



**Nathaniel Lichfield
& Partners**

Planning. Design. Economics.

Wyre Employment Land Study Update

Wyre Borough Council

18 September 2015

41525/MW/RHt/Cro

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1.0 Introduction

1.1 Wyre Borough Council [WBC] has commissioned Nathaniel Lichfield & Partners [NLP] to update the demand forecasting elements of the 2012 Wyre Employment Land and Commercial Leisure Study [ELCLS]. The document will provide part of the Council's evidence base for their forthcoming Local Plan Examination in Public [EiP].

1.2 The Council published its Issues and Options Paper in June 2015 and is aiming to adopt its Local Plan in mid-2017.

Background and Purpose

1.3 This report will form part of the evidence base for WBC, helping to ensure that emerging plan policies are sound, positively prepared, justified and consistent with national policy. It will aid the formation of a clear economic strategy and assist in ensuring the necessary delivery of employment sites.

1.4 Much of the Council's existing economic evidence base relies upon data gathered during the economic downturn. Whilst the evidence base represents a robust examination of the issues and economic growth prospects of the authority at the time, the medium-long term situation is now very different, with strong signs of recovery and an upturn in construction rates as a result. As such, relying on economic forecasting produced a number of years ago is likely to prove insufficiently robust.

1.5 The Fylde Coast Strategic Housing Market Assessment [SHMA] (February 2014) and the subsequent Addendum Report (December 2014) are identifying a housing OAN that is significantly in excess of the 226 dpa figure underpinning the Core Strategy Preferred Options report. The 2012 ELCLS and 2014 SHMA do not currently dovetail together and any policy choices made could be subject to challenge, either at appeal or during the forthcoming Local Plan EiP.

1.6 The labour supply analysis work in the ELCLS, in particular, was based on the ONS SNPP 2010-based projections which, although the most up-to-date at the time of the study, have now been superseded by the latest 2012-based equivalents.

1.7 This study will bring the analysis up to date and help to ensure that the Council's latest SHMA Addendum and employment land provision/job aspirations dovetail together. The Council will be updating the SHMA based on the findings of this study and once this is complete the two studies will fully align.

Scope of the Study

1.8

The scope of the report is as follows:

- 1 Re-visit the analysis of the demand element of the 2012 ELCLS distinguishing between the overall (realistic) future jobs growth target and that focusing purely on B-class uses;
- 2 Interrogate the Experian baseline projections to test the robustness of many of their inputs and particularly the extent to which they represent a realistic and defensible growth target for the Borough;
- 3 Test the growth aspirations of the Borough areas across a number of scenarios and ensure that this aligns with housing needs for the Borough as set out in the Fylde Coast SHMA (February 2014) and the subsequent SHMA Addendum Report (December 2014);
- 4 Analysis and commentary of the factors driving the demand for employment land in the Borough;
- 5 Explore the potential of employment land to service the rural economy within the Borough with particular consideration of the impact on increased housing growth in these areas;
- 6 Characterisation and explanation of the separate employment markets within the Borough;
- 7 Inclusion and summary of updated Employment Land Supply Tables provided by WBC;
- 8 Changes since the 2012 ELCLS; and,
- 9 Policy implications and conclusions

Structure of Report

1.9

The report is structured as follows:

- **Policy Context** (Section 2.0) – An update of planning policy since the 2012 Wyre Economic Land and Commercial Land Survey [ELCLS].
- **Economic Context** (Section 3.0) – Overview of economic growth strategies for Wyre Borough and the region and introduces the Lancashire Local Economic Partnership [LEP]. Identification of Wyre sites within the Functional Economic Market Area [FEMA].
- **Wyre Commercial Property Market** (Section 4.0) – In-depth analysis and commentary on the market demands for different types and locations of employment land provision. An assessment of the number of employment land markets across the Borough. This section is informed by discussions with local agents, relevant council officers and independent commercial agents Keppie Massie (whose detailed Commercial Property Market Review can be found in Appendix 3).
- **Overview of Employment Space** (Section 5.0) – Analyses the current stock of B-class employment floorspace in the Borough; vacancy rates, past development levels and the current availability of the stock.

- **Demand Forecasting** (Section 6.0) – Models a range of scenarios across the period 2011-2031 to update the Borough’s employment land OAN, underpinned by realistic projections of employment growth.
- **Policy Implications and Recommendations** (Section 7.0) – Sets out overall conclusions and policy implications.

2.0 **Policy Context**

2.1 This section provides an update on local and national planning policy since the Wyre ELR (2012) was published. At a local level, although the development plan status remains unchanged, there have been developments with the evidence base. At national level, the Planning Practice Guidance has been published.

Local Planning Policy and Evidence Base

2.2 The development plan for the Council comprises Saved Policies of the Wyre Local Plan (1999), the Fleetwood Thornton Area Action Plan and the Lancashire Minerals and Waste Development Framework.

2.3 The Council published its Local Plan Issues and Options Paper in June 2015 with the current Local Development Scheme [LDS] aiming for adoption by 2017. To underpin the emerging development plan to Council is preparing and updating its evidence base which is the purpose for this study.

Employment Land and Commercial Leisure Study (2012)

2.4 The most recent Employment Land and Commercial Leisure Study [ELCLS] was prepared by NLP and published in October 2012. The study covered the whole of Wyre Borough.

2.5 The study made the following headline conclusions:

- 1 Wyre's economy has undergone significant structural change in recent years, although prior to and even during the recession the local economy grew at rate above national and regional averages. The Borough faces particular challenges from public sector cuts and relocations.
- 2 Past take up of land has been relatively low and distorted by the Lancashire Waste Technology Park development.
- 3 The Borough requires around 45ha (gross) to be available in the general market to meet employment land needs up to 2029.
- 4 The Borough has a good supply of available employment land in quantitative terms, although much of this appears to be located in areas of weak market demand. Rebalancing the portfolio comprises a key challenge for the Borough's future economic success.
- 5 Following a detailed review of all employment areas and allocations in Wyre Borough, it was recommended that the Borough's portfolio should comprise 29 employment sites, totalling 40.3ha (net) of employment land with the potential for a further 8.6ha of land allocated as part of two larger mixed use schemes. WBC may also require further mixed use allocations on currently unallocated sites.

- 6 The Council should adopt a proactive approach to managing and improving the existing portfolio of employment sites to facilitate future growth.
- 7 Meeting the economic needs of rural areas is key to the long term sustainability of Wyre's outlying settlements.

Fylde Coast Strategic Housing Market Assessment

- 2.6 The latest Fylde Coast Strategic Housing Market Assessment [SHMA] was prepared by Turley and published in February 2014 with a subsequent Addendum Report published in December 2014. The SHMA identified the Housing Market Area [HMA] as being the Fylde Coast, covering the 3 local authority areas of Wyre, Blackpool and Fylde.
- 2.7 The SHMA concluded that overall, there is an estimated need for 300 affordable homes per year in Wyre. Scenario modelling indicates that there is an objectively assessed need for between 340 and 485 dwellings per annum [dpa].
- 2.8 It is intended that this ELCLS Update will dovetail with the SHMA work currently being revisited for the Fylde Coast which incorporates the latest CLG Sub National Household Projections that were released in February 2015. The ELCLS Update will run a series of scenarios based upon the modelling work available in the Fylde Coast SHMA and subsequent Addendum Report.

National Planning Policy and Guidance

- 2.9 CLG has produced on-line Planning Practice Guidance [the Practice Guidance] which includes guidance on the assessment of housing and economic development. This replaces the previous ODPM Employment Land Reviews: Guidance Note from 2004 which guided the previous 2012 ELCLS.
- 2.10 The Practice Guidance provides a methodology for assessing economic development needs. It states¹ that plan makers should liaise closely with the business community to understand their current and potential future requirements.
- 2.11 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;

¹ 2a-030-20140306

- 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.

2.12 When examining the recent take-up of employment land, the Practice Guidance² 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.

2.13 In terms of forecasting future trends the Practice Guidance³ 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);
- 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.

2.14 The Practice Guidance⁴ 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.

2.15 In identifying the type of employment land needed the Practice Guidance⁵ advises that:

- 1 The need for rural employment should not be overlooked;

² 2a-031-20140306

³ 2a-032-20140306

⁴ ibid

⁵ 2a-033-20140306

- 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.

2.16 In order to derive employment land requirements, the Practice Guidance⁶ 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).

2.17 This section establishes the economic context for the study. It provides an overview of local and regional growth strategies and then reviews recent economic conditions and trends within Wyre considering the wider Fylde Coast area and relative to the North West region and the national economy. This is important in identifying the existing strengths and weaknesses of the local economy, and the factors likely to influence the nature and level of future demand for employment space.

Local and Regional Growth Strategies

2.18 Wyre and the wider region of the Fylde Coast have a number of Growth Strategies and Economic Development Plans that set out the economic and employment objectives and aspirations for the area.

Wyre Local Growth Plan (2014-2017)

2.19 This local growth plan sets the economic objectives and aspirations for Wyre and was prepared in consultation with the local business community. The Local Growth Plan was informed by the 2012 ELCL study. It is intended that later in 2015 a review of the Local Growth Plan will take place, which will be informed by this 2015 Employment Land Study Update.

2.20 One of the aims of the Growth Plan is to regenerate Wyre, particularly in the deprived wards in the coastal urban town of Fleetwood and the less accessible rural wards by maximising business and tourism potential.

⁶ 2a-034-20140306

THE VISION:

- Wyre will be recognised as a successful place in which to invest. It will be where existing businesses grow and develop, and where new businesses flourish.
- Wyre will be known as an 'Energy Hub', home to businesses from the energy sector and facilitating developments in 'energy from waste' projects.
- Key sites will be developed and existing businesses will grow, employing and training more local people.
- Wyre will be renowned throughout the North West as a place of environmental quality; a desirable location for people to live, work and visit. Cleveleys, Fleetwood and Thornton will be regenerated and Garstang and Poulton-le-Fylde will be vibrant market towns.
- Villages and other rural settlements will meet the needs of their communities.
- The visitor and tourist economy will be modernised and complement the rest of the Fylde peninsula.
- An improved and affordable range of housing and job opportunities will be available for all, along with an enhanced, efficient and sustainable transportation network.

2.21 The Key Strategic Initiative for Wyre set out in the growth plan is split into 6 focus areas:

- 1 Provide a Supportive Business Environment
- 2 Encourage Investment and Sector Development
- 3 Strengthen Relationship Between Employers and Skills Providers
- 4 Support the Visitor Economy
- 5 Maximise the Rural Business Potential
- 6 Ensure the Viability and Vitality of Our Town Centres

2.22 The Growth Strategy separates Wyre into Cleveleys, Fleetwood, Garstang and Hinterlands, Poulton-Le-Fylde and Thornton. Key investments relevant to this ELCLS Update are as follows:

- 1 Upgrade to Blackpool to Fleetwood tramlink completed in April 2012.
- 2 £140k of investments into Cleveleys Bus Station.
- 3 The Blackpool and Fylde College – Fleetwood Nautical Centre received £8m investment towards renewable energy training and facilities.
- 4 Fleetwood Energy Recovery Project and the potential for 40 new jobs.
- 5 Booths invested £9m in Garstang and Hinterlands for a new store and various town centre improvements.
- 6 In Poulton Le Fylde Network Rail is electrifying the route between Preston and Blackpool which will connect the area to the west coast main line making journeys faster, quieter and more reliable. Now due for completion by winter 2016.

7 In Thornton Hillhouse International Business Park is the former ICI production facility is major employment site with Victrex investing in a new facility to increase production of PEEK (thermoplastic). A thermoplastic film plant was opened in November 2014⁷.

2.23 The growth sectors in the local growth plan are as recommended in the previous 2012 ELCL study. The main growth sectors are listed as:

- 1 Energy and Environmental Technologies
- 2 Advanced Manufacturing / Engineering (including chemicals)
- 3 Financial / Business Services
- 4 Information and Communications Technology (ICT)
- 5 Creative and Media
- 6 Leisure and Tourism (including Visitor Economy)
- 7 Rural Economies

Lancashire Enterprise Partnership

2.24 The Lancashire Enterprise Partnership [LEP] is committed to achieving strong and sustainable economic growth supported via the Lancashire Growth Plan and the emerging Lancashire Skills Plan.

2.25 The LEP comprises some of the County's key businesses, local authorities, universities and colleges. It drives Lancashire's agenda for investment, jobs and skills through focusing significant economic development and training initiatives to promote economic growth and skills.

2.26 On 12 January 2015 the LEP agreed a historic growth deal with the government which will see £233.9 million invested in Lancashire. It is expected that the deal will help to create up to 8,000 jobs, allow more than 3,000 homes to be built and generate up to £280 million in public and private investment across Lancashire. However, the key projects set out in the Governments Factsheet⁸ do not include projects specific to Wyre.

Lancashire Growth Plan

2.27 The Lancashire Growth Plan (April 2013) sets out how the LEP intends to achieve strong and sustainable economic growth. It sets out LEP priorities and milestones for 2013/14.

