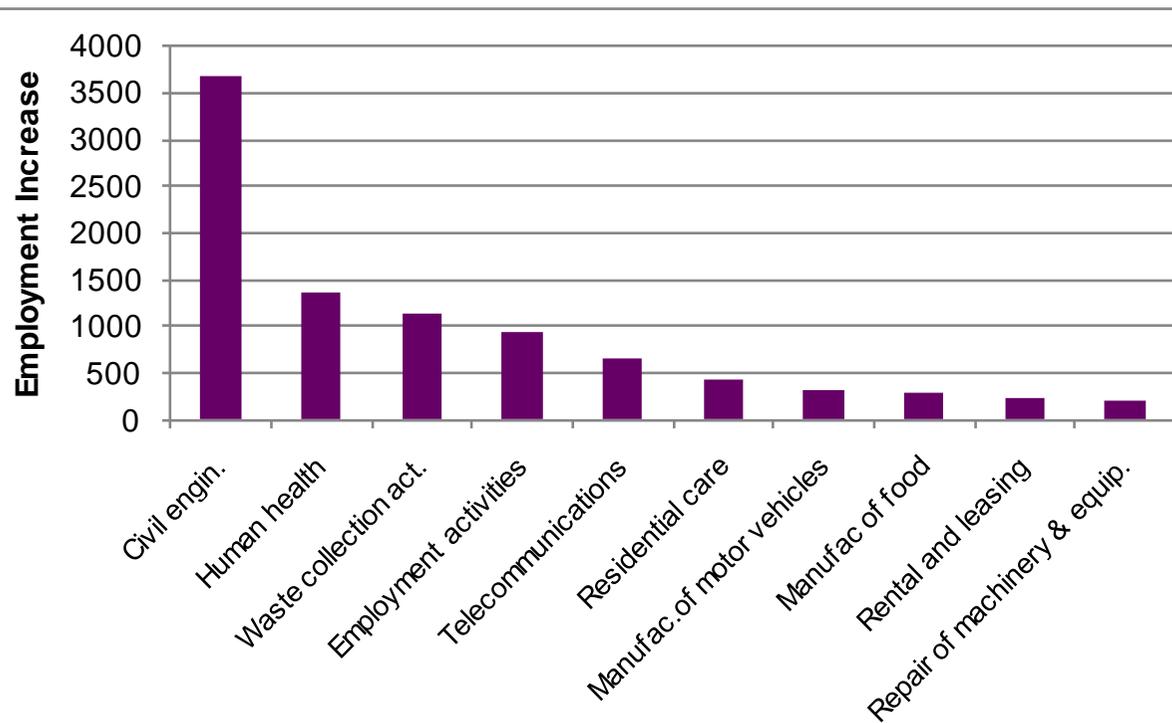
Note: Mining and Quarrying and Agriculture have been excluded due to data limitations.

A location quotient is a method of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in local area (South Ribble) as compared to the nation (England). It can reveal what makes a particular local area “unique” in comparison to the national average. If ‘1’ represents the English average then South Ribble industries with a 0-1 figure are less locally concentrated than the national average while those with figures of more than 1 are more concentrated.

Key points to note from the above analysis are:

- Construction is a clear employment specialism in South Ribble
- This is driven by employment in the civil engineering subsector, which has 8,700 employees and has experienced growth of 74 percent over the last five years
- Manufacturing is highly represented in the borough and has remained stable over the last five years
- The water utilities sector has experienced significant growth, growing at a rate of 30 percent annually over the last five years. This primarily reflects a disaggregation of a national trend which has seen steady growth in demand for water services in the face of a growing population and new housing development. The high rates of housebuilding required in City Deal will help drive future demand for water utilities, which will benefit South Ribble, even if the main water sources and treatment/pumping stations of Central Lancashire are found outside of the Borough
- Information and communications and administrative and support sectors have also experienced growth over the last five years
- Employment decline has been experienced in the public administration and defence, arts, entertainment and recreation and financial and insurance sectors.

**Figure 6 – South Ribble Ten Highest Net Employment Increases**



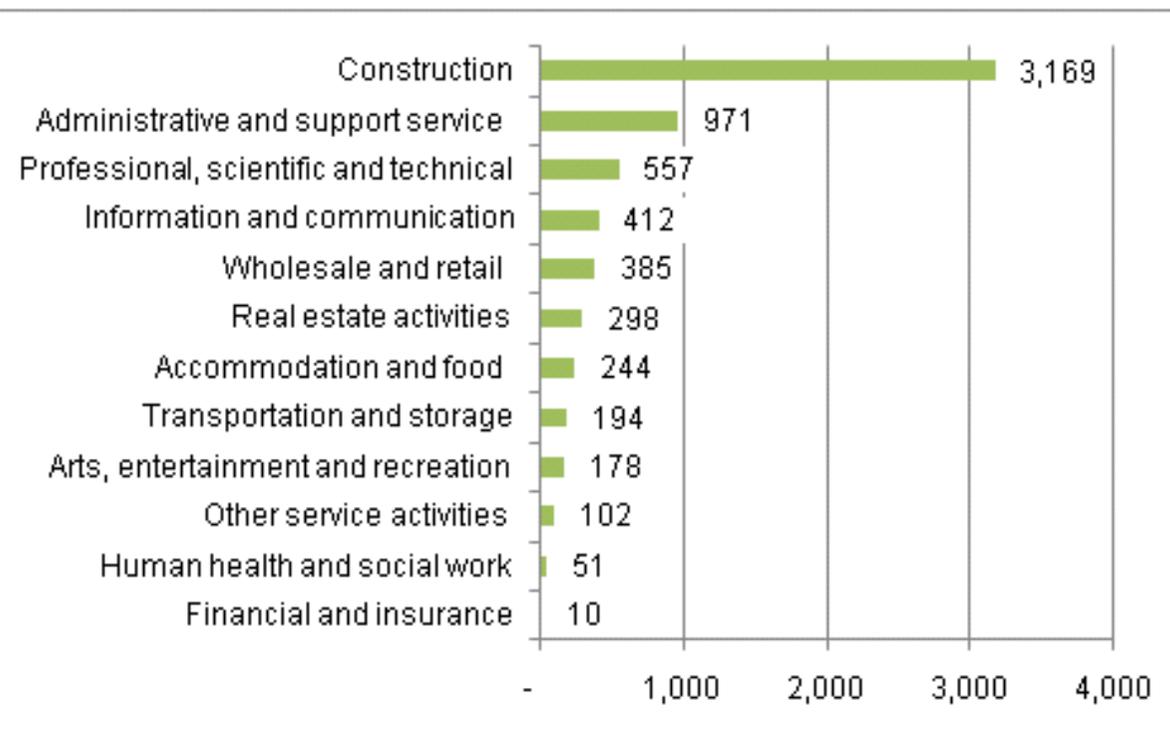
Source: BRES, 2013

### Future Prospects for Growth

The net employment increase in South Ribble is forecast at 4,900 jobs between 2014 and 2026, 6,600 jobs will be created in those sectors where growth is forecast including construction, manufacturing, admin and support, and professional and business sectors.

