

Rossendale Employment Land Review Final Report

Rossendale Borough Council

17 February 2017

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1.0 Introduction

Introduction

- 1.1 Rossendale Borough Council [RBC] commissioned Lichfields to update the previous Employment Land Review undertaken in 2009. The 2009 ELR was published at a time of considerable economic uncertainty. Since then the economic landscape has changed considerably, with the economy showing signs of a belated recovery, followed by the uncertainty surrounding the Brexit vote in July 2016.
- 1.2 An update to the review was commissioned to make use of an updated economic evidence base (including the 2011 Census and corresponding population projections) with the aim of increasing the robustness of the economic forecasts. The scope of work was subsequently widened to include an Employment Sites Review [ESR] for the Borough in June 2016. The study will provide an important element of the evidence base to inform the preparation of a new Local Plan for Rossendale Borough covering the period 2014-2034.
- 1.3 The study has involved three main stages:
- 1 **Stage 1: Taking Stock of the Existing Situation:** analysis of the economic strengths and weaknesses of the local economy, functional economic area, and an assessment of the fitness for purpose of a portfolio of designated employment sites.
 - 2 **Stage 2: Assessing B-Use Future Requirements:** testing the implications of different population/household growth scenarios on future employment space requirements for the Borough, including latest economic forecasts and housing requirements.
 - 3 **Stage 3: Identifying a Site Portfolio:** analysing the condition, status and functionality of existing employment areas, which sites should be retained to meet future employment needs and which released for alternative uses, and any need for additional sites in the area.
- 1.4 The study's approach follows the Government's Practice Guidance on undertaking economic development needs and availability assessments. It endorses the 'Brown Book' ODPM Guidance Note¹ which, although no longer extant, arguably remains a useful source of best practice.
- 1.5 The ELR considers the land and floorspace implications for the following group of B-class sectors:
- 1 B1a/b Business (offices, research & development);
 - 2 B1c/B2 Light / General Industrial; and
 - 3 B8 Storage or Distribution (warehousing and distribution).
- 1.6 The supply of B-class employment land and floorspace is considered in this report; references to "employment space" are intended to mean both land and floorspace. Industrial space in this report includes both manufacturing and distribution uses (B2 and B8 Use Class).

¹ Office of the Deputy Prime Minister (2004) Employment Land Reviews: Guidance Note

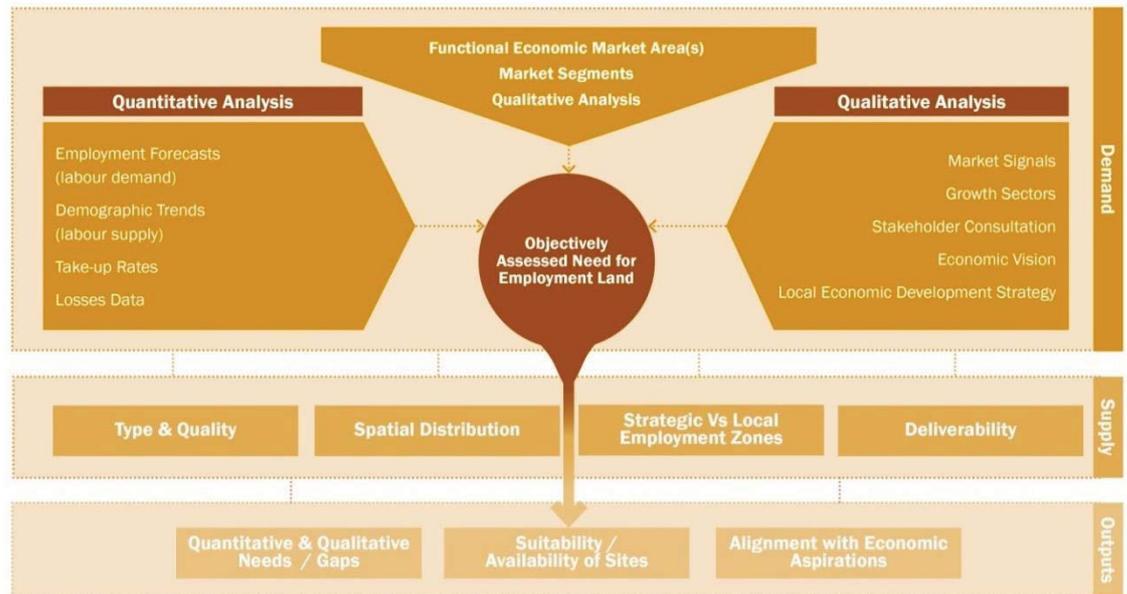
- 1.7 The study also presents the findings of a detailed assessment of the supply of employment sites in Rossendale. This includes the quantity and quality of existing employment sites and identifying potential new sites for employment uses.
- 1.8 The ELR adhere to the National Planning Policy Framework [the Framework] and Planning Practice Guidance [the Practice Guidance]. In particular, the ELR relates to the Framework [§161] in which the evidence base of Local Planning Authorities [LPAs] should assess the “*existing and future supply of land available for economic development*”.
- 1.9 The outcome of the ELR is an assessment of the strengths and weaknesses of the local economy, identification of Rossendale’s Functional Economic Market Area [FEMA], the future land requirements of B-Class uses, and an assessment of the portfolio of existing and potential employment sites in the Borough. The ELR makes conclusions on the supply of employment space in Rossendale and the implications it has for local policy.
- 1.10 As part of the study, and to ensure it reflects local characteristics and issues, consultation was undertaken with a range of stakeholders including commercial agents and business organisations. This involved a Business Survey sent out to a wide range of companies throughout the Borough.

Methodology

- 1.11 The National Planning Practice Guidance [the Practice Guidance] provides support for practitioners on how to implement the Framework. With regards to assessing economic development needs and land supply, the Guidance² states that local authorities should:
- 1 Consider their existing stock of land, identifying the demand for and supply of employment land and determine the likely business needs and future market requirements;
 - 2 Consider recent patterns of employment land supply and losses to other uses;
 - 3 Analyse market intelligence from local data, discussions with developers and agents, and engagement with businesses or economic forums;
 - 4 Consider the locational and premises requirements of particular types of business;
 - 5 Consider projections and forecasts to help identify where sites have been developed for a specific economic use;
 - 6 Analyse supply and demand to identify whether there is a discrepancy between quantitative and qualitative supply and demand for employment sites; and
 - 7 Identify where gaps in local employment land provision exist by comparing the available stock of land with the requirements of the area.
- 1.12 This study’s methodology conforms to the requirements of the Framework and the Practice Guidance which is summarised in Figure 1.1.

² 2a-030-20140306

Figure 1.1 Employment Land Methodology



Source: Lichfields

Structure of the Report

1.13

The technical report is structured as follows:

- 1 **Policy Context (Section 2.0)** – review of the relevant national and local planning policy documents, employment studies and economic development strategies;
- 2 **Economic Context (Section 3.0)** – a review of current economic conditions and recent trends in Rossendale, including an economic SWOT analysis that may affect future needs for employment space;
- 3 **Functional Economic Market Area [FEMA] Analysis (Section 4.0)** – an assessment of Rossendale’s economic geography and how it interacts with neighbouring LPAs, including analysis of labour market commuting;
- 4 **Overview of B-Class Employment Space (Section 5.0)** – analysis of the current stock and trends of employment space in the Borough in terms of mix of uses, development rates, gains and losses, age of premises, and provision in adjoining local authority areas;
- 5 **Stakeholder Consultation (Section 6.0)** – outlining the consultation Lichfields has undertaken with local businesses, agents and other key stakeholders to ensure commercially realistic and robust outputs;
- 6 **Future Growth Sectors and Needs of Non B-Uses (Section 7.0)** – an overview of the likely job growth and future land requirements of selected non B-Class sectors;
- 7 **Commercial Property Market (Section 8.0)** – a review of market signals and intelligence, including the supply of and demand for different types of employment space within Rossendale, the needs of different market segments and the findings from the business survey;
- 8 **Future Requirements for B-class Employment Space (Section 9.0)** – estimates of future employment space requirements for B-Class sectors in quantitative terms, drawing on employment forecasts and other factors;

- 9 **Review of Employment Sites Portfolio (Section 10.0)** – assessment of the quality of current and potential employment land supply against defined criteria including its attractiveness to the market and its ability to meet future needs;
- 10 **Demand/Supply Balance (Section 11.0)** - assesses the balance between current land supply and future needs, in both quantitative and qualitative terms, by comparing forecast requirements with availability of existing sites;
- 11 **Conclusions and Policy Implications (Section 12.0)** – considers policy implications arising from the current supply of sites and other measures needed to support the site portfolio and maximise economic growth in Rossendale.

2.0 Policy Context

Introduction

- 2.1 National planning policy places a particular emphasis on sustainable development through a process of:
- 1 Reviewing employment and housing land allocations to ensure the supply meets identified needs;
 - 2 Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and,
 - 3 Encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.

2.2 This section provides a summary of the relevant policy documents relating to employment land and economic development within Rossendale.

2.3 The Framework [§18-22] makes it clear that it is for LPAs to proactively plan to meet the employment land and development needs of businesses in their Local Plans. Local land targets will be tested through the Local Plan process and LPAs must collect and use reliable information to justify employment land supply policies.

National Planning Policy Framework

2.4 The Framework sets out the Government's economic, environmental and social planning policies for England. The Framework [§14] states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be seen as a 'golden thread' running through both plan-making and decision taking.

2.5 The Framework [§7] states that there are three dimensions to sustainable development: economic, social and environmental. The economic role that the planning system must perform involves contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure.

2.6 The Framework [§19] states that 'significant weight' should be placed on the need to support economic growth through the planning system. To help achieve economic growth, Local Plans should [§21]:

- 1 Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- 2 Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- 3 Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- 4 Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;

- 5 Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- 6 Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

- 2.7 The Framework [§22] also highlights that allocated employment sites for which there is no reasonable prospect of development should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
- 2.8 The Framework [§23] confirms that offices are a ‘main town centre use’, and as such, LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance within an up-to-date Local Plan:
- “They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and LPAs should demonstrate flexibility on issues such as format and scale.” [§24]*
- 2.9 The Framework [§28] indicates that LPAs are required to ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals [§158].
- 2.10 The Framework [§160] advises that LPAs should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:
- 1 Work together with county and neighbouring authorities and with Local Enterprise Partnerships [LEPs] to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and,
 - 2 Work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.
- 2.11 The Framework [§161] states that LPAs should use this evidence base to assess (inter alia):
- 1 The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period;
 - 2 The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land; and,
 - 3 Deprived locations may benefit from planned remedial action.
-

- 2.12 Public bodies have a duty to cooperate on planning issues that cross administrative boundaries [§178]. The Framework [§181] requires local authorities to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their local plans are submitted for examination. It sets out where co-operation might be appropriate and what form it might assume. It concludes that “*cooperation should be a continuous process of engagement from initial thinking through to implementation*”.

National Planning Practice Guidance

- 2.13 The Practice Guidance includes guidance on the assessment of housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice).
- 2.14 The Practice Guidance³ provides a methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements⁴.
- 2.15 Plan makers should also consider:
- 1 The recent pattern of employment land supply and loss to other uses;
 - 2 Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums);
 - 3 Market signals such as levels and changes in rental values, and differentials between land values in different uses;
 - 4 Public information on employment land and premises required;
 - 5 Information held by other public sector bodies and utilities in relation to infrastructure constraints;
 - 6 The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business);
 - 7 The locational and premises requirements of particular types of business; and,
 - 8 Identification of oversupply and evidence of market failure.
- 2.16 When examining the recent take-up of employment land, the Practice Guidance⁵ advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.
- 2.17 In terms of forecasting future trends the Practice Guidance⁶ advises that:
- 1 Plan makers should consider forecasts of quantitative and qualitative need (i.e. the number of units and amount of floorspace for other uses needed) but also its particular characteristics (e.g. footprint of economic uses and proximity to infrastructure);

³ Practice Guidance Reference 2a-001-20140306

⁴ Practice Guidance Reference 2a-030-20140306

⁵ Practice Guidance Reference 2a-031-20140306

⁶ Practice Guidance Reference 2a-032-20140306

- 2 Local authorities should develop an idea of future needs based on a range of data which is current and robust;
- 3 Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible; and,
- 4 The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified.

2.18 The Practice Guidance⁷ advises that plan makers should consider:

- 1 Sectoral and employment forecasts and projections (labour demand);
- 2 Demographically derived assessments of future employment needs (labour supply techniques);
- 3 Analyses based on the past take-up of employment land and property and/or future property market requirements;
- 4 Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

2.19 In identifying the type of employment land needed the Practice Guidance⁸ advises that:

- 1 The need for rural employment should not be overlooked;
- 2 Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately; and,
- 3 Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.

2.20 In order to derive employment land requirements, the Practice Guidance⁹ states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- 1 Standard Industrial Classification sectors to use classes;
- 2 Standard Industrial Classification sectors to type of property;
- 3 Employment to floorspace (employment density); and,
- 4 Floorspace to site area (plot ratio based on industry proxies).

Local Planning Policy

Rossendale Local Plan (2019 to 2034)

2.21 Rossendale is currently preparing its evidence base to inform the emerging Local Plan. The Plan will influence the supply of employment land for the period 2019 to 2034. The Local Plan is being prepared to accord with the Framework and Practice Guidance.

Rossendale Adopted Core Strategy (2011 to 2026)

2.22 'Policy 10: Provision for Employment' in RBC's adopted Core Strategy (2011) seeks to provide 20.84ha of employment land to meet the requirements of B1, B2 and B8 uses up to 2026. The Core Strategy outlined additional employment land requirements, such as

⁷ *Ibid*

⁸ Practice Guidance Reference 2a-033-20140306

⁹ Practice Guidance Reference 2a-034-20140306

renovation of older industrial estate, office development focused in town centres of Rawtenstall, Bacup and Haslingden, and supporting business incubator spaces.

- 2.23 The Core Strategy encourages employment land to be developed in existing urban areas and in particular in re-using mill buildings for employment purposes. It also stated its support of providing employment spaces to meet the needs of hi-tech and creative industries, with the latter being given positive consideration in Waterfoot and Bacup.
- 2.24 As part of Policy 10, the Borough sets itself two targets. Firstly it aims to achieve a 3% net increase in jobs over a five year fixed period¹⁰ and secondly it states there should not be a loss of land currently classed as B1/2/8 of more than 30% over the plan period. RBC has set ‘triggers’ that if it achieves less than a 2% increase in jobs between 2016 and 2021 or suffers a 5% loss of B1/2/8 land over a 3 year period contingency measures will be implemented – that is, dialogue will be triggered between the Council and their Regeneration Officer, alongside individuals from other organisations such as Growth Lancashire and the Lancashire Enterprise Partnership [LEP] on various issues including the suitability of land and premises, grant funding and incentive schemes¹¹.

Previous Employment Land Reviews

- 2.25 An ELS was undertaken by Lichfields in 2009. The study provided the justification for the Core Strategy’s land requirement of 20.84 ha of B1, B2 and B8 land uses over the period 2011 to 2026. It acknowledged that the economic downturn would have significant impacts on the demand for employment land but in the long term there would be a return to ‘business as usual’.
- 2.26 In addition, the report reviewed 94 developed, allocated and option sites. Many of the mill buildings found across the Borough were considered to be unable to meet modern employment requirements and therefore remained vacant or under-utilised. The sites which scored highly were generally located along the A55/M66 corridor or in Rawtenstall (towards the west of the Borough). The ELS highlighted potential to further capitalise on the accessibility of these areas through the upgrading of existing employment sites and by new employment development. The ELS concluded there was scope for allocating space for relatively small (5,000 sq. ft.) modern, good quality industrial spaces, which should be focused upon serving the local market. Because of this lack of potential inward investment the report concluded that:
- 2.27 “Rossendale appears likely to remain reliant on its industrial sectors, although these are likely to face continuing decline in employment and space needs, even if they continue to be more resilient than the regional trend. Consolidation and modest growth in manufacturing will rely on greater specialisation and higher value, higher technology products.” [§6.34]¹²
- 2.28 The ELS noted that many of even the more popular industrial estates were in need of renovation to increase their attractiveness and meet the demands of modern businesses. Furthermore, the need for both start up and follow on accommodation to develop and foster new businesses was identified. The assessment also identified local demand for industrial and office space as well as a shift towards smaller scale but hi-tech and creative industries. The ELS also recommended proactively encouraging the renewal, intensification and improvement of existing older sites to facilitate future employment growth.

¹⁰ As measured by the number of jobs created from the Annual Business Survey (ONS)

¹¹ Rossendale Borough Council (2011) Core Strategy page 86

¹² Ibid, page 79

Background Economic Studies

Lancashire Enterprise Partnership Strategic Economic Plan (2014)

- 2.29 LEP is the strategic body driving growth in the County. It was created in 2011 and covers all the local authorities within Lancashire: Blackburn with Darwen; Blackpool; Burnley; Chorley; Fylde; Hyndburn; City of Lancaster; Pendle; City of Preston; Ribble Valley; Rossendale; South Ribble; West Lancashire; and Wyre.
- 2.30 In addition to running several programmes of intervention, the LEP plans to build upon recent successes and target further growth in the advanced manufacturing sector. Within the sector Lancashire has particular strengths in aerospace, automotive, energy and nuclear. The sector also offers significant supply chain benefits to the sub-region.
- 2.31 Its strategic priorities and programmes are set out in its Strategic Economic Plan [SEP] (2014), which includes the allocation of the Growth Deal and other funds including a sector development plan; programmes for skills, transport, research and innovation; and a business growth hub. It also highlights providing ‘connectivity solutions’ to take advantage of ‘key cross-boundary opportunities’, given Rossendale’s ‘adjacency to growth opportunities in Liverpool and Manchester’. There is currently no rail service between Rossendale and Manchester, so improving transport links across the region will help to release its ‘economic and housing growth potential’.¹³
- 2.32 The potential for expansion in Rossendale’s ‘small-scale hi-tech industry’ as highlighted in the previous ELR (2009) has coincided with the priorities of the Lancashire LEP. The LEP states in its SEP that they plan to use £11m of their Growth Deal funding for a sector development programme in order to:
- “...improve the capability and capacity of Lancashire's competitive strengths in advanced manufacturing - especially in aerospace, automotive and energy.”¹⁴
- 2.33 The LEP is also responding to the low level of skills Lancashire faces, promising a ‘skills for growth programme’ which similarly will use £47m of Growth Deal funding (across the county) to deliver:
- “...a capital investment strategy consistent with agreed economic priorities, including a new Apprenticeship Hub to drive-up SME engagement and the local take-up of apprenticeships as career pathways”¹⁵.
- 2.34 This echoes the recommendation of Lichfields previous ELR which stated that the Borough should place more emphasis on:
- “...making provision for small and start-up businesses, and encouraging local business start-ups as well as facilitating expansion by established firms.”¹⁶
- 2.35 With respect to how these economic priorities will affect employment land needs, Lichfields’ 2009 ELS recommended that RBC will “in general support the creation and expansion of small businesses within the Borough” by promoting “flexible start up accommodation” in the form of small offices and industrial units within the key settlements designated for this use, namely Rawtenstall, Bacup and Haslingden. These recommendations have been taken on board by RBC with respect to their Core Strategy.

¹³ Lancashire Enterprise Partnership (2014) Lancashire Strategic Economic Plan, paragraph 2.5

¹⁴ ibid, page 4

¹⁵ ibid, page 4

¹⁶ Lichfields (2009) Rossendale Borough Employment Land Study, page 133

Sector Prospect Study: Manufacturing (2011)

- 2.36 Pennine Lancashire undertook a Sector Prospects Study for Manufacturing and Advanced Manufacturing in May 2011. This recognised the opportunities for the existing manufacturing base to export to emerging economies, but also the threat of increased competition for UK manufacturers.
- 2.37 The study highlighted that a significant proportion of manufacturing businesses in Lancashire are Small and Medium Enterprises [SMEs] with up to 249 employees. This reflects the context in Rossendale where small businesses and particularly manufacturing businesses play an important role in the local economy. The study also recognised that in the Lancashire context, salaries in the manufacturing sector are higher than average.
- 2.38 The study outlined the risks and threats to the sector and outlined a number of recommendations to maintain the competitive strengths of manufacturing in Lancashire. These were focused upon the need for skills development and research rather than the employment space or site requirements of businesses.

Business Support Programmes

- 2.39 Evidence of the areas' entrepreneurial activity can be seen with regard to the Government's Regional Growth Fund [RGF]; £11.5m of which has been spent to help grow Lancashire businesses¹⁷. To date Rossendale has received £504,000 in RGF funds which have supported businesses with growth projects and capital funding for machinery and property expansion. These projects have created almost 100 net jobs in Rossendale.
- 2.40 Additionally, the Boost Business Lancashire programme provides specialist support to high growth potential start-ups and existing businesses. The net outputs to date from the programme's activities in Rossendale are 52 businesses supported, 5 new businesses created, 44 new jobs and £1.6m GVA generated.

Engines of Prosperity: New Uses for Old Mills

- 2.41 Historic England recently published this report which provides a case study into the regeneration issues and opportunities associated with vacant and under used mills in West Yorkshire¹⁸. Whilst the case studies are mills are outside of Rossendale they highlight that bringing disused mills back into use can act as a catalyst for wider regeneration and growth. The process also creates jobs and attracts investment.
- 2.42 The study also raised important challenges in refurbishing mills though, such as potentially low occupier demand, the cost of adaptation, site constraints and structural issues.
- 2.43 The study provides a valuable insight into the potential role of mill buildings, and many of the lessons relate to the context in Rossendale. The issue of old mills and their suitability for current and future need is assessed in Section 10.0 of this report.

¹⁷ Growth Lancashire Ltd (2016) Business support monitoring data

¹⁸ Historic England (2016) Engines of Prosperity: New uses for old mills

3.0 Economic Context

Introduction

- 3.1 This section outlines the economic context in Rossendale, and draws comparisons to its position in the wider region and UK context. The context is important for identifying strengths and weaknesses in the local economy and the factors that influence the need for future employment space.
- 3.2 Rossendale's economic context is reflective of its industrial past. The Borough has witnessed slower economic growth over the last 30 years compared to the rest of the country and region. This has been driven by a decline in traditional local industries such as textiles, clothing and footwear. Consequently, some of the former mill buildings are underutilised, and due to the Borough's topography there are difficulties in finding suitable sites for employment uses. This also presents growth opportunities for the Borough though. Many of the mill buildings have potential to be renovated for employment or housing uses. Targeted regeneration of key sites could act as a catalyst for wider growth over the coming plan period.

Economic Conditions and Trends

Employment

- 3.3 There are around 25,000 jobs¹⁹ currently in Rossendale. This has decreased by 7.4% since 1997, whilst the North West and UK experienced job growth of 12% and 17.4% respectively. The main driver of this change has been a loss in traditional industries, for example textiles and shoe manufacturing which the area is renowned for. Since 1997 the number of jobs in textiles and clothing manufacturing has decreased by 2,800 to just 400 in 2015. This is the largest decrease of all employment sectors.
- 3.4 Table 3.1 summarises the changes in sector employment in Rossendale between 1997 and 2015, as well as forecast employment by 2034. This includes an overview of the main types of employment space typically occupied by each sector. A more detailed sector breakdown is shown in Table 3.1 and Figure 3.1. The data shows that the job losses between 1997 and 2015 have predominantly been in manufacturing industries. In other areas of the UK and North West this has been mitigated or outbalanced by an increase in employment in the service sector. However, this has not been sufficient in Rossendale to outweigh the overall losses.
- 3.5 Employment forecasts expect an increase of 1,600 jobs in Rossendale by 2034²⁰. This equates to growth of 6.4%, which is lower than the forecast growth in the North West (7.9%) and the UK (11.8%). The services sector is expected to be the main driver of future employment growth in Rossendale. Currently, around half of all jobs in Rossendale are based in industries which are traditionally not located in offices or industrial units (which is in line with the experience nationally).

¹⁹ Experian (September 2016) UK Local Market Forecasts Quarterly – Workforce Jobs

²⁰ ibid

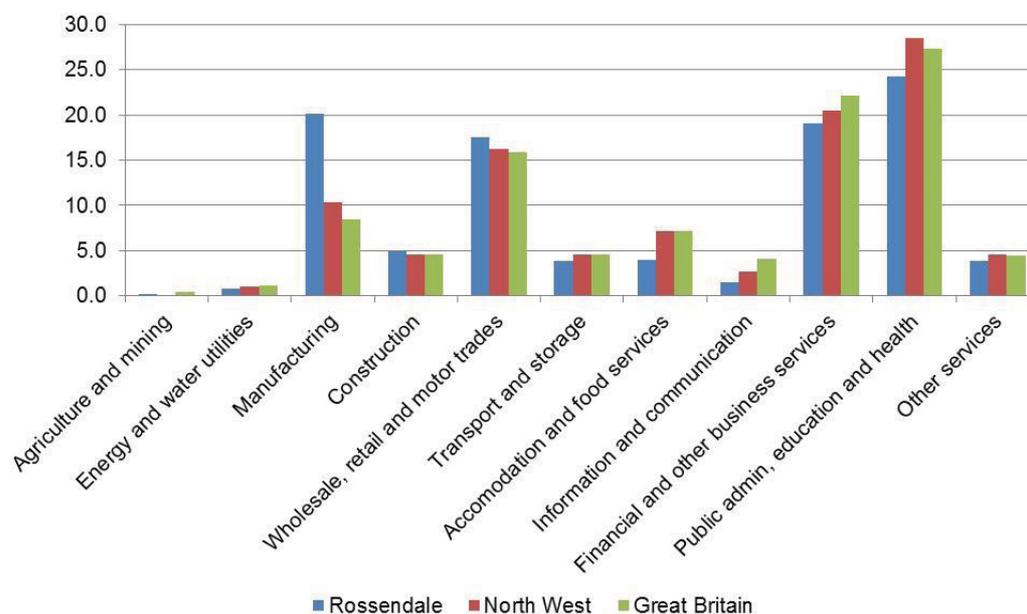
Table 3.1 Broad sector employment change 1997 to 2034

Sector	Employment Space	1997	2015	2034
Construction	N/A	1,564	1,670	1,760
Education	D1	1,042	2,490	2,795
Health & social care	D1 / C2	2,189	3,230	4,140
ICT	B1(a) / B8 / Sui Generis	313	311	311
Leisure & recreation	A3 / C1 / D2 / Sui Generis	1,042	1,763	2,174
Manufacturing	B1(c) / B2	9,278	5,083	4,347
Public sector administration	B1(a) / A1	417	311	311
Retail and wholesale	A1 / B8 / Sui Generis	4,483	4,357	4,761
Services	B1(a) / A2	5,108	4,564	4,761
Transport	B8	1,355	830	932
TOTAL		27,000	25,000	26,600

Source: Experian (September 2016) UK Local Market Forecasts Quarterly – Workforce Jobs

3.6 Figure 3.1 compares the sector distribution of employment in Rossendale to the North West and Great Britain. It shows that despite its decline in recent years, the manufacturing sector employs around twice as many people in Rossendale as it does in the North West or Great Britain. In contrast, jobs in Rossendale are under-represented in financial and other business services, as well as the public sector (such as education and health).

Figure 3.1 Percentage of employee jobs by sector (2014)



Source: ONS (2016) Business Register and Employment Survey

Business Demography and Enterprise

3.7 Rossendale has 2,785 businesses, and like the rest of the region and country most of these are classed as Small and Medium Enterprises [SMEs] with up to 249 employees.

However there are more micro businesses with up to 9 employees in Rossendale than the North West or UK. Table 3.2 summarises the business stock in Rossendale and draws comparisons with the North West and UK.

Table 3.2 Size of businesses

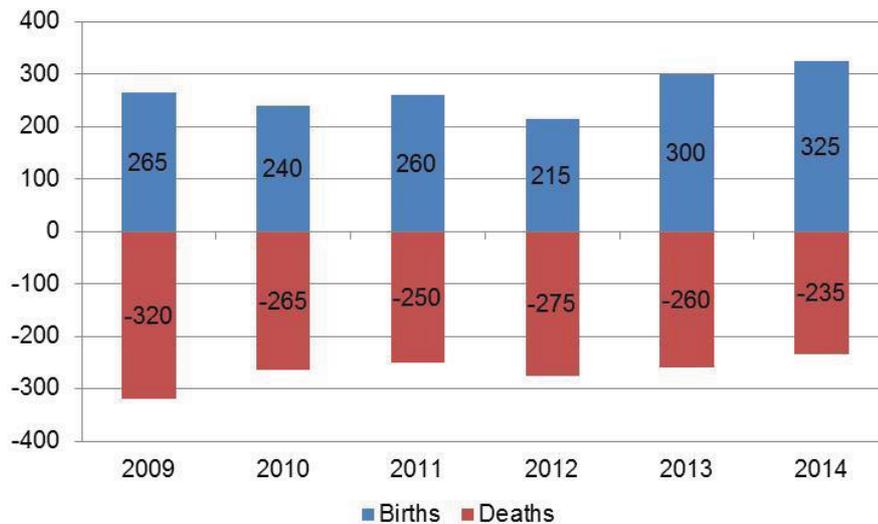
Size band	Rossendale		North West	UK
Total	2,785	100.0%	100.0%	100.0%
Micro (0 to 9)	2,345	84.2%	82.1%	83.6%
Small (10 to 49)	370	13.3%	14.4%	13.3%
Medium-sized (50 to 249)	60	2.2%	3.0%	2.7%
Large (250+)	10	0.4%	0.5%	0.4%

Source: ONS (2016) Inter-Departmental Business Register

3.8

Between 2009 and 2013 the stock of businesses in Rossendale decreased each year until the trend was reversed in 2014²¹. In 2009, 2010 and 2012 the number of business deaths was greater than the number of business births, resulting in a net decrease in these years. Figure 3.2 presents the number of business births and deaths in Rossendale between 2009 and 2014.

Figure 3.2 Business births and deaths in Rossendale (2009 to 2014)



Source: ONS (2015) Business Demography

3.9

The percentage of business deaths of the whole business stock has been lower in Rossendale than in the North West or UK in most years between 2009 and 2014. However, the Borough is also less enterprising and its proportion of business births of the whole business stock was lower than the region or UK. This is shown in Table 3.3, which summarises business births and deaths as a percentage of the total business stock.

²¹ ONS (2015) Business Demography

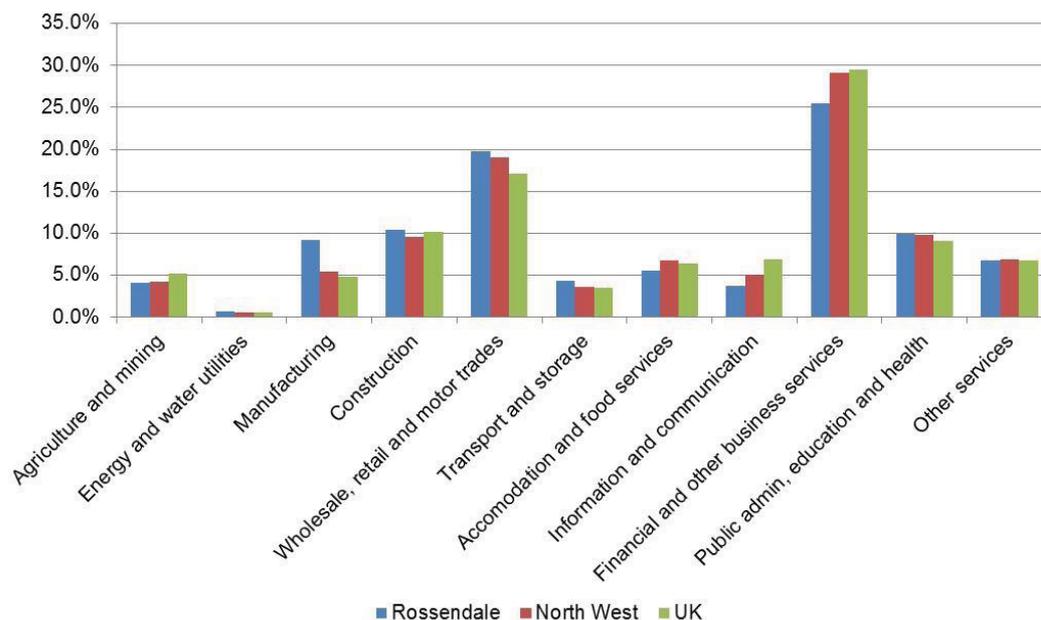
Table 3.3 Business births and deaths as a percentage of business stock (2009 to 2014)

	Area	2009	2010	2011	2012	2013	2014
Births	Rossendale	10.0%	9.2%	10.0%	8.4%	11.8%	12.6%
	North West	10.1%	9.7%	11.1%	11.4%	14.7%	13.7%
	UK	10.1%	10.0%	11.2%	11.4%	14.1%	13.7%
Deaths	Rossendale	12.1%	10.1%	9.6%	10.8%	10.2%	9.1%
	North West	12.8%	11.2%	10.9%	11.3%	10.1%	10.1%
	UK	11.8%	10.6%	9.8%	10.6%	9.7%	9.6%

Source: ONS (2015) Business Demography

3.10 Reflecting patterns of employment in Rossendale, the manufacturing sector is over represented compared to the North West or UK. There are also more businesses in wholesale, retail and motor trades. There are fewer businesses in financial and other business services however which is likely to mean less demand for office space in the Borough. There is also an oversupply of office space in Rossendale, reflected in the low take up at the Rising Bridge offices. Figure 3.3 compares the sector profile of businesses in Rossendale to the North West and UK.

Figure 3.3 Business sector profile (2015)



Source: ONS (2016) Inter-Departmental Business Register

3.11 The profile of businesses in Rossendale suggests that there is a low churn or turnover in the stock and low start-up rates. This is likely to suppress the employment space required in the Borough. Additionally, the stock of current businesses is predominantly 'micro' in size and are likely to require smaller spaces as a consequence. There are, however, a number of anchor businesses in the Borough such as JJO, which are spread across multiple sites due to a lack of large sites. The business population is biased towards manufacturing and wholesale sectors which will require B1(c), B2 or B8 type premises rather office spaces.