2.28 These include:

- 1 **Lancashire Business Growth Hub** - Launch Lancashire Business Growth Hub in May 2013 and 250 business assists by Autumn 2013.
- 2 **Growing Places Fund** - Begin re-investing the LEP's recycled GPF in commercially viable development schemes to deliver new jobs and

⁷ Opening of New £16 million APTIV® Film Plant <http://www.victrex.com/en/news/2014/11/aptiv-facility-opening>

⁸ Lancashire: additional Growth Deal funding factsheet

housing growth in Lancashire, by spring 2014. Maximise investment leveraged from the private and public sectors.

- 3 **Sector Delivery Programmes** - Begin delivery of a programme of Sector Delivery Plans for Lancashire's established and key growth sectors, including nuclear, low carbon, automotive, visitor economy, rural growth and shale gas by autumn 2013.
- 4 **Arc of Innovation** - Identify key opportunities and actions to strengthen Lancashire's world class centres of industrial, technological development and research excellence, including key HEI clusters by autumn 2013.

Economic Development Company

2.29

Blackpool, Fylde and Wyre Economic Development Company [EDC] is a private sector organisation with representatives from the 3 local authorities and the County Council whose objective is to drive growth across the Fylde Coast. The company was set up to promote economic development, and drive inward investment as well as deliver on specific economic issues for the local authorities in the area.

3.0 **Economic Context**

Overview of Wyre Economy

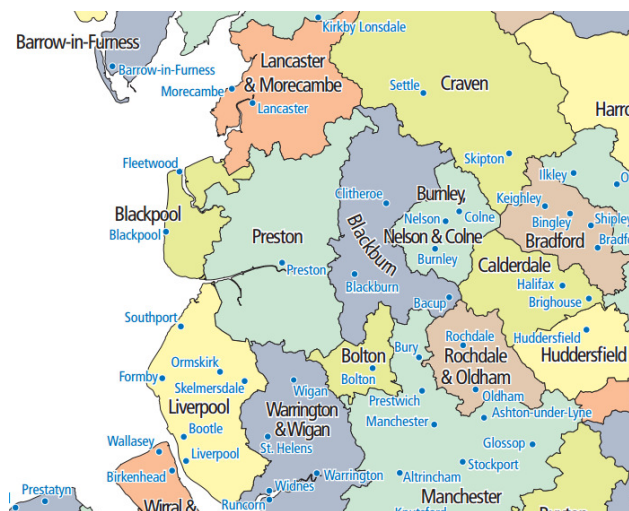
- 3.1 Wyre is geographically unique as a Borough, with the Fylde Coast peninsula (including Fleetwood) very much distinct from the wider Borough to the east of the River Wyre and its estuary. It is split further by the A6 which separates rural areas such as Nateby from Garstang and Catterall.
- 3.2 Wyre is known for its large port at Fleetwood and the food processing industries that sit beside it. Recently a £2.5m Regional Growth Fund grant has been received from the Government which aims to stimulate plans for a multi-million pound fish and food park in Fleetwood. This is expected to generate up to 150 new jobs.
- 3.3 The Department of Work and Pensions [DWP] has been a significant public sector employer on the 'Norcross' site in the past but as these jobs have begun to relocate this sector has declined. Figures provided by Blackpool, Fylde and Wyre EDC in March 2015 estimate that around 1,000 jobs have recently relocated from the site. The number of people employed by DWP on the Norcross site is now estimated at 200, with a further 350 Ministry of Defence Employees.
- 3.4 The Borough also has internationally renowned chemical companies which originally located to the Borough, attracted by the presence of ICI Hillhouse which had processing plants along the River Wyre. Companies such as Vinnolit, Victrex and AGC continue to operate, invest and expand in Wyre despite ICI's demise.
- 3.5 With the decline of public sector jobs in Wyre from such key employers the number of jobs in this sector has been under threat. The closure of the ICI plant had the potential to deter key chemical players but due to their existing investment in the Borough many remain and recently have invested heavily in Wyre.

Functional Economic Market Areas

- 3.6 The 2012 ELCLS reviewed commuting flows between Wyre and neighbouring authorities using 2001 Census data which was the most up to date data at the time. This highlighted strong relationships between Wyre, Fylde and Blackpool [Fylde Coast] and calculated the self-containment of Wyre Borough alone as 55%. Whilst the Functional Economic Market Area [FEMA] was not explicitly defined it was recognised that Wyre's economic market spanned a wider area than just the Borough itself. The Fylde Coast SHMA concludes that the Boroughs of Wyre, Fylde and Blackpool comprise one Housing Market Area [HMA], with commuting used as a key indicator to show the interrelationship between the 3 authorities.

- 3.7 This section provides a broad overview of Wyre and its likely position within a wider or standalone FEMA, looking at local authority level data for commuting and drawing from existing analyses of HMAs. The following provides an up to date analysis of the extent of the FEMA in accordance with the Planning Practice Guidance and using the latest 2011 Census data on migration and commuting rates.
- 3.8 The Practice Guidance provides advice on how a FEMA can be defined. It states that the geography of commercial property markets should be thought of in terms of the location of premises and the spatial factors used in analysing demand and supply. It 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, it is possible to define them taking account of factors including travel to work areas and HMAs. [§2a-012-20140306]
- 3.9 More detailed guidance of how to define a FEMA is provided by CLG’s ‘*Functional Economic Market Areas: An Economic Note*’ (2010). Examining commuting flows can help define the FEMA of a particular local economy⁹. These commuting flows can be assessed using the latest travel-to-work [TTWA] patterns data from the 2011 Census but it is also useful to compare trends with earlier data to see how markets have changed over time.
- 3.10 In 2007 ONS released a study which looked at TTWAs based on 2001 Census Data. Figure 3.1 shows that Wyre fell partly within the Blackpool TTWA and partly within the Preston TTWA. Fleetwood, Cleveleys and Poulton-le-Fylde and Preesall were located within the Blackpool TTWA, whereas Garstang and Catterall were located in the Preston TTWA. The 2007 analysis concluded that across the UK there were 243 TTWAs which compared to 308 in 1991.

Figure 3.1 Travel to Work Area analysis based on Census 2001



Source: ONS 2007

- 3.11 It is understood that 2011 TTWAs will be published by ONS in July 2015. Whilst an up to date analysis is not yet available from ONS, using 2011

⁹ CLG (2010) Functional Economic Market Areas: An Economic Note

Census data NLP has carried out a local authority-level analysis of travel to work flows.

3.12 At the time of the 2011 Census, 10,836 residents commuted into Wyre daily against 21,657 out-commuters, giving a net total of 10,821 out-commuters. The Borough has high levels of net in-commuting from Blackpool.

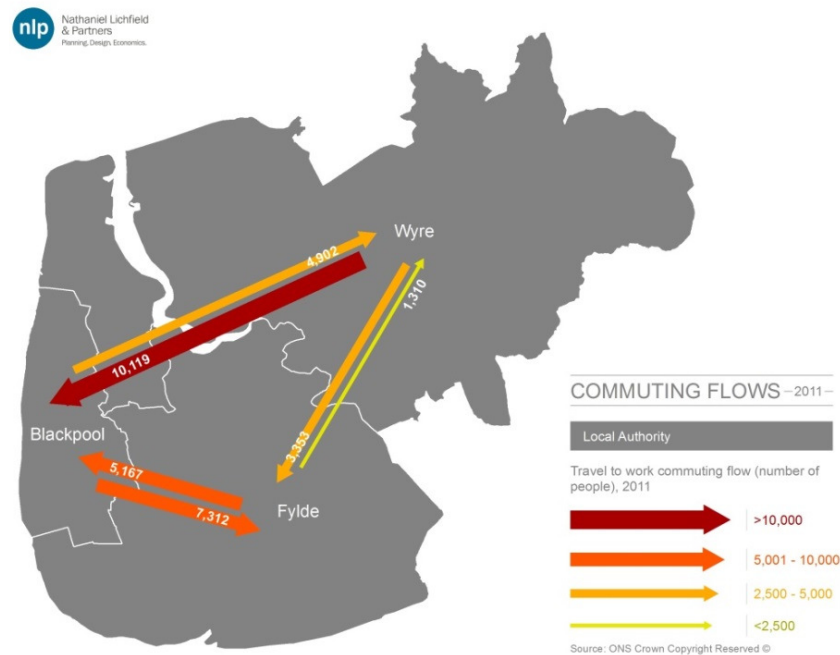
3.13 A commonly accepted approach to defining a TTWA is where at least 75% of an area’s resident workforce is also employed in the area, and of all those working in the area at least 75% also live there. Both Wyre itself, along with the Authorities which make up the Fylde Coast (Wyre, Fylde and Blackpool) have been tested to see whether they would comprise a TTWA on the basis of these two tests, using the 2011 Census commuting data. The results are presented in Table 3.1. It can be seen that whilst Wyre is not a distinct TTWA in itself, Wyre within the wider Fylde Coast area can be seen as a distinct FEMA.

Table 3.1 2011 Commuting Data

	Live and work in the LA	Resident workforce population	Workplace population	Net migration	TTWA Test (live and work in same area: % resident workforce)	TTWA Test (live and work in same area: % workplace population)
Wyre	27,238	48,895	38,074	-10,821	55.7%	71.5%
Fylde	21,493	34,796	43,270	8,474	61.8%	49.7%
Blackpool	43,721	61,782	63,608	1,826	70.8%	68.7%
Fylde Coast	124,615	145,473	144,952	-521	85.7%	86.0%

Source: 2011 Census / NLP Analysis

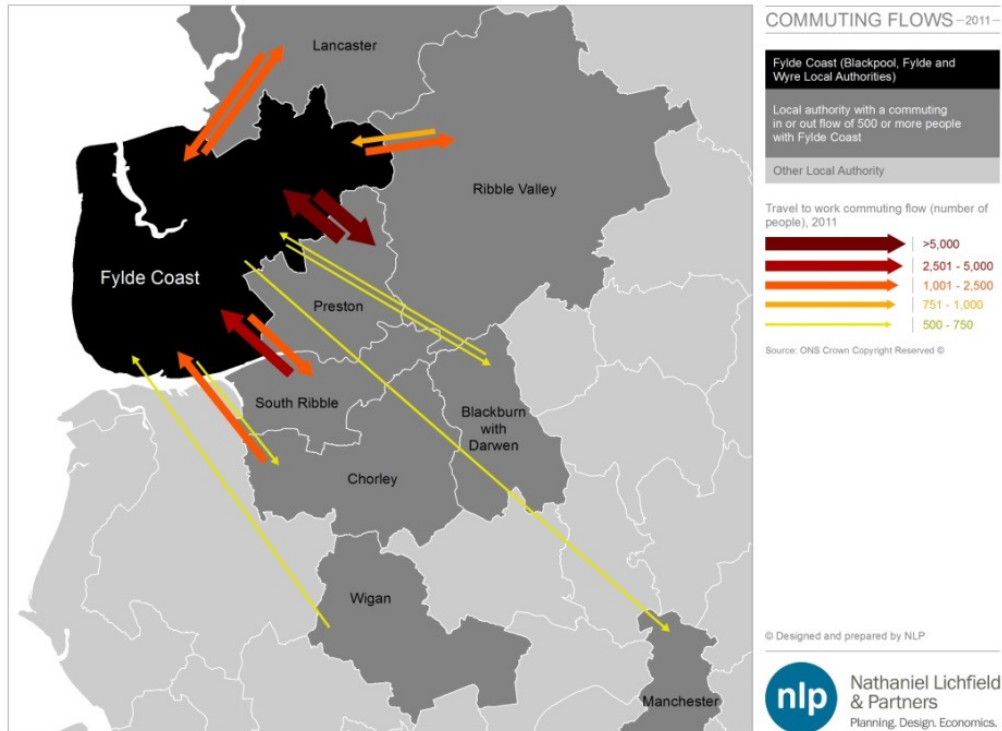
Figure 3.2 Fylde Coast internal commuting flows



Source: 2011 Census/NLP Analysis

3.14 Figure 3.2 illustrates the strong internal commuting relationships between the Fylde Coast authorities. For example, of the 21,238 people commuting out of Wyre to other local authorities in 2011, 13,472 (63.3%) commute to Fylde of Blackpool.

Figure 3.3 Fylde Coast Commuting Flows



Source: 2011 Census/ NLP Analysis

3.15 Figure 3.3 illustrates strong flows between the Fylde Coast and Preston, Lancaster, Ribble Valley and South Ribble. The highest numbers of commuters travel between the Fylde Coast and Preston.

3.16 Looking at flows between Wyre and Preston, 1,299 people travel from Preston to work in Wyre and 2,404 travel in the other direction. A total of 7,205 people travel from Fylde Coast to work in Preston and 5,715 travel the other way.

3.17 Commuting flows between the 3 Fylde Coast authorities provide a firm basis for considering the Fylde Coast as a FEMA in its own right with 86% of residents living and working in the Fylde Coast.