Growth is also forecast for sectors that are typically dependent upon local expenditure, including wholesale and retail, real estate, accommodation and food and arts, entertainment and recreation.

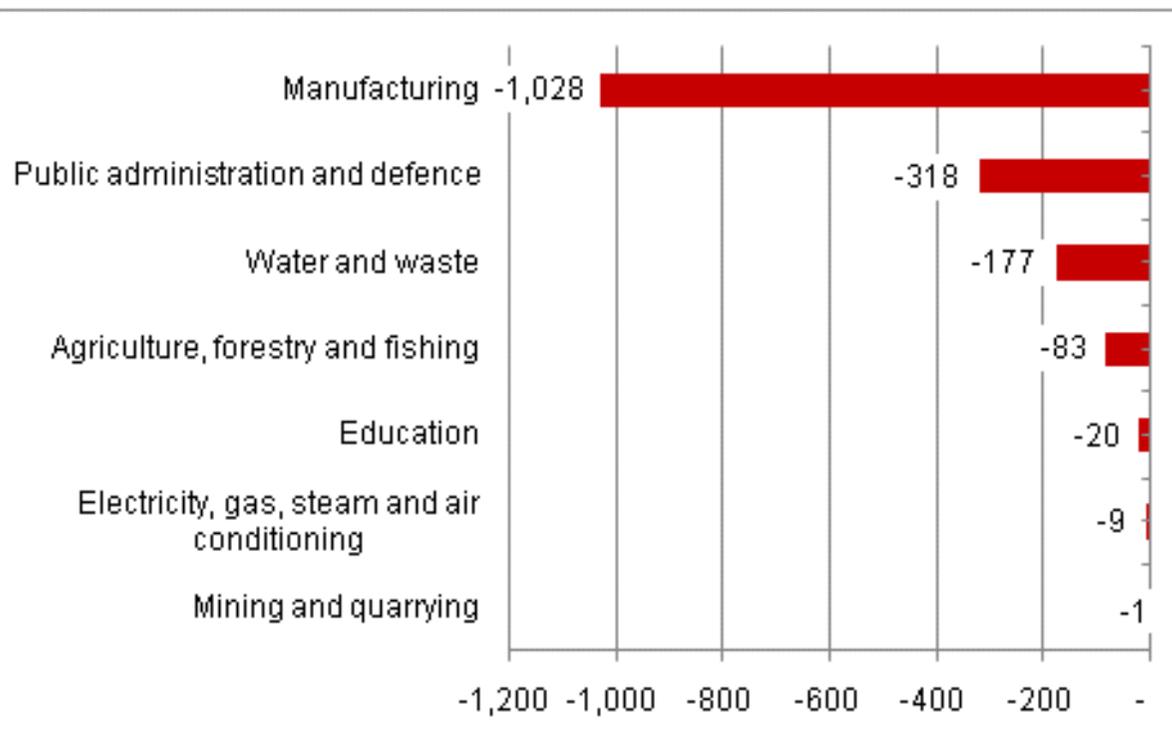
**Figure 7 – Sectors Forecasts to Grow in South Ribble 2014-2026**



Source: Oxford Economics, 2015

By comparison the aggregate effect of sectors predicted to decline will be approximately 1,600 job losses, equivalent to 3 percent of the base. Any reductions in the scale of job losses would make a significant contribution to economic growth, and this is a key feature of an aspirational growth scenario.

**Figure 8 – Sectors Forecast to Decline in South Ribble 2014-2026**



Source: Oxford Economics, 2015

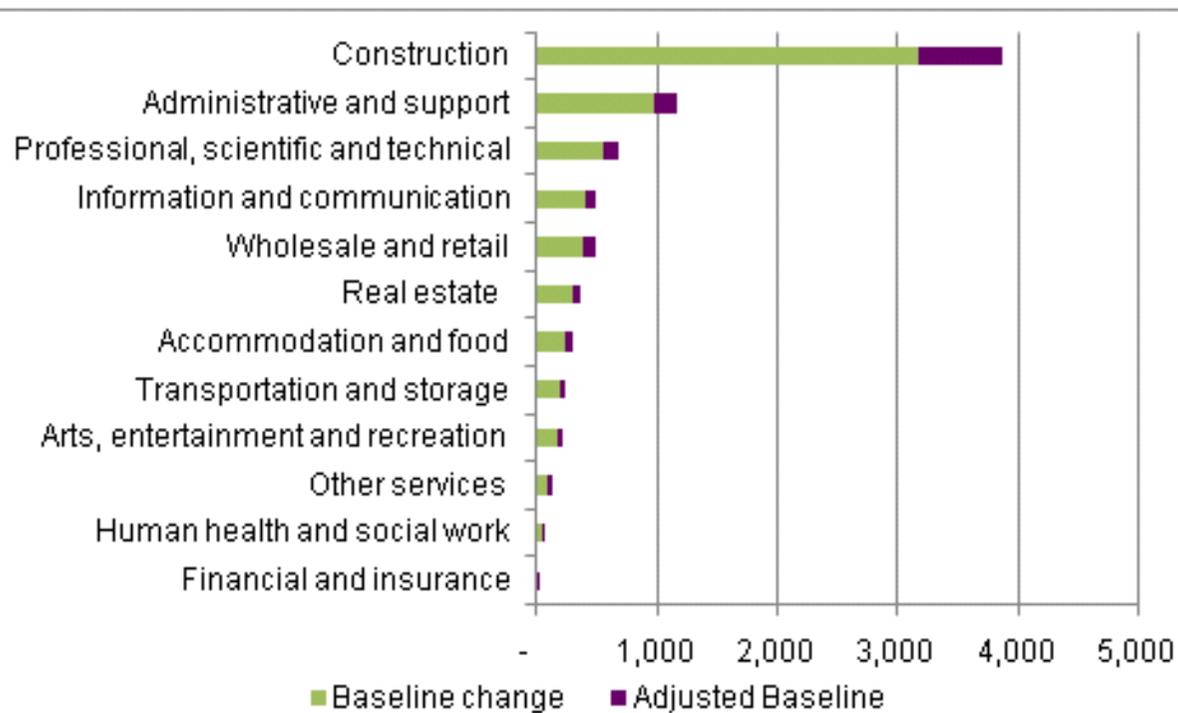
### Adjusting the Baseline

To build a positive basis for growth, there is a rationale for adjusting and increasing the baseline forecast in certain sectors to take account of:

- The low level of growth in the Oxford Economics forecasts when compared to historic employment growth
- The significant developments currently planned, including the City Deal which has a target to create 20,000 jobs
- The stabilisation of employment in South Ribble’s manufacturing sector between 2009 and 2013 and the strong commitment within the LEP strategy to strengthen manufacturing competitiveness and attract new investment.

