

INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO PLANNING & DEVELOPMENT COMMITTEE

meeting date: THURSDAY, 10 FEBRUARY 2022
title: RIBBLE VALLEY LOCAL PLAN EVIDENCE BASE – ECONOMIC & EMPLOYMENT LAND NEEDS STUDY
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1 PURPOSE

1.1 To provide information to Members in relation to the Economic and Employment Land Needs Study which forms part of the Local Plan Evidence Base.

1.2 Relevance to the Council's ambitions and priorities:

- Council ambitions – To ensure the Local Plan is kept up to date.
- Community objectives – To progress the Local Plan Review.
- Corporate priorities – Delivery of services to all.
- Other considerations – None.

2 BACKGROUND

2.1 Members will be aware that work is progressing to carry out a review of the existing Local Plan for the borough. As part of this work, the Council is seeking to produce a relevant and proportionate evidence base across a wide range of topics from which the issues and options consultation stage (Regulation 18) will be formed. Existing evidence documents are available to view through the following link, and this baseline evidence will be updated accordingly as the plan evolves:

[Local Plan Review | Local Plan Review | Ribble Valley Borough Council](#)

3 INFORMATION

3.1 To assist with preparation of the Council's evidence base the Council commissioned Lichfields to undertake the Economic and Employment Land Needs Study, which will form a critical part of the economic evidence base to inform the preparation of the new Local Plan. It will also inform other areas of our work in reviewing and updating the Economic Plan. The study establishes land requirements, considers policy imperatives in relation to employment land use classes relating to Offices, Research and Development, Light Industrial; B2 (General Industrial) and B8 (Warehousing), together with other key economic matters arising from the study such as possible growth options to consider along with workforce implications and associated impact on housing requirements.

3.2 The study is also important to enable the Council to promote sufficient employment opportunities to help sustain and support established new housing development and inform future links between employment growth and housing. In this context the consultant's study has been based on an approach as required by the National

Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) to ensure it will satisfy the evidence requirements necessary for a sound plan.

3.3 A copy of the report can be viewed using the following link:

https://www.ribblevalley.gov.uk/downloads/download/8036/economic_and_employment_land_review_elr

For reference, in summary the report is structured as follows:

- Section 2 sets out the latest policy context.
- Section 3 outlines the social economic context.
- Section 4 outlines the commercial property market.
- Section 5 reports the key findings from the online business survey.
- Section 6 reviews the existing portfolio of employment land and premises.
- Section 7 assesses the future requirement for employment space.
- Section 8 assessment the balance between current land supply and future needs.

The findings from the above areas are drawn together in a summary with conclusions including policy recommendations to be considered as the plan progresses to support the existing future site port folio and maximise future economic growth opportunities within Ribble Valley. An extract from the report setting out the conclusions is attached at Appendix 1 for ease of reference.

3.4 The essence of the commission is to enable the Council to ensure it has an up-to-date evidence base to feed into the production of the Regulation 18 options as the Local Plan Review progresses. The report contains detailed information and draws on previous work undertaken namely the Housing and Economic Development Plan document (2019), the Longridge Neighbourhood Plan, the Strategic Housing and Economic Needs Assessment (SHENA) 2019, the Ribble Valley Economic Evidence Base Baseline Report (2018), the Ribble Valley Economic Plan (2019-22) and the previous Ribble Valley Employment Land Study Refresh (2013).

3.5 As well as considering published materials, the consultants have also undertaken a business survey as part of their study with input from a range of businesses to gain their insight to the issues. Section 4 of the report presents the outcome of the business survey.

3.6 Section 7 of the report establishes in land use terms the requirements for future employment space in the borough which will be a critical factor to consider in the local plan. What is apparent from the review is that as economic growth has continued to strengthen over recent years, this has resulted in a strong take-up of sites and relevant land supply has been used. A key finding of the study is that the Council as it moves forward with its Local Plan, is in a position where there is a relatively significant shortfall of suitable and readily available sites to meet economic growth aspirations and future demands. It is anticipated that there is likely to be a shortfall around 11-14 hectares net, (22-26 hectares gross) between 2021 and 2038 depending on growth options taking account of existing supply.