3.18 The recent SHMA provides a detailed analysis of the HMA operating across Wyre and concluded that the three authorities of Blackpool, Fylde and Wyre operate as a relatively strong and distinct HMA based on migration and travel to work flows. The study refers to the housing market area as the Fylde Coast HMA.

3.19 Whilst this study focuses on employment land in Wyre, the clear relationships between Wyre and the wider Fylde Coast are recognised, referenced, and used for comparison purposes where relevant.

3.20 It is clear from both Figure 3.2 and Figure 3.3 that Wyre does not constitute a FEMA in itself. **It instead forms part of a larger travel-to-work area, which include Fylde and Blackpool.**

3.21 **It is therefore recommended that under the Duty to Co-operate, the Borough works with these adjoining authorities when planning the quantity and location of employment land to provide for.**

Location Quotients

3.22 In order to identify the economic potential of Wyre, 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.

3.23 Figure 3.4 assesses Wyre'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.

3.24 The further the orange bar is from 1.0, the greater the extent of any over or under-representation. The blue bars show the absolute level of employment within Wyre accounted for by each sector.

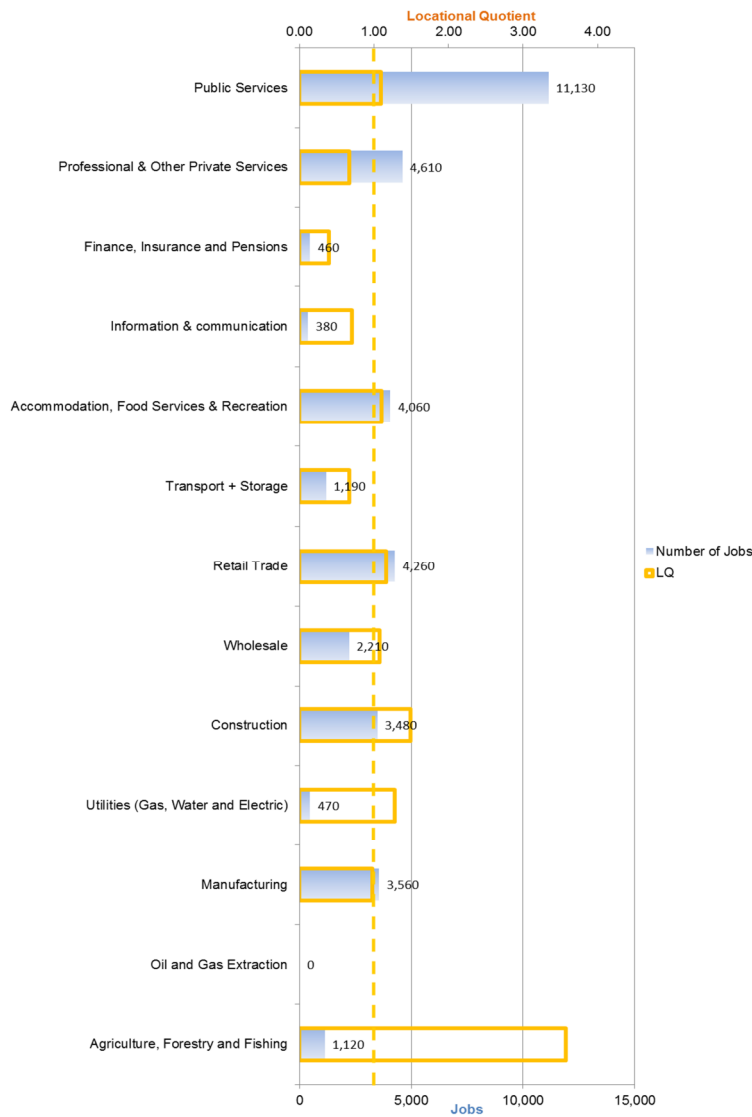
3.25 The graph indicates that the Borough has a strong employment representation in Agriculture, Forestry & Fishing and Utilities (3.58 and 1.28 times the regional average respectively). It should be noted, however, that these sectors account for relatively low levels of employment in absolute terms.

3.26 Public Services is an example of a sector which employs a large quantity of people in absolute numbers, as well as an above average number relative to local authorities across the North West. The reliance on employment in this sector (which includes Public Administration & Defence, Education, Health and Residential Care & Social Work) is important, given the context of continued public sector job losses / relocations.

3.27 Whilst manufacturing employment is roughly equal to that of the North West average, this figure amalgamates many different manufacturing sub-areas. For instance, the manufacture of chemicals is an area which Wyre demonstrates a competitive advantage – despite employment declining 30% between 1997 and 2011, this sub-sector's locational quotient is still 2.36, with firms such as AGC Chemicals Europe located within the Borough at Hillhouse International Business Park, in Thornton.

3.28 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.

Figure 3.4 Location Quotients of Economic Sectors in Wyre (2011)

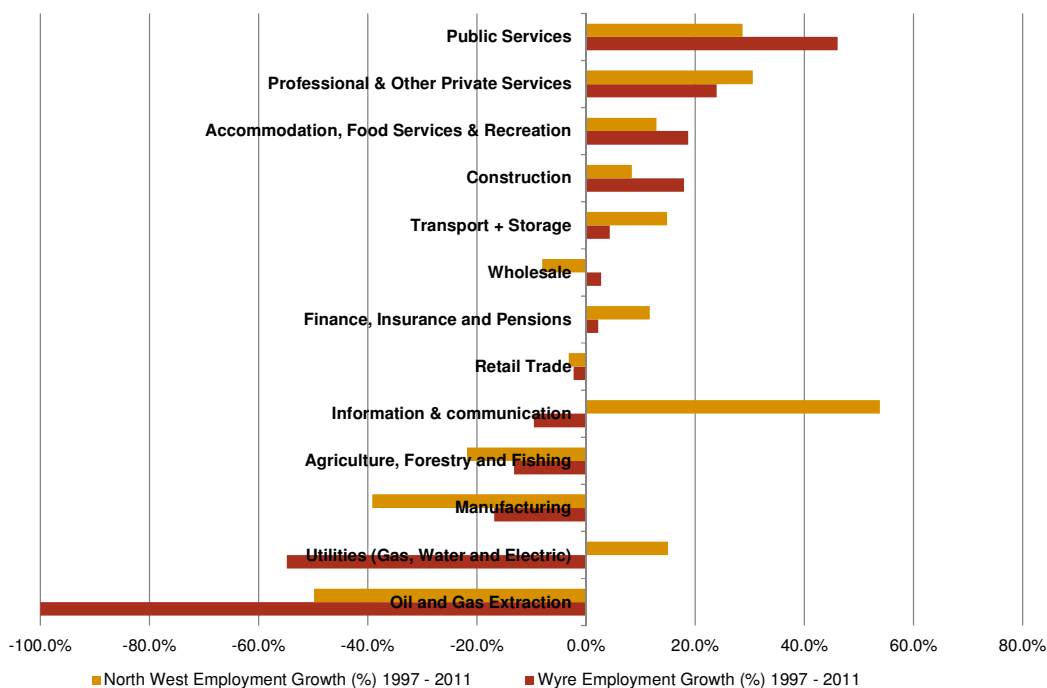


Source: Experian / NLP analysis (2011)

3.29

Figure 3.5 illustrates the employment growth in Wyre from 1997 until 2011, relative to that of the North West.

Figure 3.5 Employment Growth (1997-2011) in Wyre versus the North West



Source: Experian / NLP analysis

- 3.30 It can be seen that there is a correlation between the sectors which are well-represented in Wyre and the sectors which have grown at a faster rate than the same sectors across the North West. Likewise, if a sector has shrunk across the North West but it is well-represented in Wyre, it will tend to have shrunk by less than the regional average. For instance Public Services, which is well-represented in Wyre (with a location quotient of 1.09), has outperformed the regional growth in employment over the period 1997 – 2011 by 17.4%. Likewise Wholesale, with a location quotient of 1.08 in Wyre, has seen a rise in employment over the period of 2.8%, versus a drop in employment in this sector across the North West of 8%.
- 3.31 Whilst past performance may be a guide to future performance, there are of course a host of factors which could alter this. Utilities is a sector which, despite a strong location quotient of 1.28, has seen a large reduction in employment over the period 1997 – 2011. Despite this, there are a series of significant committed, planned and proposed developments in Wyre and the wider Fylde Coast sub region (set out in the Policy-On forecasting scenario in more detail) which may support a significant step change in the development of the energy sector within the Borough, which suggest this may be a key source of growth in the future.

Conclusions

- 3.32 The FEMA analysis used commuting data from the 2011 Census to illustrate that there is a high level of self-containment within the Fylde Coast Area (Wyre, Fylde and Blackpool). 86% of residents of the Fylde Coast also work in one of

the 3 Fylde Coast Authorities. **This is a strong indicator that they form part of one FEMA. It is therefore recommended that under the Duty to Co-operate the Borough works with these adjoining authorities when planning the quantity and location of employment land to provide for.**

3.33 This section also analysed which sectors are under or over-represented in terms of local employment and their recent growth performance using location quotients. The Borough has a strong employment representation in Agriculture, Forestry & Fishing and Utilities (3.58 and 1.28 times the regional average respectively), even though these sectors account for relatively low levels of employment in absolute terms.

3.34 It is notable that the Borough remains highly reliant on public sector jobs compared to elsewhere in the North West which is of concern given continued job cuts / restructuring and privatisation likely to affect many people employed in this sector. There is also a relatively low number of people employed in knowledge-intensive sectors.

4.0 **Wyre Commercial Property Market**

Market Intelligence

- 4.1 This section provides an overview of the commercial property market in Wyre, including recent trends in demand and supply. The findings are based on a combination of desk-based research, supplemented with information derived from online commercial property databases and reports, and discussions with commercial property agents who are currently active in the area. This also includes the commercial recommendations of Keppie Massie regarding the extent to which various sub-areas operate within the Borough boundaries. A summary report of Keppie Massie's commercial analysis of Wyre Borough and the industrial estates and Business Parks therein can be found in Appendix 3.
- 4.2 Although the primary focus of this study is the Borough of Wyre, in functional economic terms Wyre's commercial property market shows strong signs that it extends beyond its boundaries to include the Boroughs of Blackpool and Fylde. Where relevant, reference to the relationships with these neighbouring authorities is made.
- 4.3 Keppie Massie was instructed by WBC in February 2015 to provide a detailed review of the Commercial Property Market in Wyre. That report can be found in Appendix 3 to this document and has informed the sub-sections below.

Market Geography

- 4.4 Wyre's geographical location on the Fylde Coast peninsula with relatively poor transport links means that Wyre and the wider Fylde coast are partly isolated from regional trends.
- 4.5 Whilst the majority of businesses within Wyre are local/indigenous companies that are more likely to employ local residents, the Borough is also home to a number of internationally recognised chemical processing plants, following on from ICI's legacy in the area. There are also large food processing plants, with recent investment announced for a fish park at Fleetwood dock. These key employers provide a considerable number of jobs directly and indirectly which helps contribute towards the Borough's economy.
- 4.6 Wyre is not the central driver of employment growth in the region; both the LEP's Strategic Economic Plan [SEP] and the Lancashire Growth Strategy there is a clear focus on development in Preston and to a lesser extent Blackpool. These areas are seen as the drivers of economic growth for the wider sub-region.
- 4.7 Being closer to Wyre, Blackpool provides competition to Wyre and arguably has a more attractive office and industrial floorspace portfolio. Due to higher levels of investment local agents suggested that Blackpool remains the largest employment market in the Fylde Coast and is more attractive to businesses because of the better quality and location of the stock.

- 4.8 Key employment locations in Wyre Borough are Fleetwood Dock (South), Hillhouse, Copse Road, Red Marsh Industrial Estate, Thornton, Poulton Industrial Estate and Claughton Industrial Estate (Brockholes Way), Garstang. There are also key sites just outside the Borough boundary including the industrial estate at Bispham and Blackpool Technology Park. The Lancashire Enterprise Zone has recently come forward and is located in Warton in Fylde and Samlesbury, South Ribble. The two sites are approximately 13.5km and 29km from Wyre Borough respectively. These sites, due to their close proximity to Wyre and the modern units and financial incentives on offer, represent a degree of competition to Wyre. An expression of interest has also been submitted for a new Enterprise Zone at Blackpool airport.
- 4.9 Due to the nature of the businesses in Wyre (which tend to be smaller, indigenous, companies) the competition to Wyre is concentrated within the wider Fylde Coast. However, it is of note that public sector employees have relocated from Wyre and these jobs are not relocating elsewhere in the Fylde Coast. For example it is estimated that there are only 200 jobs remaining at DWP Norcross, all of which have been privatised to Steria¹⁰.
- 4.10 In Wyre agents considered that there is adequate space/sites to accommodate additional employment floorspace. The main constraints on growth identified were for sites located on the Fylde Coast peninsula which was described as a geographic 'dead end' by one local agent. This is entirely linked to the relative accessibility of this part of Wyre which acts as a deterrent for companies reliant on access to other parts of the UK as part of their operation.
- 4.11 The economic downturn, has affected Wyre, particularly in relation to public sector jobs, many of which have been lost to the Borough or have been privatised. However, other sectors are experiencing growth and investment which suggests signs of a healthy economy or at the very least the promise of growth in the future.