Labour Market

- 3.12 Rossendale has an economically active population of 33,400, with an activity rate of 61.1%²². This is slightly higher than the regional average of 60.8% but lower than the UK rate of 63.2%. In response to the economic climate the size of the economically active population has fluctuated in recent years but overall has grown over the last decade by 3.7%. This growth rate is lower than the North West (4.8%) and also lower than the UK (9.1%).
- 3.13 Most people who are economically active in Rossendale are also employed; 32,700 were employed in 2015. This is 59.7% of the working age population aged 16 or above. This is comparable to the UK rate of 59.9% and higher than the North West rate of 57.5%.
- 3.14 Between 2005 and 2015 the number of people employed in Rossendale increased by 5.8%. This is greater than the North West (4.7%) but lower than the UK growth of 8.7%. Figure 3.4 shows changes to the employment rate in Rossendale, the North West and UK over the last decade. Whilst Rossendale experienced a greater decrease in the employment rate following the recession it has since recovered to outperform the rest of the North West in recent years.

Figure 3.4 Employment rate (2005 to 2015)²³



Source: ONS (2016) Annual Population Survey 2005 to 2015

- 3.15 Unemployment in Rossendale has yet to fall to its pre-recession levels. The Borough's unemployment rate was 5% over the year to March 2016, compared to a pre-recession average of 4.3% between 2004 and March 2008²⁴. However, the current unemployment rate in Rossendale is slightly lower than both the North West (5.3%) and UK (5.1%).
- 3.16 Figure 3.5 shows the proportion of people aged 16 to 64 claiming Jobseekers Allowance [JSA] benefits from January 2005 to June 2016. For nearly all of this period the rate has been lower in Rossendale than both the North West and UK. Whilst the increase in claimant rates during the recession was greater in Rossendale than other areas, the Borough also recovered faster in 2010. This contrasts with the history of employment

²² ONS (2016) Annual Population Survey 2005 to 2015

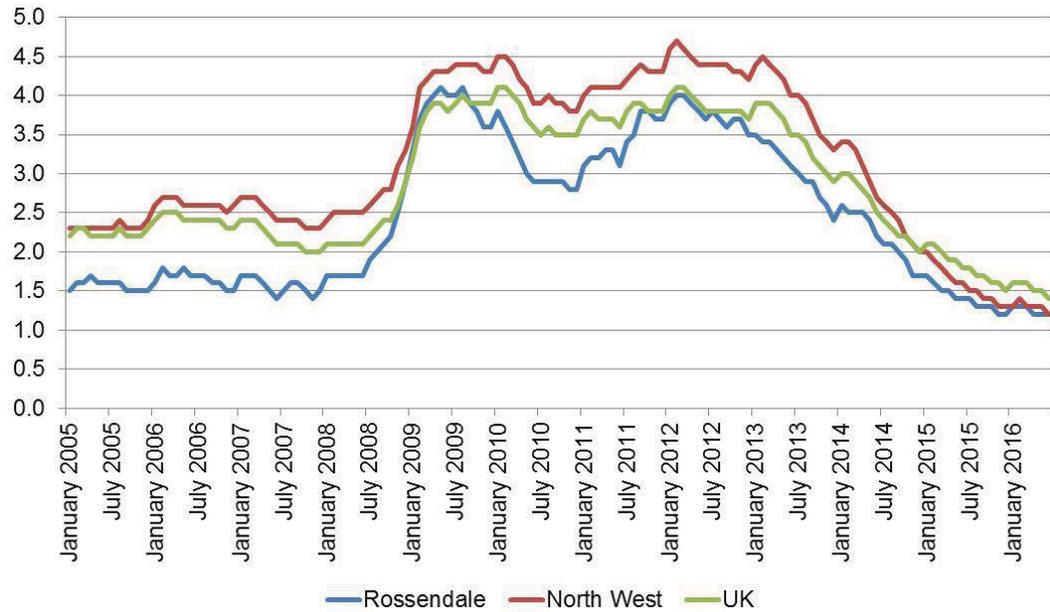
²³ Note: The Annual Population Survey is based on a sample of survey responses and is prone to fluctuations, which can be exacerbated at smaller scale geographies and areas with small populations

²⁴ ONS (2016) Annual Population Survey Model Based Estimates of Unemployment

rates (Figure 3.4) in the Borough which showed a greater decrease compared to the region and UK.

- 3.17 It is worth noting that the introduction of Universal Credit benefits in 2013 has affected the number of people claiming JSA, resulting in a tail-off at the end of the series. However, statistics on take up in Rossendale are not yet available.

Figure 3.5 Jobseekers Allowance claimant rate of people aged 16-64 (2005 to 2016)



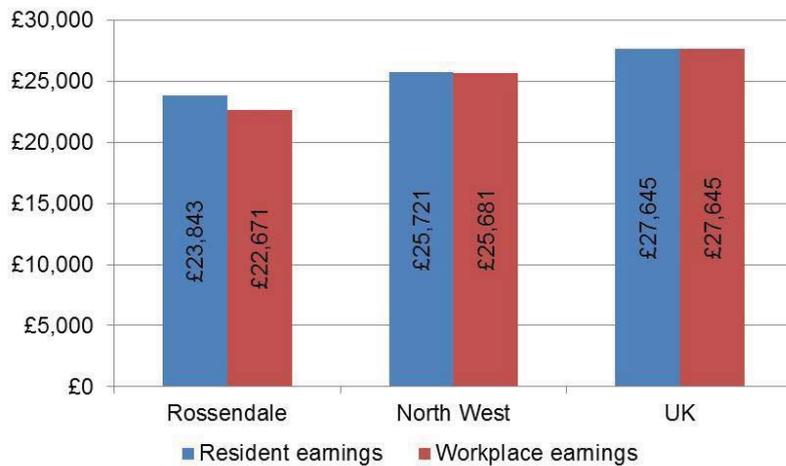
Source: ONS (2016) Jobseekers Allowance

Earnings

- 3.18 Annual median resident earnings are currently £23,843 in Rossendale, whilst workplace earnings are £22,671²⁵ (see Figure 3.6). Resident earnings are nearly £2,000 higher in the North West and nearly £4,000 higher in the UK. Workplace earnings are also much higher in the North West and UK (£25,681 and £27,645 respectively). Whilst this is unfavourable for residents and people working in Rossendale it is advantageous for businesses as labour costs are lower. Lower earnings can create issues of low mobility in the labour market. This can be caused where potential workers are discouraged from travelling long distances (whether real or perceived distance) for lower wages.

²⁵ ONS (2016) Annual Survey of Hours and Earnings

Figure 3.6 Gross annual median earnings (2015)



Source: ONS (2016) Annual Survey of Hours and Earnings

Table 3.4 Change in gross annual median earnings 2005-2015

	Resident earnings				Workplace earnings			
	2005	2010	2015	2005-2015	2005	2010	2015	2005-2015
Rossendale	£20,367	£22,191	£23,843	17.1%	£16,369	£18,507	£22,671	38.5%
North West	£21,923	£24,291	£25,721	17.3%	£21,777	£24,127	£25,681	17.9%
UK	£22,888	£25,882	£27,645	20.8%	£22,888	£25,882	£27,645	20.8%

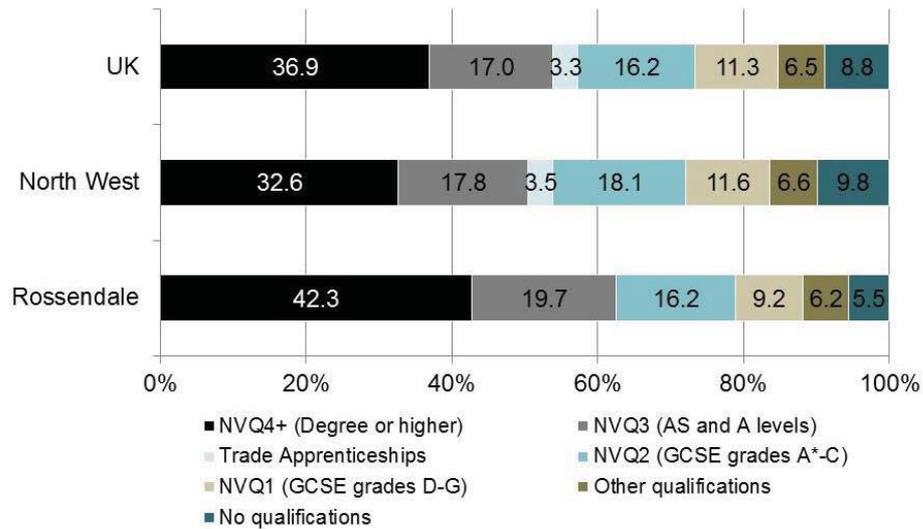
Source: ONS (2016) Annual Survey of Hours and Earnings

3.19 Table 3.4 indicates that annual median earnings have increased over the last decade in Rossendale, the North West and UK. Whilst workplace earnings are still lower in Rossendale than the comparison areas, they have grown at a faster rate. In comparison however, resident earnings have seen relatively sluggish growth that is below both the regional and national growth rates.

Skills and Occupations

3.20 Figure 3.7 presents the skills profile of the population aged 16 to 64 in Rossendale, the North West and UK. The population in Rossendale is well qualified and has higher skill levels compared to the North West or UK. In particular more than two fifths of the population are qualified to degree level or above, compared to only a third in the region. At the opposite end of the skills spectrum, there are fewer people with no qualifications in Rossendale than the region or UK.

Figure 3.7 Qualifications of population aged 16-64 (2015)



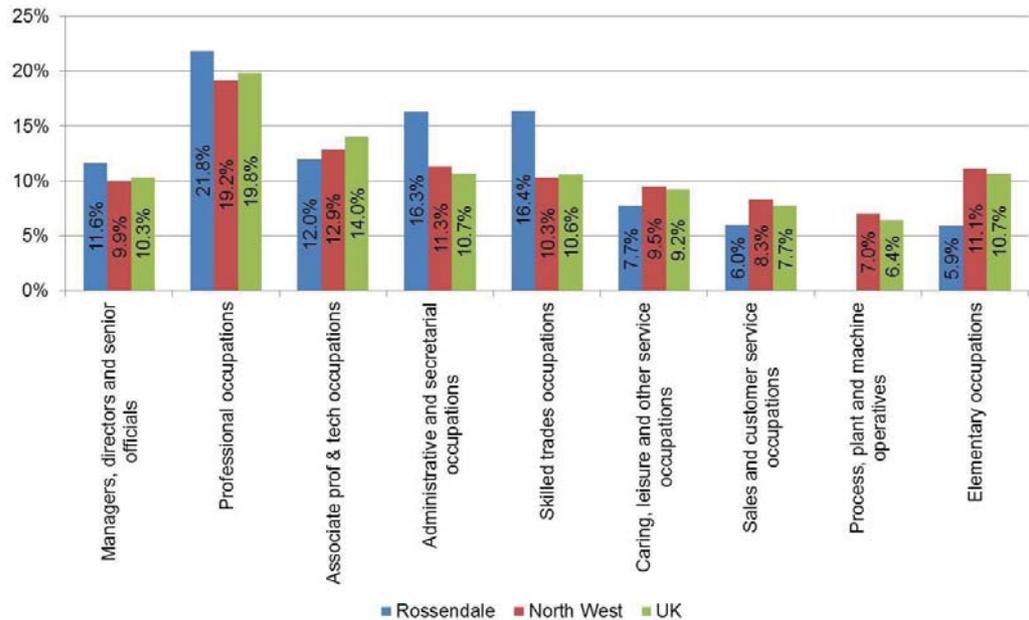
Source: ONS (2016) Annual Population Survey

Note: There is no information available on the proportion of people with trade apprenticeships in Rossendale due to the small sample size of the survey.

3.21

Figure 3.8 compares the occupations of people employed in Rossendale to the North West and UK. Rossendale has a greater proportion of residents who have senior and professional roles than the region and UK, such as managers and directors. The Borough also has more residents working in skilled trades occupations which is likely to be a reflection of its industrial heritage. The proportion of people working as process, plant and machine operatives is not available for Rossendale due to the size of the survey sample.

Figure 3.8 Workforce occupations, by residence (2015)



Source: ONS (2016) Annual Population Survey

3.22

Rossendale’s workforce and resident population are generally more highly qualified and work in higher-skilled roles than the rest of the region and UK. People living in the

Borough are also more likely to hold degrees and work in managerial or professional occupations.

- 3.23 However, this does not necessarily mean that these highly skilled residents also work in the Borough. Indeed, given the relatively low wages on offer it is likely that a significant proportion choose to live in the Borough and commute to higher earning jobs in nearby conurbations such as Manchester, Blackburn and Preston.

Deprivation

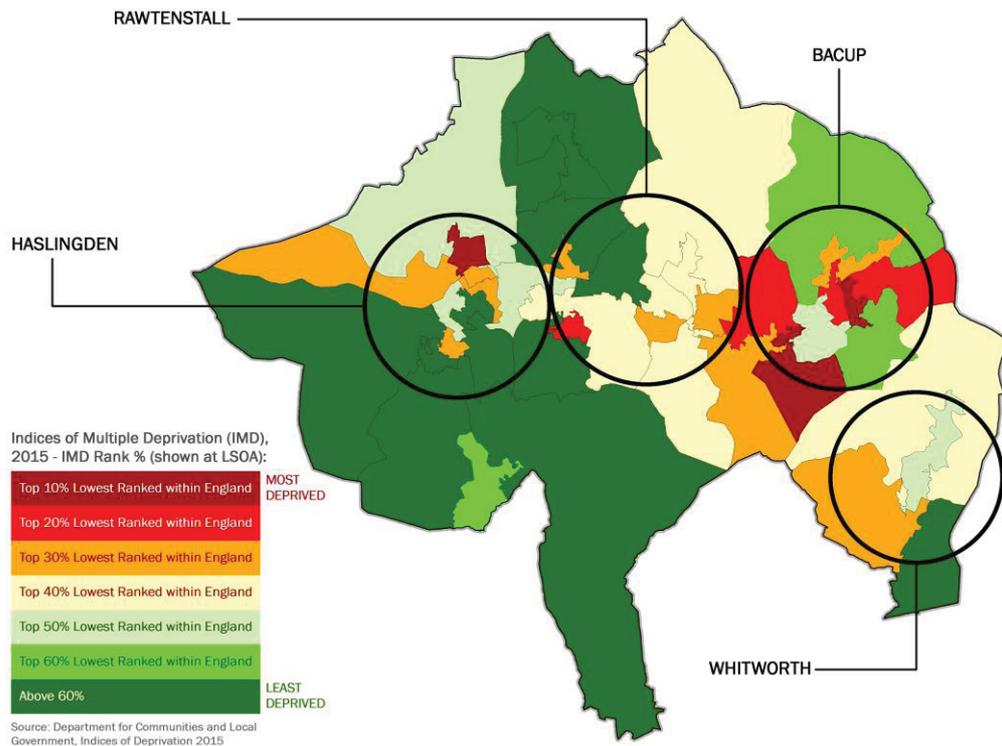
- 3.24 The Department for Communities and Local Government [CLG] monitors geographical deprivation in England and Wales with the Indices of Multiple Deprivation [IMD]. The indices measure relative deprivation in Lower Super Output Areas [LSOAs] in England. The IMD is derived from seven domains of deprivation:

- 1 Income;
- 2 Employment;
- 3 Education, skills and training;
- 4 Health and disability;
- 5 Crime;
- 6 Barriers to housing and services; and
- 7 Living environment.

- 3.25 The latest data from 2015 shows that there are hotspots of deprivation in Rossendale (see Figure 3.9). The dark red and red areas in the figure show the top 10% and top 20% deprived LSOAs in England. With the exception of North Haslingden and the Hall Carr Estate in Rawtenstall, deprivation in Rossendale is more acute in the east of the Borough around Stacksteads and Bacup.

- 3.26 The domains that are driving deprivation in Rossendale are income and employment. This reflects the important role that the Local Plan will need to play in helping to supply space for businesses to grow and create jobs to tackle deprivation. The health and disability domain is also a factor contributing to deprivation in Rossendale.
-

Figure 3.9 Indices of Multiple Deprivation 2015



Source: CLG (2015) Indices of Multiple Deprivation. Lichfields analysis

3.27 Two wards within Rossendale have ‘c’ class assisted area status. This means that SMEs with up to 250 employees can receive additional financial support within European Commission state aid rules. Support can be provided in a number of areas including investment in a new establishment, expansion or diversification of existing establishments, or for fundamental changes to a business’s processes. The wards are Greenfield and Worsley, in the west of the Borough covering Haslingden and Acre.

SWOT Analysis

3.28 Table 3.5 provides an analysis of the Strengths, Weaknesses, Opportunities and Threats [SWOT] facing Rossendale. This draws upon the analysis in this section to consider the main implications for employment land in the Borough.

Table 3.5 SWOT analysis

Current Strengths	Current Weaknesses
<p>Greater representation of manufacturing businesses than the region or UK</p> <p>Lower business death rate than the region or UK</p> <p>Well qualified workforce</p> <p>More people working in managerial and professional occupations than region or UK</p> <p>Lower workplace earnings are attractive to businesses</p> <p>Proximity to key growth areas of Manchester, Leeds and Liverpool</p>	<p>Employment has declined in recent years due to structural restructuring</p> <p>Resident earnings are low compared to the region and UK</p> <p>Hotspots of deprivation driven by lower incomes and fewer employment opportunities</p> <p>Smaller proportion of businesses and employment in more productive service sectors</p> <p>Business and employment sectors favour other types of employment space above offices</p> <p>Quality of some existing premises are unsuitable for the needs of modern businesses</p>
Current Opportunities	Current Threats
<p>Service sector forecast to drive future job growth</p> <p>Former mill buildings offer regeneration opportunities and could act as catalyst for wider economic growth</p> <p>Large base of smaller businesses means their space requirements are more flexible than a large number of large businesses</p> <p>More prosperous areas in the west of the Borough are driving demand for employment space</p>	<p>Low business start-up rates mean regeneration and uptake of new employment space may be slow</p> <p>Some key local businesses occupy sites which do not meet their needs</p> <p>Forecast job growth rate is lower than the North West or UK</p> <p>Short supply of fit-for-purpose industrial premises and oversupply of office space</p> <p>Topography and flood risk limits the amount of land available for businesses and raises the risk of conflicts with neighbouring uses</p>

4.0 FEMA Analysis

Introduction

4.1 This section provides a broad overview of Rossendale's FEMA, looking at local authority level data for commuting. In accordance with the Practice Guidance the analysis uses the most up-to-date data from the 2011 Census.

4.2 The Practice Guidance²⁶ provides advice on how a FEMA can be defined. It states that commercial property market geographies should be thought of in terms of market requirements for the location of premises and spatial factors used in analysing demand and supply. The Practice Guidance²⁷ goes on to state that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However FEMAs can be defined by taking account of factors including travel to work areas and housing market areas²⁸.

4.3 More detailed guidance on how to define a FEMA is provided by CLG. This states that examining commuting flows can help to define the FEMA of an economy²⁹. These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.

4.4 The ONS defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas [TTWAs] for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500.

Spatial Profile

4.5 Rossendale is a predominantly rural authority in Lancashire, though the population is concentrated in the settlements along the valley floors. The Borough is bounded by the authorities of Bury (to the south-west), Rochdale (to the south-east), Calderdale (to the east), Burnley (to the north), Blackburn-with-Darwin (to the west) and Hyndburn (to the north-west).

4.6 Rossendale occupies a strategic location within the region, astride the M66/A56(T) linking the M60/M62 with the M65 motorway. This connectivity and the proximity to Manchester make Rossendale highly accessible and able to play an important role within the sub-region, acting as a gateway to Pennine Lancashire as a whole. However connectivity and accessibility using public transport is more limited.

4.7 The Borough is defined by a series of interlocking valleys dissecting open moorland, which has determined how it has grown and developed over the years. A series of closely linked small towns line the valley floors, the largest being Rawtenstall and Bacup.

Commuting Patterns and TTWAs

4.8 Analysis of TTWAs across the country was carried out by ONS in 2015, based on 2011 commuting patterns. This analysis considered most of Rossendale to be contained within

²⁶ Practice Guidance Reference 2a-012-20140306

²⁷ *Ibid*

²⁸ *Ibid*

²⁹ CLG (2010) Functional Economic Market Areas: An Economic Note

the wider Blackburn TTWA (see Figure 4.1). The Blackburn TTWA area extends west to Blackburn and North to Clitheroe. The south east corner of Rossendale was included in the Manchester TTWA. This reflects commuting patterns of Rossendale residents living in places like Whitworth who commute into Rochdale and other areas of Greater Manchester.

- 4.9 Consultation with Council Members and other stakeholders highlighted that many consider Rossendale’s relationship with Greater Manchester to be stronger than its relationship with Blackburn and Darwen. The Borough as a whole has high levels of outward commuting to Greater Manchester. The inclusion of most of Rossendale in the Blackburn TTWA is reflective of the low self-containment of the predominantly rural area and is considered by ONS to be a best-fit for the Borough.

Figure 4.1 ONS Travel-to-work-areas based on 2011 Census commuting data



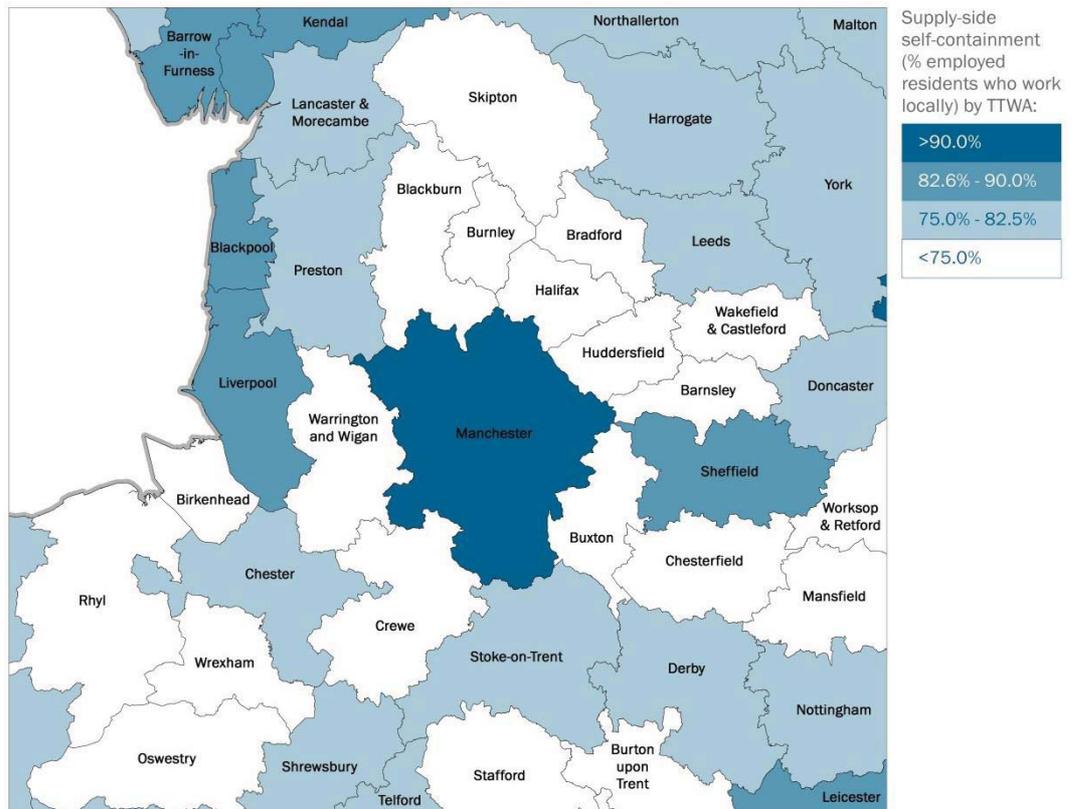
Source: ONS (2015) Census 2011 Travel To Work Areas

- 4.10 At the time of the 2011 Census 16,796 residents lived and worked in Rossendale Borough, out of a total of 24,372 people working in the Borough. This means 69% of people working in the Borough also live there, which is below the 75% level considered to be a self-contained FEMA as defined by CLG guidance³⁰. Out of the 32,936 residents in employment who live in Rossendale only 16,796 both live and work there³¹. At 51% this is again too low to classify Rossendale as a self-contained FEMA.
- 4.11 Figure 4.2 shows the supply side self-containment of TTWAs. TTWAs where the percentage of employed residents who work locally is below 75% are shown in white.

³⁰ CLG (2010) Functional Economic Market Areas: An economic note. Note: a commonly accepted approach to defining a FEMA is where at least 75% of a Travel to Work Area’s resident economically active population also work in the area, and of all those working in the area at least 75% also live there.

³¹ Census (2011) Place of residence and place of employment

Figure 4.2 Supply side self-containment of TTWAs

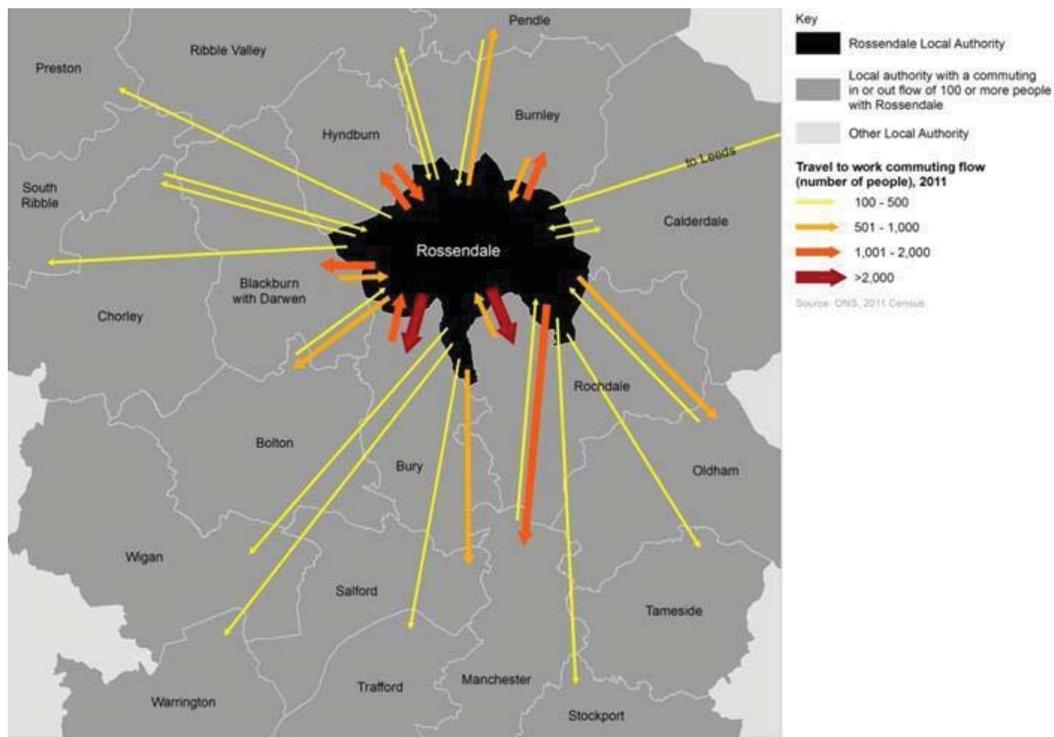


Source: ONS (2015) 2011 Census and ONS Geography GIS & Mapping Unit. Lichfields analysis

- 4.12 Rossendale has a net outflow of 8,564 commuters³². Whilst 7,576 people commute in to Rossendale, 16,140 people commute outwards. This reflects that Rossendale Borough boundary overlaps with multiple TTWAs and residents commute into other FEMAs.
- 4.13 A large number of people living in Rossendale commute out to Greater Manchester. More than a quarter or 8,903 of Rossendale’s working residents commute to the ten local authorities that make up Greater Manchester (see Figure 4.3). There are also significant flows of at least 1,000 commuters from Rossendale travelling to Burnley, Hyndburn and Blackburn with Darwen.
- 4.14 The patterns of in-commuting follow similar trends; most people commute into Rossendale from the surrounding Boroughs of Hyndburn and Bury. This suggests that, again, Rossendale Borough in isolation does not comprise its own FEMA, but instead overlaps with adjoining TTWAs.

³² ONS (2015) Census 2011 and ONS Data Visualisation Centre

Figure 4.3 Rossendale Commuting Flows

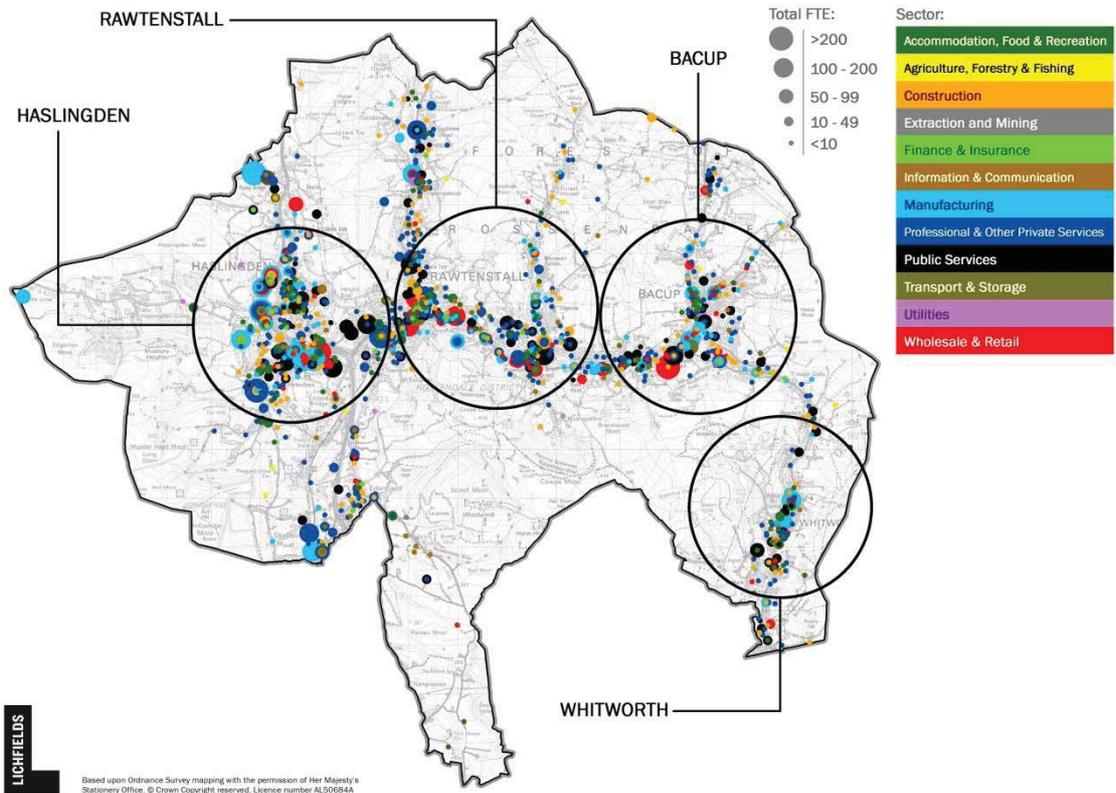


Source: ONS (2015) Census 2011, Lichfields analysis

- 4.15 The spatial distribution of businesses in Rossendale helps to explain the Borough's relationship with neighbouring authorities (**Error! Reference source not found.**). The largest cluster of businesses is in Haslingden. This is to be expected given the size of the settlement, combined with the excellent connectivity of the town to the A56 and M66 and, from there, to adjoining districts to the south in particular. This ensures that a relatively high number of Haslingden employees live in Bury and Rochdale and commute to work in Rossendale (and vice versa).
- 4.16 Whilst there are businesses of all sizes distributed across the Borough, there is a concentration of large manufacturing businesses in Haslingden. This is likely to be attributable to the accessibility of the A56 and M66, which makes the town more attractive to large manufacturing businesses requiring prompt delivery of components and materials, as well as access to a wider labour market.
- 4.17 Businesses within the main settlements generally have more employees per outlet than companies located in more rural and peripheral parts of the Borough. This may be partly a result of businesses within settlements having greater access to labour supply and potential clients and customers. This also indicates that many smaller businesses located outside of the main settlements serve local, indigenous markets and therefore access to a large, highly skilled, labour market is less important for their business needs.
- 4.18 There are however notable exceptions to this. As can be seen from the IDBR data in Figure 4.4, north of Haslingden in Rising Bridge there is a cluster of businesses that comprise large scale manufacturing. This is a prominent location with good accessibility to the A56, facilitating connectivity to the rest of the Borough as well as north to Lancashire (particularly Accrington and Blackburn). In the south-west of the Borough there is also a cluster of businesses that are larger than would be expected from its location. However, this cluster (in Stubbins) has excellent accessibility to Ramsbottom

and the rest of Bury. It is likely that a significant proportion of the employees working for these businesses live outside the Borough.

Figure 4.4 Spatial distribution of businesses in Rossendale



Source: ONS (2016) Inter-Departmental Business Register Micro-level Data - Lichfields analysis

4.19 ONS jobs density data for 2014 shows that there are 23,000 jobs in Rossendale at a density of 0.54³³. This is below the North West (0.78) and Great Britain (0.82) rates, as well as being lower than all of its neighbouring authorities (Table 4.1). The jobs density data indicates that for nearly every two people aged 16-64 there is one job available in Rossendale. This low job density figure is likely to contribute to the relatively high levels of out commuting from Rossendale.