Thus the baseline is adjusted by increasing the level of growth by 25 percent across all sectors that are expected to grow between 2015 and 2026.

**Figure 9 – South Ribble – Adjusted Baseline 2014-2026**



Source: *ekosgen and Oxford Economics, 2015*

This adjustment increases the growth forecast from 4,900 net additional jobs between 2014 and 2026 to 6,400 and assumes:

- Public sector growth from 1998 will not be repeated
- Professional and business services are forecast to grow
- The continued success of the construction sector.

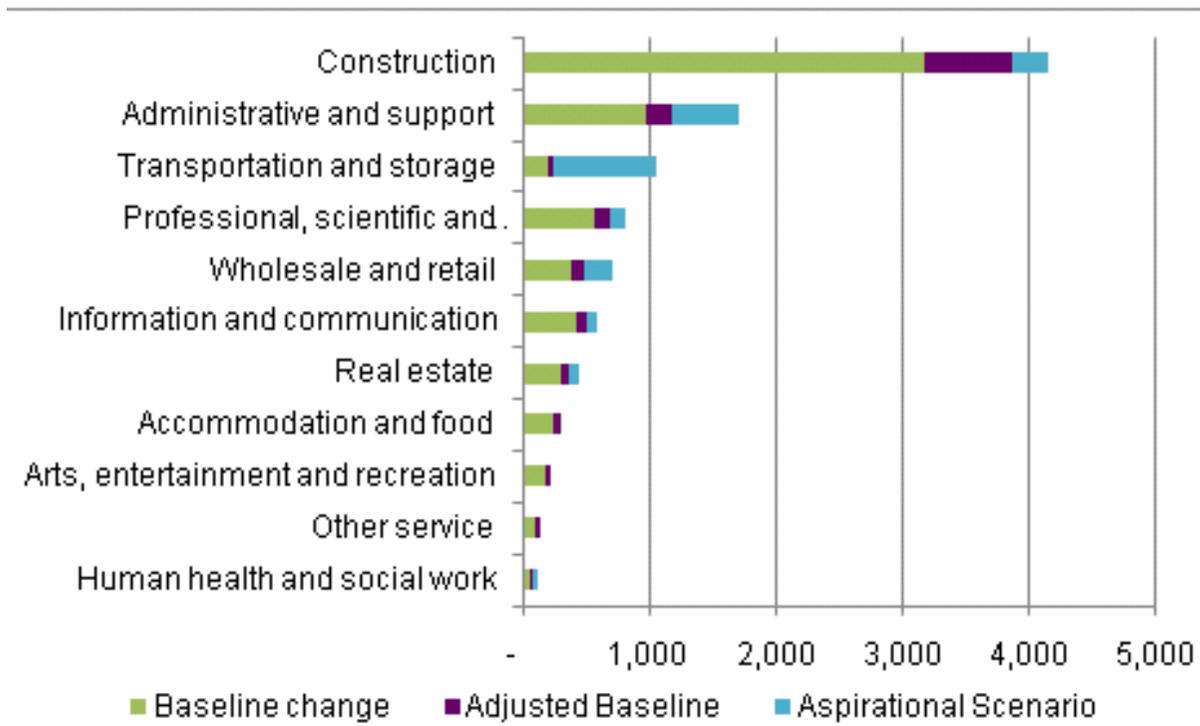
### Aspirational Growth Scenario

A further aspirational scenario takes the adjusted baseline position and includes additional growth in sectors where demand is likely to arise linked to the delivery of the City Deal and the wider LEP plans, namely:

- Transport, storage and wholesale
- Manufacturing
- Construction
- Administration and support services.

The inclusion of additional growth in these sectors results in an additional 4,100 jobs being added to the adjusted baseline position, providing an aspirational scenario of creating 10,500 jobs in South Ribble between 2014 and 2026.

**Figure 10 – South Ribble – Aspirational Scenario 2014-2026**



Source: *ekosgen and Oxford Economics, 2015*

## PROPERTY MARKET ASSESSMENT

The local property market is assessed through review of enquiries data and relevant past demand research and also up to date market intelligence derived from consultations with a range of developers, scheme managers and property agents. The focus is on the industrial, warehouse and office markets although retail, leisure/tourism and other non B-Class employment uses are considered as they play a part in the local economy, and also can impact on land and property needs and supply.

There are some key trends that can be seen nationally, but which also are having a bearing on the local property market:

### *Industrial Market*

- A growing confidence for large scale logistics and at the smaller end of the market, with growing levels of enquiries and increased prospects of those enquiries being translated into occupation, set against a reducing supply of good quality space.

### *Office Market*

- Grade A availability stands at a historic low of 193,000 sqm in the UK, and shortages can be seen in all regional office centres as occupier demand rises
- As a result there is a growing confidence on the part of investors to invest outside of London and this has been led by the UK institutions, particularly for the office sector
- Locally Preston is still a shrinking market and out of centre locations benefit.

### *Investment Market*

- Investment confidence is a key element in enabling new development and the market with the South East at a high level of demand. Investors are looking to the regions for investment opportunities, including the North West. Estimates suggest that one out of every eight pounds

invested in UK commercial property is invested in the North West, and in South Ribble such locations could include the Cuerden Strategic Site and better quality existing industrial areas such as Matrix Park, Buckshaw Village.

### South Ribble Market Analysis

There were some 5,336 Council based enquiries between 2004 and 2014. The largest share, 38 percent, is attributable to industrial premises, with offices representing 22 percent and retail 21 percent. Council enquiries are managed through the Evolutive system and show evidence regarding a portion of local demand for land and property.

Demand for offices is dominated by small space requirements, with almost 40 percent relating to premises within the less than 93 sqm size band. Large office enquiries equate to only a handful each year. Only one in ten enquiries relate to properties in excess of 930 sqm.

Industrial saw varied annual demand levels over the same period. There was a substantial uplift in 2014 to a figure ten percent above the period's annual average, reflecting increases across every size bracket from 2013 but particularly in demand for properties of up to 279 sqm.

Demand for retail premises suggests that the local economy has begun to recover from the recession. Overall food outlet requirements represent one tenth of those for general retail In terms of enquiries as do premises over 930 sqm, as might be expected the bulk are for premises of less than 279 sqm.