Enquiries

- 4.12 In assessing the health of the economy it is a useful exercise to review recent enquiries for office and/or industrial floorspace. The database of enquiries across the Fylde coast held by Blackpool Fylde & Wyre Economic Development Company provides a record of recent enquiries over the last 12 months for industrial and office floorspace. The number of enquiries is low and reflects the views of commercial agents. These agents suggested the Wyre and wider Fylde Coast commercial market was currently depressed, with take up rates being very gradual and rents falling, indicating a lack of confidence in the market.
- 4.13 The database identifies just nine enquiries; seven of which have a preference for a site in Blackpool over Fylde and the Wyre. This trend is supported by

¹⁰ Blackpool Gazette: Unions to discuss jobs at meeting with MP (23 March 2015)
<http://www.blackpoolgazette.co.uk/news/union-to-discuss-jobs-at-meeting-with-mp-1-7170834>

comments from agents who described Wyre's commercial market as the 'quiet neighbour' when compared to Fylde and Blackpool in terms of take up and enquiries. The two enquiries seeking employment floorspace in Wyre were businesses already with a presence in the Borough looking to relocate or expand.

- 4.14 The majority of the enquiries were for industrial floorspace and were for smaller units from 280 sqm to up to 5,000 sqm. There was one exception, which sought industrial floorspace of up to 46,500 sqm which is a sign of some confidence resurfacing in the Wyre/Fylde coast commercial market.
- 4.15 The only office enquiry sought floorspace of up to 1,850 sqm, and had a preference for Blackpool. Agents commented that the stock of office floorspace in Blackpool was of higher specification and was generally more popular with businesses, and more likely to attract more footloose companies, as a result. It was suggested that there is very limited quality office stock in Wyre. However, at the same time the decline in office enquiries was put down to many businesses office requirements beginning to evolve with hot-desking and working from home made more efficient by increased broadband speeds. Given the relatively poor quality stock, it makes sense for certain micro-businesses to work from home to save costs.

Market Segments

Industrial

- 4.16 With regards industrial floorspace, there has been relatively little development over the last 10 years (which is reflected in the stock profile in the Borough). In many instances the individual industrial parks appear to be dated and contain high proportions of older space. Concentrations of particularly older stock are concentrated within all of the main employment allocations, although this is most pronounced at the Poulton Industrial Estate, Red Marsh Industrial Estate and along Siding Road within the Copse Road allocation.
- 4.17 In respect of the above, whilst some industrial estates within the Borough comprise more dated lower value accommodation, others (such as the Creamery and Brockholes Way) retain a high proportion of modern stock.
- 4.18 Agents cited that the key industrial sites in Wyre are Red Marsh Industrial Estate; Hillhouse Secure site to the north of Thornton; and Poulton Industrial Estate. Other locations include Fleetwood's Copse Road and Garstang's Green Lane West. Cloughton Industrial Estate (Brockholes Way) is located close to the strategic road network with direct access onto the A6 and within close proximity to the M6. The accessibility of this site makes it more attractive to businesses from a greater catchment than other estates of its size.
- 4.19 Fleetwood Port has recently received significant funding (£2.5m) for a multi-million pound fish and food park which will provide new premises for the existing food processing and selling businesses in Fleetwood. This is likely to

secure jobs in this sector as well as stimulating indirect employment linked to the construction and servicing of the new facility once complete.

- 4.20 Commercial agents suggested that the key employers in the Wyre area, and those demanding employment floorspace, tend to be local and indigenous businesses. A benefit of this trend was that the agents considered the market was less receptive to wider regional decline and was more self-contained than the other Fylde Coast authorities. As a result, Wyre is less susceptible to adverse impacts from wider national/regional trends. The main sectoral employers were identified as manufacturing, chemical processing and the emerging energy sector, including fracking.
- 4.21 The Blackpool Local Plan identifies a shortage of employment land in the town. Wyre does not have the same concerns. Blackpool and Fylde have worked together on an appraisal for Whitehills Employment Site¹¹. Blackpool Council submitted its Plan to the Planning Inspectorate on the 19 December 2014. The Council has confirmed that the Examination in Public has concluded and it was agreed that Fylde would provide all of the employment sites to meet Blackpool's shortfall.
- 4.22 In Wyre there are signs of pressure in some areas for non-employment space on existing employment sites. For example, one enquiry to the EDC cites the encroachment of residential development, towards the company's operational site boundaries as a constraint and a reason for the businesses potential relocation. The changes to the Town and Country Planning (General Permitted Development) Order¹² also provides the opportunity for office space to be converted to residential use without the need for a full planning application to be submitted in many instances.

Vacancy

- 4.23 Initial analysis of the average vacancy rates for Wyre, undertaken by Keppie Massie in 2015, found that 8% of office space in the Borough was vacant, and 5% of industrial floorspace. A full breakdown of the vacancy rates by Industrial Area, is presented in Appendix 3.
- 4.24 Office vacancy rates are particularly high at Poulton Industrial Estate (21%) and Nateby Industrial Park (20%). The vacancy rate at Copse Road, of 76%, is an anomaly due to the very low amount of office floorspace in total at the site. Elsewhere, office occupancy is high.
- 4.25 As for Industrial vacancy rates, the highest levels are found at Brockholes Way, at 12.5%, followed by the Creamery Industrial Estate (8.3%). Elsewhere, industrial vacancy levels are around 5% or lower.
- 4.26 In contrast to the survey evidence, when contacted, local agents commented that the 8% / 5% vacancy levels overall for office and industrial floorspace

¹¹ Fylde Borough Council and Blackpool Borough Council have worked together to develop a development appraisal for Whitehills Employment Site (October 2013)

¹² Part 3, Class O of the Town and Country (General Permitted Development) Order 2015

seemed on the low side and from experience considered it to be higher in Wyre, and slightly higher again in Blackpool.

- 4.27 The low amount of vacant stock in Wyre could be interpreted as represented an under-supply of floorspace. Moreover the quality of the stock was identified as being a deterrent to many businesses. This was particularly an issue in the office market. The concern was reduced for industrial premises as these were considered to be more readily adaptable to modern requirements.
- 4.28 One local agent commented that interest in industrial units was greater than for office units and that it was often easier to adapt existing stock to accommodate businesses requirements. This flexibility reduces the number of vacant industrial units.
- 4.29 In terms of location, agents suggested that whilst there were quite distinct markets in Fleetwood, Garstang and Thornton, the need for new industrial units was consistent across the Borough, particularly for smaller (up to 929 sqm) units which were suitable as starter units.
- 4.30 There are a number of businesses that continue to grow and invest in Wyre which suggests a degree of loyalty and confidence in the local industrial market from firms such as AGC chemicals, Victrex and Vinnolit.

Industrial Rental Levels

- 4.31 Quoted rents for industrial accommodation vary throughout the Borough. Currently, rents are around £32-48/sqm for the available industrial accommodation. Table 4.1 illustrates the current range of asking rents across some of the Borough's key industrial sites.

Table 4.1 Typical Industrial Asking Rents in Wyre

Location	£/sqm
Poulton Industrial Estate, Poulton Le Fylde	£48/sqm
Harbour Trading Estate, Fleetwood	£43/sqm
Leachfield Industrial Estate, Garstang	£32/sqm
Cloughton Industrial Estate (Brockholes Way), Garstang	£43/sqm

Source: Survey of Local Agents/Online listing June 2015

- 4.32 In terms of achieved rents, local commercial agents advised that £48/sqm has been reached at Poulton Industrial Estate, which is the current highest value for industrial accommodation within Wyre. However, there are still a number of vacant units on the estate. Local agents anticipate that this is unlikely to rise in the near future and rents will continue to fall in the Borough. The fall in rental levels is likely to be linked to demand but one commercial agent suggested it is more closely related to wider issues such as the lack of bank support which is acting as a constraint on individuals wishing to access the Wyre commercial property market. This leaves activity in the market to cash rich occupiers or speculators, which are few and far between.
- 4.33 Table 4.2 illustrates the headline industrial rent at a number of competing locations elsewhere in the Fylde Coast.

Table 4.2 Industrial Rents in Comparator locations

Location	£/sqm
Blackpool and Fylde Industrial Estate, Blackpool	£86/sqm
Moor Park Industrial, Bispham	£65/sqm
Cocker Street, Blackpool	£37/sqm

Source: Survey of Local Agents based on properties on the books June 2015 and on www.rightmove.co.uk

- 4.34 A combination of desk based research and discussion with local agents confirms that industrial rents are often higher in Blackpool than in Wyre. This is particularly noticeable in some key sites such as Blackpool and Fylde Industrial Estate and in Bispham; both were identified as popular and 'active' employment sites by agents.

Offices

- 4.35 Unlike Blackpool, Wyre does not have an established office hub within its town centres. Offices are dispersed across the Borough and the demolition of units at the Norcross site has reduced the office stock. Agents commented that there is limited office provision in the Fleetwood area; however in Poulton, units are relatively sought after. This evidence conflicts with the recorded vacancy rate of 21.13% at Poulton Industrial Estate.
- 4.36 In summary, Wyre has retained a significant volume of office accommodation in the Borough through the presence of DWP's Norcross Facility, which is now in the process of winding down. With the exception of Norcross, there are relatively few concentrations of office accommodation within the Borough, as the larger settlements do not appear to be of sufficient size to sustain concentrations of professional practices or retain larger civic concentrations (such as Preston). Wyre has around 20,440 sqm of office accommodation within the Borough, the majority of which is located at Norcross (46%) and at Poulton Industrial Estate (28%).
- 4.37 Whilst office accommodation at Norcross comprises purpose built accommodation for DWP, office accommodation at Poulton Industrial Estate typically comprises industrial-based stock which is typically fairly basic and dated in character; although purpose built modern accommodation does exist at Beckett House.
- 4.38 In general, demand for office stock is considered by agents to be weak in the Borough, although one agent did comment that lower quality offices are sometimes attractive to start-up businesses due to the low prices. However, it was noted by another that at present rent levels in Thornton Cleveleys are relatively expensive but it is expected that this will realign once the market improves.
- 4.39 Agents commented that there is more activity and demand for employment floorspace along the A6/M6 corridor, particularly for office floorspace and smaller industrial units (up to 10,000 sq. ft/929 sqm). It was considered that current stock in this area is more modern, whilst the geographic location was

attractive to many companies who require good accessibility and transport links close by.

- 4.40 It was noted that generally across the Borough there is a lack of good quality office stock, whilst the stock that does exist tends to be on older estates and lacks investment. It was the view of the agents that regeneration and investment in existing sites would assist in improving take up and attracting new businesses to Wyre. Investment at the former ICI site at Hillhouse was cited as bringing back attractive tenants and regeneration of other sites was considered as a beneficial exercise in the Borough before finding and developing new sites.
- 4.41 Demand for offices is stable in Wyre with limited demand correlating with the limited offer. It was the view of certain agents that Wyre had a lack of high specification, modern offices that appealed to businesses. However, it was also noted that demand for office space generally across the Fylde Coast is depressed at present with even higher quality office space at Lancashire Enterprise Zone and the Talbot Gateway in Blackpool struggling to attract tenants.
- 4.42 The agents contacted were not aware of any major new office units either recently constructed or due to be constructed in Wyre. This would correlate with the comments made in relation to the poor quality of existing stock. However, there are signs of new developments coming forward in the medium term; a brief look at recent planning applications to the Council highlights a number of proposed office buildings planned for Wyre, including Use Class B2/B8 units with an element of ancillary office space.

Table 4.3 Planning Applications for Office and Industrial Floorspace

Planning Reference	Description	Location	Proposed Floorspace	Valid Date
14/00458/OULM AJ*	Outline planning permission for the erection of up to 270 dwellings, 4.68 ha of Employment (B1 & B8) uses, convenience store (up to 375m ² sales area) and coffee shop (up to 235m ² sales area).	Land To The West Of The A6 (Preston/Lancaster New Road), Bounded By Nateby Crossing Lane & Croston Barn Lane, Nateby, Garstang	4.68 ha of Employment (B1 & B8)	30/05/2014
15/00171/FUL	Erection of two light industrial units (Use Class B1)	Antech Hydraulic Ltd Cocker Avenue Poulton-Le-Fylde Lancashire	Approximately 245 sq. m (B1)	27/02/2015
14/00784/FUL	Change of use of first floor from residential (C3) to office use (B1)	2 Croston Villa High Street, Garstang Preston, Lancashire	253 sq. m (B1)	25/09/2014
14/00902/FUL	Erection of a 2 storey office building (Use Class B1) associated single storey lock up storage unit, the creation of a new access road and the provision of associated car parking and landscaping including the increase in land levels	Land At Mains Lane, Poulton-Le-Fylde, Lancashire, FY6 7LB	427 sq. m (B1) 40 sq. m (B8)	16/11/2014

Planning Reference	Description	Location	Proposed Floorspace	Valid Date
14/00963/FUL	Demolition of existing building (D1 Use) and the erection of a replacement light industrial building (B1 Use) (resubmission of application 14/00605/FUL)	St John Ambulance, Beach Avenue, Thornton Cleveleys, Lancashire, FY5 1ED	Not specified	02/12/2014

Source: Wyre Borough Council Website 2015

* WBC understand this application to be speculative

4.43 In summary, Wyre has a relatively limited office provision. Much of the office stock is located at Norcross and agents commented that it is low grade, dated stock in need of modernisation to meet current business requirements.