Table 4.1 Jobs density in Rossendale and neighbouring authorities

Area	Jobs Density
Rossendale	0.54
Blackburn with Darwen	0.78
Burnley	0.73
Bury	0.65
Calderdale	0.84
Hyndburn	0.63
Rochdale	0.61

³³ ONS (2014) Jobs Density

North West	0.78
Great Britain	0.82

Source: ONS (2014) Jobs Density

Summary

- 4.20 The analysis shows that Rossendale Borough does not comprise a self-contained FEMA. Instead the Borough is split, forming part of both the wider Blackburn and Manchester TTWAs and their corresponding economic geographies. This means that the patterns of economic activity and demand for premises in the Borough are likely to be focused to the west by the Blackburn TTWA and to the south by the Manchester TTWA. Supplying new sites and regeneration opportunities in these areas will ensure that Rossendale’s blurred FEMA is reflected as closely as possible.
- 4.21 In terms of the implications of this, the Framework is not as prescriptive regarding addressing business needs in full across the FEMA as it is regarding the need to meet housing needs across an HMA. Instead, paragraph 160 requires LPAs to have a “*clear understanding of business needs within the economic markets operating in and across their area*”. To achieve this, they should:
- “work together with county and neighbouring authorities and with LEAs to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
- work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.”*
- 4.22 This nevertheless raises important considerations for the effective planning of employment space in Rossendale. The duty to cooperate with neighbouring authorities is especially important given Rossendale’s economic relationship and commuting patterns with neighbouring authorities. The Borough will need to co-operate with neighbouring authorities over the plan period to ensure that the needs of businesses and commuting residents are being effectively met.
- 4.23 Pragmatically, it is also vital that Rossendale considers the supply and demand for employment space within its own Borough boundaries. The Local Plan must ensure that there is sufficient local supply in Rossendale for its businesses to expand and grow.
- 4.24 As we will see from the consultation exercise with adjoining authorities, reported in Section 6.0 of this ELR Update, although some of the local authorities have strong commuting and migratory relations with Rossendale, none of the LPAs have specifically requested that Rossendale should take on some of their employment land shortfall, or vice versa.
- 4.25 Whilst much of the demand is expected to be in the west and south of the Borough, there is also an opportunity for the Local Plan to encourage wider regeneration in Rossendale. In particular targeting sites along the central corridor from Waterfoot to Bacup could help drive regeneration. Whilst recognising that this would be difficult given site specific and broader access constraints, the identification of sites for smaller indigenous industrial units would help to spread the economic benefits of development more evenly across the Borough, rather than focusing it on the areas closest to neighbouring economic drivers.
- 4.26 Consultations with stakeholders highlighted Rossendale’s blurred FEMA. Commercial agents reported that whilst the market was driven by indigenous businesses there were
-

cases where businesses looked to move to Rossendale because of its proximity to Manchester. Similarly, some businesses that could not find premises in Rossendale looked for premises in alternative locations such as Rochdale, Bury, Burnley and Blackburn. However consultations with neighbouring authorities highlighted that there are no formal agreements on employment land with Rossendale (see Section 5.0 below). The business survey highlighted that the west of the Borough is a popular location (as is apparent from the IDBR mapping data) because it gives good access to the A56 and wider motorway network. Many of the respondent businesses trade across the UK and EU, meaning that whilst most businesses draw labour from the surrounding area many of them operate across a much larger geography.

5.0 The Current Stock of Employment Space

Introduction

5.1 This section provides an overview of the current stock of B-Class employment space in Rossendale. It also summarises recent trends and changes to supply. The analysis has focused on the three main types of employment uses; office [B1 a/b], manufacturing and light industrial [B1c/B2] and warehousing and distribution [B8].

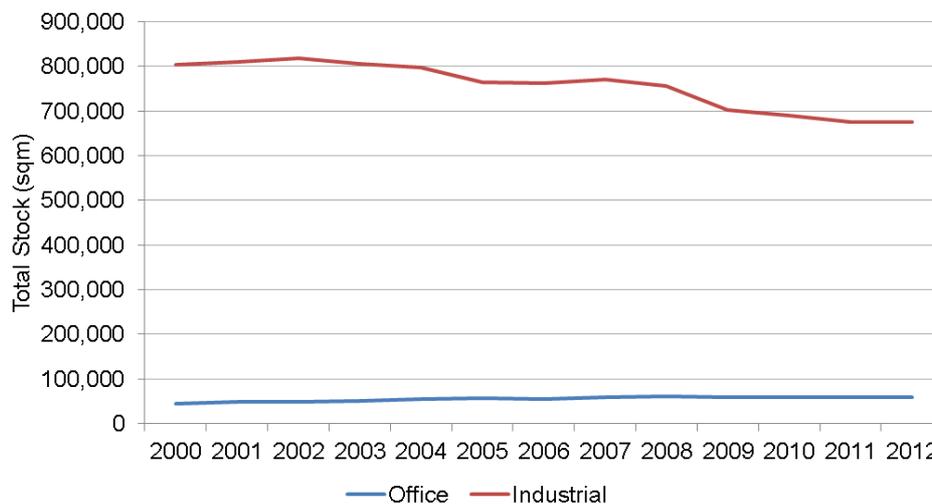
5.2 This analysis uses data from the following sources:

- Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
- Monitoring data on commercial space from Rossendale Borough Council; and
- EGi Property Link database and other commercial property sources.

Current Employment Space Stock

5.3 In total, Rossendale has approximately 750,000 sq m of employment land, of which 90% is industrial³⁴. Figure 5.1 shows that over the period 2000 to 2012 commercial office space in Rossendale increased by 31% to approximately 60,000 sq m. In comparison the increase in the North West was 19%. Total industrial space shrank by 16% to approximately 680,000 sq m over the same period, compared with just a 9% decrease across the North West.

Figure 5.1 Stock of Employment Space (2000 to 2012)



Source: Valuation Office Agency (2012) Floorspace Statistics

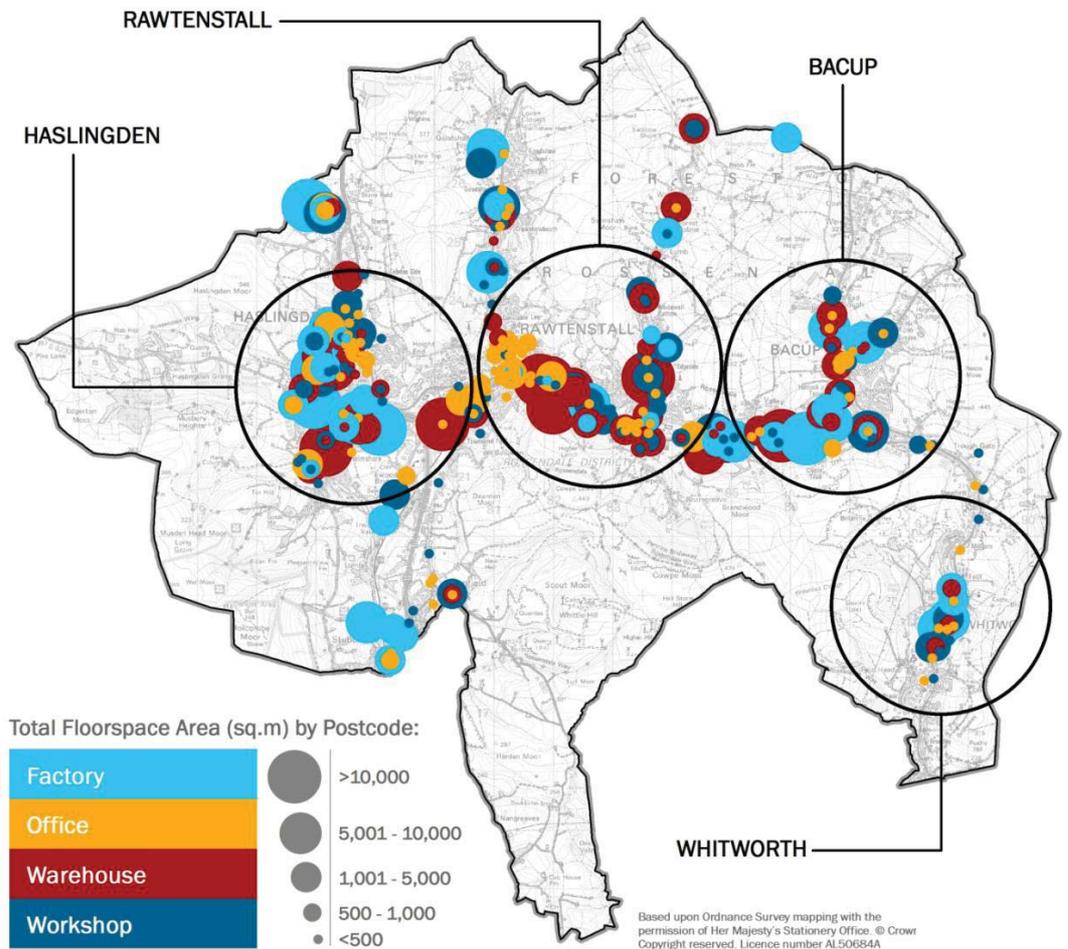
Spatial Distribution

5.4 Figure 5.2 shows the spatial distribution of employment space across Rossendale. The figure shows the size of different types of employment space based on the records held by the Valuation Office Agency.

³⁴ Valuation Office Agency (2012) Floorspace Statistics

- 5.5 The distribution of employment space accurately reflects the economic geography of the Borough. Businesses are clustered in the west close to the A56 whilst in the rest of the Borough businesses are concentrated along the valley floors running east to west reflecting the constrained topography. Linear strands of businesses perpendicular to the main valley corridor reflect the valleys running south to Bury and Rochdale, and north to Burnley and Accrington.

Figure 5.2 Spatial Distribution of Employment Space in Rossendale



Source: Valuation Office Agency (2016) Rateable Value of Business Premises

- 5.6 Factory premises are concentrated to the west of the Borough around Haslingden, with an additional cluster in Bacup. The Carrs and Knowsley Road industrial estates are easily identifiable from the concentration of factory, warehouse and workshop space in the west of the Borough. Haslingden has more factory premises of 10,000 sq m or more than elsewhere in the Borough. In comparison, the factory spaces across the rest of the Borough are typically between 1,001 and 5,000 sq m. Workshop premises are spread relatively evenly across the Borough, though there is a concentration in Waterfoot.
- 5.7 Warehousing space is spread across Borough. The largest premises of 10,000 sq m or more are concentrated in Rawtenstall and the west of the Borough.
- 5.8 Office space is focused around Rawtenstall and Haslingden, and Rawtenstall has more premises between 1,001 and 5,000 sq m than other areas of the Borough.

Development Rates

Completions

- 5.9 RBC collates data on the development of employment land for Annual Monitoring purposes. Take-up (i.e. completion) of floorspace for employment development has been provided from 2005-06 onwards and displayed in Table 5.1.

Table 5.1 Gross Employment Completions in Rossendale 2005-06 to 2015/16 (ha)

Year	B1a	B1b	B1c	B2	B8	Total
2005-06	0.08	0	0	2.03	0	2.10
2006-07	0.17	0	0	0.53	0	0.69
2007-08	0.40	0	0.94	2.11	0.10	3.54
2008-09	0.18	0	0	0.04	0.68	0.89
2009-10	0.12	0	0	0.03	0.42	0.56
2010-11	0.76	0	0	0	0	0.76
2011-12	0	0	0	0.27	0	0.27
2012-13	0.15	0	0.34	0.01	0.39	0.89
2013-14	0.16	0	0.25	0.24	0.15	0.80
2014-15	0.03	0	0	0.33	0.06	0.42
2015-16	0	0	0	0	0	0
Total	2.0	0	1.54	5.58	1.79	10.93
Annual average	0.18	0	0.14	0.51	0.16	0.99

Source: Rossendale Borough Council Annual Monitoring Reports 2005-06 to 2015-16

- 5.10 Completions in the period 2005/06 to 2015/16 have predominantly comprised B2 developments. Almost 3-times as much heavy industrial space has been developed compared to office or storage & distribution employment space. The sizeable B2 development in 2007/08 partly relates to the Madison Centre in the Knowsley Road Industrial Estate³⁵. In 2015-16 there was one completion of 58 sqm B1 employment space, and a further 12 extant permissions that have not yet been completed.

Losses

- 5.11 Information provided by RBC shows that at the start of the plan period (2011) there was a total of 18.7 ha of committed employment land in the Borough. The Core Strategy states that if there is more than a 5% loss of land in B-use classes over three consecutive yearly periods, the Borough has a set of contingences that will be implemented (as outlined in Section 2.0).
- 5.12 The losses of employment land from 2005-06 to 2015-16 are summarised in Table 5.2.

³⁵ Lichfields (2011) Rossendale Borough Employment Land Review, paragraph 3.16

Table 5.2 Losses of Employment Space in Rossendale 2005-06 to 2015-16 (ha)

Year	Office B1	Industrial B2	Warehousing B8	Total
2005-06	0.6	0.6	0.6	1.8
2006-07	0.5	0	3.1	3.6
2007-08	0.25	0.25	2	2.5
2008-09	0.0	0.0	0.1	0.1
2009-10	0.1	0.1	0.8	1.0
2010-11	0	0	0	0
2011-12	0.002	0.002	0.002	0.005
2012-13	0.867	0.867	0.867	2.6
2013-14	0	0	0	0
2014-15	1.626	0	1.545	3.171
2015-16	0	0	0	0
Total	3.98	1.816	9.012	14.808
Annual average	0.362	0.165	0.819	1.346

Source: Rossendale Borough Council Annual Monitoring Reports 2005-06 to 2015-16

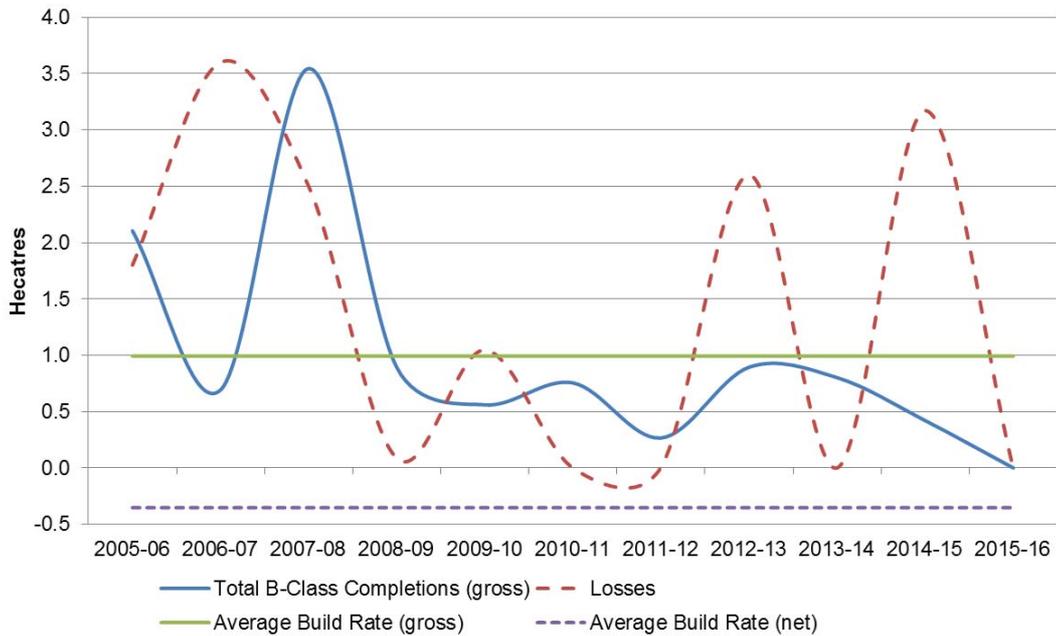
- 5.13 The losses that have occurred in the past are often due to mills being converted, or sites being redeveloped for residential development. In 2012-13 a substantial amount of employment land was lost primarily as a result of the commencement of the Morrisons supermarket on a former mill site in Bacup³⁶. Losses in 2014/15 were predominantly driven by retail development at New Hall Hey and the conversion of offices to residential uses at Wavell House in Helmshore.
- 5.14 From the beginning of the plan period (2011) to the present there has been a loss of 5.8 ha of employment land classed as B1, B2 or B8. This is equivalent to 30.9% of the employment land allocated in the Core Strategy. It would appear that this is above the 5% trigger advocated by RBC in its Core Strategy as the point at which contingency plans would need to kick in.

Net Development Rates

- 5.15 There has been an annual average of 0.99 ha development (gross) developed for B-class employment use over the period 2005/06 to 2015/16. However, once losses are considered the net development rate is negative, which means that the total amount of employment land available in Rossendale has been decreasing each year. Developments converting commercial B1/B2/B8 land into residential use are a very significant source of these losses. This is a particular issue in Bacup and to a lesser extent in Haslingden. Conversion for retail development has also been observed, such as the aforementioned Morrisons development in Bacup.

³⁶ Rossendale Borough Council (2013) Annual Monitoring Report, page 42

Figure 5.3 Rates of Development and Losses of Employment Land in Rossendale



Source: Rossendale Borough Council Annual Monitoring Reports 2005-06 to 2015-16

Conclusion

5.16

A number of key drivers and macro trends are likely to influence the type, scale and locational requirements for employment space in the Borough over the plan period, including self-employment and homeworking and increasing use of technology amongst many growth sectors. It is therefore important that Rossendale monitors and responds to these changing preferences, to ensure that business needs can be met within the Borough.

6.0 Stakeholder Consultation

- 6.1 This Section set outs the study's approach to stakeholder consultation. It is an important process for commercially realistic and robust outputs, particularly as the ELR must be defensible in EIPs and planning inquiries. In this context significant weight has been given to the views of local businesses, local agents, economic development officers, surrounding local authorities and other key stakeholders. Appendix 1 lists the organisations and businesses consulted with over the course of this study.

Consultations with LPAs

- 6.2 Consultations with LPAs are crucial to ensure that the duty to cooperate expectations of the Framework and Practice Guidance are met. The Framework sets out how LPAs should collaborate with other bodies to ensure that strategic priorities are properly coordinated across local boundaries for mutual benefit [§178-181]. The Practice Guidance also outlines how Local Plans need to demonstrate that they have complied with the duty to cooperate at the independent examinations³⁷.
- 6.3 Throughout the study consultations were held with Rossendale Borough Council officers and officers in neighbouring authorities. This was important to understand the local context and development history as well as the Rossendale's shared economic and employment space needs with neighbouring LPAs. This reflects the FEMA which identified that Rossendale's economy does not neatly match the Borough's boundary but instead overlaps with multiple neighbouring LPAs, most notably Rochdale and Blackburn with Darwen.
- 6.4 Consultation with adjoining Councils is also important to identify any major economic developments which may influence supply and demand for employment space in Rossendale. The current position in each neighbouring Local Authority is summarised below.

Blackburn with Darwen

- 6.5 Blackburn with Darwen [BwD] is located to the west of Rossendale Borough. The Council updated its Employment Land Review in October 2013 as part of the evidence base to support the development of the Local Plan Part 2: Site Allocations and Management Policies and to provide a guide to the allocation of future employment land.
- 6.6 The Borough has identified a need for an additional 66 ha of employment land over the plan period 2013 to 2026. The ELR identifies a potential 43.7 ha of employment land in existing areas and a further 1.21 ha was taken up between 2011/12 and 2012/13. This results in an employment land shortfall of 21.06 ha.
- 6.7 The 21.06 ha shortfall will be largely accommodated at the Whitebirk Strategic Employment Site, Hyndburn, Waterside Business Park and Evolution Park. The Whitebirk strategic employment site directly adjoins the urban area of Blackburn and is of sufficient scale to serve Blackburn with Darwen, Hyndburn and the wider Pennine Lancashire as a strategic site. Approximately 40% of the development area of Whitebirk Strategic employment site will be required to meet Blackburn with Darwen's identified employment need.

³⁷ Planning Practice Guidance (2014) Duty to Cooperate: paragraph 1 reference 9-001-20140306

- 6.8 The two Boroughs share a common boundary; the land surrounding this is undulating in topography and is identified as agricultural farming land and moorland. BwD Council considers that there are no significant cross boundary sites between the two Local Authorities and that there is no particularly significant relationship between the two authorities. However it is accepted that a significant proportion of people commute from Rossendale to Blackburn with Darwen for employment opportunities.

Burnley

- 6.9 Burnley is located to the north-east of Rossendale Borough. Lichfields completed work on the Burnley Employment Land Demand Study and Strategic Housing Market Assessment [SHMA] in May and June 2016. The Employment Land Demand Study identified an OAN of 68 ha to 104 ha of employment land over the plan period 2012 to 2032.
- 6.10 In their Local Plan Preferred Options the Council identified an employment land requirement of 90 ha. When taking into account commitments and completions, this gave a residual requirement of 73.37 ha to be met through site allocations. However, the consultation for the Preferred Options closed on the 26th August meaning that this figure could be subject to change following a review of the consultation responses.
- 6.11 Within the Local Plan Preferred Options, the Council currently proposes to meet its own employment land requirement within the Borough. This would however require the release of Green Belt land. There is no evidence or justification at this stage to indicate that a neighbouring Local Authority should accommodate the Borough's OAN or vice versa.
- 6.12 The two Boroughs share a direct boundary; the land surrounding this is undulating in topography and is identified as agricultural land and moorland. The 2016 Employment Land Demand Study and SHMA identify Burnley and Pendle as having a joint, self-contained FEMA. However the study did identify a commuting and migration relationship between the Borough and Rossendale.

Bury

- 6.13 Bury is located to the south of Rossendale. The April 2014 Annual Monitoring Report identifies the Borough's latest position and indicates that it has a supply of 29.68 ha of employment land. The main existing concentrations of employment uses within Bury are located within the urban area and include Fernhill, Pilsworth and Park 17. The Council is currently waiting on the publication of the draft Greater Manchester Spatial Framework [GMSF] in order to establish its employment land requirements and for both office and industrial / warehousing development. The Council considers that, at present, the industrial market is stronger than the speculative office market.
- 6.14 The Council considers it unlikely that they will be able to meet their employment target requirements as set out in the GMSF. Their current identified supply is limited both in terms of quantity and quality.
- 6.15 The two Boroughs share a boundary, with Ramsbottom (Bury) and Stubbins (Rossendale) being the closest settlements on either side of the boundary. There are a number of large employment sites within both of these settlements. However 2011 Census data shows greater levels of commuting from Rossendale to Bury for employment opportunities.
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Calderdale

- 6.16 Calderdale lies to the east of Rossendale. At the time of writing the Council was in the process of undertaking an Employment Land Study to inform the emerging Local Plan. This will set out the need for and supply of employment land in the Borough for the period to 2032.
- 6.17 Calderdale Council undertook a previous Employment Land Study in 2008, with a selective update in 2012. The 2008 study projected total B-class job growth of 2,299 between 2006 and 2016 in Calderdale. The majority of this, 2,547 jobs, was in offices whilst industrial and warehousing jobs were forecast to decrease by 248. Based on this the ELR recommended that Calderdale Council plan for a loss of 8,650 sq m industrial and warehousing floorspace and an increase of 45,850 sq m of office floorspace.
- 6.18 The 2012 selective update was undertaken to take account of the recession. This included a worst case scenario (zero job growth), best case scenario (return to 2007 employment levels by 2015) and a baseline scenario. The 2012 update recommended a gross requirement of 107,691 sq m office floorspace and 236,352 sq m industrial and warehousing floorspace by 2031.
- 6.19 Whilst Rossendale does not have a self-contained economic geography, it was considered that due to the small levels of commuting between the two LPAs there is no need to develop formal arrangements for sharing employment land supply.

Hyndburn

- 6.20 Hyndburn is located to the north west of Rossendale. The Council published its latest Employment Land Study in January 2016. The scenarios range from 13.9 ha to 56.7 ha. The Borough has a current supply of 63 ha of employment land meaning that there is no quantitative need for new employment land until 2033. The previous 2008 Employment Land Study identified the upper end scenario as being equivalent to the lower land requirement as the historic take up approach. The 2016 study equates to a need for 2.7 ha per annum which is a decrease from the 3.4 ha per annum identified in the previous 2008 study.
- 6.21 As identified in the Employment Land Study the Borough has a surplus capacity of employment land and does not consider that they should accommodate any of the surrounding Local Authorities' employment land requirements. However, despite having a surplus supply of employment land there are qualitative and viability issues with some of the sites identified.
- 6.22 The Council considers that there are no significant cross-boundary sites or issues between the two Local Authorities. The Council acknowledges that there are some small employment units on the border between Hyndburn and Rossendale at Rising Bridge. However they do not consider these as significant sites in terms of the local employment market. The 2011 Census figures indicate that there are moderate commuting flows of around 5% between Rossendale and Hyndburn.

Rochdale

- 6.23 Rochdale is located to the south east of Rossendale. The 2015 Annual Monitoring Report identified an employment land supply of 132.74 ha and a demand of 176 ha over the plan period 2013 to 2028. The Borough therefore has an identified shortfall in employment land of 43.26 ha.

- 6.24 The Council's Core Strategy (proposed adoption October 2016) identifies this shortfall of employment land as being towards the end of the plan period. Core Strategy Policy EC4 (Delivering a Prosperous Economy) sets out criteria for the identification of land to meet this shortfall. This policy effectively replaced the approach in an earlier version of the Core Strategy which identified a specific site in the Green Belt south of Heywood. Developers are still keen to deliver the South Heywood site and a public consultation exercise has taken place outlining the proposals. However, as well as meeting Policy E4 of the emerging Core Strategy, any application would need to demonstrate "very special circumstances" to justify the release of land from the Green Belt for future development.
- 6.25 Kingsway Business Park (around 50% complete), the wider Castleton employment zone (along with Sandbrook Park), Heywood Distribution Park and the Stakehill Industrial Estate comprise the main employment areas within the Borough. Together they contribute most of the available employment land supply. Kingsway Business Park is recognised as a regionally significant strategic inward investment site.
- 6.26 The Council considers that the Borough can accommodate their own employment land requirement and that their shortfall does not need to be taken up by any of the surrounding Local Authorities. Furthermore the Council considers that they can probably cater for some of the employment land needs of surrounding Local Authorities even if this is not done on a formal basis. Kingsway Business Park is a large employment site both within the Borough but also for neighbouring Local Authorities. The Borough has a low employment rate which is an issue they are aware needs addressing.
- 6.27 The Council considers that there are no significant cross-boundary sites between the two Boroughs. Public transport links between the Boroughs is limited to bus services. The arrival of the Metrolink into Rochdale town centre has provided better access as bus services coming into Rochdale bus station can now access the Metrolink to journey on toward Kingsway Business Park and beyond. The view of officers in Rochdale is that Rossendale is possibly more reliant on Rochdale; commuting data showed that only 1.2% people live in Rochdale and work in Rossendale. It is considered that that the Borough has stronger links with the neighbouring GM Local Authorities of Bury, Oldham, and Manchester. Half of Rochdale's resident workforce live and work within the Borough indicating that the Borough has a degree of self-containment, whilst being part of the wider Manchester TTWA.
- 6.28 The Borough is seeking to promote advanced manufacturing and views export manufacturing as a key growth sector. The main demand in the Borough is for B8 employment land; there is a limited demand for offices, with the main supply of office development coming from outskirts of the Kingsway Business Park. There is also a potential shortage of starter units.

Duty to Co-operate Conclusion

- 6.29 In summary, Rossendale Borough is not a self-contained FMA and has complex economic relationships with a number of surrounding authorities. It is therefore particularly important for RBC to work closely with adjoining LPAs to ensure that business needs are collectively understood and met. In this regard, whilst Blackburn with Darwen, Burnley and Bury considered that they had reasonably strong economic linkages with Rossendale, none of the adjoining authorities required Rossendale to take on any of their employment land requirements, or vice versa. Furthermore there were no significant cross-boundary sites identified between any of the Boroughs and Rossendale.
-

Commercial Agents and Developers

- 6.30 A range of local and regional commercial agents and developers were consulted between August and October 2016. The findings from these consultations reflect the market conditions at that time. The findings are based upon the stakeholders' local knowledge of Rossendale and recent transactions in the market and have informed subsequent sections of the ELR (particularly the Commercial Perspective set out in Section 9.0, which has acted as a 'reality check' on the quantum of office, industrial and warehousing land required in Rossendale Borough).

Local Businesses

- 6.31 This section outlines the findings from the Business Survey which was undertaken by Lichfields in summer 2016 to gain a better understanding of their current and future employment space needs. The Survey obtained responses from 39 businesses across a range of sectors and locations in the Borough.
- 6.32 As well as being advertised on RBC's website the survey was emailed directly to a business database through Council Officers and Staff from the East Lancashire Chamber of Commerce.

Profile of Businesses

- 6.33 The profile of businesses that responded are generally bigger than the overall business population within the Borough. Micro and small businesses are underrepresented whilst medium and large businesses are overrepresented. Larger businesses require larger employment space so it is unsurprising that they engaged with the survey more than smaller businesses. Table 6.1 compares the profile of businesses that responded to the wider business population in Rossendale.

Table 6.1 Size of Businesses Comparison

Size	Survey respondents	Rossendale
Micro (0 to 9 employees)	56%	84%
Small (10 to 49)	33%	13%
Medium (50 to 249)	8%	2%
Large (250 +)	3%	0.4%

Source: Lichfields analysis. ONS (2016) Inter Departmental Business Register

- 6.34 A third of businesses were in manufacturing, which is higher than the wider business population in the Borough. The other businesses were from a range of sectors including retail and wholesale, financial and professional services, and culture and recreation. Reflecting the higher proportion of manufacturing businesses in the sample, a third of respondents served international markets and half served the UK market. Just 15% of businesses only served the local market.

Current Business Premises

- 6.35 The respondent businesses were typically local to Rossendale with historic ties to the Borough. Two fifths of businesses that responded to the survey have been based at their current premises for at least 25 years. A further fifth had been in Rossendale for between 11 and 25 years. In comparison less than a quarter had been in Rossendale for less than 3 years.
- 6.36 A third of respondents rated the quality of their premises 4 or 5 out of 5 (32%), though most (39%) rated it 3 out of 5. Almost a third of respondents rated the quality of their

premises 1 or 2 out of 5 (29%). When asked to explain the reasons for their ratings a third of respondents reported that the age of the building was the main reason (29%), whilst 16% reasoned that their premises were below modern standards.

6.37 Three fifths of respondents reported that their premises were 'about right' for their space requirements (58%). But a third reported that they did not have enough space (32%), whilst only a tenth reported they had spare space.

6.38 The factors most important in determining businesses' choice of premises and location can be assessed by analysing the proportion of respondents that rated each factor either a 4 or 5 out of five. Based on this the ten most important factors determining businesses' choice of premises and location were:

- 1 Cost of premises;
- 2 Accessible to road network;
- 3 Proximity to home;
- 4 Accessible by public transport;
- 5 Quality of life;
- 6 Quality of business park or industrial estate;
- 7 Quality of premises;
- 8 Proximity to customers;
- 9 Local authority assistance; and
- 10 Prestige location.

Future Growth Plans

6.39 More than half of respondents (16 businesses or 52%) expect to expand the amount of space they need over the next 5 to 10 years. The mean expansion requirement was 3,740 sq m, though this is partly skewed by two respondents needing 8,000 sq m and 10,000 sq m. The median expansion requirement was 2,750 sq m.

6.40 When asked what factors were driving expectations to expand, more than half of businesses reported it was due to increasing output or production (53%). Almost half of respondents reported a need to increase storage capacity (47%). Two fifths of respondents reported it was due to needing space for new machinery or equipment, whilst a third reported the space was needed for additional staff. A third of respondents reported the expansion was due to increasing office space.

6.41 Less than half the respondents expecting to expand planned to expand on their current site (47%), whilst 53% planned to re-locate. Of those planning to re-locate, almost two thirds of businesses would look to locate in Rawtenstall, Haslingden or Helmshore (63%). In comparison, only 13% reported they were looking to re-locate elsewhere in Rossendale whilst a quarter reported they were looking to relocate outside Rossendale (either elsewhere in Lancashire or Greater Manchester).

6.42 The main obstacles to businesses expanding in Rossendale were reported to be a lack of suitable premises, skills shortages, and a lack of affordable premises. The obstacles related to a lack of suitable or affordable premises reflect the consultations with commercial agents and other stakeholders and reiterates the need for new employment land in the Borough.

Rossendale as a Location for Business

- 6.43 More businesses were satisfied with Rossendale as a business location than were dissatisfied. More than two fifths (42%) of businesses gave a 4 or 5 out of 5, whilst only 16% gave a score of 1 or 2 (where 1 is very dissatisfied and 5 is very satisfied).
- 6.44 Respondents reported that there were a range of advantages for Rossendale as a place to do business. In particular though the proximity for businesses' workforces' was stressed as well as having a skilled and experienced labour market. The transport links and accessibility to the motorway were also reported as an advantage, with most of these businesses being located in Rawtenstall or Haslingden.
- 6.45 In contrast, some businesses reported that transport was a weakness of Rossendale as a place to do business; these businesses were typically located further east in the Borough. Numerous businesses also suggested that car parking was a weakness in the Borough. Businesses also highlighted the unsuitability or expensive maintenance of their premises. Businesses also highlighted an incompatibility with surrounding residential uses that prevented expansion. Finally, flood risk was an issue raised by many businesses.

Key Stakeholders

- 6.46 A number of key economic development stakeholders were consulted to provide additional insight and to validate the findings of the study. This included representatives from the LEP, Growth Lancashire, East Lancashire Chamber of Commerce, Lancashire County Council and RTB Partnership. These organisations have an excellent understanding of economic development in a North West and Lancashire context, and the needs and opportunities for local businesses.
- 6.47 The findings from these stakeholders covered a broad range of issues. Because of this their perspectives and views regarding the strength of the commercial property market are reflected throughout the report, and particularly sections 8.0 through to 12.0. Findings are not directly attributed to individual stakeholders to protect their anonymity.

7.0 Future Growth Sectors and Needs of Non B-Uses

Introduction

- 7.1 This section assesses the future economic growth potential of Rossendale and seeks to identify those industrial sectors likely to drive this growth. Due to the lack of any distinction between different types of economic growth and development within the Framework, this section also considers the current level of provision and distribution of some non B-class uses in the Borough, the employment potential of these uses and, as far as possible, their future requirements for land. Reflecting the brief for this study, only non B-class uses which are growing and likely to create pressures on employment land are examined.