### Stakeholder Consultations

The views of property experts and commentators are invaluable in building a picture of the property needs. They operate on a day to day basis, both locally and in the wider regional marketplace. Some of the key messages have been outlined below:

### Comments by National Agents:

*“There is a need for further provision of industrial development land in the Leyland (Moss Side) and Buckshaw Village areas. Both locations have been a focus for recent development, but are largely full, with limited options for further growth.”*

*“Reality is that office schemes in South Ribble, and at Junction 31(a), M6, do compete (successfully) with Preston City Centre. If further office options are not provided in the Borough then market emphasis will move back to the City Centre.”*

*“Specific sites are needed to deliver new build of 50-500 sqm industrial space, typically around 1.2-1.6 ha, but rents will still have to be quite low which will conflict with levels needed to deliver development.”*

### Comments by Local and Regional Agents:

*“South Ribble must compete on a regional basis to attract logistics companies, it is not as established as larger regional centres and has very little supply to compete upon. Farington lacks prominence.”*

*“Strong local demand for offices of 36-73 sqm, including demand from start-up businesses. South Rings, South Preston Office Village and Emp. Area 18: Matrix Park, are aimed at larger established companies.”*

*“The area needs smaller readily developable sites, whereas too many are tied up for expansion or held for long term high end offices.”*

*“There is strong demand for industrial space of all sizes up to 10,000sqm. Second hand space is typically letting within a three month period from commencement of marketing.”*

*“Office demand is focused around South Rings, which has become the main out of centre office location for the south of the Preston Conurbation, complimenting Junction 31(a), M6 in the north.”*

Other stakeholders, including developers and employers organisations and large businesses provided views on the market and the economy in South Ribble.

Business sectors that have potential for further growth in South Ribble:

- Logistics
- Automotive
- Aerospace
- Food and Drink.

By comparison, sectors with limited local growth potential include Biosciences and Health, Chemicals and Electrical Engineering which is suffering from skills shortages.

Consultations with a sample of the larger businesses in the Borough suggest a strong desire for further growth. Four of those businesses already have the land they need to grow, although finance and planning issues may still be barriers. Other companies report unmet requirements and a common view is that finding suitable premises within South Ribble is challenging.

Developers showed an appetite, for further development in South Ribble and some are seeking serviced plots within an established large site such as Cuerden. Others are seeking mixed use opportunities.

There is some local retail demand which could be accommodated in the existing centres of Leyland, Bamber Bridge and Penwortham. Larger retail requirements are unlikely to be met within Leyland or the district centres but some redevelopment of the Capitol Centre is likely to deliver space, and also it was suggested a new location, for example, at Cuerden could be considered.

On the leisure front, market research suggests demand to meet the needs of the growing resident and business population are needed, specifically hot food and potentially hotel options. Hotels are can provided important services supporting the operation and development of business parks. The loss of the Vue Cinema will mean no such facility in South Ribble although there are cinema facilities in neighbouring districts, including Preston.

The study also looks at neighbouring areas outside the Borough:

- Whitebirk will provide some competition for the Cuerden Strategic Site, particularly in the area of B8 logistics. However, the location is increasingly considered as a more local allocation, serving the needs of Blackburn with Darwen and Hyndburn
- Chorley's proposed 'Digital Health Park' on 13.1 ha of land North of Euxton Lane could accommodate the need of health sector businesses in Central Lancashire
- At Buckshaw Village, most of the Regional Strategic Site (Revolution Park) has now been developed for B8 logistics units of 10,000-22,000 sqm each
- Preston City Centre has struggled in recent years with low demand and high vacancy rates. The City Centre market is focused around financial and legal services and also remains a focal point for public sector bodies in Lancashire
- North East Preston has had some recent successes in attracting larger logistics operations. However, M6 access is expected to be a constraint to this goal, particularly as it is unlikely that north facing slip roads can ever be delivered at Junction 31a
- Samlesbury Enterprise Zone is a strategic opportunity site and 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.

The consensus is that demand for premises in South Ribble is strong at a range of levels. In terms of logistics and larger B2 manufacturing occupiers with requirements for units of up to 10,000 sqm, and potentially up to 35,000 sqm. The local market wants industrial units of up to 300 sqm and demand for workshops of less than 100 sqm is particularly healthy. Reasonable freehold demand is also recorded.

Office schemes in South Ribble compete successfully with Preston City Centre but if further office options are not provided in the Borough then market emphasis will move back to the City Centre. Local demand is for suites of up to 100 sqm and the Borough's serviced schemes are proving popular.

In terms of land, stakeholders want to see the further provision of industrial development land around Leyland (Moss Side) and Buckshaw Village. The former at least is achievable given current plans at Leyland Test Track. Generally, now that land is being taken up at Matrix Point and South Rings, there is a need for future development sites for small industrial units.

### Business Survey

The business survey saw 400 businesses approached, with 200 questionnaires completed by a cross-section of businesses in terms of type, size and geographic location. The survey sought to establish business needs in terms of future property demand to support the findings of the economic and property market assessment.

The 200 companies together employ 5,121 people. Of these, 4.1 percent are part-time employees. The survey has however included several very large companies, with more than 250 employees, particularly in Bamber Bridge and Walton Summit.

88.5 percent of the companies employ less than 50 workers. 20 companies have over 50 employees. In most settlements the majority of businesses have 1-5 staff. The main exception is Buckshaw Village where none of the companies employ less than 6 staff, reflecting that there is no small business accommodation.