4.44 When asked about vacancy rates commercial agents considered the 8% office vacancy rate was as expected but if anything perhaps slightly lower than they would have estimated based on recent experience. It was considered that lower rents may be one reason why vacancy levels were low, rather than very high levels of Demand.

Office Rental Levels

4.45 A snapshot of office rents across the Borough highlights the difference between office rental levels in Garstang compared with other areas of Wyre. Agent consultations, combined with a review of local agent online listings, suggests that Wyre has limited office stock on the market and a noticeable lack of Grade A sites.

Table 4.4 Typical Office Asking Rents in Wyre Borough

Location	£/sq. m
Brockholes Pavillion, Garstang	£140/sq.m
Marsh Mill Village, Fleetwood Road North, Thornton	£86/sq.m
Carlton Court, Lord Street, Fleetwood	£75/sq.m

Source: Survey of Local Agents/Online Listings June 2015

4.46 As mentioned previously of the Fylde Coast authorities Blackpool has the largest and most popular and active office market. A brief overview of available office stock found that office space in Blackpool was similar in price to Thornton and Fleetwood, although office floorspace in Preston was generally more expensive.

Table 4.5 Office Rents in Comparator locations

Location	£/sq. ,m
Blackpool Technology Management Centre, Blackpool	£86/sq.m,
Whitehills Business Park, Blackpool	£86/sq.m,
Preston Technology Centre, Marsh Lane, Preston	£118/sq.m

Source: Survey of Local Agents/Online Listings June 2015

4.47 The price of office space on comparator sites outside of the Borough, and particularly elsewhere on the Fylde Coast, is similar to sites within Wyre.

However, whilst the prices are similar, the quality of the offer is likely to be more diverse, with stock in Wyre generally older and to a lower specification.

Conclusions

- 4.48 Whilst there is a need for new starter industrial units in Wyre the current stock is more easily adapted to meet operator requirements than office provision and hence has a slightly lower vacancy rate.
- 4.49 There is limited Grade A office development or office floorspace in Wyre that meets modern office requirements. However, it is recognised that office floorspace in Blackpool and at Warton Enterprise Zone has been slow to be taken up so in the current market this is a minor constraint.
- 4.50 Lower quality office space also tends to attract lower rents and this is attractive to business start-ups which creates a desirable office market for such companies in Wyre.

5.0 Overview of Employment Space

Introduction

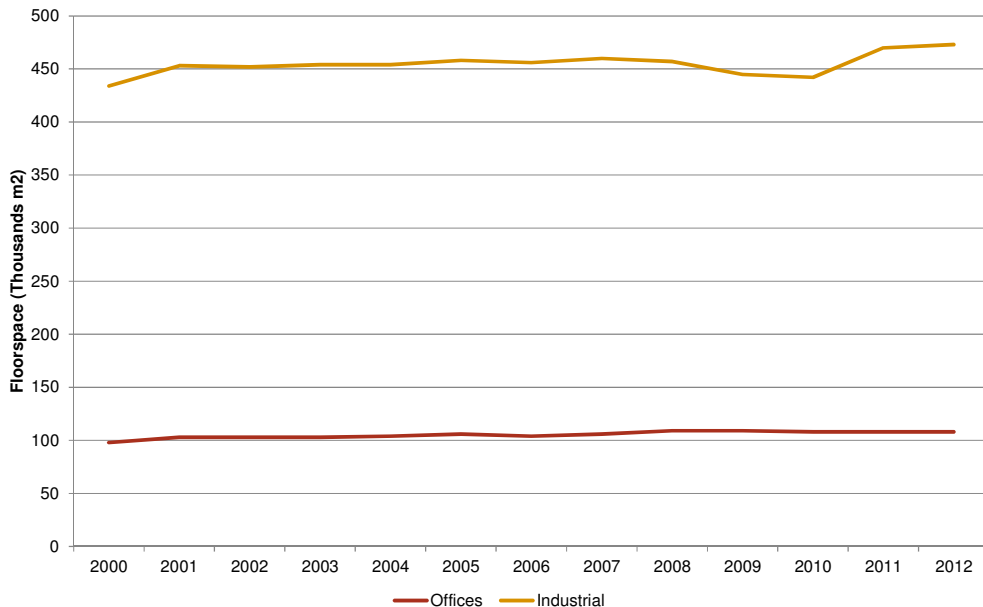
5.1 This section provides an overview of the current stock of employment space in Wyre, and recent trends and changes to the supply of this space. Both the amount of employment land and the quantity of built employment floorspace are considered across the main types of employment uses i.e. offices (use class B1(a/b)), warehousing/distribution (B8) and manufacturing industry (B1(c)/B2). This analysis is based on data from the following sources:

- 1 commercial floorspace data from the ONS and Valuation Office Agency (VOA);
- 2 Wyre Borough Council’s monitoring data on commercial space; and
- 3 EGi Property Link database and other commercial property sources.

Current Stock of Employment Space

5.2 In 2012, Wyre contained some 583,000 sqm of B class floorspace. A breakdown of this floorspace by main uses is shown in Figure 5.1. This indicates that the supply of employment space in Wyre is dominated by industrial uses (manufacturing and distribution/warehousing) which account for 88% of total stock. In contrast, the Borough’s commercial office stock amounts to just 12% of total employment space.

Figure 5.1 Change in Business Floorspace in Wyre, 2000-2012



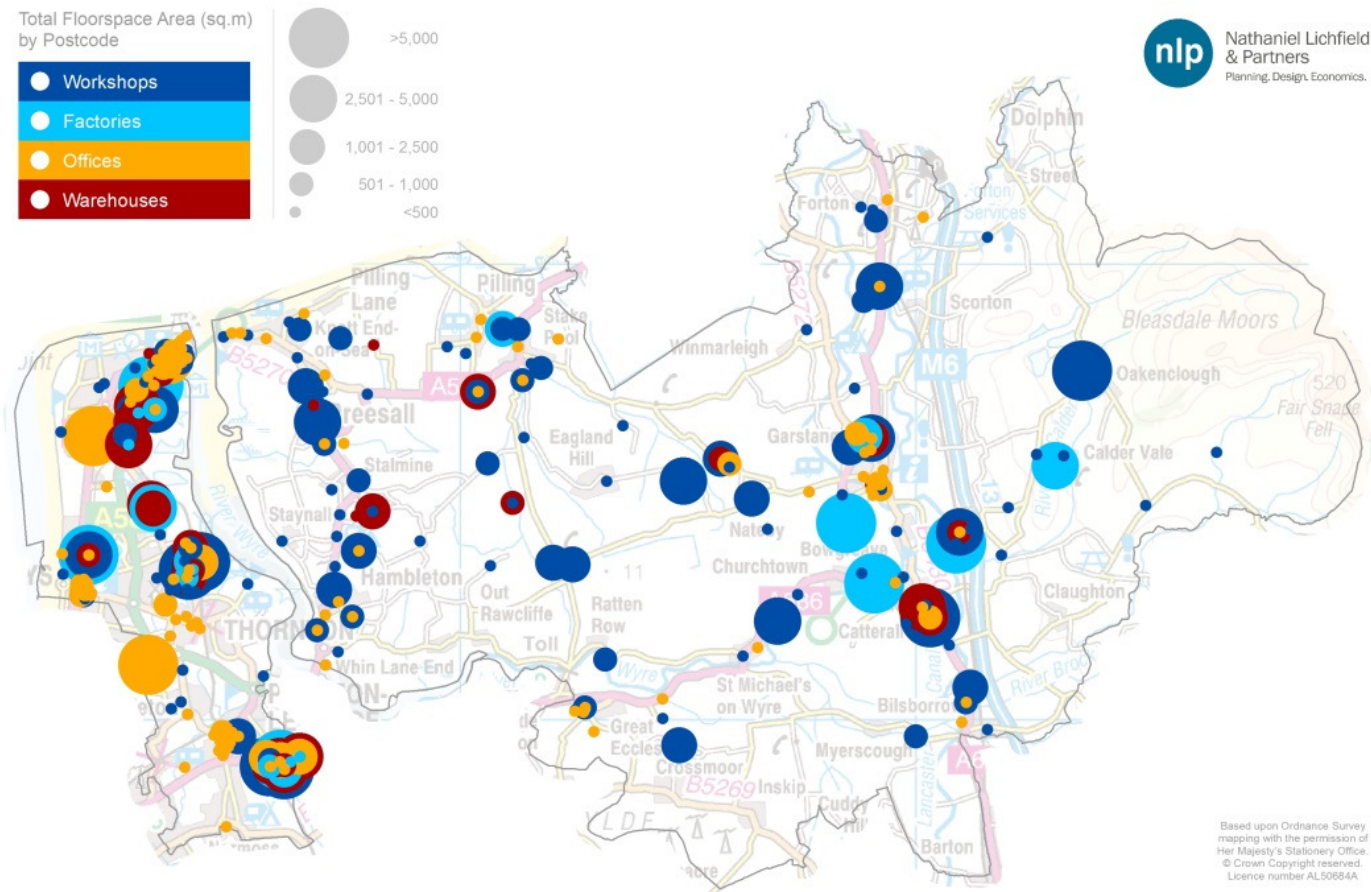
Source: VOA Business Floorspace Statistics / NLP Analysis

5.3 Commercial office space in Wyre increased by 10% between 2000 and 2012 according to VOA data (Figure 5.1), compared with 19% across the North West

and 16% across England as a whole. Total industrial space also grew by 9% over the same period, whilst the North West witnessed a reduction of 9% of total industrial floorspace, an even larger reduction than that seen across England as a whole (-3%). This increase in industrial floorspace against regional and national trends possibly reflects the healthy representation of industrial sectors within the Borough's economy, although it should be noted that a significant amount of this growth was due to the development of a large waste management facility in 2010/2011.

5.4 Figure 5.2 illustrates the distribution of B class employment space in Wyre using latest available VOA data. This indicates that the Borough's office and warehouse stock is predominantly concentrated in the Fylde Coast area to the west of the Borough. A few large warehousing units are located towards the M6 which runs north to south in the eastern part of the Borough, whilst workshop units are scattered throughout the eastern, western and central (rural) areas of the Borough.

Figure 5.2 Spatial Distribution of Employment Floorspace in Wyre



Source: VOA 2010 / NLP analysis

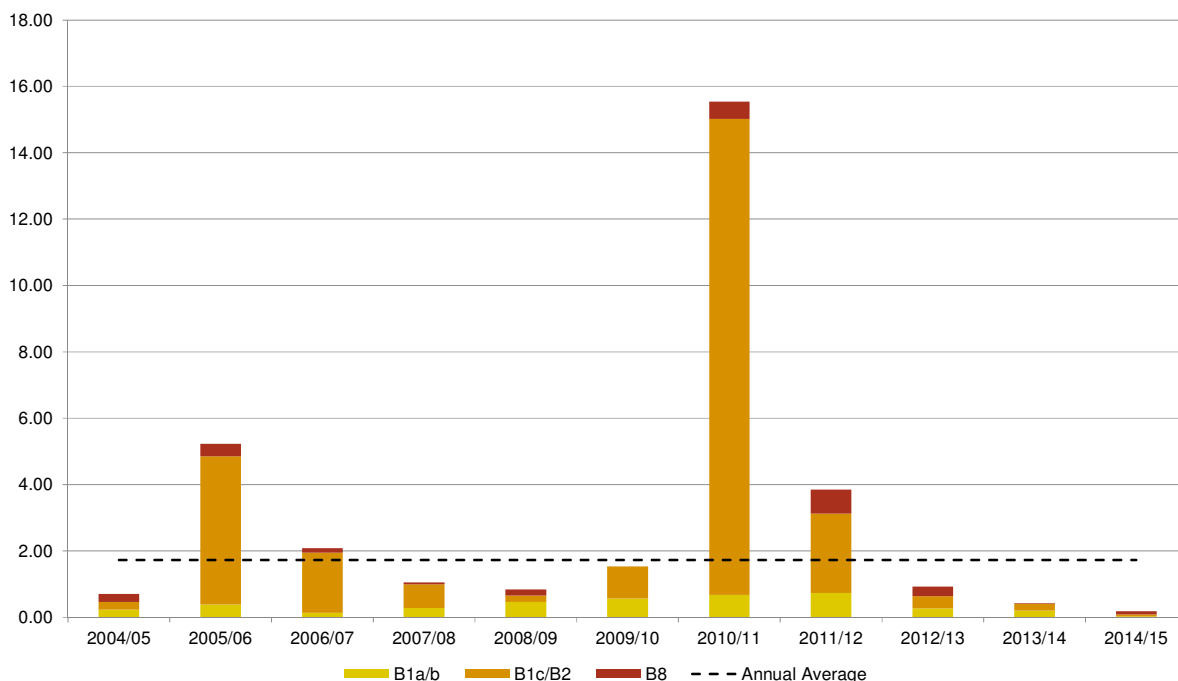
Vacancy

5.5 A review of commercial property being marketed in April 2015 indicates that approximately 1,600sqm of office space is currently available across Wyre¹³, in areas such as Nateby Industrial Park, Poulton Industrial Estate and Copse Road. Out of a total stock of around 20,000sqm this indicates an office vacancy rate of 8%. The equivalent figure for industrial space was 14,000sqm, or about 5% of the total stock of 300,000sqm, with large quantities of vacant units spread across industrial estates such as Brockholes Way, Poulton Industrial Estate, Dorset Avenue and Copse Road.