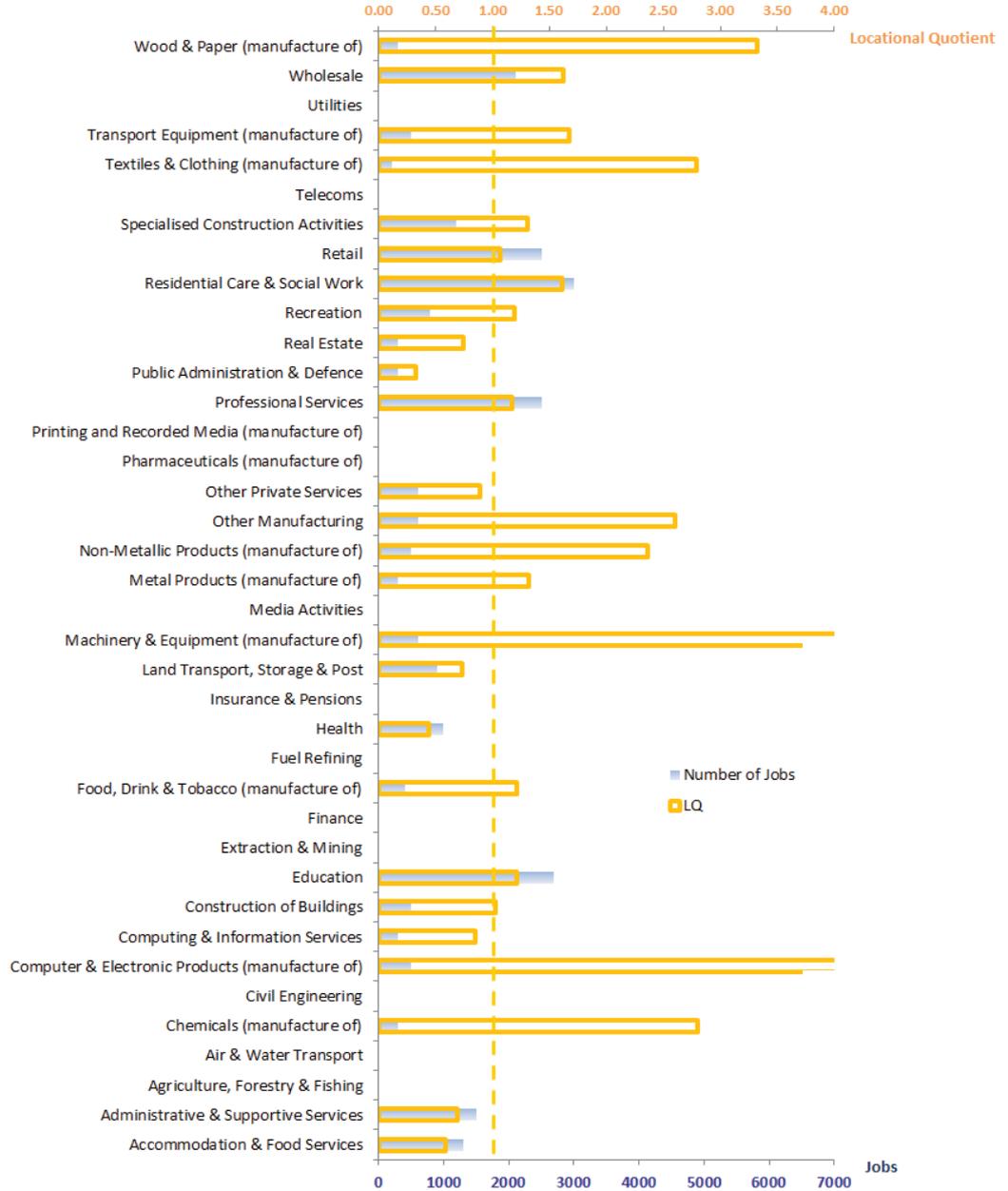
Future Potential

- 7.2 Consultations with stakeholders highlighted that whilst recent government policy has focused on spatial led growth models, there is an increasing need for and shift towards sector based growth models. In particular, the potential of the manufacturing sector in Rossendale and across Lancashire was highlighted as a key area for potential future growth.
- 7.3 In order to identify the full economic potential of Rossendale, it is important to consider which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.
- 7.4 Figure 7.1 assesses Rossendale's current sectoral strengths through the use of location quotients, which measure the proportion of employment in an industry at the local authority level relative to the regional average. In the graph, the location quotients are shown using an orange bar. A value above 1.0 denotes a higher local representation of a sector compared to the North West average, whilst anything below 1.0 signifies an under-representation. The further the orange bar is from 1.0, the greater the extent of any over or under-representation. In addition, the blue bars show the absolute level of employment within Rossendale accounted for by each sector.
- 7.5 The graph indicates that the Borough has a strong employment representation in machinery & equipment manufacture, computing and electronic products, wood & paper manufacture, chemicals and textiles & clothing manufacturing (6.8, 4.7, 3.3, 2.8 and 2.8 times the regional averages respectively). It should be noted, however, that these sectors account for relatively low levels of employment in absolute terms.
- 7.6 Perhaps more significantly, manufacturing (2.0), education (1.2), retail (1.1), professional services (1.2) and residential care (1.6) are all strongly represented within Rossendale, both in absolute and relative terms. It can be seen from the chart that these sectors support the largest number of jobs in the Borough, with manufacturing, having 3,600 employees (as of 2014) and with a location quotient of 2.0, is particularly well represented, at levels well above what might be expected given the size of the labour market in Rossendale. This also suggests that the area is over-reliant on these industries for employment.
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7.7

The graph also starkly illustrates the low level of employment in the more knowledge-intensive services such as finance, insurance and pensions, in both relative and absolute terms, reflecting the lower skills base of Rossendale’s labour force.

Figure 7.1 Location Quotients of Economic Sectors in Rossendale, 2014



Source: Experian 2016 / Lichfields Analysis

7.8

Figure 7.2 presents the relative representation of sectors in Rossendale as well as levels of employment change over the 10-year period 2004 to 2014. The relative size of the ‘bubble’ for each sector represents the level of absolute employment within Rossendale.

7.9

It is also important to understand the direction of employment change. The chart indicates those sectors where there has been employment growth in the Borough; those which have out-performed the North West regional average are highlighted in green; whilst those shown in red have under-performed relative to regional growth.

Figure 7.2 Growth, Representation and Size of Key Sectors in Rossendale



Source: Experian 2016/ Lichfields Analysis

- 7.10 The top-right quadrant indicates sectors which are likely to drive future economic growth. These sectors have a high representation and have experienced growth above the North West average, and notwithstanding the current uncertain economic climate, might be expected to enjoy continued strong growth within Rossendale. The particularly high level of growth in the Residential & Social Care (36.6%), Wholesale (10.5%), and the Education sector (12.5%) between 2004 and 2014, coupled with an above average representation in the sectors, indicates the existence of some competitive advantage for these sectors within Rossendale.
- 7.11 The potential for office-based development to drive future growth would appear to be reasonable, given that the Professional Services sector grew by 13.6% over the ten years to 2014 compared to a regional growth rate of 9.5%, and has a Locational Quotient of 1.18.
- 7.12 The top-left quadrant contains those sectors that are under-represented relative to the regional average but have exhibited recent positive job growth. These sectors include Health, and Accommodation and Food Services. The bottom right quadrant contains those sectors that are over represented relative to the regional average but have exhibited lower growth. As Figure 7.2 shows, representation in the ‘All Manufacturing’ sector is very high. However, employment in this sector has declined sharply over the period 2004-2014 (-18%). Of particular note is the decline in the manufacture of textiles and clothing sector which employed 3,200 people as late as 1997; it has declined by 75% in the decades since, to the extent that it now provides just 1.6% of all jobs based in the Borough, compared to 11.85% in 1997.

LQ Conclusions

- 7.13 Clearly, there are limitations to predicting future growth based upon past performance, particularly given the uncertainty generated by current economic conditions. However,

there is a strong commitment in Rossendale to support the growth of advanced manufacturing industries, knowledge based business, and creative and digital industries, and their importance to future economic performance is acknowledged in a range of policy documents and strategies.

- 7.14 With respect to the future need for employment land and premises in Rossendale, the analysis above suggests a continuation of recent trends. Demand for commercial offices is likely to remain weak over the Local Plan period whilst there is likely to be a reduction in demand for (B2) factory units as the manufacturing industry continues to decline. This may, to an extent, be counteracted by growth in B8 wholesaling, given the strong growth in retail and increased use of ‘just-in-time’ techniques according to property agents. It should be recognised, however, that there are limitations upon using past performance to predict future growth and other factors, such as anticipated future growth and the growth aspirations of the local authority, need to be considered.

Needs of Non B-Uses

- 7.15 Reflecting the lack of any distinction between different types of economic growth and development within The Framework, this section considers the current level of provision and distribution of some non B-Class uses in Rossendale, the employment potential of these uses and, as far as possible, their future requirements for land.
- 7.16 Drawing on the Experian employment forecasts for Rossendale, as of 2014 non B-class employment accounted for 13,270 jobs in the Borough, some 55% of all employment. This sector is forecast to increase by 1,766 jobs over the period 2014 to 2034, an increase of 13.3%.
- 7.17 Table 7.1 indicates that the fastest growing (non-B-class) sectors in Rossendale are projected to be Residential Care and Social Work, followed by Accommodation and Food Services, Recreation and Education. Conversely, job numbers in Administrative & Support Services are projected to fall most significantly, whilst Public Administration and Defence is projected to flatline at a relatively low level. The analysis here relates to employment in the sectors that are not assumed to create demand for B-class space.

Table 7.1 FTE Job Forecasts for Non B-class Uses in Rossendale, 2014-2034

Sector	2014 Job Level	2034 Job Level	Estimated Job Change 2014-34
Administrative & Support Services	1,600	1,500	-100 (-6.3%)
Accommodation and Food Services	1,000	1,300	+300 (+30.0%)
Education	2,400	2,700	+300 (+12.5%)
Health	800	1,000	+200 (+25.0%)
Public Administration and Defence	300	300	0 (0.0%)
Recreation	700	800	100 (+14.3%)
Residential Care & Social Work	2,200	3,000	+800 (+36.4%)
Retail	2,400	2,500	+100 (+4.2%)
Other Non-B-Uses	1,870	1,936	+66 (+3.5%)
Total Non B Jobs*	13,270	15,036	+1,766 (+13.3%)

Source: Experian 2016 / Lichfields analysis

*Table includes only significant Non B-Class sectors and jobs in Rossendale

Development Pressures from Non-B-classes

- 7.18 The land and space requirements of non B-class sectors can vary considerably and it is therefore important to consider the extent to which growth of these activities is having a direct impact through competition with B-class employment space.

Education

- 7.19 There has been a strain on primary school places nationally following a substantial increase in the birth rate since the recession in 2008/09 and subsequent economic downturn. In response to this shortage in school places, the LEA may decide to either increase the capacity of existing schools by hiring more staff (as the job forecasts demonstrate) or by opening new schools. If the Borough decides on the former, the effect on employment land will be minimal – if the latter, RBC may decide to use allocated employment land to make way for new schools.

Retail

- 7.20 Retail and leisure growth is related to population change and expenditure. Assessing future expenditure levels requires one to take into account the effects of the economic downturn and the slow rate of recovery, particularly in the short term. Careful consideration is needed to establish the appropriate level of expenditure growth to be adopted over the Local Plan period. A retail study should take a long term view for the plan period recognising the cyclical nature of expenditure growth. Trends in population growth, home shopping/internet sales and growth in turnover efficiency also need to be carefully considered and a balanced approach taken.
- 7.21 Historic retail trends indicate that expenditure grows consistently in real terms, generally following a cyclical growth trend. Whilst the rate of change varies by area, the general underlying trend shows consistent growth that is expected to continue in the future.
- 7.22 The recent economic downturn led to negative growth at its deepest point followed by a trend of limited growth in the short-term ahead of upturn and recovery as part of a cyclical process. However, following the UK's European Union (EU) referendum on 23 June 2016 and the vote to leave the EU, there is likely to be a period of economic uncertainty, particularly in the short term, regardless of the ultimate detail of the UK exit.
- 7.23 Rossendale's 2009 Retail and Town Centre Study highlighted that:
- “There is no global capacity for additional convenience floorspace in the Borough, given the number of superstores operating now in the Rawtenstall area. However, it is considered that the retail offer in Bacup could be improved with the addition of a new supermarket”³⁸.*
- 7.24 As of 2009 there was some capacity for comparison shopping in Rossendale, taking into account expenditure leakage going to neighbouring towns. This could be met in existing centres, particularly in Rawtenstall, which can accommodate medium to large scale retail and leisure developments. Noteworthy retail developments include the opening of New Hall Hey towards the end of 2014, as well as the retail element of ‘Spinning Point’, the Rossendale Together Barnfield [RTB] Partnership's Rawtenstall Town Centre development. The Borough also has a strong representation of independent retailers.³⁹

³⁸ Rossendale Borough Council (2011) Core Strategy, paragraph 244

³⁹ *ibid*

- 7.25 It is therefore considered that the retail and leisure sector provides moderate future potential for growth, with the Borough's Core Strategy stating retail developments (and hence employment) should be "*focused within the defined town and local centres*" which are unlikely to conflict with employment land provision on surrounding industrial estates and business parks. An increase in the retail sector, however, may increase the demand for B8 storage and distribution land for retailers who seek to keep supplies in close proximity to their market – the 'just in time' approach to cut costs. In conversations with agents is a technique that is becoming increasingly common among businesses in the region.
- 7.26 It is understood that the 2009 Retail and Town Centres Study will shortly be updated by the Council.

Recreation, Accommodation & Food Services

- 7.27 This sector presents a significant opportunity for economic growth in the Rossendale area by encouraging increased visitor spend and more overnight stays. The Borough hopes to capitalise on the area's natural beauty in order to increase the numbers of tourists the area attracts (this is borne out by the employment projections, with employment in Accommodation & Food Services Recreation increasing by 400 jobs over the period 2014-34). The Borough has also highlighted mountain biking (for which the area's former quarries are popular) as a growth industry.
- 7.28 For instance, the 'Trail Head Centre' is a 500 sq. m. mountain bike centre beside Lee Quarry which was granted permission in 2013 to cement the area's status as the 'Adrenaline Gateway'. There is now an 8km network of red and black graded cross country mountain bike trails and four purpose built cycle trials areas. Use of the trails is free, is always open and apparently has the potential to attract as many as 100,000 tourists to Bacup.⁴⁰
- 7.29 An increase in tourism and recreation will simultaneously benefit the Accommodation & Food Services industry, with employment in B&Bs, Hotels and Restaurants all set to increase given the boost in tourist numbers. In general, growth in this sector appears unlikely to generate significant demand for B-class premises, although some employment land may become contested if landowners choose to capitalise on this increase by changing the use, convert and/or expand existing B-class land to tourist accommodation. Other hotel and restaurant uses are likely to be located in town centres to accord with national policy.

Public Administration and Defence

- 7.30 This sector includes local and central government activities, along with social services, job centres, police, courts, defence, fire and other emergency services. Although some of this activity occurs within buildings classified as use class B1a, only a small proportion actually occurs in commercially available offices. It is only this generally available and non-purpose built space which matters for estimating B-class future requirements and as a result the remainder (and vast majority) is considered here under non-B-class uses.
- 7.31 Due to on-going Government public sector expenditure cuts, it appears likely that there will be little, if any, growth in employment within this sector, as projected in the latest Experian projections.

⁴⁰ Rossendale Free Press (2013) 'Bike centre gets the go-ahead' (2013)

Administrative and Support Services

- 7.32 The general lack of significant new building developments will inevitably lead to a decrease in the number of those employed in building services (an area of employment which is included in this category). Moreover travel agents, who are also included in this category, have seen a decline in custom given the relative ease (and low prices) with which the same job can be done without the need of a travel agent intermediary over the internet. A decline in custom usually leads to a loss of employment, which is reflected in the employment forecasts for this sector.

Health, Residential Care and Social Work

- 7.33 The healthcare sector includes hospitals, medical centres, GP and dental surgeries, both public and privately run.
- 7.34 Rossendale's current employment in the health sector totals about 800 jobs, and is forecast to grow by about 25% by 2034. The residential and social care sector, which includes care homes, currently supports about 2,200 jobs in the Borough and is expected to increase by a very significant 36% by 2034.
- 7.35 Whilst Rossendale does not appear to have a particular competitive advantage with regards to the healthcare sector, the ageing population in the authority area is likely to mean that it will remain a growth area in terms of employment going forward. However, fairly limited requirements for new space are expected from this sector overall.
- 7.36 It has been acknowledged for a number of years that the current supply and form of housing nationally does not adequately meet the needs of a rapidly ageing society. It has been estimated that more than 3 million people over the age of 65 receive public funded services such as home care, home improvement and/or housing related support services, and community alarm/telecare services to help them live well in the home.
- 7.37 This issue is becoming more and more pressing over time due to Britain's ageing population, with substantial gains in life expectancy above the age of 65. According to the latest ONS 2014-based Sub-National Population Projections, the number of people over the age of 65 in Rossendale Borough is likely to grow by 50% (+6,000 residents) between 2014 and 2034, which is above the North West's growth rate of 42%.
- 7.38 Furthermore, the proportion of 'very elderly' people in Rossendale (i.e. over 85 years) is anticipated to increase by a very significant 129% by 2034 (+1,800 elderly residents), compared to a regional increase of 105%.
- 7.39 These improvements in life expectancy are not being matched by commensurate gains in disability-free longevity, leading to a greater absolute number of older people who may need care. There is therefore a clear imperative for extra care facilities in Rossendale over the coming years.
- 7.40 As reported in the 2016 Rossendale SHMA, data from Housing LIN⁴¹ is presented for Rossendale in Table 7.2. This presents the current supply and existing/future demand for specialist housing for older people in Rossendale, and clearly demonstrates that there is currently insufficient supply of specialist housing in the Borough. The Table shows that there is an over-supply of Sheltered Housing for rent and nursing care, and insufficient

⁴¹The Housing Learning and Improvement Network (LIN) was formerly responsible for managing the Department of Health's (DH) Extra Care Housing capital programme. LIN provides information from a network of housing, health and social care professionals in England involved in planning, commissioning, designing, funding, building and managing housing with care for older people.

Enhanced Sheltered Housing, Extra Care and Residential Care facilities (for residents requiring a higher level of care).

- 7.41 Moving forward, the Housing LIN SHOP model calculates that by 2035, a net increase of 1,738 additional specialist housing units for older people will be required to meet demand, with a particularly need for Extra Care facilities and Residential Care.

Table 7.2 Current Supply and Demand for Specialist Housing for Older People (2014)

		Supply (2014)	Demand					2035 Variance @2014 Supply	
			2014	2015	2020	2025	2030		2035
Sheltered Housing	Rent	802	613	625	713	913	1,050	1,163	-361
	Lease	0	0	0	0	0	0	0	0
Enhanced Sheltered	Rent	24	98	100	114	146	168	186	-162
	Lease	0	0	0	0	0	0	0	0
Extra Care	Rent	42	123	125	143	183	210	233	-191
	Lease	0	0	0	0	0	0	0	0
Registered Care	Residential Care	278	319	325	371	475	546	605	-327
	Nursing Care	367	221	225	257	329	378	419	-52
TOTAL		868	834	1,400	1,598	2,046	2,352	2,606	-1,738

Source: Housing LIN SHOP (2016)

Housing Demand is the number of units required per 1,000 of the population aged 75+.

Sheltered housing: Schemes / properties are included where some form of scheme manager (warden) service is provided on site on a regular basis but where no registered personal care is provided.

Enhanced sheltered housing: Schemes / properties are included where service provision is higher than for sheltered housing but below extra care level. Typically there may be 24/7 staffing cover, at least one daily meal will be provided and there may be additional shared facilities.

Extra care housing: Schemes / properties are included where care (registered personal care) is available on site 24/7.

Residential care: Where a care homes is registered to provide residential (personal) care only, all beds are allocated to residential care.

Nursing care: Where a care homes is registered to provide nursing care all beds are allocated to nursing care, although in practice not all residents might be in need of or receiving nursing care.

- 7.42 In terms of what this may mean for employment land delivery, many healthcare or care home facilities utilise former residential or institutional premises. However, it is possible that some future growth could be achieved by expanding capacity on existing sites without necessarily having a large additional land requirement.

Summary

- 7.43 In summary, based on the Experian job forecasts, there appears to be a significantly level of growth in certain Non B-Class uses, and this is likely to make an important contribution to employment growth in Rossendale by 2034. The growth needs of several Non B-Class sectors have been considered where job growth is forecast, and there is some (limited) potential for this to create pressures on employment land.

- 7.44 Whilst growth in tourism and leisure-related industries is likely to be reasonable over the coming years, this appears unlikely to generate significant demand for B-class premises, although some employment land may become contested if landowners choose to capitalise on this increase by changing the use, convert and/or expand existing B-class land to tourist accommodation.
- 7.45 Most of the future growth needs of the health and education sectors for example, are likely to be met within existing sites in such use or through expansion of existing facilities, and the scale will be limited by continuing constraints on public sector spending.
- 7.46 For retail, accommodation and food services uses, floorspace requirements are likely to be met within Rossendale's main centres, although some of this could be provided within mixed use redevelopment of some older employment sites (subject to town centre planning policy tests), particularly if this helps to unlock development potential (in viability terms).
- 7.47 For residential care homes most future needs are likely to be met through expansion of existing facilities or re-use of other institutional premises rather than using land within employment areas in Rossendale where the environment may not always be appropriate.
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8.0 Commercial Property Market

- 8.1 This section gives an overview of the commercial property market in Rossendale, including recent trends in demand and supply. The findings are based on discussions with commercial property agents active in the Borough, stakeholder consultations, and the findings from the business survey. Section 6.0 provides more information on stakeholder consultation and Appendix 1 summarises the key organisations and businesses contacted. Where appropriate this has been supplemented with information derived from a number of sources including commercial property availability and published reports.

UK Property Market Overview

- 8.2 The UK economic recovery, which began in 2013, has now become firmly entrenched. Improvements in market conditions have been supported by the greater availability of real estate debt and equity finance, occupier demand is steadily increasing, and generally rents and capital values are broadly stable.
- 8.3 That said, clearly the recent EU referendum vote and resulting economic uncertainty is anticipated to have an impact upon commercial property markets across the country with investor and developer confidence likely to be hit in the short term at least. Given the focus of the ELR Update upon longer term needs as well as short term needs, it is important that any analysis of commercial property market signals takes a longer term view.
- 8.4 While central London offices are still the outperforming market segment, some investors and developers are also looking further afield in an attempt to access stock and achieve good returns. In more economically marginal locations however, and those without a significant existing commercial property market, there is still some uncertainty. This is resulting in lenders and developers often remaining cautious; there is little speculative development outside prime locations in northern regions. However areas with a short supply of sites are now seeing upwards pressure on rents.

Rossendale Market Overview

- 8.5 Rossendale's commercial property market has been increasingly active in recent years though this is biased towards the industrial sector, with less activity in the office market. There has been some upwards pressure on rents for industrial premises due to a shortage of supply, and a lack of sites coming forwards in recent years.
- 8.6 There is currently an under supply of sites in Rossendale but especially to the west of the Borough where demand is greatest. The industrial market is focused to the west of the Borough especially on sites that have good access to the A56. Further east in the Borough there is still demand for industrial premises though this is typically from local businesses who have been based in the Borough since they were established. Rossendale has high levels of entrepreneurial activity relative to its size, and this has resulted in much of the business stock having historic ties to the area.

Market Geography

- 8.7 Rossendale has a relatively localised and self-contained commercial property market with a predominately industrial character. Commercial property is divided into four broad market areas in Rossendale:

- The A56 and M66 corridor;
- Rawtenstall;
- Bacup, Waterfoot and Stacksteads; and
- Whitworth.

8.8 The Borough is geographically constrained, both in terms of topography and its dispersed nature. Employment space in Rossendale is dispersed across the Borough and concentrated in the valley bottoms. In comparison the employment space in nearby Burnley is concentrated in a single central location. In Rossendale the employment space is distributed among the main settlements of Haslingden, Rawtenstall and Bacup.

8.9 Partly reflecting its location and more limited access to strategic routes, the market is viewed as relatively insular and localised. Commercial agents reported that the majority of enquiries for space in Rossendale are from businesses already based in the Borough. There are some but relatively few examples of firms re-locating into the Borough from elsewhere.

8.10 Whilst the vast majority of the area's stock of employment space is industrial (around 90% of all employment space in the Borough⁴²), the Borough also has a moderate stock of office premises.

8.11 Figure 5.2 shows that the majority of factories are located in Haslingden (in close proximity to the A56/M66) whereas offices are scattered throughout the main settlements across the valley. Businesses which have logistics elements (such as firms requiring products to be transported around the country) are almost exclusively located in the west of the Borough to take advantage of these strategic transport links. Businesses that locate in the eastern settlements (such as Bacup) tend to be smaller and usually do not have logistics and distribution as a main component of their business.

8.12 The Borough lacks the critical mass and land availability to attract larger occupiers and compete with neighbouring centres to the south and west of the Borough in business space terms. Agents considered that since the recession, demand has become increasingly focused on fewer sites. These tend to be larger town centres and cities; '*a flight to quality*'. Such areas have witnessed investment and development and have enjoyed growth. Local to Rossendale this includes Manchester City Centre, Bury (whose town centre has seen redevelopment), Rochdale and Blackburn. As a result smaller towns such as those in Rossendale have had less demand.

8.13 A regeneration partnership between RBC, Barnfield Investment Properties and Together Housing Group was announced in 2014 [RTB]. The RTB partnership is undertaking a regeneration project, 'Spinning Point', focused on the former Valley Centre in Rawtenstall. The first phase of the project is expected to commence construction in Q4 2016. It will deliver approximately 10,000 sq ft of pre-let office space, four retail units, public realm and car parking⁴³. The second phase proposes a mix of retail space, restaurants and residential apartments. The development will be located adjacent to the newly refurbished bus station.

Market Segments

8.14 According to the enquires data provided by the Borough (Table 8.1), there are almost three-times as many enquires relating to industrial premises than office units, with 80%

⁴² VOA data (2012) / RBC Commercial Property Register (2014) / Lichfields Analysis

⁴³ Consultation with representatives from RTB partnership

of office enquires relating to small units of under 950 sqm and 80% of industrial enquires relating to units between the sizes of 100 and 2,500 sqm.

Table 8.1 Number of Enquiries for Office/Industrial Space to Rossendale Borough Council 2008-2014

	Offices	Industrial
0 - 999 sq. ft.	5	7
1000 – 2,999 sq. ft.	3	15
3000 – 4,999 sq. ft.	1	7
5000 – 9,999 sq. ft.	5	5
10000 - 24999 sq. ft.	1	12
25000 + sq. ft.	3	4
TOTAL	18	50

Source: Rossendale Borough Council 2014

8.15 With regard to rental levels, stakeholders commented that:

- 1 Rossendale rental levels are lower than those generally achieved in Greater Manchester;
- 2 Rental levels in Haslingden and Rawtenstall are more expensive as a result of limited space compared to demand in this area, generated by the good accessibility to the A56 and M66; and
- 3 Rental levels for industrial space in Rossendale are roughly similar to other areas in East Lancashire, whilst Rossendale’s office market is starting to fall behind East Lancashire.

Industrial

8.16 Rossendale’s commercial property market is biased towards industrial premises as this is the key focus of demand and supply. Commercial agents reported a healthy industrial market across the Borough but with particular demand for premises in the West of the Borough. Premises received proportionally more enquiries the more accessible they were to good transport links. Sites in and around Rawtenstall and Haslingden close by the A56 and M66 are highly sought after.

8.17 In comparison sites further east generally receive less demand and harder to fill. The market around Bacup and Whitworth is predominantly driven by indigenous businesses looking to expand but also overspill from Rochdale where businesses are looking for cheaper rents.

8.18 Industrial rents in Rossendale vary by the location and accessibility to transport links, but also the quality on offer. Agents reported that industrial rents were typically between £3 and £4.50 per sq ft for older premises, and between £5 to £8 per sq ft for newer premises. Due to the short supply of premises, there were cases though where local businesses paid a premium to remain in Rossendale. Most agents reported an upward pressure on industrial rents which is being driven primarily by a short supply of sites.

8.19 Most demand is from local SMEs looking for good quality and modern premises across a range of sizes but particularly between 450 to 3,000 sq m. There is an insufficient supply of industrial sites within this size band. However, there is also a need for several large

sites to accommodate key local businesses that are spread across multiple sites. Whilst most demand is for industrial premises the actual use by occupiers has shifted over time away from manufacturing towards other uses such as storage and plant hire.

- 8.20 There is a range in the quality of industrial premises across the Borough, though in particular there is a shortage of newer and modern units. This is partly caused by an abundance of older stock, such as mill buildings, but also from a lack of land developed for employment uses. The last major industrial estate to come forward, Carrs in Haslingden, was built in 1983 during the period of the original Enterprise Zones. There have been refurbishments and small new build developments since but this has typically been owner occupiers with historical ties to Rossendale.
- 8.21 Several agents reported there were businesses that hadn't been able to find suitable premises in Rossendale. Whilst some of these enquiries had specific site requirements the majority were unmet due to a lack of supply. Some of these businesses are looking at alternative locations elsewhere in Lancashire as a result. There have also been enquiries from businesses looking to locate in Rossendale though because of its proximity to Manchester. Such enquiries are typically focused on sites close to the A56, such as Carrs Industrial Estate.
- 8.22 A lack of larger scale industrial premises near strategic transport links means that Rossendale is unable to retain many of the local businesses that are looking to expand or upgrade premises whilst staying within the area. Most key employers such as Solomons and JJO are currently spread across multiple sites. Consultations with commercial agents reiterated the message that emerged from the 2009 study that there was a clear need for a new large site to allow businesses to expand. Whilst the commercial agents acknowledged that there were difficulties in finding suitable land they stressed that the need was greatest in the West of the Borough with good access to the A56 and M66.
- 8.23 Consultations with local businesses also stressed the need for a new large site with good access to the A56. A key local business and strategic employer reported that whilst they would soon be expanding onto a new site, this was a short to medium term measure. In five years the business expects it will need to consolidate to one large site with good access to the strategic road network of around 12 ha, or at least two larger sites each around 5 ha.
- 8.24 The business needs such a large site in order to grow further and to be competitive, and will need to look beyond the Borough if it cannot find a suitable site.

Office

- 8.25 The Office market has weaker demand and movement compared to industrial though it is starting to pick up. Activity in the office market is generally focused to the West of the Borough around Rawtenstall and Haslingden. There is still considered to be an over-supply of office accommodation (reflected in an overall vacancy rate in the order of, though it is acknowledged that the quality of the stock varies).
- 8.26 Agents reported that the office market in Rossendale was starting to fall behind the rest of Lancashire in terms of activity, but that rental levels remain similar. Rental levels in Rossendale are typically between £7 and £10 per sq ft for non-serviced premises. Office rental levels are highest in the prime locations of Rawtenstall and Haslingden. Further east in the Borough rents are usually lower reflecting the low demand.
- 8.27 The office market in Rossendale lacks the critical mass to attract and sustain larger office occupiers. Businesses looking for such premises tend to locate in stronger office markets such as Manchester, Rochdale, Blackburn or Burnley. Consequently Rossendale's office
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market is very localised and the low demand is generated by local businesses looking for good quality, small and modern premises. There is a general lack of such premises in Rossendale, and many premises across the Borough require renovation.

- 8.28 The introduction of Permitted Development Rights to facilitate change of use from B1(a) offices to residential⁴⁴ poses a problem for employment land in the Rossendale area. Because the value of residential use of land is often higher than the equivalent value from office use, there is little incentive for owners of office space to redevelop in order to improve the quality of the employment space. RBC monitoring data shows a significant loss of office space in Helmshore in 2014 to residential conversion.
- 8.29 The 2009 ELR highlighted that consultations with agents reported some landowners that were intentionally ‘sitting’ on allocated employment land with the aim of converting it into residential use. More recent changes to Permitted Development Rights mean it will also apply to B1(c) and B8 uses. There are cases in Rossendale where strategically located sites are at risk of conversion and should be protected by removing Permitted Development Rights.

Rural Employment Space

- 8.30 There are a number of sites in rural areas serving the local business population. The size and quality of these sites varies though in general they are of poorer quality and often older buildings such as former mills. Some of these sites are well occupied, such as Shaw Clough, though others have high vacancies. Consultations with agents confirmed that whilst these sites covered an important market segment, demand was focused on less peripheral sites. Future supply should therefore be focused around the prime areas of Rawtenstall and Haslingden above peripheral locations.

Provision for Small Firms and Start-ups

- 8.31 Agents reported that there was strong demand for smaller industrial or warehousing units across the Borough. There is a particular demand for sites between 450 and 900 sq m, which is exacerbated by a shortage in supply of good quality premises of this size.
- 8.32 Providing flexible and smaller space for businesses to start-up in is important for wider economic growth. It allows businesses to get established and grow, which in turn generates supply chain and employment opportunities. Rossendale would therefore benefit from flexible workshop space that allows businesses to change the amount of space they occupy. There is a strong level of entrepreneurship in the Borough which RBC could capitalise on by providing space for incubator units and move-on accommodation. RBC committed to supporting such aspirations in Policy 10 of its Core Strategy:

“[The Council will] encourage business start-ups by supporting ‘incubator units’ and ‘move-on facilities’ (small, affordable units for new businesses).”⁴⁵

Broadband Provision

- 8.33 Availability of broadband has significant positive economic, environmental and social impacts. Recent research emphasises that at the local level, economic impacts arise from construction effects, productivity growth, enterprise creation, job creation and increased

⁴⁴ These measures, which came into force on 30 May 2013, allow premises to undergo change of use, subject to conditions and limitations to control impact and to protect local amenity, without the need to obtain planning permission. More recent changes to planning laws mean that B1(c) and B8 uses will also come under Permitted Development Rights.

⁴⁵ Rossendale Borough Council (2011) Core Strategy, page 84

labour force participation⁴⁶. Broadband is also an enabler for international trade and innovation. BT estimates that for a typical rural area, provision of superfast broadband could lead to an annual increase in GVA of 0.3% per annum over 15 years. The availability and quality of broadband coverage is therefore increasingly essential to the relative attractiveness of an area to do business.

8.34 The Government's Universal Service Commitment aims to ensure that everyone will have access to at least basic broadband (with a download speed of 2 MBs). However, as bandwidths available in urban areas improve at a more rapid rate it is possible that a 'digital-divide' is emerging⁴⁷.

8.35 Superfast Lancashire was set up to connect 97% of the County's addresses with a superfast broadband connection by the end of 2015⁴⁸. The programme was delivered in partnership with BT and was supported by £14.7m of Broadband Delivery UK funding as well as the European Regional Development Fund⁴⁹. The programme was a local delivery of the Government's Broadband Delivery UK. The latest phase of this programme aims to provide superfast broadband coverage across 95% of the UK by December 2017.

Future Growth Potential

8.36 Stakeholders suggested that whilst demand for office space was weak across the Borough it is highest in Rawtenstall and Haslingden. These locations contain most of Rossendale's prime office space, although there is some demand from local businesses for lower quality premises elsewhere in the Borough. The service sector is forecast to grow over the coming years and therefore to help meet this future demand there will be a need to renovate older office premises. In the current market there is considered to be a general over-supply of office space which dampens future growth potential for the sector.

8.37 The commercial property market is being driven by demand for industrial premises. Whilst there is demand across the Borough for industrial premises it is focused upon the A56 and M66 Corridor where transport links are best. A shortage in the supply of suitable sites, especially in prime areas, is pushing rental levels upwards. Agents reported demand in Rossendale for a new large industrial site with good access to transport links. Future growth should therefore focus on this prime area of the A56 and M66 Corridor. The potential sites between the A56 and A681, north of Carrs Industrial Estate, and Rising Bridge roundabout were well received by commercial agents. New build development for employment uses in these areas was considered to be viable due to the mismatch between demand and supply.