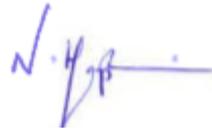
3.7 The report indicates that the Council should give consideration to identifying and allocating additional sites that are considered to be suitable and deliverable for office, industrial and warehousing uses and any new sites should be sustainable and ideally located within areas of strong market demand. The study has identified from liaison with local agents that the areas of Clitheroe, Whalley, Longridge and the A59 corridor

should be the primary locations of search for any new employment land development. Furthermore, it identifies that there are clear shortages in the larger towns of Ribble Valley, notably Clitheroe, Longridge and Whalley, where fresh supply is very much at a premium. Overall, the report suggests that efforts to identify new employment allocations should be focussed in these areas.

- 3.8 One of the challenges that the report identifies are the constraints on many potential opportunities to expand existing sites due to greenbelt or landscape designations, coupled with the fact that there is an insignificant supply of brownfield sites to re-develop for employment land purposes. Consequently, the bulk of employment land will need to be drawn from greenfield sites. As an issue for the Local Planning Authority to consider as it develops the new plan, this is likely to be a challenging topic area.



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REF: CH/CMS/PLANNING/10 FEB 2022

Conclusions and Policy Recommendations

- 10.1 This section draws together overall conclusions and considers potential policy approaches in relation to employment space for the emerging Ribble Valley Local Plan as well as other measures which may be required to support the Council's economic growth objectives.

Context

- 10.2 The future growth scenarios considered in this study indicate the broad scale and type of growth associated with different approaches to modelling employment space requirements for Ribble Valley over the period 2021 to 2038. To varying degrees, these scenarios reflect both the indigenous growth needs in Ribble Valley as well as a degree of footloose demand that operates within a wider East Lancashire sub-regional market that overlaps with the other Pennine Lancashire districts that comprise the FEMA. The importance of flows of labour, residents and businesses and the resultant inter-relationships between the other districts across Pennine Lancashire should be recognised and used to inform planning policy under the Duty to Co-operate.
- 10.3 In the context of the NPPF and the Practice Guidance, the policy approach adopted by the Council should aim to positively plan to support the employment needs of Ribble Valley so that the local economy is not unduly constrained over the plan period. This should also recognise issues around a severely restricted employment land supply and competing pressures on available development sites.
- 10.4 In order to ensure a flexible and responsive policy framework for the Ribble Valley, it will be necessary not just to concentrate on meeting the forecast quantitative requirements for office and industrial space in Ribble Valley (which will fluctuate over time) but to reflect the opportunities and risks that flow from particular policy approaches. This could include how the delivery of employment land can be prioritised in particular areas and for particular uses, or how inward investment opportunities can be delivered. This could particularly draw and capitalise upon the once in a generation growth opportunity provided by the Government's proposed £5 billion investment in a new digital warfare centre at Samlesbury Aerospace Enterprise Zone.
- 10.5 In this context, it is important that planning for employment growth in the Ribble Valley is balanced against pressures from other land uses. Commercial and industrial floorspace also competes with a wide range of other non-employment uses (which fall outside of the remit of this study), many of which would also generate benefits to Ribble Valley's economy or have identified needs that the NPPF indicates should be duly supported.
- 10.6 To meet the future requirements for office and industrial space in Ribble Valley over the period to 2038, it will be necessary for the Council to make difficult choices in the emerging Local Plan concerning which new employment sites to allocate for employment use, given the lack of available brownfield sites and the rural and Green Belt policy designations protecting much of the Ribble Valley.
- 10.7 These judgements must ultimately take account of the following:
- 1 The local benefits of employment sectors and the need to sustain a diversified and resilient economy that is able to capitalise on economic growth opportunities as they arise as we emerge from the severe challenges presented by the pandemic.

- The economic and market outcomes that would arise if particular sectors become displaced from the economy, or are otherwise constrained from expanding in the Ribble Valley. This is a particular issue for Ribble Valley as revealed in the Business Survey, which suggested

that many respondents needed to expand their operations, but could not find suitable alternative premises in the Ribble Valley and may have to look elsewhere in Pennine Lancashire as a consequence.