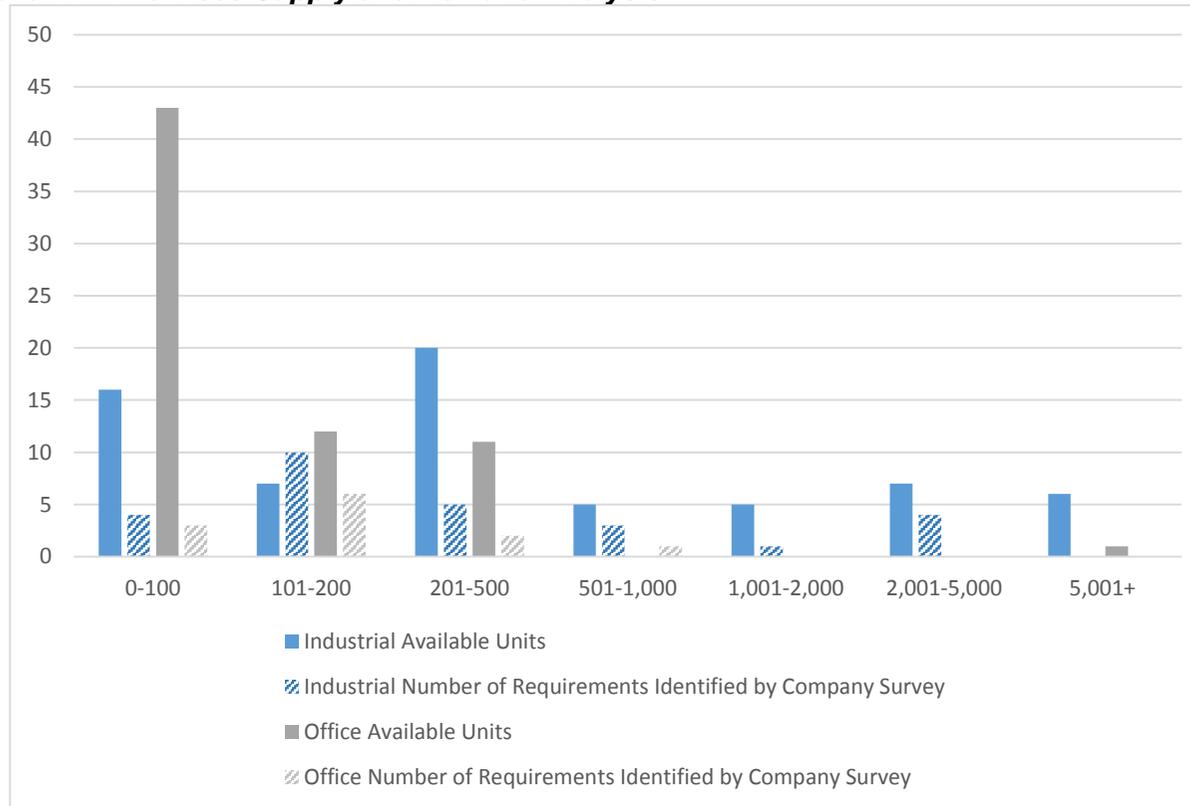
In many areas, the split between office occupiers and industrial/warehouse occupiers is roughly even. In the rural parts of the Borough a majority of respondents, who are not home-based, are in industrial or warehouse premises. Overall, 36.4 percent of the companies replying occupy industrial space.

94.0 percent of businesses were content overall with their existing space, and none were very unsatisfied. Satisfaction was similarly high in all areas. Of the 12 companies that are unsatisfied eight simply indicated that their current accommodation is too small.

39 companies indicated that they are intending to relocate, with 20 proposing that this will happen in the next year (and the other 19 in 2-3 years). 12 companies require an office. 27 companies require industrial space. The majority of companies would be seeking space below 1,000 sqm.

If demand from the survey is extended across the whole business community there could be a looming shortage of space in some sectors.

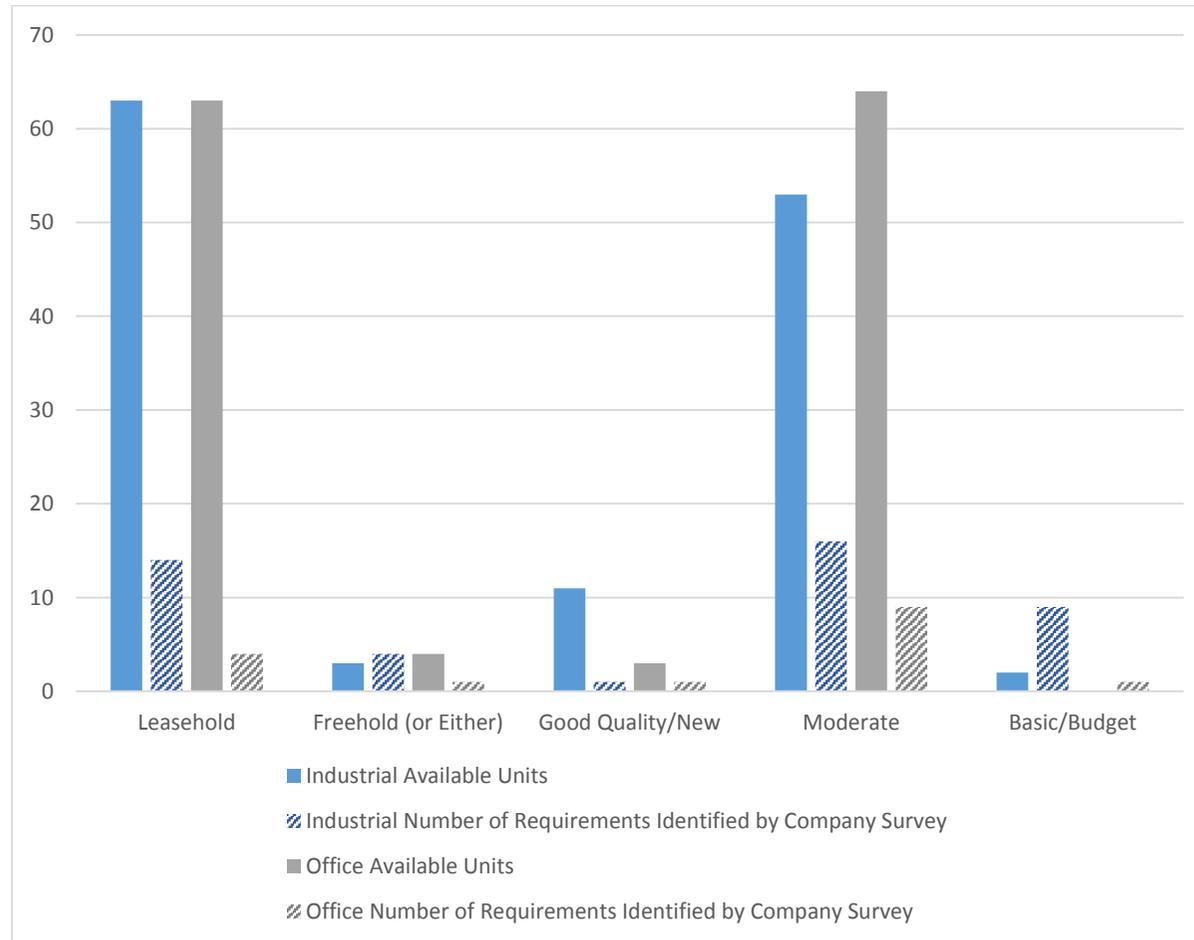
**Figure 11 – Premises Supply and Demand Analysis**



Source: BE Group, 2015

In terms of quality, there is a limited supply of good quality office space, and also a lack of budget industrial space at the other end of the quality range.

**Figure 12 – Tenure and Quality Analysis**



Source: BE Group, 2015

## DEMAND ASSESSMENT – OBJECTIVELY ASSESSED NEEDS

The research provides market signals from a range of stakeholders and data sources. Supported by this evidence and the economic assessment, an economic model using historic land take-up trends and econometric forecasting has been used to identify the Objectively Assessed Need for land to 2026.