Business Premises Survey

8.38 As highlighted in Section 6.0 the Business Survey identified that more than half of respondents expected their space requirements to expand in the future. Local businesses also echoed many of the issues raised by agents, such as a lack of suitable premises that don't meet the needs of modern businesses. A lack of suitable premises was considered by businesses to be putting pressure on rental affordability, as well as causing businesses to consider re-locating outside the Borough. Businesses reported that accessibility to the motorway network in Rossendale was viewed either as an advantage or disadvantage

⁴⁶ Regeneris, on behalf of BT (2012): 'Superfast Broadband: Boosting Business and the UK Economy'

⁴⁷ SQW (February 2013): 'UK Broadband Economic Impact, Literature Review'

⁴⁸ Lancashire Enterprise Partnership (2016) Superfast Lancashire <http://www.lancashirelep.co.uk/the-lancashire-offer/funding-and-business-support/superfast-lancashire.aspx>

⁴⁹ Gov.uk (2015) Broadband Delivery UK – Local Body Information Spreadsheet

depending upon where they were located in the Borough; with those in the west of Rossendale much more likely to view it as a hindrance.

Conclusions

- 8.39 Rossendale's commercial property market is relatively localised and self-contained, though there are some relationships to nearby areas such as Burnley, Blackburn, Bury and Rochdale. The majority of demand for premises is led by indigenous businesses with historic ties to Rossendale looking to expand or improve their facilities. Agents did, however, report cases of businesses from elsewhere in Lancashire looking to locate in Rossendale because of its proximity to Manchester.
- 8.40 The commercial property market is driven by industrial space and there is little demand for office space. The strong demand for industrial premises is exacerbated by a shortage of supply. Whilst there is demand for industrial premises across Rossendale it tends to be focused towards the west of the Borough, particularly around the A56 and M66. Haslingden and Rawtenstall represent the key industrial locations for businesses looking to expand, being close to strategic transport links. A lack of larger scale industrial premises means that Rossendale risks being unable to retain local businesses within the Borough as they grow and expand. In particular, one key local company has confirmed that they will need to relocate onto a large new site of around 12ha, or two sites of at least 5 ha each, within the next 5 years. If suitably sized sites cannot be found in Rossendale with good access to the A56 they will be forced to move elsewhere in the region.
- 8.41 Rossendale's office market is relatively small and lacks the necessary critical mass to attract and sustain larger office occupiers, particularly given the Borough's proximity to larger established office centres nearby. The demand which exists comes from local businesses looking for good quality, small modern premises, mainly in Haslingden and Rawtenstall. Restructuring of existing office stock will be crucial if the office market is to perform well in future. This would involve losing older, functionally obsolete space and enabling the market to provide smaller scale modern accommodation. However there is currently a 'value gap' where the excess supply of office space has brought the market value of such offices down to a level below which speculative development is financially viable.
- 8.42 There are strong levels of demand for smaller units and spaces for businesses to grow in Rossendale, particularly between 450 sqm and 900 sqm. This is exacerbated by much of the existing employment space stock not meeting the needs of modern businesses, and especially the flexibility needed by SMEs.
- 8.43 Business feedback indicates that a number of Rossendale's companies are being constrained by premises that do not meet the needs and expectations of modern businesses. In the absence of a readily available supply of sites in the Borough, some businesses are looking to re-locate outside of Rossendale to accommodate their growth aspirations. An underlying shortage of good quality business accommodation could potentially threaten Rossendale's longer term ability to attract and retain the business base needed to achieve continued economic growth. Because of this strong demand for new good quality units, many stakeholders were of the view that new large industrial sites are needed. Such sites needs to be upwards of 5 ha in size and should be located towards the west of the Borough with excellent access to the strategic road network; similar to Carrs Industrial Estate in Haslingden.

9.0 Future Requirements for B-Class Employment Space

Introduction

- 9.1 This section considers the future economic growth needs in Rossendale Borough by drawing upon several methodologies that reflect the requirements of the Practice Guidance. These scenarios are used to inform the assessment of the Borough's future employment land needs for office and industrial (i.e. manufacturing and warehousing) for the period 2014 to 2034.

Methodology

- 9.2 The Housing and Economic Development Needs Assessment section of the Practice Guidance advises that "local authorities should develop an idea of future needs based on a range of data which is current and robust."⁵⁰ In particular, it recommends that Plan-makers consider a variety of forecasting techniques:

- 1 Sectoral employment forecasts and projections (labour demand);
- 2 Demographically-derived assessments of future employment land needs (labour supply);
- 3 Analysis based on the past take-up of employment land and property and/or future property market requirements; and,
- 4 Consultation with relevant organisations, studies of business trends and monitoring of business, employment and economic statistics.

- 9.3 Within this context, a number of potential future scenarios are considered within this section in order to provide a framework for assessing future B-class employment space requirements in Rossendale over the 20-year period 2014 to 2034. The quantitative forecasting techniques applied clearly align with items 1-3 outlined above:

- a Baseline employment forecasts (**labour demand**), using Experian's Local Market Quarterly Forecasts for September 2016;
- b Estimated growth in the local **labour supply** – and the jobs and employment space that this could be expected to support – having regard to analysis presented as part of the Borough's Strategic Housing Market Assessment [SHMA]; and
- c Consideration of **past take-up of employment space** based upon monitoring data provided by RBC and how these might change in future.

- 9.4 All of these approaches have their own individual strengths and limitations. In order to be robust, however, the Borough's economic growth potential (and the likely demand for employment space) needs to be assessed under a variety of future scenarios that reflect alternative growth conditions that could arise over the study period. In reconciling the various scenarios, consideration needs to be given to how appropriate each is to the particular circumstances and aspirations of RBC.

- 9.5 The ultimate judgement regarding the level of employment need that RBC should plan for is not, therefore, simply shaped by a consideration of quantitative analysis. Rather, a

⁵⁰ID 2a-032-20140306

number of qualitative factors must also be taken into account (as discussed in other sections of this report). These factors, which have been identified through an analysis of economic and market conditions – as well as through extensive consultation with economic stakeholders, commercial agents and local businesses (item 4 as outlined above) – will influence the employment space requirements that need to be planned for and must be considered alongside the modelled scenarios.

Growth Scenarios

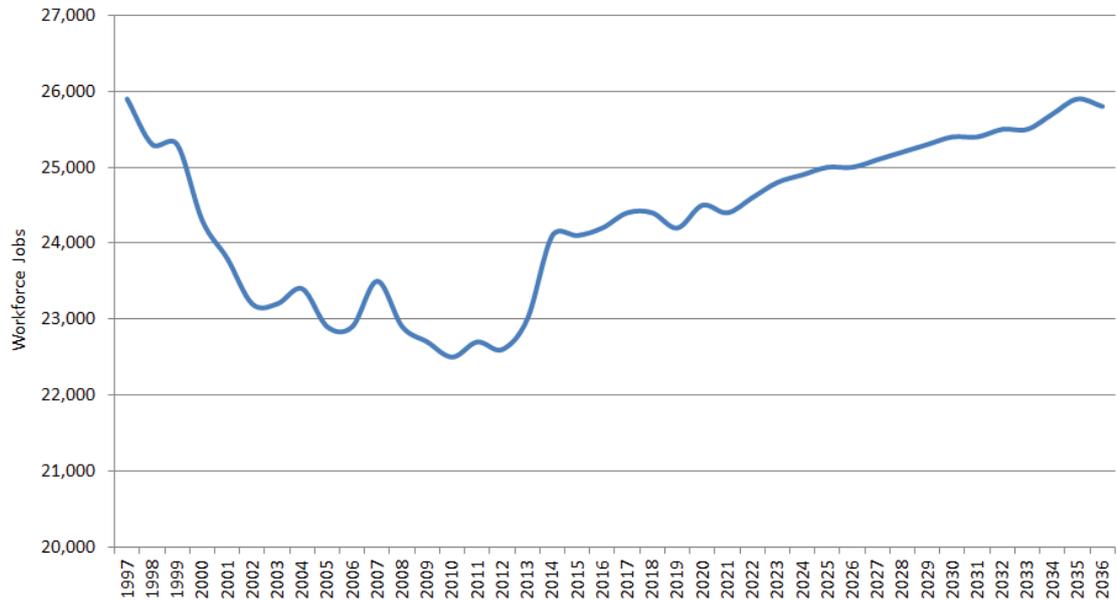
A. Econometric Job Forecasting

Scenario 1) Experian Rossendale Economic Forecasts (September 2016)

- 9.6 Experian econometric job forecasts were commissioned by Rossendale Borough Council to underpin this analysis.
- 9.7 It should be emphasised that such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level. Nevertheless, they provide a valuable input in respect of understanding future land needs by indicating the broad scale and direction of economic growth in different sectors.
- 9.8 Experian’s sub-regional economic model takes account of the existing economic structure of each Local Authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The forecasts of job growth by sector used here reflect recent trends and economic growth projections at national and regional level, and how economic sectors in Rossendale have fared relative to the region North West / UK growth in the past. These forecasts also reflect the current post-Brexit economic climate. They are not constrained by either labour supply or land availability.
- 9.9 Before presenting the job growth outcomes from the scenarios it is worth highlighting, in broad terms, limitations in how these were generated:
- 1 They are predominantly trend-based estimates projecting historic growth patterns into the future;
 - 2 The forecasts do not take into account policy influences and unforeseen impacts of individual business decisions; and,
 - 3 It is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.
- 9.10 For Rossendale, the September 2016 Experian Baseline workforce employment projections suggest (see Figure 9.1) that following a prolonged decline in jobs based in the Borough between 1997 and 2008, the recession actually heralded a period whereby employment levels stabilised, before increasing sharply between 2012 and 2014. Post 2014, the projections suggest that growth will continue, albeit at a more measured pace, such that by 2034 the economy will have grown by around 1,800 jobs, or 7.3%, from 2014. This rate of growth is lower than the workforce job projections of both the North West region (which is projected to grow at 8.1%) and the UK as a whole (which is projected to

grow at 12.7%), although it is marginally ahead of the Lancashire County projections (6.7%).⁵¹

Figure 9.1 Employment Change in Rossendale (Historic and Projected) 1997-2036



Source: Experian September 2016 / Lichfields analysis

9.11 Table 9.1 provides a summary of those sectors expected to experience the largest absolute increases and reductions in employment.

Table 9.1 Fastest Growing and Declining Sectors in Rossendale (2014-2034)

Sector	Use Class	Job Change* (2014-2034)
Residential Care & Social Work	RED	+841
Education	RED	+325
Accommodation & Food Services	RED	+316
Professional Services	PURPLE	+324
Textiles & Clothing (manufacture of) (Thousands)	PURPLE	-205
Metal Products (manufacture of) (Thousands)	PURPLE	-204
Other Manufacturing (Thousands)	PURPLE	-202

Source: Experian (September 2016) / Lichfields analysis

*rounded

Key: PURPLE = B-class sector ORANGE = Part B-class sector RED = Non-B-class sector

9.12 The analysis shows that with the exception of Professional Services (a sector that would typically be expected to align with demand for B1a/b office premises), those sectors forecast by Experian to experience the strongest employment growth to 2034 are not likely to generate a significant requirement for additional B-class space.

⁵¹ Experian Projections (2016) / Lichfields Analysis

9.13 Conversely, sectors forecast by Experian to experience the largest employment losses over the Plan period include the manufacture of textiles and clothing, metal products and ‘other’ manufacturing, all of which are likely to be predominantly based in B1c/B2 industrial units currently.

9.14 As illustrated in Table 9.2, GVA growth in Rossendale is expected to increase by 40% over the period 2014 to 2034, a figure broadly aligned with that of the projected North West (+41%) rate of growth over the same time period.

Table 9.2 Summary of Rossendale Workforce Employment and GVA Projections

	2014	2019	2024	2029	2034	2014-2034	
						+/-	%
Workforce Jobs (thousands)	24.8	25.1	25.7	26.2	26.6	+1.8	+7.3%
Rossendale GVA (£m 2012 prices)	£1,003.9	£1,065.8	£1,174.5	£1,287.7	£1,404.1	£400.2	39.9%
North West GVA (£m 2012 prices)	£144,616.3	£153,194.1	£169,008.4	£185,900.9	£203,252.8	£58,635.5	40.5%

Source: Experian (September 2016)

9.15 The overall employment change in Rossendale resulting from these forecasts is shown in Table 9.3 along with expected employment growth in the main B-class sectors. This includes an allowance for jobs in other non B-class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the B-class sectors.

9.16 These figures indicate a slight decrease in the level of net job change (-209 jobs) in the B-use classes in Rossendale over the period to 2034, with B1a/b sectors seeing a cumulative increase of +311 jobs and B8 seeing a cumulative increase of +185, moderated by a significant decline in B1c/B2 manufacturing (-617). This is within the context of overall job growth of 1,800 jobs projected for Rossendale over the plan period, driven by growth in non B-Class sectors such as Residential Care and Social Work (discussed in Section 8.0). The projected increase in B8 jobs would require lower density development and this would result in a disproportionate requirement for additional employment land.

Table 9.3 Forecast Workforce Change in Rossendale 2014-2034

	Rossendale Workforce Jobs		Change
	2014	2034	2014-34
Offices (B1a/b)*	3,206	3,517	+311
Manufacturing (B1c/B2)**	5,799	5,182	-617
Distribution (B8)***	2,317	2,502	+185
Total B-class Jobs	11,322	11,200	-121
Other Non B-Class Jobs	13,478	15,400	+1,921
Jobs in All Sectors	24,800	26,600	+1,800

Source: Experian/ Lichfields Analysis 2016

* includes a proportion of public sector employment and administration & support services

** includes vehicle repair and some construction activities

*** includes elements of transport & communications sectors

9.17 To translate the resultant job forecasts into estimates of potential employment space, it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:

- The office floorspace requirement is related to job growth / decline in the financial and business service sectors⁵²;
- The industrial floorspace requirement is related to job growth / decline in the manufacturing sectors⁵³; and,
- The wholesale / distribution floorspace requirement is related to job growth / decline in the Industrial sectors of wholesale and land transport, storage and postal services.⁵⁴

9.18 In order to translate the resulting figures into employment land projections, employment densities (based upon the latest HCA guidance on employment densities, 2015⁵⁵), adjusted to translate FTEs into workforce jobs, and plot ratios by use class, were then applied to the job change figures.

9.19 It was assumed that:

- 1 One B1a/b general office workforce job requires 12.5 sqm of employment floorspace [Gross External Area, or GEA];
- 2 One B1c light industrial job requires 53.5 sqm of employment floorspace [GEA];
- 3 One B2 industrial workforce job requires 36 sqm of employment floorspace [GEA];
- 4 A combined B1c/B2 factor of one job per 45 sqm was obtained by taking an average of the aforementioned B1c/B2 GEA equivalents;
- 5 One job per 65 sqm for general, smaller scale warehousing (assumed to account for 70% of future space) and 1 job per 80 sqm for large scale, lower density units (assumed to account for 30% of future space) [GEA]⁵⁶.

9.20 This guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to previous guidance.

9.21 An adjustment has been made to reflect the fact that vacancy rates in Rossendale are currently around 16% for office floorspace and around 8% for industrial/warehousing floorspace.⁵⁷ On the basis that a figure of 10% better reflects 'normal' market conditions, the model has assumed that there is a need for lower levels of floorspace to allow for a decrease down to 10% by 2034 for office space, and a slight increase for industrial/warehousing space.

9.22 The relationship between job growth and floorspace is not, however, straightforward. As can be seen in Figure 9.2, whilst the number of industrial jobs in Rossendale declined between 2000 and 2012 (by -29%), the amount of industrial floorspace in occupation

⁵² i.e. BRES Sectors 58-75, Office administration and support and 10% of Public Administration and Defence

⁵³ Manufacturing sectors, plus car repair, some construction and waste and remediation activities.

⁵⁴ Wholesaling less car repairs retail car sales, plus post/couriers and land transport

⁵⁵ HCA (November 2015), Employment Densities Guide, 3rd Edition

⁵⁶ Given that the majority of B8 warehousing has been low bay warehousing in recent years, around 70% of future demand is estimated to be for 'small' warehousing and the remainder for larger high bay warehousing.

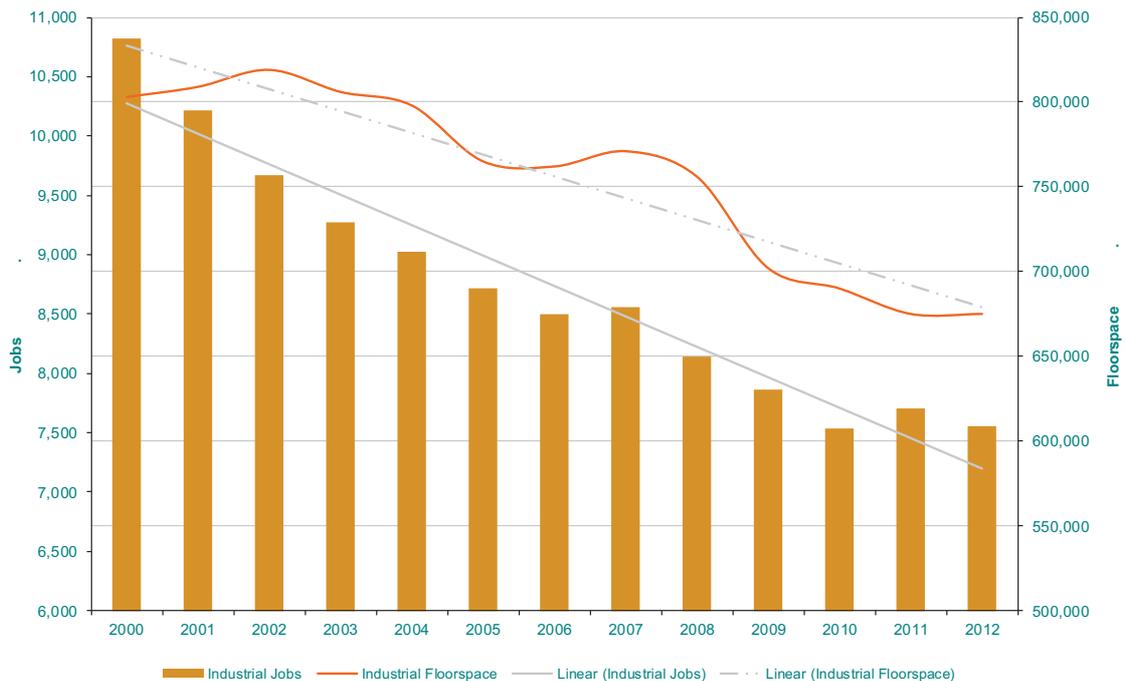
⁵⁷ On the basis of an assessment of commercial property websites in August 2016 and RBC's own Commercial Property Register data (also for August 2016), set against the VOA Business Floorspace statistics. The realism of these figures has been tested with local agents, who broadly agreed with the figure for office and industrial uses.

declined by -16%. Furthermore, industrial GVA actually increased over this 12-year period, from £915 million in 2000 to £959 million by 2012, an increase of 5%.

9.23 In contrast, whilst the number of office-based jobs remained relatively stable over the same period, the amount of floorspace increased by almost a third (+31% 2000-2012).

9.24 As such, where a reduction in industrial jobs is forecast, the associated negative floorspace was halved, to reflect the fact that not all of this employment space is likely to be lost.

Figure 9.2 Comparison of Historic Industrial Jobs/Floorspace in Rossendale Borough



Source: Lichfields Analysis/Experian/Experimental Business Floorspace Statistics 2000-2012 (VOA)

9.25 The resultant floorspace estimates are provided in Table 9.4. They indicate a modest net floorspace requirement for B1a/b, B1c/B2 and B8 uses in Rossendale of 5,456 sqm. This is despite strong B8 growth over the 20-year assessment period. In contrast, future B2 manufacturing floorspace is estimated to be strongly negative, and a modest requirement for B1a office (due to the substantial over supply of available premises currently).

Table 9.4 Experian Workforce Job Growth Net Employment Floorspace Requirements 2014-2034

	Rossendale Floorspace (sqm)
Offices (B1a/b)	1,134
Manufacturing (B1c/B2)	-13,892
Distribution (B8)	18,213
Total	5,456

Source: Experian / Lichfields Analysis

Scenario 2) Job Growth: Regeneration / Policy On

9.26 An alternative job-based estimate of future needs has been compiled which was termed the Regeneration, or ‘Policy-On’, scenario. Following discussions with Rossendale

Planning and Economic Regeneration Officers, and making reference to the LEP Target Growth Sectors for Lancashire as a whole (Rossendale Borough currently has no specific target sectors), the detailed classifications used in the Experian workforce projections were reassessed to test whether there were any concrete policy justifications for modifying any of the categories. It is recognised that limited conclusions can be drawn from the results of such an approach, as the Experian forecasts for Rossendale are complex and internally consistent with those of other authorities in the regions.

9.27 With this caveat in mind, Officers confirmed that work underpinning the LEP identified several core growth sectors that should be promoted and supported in the years ahead in Rossendale:

- 1 Aerospace;
- 2 Digital and Creative Industries;
- 3 Advanced Manufacturing;
- 4 Business and Professional Services;
- 5 Energy and Environmental Technology;
- 6 Tourism; and,
- 7 Food and Drink.

9.28 As there is considerable overlap with some of the sectors and the standard industrial classifications used by Experian, it was assumed that the seven broad categories would broadly align as set out in Table 9.5.

Table 9.5 Comparison between Rossendale Target Growth Sectors and SIC2 sectors

Rossendale Target Growth Sectors	Approximate Comparable Standard Industrial Classifications
Aerospace	Transport Equipment
Digital and Creative Industries	Media Activities; Telecoms; Computing & Information Services
Advanced Manufacturing	Manufacture of: Computer & Electronic Products; Machinery & Equipment
Business and Professional Services	Finance; Insurance & Pensions; Professional Services
Energy and Environmental Technology	Utilities
Tourism	Recreation
Food and Drink	Food, drink and tobacco

Source: Lichfields Analysis

9.29 Officers considered that growth in these sectors could be anticipated at rates close to the UK or regional growth rates identified in the Experian baseline job growth projections. As a consequence, if either projected growth rates higher than Rossendale’s forecast workforce growth between 2014 and 2034, then the UK/regional rate was applied to the SIC sectors identified in Table 9.5.

9.30 The adjustments to the Experian forecasts outlined above only slightly increase the overall workforce job growth in Rossendale by 318 jobs, and increase B-class job growth to +180 from -121 previously. B2 industrial-related jobs are still projected to decline despite the higher growth rates, as the Borough’s downward growth trajectory for many of the B2 sectors is mirrored at a regional and national level. However the policy-on scenario lessens the rate of employment decline in these sectors from -617 to -480 to 2034.

Table 9.6 Policy-On Workforce Job Change in Rossendale 2014-2034

	Rossendale Workforce Jobs		Rossendale Change
	2014	2034	2014-34
Offices (B1a/b)	3,206	3,681	475
Manufacturing (B1c/B2)	5,799	5,319	-480
Distribution (B8)	2,317	2,502	185
Total B-class Jobs	11,322	11,501	180
Other Non B-Class Jobs	13,478	15,417	2,118
Jobs in All Sectors	24,800	26,918	2,118

Source: Experian / Lichfields Analysis

9.31 These employment forecasts were then converted to floorspace requirements in a similar manner to the Experian baseline forecasts before. The resulting forecasts are slightly more optimistic in terms of office job growth and less pessimistic regarding industrial decline. These are set out in Table 9.7.

9.32 Overall, they forecast B-Class job growth in Rossendale by 2034 and a comparable increase in floorspace of 10,815 sqm, despite a strong increase in requirement for B8 warehousing due to the lower density of jobs to floorspace in the storage and distribution sector.

Table 9.7 Jobs based (Net) Employment Space Requirements in Rossendale 2014-2034

B-class sector	Rossendale Net Floorspace (sqm)
Offices (B1a/b)	3,412
Industrial (B1c/B2)	-10,811
Warehousing (B8)	18,213
Total	10,815

Source: Lichfields Analysis

Scenario 3) Core Strategy Job Growth

9.33 Policy 10 of the adopted Rossendale Core Strategy (2010) targets a net increase of 3% in jobs created within the Borough over a 5-year fixed period. Such a level of job growth (applied to the Experian baseline in 2014) would result in a net job growth of 3,113 between 2014 and 2034, or 156 jobs annually (net).

9.34 Similar assumptions concerning vacancy rates and employment densities as per the econometric demand side forecasting work were applied to these enhanced job projections, keeping the same B1/B2/B8 / non B-use split as with the Experian baseline.

Table 9.8 Policy-On Workforce Job Change in Rossendale 2014-2034

	Rossendale Workforce Jobs		Rossendale Change
	2014	2034	2014-34
Offices (B1a/b)	3,206	3,690	484
Manufacturing (B1c/B2)	5,799	5,437	-362
Distribution (B8)	2,317	2,626	309
Total B-class Jobs	11,322	11,753	432
Other Non B-Class Jobs	13,478	16,160	2,681
Jobs in All Sectors	24,800	27,913	3,113

Source: Experian / Lichfields Analysis

9.35 These employment forecasts were then converted to floorspace requirements in a similar manner to the Experian baseline forecasts before. The resulting forecasts are less pessimistic in terms of office and industrial decline. These are set out in Table 9.7.

9.36 Overall, they forecast B-Class job growth in Rossendale by 2034 and a comparable increase in floorspace of 23,159 sqm, most of which is required for B8 warehousing due to the lower density of jobs to floorspace in the storage and distribution sector.

Table 9.9 Jobs based (Net) Employment Space Requirements in Rossendale 2014-2034

B-class sector	Rossendale Net Floorspace (sqm)
Offices (B1a/b)	3,545
Industrial (B1c/B2)	-8,137
Warehousing (B8)	27,751
Total	23,159

Source: Lichfields Analysis

B. Future Labour Supply

9.37 It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match forecast growth of the resident workforce in the Borough. In contrast to the other approaches, this approach focuses on the future supply of labour rather than the demand for labour. This scenario then indicates the amount of new jobs needed to match the future working-age population, and how much employment space would be needed to accommodate these jobs.

9.38 At the time of writing, a Strategic Housing Market Assessment [SHMA] is being undertaken by Lichfields on behalf of Rossendale Borough Council. Using the PopGroup demographic modelling tool and its outputs, three main demographic scenarios have been identified for Rossendale:

- 1 Scenario A: 2014-based SNPP scenario (183 dwellings per annum [dpa]);
- 2 Scenario Ai: 2014-based SNPP/PCU re-based to 2015 (202 dpa); and
- 3 Scenario Di: Long Term Migration trends (220 dpa).

9.39 The resultant projections and their job growth forecasts are presented in Table 9.10. It indicates that the net job growth for Rossendale could range from a low of 600 to a high

of +800 depending on the level of housing growth targeted. The SHMA recommends that the Long term Migration Scenario, equal to 220 dpa (before further adjustments are made for market signals and affordable housing) would equate to the lower end of any housing OAN range.

Table 9.10 SHMA Housing OAN Modelling Outputs

	Rossendale		
	2014	2034	Change
4) Scenario A: SNPP 2014-based (183 dpa)			
Population	69,168	74,198	5,030
Households	29,739	33,215	3,476
Dwellings	31,285	34,941	3,656
Labour Force	33,438	33,515	77
Jobs	25,054	25,654	600
5) Scenario Ai: SNPP 2014-based PCU /2015 MYE (202 dpa)			
Population	69,168	74,198	5,030
Households	29,739	33,582	3,843
Dwellings	31,285	35,327	4,042
Labour Force	33,438	33,515	77
Jobs	25,054	25,654	600
6) Scenario Di: Long Term Migration + PCU (220 dpa)			
Population	69,168	75,083	5,915
Households	29,739	33,931	4,192
Dwellings	31,285	35,695	4,410
Labour Force	33,438	33,863	425
Jobs	25,054	25,920	866

Source: Lichfields 2016

9.40 To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the econometric demand side forecasting work were applied to the job projections.

9.41 The results are presented in Table 9.11. Under these three scenarios, addressing the future employment requirements of local residents would mean a requirement of between -7,023 sqm and -10,368 sqm of B-class employment space (net) between 2014 and 2034 in Rossendale.

Table 9.11 Rossendale B-Class Net Floorspace Required from Labour Supply Growth Scenarios, 2014-34

Use	Rossendale		
	4) Scenario A: SNPP 2014-based (183 dpa)	5) Scenario Ai: SNPP 2014 PCU /2015 MYE (202 dpa)	6) Scenario Di: Long Term Migration + PCU (220 dpa)
Offices (B1a/b)	-545	-545	-301
Industrial (B1c/B2)	-19,373	-19,373	-18,206
Warehousing (B8)	9,550	9,550	11,484
Total	-10,368	-10,368	-7,023

Source: Lichfields analysis

Scenario 7) Rossendale Core Strategy Housing Target 247 dpa

- 9.42 RBC’s adopted Core Strategy Policy 2: *Meeting Rossendale’s Housing Requirement* identifies a net housing requirement of at least 3,700 net additional dwellings over the plan period 2011-2026, equating to 247 dwellings per annum [dpa]. As part of the Rossendale 2016 SHMA modelling exercise, Lichfields modelled the implications of delivering 247 dpa between 2014 and 2034. This analysis indicated that 247 dpa would equate to around 8,238 net additional residents in the Borough; a net additional increase of 1,680 economically active residents, and 1,827 jobs.
- 9.43 By applying the HCA’s employment densities (adjusted to reflect the fact that these are total jobs, rather than FTEs), this Scenario could generate a requirement of 5,637 sqm overall.

Table 9.12 Rossendale B-Class Net Floorspace Required from 247 dpa 2014-34 (sqm)

Use	Rossendale
	7) 247 dpa (CS Housing Target)
Offices (B1a/b)	1,163
Industrial (B1c/B2)	-13,984
Warehousing (B8)	18,458
Total	5,637

Source: Lichfields Analysis, PopGroup

- 9.44 It should be noted that by their nature, labour supply approaches are more conservative given that they relate to a (proportionately) declining working age population. Furthermore, whilst housing growth and employment requirements are clearly related, it is questionable whether there is a direct causal relationship between the two, particularly once considerations relating to changing commuting practices, fluctuating unemployment rates and economic activity rates are taken into account. These local labour supply-based estimates therefore provide a benchmark for comparison with other approaches rather than a sound basis for future planning in isolation.

Estimating the Land Requirement

- 9.45 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates. It has been assumed that a gross area of 1 ha is required to develop 4,000 sqm of industrial or warehousing / distribution space (equal to a plot ratio of 40%). This plot ratio is taken from the former ODPM Guidance on ELRs⁵⁸ and reflects typical development densities for these uses.
- 9.46 The resulting net land requirements for the three Labour Demand and four Labour Supply scenarios are set out in Table 9.13.⁵⁹

⁵⁸ ODPM (2004) ELR Guidance Note

⁵⁹ To take an example, the 4,770 sqm B1a net requirement for Rossendale identified under the Policy On job growth projection was increased to reflect the 40% plot ratio, and divided by 10,000 to translate square metres (floorspace) into 1.19 ha (land).

Table 9.13 Rossendale Net Land Requirements by Demand/Labour Supply-Led Scenarios (ha)

Scenario Use	Rossendale Labour Demand						
	1. Experian Baseline Job Growth	2. 'Policy-On' Job Growth	3. Core Strategy Job Growth	4) SNPP 2014-based (183 dpa)	5) SNPP 2014 PCU /2015 MYE (202 dpa)*	6) Long Term Migration + PCU (220 dpa)	7) CS Target 247 dpa
Offices (B1a/b)	0.28	0.85	0.89	-0.14	-0.14	-0.08	0.29
Industrial (B1c/B2)	-3.47	-2.70	-2.03	-4.84	-4.84	-4.55	-3.50
Warehousing (B8)	4.55	4.55	6.94	2.39	2.39	2.87	0.29
All B Uses	1.36	2.70	5.79	-2.59	-2.59	-1.76	1.41

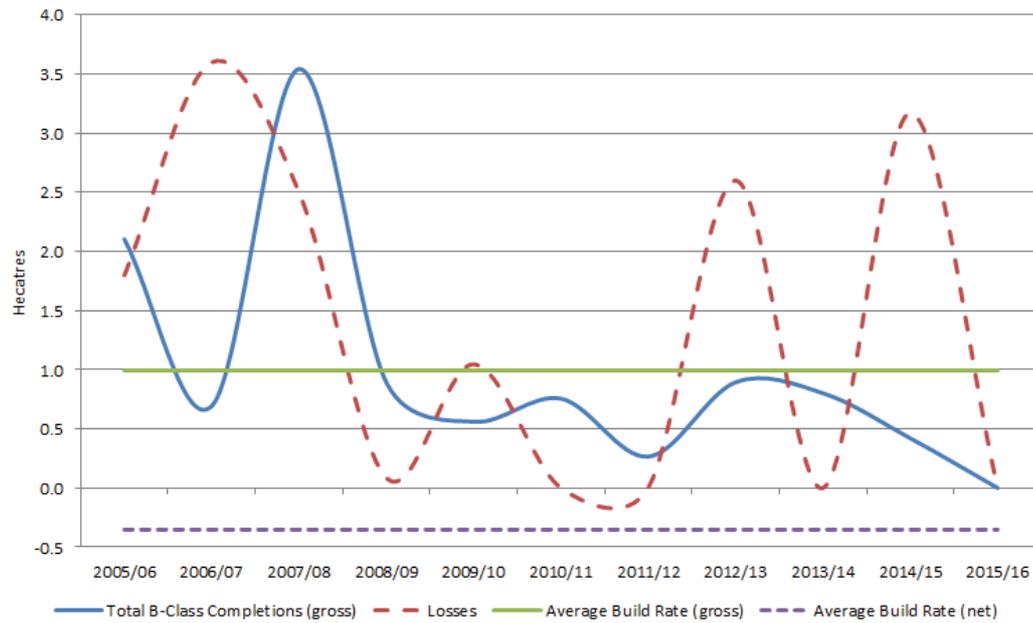
Source: Lichfields Analysis

* Scenario 5 is the same as scenario 4, but with a Partial Catch Up applied to headship rates. This means that the number of dwellings per annum are different, but the population and thus employment land requirement are the same.

Scenario 8) Past Take Up Rates

- 9.47 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.
- 9.48 Data on past completions and losses by B-class sector was provided by RBC. As Figure 9.3 illustrates, take-up of employment sites in Rossendale over the period 2005/6 to 2015/16 totalled 10.9 ha, or 0.99 ha per annum. Just over half of all gross employment completions over this period relates to B2 space.
- 9.49 However, losses totalled 14.8 ha over the same time period, at a rate of 1.35 ha annually, meaning that more employment land was lost than was developed over the period.