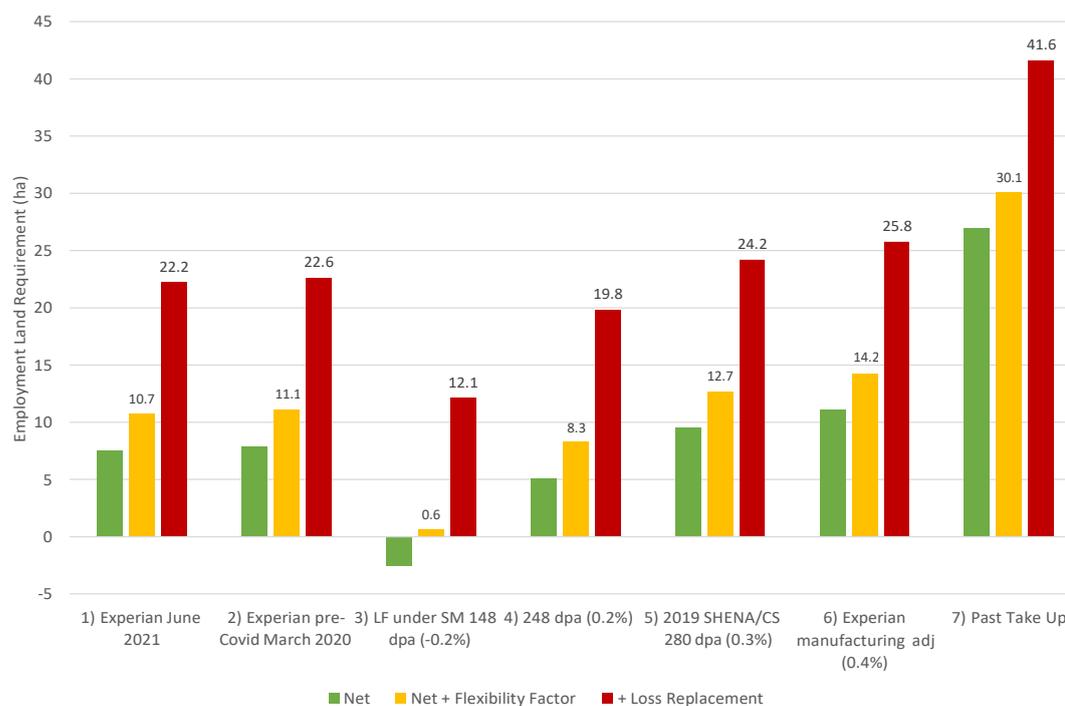
- The need to promote growth in high value employment roles in Ribble Valley that meet the aspirations of resident workers and potentially build upon the existing supply chain supporting the aerospace hub at Samlesbury EZ.
- The trade-off between seeking more intensive use of the current supply of sites and thereby yielding higher net job creation over time, and identified business needs (as specified in the NPPF) which may for some activities or sectors imply a less efficient use of land in order to function effectively.
- Maintaining a delivery trajectory for employment space with short, medium and longer-term opportunities over the life of the Plan.

10.8 The policy choices ultimately adopted by the Council should, as far as possible, seek to plan for a choice of employment sites and locations to support the needs of particular businesses and sectors. In this context, some further commentary around the potential options for accommodating the needs of the office and industrial market in Ribble Valley over the period to 2038 is set out below.

Demand / Supply Results

10.9 This report has appraised a range of employment land projections for Ribble Valley using a variety of methodologies in accordance with the PPG. It has used the latest modelling data from Experian (both post and pre-Pandemic); labour supply scenarios including the recently updated standard methodology for calculating housing need; and updated past take up rates and losses data. The results are summarised in Figure 10.1.

Figure 10.1 Ribble Valley Employment Land Projections (2021-2038)