Development Rates

5.6 The gross amount of floorspace developed for employment uses in Wyre over the last 11 years is shown in Figure 5.3.

Figure 5.3 Gross Development Rates 2012/13 - 2014/15



Source: Wyre Monitoring Data / NLP Analysis

Note: The annual average excludes the anomalous Lancashire Waste Technology Park development.

5.7 This demonstrates that the Borough has seen an average of 2.94 ha of B-class development over the eleven years 2004/05 – 2014/15. The vast majority of this development is in the form of industrial (B1c and B2) land (around 80%), with the remainder being split between office space (B1a/B1b) (12%) and warehousing space (8%). The particularly high level of industrial development in 2010/11 of 13.3 ha, is due to the construction of the Lancashire Waste Technology Park. This skews the average level of development across the

¹³ Analysis of postcode areas PR3, FY6, FY5 and FY7 carried out by Keppie Massie.

period – excluding this development brings the average annual rate of development down to 1.73 ha.

- 5.8 By contrast, the effects of the economic downturn and subdued property market can be clearly seen in the rate of employment land development, with the two most recent reporting years (2013/4 and 2014/15) posting the lowest level of B-class completions of all 11 years analysed, at just 0.43 and 0.18 ha respectively.

Losses of Employment Space

- 5.9 As noted in the original ELR¹⁴, WBC has not historically monitored the loss of employment space to alternative uses. However, data has been provided by WBC in respect of three planning permissions relating to the change of use of employment land to alternative uses. These are thought to have been implemented between 2002 and 2012 and amount to a total loss of 3.24 ha. Since this time, WBC has provided information regarding further losses of employment land (Table 5.1). Again, whilst the exact year at which the employment land was 'lost' has not been recorded, it is still useful to compare the rates of losses over the two time periods.

Table 5.1 Wyre Borough Council Losses, 2010/11-15¹⁵ (ha)

Use Class	B1a (ha)	B2 (ha)	B8 (ha)	Total (ha)
Total losses	0.40	0.21	0.94	1.55
Annual losses (2011-15)	0.10	0.05	0.23	0.39

Source: WBC Monitoring Data *totals rounded

Available Employment Land

- 5.10 Table 10.2 of the Wyre ELCS (2012) provides data relating to available land versus take up by Sub Area, 2003-12. Table 5.2 provides an update of this data, based on the latest available information on the remaining employment land portfolio and take up rates and can be used as a tool to identify those areas of relative surplus and shortage. Due to the relative crudeness of this approach it should not be used in an overly prescriptive way.

¹⁴ Nathaniel Lichfield and Partners (2012) Wyre Employment Land and Commercial Study, paragraph 6.9ha

¹⁵ WBC provided NLP will the losses in sqm. These have been converted to land using a 40% plot ratio

Table 5.2 Available Land versus Take Up by Sub-Area, 2003-15

Sub-Area	SUPPLY		DEMAND		Implied Supply (years)
	Remaining Allocated Employment Land June 2015 (net)	Vacant Land within existing Employment Areas (net)	Take-up of allocated land 2003-15 (12 yrs)	Average Annual Take-up (ha)	
Fleetwood (excluding Port)	0.96	2.75	0.84	0.07	53
Port of Fleetwood	6.42	6.00	0	0.00	-
Cleveleys	0	5.42	0	0.00	-
Thornton (excluding Hillhouse)	13.73	0	14.84	1.24	11
Hillhouse Secure Site	43.15	0	8.59	0.72	60
Poulton & Carleton	1.41	2.06	2.29	0.20	17
Rural West	0	0	0	0.00	-
Central Rural Plain	0.62	0.17	0	0.00	-
Garstang & Catterall	10.14	0	2.72	0.23	44
Rural East & Uplands	0	0	0	0.00	-
Wyre	76.43	15.54	29.28	2.46	36

Source: WBC

- 5.11 The 2012 Wyre ELCS found that the Borough potentially had an over-supply of employment land in very basic terms, with around 26 years of forward supply should past delivery rates continue. The update has found that this over-supply has increased to 36 years, predominantly on the basis of take up rates declining in recent years following the aftermath of the recession.
- 5.12 As in the ELCS, there is clearly an over-supply of land in Fleetwood and Hillhouse Secure Site. Ostensibly, this could also include Garstang/Catterall. However, this indicative over supply is due to the fact that past take up has been minimal in recent years. Garstang/ Catterall include some poorer quality sites (05 and 06 at Catterall Gates Lane) which is likely to have contributed to oversupply. The ELCS noted that demand for new sites in Garstang/ Catterall remains strong and as a consequence, many companies and developers have become frustrated by the tight supply of readily available sites. This situation has not changed over the past three years.

Employment Space in Adjoining Authorities

- 5.13 It is also important to understand the extent of available employment land in adjoining districts and any major new economic developments coming forward there which might compete with the Borough for future demand. A brief updated review has therefore been undertaken of the employment land position including reference to recent major employment developments within 5 local authorities which border Wyre.

Lancaster

- 5.14 In February 2014 Lancaster City Council commissioned a review of the employment and economic position within Lancaster District. This report was published in January 2015.
- 5.15 The main employment locations across Lancaster have been divided in the ELR over 4 broad areas: Lancaster, Morecambe/Heysham, Carnforth and

Rural Lancaster. Key sites include White Cross, White Lund Employment Area and Carnforth Business Park.

- 5.16 The ELR concluded that across Lancaster there was 59.9 ha of available employment land, compared with a calculated need of 49.5 ha using a baseline scenario. Overall, the ELR found that there is a surplus of industrial floorspace (+11.7ha) based on Experian baseline model, and a shortfall in office space of -1.3ha.
- 5.17 The shortfall in office floorspace conflicts with relatively high commercial vacancy rates in the existing office stock which suggests there is a mismatch between office requirements and stock in Lancaster. There is no requirement for Lancaster to find employment sites in neighbouring authorities.

Ribble Valley

- 5.18 Ribble Valley's Employment Land Study Refresh was published in May 2013. It reports that as of 31st March 2012 there was a headline supply of 20 ha of available employment land in Ribble Valley, made up of 12 sites. 61% of this (12.27 ha) comprises land at Barrow Brook Business Park.
- 5.19 At Barrow Brook, the 4.32 ha Papillion site gained planning permission for housing at appeal in 30 November 2012. Excluding this site from the available land portfolio would reduce the Borough's supply to just 15.68 ha across 11 sites.
- 5.20 The ELR modelled a number of scenarios and recommended that the Council should adopt the short term land take-up scenario. This suggested that the Borough required another 8 ha of employment land on top of its existing supply to 2028.

Preston

- 5.21 The Chorley, South Ribble and Preston ELR to 2021 was published in April 2009. The ELR calculates that The Preston City Council area provides approximately 1,320,000 sqm of employment floorspace, of which 28.5% is office space, 51% manufacturing / industrial and 20.5% is warehousing or distribution floorspace.
- 5.22 Preston has a total net employment land supply of around 96 ha. The study concluded that, due to forecast negative growth in employment land requirements over the plan period, the poorer quality employment sites could be released if necessary. However, it recommended higher quality sites are retained. There is no requirement to find additional sites in Wyre Borough.

Fylde

- 5.23 The latest Employment Land and Premises Study [ELPS] for Fylde was produced in August 2012. This sets out employment land supply and future requirements over the plan period to 2032.

- 5.24 The ELPS makes reference to the Enterprise Zone [EZ] at Warton which seeks to provide around 15,000 sqm of new B1 and B2 premises by 2015 and generate up to 5,000 new jobs. The first tenants, Accenture and Trescal, moved to the EZ in March 2015.
- 5.25 The ELPS states that the Borough has a supply of 22.32ha of available employment land across 24 sites. Almost half of this land is at Whitehills Park and on the Blackpool and Fylde Industrial Estate. Based on various forecasting models, the ELS concluded that Fylde should plan for an additional 26-33ha of employment land, in addition to the existing 22.32 ha over the plan period 2012-32. This does not include additional land necessary to meet Blackpool's employment land needs.
- 5.26 In Fylde there are existing employment areas which can meet some of Blackpool's need, notably Whitehills Park. At the EiP for Blackpool's Local Plan it was agreed that Fylde would make suitable provision for meeting Blackpool's shortfall in employment land.
- 5.27 The areas of search for new supply will be focussed on the areas around Junction 4, M55, Blackpool Airport and around Kirkham. There is also a need to provide locations for new office sector activity, particularly in the urban area of Lytham and St Annes.

Blackpool

- 5.28 Since the adoption of the Blackpool Local Plan (2006), four Core Strategy evidence base documents have been published, providing detail on existing employment land provision. The latest Blackpool Employment Land Study 2013 was issued in June 2014. This study was supplemented by an Employment Land Technical Paper (June 2014).
- 5.29 The ELS updates Blackpool's existing employment land supply and take-up position. The Study contains a detailed assessment of all the main existing industrial business estates, their vitality and viability, and their importance to Blackpool's future economic growth and development.
- 5.30 The updated technical note reiterates that due to Blackpool's tight boundary and shortage of development land, meeting Blackpool's future employment needs is integrally linked with the wider Fylde Coast employment market area. Therefore, there is a need to work with neighbouring authorities to meet Blackpool's employment land needs. The Council has begun to explore such sites and these include land on the Blackpool/Fylde boundary along the Blackpool Airport Corridor and around Junction 4 of the M55. Other significant sub-regional sites as listed in the ELS are BAE Systems Enterprise Zone (Warton), Hillhouse (Thornton), and the Port of Fleetwood.
- 5.31 The report states that there are 13 main industrial/business locations within Blackpool which are established business areas and safeguarded for employment use. These locations provide 182.1 ha of land in total. It states that 21.6 ha of this is undeveloped and remains available for employment

development. However, undeveloped land at Preston New Road (NS&I site) is currently subject to pre-application discussions and is anticipated to come forward for alternative uses to provide enabling development which will secure the long term employment future of the remainder of the site. This has the effect of reducing Blackpool's available employment land to a 'worst case scenario' of 17.8 ha. This is still the latest position as of June 2015.

- 5.32 In considering the long term employment land requirements the ELS projects the average annual take-up from 1991 (1.6 ha) forward over the plan period which suggests a requirement for 24 ha of employment land to 2027. It also projects the average annual take-up rate from 2001, of 1.9 ha, which indicates a requirement for 28.5 ha. The ELS takes a mid-point of this range to calculate a requirement of 26.25 ha.

Figure 5.4 Blackpool Employment Land Supply (as at July 2012)

Main Employment Area	Total size (Ha)	Available land (Ha)
Blackpool Business Park	23.6	6.9
Squires Gate Industrial Estate	19.9	1.7
Sycamore Estate	5.2	-
Vicarage Lane	15.6	0.9
Clifton Road	45.9	3.9
Preston New Road (NS&I)	11.9	3.8*
Chiswick Grove	4.5	-
Mowbray Drive	16.9	0.3
Warbreck Hill	8.3	-
Devonshire Rd / Mansfield Rd	3.4	-
Moor Park	17.6	0.4
North Blackpool Technology Park	8	3.7
Blackpool and Fylde Estate*	1.3	-
All Estates	182.1	21.6 (17.8 when discounting NS&I)

*This land has been subject of pre-application discussions for non-employment uses

Source: Blackpool Employment Land Technical Paper (June 2014)

- 5.33 Discussions with the Council suggests that land around Junction 4 of the M55 and along Blackpool Airport Corridor on the Fylde/Blackpool boundary continues to be recognised as a priority for sub-regional growth in the Duty to co-operate. Further development here is a priority for strengthening Blackpool's economy.
- 5.34 The Council estimate that the total employment land supply in the Borough is around 17.8 ha. This leaves a significant shortfall to be provided over the plan period, much of which is likely to be provided within neighbouring authority areas.
- 5.35 Following the Local Plan EiP's hearing sessions, the Council has confirmed that Fylde will provide for Blackpool's employment land shortfall. There is therefore no requirement for any additional employment land to be provided in Wyre Borough to meet Blackpool's shortfall.