Figure 9.3 Past Take Up of Employment Land in Rossendale Borough



Source: Rossendale Borough Council 2016

9.50 This scenario simply assumes that future development rates of employment space up to 2034 will be similar to those that have occurred in Rossendale over previous years (the period for which take-up information is available for). However, it should be noted that the information provided by RBC covers a relatively short period (11 years) which may not reflect longer term trends.

9.51 The calculation of the net employment land figure set out below is therefore considered a relatively pessimistic approach. However, it can be used in this instance due to the detailed information made available by the respective Councils regarding take up and losses of individual sites which allows a direct net comparison to be made.

9.52 This approach produces a gross requirement in Rossendale for around 0.99 ha per annum gross, or around -0.35 ha per annum net. The latter figure is equal to -7.05 ha over the 20-year plan period. The figures are in stark contrast with the higher floorspace projections from the Experian econometric projections (Table 9.14).

Table 9.14 Employment Land Requirement for Rossendale based on Past Trends Continuing, 2014-2034

Sector (Use Class)	Gross Average annual completion rate (ha)	Net Average annual completion rate (ha)	20-Year Net Requirement (ha)
Rossendale General B-Class Space	0.99	-0.35	-7.05

Source: Lichfields analysis. Forecasts based on 11 years of average completion rates and losses 2005/06 to 2015/16

9.53 This approach assumes that past trends of development would continue unchanged, which may not fully reflect changes in the economy as it returns to growth. It may also underestimate future demand if the supply was constrained in the past, for example because of few sites becoming available or infrastructure / funding factors. Similarly, it may also underestimate future demand given two wards in Rossendale have recently been designated as Assisted Areas. This could result in some of the key sites in these wards becoming more attractive for relocations / expansions from firms who are unable to

access any other source of government funding (outside of these areas) due to state aid rules.

- 9.54 On the other hand, future development rates for industrial space may be less than has been achieved historically as the sector rationalises and/or makes more efficient use of space.
- 9.55 Clearly the recession and prolonged economic downturn (and the continued uncertainty surrounding Brexit) have had a significant effect on the viability of development schemes and in this regard Rossendale is no different from the majority of other areas outside London and the Greater South East. Nevertheless, it is understood from speaking with the Economic Development Officers representing the authority and local commercial agents that Rossendale may have experienced relatively low levels of industrial development relative to underlying demand. This is considered to be due, in part, to a lack of suitable, available and deliverable land, particularly to accommodate small industrial units.
- 9.56 Nevertheless, clearly the Experian modelling work demonstrates limited (and indeed negative for B1a and B2) prospects for growth for the B-class employment sectors. The practical physical constraints and relative inaccessibility of certain areas suggest that realistically, an upsurge in large developments in the authority area is unlikely for the foreseeable future.
- 9.57 In addition, all of the following suggest that the take up rates may not significantly increase in the future:
- 1 The move towards a more Business Services-orientated economy with significantly higher employment densities;
 - 2 The future supply of land in the authority is particularly constrained by topography and environmental constraints;
 - 3 The restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites;
 - 4 The Government's measures to facilitate the change of use from B1a office and B8 warehousing (and, from October 2017, B1c light industrial) to residential without the need for planning permission;
 - 5 The long term impacts of the economic downturn and uncertainty surrounding the implications of Brexit;
 - 6 The significant reduction in public sector spending available to deliver difficult brownfield sites; and,
 - 7 The need to consider alternative uses for existing B-class sites (i.e. for waste and recycling).
- 9.58 On balance, for Rossendale, it is suggested that the -0.35 ha net annual past take up rate represents a valid figure going forward over the remainder of the plan period.

Safety Margin

- 9.59 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts.

Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.⁶⁰

- 9.60 The South East England Planning Partnership Board (SEEPB)⁶¹ guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Rossendale, on the basis of the gross take up⁶² analysis set out in the Past Take Up Scenario 8, the following safety margins were added for B-Class uses.

Table 9.15 Rossendale Safety Margin Allowances

All B-Class Uses	Gross Average Annual Take-up (ha)	2-year Safety Margin Added 2014-2034
Rossendale	0.99	1.99

Source: Lichfields Analysis

Convert Net to Gross Floorspace Requirements

- 9.61 To convert the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B-Class uses in future. This is a widely accepted approach in planning for future employment land needs.
- 9.62 A judgement was therefore made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants' understanding of supply-side deliverability factors in Rossendale and current trends in the market. Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining.
- 9.63 There is an argument that not all such losses of employment land should necessarily be replaced or reflected in an increased gross land requirement. This would be on the basis that the stock of employment land in Rossendale contains some older sites less likely to meet future needs and is of a scale that reflects past industrial patterns, rather than the amounts of land needed in future.
- 9.64 However, against this argument is the likelihood that other sites may also be lost by 2034, and these will represent losses to the overall land portfolio, reducing choice within the market. For instance, the Borough's Strategic Housing Land Availability Assessment [SHLAA] (2010) was analysed to assess how many sites presently used for employment purposes may be suitable for housing suitability over the plan period (to 2026). Out of 416 sites analysed, 38 were found to be classified as having 'Industry and Business' land use, with a cumulative area of 28.66ha. Over 15 years, this would equate to 1.91 ha per annum.
- 9.65 Furthermore, a number of extant planning permissions relating to the loss of B-Class employment land to alternative, usually higher value uses such as residential or retail

⁶⁰ This safety margin is separate from the consideration of vacancy rate which is dealt with in §7.20.

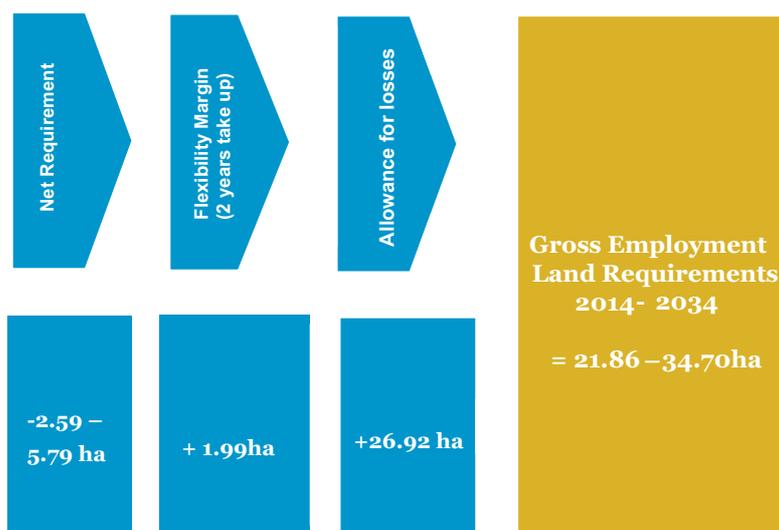
⁶¹ SEEPB Economic and Employment Land Assessments Supplementary Guidance Consultation Document, 2009. Although the SEEPB no longer exists and the formal status of this guidance is not established, it is considered to be a source of good practice.

⁶² The standard approach is to use gross take-up figures for this purpose.

remain outstanding. Over the past 2 years alone, these comprise 0.85 ha of land that could be lost from the employment land portfolio if/when the planning permission is implemented in addition to the 3.171 ha that have already been lost during this time.

- 9.66 Whilst it is possible that not all of these identified developed and previously developed sites will be lost to residential purposes, it is worth considering given the recent introduction of Permitted Development Rights permitting streamlined ‘office-to-residential’ conversion, especially given that commercial agents have pointed this out as being a current issue (alongside the suggestion that a considerable amount of the existing employment land stock in Rossendale is no longer fit for purpose and needs replenishing with better quality units more suited to meeting modern operator requirements).
- 9.67 Balancing these considerations, it is suggested that a replacement factor of around **1.35 ha per annum** for Rossendale provides a reasonable basis to go forward, although this should be monitored by the authority over the next few years and adjusted as necessary to ensure that it is approximate to future losses.
- 9.68 Consequently, by adding on an allowance for replacement of losses (1.35 ha per annum, or 26.9 ha over 20 years) and factoring in two years of gross take up (1.99 ha) to allow for a suitable margin for choice, this results in a gross total requirement of approximately 21 ha – 30 ha between 2014 and 2034.
- 9.69 An alternative approach to calculating gross land requirements with a margin of choice is to apply a rate of ‘churn’ equivalent to 1% of Rossendale’s existing stock per annum (see other local employment land studies e.g. Lichfield District, Nuneaton and Bedworth). For Rossendale, this could roughly equate to demand for around 1.88 ha per annum (based upon 1% of 750,000 sq. m. of existing floorspace in the Borough and multiplied by 40% plot ratio), a figure that is slightly above the 1.3 ha allowance for losses identified above which suggests the figure taken forward is reasonably conservative.
- 9.70 The model steps are summarised in Figure 9.4. The same steps described above to convert the net employment projections from net to gross (with a 2 year margin of choice) have been applied to the net historic take up figures described above for consistency.

Figure 9.4 Staged Approach to Employment Land Requirements



- 9.71 In summary, the demand-led range of indicative total gross land requirements to 2034, factoring in a 2-year margin of choice, results in the following range of demand projections for Rossendale:

- Econometric demand led projections: 30.3 ha – 34.7 ha;
- Labour Supply projections: 26.3 ha – 27.2 ha;
- CS 247 dpa target: 30.3 ha;
- Past Take Up: 21.9 ha.

9.72

The full breakdown for Rossendale Borough is set out in Table 9.16.

Table 9.16 Rossendale Gross Employment Land Comparisons 2014-34

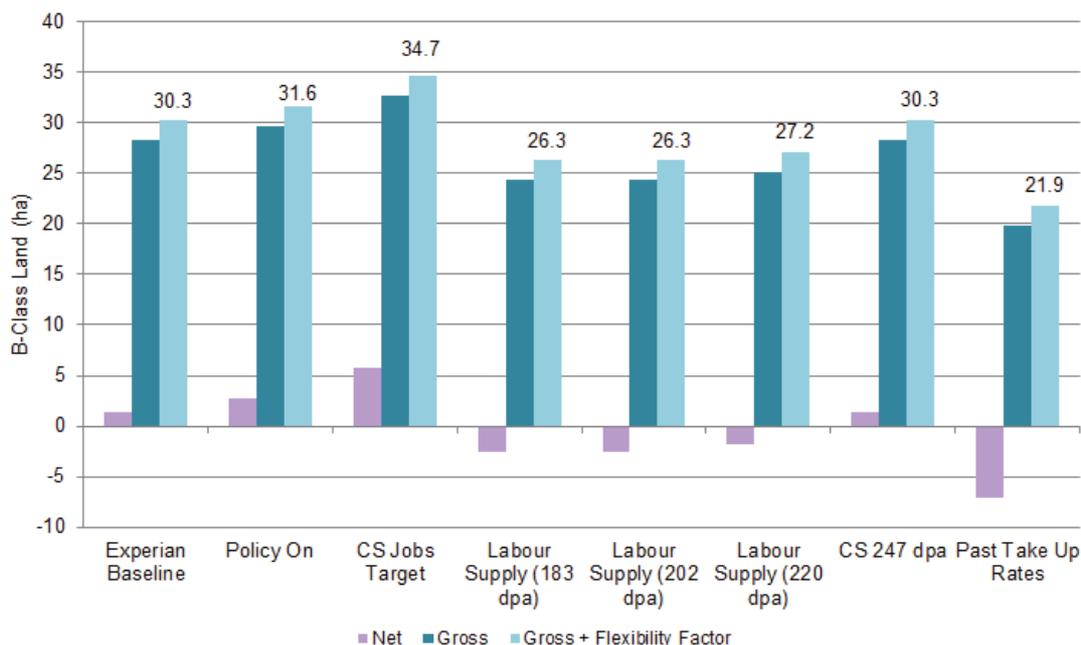
		B1a/b	B1c/B2	B8	TOTAL
1) Experian Baseline	2014-2034 (net)	0.28	-3.47	4.55	1.36
	2014-2034 (gross)				28.29
	+ Flexibility factor				30.27
2) Regeneration / Policy On	2014-2034 (net)	0.85	-2.70	4.55	2.70
	2014-2034 (gross)				29.63
	+ Flexibility factor				31.61
3) CS Jobs Target	2014-2034 (net)	0.89	-2.03	6.94	5.79
	2014-2034 (gross)				32.71
	+ Flexibility factor				34.70
4) Labour Supply (183 dpa)	2014-2034 (net)	-0.14	-4.84	2.39	-2.59
	2014-2034 (gross)				24.33
	+ Flexibility factor				26.32
5) Labour Supply (202 dpa)	2014-2034 (net)	-0.14	-4.84	2.39	-2.59
	2014-2034 (gross)				24.33
	+ Flexibility factor				26.32
6) Labour Supply (220 dpa)	2014-2034 (net)	-0.08	-4.55	2.87	-1.76
	2014-2034 (gross)				25.17
	+ Flexibility factor				27.15
7) CS 247 dpa Target	2014-2034 (net)	-0.29	-3.50	0.29	1.41
	2014-2034 (gross)				28.33
	+ Flexibility factor				30.32
8) Past Take Up Rates	2014-2034 (net)	-3.56	-3.49		-7.05
	2014-2034 (gross)				19.87
	+ Flexibility factor				21.86

Source: Lichfields Analysis

9.73

Nevertheless, the labour supply forecasts are reasonably close to the Experian Baseline, Policy On and particularly the Past Take Up Scenarios, hence this approach could support the need for a narrow range of employment land requirements of between 22 ha and 35 ha. However, the reality checks set out below also need to be taken into consideration.

Figure 9.5 Rossendale Gross Employment Land Projections



9.74 The labour supply projections for Rossendale are illustrated alongside the aforementioned econometric and past take up projections in Figure 9.5. They indicate that the three labour supply projections, at 26.3 ha and 27.2 ha (gross) are below the broader range based on the demand-led projections of 30.3 ha (Experian baseline) and 34.7 ha (CS jobs target), but are above Past Take Up (21.9 ha).

Reality Check

9.75 Clearly the levels of future demand for B-use class land projected by the various employment-based projections differ. The projections are largely trend-based; in particular, the past take up has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of Rossendale’s economy and commercial property market will lie somewhere between the econometric and past trends projections.

9.76 In order to provide a clearer steer as to what level of growth Rossendale should be planning for, it is important to apply a series of reality checks.

Adjustments to Plot Ratios

9.77 The estimates of land requirements are clearly highly sensitive to the various assumptions used. The job / floorspace ratios and plot ratios adopted here reflected those in the former ODPM guidance⁶³. At present, it is assumed that the plot ratio⁶⁴ of 40% is generally applied to out-of-centre office space, industrial space and warehousing.

9.78 If a lower level were applied to all types of employment land of, say, 30%, this would make a modest difference to the overall net requirement, of up to 1.9 ha for the CS Jobs

⁶³ Employment Land Reviews Guidance Note, ODPM (2004)

⁶⁴ A plot ratio is the total building square footage (building area) divided by the site size square meterage (area of the plot). Therefore, a plot ratio of 150% would indicate that the total floor area of a building is 1.5 times the gross area of the plot on which it is constructed. For practical purposes, this would equate to a 3 storey building with fifty percent plot coverage, the remaining plot area being occupied, for example, by access roads, parking and landscaping.

target scenario. However, given that RBC are keen to broaden their employment base and become less reliant on manufacturing industries and encourage more service-based development (which tend to have higher plot densities), and with the Framework's requirement for office space to be located in town centres rather than out of centre, this could point to plot densities increasing, rather than decreasing in future. On this basis, it is considered reasonable to assume that the majority of future development in the authority areas will be at plot ratios closer to 40% than 30%.

Adjustments to the Margin of Choice

- 9.79 A more significant assumption in terms of sensitivity is the 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of the on-going economic uncertainties and the need to provide market ready sites to prevent occupiers from moving beyond the authority areas when searching for appropriate sites. Hence an increased margin of choice would help to provide a balanced portfolio. A number of agents have commented that an overall lack of supply, combined with the lack of appropriately sized units and poor infrastructure/access serve as a deterrent to companies wishing to locate in the local authority areas.
- 9.80 It should also be noted that the UK as a whole is likely to experience a period of economic recovery in the coming years which may result in increased demand for employment land beyond that projected by the various scenarios.
- 9.81 In summary, it is recommended that the approach taken in defining a two-year margin of choice remains valid.

Commercial Perspective

- 9.82 From an analysis of enquires data provided by RBC in 2014, around 80% of requests are for industrial units of between 100 and 2,000 sqm. There were fewer than half the number of enquires for office floor spaces than industrial floor spaces, but of the requests 80% related to units under 950 sqm in size. Agents reported that the greatest demand is for industrial units between 450 and 3,000 sqm, which correlates with a shortage in supply of such units.
- 9.83 This quantitative data is generally supported by the qualitative views of local agents and developers, who took the view that weak demand for office spaces is partly as a result of high levels of supply (revealed in high vacancy rates). Likewise strong demand for industrial spaces combined with a low supply of units is resulting in more modest vacancy rates in the order of 8% across the Borough.
- 9.84 As a result, agents took the view that there was a clear need for additional B2 and B8 units above new B1a office space. Commercial agents, stakeholders and a key local employer identified a need for new strategic development sites to the west of the Borough. Such strategic sites would need to be at least 5 ha in size. Development in this prime location was considered by agents to be viable for employment uses due to the high levels of unmet demand.
- 9.85 In terms of business start-up units, stakeholders commented that there is a demand for small industrial units in the east of the Borough for SMEs and business start-ups. Such premises are needed so that smaller businesses can take advantage of lower rents, combined with less of a need relative to larger firms to be located in close proximity to strategic transport links. It was also suggested that there was demand from businesses wishing to relocate from smaller units outside of the Borough to slightly larger units in Rossendale to enable business growth.
-

- 9.86 It was suggested by local agents that the bulk of the demand in Rossendale is generated by indigenous companies wishing to relocate or expand, with relatively less interest from companies wishing to relocate to the Borough from elsewhere. However agents did highlight examples of businesses looking to move to Rossendale because of its good links to the wider motorway network. Most local businesses indicate a desire to stay within the Borough either by expanding their existing premises or re-locating elsewhere within the local authority area. However, the lack of suitable and affordable premises was considered by businesses to be an obstacle to their future growth in Rossendale.
- 9.87 Agents commented that the viability of new commercial or industrial development in the east of the Borough may be an issue. Whilst there is still demand in these areas it is generally for a more affordable market that is less reliant on the transport network, resulting in lower sales and rental values. Additionally, much of the existing stock in these areas is old and of poor quality, such as former mill buildings. Refurbishing these premises to meet modern standards is challenging and can have marginal returns for developers or landowners.

Conclusions

- 9.88 This report has appraised a range of employment land projections for Rossendale using a variety of methodologies in accordance with Government guidance.
- 9.89 It is important to identify an appropriate level of need that achieves a balance between market realism and economic and planning policy objectives. A range of qualitative and quantitative factors have been considered within this report that can help to inform a judgment on the appropriate level of need, with the key issues set out below:
- 1 There is a lack of good quality small to medium-sized industrial premises, which is suppressing demand. In particular, the limited level of development in recent years has restricted the availability of sites for indigenous businesses to expand.
 - 2 Future realisable demand may be further restricted by the current poor and ageing existing stock, particularly to the east of the Borough; lack of public investment in infrastructure; limited number of industrial estates/business parks, and weak inward investment offering relative to adjoining areas (such as Greater Manchester and other parts of East Lancashire).
 - 3 Agents suggested that there is strong underlying demand for B2 industrial premises and to a lesser extent B8 warehousing.
 - 4 Out-commuting into neighbouring authorities for work remains a major issue for Rossendale, with a net loss of around 8,560 employed residents daily. There are high levels of net out-commuting to Rochdale, Bury and Burnley.
 - 5 Rossendale has a low job density ratio of around 0.54 compared to the North West average of 0.78 (2014). Rebalancing the land uses of the Borough to ensure that more, and better quality, jobs are provided could help to reverse this trend and 'claw-back' out-commuters, reducing net out-commuting rates. This would need to be a choice made by the authority and supported by corporate decisions and policies in its economic strategy and emerging Local Plan Allocations DPD. This approach has been followed in other areas with high levels of out-commuting, such as the Conwy Local Development Plan (adopted October 2013) which allocated an additional 15.5 ha of land above its forecast requirement to encourage the provision of local employment opportunities and to reduce the need for local residents to travel long distances for work;

- 6 Labour supply analyses for Rossendale based on the delivery of between 183 dpa and 247 dpa indicate that the number of economically active residents is forecast to increase slightly over the coming years. On this basis, between 26 and 30 ha (gross) could be required up to 2034.
- 7 It is understood from discussions with RBC Officers that the CS Jobs target scenario is unlikely to be taken forward in the Local Plan. As such, the 34.7 ha of employment land that would align with this scenario is likely to be unnecessary.

9.90 Consequently, on the basis of these considerations, for Rossendale, a range of between 22 ha and 32 ha (gross) of employment land may be considered appropriate to 2034. This is approximate to the Past Take Up scenario at the lower end, and the labour supply/econometric job demand projections at the top end.

9.91 The range aligns with Rossendale's housing strategy; the need to revitalise current poor quality stock; the imbalance of the portfolio in terms of the size of properties available, continued demand for B2 floorspace (particularly from indigenous companies) and the emerging business service sectors, whilst factoring in the continued economic uncertainty and the practicalities of the physical constraints of the authority area which would preclude a step-change in delivery.

9.92 Furthermore, it is recognised that the labour supply projections which link to the Objectively Assessed Housing Need are towards the lower end of this range. Whilst it has been acknowledged that there is not a direct causal link between housing and employment land requirements, there is nevertheless a need to ensure that the two dovetail together to avoid any unsustainable outcomes.

9.93 As such, if the Council was to consider going for the top end of the employment land range, they would need to be mindful of the housing implications by either considering a higher level of housing delivery, or reviewing other policy interventions to minimise any adverse labour force and economic implications. This could include the need to 'claw back' out-commuters and planning for a mix of housing which encourages the retention of residents of an economically active age or encourages younger economically active people to move into Rossendale.

9.94 It is recognised that this may be difficult to achieve and would therefore require strong policy interventions by the Local Authority, set out in their Local Plan. This could include an aspiration to increase the job density in Rossendale to, say, 0.65 (up from 0.54 currently and closer to the North West average of 0.78), followed up by suitable policy measures such as the provision of better quality employment opportunities, and monitored on a regular basis by the Council to test whether its aspirations and policy measures remain appropriate.

9.95 In terms of how the 22 - 32 ha range for Rossendale could be split between the B1a/b, B1c/B2 and B8 uses, it is not possible to directly translate the net split into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type. Furthermore, there are a number of conflicting considerations:

- 1 Based on the current 'stock' of floorspace in Rossendale Borough, there is a considerable supply of industrial units, comprising approximately 90% of all floorspace in the Borough, compared with approximately just 10% for B1a office⁶⁵;

⁶⁵ VOA statistics (2012)

- 2 The Experian job growth forecasts indicate stronger growth in B1a/b offices and B8 warehousing land requirements; and a decline in demand for B2 industrial. The policy-on forecasts suggest slightly higher growth in B1a/b office floorspace, the same growth in B8 floorspace and a less pronounced decline in B2 land requirements;
- 3 The target growth sectors have a reasonable split between the knowledge economy, manufacturing, cultural and digital sectors and the visitor economy;
- 4 Vacancy levels are high for office space, at around 16% of the total stock across the Borough, although in some older Business Centres in the eastern part of the Borough, it is understood that this figure can reach up to 50%. In contrast, vacancy rates for industrial units are lower, at around 8%, representing a better balance between supply and demand. A vacancy rate of 8-10% is considered to be healthy and reflects the 'normal' level of churn as businesses move premises;
- 5 The stakeholder discussions and Business Enquiry data suggests that there is limited demand for new office space, with the majority of requirements for smaller, modern, industrial units in the western part of the Borough. Some respondents identified a clear need for a new, unconstrained, 'strategic' site of around 5 ha to the west of the Borough;
- 6 Rossendale's SHLAA (2010) suggests that there is around 30 ha of land spread across around 38 sites currently employment land which would be suitable for redevelopment for residential use in future.

9.96 On the basis of the points above, it is considered that an indicative split of 20% for B1a/B1b office, 40% for B1c/B2 industrial and 40% for B8 land could be appropriate.

9.97 This seeks to balance the replacement of existing industrial stock with aspirations for heightened demand in this sector going forward; the positive growth in office requirements alongside economic aspirations for this sector; the structural decline of the manufacturing sector and the ongoing demand for B8 warehousing (recognising that this land hungry sector requires a disproportionate amount of land relative to employment generated).

Policy Advice for Rossendale

This report does not seek to make a planning or policy judgement; this is a matter for RBC when taking account of the information before them. The report therefore represents a first stage for further consideration of all relevant factors through the Local Plan process.

On this basis, the recommended employment land requirement range for RBC is as follows:

22 ha – 32 ha 2014 to 2034.

Of this range, it is suggested that around 40% should be identified for B1c/B2 manufacturing land; 40% for B8 warehousing, and the remaining 20% for new office space.

9.98 The selection of the final employment land target will depend upon the preferred level of employment growth for Rossendale. The identification of the number of new jobs that are to be sought will be based upon the identification of policy aspirations relating to the promotion of key sectors in accordance with the economic and spatial vision for the area.

10.0 Review of Employment Sites Portfolio

- 10.1 This section presents the findings of an assessment of employment land supply in the Borough and considers the characteristics and quality of existing and allocated employment sites in Rossendale and their suitability to meet future employment development needs.
- 10.2 In consultation with the Council it was agreed that the assessment should focus on sites that are either currently in existing employment or other use, or formerly allocated for employment use within the Rossendale Local Plan (1995). Additionally, sites with extant planning permission for employment uses were factored in to the quantitative assessment. Additional potential future employment sites were identified by Lichfields.
- 10.3 The committed stock of employment space in the study area therefore comes from three key sources:
- 1 **Core Strategy allocations:** sites allocated for employment development under policies in the Core Strategy (that have not yet been built out);
 - 2 **Vacant land within existing employment sites:** employment sites incorporating underutilised land; and,
 - 3 **Extant planning permissions:** other sites with extant planning permission (i.e. permissions that have not yet expired and could be implemented) for employment development (as at August 2016).
- 10.4 The committed supply of employment space has been identified by RBC Officers as falling within the above categories.
- 10.5 In total, 69 existing or allocated sites were assessed, amounting to just over 198 ha of land (gross). Across the Borough there is a further 0.7 ha of land with extant planning permission for B-class uses.
- 10.6 An additional 51 potential future employment sites identified by RBC Officers and Lichfields were also assessed to determine their suitability for employment uses. These potential sites are discussed in Section 11.0. The location of the assessed sites is shown on the map in Figure 10.1.

Approach

- 10.7 All the aforementioned sites were inspected and, in accordance with the Practice Guidance,⁶⁶ their suitability for employment use was assessed against the following criteria:
- 1 Physical limitations or problems such as strategic road/local access, infrastructure, ground conditions, flood risks, pollution or contamination (where known);
 - 2 Potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation;
 - 3 Appropriateness and likely market attractiveness (including vacancy and market activity on site) for the type of development proposed;
 - a Proximity to labour and services;
 - 4 Barriers to Delivery;

⁶⁶ Reference ID 3-019-20140306

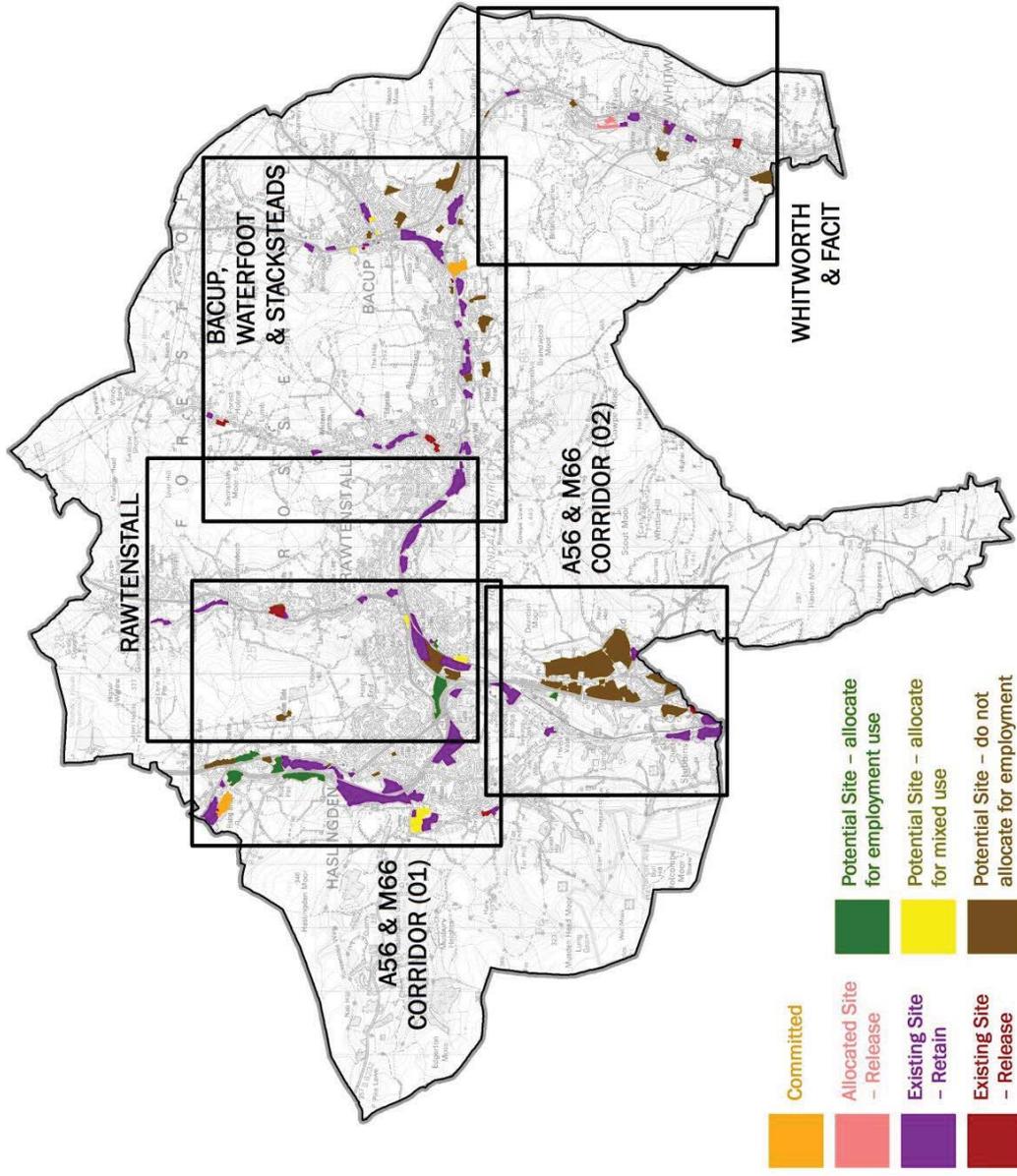
5 Environmental/amenity impacts experienced by would be occupiers and neighbouring areas

- 10.8 In addition to the above site criteria, the assessment also considered other site factors such as their policy status, planning constraints and suitability for specific uses. Although flood risk was considered as a part of this assessment, it is recognised that being in a flood zone does not necessarily preclude some types of commercial uses from coming forward for development at these employment sites.
- 10.9 Alongside site visits undertaken by Lichfields, the analysis was supplemented by discussions with key stakeholders such as commercial agents and Council Officers. The assessments also reviewed data provided by RBC such as known land ownership, flood risk, constraints, call for sites and relevant planning history.
- 10.10 Lichfields has not undertaken detailed site viability analysis or been provided with details regarding land ownership on all sites. The site assessments were based on site observations and desk-based analysis from publically available data.
- 10.11 Individual sub area maps for the assessed sites are included in Appendix 3, while details of the criteria used to rate these sites are contained in Appendix 2. Tables summarising the assessment of each site against these appraisal criteria are also included at Appendix 4. Appendix 5 provides a series of site pro-formas containing photographs, red-line boundaries on aerial maps, descriptions, assessments, the final rating and recommendation for each of the assessed sites.
- 10.12 The criteria rating categories of ‘very good’, ‘good’, ‘average’, ‘poor’ and ‘very poor’ are intended to provide a broad indication of the overall quality of employment land supply rather than a comparison of one site against another.
- 10.13 It should be noted that the assessment process in itself does not necessarily provide a complete picture of the local significance of certain sites. For example a site could be assessed to have the potential to satisfy particular business and sector needs (i.e. which can be important reasons for retaining the site) even if it does not perform well against conventional site assessment criteria. A wider commentary is therefore provided to supplement the formal rating exercise.
- 10.14 Accordingly, the score is also informed by factors such as market intelligence, market attractiveness, sustainability considerations and compliance with planning policy set out in the Framework. Greater weight has been given to sites which best respond to the market’s needs and where any identified constraints can be overcome, with appropriate mitigation, through the planning process. A site, for example, could be considered as having the potential of satisfying particular business or sector needs (which can be important reasons for retaining it, even if it does not perform well against conventional site assessment criteria).
- 10.15 Similarly, sites with significant impediments (such as contamination, or a Green Belt location) have been downgraded. This is because the assessment adopts a ‘policy-on’ approach, i.e. it assesses sites as they would be considered if a planning application for their (re)development were to come forward today, albeit at a more strategic level. If any site constraints were to be removed in the future (i.e. policy constraints, access improvements, site contamination/ remediation), the scoring of a site would be likely to improve.
- 10.16 It is also important to note that the assessments are based on the conditions and data observed during the timescales of the study. Such information is time-sensitive and may change in the future. The intrinsic qualities of sites and the associated ratings have been

derived on this basis of assessment. It is possible that the relative rankings of sites could change in the future if measures were put into place to enhance their functioning as employment sites (for example through new infrastructure and servicing).

- 10.17 The assessment provided and the recommended site portfolio in the following sections is presented on a 'without prejudice' basis as evidence to inform the preparation of Rossendale's emerging Local Plan. It does not constitute Council policy, and future employment allocations will be determined through the formal consultation process as part of the Local Plan.

Figure 10.1 Map of Rosendale Sites Assessed



Overview of Committed Employment Sites

10.18 As summarised in Table 10.1, in overall terms approximately 198 ha (gross) of employment land was assessed in this study. 11.28 ha of the land assessed comprised sites which are wholly allocated for employment use. 186.51 ha of existing but unallocated employment land was also assessed (including vacant land within the curtilage of those sites). Between 2014 and April 2016 there were a total of 10 extant planning permissions for B-class uses across the Borough covering 0.7 ha of land.