Source: Lichfields

- 10.10 To ensure a flexible and responsive policy framework, it will be necessary not just to focus on meeting forecast quantitative requirements (which will fluctuate over time), but to consider the opportunities and risks that flow from particular policies or types of land allocations. This might concern how delivery can be prioritised in some locations which have few at present (such as Clitheroe), or for some types of employment uses such as advanced manufacturing, or how scope can be created for meeting as yet undefined inward investment opportunities.
- 10.11 It is recommended that the upper end of the cluster of scenarios, equal to around 26 ha gross, or 14 ha net (Policy 6, Experian manufacturing adjustment 0.4%), would be the upper end that the Council may wish to plan for, with the latest Experian projection of 22 ha gross (11 ha net) at the lower end of any range (Scenario A). The 26 ha upper end could be considered a 'Policy On' projection, but should be monitored closely as plans for the step change NCF development are worked up in further detail. It may well be appropriate to upscale the requirement depending on the nature of the proposed development at Samlesbury, particularly if further land is required to be released on the Ribble Valley side of the EZ's boundary. This would be a judgement for Ribble Valley Council to make and hence the gross figures are indicative only.
- 10.12 It is further recommended that around 25% of land be allocated for office, with the remaining 75% for B2 and B8 industrial/logistics. This balances the high levels of industrial land that have come forward for development in recent years against the stronger growth prospects for traditionally office-based hi-tech sectors (with spin off employment resulting from the National Cyber Force Campus balanced by the increased demand for advanced manufacturing and construction). The considerable uncertainty regarding changing work practices presented by the Pandemic and further uncertainties concerning the implications of Brexit means that these conclusions should be revisited by the Council and monitored as and when new data on the fallout from the 'new economic normal' becomes more clearly apparent in the years to come.

Supply

- 10.13 A total of 12 sites have been assessed as part of this employment land review comprising a total of 14.36 ha gross area. The detailed review of the site's included the area's locational context, accessibility, constraints, market demand, market conditions, compatibility of neighbouring uses and relevant planning factors to form a judgement of the suitability of the site for employment use. The individual proformas are included in Appendix 1 of this report. All were considered suitable to be retained for employment use, which provides a forward supply of 7.34 ha of net available land. To this would be added 4.17 ha relating to 3 other commitments / allocations that Lichfields was not asked to appraise, bringing the total forward supply up to **11.51 ha.**

- 10.14 When set against the demand forecasts, Ribble Valley has a quantitative and a qualitative undersupply of employment land available, based on the sites assessed. The potential shortfall against a need of between 22 and 26 ha, is at the very least 10.5 ha, and potentially as much as 14.5 ha depending on whether the Council decides to pursue an employment land requirement at the upper or lower end of the recommended range.
- 10.15 To address the shortfall, the Council should identify additional areas of search where new employment sites could be accommodated. Such areas should correspond with areas of identified need and strong market demand.
- 10.16 The Council did not request that Lichfields assess any potential sites which are not currently allocated, do not benefit from extant planning permission for employment development, or are not part of a committed employment site. Nevertheless, during our site visits we identified a few opportunities to extend existing employment areas that could be explored by the Council as part of its future site appraisal process.
- 10.17 Sites which could be explored further include the following extensions to existing employment areas:
- Greenfield sites north of the A59 and the Samlesbury Enterprise Zone;
 - Expansion Land to the south and east of Mitton Road Business Park (to include Phase 3 development and beyond; and,
 - Fort Vale Engineering, Calder Vale Park – rationalisation of the site and extension to the north and west.
- 10.18 These sources of sites amount to an estimated potential gross area of **78 ha**, although the net developable area, particularly north of the A59 and the Samlesbury EZ, will undoubtedly be very much lower than this figure. This would nevertheless be in addition to the identified supply of 11.51 ha net existing and allocated employment space. We have not appraised these sites in detail but suggest that they could be considered alongside other sites put forward as part of a comprehensive call for sites exercise by the Council.
- 10.19 It will be important in considering the potential to identify additional allocations to ensure that the supply of sites is, wherever possible, clustered together or focussed on a smaller number of larger parcels of land – rather than dispersed across a wide portfolio of sites. Such an approach can help to provide an appropriate concentration of employment uses that can contribute towards securing the necessary investment, business infrastructure and occupier interest.

Policy Implications

- 10.20 To meet the future requirements for office and industrial floorspace in Ribble Valley, it will be necessary for the Council to make choices about which sites to allocate for employment development or which to bring forward as mixed-use schemes either in part or whole. These judgements need to consider:
- the local benefits of employment sectors and the need to sustain a

diversified and resilient economy that is able to capitalise on economic growth opportunities as they arise, particularly in the vicinity of the Samesbury Aerospace EZ;

- the economic and market outcomes that would arise if particular sectors such as advanced manufacturing become displaced from the economy, or are otherwise constrained from expanding in the Ribble Valley;
- the need to promote growth in high value employment roles / jobs that require a skilled manufacturing worked force in Ribble Valley and that meet the aspirations of resident workers.