*Employment based forecast* use a model that projects the likely jobs growth in different industry sectors. The jobs 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.

Taking the three scenarios developed in the economic review, the different sectoral land needs can be assessed.

**Table 4 – Forecast Needs by Sector**

Sector	Floorspace Required, sqm			Land Required, ha		
	Baseline	Adjusted Baseline	Aspirational Scenario	Baseline	Adjusted Baseline	Aspirational Scenario
Construction	9,888	12,072	12,924	2.54	3.10	3.31
Administrative and support service	11,652	14,112	20,580	2.99	3.62	5.28
Transportation and storage	6,510	7,700	35,210	1.67	1.97	9.03
Manufacturing	-	-	41,078	-	-	10.53
Professional, scientific and technical	6,684	8,124	9,792	1.71	2.08	2.51
Information and communication	4,944	6,036	6,912	1.27	1.55	1.77
Real estate activities	3,576	4,416	5,400	0.92	1.13	1.38
Other service activities	1,224	1,500	1,500	0.31	0.38	0.38
Human health and social work	132	168	312	0.03	0.04	0.08
Financial and insurance activities	120	156	156	0.03	0.04	0.04
<b>Total</b>	<b>44,730</b>	<b>54,284</b>	<b>133,864</b>	<b>11.47</b>	<b>13.92</b>	<b>34.32</b>

Source: BE Group, 2015

**Historic land take-up forecast** compares the employment forecasts against actual take-up of employment land in the Borough over a period of time. In using historic trends, there are peaks and troughs and also different time periods taken can also result in different outcomes. Therefore, the method looks at how these variables can affect the forecast need over time.

Between 1991 and 2014 the average take-up is 3.65 ha/annum. If two exceptionally high take-up years 2010/11 and 2011/12 are excluded, the average take up rate reduces to 2.70 ha/year.

**Application of the long term take-up figure gives a need of 43.80 ha across the period 2014-2026, to cater for an expected annual take-up of 3.65 ha/year. Excluding the two unusually high years, the need is 32.40 ha.**

There is a difference between the three employment based scenarios and the upper end of the range of the historic take-up assessment. To demonstrate the inconsistencies of the employment based model, the actual jobs change over the period 1991-2014 was assessed. Even if jobs growth alone is taken, this still falls short of the actual take-up.

**Table 5 – Employment Land Take-Up/Employment Change Comparison (1991-2014)**

Employment Change	Total Jobs	Land (Ha)
Growth	139,086	35.66
Decline	-386,670	-99.2
Net decline	<b>-247,584</b>	<b>-63.54</b>
Historic land take-up	-	<b>83.95</b>

Source: BE Group, 2015

## EMPLOYMENT LAND AND PREMISES SUPPLY

South Ribble's current local employment land supply (at 31st December 2014) is contained within the nine sites totalling 59 ha, including the four Local Plan allocations. This is distinct from the strategic land supply which comprises the Cuerden Strategic Site and Samlesbury Enterprise Zone, discussed further below.

These latter sites continue to sit within identified Employment Areas, and remain available for B1/B2/B8 development distributed as follows:

**Table 6 – Distribution of Employment Land**

Area	Number of Sites	All Employment Land, ha	Serviced Land, ha
B3: South Rings, Cuerden	1	12.55	12.55
Farington*	5	39.47	5.97
E2: Kellet Lane, Bamber Bridge	1	4.58	-
E1(e): West Paddock, Leyland	1	1.94	-
Royal Ordinance Matrix Park, Buckshaw Village	1	0.46	0.46
<b>Total</b>	<b>9</b>	<b>59.00</b>	<b>18.98</b>

Source: BE Group, 2015

\*The five local sites identified in Farington are:

- E1(d): North of Lancashire Business Park, Farington – 9.20 ha
- E1(f): Land Adjacent to Leyland Business Park, Farington – 2.10 ha
- E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington – 22.20 ha
- E2: Carr Lane, Farington - 2.26 ha
- E2: Within Lancashire (Enterprises) Business Park, Farington – 3.71 ha.

***Thus, the supply of land meets the forecasted OAN, even based on the more aspirational growth scenarios***

To consider whether the sites are currently capable of meeting needs from a qualitative outlook, the sites have been further assessed.

Out of the total land supply of 59.00 ha, almost a third (18.98 ha) is serviced. The serviced land generally comprises plots in established business locations such as South Rings and Emp. Area 18: Matrix Park, Buckshaw Village, Leyland. But there are a range of constraints, including poor access, land being retained for expansion, and the cost of development against the likely outcome.

The different allocations will meet different sector needs

**Table 7 – Anticipated Land Use**

Site Type	Total, ha (number of sites)
Office	4.58 (1)
Industrial	5.97 (2)
Office/Industrial	48.45 (6)
<b>Total</b>	<b>59.00</b> <b>(9)</b>

In addition to the identified local supply, there are other existing sites and also strategic locations that will meet wider needs:

- *The Leyland Test Track Redevelopment Site* as part of a mixed use development could provide 6.08 ha of B1/B2/B8 employment uses
- *The Homes and Communities Agency (HCA)* have extensive landholdings in Central Lancashire
- *Cuerden Strategic Site* Located at the western terminus of the M65, the Cuerden Strategic Site extends to include 65 ha of primarily greenfield land providing a mix of B1(a)/B2/B8 uses and some higher value development

- *Samlesbury Enterprise Zone* Of the 72 ha, 52 ha (72 percent) is in South Ribble and 20 ha is in Ribble Valley. It aims to attract inward investment opportunities, into Lancashire, in the advanced engineering and manufacturing sector.

## RECOMMENDATIONS AND DELIVERY OPTIONS

The report makes the following recommendations:

- **Use the aspirational growth scenario of 10,400 net new jobs as a target for delivery of new jobs to the year 2026. with sectoral land targets against which progress can usefully be measured.**
- **This research represents a point in time analysis at a relatively early phase in the City Deal programme and the exercise be repeated in approx. five years.**
- **The market needs summarised should be used to guide future provision subject to updated or site specific research.**

**Table 8 – Needs by Property Type**

Type	Meeting Local Needs	Attracting Regional/National Investment (Strategic Market)
Industrial/ Warehousing	<p>Small business units of up to 300 sqm.</p> <p>Mid-range options of 1,000-5,000 sqm to provide grow-on space for established local firms and allow some relocation within Central Lancashire.</p> <p>Good quality freehold options, both speculatively built and design and build.</p> <p>Both good quality and moderate/affordable leasehold options</p> <p>Sites for the relocation of large local businesses, 5-10 ha in size. Should be in accessible locations but also sites that can support 'bad neighbour' operations. Need to be affordable to allow for high elements of open storage.</p>	<p>Units of 10,000-35,000 sqm on locations with direct motorway access. Good quality freehold and leasehold options, both speculatively built and design and build. Average logistics requirements are presently 23,000 sqm on around 10 ha to provide generous HGV parking and manoeuvring.</p>
Offices	<p>Suites of 100 sqm for new and micro businesses, extending up to 500 sqm for established firms.</p>	<p>Potential demand for larger offices of up to 2,500 sqm. However, likely to be a long term option (5-10 years)</p>