Table 10.1 Distribution of assessed employment sites in Rossendale Borough

Type/Location	Number of sites			Total Gross Site Area (ha)	% of total gross site area
	Allocated	Existing	Extant pp		
A56/M66 Corridor	1	20		92.2	47%
Rawtenstall	0	12		34.4	17%
Bacup / Waterfoot / Stacksteads	1	27		60.1	30%
Whitworth / Facit	2	6		11.0	6%
Total	4	65	10	198.49	100%

Existing and Allocated Employment Sites

10.19 The final recommendation for each site is informed by the site assessment and commentary as presented in Appendices 4 and 5 respectively. The recommendations are based on a rounded qualitative judgement reflecting a detailed consideration of the following key issues:

- 1 **Sustainability** – whether a site demonstrates characteristics that make it sustainable, such as being: previously developed land; accessible by public transport; compatible with neighbouring uses; and in an area at a lower risk of flooding;
- 2 **Market Attractiveness** – whether a site is: financially viable from a developer’s point of view (taking into account the possible need for site remediation, levelling and off-site and on-site infrastructure work); in an area of strong demand; and likely to be viewed as attractive by agents/occupiers;
- 3 **Policy Adherence** – whether there are any known policy constraints affecting the site or immediate surrounding area. These may relate to the natural, built and/or historic environment.

10.20 Overall the assessments of existing sites indicate that the Borough has a range of employment sites of varying quality and type. However there is a shortage of large modern sites that have good access to transport links. Much of the existing stock is in older buildings, many of which are mill buildings. Whilst several of these have been modernised (such as the Orthoplastics building in Beech Industrial Estate), the majority do not currently meet the needs of modern businesses. The majority of the assessed sites accommodate a mix of B2 and B8 uses. A small number of sites in and around the larger settlements contained some B1 office uses.

10.21 The following sections consider the sites and employment areas within the four sub-areas of the A56 and M66 Corridor; Rawtenstall; Bacup, Waterfoot and Stacksteads; and Whitworth and Facit. Sites with no net developable area are considered to be fully developed and are represented in the table with a net developable area of zero hectares.

A56 and M66 Corridor

10.22

Many of the assessed sites in the western part of Rossendale Borough benefit from excellent access to the A56 and M66 Corridor. As we have reported in Section 7.0, this area has strong market demand for sites due to its access to Greater Manchester. These factors combine so that many of the sites in this sub-area score highly in the site assessment. Commercial agents also reported that this part of the Borough has the highest demand for sites but also the most pronounced shortage of supply. Table 10.2 presents the 21 assessed existing and allocated employment sites in the A56 and M66 Corridor and how they score overall. The 21 sites have a net developable area of just under 13 ha, and less than 8 ha once the recommendations are considered.

Table 10.2 Summary of Site Assessments – A56 / M66 Corridor

Site Name (Reference No.)	Ref	Size (ha) (net)	Site Rating (no. sites)	Recommendation	
Carrs Industrial Estate	EMP37	0.00	Very Good (1)	Retain for employment use	
Prinny Hill Road	EMP04	0.00		Retain for employment use	
Baxenden Chemicals Ltd, Rising Bridge	EMP12	4.44		Retain employment allocation	
Solomon's Site	EMP14	0.83		Retain employment allocation	
Rising Bridge Business & Enterprise Village	EMP17	0.00	Good (10)	Retain for employment use	
Land off Manchester Road (Solomons)	EMP19	1.36		Retain employment allocation	
Hollands Bakery & Baxenden Chemicals	EMP34	0.00		Retain for employment use	
Commerce Street & Grove Mill	EMP35	0.00		Retain for employment use	
The Courtyard	EMP36	0.00		Retain for employment use	
Three Point Business Park	EMP38	0.00		Retain for employment use	
Knowsley Road Industrial Estate	EMP39	0.00		Retain for employment use	
Area Occupied By Mill Premises Along River	EMP06	0.00		Average (7)	Retain for employment use
Large Site at Hud Hey	EMP09	0.84			Retain employment allocation
Mayfield Chicks & Adjoining Ewood Bridge Mill	EMP10	4.70			Retain for employment uses (do not allocate Green Belt further north for employment)
Wavel House	EMP22	0.00	Retain for employment use		
Stubbins Vale Mill	EMP41	0.00	Retain for employment use		
Georgio Pacific	EMP43	0.00	Retain for employment use		
Cuba Industrial Estate	EMP44	0.00	Retain for employment use		
Park Mill	EMP40	0.00	Poor (1)	Release for mixed use development	
Irwell Vale Mill	EMP27	0.57	Very Poor (2)	Retain for employment uses (do not allocate Green Belt further north for employment)	
Croft End Works	EMP42	0.12		Release for residential development	
TOTAL		12.85 ha	21	7.46 ha after de-allocations	

Source: Lichfields analysis

*Note: wider site area is 0.12 ha net, although this relates to a potential extension into the Green Belt to the north. As set out in the accompanying pro-forma, it is not considered that a Green Belt release for employment use could be justified in this location.

- 10.23 Park Mill (EMP40) has been recommended to be released because it would be more suitable for mixed use development, due to the existing retail and residential uses on the site. Croft End Works (EMP42) is recommended to be released as it has been mostly vacant since it was recommended to be released in the previous 2009 ELR. Two sites (EMP10 and EMP27) are recommended to be retained, but not to allocate the undeveloped Green Belt land). These recommendations reduce the net developable area to less than 8 ha.

Stubbins / Edenfield

- 10.24 The settlements of Stubbins and Edenfield are located in the south west of the Borough in the A56 and M66 Corridor; 5 sites were assessed within Stubbins and 10 sites within Edenfield (though most were potential sites). This area also benefits from excellent strategic road access as a result of its location, being within close proximity to the M66 and A56 junction. Notwithstanding this, the sites assessed were relatively isolated and were located away from services and the major centres of population.
- 10.25 The 5 sites assessed within Stubbins had poor to average overall scores, suffering particularly from poor local access and their remoteness from labour and services. Some sites also suffered development and environmental constraints such as the presence of mature trees or being located within a high risk flood area. Sites EMP41, EMP43 and EMP44 had the highest overall scores in this area. This reflects their roles as well established industrial areas with low vacancy rates due to the high profile occupiers, who are also large employers within this locality. However, all three of these sites are fully developed and offer limited future development potential.
- 10.26 The Croft End Works (EMP42), located on the eastern edge of Stubbins, has a very poor rating on the basis that the mill building is in a poor state of repair and has a 100% vacancy rate, which is indicative of very weak market demand for units of this type in this part of the Borough. The pro-forma concludes that this site should be released from the employment land portfolio as a consequence (a conclusion that aligns with the previous recommendation in the 2009 ELR for Rossendale Borough).
- 10.27 One of the sites assessed in Edenfield comprised a well-established existing employment site (EMP06), which was characterised by an old mill building and dated industrial units. Similar to sites in Stubbins, the site benefits from excellent public transport links though it is relatively remote and isolated from services and labour.

Haslingden and Helmshore

- 10.28 Sites in this location benefit from excellent links to the strategic road network and are generally better located in relation to labour supply and provision of services. However, a number of these sites are still relatively isolated (see for example EMP10, EMP14, EMP22 and EMP40). The remainder of the sites benefit from being located within Haslingden or are immediately adjacent to that settlement. Haslingden accommodates two of the larger industrial estates within the Borough; the Carrs Mill Industrial Estate (EMP37) and the Knowsley Road Industrial Estate (EMP39). These sites were assessed as being 'very good' and 'good' respectively. Both of these estates are characterised by large industrial units with high profile occupiers and play important roles in supporting Rossendale's economy. The two industrial estates have low vacancy rates and receive high levels of demand for premises. The estates are the preferable employment locations within the Borough given their proximity to the strategic road network and Haslingden.
- 10.29 Further to the north lies the Hud Hey industrial estate (EMP09), Hollands Pies and Baxenden Chemicals (EMP34). These sites are characterised by relatively poor quality industrial units.

The Hud Hey industrial estate in particular suffers from high vacancy rates and is under-utilised; a large area of brownfield land in the centre of the site remains undeveloped but could accommodate future development.

Rawtenstall

10.30 Rawtenstall is one of the stronger market areas for employment space in Rossendale, with a particular focus for B1 office space. The area benefits from its central location with good access to the A56 and M66 Corridor, as well as the wider labour market. The area has experienced the most recent development levels in the Borough. Recent developments include new sites coming forwards at New Hall Hey and the forthcoming Spinning Point regeneration scheme in the town centre.

10.31 Table 10.3 presents the 12 assessed existing and allocated employment sites in Rawtenstall and how they score overall. Together these sites have a net developable area of just under 5.5 ha.

Table 10.3 Summary of Site Assessments – Rawtenstall

Site Name (Reference No.)	Ref	Size (ha) (net)	Site Rating (no. sites)	Recommendation
Valley Centre	EMP01	0.23	Good (6)	Retain for mixed use with an element of B1a office space (10,000 sqft, or 0.23 ha)
Land at Robert Street	EMP02	0.00		Retain for employment use
New Hall Hey	EMP08	4.37		Retain employment allocation
New Hall Hey Road	EMP47	0.00		Retain for employment use
Kings Cloughfold	EMP49	0.00		Retain for employment use
Novaks	EMP68	0.00		Retain for employment use
Turton Hollow Road	EMP45	0.00	Average (3)	Retain for employment use
Riverside Business Park	EMP46	0.00		Retain for employment use
Fallbarn Road	EMP48	0.00		Retain for employment use
Rossendale Motor Sales, Bury Road	EMP05	0.00	Poor (3)	Retain for employment use
Reedsholme Works, Rawtenstall	EMP26	0.81		Release for residential development
Kippax Mill (Kenross Containers)	EMP70	0.00		Retain for employment use
TOTAL		5.41	12	4.6 ha after de-allocations

Source: Lichfields analysis

10.32 Reedsholme Works (EMP26) is recommended to be released because part of the site has been allocated for housing in the emerging Local Plan Part 2: Site Allocations & Development Management Policies DPD, and a developer is pursuing residential use. Permission was granted for residential development subject to Section 106 agreement. This reduces the total net developable area of the Rawtenstall market area to 4.6 ha.

Rawtenstall

10.33 Rawtenstall is the largest of the primary urban areas in Rossendale and consequently attracts high demand for employment space. The settlement also benefits from excellent access to the strategic road network, with many businesses attracted to Rawtenstall’s strategic road access via the A56 and M66.

10.34 The quality of sites in Rawtenstall is generally high; 6 were rated good. Whilst many of the employment sites in Rawtenstall are fully developed, available good quality land remains at New Hall Hey (EMP08). The Spinning Point scheme being developed at the former Valley Centre

(EMP01) is a strategic regeneration project of the town centre. The scheme will provide new office accommodation in the refurbished town hall building.

- 10.35 This said, Rawtenstall has several constraints to future development including flood risk, ecological constraints, topography and incompatibility with adjoining (usually residential) uses being common issues preventing comprehensive redevelopment.
- 10.36 To the north of Rawtenstall lie more peripheral sites such as Kippax Mill (EMP70) and Turton Hollow Road (EMP45). These sites typically offer poorer quality industrial units and often feature old mill buildings in need of costly refurbishment. The congested local road network and pinch points are also issues for sites in this area.

Bacup, Waterfoot and Stacksteads

- 10.37 A significant share of the employment space in Rossendale is in the east of the Borough in the settlements of Bacup, Waterfoot and Stacksteads. This includes a number of sites occupied by important local businesses with a long history of working in Rossendale, such as JJO. Reflecting the industrial heritage of the Borough this area has a number of older and poorer quality premises with many former mill buildings. This area has the most poorly-rated sites in the Borough.
- 10.38 Table 10.4 presents the 28 assessed employment sites in Bacup, Waterfoot and Stacksteads and how they score overall. Reflecting the shortage of available land, all of the sites except Futures Park were existing employment sites and nearly all of them were fully built out. The net developable area was only estimated to be 5.8 ha.
- 10.39 The Former Bacup Cinema (EMP91) is recommended to be released for mixed use development because of its prominent location in the Town Centre and Bacup Conservation Area. Mill End Mill (EMP30) is recommended to be released because it adjoins residential properties and was identified as a potential housing allocation in the withdrawn Local Plan Part 2: Site Allocations & Development Management Policies DPD. Waterside Mill (EMP89) is recommended to be released because it is a Grade II listed building within a residential area and would be more appropriate for mixed use development. Anvil Street (H38) is recommended to be released for residential development because it adjoins residential properties, has a small net developable area and is identified as a potential housing allocation. Isle of Man Mill (EMP21) is recommended to be released for mixed use or residential development because it is almost fully vacant and in a remote location. Gaghills Land (EMP29) is recommended to be released for residential development because it is within a predominantly residential area and was identified for residential use in the withdrawn Local Plan Part 2: Site Allocations & Development Management Policies DPD. These recommendations reduce the total net developable area to 3.4 ha.

Table 10.4 Summary of Site Assessments – Bacup, Waterfoot and Stacksteads

Site Name (Reference No.)	Ref	Size (ha) (net)	Site Rating (no. sites)	Recommendation	
Atherton Holme Works	EMP54	0.00	Very Good (3)	Retain for employment use	
Beech Industrial Estate	EMP60	0.00		Retain for employment use	
Henrietta Street	EMP61	0.58		Retain for employment use	
Futures Park	EMP18	2.64	Good (8)	Retain employment allocation	
Myrtle Grove	EMP50	0.00		Retain for employment use	
Warth Mill	EMP51	0.18		Retain for employment use	
Hugh Business Park	EMP53	0.00		Retain for employment use	
Nun Hills	EMP55	0.00		Retain for employment use	
Acre Mill Road	EMP56	0.00		Retain for employment use	
Ormerods	EMP57	0.00		Retain for employment use	
The Sidings	EMP62	0.00		Retain for employment use	
Waterfoot Mills	EMP24	0.00		Average (8)	Retain for employment use
Burnley Road East	EMP52	0.00			Retain for employment use
Burnley Road	EMP59	0.00	Retain for employment use		
Bacup Coal Yard	EMP69	0.00	Retain for employment use		
Beta Burnley Road	EMP90	0.00	Retain for employment use		
Former Bacup Cinema Burnley Road	EMP91	0.00	Release for mixed use development		
Piercy Mount Industrial Estate Burnley Road East	EMP92	0.00	Retain for employment use		
Shadlocks Skip	H68	0.00	Retain for employment use		
Forest Mill	EMP20	0.00	Poor (7)		Retain for employment use
Mill End Mill, Waterfoot	EMP30	1.03			Release for residential development
Toll Bar Business Park	EMP31	0.00		Retain for employment use	
Broad Clough	EMP58	0.00		Retain for employment use	
Springvale Works, Shawclough Road	EMP88	0.00		Retain for employment use	
Waterside Mill Burnley Road	EMP89	0.00		Release for mixed use development	
Anvil Street	H38	0.17		Release for residential development	
Isle of Man Mill	EMP21	0.51		Very Poor (2)	Release for mixed use / residential development
Gaghills Lane, Waterfoot	EMP29	0.68	Release for residential development		
TOTAL		5.79 ha	28	3.4 ha after de-allocations	

Source: Lichfields analysis

Bacup

10.40

Reflecting the historically important role that Bacup plays in the Borough, a significant proportion of employment land is concentrated in the vicinity of this settlement. However, much of the existing stock is of a poorer quality generally unsuited for modern business uses. The largest employment site is the established industrial estate along the valley floor from St Saviours Crescent up to Henrietta Street by the town centre (EMP61). The site predominantly accommodates B2 manufacturing uses, although there are also several B8 uses by wholesalers such as Wynsors World of Shoes. Together, Beech Industrial Estate (EMP60) and the Sidings (EMP62) form the second biggest employment spaces in Bacup.

- 10.41 Topographical constraints limit the amount of land that could be developed for employment uses in this area. Futures Park is the only substantial allocated site in the area and has four remaining plots for development. The site is an allocated employment area but has not been fully developed despite having good access to the A681. With a shortage of industrial employment space across the Borough this is an important site which is overdue for development.

Waterfoot

- 10.42 The existing employment stock in Waterfoot reflects some of the changes to the market that occur the further one moves eastwards in the Borough from Rawtenstall. Existing sites have some vacancies and much of the stock comprises old mill buildings that are unsuitable for modern business needs. For example Waterfoot Mills (EMP24) had a vacancy rate of approximately 30% when assessed the majority of which was in underutilised mill buildings. In comparison, Hugh Business Park (EMP53) was almost fully occupied and consists of mostly late 20th century buildings of an average to good market quality.

Stacksteads

- 10.43 Similar to Waterfoot, Stacksteads has little land available for development. The area is nearly fully developed and the topography overly constrains development options. However, there are a number of established and important employment sites in Stacksteads. This includes JJO's largest site (EMP57) and the popular Atherton Holme Works industrial estate (EMP54). As will be discussed further in Section 11.0, none of the potential sites in Stacksteads were considered suitable for developing for employment uses. This is partly due to the location and accessibility of the sites, but also due to an incompatibility with surrounding residential uses.
- 10.44 Whilst there is a need for new employment space in Rossendale the existing land uses in Stacksteads means that new supply is unlikely to be delivered in that settlement. However if a large occupier such as JJO re-located to a larger site in the west of the Borough this would unlock a significant stock of space for redevelopment for other businesses. Some of the premises in Stacksteads may require renovation before they are suitable for employment uses, notably the Atherton Holme Mill.

Whitworth and Facit

- 10.45 As discussed in Section 7.0, Whitworth and Facit have a more peripheral role in Rossendale's economy and employment land market. The area generally receives lower demand for premises than the west of Rossendale where there are better linkages to the strategic transport network. The area is driven primarily by spillover from Rochdale, and typically attracts local businesses or companies seeking cheaper rents. There are a small number of established employment sites within the area. These sites typically accommodate industrial related businesses, often clustered around key employers such as Anglo Brands in Bridge End Mills.
- 10.46 Table 10.5 summarises the nine assessed existing and allocated employment sites in Whitworth and Facit. These sites had a net developable area of 3.8 ha, predominantly due to the allocated sites at Barlow Bottoms remaining undeveloped as well as the availability of Albert Mill. All three rated poorly.

Table 10.5 Summary of Site Assessments – Whitworth and Facit

Site Name (Reference No.)	Ref	Size (ha) (net)	Site Rating (no. sites)	Recommendation
Station Road	EMP64	0.28	Good (3)	Retain for employment use
Spodden Mill	EMP65	0.00		Retain for employment use
Bridge Mill	EMP67	0.00		Retain for employment use
Freeholds Road	EMP63	0.00	Average (2)	Retain for employment use
Bridge End Mills	EMP66	0.00		Retain for employment use
Albert Mill / Sunnyside Works	EMP15	1.28	Poor (1)	Release for residential development
Barlow Bottoms 2	EMP16	1.34	Very Poor (2)	Release for residential /mixed use development
Land South of Barlow Bottoms	EMP73	0.93		Release for residential development
TOTAL		3.83 ha	8	0.28 ha after de-allocations

Source: Lichfields analysis

10.47 Albert Mill / Sunnyside Works (EMP15) is recommended to be released for residential development because it has outline extant planning permission for residential apartments, and may not be viable for employment uses due to its peripheral market location and poor quality condition.

10.48 Barlow Bottoms 2 (EMP16) and Land South of Barlow Bottoms (EMP73) are both recommended to be de-allocated and released for residential / mixed use development because they have not been developed despite being allocated in 1995 for employment uses.

10.49 These recommendations reduce the net developable area in Whitworth and Facit to 0.28 ha.

Facit

10.50 Five existing, allocated and potential employment sites in the south east of the Borough (Facit and Shawforth area) were assessed. Three of these sites were rated average whilst the two allocated sites at Barlow Bottoms were rated as being very poor.

10.51 This general area benefits from good access to the A671, but relatively poorer access to more strategic links such as the A56, M62 and M66. As a result, there is generally weaker demand for premises in these areas, whilst the two sites at Barlow Bottoms have had few enquiries since they were first allocated in 1995. The area is likely to remain relatively peripheral to the rest of Rossendale unless there is an increased shortage of employment sites elsewhere in the Borough and demand is forced to migrate eastwards.

Whitworth

10.52 The assessed sites in Whitworth involved established industrial estates which are generally well occupied with few vacancies. This means that there is very little net developable land in the existing employment areas. Whilst this is likely to constrain the potential growth of existing businesses, the area has weaker demand for space compared to the rest of the Borough. The peripheral location and weaker, more indigenous market makes the viability of development for employment uses in this area of Rossendale more challenging and prevents speculative development. The proximity to Rochdale, which has a relatively large employment land supply of 132.74 ha⁶⁷, also means that developers typically look for sites in this neighbouring Borough before considering Whitworth.

⁶⁷ Rochdale Borough Council 2015 Annual Monitoring Report

Conclusions

- 10.53 The majority of the assessed sites tended to be dominated by industrial or warehousing uses, although some of the sites contained office space such as Rising Bridge Business & Enterprise Village and Toll Bar Business Park in Stacksteads.
- 10.54 There are clearly too few good quality, unconstrained and available employment sites to meet demand in the west of the Borough. This is exacerbated by the fact that most of the existing sites are fully developed. For example the largest industrial estates in the Borough, Carrs and Knowsley Road, are both fully developed. These locations have proven popular due to their excellent linkages with the A56 and M66.
- 10.55 Overall, the assessment of existing and allocated employment sites indicates that the Borough has many sites of a poor quality that do not meet the needs of modern businesses. More than a quarter (26%) of the existing and allocated sites were rated as either poor or very poor, particularly in the eastern part of the Borough reflecting weaker market demand and poorer strategic road accesses. Less than a third (29%) were rated average though 45% were rated good or very good. Most of the existing employment sites were fully developed; the average net developable area per site is just 0.2 ha.
- 10.56 The quality of sites is a particular issue in Bacup, Waterfoot and Stacksteads where there are a significant number of old mill buildings, most of which are underutilised and have higher vacancy levels. Some of these have been converted to high standards such as the Orthoplastics building in Beech Industrial Estate, whilst others such as Acre Mill in Stacksteads are in need of renovation.
- 10.57 Whilst much of the existing employment space was rated below average, some of it serves a particular market segment where indigenous occupiers actively seek lower rents. This creates a challenge where the stock (in general) needs to improve the quality on offer to meet modern business needs, but replacing all of the stock would risk dispersing the value-end of the market, which remains popular particularly for small-medium sized industrial units (exemplified by B2/B8 vacancy rates of around 8%). However current market conditions are likely to weigh in the favour of retaining older poor quality stock as viability is an issue for redeveloping older premises. There is therefore a need to encourage the renovation or replacement of older premises to meet the needs of modern businesses where opportunities arise.
- 10.58 In total 10 sites covering 4.6 ha net were recommended to be released from existing employment use. Two sites covering 2.27 ha net were recommended to be de-allocated. These recommendations are primarily due to poor market demand or where sites were identified as draft housing allocations in the withdrawn Local Plan Part 2: Site Allocations & Development Management Policies DPD.
- 10.59 Many of the assessed sites were occupied by key employers for the Borough such as Interfloor, JJO and Solomons. These businesses are spread across multiple sites in the Borough and there is a clear strategic need to find large, accessible new sites to retain them within Rossendale. This would help to unlock sites across the Borough from those occupied by key employers.

11.0 Demand Supply Balance

Introduction

11.1 This section draws together the forecasts of future employment land and the estimates of land available on the area's existing and allocated employment sites in Section 10.0 to identify any need for more provision of employment space, or surpluses of it, in both quantitative and qualitative terms.

Quantitative Balance

11.2 Section 9.0 on the future requirements for B-class employment space identified a need for between 22 ha and 32 ha of employment space up to 2034. This includes a modest safety margin largely to allow for delays in sites coming forward for development, reflecting a wide variation in the level of growth that could be supported by Rossendale's economy over the plan period.

Pipeline Supply

11.3 The detailed site surveys discussed in Section 10.0 and Appendix 5 provide a snapshot of the current available employment land within the Borough for both existing and allocated employment sites. This section compares actual levels of available land with anticipated requirements to understand the extent to which new allocations may be required.

11.4 In terms of how the employment land requirements relate to the current employment land portfolio, various factors make any such quantitative analysis an inexact science. On the supply side of the equation the total amount of land available at any given point in time is indeterminate. The exact amount depends upon:

- 1 The size of private reserves (i.e. industrial land held with existing buildings for expansion). These are normally excluded from the analysis as they are not generally available for development;
- 2 The number of windfall sites arising which are not presently allocated for employment uses, but which may become available for such uses;
- 3 The number of further sites becoming available through the recycling of land currently in industrial use.

11.5 Bearing these points in mind, and as set out in Section 10.0, the detailed site surveys provide a snapshot of the current available employment land across the Borough. This comprises:

- 1 Sites allocated for employment development in the Local Plan that remain partially or fully undeveloped;
- 2 Current employment sites not formally allocated in the Local Plan that may be under-utilised; and,
- 3 Other sites with extant planning permission for B-class uses.

11.6 The existing space available to help meet future needs is estimated to comprise 28.6 ha (net), as set out Table 11.1. It should be noted that this includes 5.27 ha net of undeveloped Green Belt land which falls within the site area of EMP10 and EMP27. Excluding this land, the existing space available reduces down to 23.3 ha.

Table 11.1 Existing Supply of Employment Land within Rossendale Borough

Source	Employment Space (ha) (net)
Existing Supply of Employment Land	
Local Plan Allocations	9.3
Vacant Land within Existing Employment Sites	18.54
Sites with Extant Planning Permission for B-Class Employment Development	0.7
Total	28.6

Source: RBC / Lichfields analysis

- 11.7 As noted in Section 10.0, RBC requested that Lichfields assess all 69 of these employment sites, 19 of which are not fully developed. Of these, one site with a net developable area of 0.58 ha was rated as very good (EMP61 in Bacup), eight of these sites were rated ‘good’ and contributed 13.7 ha of net developable area. One site in Hud Hey (EMP09) with a net developable area of 0.84 ha were rated average. Four sites were rated poor, and had a net developable area of 3.36 ha, and the remaining five sites were rated very poor, with a combined net developable area of 3.58 ha. This means that almost a third of the current supply of net developable employment land was rated as poor or very poor. 12 sites were recommended to be released from existing employment use or de-allocated, totalling 6.87 ha net.
- 11.8 In terms of whether the current employment land portfolio is suitable for the authority going forward to 2034, reference is made to the Framework, which states that:
- “Planning policies should avoid the long term protection of site allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities” [§22].*
- 11.9 Of the assessed existing and allocated sites, 12 were deemed to be no longer suitable for employment purposes going forward. This judgement is not based solely on the rating given to a particular site but is informed by a rounded consideration of factors set out in the Practice Guidance⁶⁸ including:
- 1 The suitability of the site in accordance with the development plan, emerging plan policy and national policy;
 - 2 Market and industry requirements in the FEMA;
 - 3 Physical limitations or problems such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination (as far as is practicable given the limited scope of this ELR and based on the information provided to Lichfields by RBC Officers);
 - 4 Potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation;
 - 5 Appropriateness and likely market attractiveness for the type of development proposed;
 - 6 Contribution to regeneration priority areas in Rossendale; and,
 - 7 Environmental/amenity impacts experienced by would be occupiers and neighbouring areas.

⁶⁸ ID: 3-018-20140306

11.10 Notwithstanding the advice contained in the Framework, it is also appropriate to acknowledge that the UK entered a recession in 2008 which lasted for five quarters and resulted in a substantial decline in manufacturing output. Local Authority data on completion figures confirms that the onset of the recession subdued the development of employment land within the Borough and this figure has remained low ever since. The result of the EU referendum and the uncertainty caused by Brexit also makes forecasting the likely need for employment land in the Borough highly problematic for the foreseeable future.

11.11 Whilst traditional indicators such as rates of unemployment show that Rossendale has indeed recovered from the recession, and whilst there is strong activity in the industrial property market, there has yet to be a significant upturn in new-build development. Consultation with commercial agents reported that this is partly driven by a shortage of land available for development, but also the more marginal viability in the east of the Borough. Consequently it is necessary to adopt a judicious approach when considering sites for de-allocation. Such a process needs to recognise that there will be changes to the market over the plan period, and that the attractiveness of some sites may improve or worsen.

Allocated Sites

11.12 Of the sites assessed, there are four sites which are currently allocated for employment land and which contain undeveloped land. Two of these, Baxenden Chemicals and Futures Park (EMP12 and EMP18 respectively), are recommended to be retained for future development. Together they have 6.63 ha of net developable area to accommodate future growth.

11.13 Two allocated sites north of Whitworth, Barlow Bottoms 2 and Land South of Barlow Bottoms (EMP16 and EMP73 respectively), are recommended to be de-allocated. Whilst the two sites have 2.27 ha of net developable area, they have been allocated since 1995 but have not come forward for development. Commercial agents reported that in the east of the Borough there is less demand for employment space and that conversely it is needed the most in the west of the Borough. Additionally, RBC Officers confirmed that there have been few enquiries for these sites since they were allocated. These allocated sites in Whitworth have not met market requirements since they were allocated in 1995, and could therefore be released for alternative uses.

Existing Sites

11.14 Of the 65 sites assessed which are currently employment sites but which are not formally allocated, many have at least some undeveloped or under-utilised land. These 65 sites cover 186.51 ha (gross) or 13.27 ha (net) (excluding 5.27 ha net of undeveloped Green Belt land which falls within the site area of EMP10 and EMP27). The majority of this land is recommended to be retained and protected for employment, totalling 176.53 ha (gross) or 8.67 ha (net) across 55 sites. There are, however, 10 sites which may be better suited to alternatives uses, or mixed use development with an element of employment use. Any future mixed use designations should allow for a degree of flexibility to encourage appropriate and deliverable uses for each site. For example town centre sites would typically involve retail/leisure-led development and may include a component of B1 space. These 10 sites cover 9.98 ha (gross) or 4.60 ha (net), and are outlined below:

- 1 Albert Mill (EMP15), 1.6 ha (1.28 ha net) – release for residential development. The site no longer meets the needs of modern businesses, is in a peripheral location, and has extant permission for residential use (reference 2014/0078);
- 2 Isle of Man Mill (EMP21), 1.13 ha (0.51 ha net) – remove employment protection and re-designate for mixed use or residential development. The assessment reported the site was

- predominantly vacant, but could accommodate small B1(a) office space as part of a wider mixed use development;
- 3 Reedsholme Works, Rawtenstall (EMP26), 3.24 ha (0.87 ha net) – the site is within a predominantly residential area and an application for residential development was approved in December 2016 subject to Section 106;
 - 4 Gaghills Lane, Waterfoot (EMP29), 0.85 ha (0.68 ha net) – release for residential development. The adjacent residential uses to the site mean that B2/B8 employment uses are inappropriate. The site was identified as a potential housing allocation in the withdrawn Local Plan Part 2: Site Allocations & Development Management Policies document;
 - 5 Mill End Mill, Waterfoot (EMP30), 1.29 ha (1.03 ha net) – release for residential development. Whilst the river and mature trees in the middle of the site provides a natural buffer between the existing employment uses on the eastern half from the brownfield land to the west, it is considered that employment use would be inappropriate due to the wider residential context. The site is therefore more suitable for residential uses;
 - 6 Park Mill (EMP40), 0.86 ha gross (0 ha net) – release for mixed use development. Site is peripheral, adjoins residential properties to the north, east and west. The employment use of the site is diluted by alternative uses including residential and a café/tearoom. It is considered that the site should no longer be protected exclusively for employment uses. A flexible approach to any potential redevelopment of this area should be explored, for a combination of employment, residential and other uses such as retail, sui generis and leisure.
 - 7 Croft End Works (EMP42), 0.59 ha (0.12 ha net) – release for residential development. This site was recommended to be released for residential uses in the 2009 ELR because it was not fit for purpose, had low market attractiveness and was fully vacant. The site has mostly remained vacant since the assessment and has been vacant since mid-2015. The Council resolved to permit an application for residential development in January 2017, with a Section 106 agreement signed on 28th March 2017;
 - 8 Waterside Mill Burnley Road (EMP89), 0.17 ha (0 ha net) – release for mixed use development. The site is predominantly vacant, has no available land for expansion, is Grade II listed and is surrounded by residential uses. The site is considered to be more appropriate for mixed use development. Residential or retail-led conversion with a component of commercial space is likely to be appropriate for the site;
 - 9 Former Bacup Cinema Burnley Road (EMP91), 0.06 ha (0 ha net) – release for mixed use development. The site is within Bacup town centre and within the Bacup Conservation Area. The site is more appropriate for retail or leisure led mixed use development potentially with an element of B1a office; and
 - 10 Anvil Street (H38), 0.19 ha (0.17 ha net) – release for mixed use development. The small site is surrounded by residential uses and has topography constraints. The site would be more appropriate for mixed use development with residential and office or retail space.

Allocated and Existing Site Supply

- 11.15 Taking into account the above recommendations, the site assessments conclude that 8.67 ha net of the 176.53 ha (gross) unallocated but existing employment land is available for future development. Due to the nature of some sites and Lichfields' recommendations above, this may be as employment development, or for alternative uses which may include employment as part of a wider mixed use scheme. This approach would reduce the overall supply of employment

land from 23.3 ha (excluding the two Green Belt sites) to 16.44 ha net across 57 sites and committed extant permissions (of which 55 sites are existing and 2 are allocated).

11.16 Where it has been suggested that parts of sites are retained in employment use or are allocated for alternative uses, these are included with the site assessment pro-formas (Appendix 5).

11.17 It should also be noted that the site assessments have not been informed by detailed site investigation work or site ownership information (other than where this has been provided by RBC). In addition, viability analysis has not been undertaken.

11.18 A broad comparison of estimated demand for B-class space against the identified supply is presented in Table 11.2. This indicates that the Borough does not have sufficient employment space (in quantitative terms from 2014 to 2034) to meet the future needs arising from the demand forecast. The potential balance of space under the preferred scenarios would vary from a shortfall of 5.6 ha under the Labour Supply and Past Take Up scenarios at the lower end, to -15.6 ha under the Econometric Job Demand scenarios.

Table 11.2 Demand/Supply of B-class Employment Space in Rossendale (to 2034)

	Demand and supply balance (ha)
Requirement for B-class employment space	22 to 32 ha
Adjusted existing supply of B-class employment space (net)	16.4 ha
Surplus (+) / Shortfall (-)	-5.6 ha to -15.6 ha
Additional existing sites recommended for mixed use development which may supply B1 class employment space (net)*	0.51 ha

Source: RBC / Lichfields analysis

* It is not possible at this stage to quantify the amount of B1 class employment development which would come forward as part of a mixed use scheme. Therefore this has not been factored in to the demand and supply balance calculation.