10.21 In order to ensure a flexible and responsive policy framework for the Borough, it will be necessary to not just concentrate on meeting the forecast quantitative requirements for office and industrial space in Ribble Valley, which will fluctuate over time, but to reflect on the opportunities and risks that flow from particular policy approaches. This could include how the delivery of employment land can be prioritised in particular areas and for particular uses, or how scope can be created to deliver inward investment opportunities for Ribble Valley following on from the once in a generation investment at the Aerospace EZ.

10.22 In this context, a number of options emerge:

1. Allocate new industrial sites

10.23 The option of allocating additional sites for industrial development would increase the very limited choice of existing sites and provide the Ribble Valley with new development opportunities of the size and scale necessary to allow local businesses to expand. This is particularly important as a significant amount of demand for premises and development in the Ribble Valley is driven by local businesses alongside the supply chain to support the aerospace advanced manufacturing cluster. This option should be set out in more detail in a new Policy of the emerging Local Plan, setting out precise locations and sites to allocate.

10.24 Within the current uncertain economic climate as we hopefully move out of the pandemic, focus should be placed upon sites in areas of strongest market demand. Whilst there are robust levels of demand for industrial premises across the Ribble Valley, larger units along the A59 such as those recently developed at Twin Brooks business park and smaller units suitable for smaller manufacturing/trade counter uses such as those at Mitton Road Business Park receive the greatest level of interest.

10.25 Lichfields therefore considers that the focus should be on providing further industrial allocations despite the relatively weak levels of job growth forecast in the light industrial and B2general industrial sectors.

10.26 In contrast, although the econometric projections suggest a potential growth in office jobs over the plan period in the Ribble Valley, there are concerns regarding the amount of office space that is required. Setting the National Cyber Force [NCF] headquarters to one side, the office market is generally limited and further substantial office allocations could serve to further

weaken the attractiveness of secondary office space in the Ribble Valley. Furthermore, the current stock of office space in the Ribble Valley is biased towards refurbished Victorian buildings rather than purpose-built accommodation. Nearly all office enquiries are from local businesses and there is considered to be insufficient demand for significant new build premises in the short term.

2. Intensification of existing sites

10.27 The upgrading and refurbishment of existing industrial areas (and where possible, redevelopment so that they can be used more efficiently) provides a further option for accommodating future requirements. Better utilisation of the existing industrial stock could be achieved through gradual redevelopment of individual plots, for example replacing a large older unit with a development of modern smaller units for which there is stronger demand.

10.28 There may be limited scope to upgrade and renew some of the weaker sites, or, for example, to develop sites currently under-utilised as open storage to ensure that this space remains attractive and viable to the market. In the first instance this approach could focus on older employment sites that do not currently reflect modern working layouts, densities, technology and premises and perform relatively poorly based on recent site assessments. This may comprise redevelopment, although qualitative improvements can also be delivered through refurbishment of existing buildings (to an extent).

3. Policy Delivery Mechanisms

10.29 Alongside provision of new supply as noted above, upgrading and renewal of the Ribble Valley's existing stock of office accommodation will also be important. It will not only ensure that this space remains attractive to the market but may also provide the opportunity to create some additional supply. This may comprise redevelopment, but qualitative improvements can also be delivered through refurbishment of existing Victorian buildings.

10.30 Barriers to the redevelopment of industrial premises in the Ribble Valley include marginal viability on sites that are not located in prime locations near to the Enterprise Zone. Better utilisation of the stock on such sites could be achieved either through gradual redevelopment of individual plots (e.g. replacing a large older unit with development of modern small units, particularly move on workspace for which there is good demand), or the subdivision of larger units.

10.31 Based on experience elsewhere, qualitative improvements on the larger estates could also include the stripping and repainting of older industrial units, and making environmental, security and traffic management improvements through a Business Improvement District [BID] mechanism. Similar processes of gradual upgrading could be encouraged in larger industrial areas to ensure they can make a positive contribution to meeting some of Ribble Valley's future growth requirements.