Competition for Employment Land

- 5.36 Blackpool and Fylde have previously been identified in this study as having the strongest links with Wyre. The three authorities form part of a larger travel-to-work area, with certain commonalities in the commercial and industrial property market. As such, displacement of job growth from Wyre to other authorities is most likely to occur within the TTWA, rather than districts that are further afield and have a very different commercial market.
- 5.37 The commercial property analysis and Keppie Massie's Review in Appendix 3 has demonstrated that much of the demand for industrial and commercial space in Wyre is indigenous, with local companies seeking to expand and consolidate their existing operations, rather than substantial inward investment from elsewhere. As such, companies are perhaps less footloose and willing to relocate from Wyre than might be the case elsewhere. That said, the Borough does not have an established office market centre and cannot compete with Grade A office space provided in more attractive locations such as Blackpool and Preston, with the Norcross job losses being the most prominent manifestation of this.
- 5.38 However, research suggests that high specification offices in Blackpool are encountering relatively low levels of take up. Whilst this may be due to a degree of stagnation in the office market across the Fylde Coast generally, agents suggested that lower grade office space for starter or indigenous businesses remain in demand in Wyre and this trend limits the impact of competition from higher grade offices elsewhere.
- 5.39 In its favour Wyre has a number of well-established internationally-recognised industrial companies businesses that have invested heavily in their premises and have a strong incentive to remain in the Borough. Such businesses would require a strong pull factors and fiscal incentives in order for them to relocate.
- 5.40 The Enterprise Zone [EZ] at BAE Systems in Fylde does have the potential to offer those substantial fiscal incentives. The first buildings have now been constructed and the first tenants located there in March this year. However, the EZ has attracted limited tenants since its completion and whilst it provides high grade employment space it has currently demonstrated minimal competition to Wyre's employment market. A further EZ at Blackpool Airport is also proposed and will come into being in January 2016. There is the potential for the EZs to compete directly with Wyre, albeit there is no evidence of this happening yet at Warton. It is also possible that the EZs will provide spin off benefits to Wyre due to their proximity and potential for supply chain linkages.
- 5.41 Overall there is no compelling evidence that Wyre's employment market is at significant threat due to competition from other authorities.

Duty to Co-operate

- 5.42 The local authority areas of Blackpool, Fylde and Wyre in conjunction with Lancashire County Council published a memorandum of understanding dated

August 2013 which was updated in July 2015. This understanding addresses a number of cross boundary issues (including employment) which are relevant to this update.

- 5.43 One of the key employment objectives of the memorandum is to work together to promote the sustainable development of the following key strategic sites / corridors:
- 1 Blackpool Airport corridor – Blackpool/Fylde boundary including newly designated Enterprise Zone;
 - 2 The Enterprise Zone at BAE Systems – Warton – Fylde;
 - 3 Hillhouse International Business Park – Wyre;
 - 4 Central Business District – Blackpool Town Centre;
 - 5 Junction 4 of the M55 – Fylde/Blackpool boundary;
 - 6 A6 Corridor/Garstang – Wyre.
- 5.44 In 2013, Fylde and Blackpool worked together to produce a development appraisal for Whitehills employment site which is located near to junction 4 of the M55. This report assessed the development potential of land in the immediate vicinity of the site. The aim of the project was to produce a document that would enhance planning decision making, provide the means for future investment and identify an action plan for delivery.
- 5.45 Whitehills has since expanded and continues to provide new employment floorspace¹⁶. Whilst providing new and attractive accommodation for businesses locating to the Fylde Coast it also has strong potential to draw businesses out of Wyre to new and more 'accessible' sites which is particularly attractive to international businesses.
- 5.46 As noted above, the EiP into Blackpool's Local Plan has now concluded and Blackpool Council has confirmed that it was agreed at the examination that Fylde would provide for Blackpool's employment land shortfall.

¹⁶ Whitehills new development phase (May 2015) <http://www.blackpoolgazette.co.uk/news/business/local-business/blackpool-s-whitehills-sees-new-development-phase-1-7239272>

6.0 **Future Requirements for B Class Employment Space**

Introduction

6.1 This chapter considers future employment space requirements in Wyre for the period 2011-2031 by drawing on several methodologies that are guided by the national Planning Practice Guidance (the Practice Guidance). These scenarios are used to inform the assessment of future employment space needs for office and industrial (i.e. manufacturing and distribution) uses.

6.2 WBC requested that NLP interrogate the Experian employment forecasts in order to determine whether these represented a realistic and defensible growth target for the Borough. The previous ELR had identified coding anomalies in the BRES source data, whilst significant recent job losses at the Norcross site may have been too recent to have been addressed in the Experian projections. This note therefore examines whether the coding errors and Norcross job losses have been adequately represented in the latest Experian employment forecasts.

Methodology

6.3 National Planning Policy Framework [the Framework] requires local authorities to: *“set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth”* [§21]. Considering this in evidence base terms, this should be underpinned by a *“clear understanding of business needs within the economic markets operating in and across their area”* [§160].

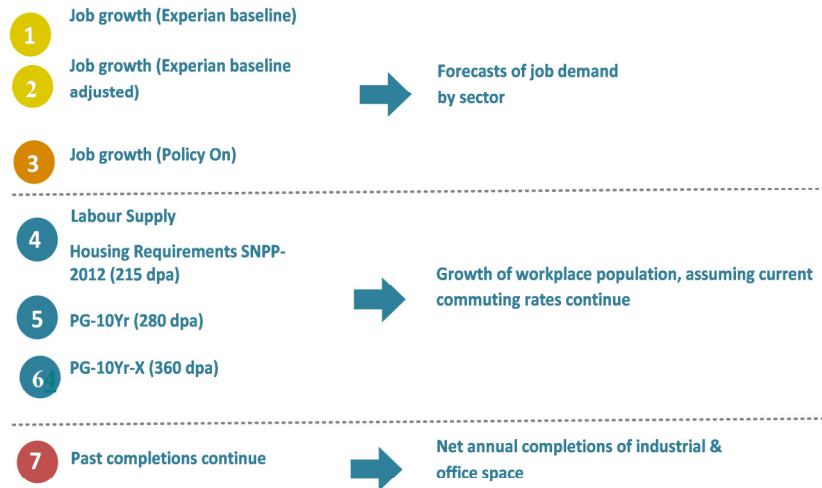
6.4 Within this context a number of potential future economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B class employment space requirements for Wyre Borough between 2011 and 2031.

6.5 In line with the Practice Guidance, these future scenarios draw upon:

- 1 Projections of employment growth in the main B class sectors (**labour demand**) derived from the latest available economic forecasts prepared by Experian;
- 2 Estimating future growth of **local labour supply** based on the housing requirements contained in Wyre’s emerging SHMA, and the amount of jobs and employment space that this could support, based on NLP PopGroup demographic model runs; and,
- 3 Consideration of **past trends in completions of employment space** based on monitoring data supplied by Wyre, and how these might change in future.

6.6 Accordingly, this has framed the consideration of seven scenarios to help understand the implications of different assumptions on future demand outlined in Figure 6.1.

Figure 6.1 Range of growth scenarios/approaches



Source: NLP Analysis

6.7 All of these approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances within Wyre. It should be noted that the assessment is not purely quantitative, and there will also be qualitative factors to consider when identifying future employment space needs.

Forecasts of Job Growth

6.8 Forecasts of job growth for Wyre for the period up to 2031 were obtained from Experian’s March 2015 quarterly release. Unless otherwise stated, the term ‘jobs’ refers to total ‘workforce jobs’ and includes part time and full time employment.

6.9 It is important to acknowledge that there will be an element of landless growth. This is where job growth/decline will not automatically give rise to an immediate increase/decrease in floorspace, or land, requirements. In the North West this is due, in part, to the current spare capacity across many firms particularly where companies that have laid off staff in the immediate aftermath of the recession, have been operating out of the same building and hence can accommodate a return to past staffing levels without having to physically expand their operations. Such latent capacity will have a bearing on the extent to which WBC may wish to tailor its B1/B2/B8 allocations going forward, and should be monitored over time. For example, WBC may wish to consider the ability of existing businesses to expand within existing sites before allocating new ones.

Scenario 1) Experian Baseline

- 6.10 The forecasts of job growth by sector used here reflect recent trends at a regional level. Growth in the 38 industrial sectors reflects how the Borough has performed relative to the North West region's growth in the past. These forecasts also reflect the current post-recession economic climate, and the significant uncertainty surrounding future macro-economic prospects generally. It should be noted that policy interventions have been on-going for a number of years in Wyre, and therefore the Experian base forecast does not entirely represent a 'policy-off' situation. Experian's Data Guide to its UK Regional Planning Service Model, setting out how the projections have been calculated, is included in Appendix 1.
- 6.11 The overall Experian baseline employment change in Wyre resulting from these projections amounts to 3,570 jobs between 2011 and 2031. This is taken from their March 2015 model, which is underpinned by the ONS's 2012-based Sub-National Population Projections [SNPP] and other inputs regarding economic activity and unemployment as set out in Table 6.1. A detailed explanation of Experian's methodology is provided in their data guide in Appendix 1.

Table 6.1 Experian March 2015 Model for Wyre Borough, and underlying Population / Economic Activity Inputs 2011-2031

Wyre Borough	2011	2031	Growth 2011-31
Total Population	107,720	114,220	+6,500
Population aged 16-64	63,710	59,610	-4,100
State Working Age population*	59,560	63,320	3,760
ILO employment, residence-based**	52,410	58,120	5,710
ILO employment, workplace-based**	35,440	37,760	2,320
ILO unemployment***	3,060	1,760	-1,300
Workforce Jobs	36,930	40,500	+3,570

Source: Experian March 2015 / NLP analysis

* Population above the age of 15 but below the current state retirement age for their gender.

**ILO employment: The International Labour Organisation [ILO] provides an international standard method of measuring employment. In the UK this is implemented by means of a survey known as the Labour Force Survey (LFS) or Annual Population Survey (APS). This measure is based on the place of residence of the employee. It is a people count based on the main job that a person has.

***ILO Unemployment: The ILO definition of unemployment covers people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight

- 6.12 The split of job growth relating to each of the 38 Experian SIC sectors over the period 2011-2031 is presented in Table 6.2.

Table 6.2 Total Workforce Job Growth, 2011-2031

Experian Sector	Wyre	Experian Sector	Wyre
Accommodation & Food Services	990	Metal Products (manufacture of)	-160
Administrative & Supportive Services	-310	Non-Metallic Products (manufacture of)	-60
Agriculture, Forestry & Fishing	-110	Other Manufacturing	40
Air & Water Transport	-20	Other Private Services	-20
Chemicals (manufacture of)	-110	Pharmaceuticals (manufacture of)	10
Civil Engineering	40	Printing and Recorded Media (manufacture of)	-30
Computer & Electronic Products (manufacture of)	-20	Professional Services	870
Computing & Information Services	-80	Public Administration & Defence	-910
Construction of Buildings	400	Real Estate	140
Education	620	Recreation	290
Extraction & Mining	0	Residential Care & Social Work	200
Finance	0	Retail	130
Food, Drink & Tobacco (manufacture of)	40	Specialised Construction Activities	570
Fuel Refining	0	Telecoms	0
Health	210	Textiles & Clothing (manufacture of)	-40
Insurance & Pensions	0	Transport Equipment (manufacture of)	0
Land Transport, Storage & Post	210	Utilities	-230
Machinery & Equipment (manufacture of)	20	Wholesale	960
Media Activities	-20	Wood & Paper (manufacture of)	-50
TOTAL			3,570

Source: Experian 2015

Table 6.3 Fastest Growing / Declining Employment Sectors in Wyre, 2011 – 2031

Sector	Use Class	Additional Jobs (2011 - 2031)	% Change (2011 - 2031)
Accommodation & Food Services	RED	+ 990	1414%
Wholesale	ORANGE	+ 960	39%
Professional Services	YELLOW	+870	223%
Education	RED	+ 620	21%
Specialised Construction Activities	ORANGE	+ 570	204%
Construction of Buildings	RED	+ 400	85%
Recreation	RED	+ 290	9%
Land Transport, Storage and Post	ORANGE	+ 210	5%
Utilities	ORANGE	- 230	-85%
Administrative & Support Services	ORANGE	- 310	-19%
Public Administration and Defence	ORANGE	- 910	-88%

Source: Experian 2015 / NLP analysis

Key: **YELLOW** = B class sector **ORANGE** = Part B class sector **RED** = Non B class sector

6.13 This analysis indicates that Accommodation & Food Services, Wholesale and Professional Services are expected to be key drivers of employment growth within the Borough over the next 20 years, while the Education, Construction and Recreation sectors are also expected to account for a significant proportion of employment growth during the plan period. Sectors forecast to incur the largest employment losses during this period include Utilities, Administrative & Support Services and Public Administration & Defence.

6.14 Table 6.4 summarises the job growth over the Plan period 2011-2031 for Wyre Borough, with the job growth separated out by B-Use Classes. 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 (see Appendix 2 for a full breakdown).