Type	Meeting Local Needs	Attracting Regional/National Investment (Strategic Market)
	<p>Smaller space should be focused on leasehold and serviced options on good quality centres.</p> <p>Larger options should be self-contained, modern units, freehold and leasehold, similar to provision at Matrix office park</p>	<p>dependant on further market growth and further market movement away from the established office centres.</p>
Retail	<p>Modern high street or out of town shops of 200-300 sqm. Focused on accessible locations including Penwortham.</p> <p>Food retail, discount clothing and pharmacy are identified growth sectors</p>	<p>Small to mid-sized foodstores, up to 4,000 sqm in size in locations with growing populations</p> <p>Comparison stores of up to 2,000 sqm in established retail parks</p>
Tourism/Leisure	<p>Ad hoc demand for A3 restaurants and smaller health and fitness options</p>	<p>A flexible leisure location, centrally located in the Borough and accessible to settlements, the motorways and key business parks. Should be capable of accommodating:</p> <p>A budget/moderate quality hotel, hot-food options also (potentially) a smaller cinema.</p>

Source; BEGroup 2015

- **Approach site E1(d): Adjacent to Farington Road, Farington as an potential office development site, reflecting its prime location, providing some 9 ha of land towards meeting sectoral and market needs.**
- **Land should be made available to provide larger B2/B8 plots to compete for regional and national requirements. Site of circa 10 ha may be required and designed to permit plots of this scale to be made available.**
- **The potential for strategic offices exists here and further market research is therefore recommended to determine the real level of regional/national demand.**
- **A strong marketing campaign needs to be devised for the Samlesbury Enterprise Zone that will involve all partners and any relevant private agents. This will need to be delivered jointly with activities on the partner site at Warton**

- **The Borough’s current stock of employment areas should be protected to continue to deliver long term premises, and policy should ensure the stock is protected. Consideration for alternative uses should only be considered where the buildings have reached the end of their economic life.**
- **The Council needs to monitor the impact of the Energy Act 2011 on the commercial property stock of South Ribble.**
- **There is judged further scope for growth in the Penwortham District Centre. Research should identify what redevelopment, refurbishment or infill opportunities exist, allowing for the potential impact of the Penwortham Bypass on traffic and trade flows. Identified opportunities should be packaged and marketed to occupiers and developers.**
- **Long term growth of the Capitol Centre is possible here but there will be a need to test the financial viability of possible options for change. The Council should continue to work with the owners of the Capitol Centre to establish potential for long term growth.**
- **The Council and their preferred development partners, LCC should clarify early on what scale of retail facilities could be delivered at Cuerden which could then form part of a developer agreement for bringing forward the first phases of development.**

A number of options are open to the council for delivering development these are:

Mechanism	Description
Private Sector Led/Private Sector Funded	Assumes a development is financially viable and has a willing developer.
Revised Development Mix	Assumes a development viability gap, and a revised development mix which includes a stronger element of higher value uses to offset the gap may be agreed
Low Level Public Support	The council may assume some of the initial research costs for development, producing for example a planning brief or masterplan to show the owner/developer what is possible and prompt development

Mechanism	Description
Joint Venture Agreement	A defined agreement between public sector agencies and private developer partners. It is most commonly used where land is, at least in part, owned by the public sector. The Public sector can then support development by inputting the land at low or nil value or by seeking out infrastructure funding.
Direct Public Support	Direct development funding from a variety of sources or alternative approaches such, underwriting the developers rent returns and taking on the risk of sub-letting the space to occupiers
Annuity Rent	Financial institutions fund the development in exchange for a lease of circa 35 years and an annuity rent payed by the developer/owner/public sector. At the end of the 35 years the property will revert to the developer/owner for £1.00. The tenant can also bene fit from a profit rent during the term through sub-letting
Revolving Infrastructure Fund	Paying for supporting infrastructure development on sites with otherwise good development potential, using a range of funding and Prudential Borrowing to provide funds in exchange for a long term payback of Business Rate and associated income uplift.

Source: BE Group, 2015

**Table 9 – Development Options**

Site	Size, ha	Current Status	Development Potential	Delivery Mechanisms	Development Partners
<b>Local Sites</b>					
B3: South Rings, Cuerden: West Plot (5000)	12.55	Reserved Matters consent for 6, B1 and B8 starter units together with a D2 Health and Fitness Club (929 sqm) from Places for People. West Plot (5000) is also intended for a 3,000 sqm office to meet Places for People's future growth needs.	It is likely that this space will be used to meet the internal needs of Places for People, providing extra space for IT and property maintenance elements of the business. The relocation of some operations from leased premises at Red Scar Industrial Estate, North East Preston is also likely.  Currently, the company is awaiting consents from Natural England regarding Great Crested Newts on the site. Will also seek consent on the office element by March 2016.	Places for People has the resources to deliver the space directly.  Delivery at West Plot (5000) will be likely by the end of 2017/mid 2018.  Council involvement likely limited to the normal planning and Economic Development roles.  1. <i>Private sector led and funded.</i> 2. <i>Low level Public support</i>	Places for People to fund and develop
B3: South Rings, Cuerden: Central Plot (6000)		Land on the market, for sale. Split into three plots of 0.26-0.54 ha. All were under offer at the time of writing.	Three plots of 0.26-0.54 ha could deliver circa. 11,000 sqm, of B1/B2/B8 space	Sales proceeding to owner occupiers and/or developers who will lead on site delivery.  Economic Development officers can assist in marketing and planning matters, but it is envisaged development delivery will be <i>Private sector led and funded.</i>	Development led and financed by owners
B3: South Rings, Cuerden: East Plot (7000)		Development underway for 43, B1, B2, B8 units (Momentum Business Centre) in six blocks to deliver micro business units of 59-68 sqm and 139 parking spaces	The sites are being developed to their full potential in phases.	Site being delivered. <i>Private sector led and funded.</i>	Development led and financed by owners
South Rings Business Park		Divided into a maximum of 24 development plots. Six developed and let at present.	A further 18 plots could be delivered providing offices for lease or purchase, but at the present time development is unviable	The council should work with the developer to explore the potential of different funding sources. These could include:  1. <i>Annuity rent funding model</i> 2. <i>Direct public support</i> 3. <i>Revolving infrastructure funding(RIF) in the event a model is developed</i>	SRBC/ Developer (Roundhouse)