- 10.32 There may also be some potential to explore different funding sources to enable SMEs to upgrade premises or develop new premises if the market does not deliver these improvements. This could be through either gap funding assistance or de-risking improvements through up-front finance. This could include a number of forms of direct Council or Lancashire EP financial support, such as a Business Improvement Grant, and direct lending to small firms and/or mortgage support. Such measures may be harder to fund in the current economic climate but could be worthwhile future actions.
- 10.33 The Council may wish to explore the potential for using Community Infrastructure Levy [CIL] to deliver infrastructure, such as highways and communications infrastructure, to support the delivery of employment sites. This would be subject to such provision according with the legislation and regulations governing CIL.
- 10.34 Where the development lies within an area of low industrial and office demand, subject to the legal provisions governing such approaches, funding from sources such as CIL could be pooled⁴³ and used to develop workspace space on other sites, perhaps including those in Council ownership, and loans or grants to firms to support upgrading of premises. This could also potentially be used to fund further enterprise or incubation workspace.
- 10.35 It may be appropriate to explore opportunities to de-risk planning issues for certain types of development, in a way that is appropriate to the site context. This could include, for example, Local Development Orders [LDOs], design codes, or other forms of planning brief to provide greater certainty on the types of development that will be supported by the Council.
- 10.36 Mixed use schemes can also be a way forward in delivering some new office or industrial space. This has been effective on schemes such as the Hindle and Schofield Site, Barrow Brook Business Park in Barrow. However, the market alone is unlikely to deliver these improvements. Encouragement for owners and developers may be necessary, and could be aided by a range of planning and economic development interventions including:
- 1 A Local Plan policy encouraging such forms of upgrading, although this will only work in combination with other actions;
 - 2 Continued and stronger Local Plan policy protection for certain industrial sites (reducing the potential for residential 'hope value' pricing out development);
 - 3 Local initiatives to publicise to local firms' case studies of successful upgrading of business premises, including costs, local contractors involved and rental or other benefits achieved;
 - 4 Encouragement of mixed use developments to help facilitate and cross-subsidise the creation of office/industrial premises; and,
 - 5 economic development officers engaging with owners on upgrading of premises.

Constructing a Delivery Trajectory for Employment Sites

- 10.37 In light of the scale of employment land that may become available for use over the study period and the resulting surplus of employment land likely to arise, there is a need for the Ribble Valley to identify a realistic delivery trajectory for these employment sites and to understand which offer the best prospects of accommodating commercial / industrial development over the period to 2038.
- 10.38 It is recommended that the Council evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in five-year periods). This accords with the approach set out in the former SEEPB Guidance⁴⁴ on employment land assessments which encouraged local authorities to demonstrate a five-year rolling supply of employment land and generally aligns with how Government requires housing land to be measured and provided.
- 10.39 Given the relatively large gap between demand and supply, the Council should consider options for how this can be addressed (preferably in the form of new allocations). It is helpful for sites to be assessed on a consistent basis in order to determine at broadly what point in the Plan period they may become available, and how important any individual site is for meeting either office or industrial needs within any rolling five-year period. It will also be important in establishing any potential mismatch between identified allocations and those areas of the Ribble Valley that attract the strongest levels of market demand or have very little availability at present such as Clitheroe.
- 10.40 In determining the likely timing and availability of land that could meet 5 yearly requirements, any delivery trajectory should have regard to:
- 1 the planning status of sites (extant planning permission, allocation etc.);
 - 2 development constraints/costs and known requirements for infrastructure (more detailed assessment work may be required);
 - 3 current developer/landowner aspirations; and,
 - 4 market delivery and viability factors.
- 10.41 The assessment would provide the opportunity to identify and map out the Local Plan's 'when', 'whom' and 'how' employment space delivery actions for each site. In turn, it will also offer a basis to continually assess the potential role of a site in meeting employment land and other Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure the rolling supply of employment land during the new Local Plan period.

Monitoring

- 10.42 Reflecting the Practice Guidance, it will be important to monitor future changes in the demand and supply of employment space to identify changing patterns and inform any policy responses required. The Council currently monitors planning permissions granted for employment uses in the Ribble Valley on an on-going basis, as well as losses to alternative uses in its Annual Monitoring Reports by Use Class, which is to be commended.
- 10.43 In addition to this, specific items which it could be useful to monitor are identified below and could be incorporated into a re-booted Monitoring Framework for the emerging Local Plan:
- 1 Levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
 - 2 How much of the currently identified supply of employment space commitments are likely to come forward and whether any new sites emerge;
 - 3 The extent to which the new PD regime is resulting in a loss of formerly employment sites to alternative uses, and whether the new E Use Class is having an adverse effect in this regard; and,
 - 4 Any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).