11.19 In summary, the identified supply within Rossendale significantly under-provides against the employment space needs that arise under the preferred forecasting projections, in quantitative terms at least.

11.20 This demand/supply analysis assumes that the authority’s undeveloped employment allocations come forward in their entirety for employment development over the plan period, and that all extant employment planning permissions will be developed. Any significant deviation from this broad assumption would have an impact upon the overall balance, for example by tightening the existing surplus of employment space or resulting in an increase in the shortfall under some of the more optimistic scenarios.

11.21 In purely quantitative terms therefore, this suggests that the identified pipeline supply as it currently stands, does not provide sufficient employment land to meet Rossendale’s full economic development needs to 2034.

Qualitative Factors

11.22 Even where no quantitative shortfall of employment space is identified, in some circumstances additional land may be needed for qualitative reasons, in order to:

- 1 Improve the choice of provision for occupiers;
- 2 Meet gaps in the supply of particular types of premises;

- 3 Improve or modernise the quality of current provision and so help attract more occupiers; and/or
- 4 Provide a better spatial distribution of employment sites to meet the needs of different settlements.

- 11.23 In addition, consultation with local businesses across the authority indicated that whilst 52% of respondents expect their space requirements to expand only 47% of them are looking to expand on their current site. A quarter of businesses that would relocate to expand are looking outside the Borough. Nearly half of respondents (46%) reported that a lack of suitable premises was an obstacle to their growth in Rossendale and 12% reported a lack of affordable premises as an obstacle to growth. Several key local businesses currently occupy multiple sites in the Borough. In order to remain competitive they will need to consolidate to a smaller number of large sites in the future. One business reported that they will have a need for a site of approximately 12 ha in size, or two smaller sites upwards of 5 ha in size. If such demands cannot be met within Rossendale then these businesses will look elsewhere.
- 11.24 Consultations with commercial agents support these concerns. Agents stressed that there is a mismatch between the location and quality of Rossendale’s supply of sites and what locations and quality the market is demanding. Most importantly, the need for new good quality sites is greatest in the west of the Borough.
- 11.25 Qualitative needs are considered for each broad property type below.

Industrial

- 11.26 Commercial agents commented that occupier sentiment for industrial accommodation is strong across the Borough and particularly in western areas where there is good access to the A56 and M66. Whilst there is considerable uncertainty generated by the EU referendum result, agents reported that in the short to medium term demand for industrial premises is expected to remain strong. This is due to a shortage of land and new sites which has hampered the Borough in recent years.
- 11.27 Most agents reported that they had outstanding enquiries for industrial space that had not yet been met within the Borough. Some of these businesses are now looking for solutions outside Rossendale. This was also reflected in the findings from the business survey. There is a risk that an underlying shortage of good quality accommodation could threaten the Borough’s longer term ability to retain the business base needed to facilitate continued economic growth. This is especially relevant given the Government’s proposals to remove the revenue support grant and replace local authority’s ability to fund themselves by the retention of business rates, incentivising a broad tax base.
- 11.28 Viability for new build employment use is an issue in some parts of the Borough, but agents considered that new sites around Haslingden and Rawtenstall with good access to the A56 and M66 would be viable. This is in response to the improving market sentiment of recent years and the historical shortage of sites. One agent commented that Rossendale may get speculative industrial development in prime locations if current trends continue.
- 11.29 This is reflected in upwards pressure on industrial rental levels that have been seen across the Borough, although again this is greatest in the west in the A56 and M66 Corridor. Whilst rents are typically lower further east in Rossendale there are some local businesses that pay higher rates in order to remain in the Borough due to their historic ties and their desire to retain long-serving, locally-based staff members.
- 11.30 Whilst some areas of the Borough have particular issues with vacancy levels these are often in poor quality premises, most notably old mill buildings. The incentive for owners to refurbish

these premises is often low, as they are often unviable due to the challenges of meeting modern business needs in such buildings. As a result there is a large portion of the existing employment space stock that is simply not fit for purpose.

Offices

- 11.31 Whilst there is currently an oversupply of office accommodation across the Borough (with conservative estimates putting the figure at 16%, whilst it can be significantly higher in areas of weaker demand) there is a long term need to provide good quality space for the growing knowledge economy. The sector is a target growth area for the LEP.
- 11.32 Commercial agents reported that most office occupiers expect good quality and well located premises. Most of the Borough's high quality office stock is in Rawtenstall and Haslingden as well as the Rising Bridge Enterprise & Business Village. However, under-occupancy remains an issue in some of these locations, particularly in Rising Bridge.
- 11.33 The current spatial focus for the office market is towards Rawtenstall, though one agent considered there to be some level of demand throughout the Borough. A particular issue for Rossendale is that much of the existing office premises do not meet the expectations of most modern businesses. In order to support future economic growth there will be a need to increase the supply of good quality office accommodation. It is recognised however that there are some businesses looking for more affordable premises that are happy to locate in lower quality premises.
- 11.34 The office market in Rossendale lacks the critical mass to attract and sustain larger office occupiers and company headquarters. Businesses looking for such premises tend to locate in stronger office markets nearby such as Manchester, Rochdale and to a lesser extent Blackburn or Burnley. Consequently Rossendale's office market is highly localised and demand is generated by local businesses looking for good quality, small and modern premises. There is a general lack of such premises in Rossendale despite an oversupply in the general office stock; many premises across the Borough require renovation.

Potential Employment Sites

- 11.35 Both the quantitative and qualitative analyses conclude that there is a need for new employment land allocations in Rossendale. Ensuring an adequate choice of types of sites is vital if the needs of different employment sectors are to be met.
- 11.36 As requested by RBC, Lichfields assessed a number of sites which are not currently allocated, do not benefit from extant planning permission for B-Class employment development and are not part of any committed employment site. This analysis of additional potential employment sites was based on the call for sites process, recommendations by RBC Officers and other sites identified by Lichfields. In total 51 such sites have been identified and assessed. These potential sites include areas currently in non-employment use (such as retail or leisure use) and undeveloped land.
- 11.37 RBC may choose to allocate a quantity of employment land over and above the identified OAN target. For instance if it was felt that the previous lack of allocations and therefore employment developments has resulted in unmet, or spatially imbalanced, demand across the Borough. Some of the potential sites, including sites recommended for allocation, would require release from the greenbelt. Such cases should be reviewed by RBC and weigh the specific case for each site against the merits of retaining the existing Green Belt boundaries to test whether exceptional circumstances can be demonstrated through the emerging Local Plan Part 2 process. Lichfields has assessed the merits of releasing individual sites from the Green Belt

solely for the purpose of identifying potential employment sites, and has not considered the wider cases of strategic need for and release of Green Belt in the Borough.

- 11.38 Together these sources of available supply amount to an estimated net developable area of **140.07 ha** of potential employment space. This is in addition to the identified supply of 16.4 ha net of extant permissions, existing and allocated employment space taking into account the recommendations for de-allocations and release to other uses. This is summarised in Table 11.3. These sites have been assessed in the same way as the supply of committed employment sites and against the same criteria.

Table 11.3 Potential Employment Space (net) in Rossendale Borough

Source	Potential new Employment Space (ha) (net)
Existing Supply of Employment Land	
Local Plan Allocations	7.08
Non-Allocated Existing Employment Sites	8.67
Sites with Extant Planning Permission	0.7
Sub-Total	16.4
Potential Future Supply of Employment Land	
Potential future employment sites	140.07
Sub-Total	140.1
Total	156.5

Source: Rossendale Borough Council / Lichfields analysis

- 11.39 For a significant proportion of the potential sites the recommendation was to not allocate them for employment use. The reasons for these recommendations are based on criteria using the same approach taken in the assessment of other sites. Many of these sites were located around Edenfield in the south west of the Borough, and were discounted due to topographical or access issues, or because landowners are only interested in alternative (usually residential) development. Recommendations are summarised in the pro-forma of each site. Potential sites that are recommended to be allocated for employment uses are discussed in the summary below.
- 11.40 A total of 14 sites covering 27.24 ha net were recommended to be allocated for either employment uses or mixed use development. The six sites recommended for mixed use development cover 8.93 ha net, though only one site has a net developable area greater than 2 ha.
- 11.41 Of the remaining potential sites, eight were recommended for employment uses in isolation totalling 18.31 ha net. One was rated average (0.37 ha net), five were rated good (9.75 ha net) and two were rated very good (8.19 ha net). All of the potential employment sites rated good or very good are located in the A56 and M66 Corridor. Consultations with commercial agents reported that new build employment sites in these areas are expected to be viable due to the high levels of demand and unsatisfied enquiries from potential occupiers. These seven sites are summarised below:
- 1 Land adj Rising Bridge Primary School (ADD3), 3.94 ha (3.35 ha net) – rated ‘very good’ due to its excellent proximity to the A56 at the Rising Bridge roundabout. Unlike most sites in Rossendale topography is not an issue and despite being in a Green Belt location the site is well contained by natural borders. There are sensitive uses adjacent to the site including a primary school and chapel; however, there are natural buffers from a grassy embankment to the chapel and sufficient space to accommodate a well-screened buffer. Commercial agents reported that the location is desirable for businesses and would likely receive high

- levels of demand. The site could be delivered in 1 to 5 years due to its attractive location, although an exceptional circumstances case would have to be made through the emerging Local Plan Part 2 process to justify its release from the Green Belt;
- 2 Carrs Industrial Estate North Extension (ADD6), 5.69 ha (4.84 ha net) – the site was rated ‘very good’ and is an obvious extension to the popular Carrs Industrial Estate. Agents reported a significant shortage of available land and premises for employment uses in this area. One local business reported that if this site were to come forward it would be interested in locating there due to the excellent links to the A56 and M66. The potential site could offer a new strategic employment site for the Borough. Because infrastructure access improvements would be needed the site could be delivered in 5 to 10 years. This timescale could be accelerated if the interested business is engaged in the process at an early stage. Due to the size of the site a range of B-class employment uses would be appropriate, though the supply should be focused towards B2 and B8 uses.
 - 3 Land North of the A56 and A682 junction (ADD2), 5.99 ha (4.79 ha net) – whilst topography is an issue for part of this Green Belt site it is well contained by the A56 to the south west, the A682 to the south east, and by the A681 to the north. The site would require a release of strategic Green Belt land between Haslingden and Rawtenstall; however it is well contained and would provide a large site offering excellent access to the transport network. RBC Officers suggested that a primary access may need to be provided from the A682 due to congestion and air pollution issues associated with the roundabout on Haslingden Road to the west. Due to the size of the site and the need for new infrastructure access it is likely that the site could be unlocked in the medium term (of 5 to 10 years) and be fully developed over the plan period. Due to the size of the site a range of B-class employment uses would be appropriate, though the supply should be focused towards B2 and B8 uses. Again, an exceptional circumstances case would have to be made through the emerging Local Plan Part 2 process to justify its release from the Green Belt;
 - 4 Land North of Hud Hey (EMP13), 3.02 ha (2.72 ha net) – the Green Belt site would be a natural extension to the existing Hud Hey industrial estate. Topography is a constraint to the eastern most part of the site but the location, within 1 kilometre of the A56, is attractive to the market. Again, an exceptional circumstances case would have to be made through the emerging Local Plan Part 2 process to justify its release from the Green Belt;
 - 5 Winfields extension (EMP23), 3.32 ha (0.66 ha net) – the site would represent an extension to the existing Winfields Megastore site to the south into land that is currently hardstanding and under-utilised car parking. The land is currently designated as Green Belt and hence exceptional circumstances would need to be demonstrated by RBC in its emerging Local Plan Part 2 that the release of the site is necessary to meet strategic employment land requirements in the area. It is considered that this would be justified on the basis that the site is in an area of particularly strong market demand, just off the A56 roundabout, has a relatively flat topography with no obvious environmental constraints.
 - 6 Bentgate, Haslingden (EMP25), 0.94 ha (0.80 ha net) – the site could be allocated alongside ADD2, which is adjacent to the potential site. The site could accommodate a small unit and be involved in the wider masterplan, potentially accommodating an access point to from the roundabout.
 - 7 Side By Pass - Ewood Bridge (EMP28), 0.87 ha (0.78 ha net) – the site is currently being used for B8 vehicle storage but could be intensified. Whilst the site has a small net developable area it has good access to the strategic road network and on to the site, and could come forwards in the short term.

8 Woodtop Garage, Townsendfold (H21), 0.46 ha (0.37 ha net) – this small site would provide expansion land to the adjacent and existing employment uses.

11.42 The eight potential sites for employment uses could provide in the region of 18.31 ha of net developable B-class land. Depending on whether RBC pursue the lower or higher employment forecast requirement, these seven sites could meet the forecast shortfall in supply.

11.43 This report has identified an OAN range of 22 to 35 ha which raises different employment land requirements depending upon where on the scale the Council wishes to align with. The decision on how many and which sites to allocate, or choose not to take forward, is ultimately a policy choice for RBC.

11.44 Clearly, any site-specific recommendations contained in this document cannot be viewed in isolation. Recommendations will need to be taken forward and tested through the proper preparation of policy by RBC and subject to formal consultation as part of the Local Plan preparation process.

Conclusions

11.45 The matrix at Appendix 4 identifies site specific recommendations for the committed and potential employment sites in Rossendale, summarised in Table 11.4.

11.46 Section 9.0 identified that between 22 ha and 35 ha of B-class employment land was required over the 20 year plan period to 2034 for Rossendale. With 16.4 ha of pipeline employment land supply Rossendale faces a quantitative shortfall of employment land. Additionally, the review of qualitative factors highlight several market failures in Rossendale’s current supply of employment land:

- The Borough has a shortage of industrial premises which is greatest in the west around the A56 and M66 Corridor;
- There is unmet demand for suitable industrial premises in Rossendale but particularly in the west of the Borough;
- Much of the stock of existing employment premises do not meet the needs of modern businesses; and
- Local businesses are at risk of re-locating outside the Borough because they can’t find suitable sites in the Borough.

11.47 To help address the potential shortfall, 8 sites were recommended to be allocated for B-class employment uses. These sites were recommended because they could make a viable contribution to Rossendale’s overall employment land portfolio and target demand in the west of the Borough. These sites totalling 18.3 ha (net) are recommended for further consideration through the Local Plan process. A further 6 potential sites totalling 8.93 ha (net) were recommended to be allocated for mixed use development. However if these sites are brought forward, B-class uses are likely to comprise a modest component of the overall land use.

Table 11.4 Recommended Portfolio of Employment Land (net) in Rossendale to 2034

Recommendation	A56 and M66 Corridor (net ha)	Rawtenstall (net ha)	Bacup, Waterfoot and Stacksteads (net ha)	Whitworth and Facit (net ha)	Rossendale	
					Number of Sites	Net Developable Area (ha)
Retain current Employment Allocations for employment use	1 (4.44)	0	1 (2.64)	0	2	7.08
Retain and protect existing (non-allocated) employment sites	18 (3.02)	11 (4.6)	21 (0.76)	5 (0.28)	55	8.67
Other sites with extant planning permission for employment use to be retained (not assessed as part of this ELR)	-	-	-	-	-	0.70
Potential Employment Sites not currently part of the Borough's portfolio	24 (103.09)	7 (12.19)	15 (17.42)	5 (7.3)	51	140.07
Existing/Potential Employment Sites assessed by Lichfields	45 (115.9)	19 (17.6)	43 (23.2)	13 (11.2)	120	156.5
Potential new sites recommended to be allocated for B-Class employment uses	7 (17.94)	1 (0.37)	0	0	8	18.31
Potential new sites recommended to be allocated for mixed use development	1 (5.88)	2 (2.19)	3 (0.87)	0	6	8.93
Existing allocations to be released from employment use	0	0	0	2 (2.27)	2	2.27
Existing sites to be released from employment use	2 (0.12)	1 (0.87)	6 (2.39)	1 (1.28)	10	4.60
Potential sites not recommended to be taken forward	16 (53.45)	4 (3.72)	12 (15.64)	5 (7.33)	37	112.82
Adjusted Employment Land Portfolio	27 (31.27)	14 (7.16)	25 (4.3)	5 (0.28)	71	43.7

Source: RBC / Lichfields analysis. Note figures are rounded and do not sum. Figures in red are excluded from the Employment Land Portfolio

* These sites are recommended as mixed-use allocations with a B-class component. Therefore the amount of land likely to be brought forward for B1, B2 or B8 uses would be significantly lower than 6.76 ha.

12.0 Conclusions and Policy Considerations

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

Overview of Rossendale's Economy

12.2 Rossendale's economy has been through a challenging transition in recent years. Employment levels have declined since 1997 whilst they have increased in the North West and UK. However, the Borough's economy has shown signs of resilience as rates of unemployment and Job Seekers Allowance claimants have been lower than comparator areas. Businesses are also more likely to survive in Rossendale, and there is a large base of businesses that have been operating in the Borough for many generations and have a real stake in ensuring Rossendale continues to thrive.

12.3 Rossendale does not have its own self-contained economic geography. Instead the Borough is divided across a number of larger economic geographies including the Blackburn and Manchester Travel to Work Areas. A significant number of Rossendale's residents commute to neighbouring areas, and many of the businesses in the Borough choose to locate where there is good access to the wider motorway network. Given the fact that Rossendale is not a self-contained FEMA, it will be particularly important for the Council to work closely with adjoining LPAs to ensure that the employment land needs of the wider area are fully understood and addressed.

12.4 Whilst lower earnings in Rossendale are attractive to businesses they put local residents at a disadvantage. Low business start-up rates also mean that new employment opportunities will mostly be driven by larger, established, businesses. The forecast job growth is lower in Rossendale than the North West or the UK as a whole. New employment sites are needed for the future growth and prosperity of the Borough. They are needed to ensure that businesses remain in the area and are encouraged to locate in Rossendale, which will safeguard and create jobs as well as supply chain opportunities.

12.5 Whilst future economic growth is expected to be increasingly driven by the knowledge economy and service sector, there is still a strong need for new industrial premises. This is particularly the case in the west of the Borough where there is good access to the A56 and M66 Corridor. There has been an undersupply of industrial sites in recent years, and commercial agents reported that they have unmet enquiries. The Borough has a particular need for large sites around Rawtenstall and Haslingden with good access to the A56 and M66.

12.6 There is a short term over-supply in office accommodation across Rossendale, though the quality of much of the existing stock does not meet the expectations of most businesses. To meet the forecast growth in the services sector there will be a need to supply new, good quality office accommodation, albeit to a more modest degree than for B2/B8

12.7 Gross annual take up of B-class employment uses has averaged at only 0.99 ha, with half of this being attributed to B2 space. The main driver of this has been a lack of suitable sites, as much of the Borough has steep topography and flood risk remains an issue in many areas. In comparison, losses of B-class employment space have averaged 1.35 ha a year, resulting in a net loss of employment space between 2005-06 and 2015-16.

12.8 There are high levels of demand for employment space from smaller businesses across the Borough. Ensuring that there is a supply of flexible space suited to the needs of SMEs will be important to help them grow.

12.9 A significant proportion of the employment stock in Rossendale no longer meets the needs of modern businesses. In particular there are several old mill buildings, many of which are in need of renovation or replacement. The quality of existing premises supports the case for allocating new land in areas of stronger demand so that new premises can be built and better respond to market demands.

Policy Approaches

12.10 The scenarios considered in Section 9.0 indicate the broad scale and type of growth arising from different approaches to modelling the Borough's future employment space needs. In the context of the Framework, the Borough's policy approaches should aim to meet Rossendale's employment space needs in full so that its economy is not constrained, recognising that developments in adjoining areas will remain a key influence. This is particularly important in the aftermath of a period of economic recession, Brexit uncertainties and the Government's Productivity Plan: *'Fixing the Foundations'* (2015).

12.11 However, to facilitate 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 think about the qualitative opportunities and risks that flow from particular policies. This might be concerned with how delivery can be prioritised in some locations or for some types of employment uses and how scope can be created for meeting as yet undefined inward investment opportunities.

12.12 Planning for employment land will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing growth. B-class employment space also competes with non B-class uses, some of which may also generate local economic benefits or have identified needs that the Framework indicates should be supported. This is especially relevant in Rossendale where a significant proportion of employment growth within the Borough is expected to be in non B-class sectors.

12.13 This requires choices to be made in the emerging Local Plan about which sites to protect or allocate for employment development, or which to consider for mixed use development (either in whole or part). That judgement must ultimately take account of:

- 1 The local benefits of B-class sectors and the need to maintain a diversified and resilient economy that is open to growth and new economic opportunities as they arise (as envisaged by the Framework);
- 2 The economic and other outcomes (e.g. labour market) if some sectors become displaced or are otherwise constrained from expanding within this part of Lancashire;
- 3 The need to encourage the growth of high quality jobs in Rossendale to address the weak residential-based employee earnings;
- 4 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 Framework) which may for some activities or sectors imply a less efficient use of land in order to function effectively; and
- 5 Maintaining a delivery trajectory for employment space with short, medium and longer-term opportunities over the life of the Plan.

12.14 The emerging Local Plan will need to plan for a choice of sites and locations to meet the needs of particular sectors and occupiers. Some further commentary on the approach and potential options for providing for the different B-class uses in the Borough is considered below.

Industrial Uses

- 12.15 Rossendale has a high level of industrial activity, much of which is generated from the Borough's heritage of shoe and textiles manufacturing. Many of the surveyed businesses serve markets across the UK and EU. The high levels of manufacturing and industrial uses, and the propensity to export products, means that the need for industrial premises is greatest in the west of the Borough where there is ready access to the A56 and M66.
- 12.16 Commercial agents also reported that demand for industrial sites is greatest in Haslingden and Rawtenstall, though there are strong levels of demand across the Borough including for more bespoke, smaller units further east. Similarly, vacancies in industrial premises are generally low across the Borough, though vacancies are highest in poorer quality spaces in the east.
- 12.17 A particular issue in Rossendale is that the supply of sites in the west of the Borough is insufficient to meet demand. This is resulting in upwards pressure on rental levels. A lack of suitable premises in Rossendale also risks losing businesses as they look for alternative premises elsewhere. Commercial agents reported that if new sites were to come forwards in prime locations around the A56, they would be viable for employment uses and may even generate speculative development.
- 12.18 Most industrial demand is from local SMEs looking for good quality and modern premises across a range of sizes but particularly between 450 to 3,000 sq m. There is an insufficient supply of industrial sites within this size band. However there is also a need for large strategic sites big enough to accommodate key local businesses that are currently spread across multiple sites. One key local employer reported that in the next five years they will have a requirement for one site of 12 ha or two sites upwards of 5 ha, specifically in the west of the Borough with good access to the A56.

Office Uses

- 12.19 Compared to industrial uses, the office market has weaker demand at present. Activity in the office market is generally focused to the west of the Borough around Rawtenstall and Haslingden. Agents confirmed that there remains an oversupply of office accommodation, though it is acknowledged that the quality of the stock varies. Much of the existing stock appeals to businesses looking for affordable rents but does not meet the expectations of many modern businesses.
- 12.20 Agents reported that the office market in Rossendale was starting to fall behind the rest of Lancashire in terms of activity, but that rental levels remain similar. Office rental levels are highest in the prime locations of Rawtenstall and Haslingden. Further east in the Borough rents are usually lower reflecting the weaker demand.
- 12.21 Whilst there is an oversupply of office accommodation in the short term there will be a need for new office accommodation in the long term to meet the forecast growth in the service sector and the target sectors of the LEP. Strongest demand is expected to be in town centres, and there is a strategic need to balance such considerations with the increased use of Permitted Development Rights to convert office and potentially warehousing and light industrial uses to residential without the need for planning permission.

Future Requirements

- 12.22 The demand forecasting analysis concluded that the employment land OAN for Rossendale was **between 22 ha and 32 ha** for the period 2014 to 2034. This is equivalent to 5.5 ha to 8.0 ha every five years. Of this range, it is suggested that around 40% should be identified for B1c and B2 manufacturing land; 40% for B8 warehousing, and the remaining 20% for new office space.

- 12.23 This indicative split was designed to respond to a shortfall in supply of industrial space in recent years whilst accommodating aspirations for future growth in the sector. The balance also reflects the short term oversupply of office accommodation whilst recognising that there will be a greater long term need.
- 12.24 The middle to upper end of this 22 ha - 32 ha range would align more closely with the suggested housing OAN set out in the Council’s SHMA and may be considered an appropriate target to align with future housing requirements and avoid unsustainable outcomes. However, this would result in a level of provision in excess of the volume of land that has been completed in recent years, and which informs the lower end of the suggested B-class employment land range. In this regard there has been a general consensus amongst stakeholders that there has been an under supply of employment land in recent years which has constrained Rossendale’s economic growth.
- 12.25 The forecast requirements are set against an overall adjusted current supply of 16.4 ha (net) as set out in Section 10.0. There is therefore a quantitative shortfall of employment land in Rossendale.
- 12.26 Much of the committed pipeline supply are of poor quality and do not meet the needs of modern businesses. Additionally much of the committed pipeline supply of sites is not located where market demand is greatest. There is an evidenced need for new sites in the west of the Borough where there is good access to the A56 and M66. This has been raised by commercial agents who have operated in the area for decades, key stakeholders, and by local businesses that have been consulted to understand their needs.

Table 12.1 Summary of Rossendale’s Potential Employment Land Supply

Recommendation	Number of Sites	Net Developable Area (ha)
Retain current Employment Allocations for employment use	2	7.08
Retain and protect existing (non-allocated) employment sites	55	8.67
Other sites with extant planning permission for employment use to be retained (not assessed as part of this ELR)	-	0.70
Potential Employment Sites not currently part of the Borough’s portfolio	51	140.07
Existing/Potential Employment Sites assessed by Lichfields	120	156.5
Potential new sites recommended to be allocated for B-Class employment uses	8	18.31
Potential new sites recommended to be allocated for mixed use development	6	8.93
Existing allocations to be released from employment use	2	2.27
Existing sites to be released from employment use	10	4.60
Potential sites not recommended to be taken forward	37	112.82
Adjusted Employment Land Portfolio	71	43.7

Source: RBC Monitoring Data. Lichfields analysis. Note figures are rounded. Figures in red are excluded from the Employment Land Portfolio

* The sites recommended for mixed use development may consist of a proportion of B1 development along with other uses such as residential, retail, leisure and sui generis. Therefore the amount of B class employment land arising from mixed use development will be lower than the estimated 6.8 ha.

12.27 In this context, a number of options emerge:

1. Allocate new industrial sites

12.28 The option of allocating additional sites for industrial development would increase the current choice of sites and provide the Borough with new development opportunities of the size and scale necessary to allow local businesses to expand. This is particularly important as most demand for premises and development in the Borough is driven by local businesses. Agents reported that there were some cases of businesses looking to move to Rossendale because of its links to the motorway network. 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.

12.29 Within the current climate of economic uncertainty, focus should be placed upon sites in areas of strongest market demand. The best performing potential new allocations are set out in Section 11.0. Of the 51 potential new sites that were appraised, it is recommended that eight sites, totalling 18.3 ha (net), could be considered for allocation for B-class uses in the emerging Local Plan. A further six potential mixed use allocations could provide 8.93 ha (net) (only a proportion of which would be for B-class uses).

12.30 When added to the 16.4 ha of recommended allocations, existing sites and extant permissions, the eight potential new employment sites could deliver a significant boost to the Borough's employment land portfolio. If all of them were to come forward for B-class use, the supply would exceed even the upper end of the identified quantitative need. Therefore this analysis is intended to act as a starting point that will provide RBC with the flexibility to allocate those sites that most closely fit with their wider policy aspirations.

12.31 Lichfields considers that the focus should be on providing further industrial and warehousing allocations. Although the econometric projections suggest a potential growth in office jobs over the plan period in the Borough, there are concerns regarding the amount of office space that is required. This is because the office market remains relatively weak and further substantial office allocations could serve to weaken their attractiveness of secondary office space that already experiences high vacancy rates still further.

12.32 That said, it may be appropriate to consider allocating at least one new office site/extending an existing better performing site in the Borough in order to provide choice and flexibility for occupiers. This may also help the Borough to attract larger office occupiers that historically the area has been unable to do. This would provide the opportunity for high quality space for office development to be located in the areas of the Borough that continue to attract strongest demand (such as in and around Rawtenstall) and that can provide longer term, sustainable and viable development opportunities.

2. Intensification of existing sites

12.33 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 development of modern smaller units for which there is good demand.

12.34 There may be limited scope to upgrade and renew some of the poorer performing sites, 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. In particular, older mill buildings should be targeted as these form the majority of

the poorer rated sites. This may comprise redevelopment, but qualitative improvements can also be delivered through refurbishment of existing buildings to some extent.

3. Policy Delivery Mechanisms

- 12.35 Alongside provision of new supply as noted above, upgrading and renewal of the Borough'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 buildings (to some extent).
- 12.36 Barriers to the redevelopment of industrial premises in the Borough include marginal viability on sites not in prime locations. A greater proportion of lower quality premises in the east of the Borough means that standards provided by landlords are often lower than is achieved further west. 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 sub-division of larger units.
- 12.37 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 Rossendale's future growth requirements.
- 12.38 There may also be the 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 LEP 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.
- 12.39 Section 106 agreements could potentially be used, either directly or indirectly, to deliver workspace. This particularly applies to schemes which involve a mixed-use redevelopment of existing employment land. Provision could be either on-site or in some cases at an alternative location. It should be noted that the ability for projects to generate sufficient profit to enable such levies may be limited in all but the most buoyant markets. Any requirement to use S.106 to cross fund employment development from residential or retail uses will need to be underpinned by strong evidence justifying the need and viability of such an approach. RBC may also 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.
- 12.40 Whilst this approach offers the prospect of new employment space in Rossendale, there are some potential problems in ensuring such provision is attractive to the market. The layout of the site and uses, particularly for mixed-use schemes, can make a significant difference to their commercial appeal, with most office occupiers for example wanting a relatively high profile location towards the front of a site and without any potential for amenity conflicts. In addition, there may be issues about matching the type of space delivered to demand in that area.

- 12.41 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 or S.106 contributions could be pooled 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.
- 12.42 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.
- 12.43 LDOs allow Councils to identify specific areas or sites where express planning permission is not required for certain types of development. Examples applying to industrial estates, could include alterations or certain levels of extensions to premises, construction of new employment premises within specified limits, and some types of change of use. In some situations, this approach could provide benefits to occupiers or developers through greater flexibility, speed, certainty of outcome and reduced cost.
- 12.44 Mixed use schemes can also be a way forward in delivering some new office or industrial space. This is more likely to be effective on larger schemes such as the potential Snow King site [H84] in Haslingden. However, most of the potential mixed use allocations are less than 1 ha net developable area.
- 12.45 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 B-class premises; and
 - 5 RBC economic development officers engaging with owners on upgrading of premises.

Other Policy Issues

Constructing a delivery trajectory for employment sites

- 12.46 There is a need to identify a realistic delivery trajectory for employment sites over the plan period to 2034. This is in light of the uncertainty surrounding the future pipeline of employment land supply because of much of the quality and location of sites does not reflect market demand. A trajectory is also needed for the potential emergence of a number of new sites for employment allocation. The trajectory would enable RBC to evidence how their portfolio of allocations, extant planning permissions and other development opportunities will support delivery of new space over the short, medium and long term.
- 12.47 This accords with the approach set out in the former SEEPB guidance on employment land assessments which encouraged local authorities to demonstrate a five year rolling supply of employment land. The Framework requires LPAs to plan proactively to meet the development

needs of businesses as well as guidance in the Government’s White Paper⁶⁹ for local authorities to support growth and development through ensuring a responsive supply of land that supports business growth.

12.48 Where any gaps are identified, the Council will want to consider options for how this can be addressed (potentially as part of the emerging Local Plan). 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.

12.49 As noted in paragraph 12.22, across the Borough the employment land OAN generated a need for between 5.5 ha and 8 ha across five-year rolling supply periods. In determining the likely timing and availability of land that could meet these 5 year requirements, this 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;
- 3 Current developer and landowner aspirations; and
- 4 Market delivery and viability factors.

12.50 The assessment also offers a basis to continually assess the potential role of a site in meeting employment land and other emerging 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 Plan period.

12.51 The broad delivery timescales for each assessed site are recorded in the site pro-formas. As the majority of the assessed sites are in existing use, the focus should be concentrated on the potential sites recommended for employment use allocation, as set out in Section 11.0.

Affordable space for small businesses

12.52 As noted in Section 8.0, there is a gap in the market for small industrial units that are in high demand from SMEs. Most B1 demand in the Borough is for units between 450 and 900 sq m. Such premises should be let on relatively flexible, short term leases, which are attractive to small businesses and can help them to grow. With a large base of SMEs there is a need to provide such accommodation in Rossendale. Demand for this type of small scale, affordable space is also likely to continue to grow in future as businesses increasingly seek flexible and efficient workspaces.

12.53 Whilst re-development and intensification of the Borough’s existing employment sites should be encouraged to allow sites to be used more efficiently and accommodate additional employment space, it will be important to re-provide any cheaper or affordable business units that currently occupy these sites either on-site or elsewhere within the Borough. This could involve delivery of new, purpose-built space and/or the refurbishment of older accommodation into affordable start-up space.

12.54 Based on experience elsewhere, two approaches to providing such premises could be considered:

- 1 Seek provision of small units within larger employment developments, residential or mixed use schemes. This could be achieved as part of the S.106 obligations with the developer

⁶⁹ HM Government, Local Growth: Realising Every Place’s Potential, October 2010

delivering the units for management by the Council or another operator. Caution will be needed in periods of market uncertainty to ensure this does not damage delivery of potentially valuable development; and

- 2 Encouraging conversion or sub-division of older industrial space into a number of small, lower cost units which can provide a more cost effective option than provision of new bespoke space. If the market did not bring this forward, such a scheme could be instigated by the Council with a development partner or consortium.

Monitoring

- 12.55 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. RBC currently monitors planning permissions granted for B-class employment uses in the Borough on an on-going basis and records them in its Annual Monitoring Reports (AMRs). These records should continue to monitor applications relevant to specific type of B-class use so that the changing pipeline supply can be assessed.
- 12.56 Specific items which it could be useful to monitor are identified below and should be incorporated into the Monitoring Framework of the emerging Local Plan:
- a Levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
 - b How much of the currently identified supply of employment space commitments are likely to come forward and whether any new sites emerge;
 - c The extent and type of any losses of existing employment land to non B-class uses, particularly residential (part of the on-going monitoring of office losses under the amended Permitted Development Rights). This will need to incorporate the proposed changes to Permitted Development Rights to include B1c and B8 uses; and
 - d Any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).