Site	Size, ha	Current Status	Development Potential	Delivery Mechanisms	Development Partners
E1(d): Adjacent to Farington Road, Farington	9.20	Owned by Leyland Trucks, and at present being held back for possible own use	The site has the potential to deliver c. 36,000sqm of floor space, and could attract large scale occupiers. The marketability will be enhanced with the proposed road improvements Location for local level offices, capitalising on its position on the A582 frontage.	The council should enter into a dialogue with Leyland trucks to explore development options, and whether the site can be delivered for general use. Options may be: <ol style="list-style-type: none"> <li>1. <i>Acquisition by SRBC/LCC</i></li> <li>2. <i>JV between LT/SRBC/LCC</i></li> <li>3. <i>JV Between LT/Private developer</i></li> </ol> SRBC could be involved as a partner through assisting with the master-planning and ongoing marketing, or through direct development, possibly as part of a revolving Infrastructure Fund	Leyland Trucks/ SRBC/LCC/private developer  In terms of possible development partners, the interest of Muse in further schemes here is noted
E1(f): Land Adjacent to Leyland Business Park, Farington	2.10	Leased to Ainscough Cranes until 2024	The site has the potential to deliver c. 8,000 sqm, but the current occupier would need to surrender its lease. The site has the potential to inject new development into Leyland business Park	Initial discussions with Ainscough Cranes may be considered to establish their long term intentions. Unless the site can be released, further action is unlikely, but development may be <ol style="list-style-type: none"> <li>1. <i>Private sector led with</i></li> <li>2. <i>Low level public support</i></li> </ol>	Ainscough Cranes/SRBC
E1(g): Farington Hall Estate, West of Lancashire Business Park, Farington	22.20	Site west of Brackenhurst, currently held up with planning and infrastructure issues	Mixed use development which could provide large scale development, although the mix is currently undetermined	Planning issues should be resolved to provide a mix of development, funding would be through <ol style="list-style-type: none"> <li>1. <i>Revised development mix, with</i></li> <li>2. <i>Low level public support</i></li> <li>3. <i>Potential as a RIF site</i></li> </ol> The main development barrier is agreement on a road link to Centurion Way. It is provisionally suggested that a route could be provided roughly following the east back of the River Lostock to join Centurion Way to the West of Leyland Trucks' (Paccar) parking. This would limit traffic heading south through the existing business park. The Council could provide support here by facilitating discussions between LCC/developer on this matter and possibly funding masterplanning if it will prompt development.	Developer/SRBC Later in the process the interest of Muse and Harrow Estates in plot delivery is noted.

Site	Size, ha	Current Status	Development Potential	Delivery Mechanisms	Development Partners
E2: Carr Lane, Farington	2.26	The land was let to Campbells Caravans in November 2014 along with the unit to the north. It has now been surfaced with gravel for the open storage of caravans	Now held for storage uses by a large local employer.	Meeting the needs of a large local business, assume no development on this land in the Plan period.	None expected
E2: Within Lancashire (Enterprises) Business Park, Farington	3.71	Land is within the Leyland Trucks (Paccar) site and partly in active use by that company. South eastern and northern portions of the site are in use for truck parking and other storage.	It is assumed that the remaining land will be held for the expansion of that company The land sits within the secure part of the Leyland Trucks site, thus making it available to other occupiers would be difficult.	As part of ongoing dialogue Economic Development officers to clarify if this land is required for Leyland Trucks own use and when it might be needed. Alternatively, could it be released, possibly for a LT supply chain partner An agreement would have to be reached with Leyland Trucks to provide access into this site. SRBC could provide masterplanning and marketing support 1. <i>Private sector led and funded.</i> 2. <i>Low level public Support</i> 3. <i>JV with SRBC/LCC/developer</i>	Leyland Trucks/ SRBC/LCC/Developer
E2: Kellet Lane, Bamber Bridge	4.58	Greenfield site, currently landlocked for any major development proposal	The site is a logical extension to the existing office park if access and infrastructure can be delivered. It is likely to be a longer term proposition with office development on more readily accessible sites coming forward.	SRBC to consider access issues, and possibly open dialogue with adjacent land owners to deliver an access. Specifically, can James Fisher Nuclear be persuaded to allow access through to Spectre Way, what level of compensation would they require and how does this affect viability? If a realistic access can be agreed upon, scope to open up this site for development greatly increases. Options include: 1. <i>JV between owner/developer</i> 2. <i>JV between developer/SRBC, possibly with access/ infrastructure funding from a RIF model</i> 3. <i>Direct public support</i>	Likely to be developer led, but with support from SRBC
E1(f): West Paddock, Leyland	1.94	Council owned greenfield site	The site could provide edge of centre offices, or an incubator facility	BE Group identified a need for incubator type space in the 2013 study. Further investigation of whether a centre would be	SRBC/Developer/operator

Site	Size, ha	Current Status	Development Potential	Delivery Mechanisms	Development Partners
				for generic business or key business sectors is recommended. A number of authorities have sought ERDF funding for ventures. There are also private sector operators who will enter into a partnership to deliver managed workspace. Funding from: 1. <i>Direct public support</i> 2. <i>Annuity rent model</i> 3. <i>Private sector led</i>	Existing space providers including Roundhouse and Orvia to be approached in the first instance.
Royal Ordnance Matrix Park, Buckshaw Village	0.46	Consent is for 5-7 'Midi' B1, B2, B8 employment units (335 sqm each) in the east and 14 terraced 'Mini' starter units of 72 sqm each in the west. Most units sold off plan Development commenced in May 2015	The site is being developed to its full potential	Site being delivered. <i>Private sector led and funded.</i>	Current developer
<b>Mixed Use Sites</b>					
Leyland (Moss Side) Test Track	6.08 (Subject to masterplan)	Currently, no planning exists for the redevelopment, but the council is seeking a development partner to deliver a comprehensive development	Alongside 750 houses, the site should provide 6.08 ha for employment uses, together with other compatible uses such as neighbourhood centre	The council as landowner and development facilitator is at an advanced stage of seeking a JV partner. Development will therefore be delivered through 1. <i>Revised development mix</i> 2. <i>JV agreement</i>	Land owner/ SRBC/Development partner
HCA Land: Pickerings Farm	1.73	HCA owned site which extends to 79 ha, the bulk of which will be residential	As part of a comprehensive masterplan, the site will deliver phased employment of 6750 sqm up to 2021	HCA is leading the master planning and site release. SRBC through dialogue should ensure delivery of the employment element in line with the proposed phasing. Development is expected to be 1. <i>Private sector led</i> 2. <i>Possibly in joint partnership with HCA</i>	HCA/ Developer partners

Source: BE Group 2015