Table 6.4 Forecast Employment Change in Wyre 2011-2031 – Experian Baseline Jobs, by Use Class

	Offices (B1a/b)*	Manufacturing (B1c/B2)**	Distribution (B8)***	Total B-class Jobs	Other Non B-Class Jobs	Jobs in All Sectors
Wyre	765	-91	851	1,525	2,045	3,570

Source: Experian / NLP analysis

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

**includes vehicle repair and some construction activities

*** includes elements of transport & communications sectors

6.15 Using Experian’s baseline projections (which are based to an extent on past trends and current representation across the industrial classifications relative to the national and regional averages), Table 6.4 suggests relatively high overall net job gains in B class sectors (1,525 jobs) within Wyre up to 2031. Growth is mainly distributed between office activities (765) and distribution jobs (851), alongside a moderate decline in manufacturing jobs (-91). This is within the context of total job growth of 3,570 jobs forecast for the Borough over the plan period, predominantly in the Health, Education and Accommodation & Food Services sectors. It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2031 (including some conventional office space) although the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

6.16 The B-class element of these employment growth forecasts have been converted to net future employment space requirements by applying the latest published density figures for employment space. This takes into account recent trends in occupancy for the different B class uses.

6.17 To estimate space requirements, the following average ratios have been applied to job forecasts:

- 1 One B1a/b general office workforce job requires 12.5 sq. m. of employment floorspace [Gross External Area, or GEA];

- 2 A combined B1c/B2 factor of one job per 42 sq. m. was obtained by taking an average of one B1c light industrial job (47 sq. m.) and one B2 industrial workforce job (36 sq. m.) of employment floorspace [GEA];
- 3 Warehousing: 1 job per 65 sqm is assumed for general, smaller scale warehousing (which characterises the vast majority of warehouse stock in Wyre).

- 6.18 These assumptions are based on the latest HCA/Offpat guidance on employment densities published in 2010, adjusted to translate FTEs into workforce jobs¹⁷. 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.
- 6.19 An adjustment has been made to reflect the fact that vacancy rates in Wyre are currently around 8% for commercial floorspace and around 5% for industrial/warehousing floorspace¹⁸. On the basis that a figure of 10% better reflects 'normal' market conditions, the model has assumed that where current rates are lower, the future supply should be adjusted so that the stock is brought back into balance and achieves a vacancy rate of 10% overall by 2031. This way the model ensures that slightly more land is provided to 'boost' vacancy rates to a sustainable level.
- 6.20 Where a reduction in jobs is forecast (such as within B1c/B2 manufacturing) the associated negative floorspace has been halved to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into long term leasing agreements etc.
- 6.21 The resultant floorspace projections are provided in Table 4. They indicate a total net B-class floorspace requirement of just over 81,000 sqm, driven primarily by growth in B8 distribution; moderate growth of B1a/b office; and a slight decline in B1c/B2 manufacturing floorspace.
- 6.22 It should be noted that these figures are based Experian's assumptions concerning which industrial sectors are likely to see the most pronounced growth/decline over the plan period. Experian has not made a judgement as to whether this level of growth is sustainable in the sense that office space might be more suitably located in town and city centres; rather its forecasts have been based primarily on how the local economy has performed in recent years; how well various sectors are doing and how they might be expected to perform in future relative to national and regional sectoral trends.

¹⁷ Based on HCA/Offpat Employment Densities Guide (2010) and converted to Gross External Area (GEA) and total workforce jobs by NLP

¹⁸ These figures are based upon a vacancy analysis carried out by Keppie Massie, who surveyed all of the key business parks and industrial estates within Wyre Borough to identify current occupancy levels as of Spring 2015.

Table 6.5 Forecast Net Floorspace Change (sqm) in Wyre 2011-2031

2011-2031	Offices (B1a/b)	Manufacturing (B1c/B2)	Distribution (B8)	Total B-class
Wyre	11,829	-1,917	71,152	81,064

Source: Experian / NLP analysis

Scenario 2) Adjusted Experian Baseline

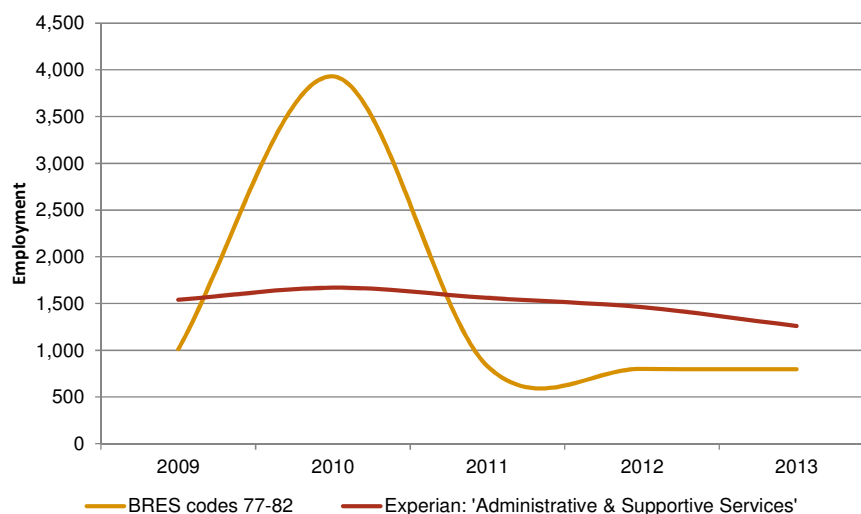
- 6.23 WBC Officers requested that NLP interrogate the Experian figures to ensure the Borough's employment projection was realistic. Two particular issues were worthy of detailed consideration— firstly, whether there were any coding errors in the base BRES employment data which inform Experian's employment forecasts (an issue that was initially highlighted and addressed in the original 2012 Wyre ELR); and secondly, whether the significant recent job losses at Norcross were adequately reflected in the job forecasts.

Potential Coding Errors

- 6.24 A coding error was picked up in the previous study¹⁹ which had suggested that the BRES data upon which the Experian projections were based had over-estimated the number of jobs in a particular industrial sector ('*Services to building and landscape activities*') by around 3,000 workers. This was attributed to the Headquarters of a regional recruitment agency recording all of its employees as being based in a small office in Wyre. This coding error had fed through to the Experian projections. Adjustments were subsequently made by NLP to correct this error in the previous ELR.
- 6.25 As this 2015 ELR Update continues to use Experian employment forecasts, WBC officers expressed concerns that a similar issue may occur.
- 6.26 NLP subsequently analysed the Experian and BRES datasets in detail to examine whether this anomaly was still influencing the forecasts, and if so, whether any adjustments to the data were necessary.
- 6.27 The SIC2 sector that was previously overestimated in BRES was 81: '*Services to building and landscape activities*'. This comprised part of Experian's industrial sector '*Administrative and Support Services*' which also included BRES sectors 77-82. As illustrated in Figure 6.2, the BRES data for these six sub-sectors totalled 1,012 jobs in 2009, before almost quadrupling to 3,930 in 2010. The number of jobs then declined down to just 830 in 2011. This spike is almost entirely attributable to the 3,519 jobs within SIC sector 81 in 2010, which fell to 375 in 2011 as the adjustment was made to correct the coding error.

¹⁹ Wyre Borough Council (2012) Employment Land and Commercial Leisure Study, page 63

Figure 6.2 BRES codes 77-82 vs. Experian: 'Administrative & Supportive Services'



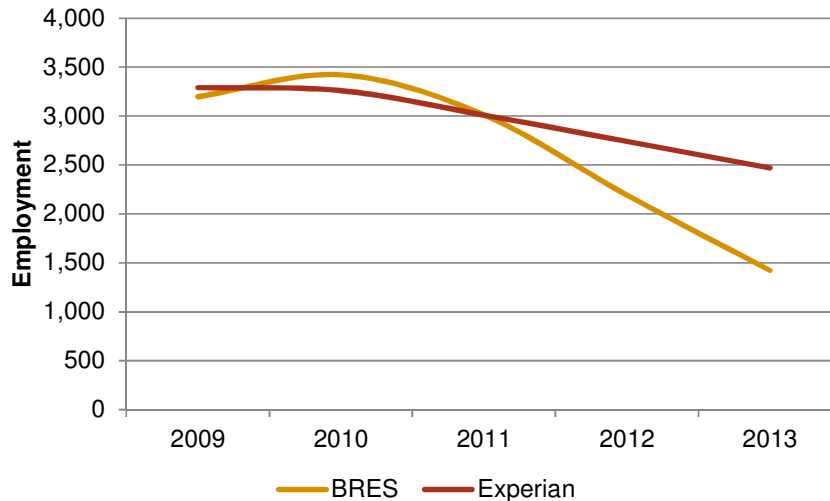
Source: BRES 2009-2013 / Experian 2015

- 6.28 In comparison, although the 'spike' reflecting the overestimation is apparent within the BRES data, the Experian data has 'smoothed' the increase out. During discussions with Experian, they confirmed that the BRES, like many samples, is quite volatile. As such, they endeavour to remove sample volatility, but not underlying trends. On the basis of the evidence before us, it appears that the Experian data (whilst not being an exact match with the BRES data) appears to have excluded the anomaly. NLP can see no justification for making any further manual adjustments to the forecasts for this particular sector.
- 6.29 Overall, over the course of the end of the plan period 2011-2031, there remains a slight decrease of 310 jobs in this sector in the Experian forecast to 2031.
- Norcross**
- 6.30 The second query requiring further investigation related to the job losses at the Norcross site and the extent to which they are reflected in the Experian projections.
- 6.31 Since 2011 it is understood that around 1,000 jobs have been lost on the Norcross site, with the Department for Work and Pensions [DWP] transferring most of their staff from Norcross to Peel Park, Preston. Fewer than 600 jobs remain at the site, which include c.200 DWP jobs; c.350 Ministry of Defence [MOD] jobs and c.20-30 Hewlett Packard jobs. It is understood that both the DWP and MOD have leases which expire at the end of March 2018. It is also understood that the HP lease may run until the same time; the fate of the jobs based at Norcross after this date is not known.
- 6.32 Furthermore, the EDC estimates that over the 5-year period from 2010 to 2015, 7,500 public sector jobs are likely to be lost across the Fylde Coast area (comprising the districts of Wyre, Fylde and Blackpool). These include civil

service, local authorities, hospitals and police. To test whether these actual job losses have been adequately factored into the 'policy-off' Experian baseline projections, a comparison was made of the BRES job data and the Experian figures for the 'Public Administration and Defence' sector over the period 2009-2013.

6.33 Figure 6.3 compares job growth in Experian's 'Public Administration and Defence' sector with the corresponding BRES industrial categories²⁰.

Figure 6.3 Job Growth in Public Administration and Defence in Wyre Borough



Source: BRES 2009-2013 / Experian 2015

Note: 'Public administration and defence; compulsory social security' (BRES) / 'Public administration and defence' (Experian)

6.34 Figure 6.3 suggests that there was a very close correlation between the two data sets for 2009, 2010 and 2011. However, from this period onwards there was a significant divergence, with the BRES data showing a decline from 3,012 public sector jobs in 2011, to 2,192 in 2012 and 1,423 in 2013 (a loss of 1,589 jobs in the latter two years). Such a fall seems to align with the job relocations from the Norcross site.

6.35 Whilst there is a decline in the public sector jobs in the Experian projections for the years 2011-2013 as well, the fall is nothing like as steep as the BRES recorded – declining from 3,010 in 2011 to 2,470 in 2013 (a fall of 540 public sector jobs compared to 1,589 with the BRES – around 1,000 out). At the end of the plan period in 2031, the Experian projection for Public Administration and Defence continues this slow decline, to 2,100 jobs. This remains well above even the latest BRES figure (1,423 in 2013) even before ongoing cuts are factored into the equation.

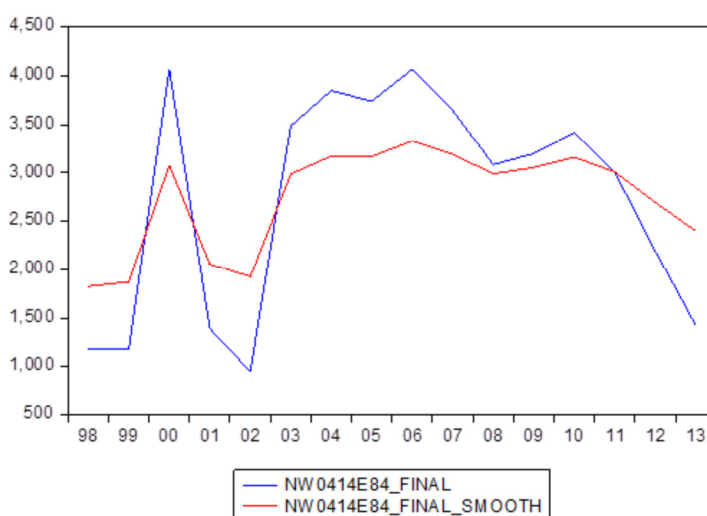
6.36 As noted above, discussions were held with Experian to test whether these actual job losses were adequately factored into their future projections. Again, as the BRES survey data is volatile, Experian endeavours to remove sample volatility, but not underlying trends. The downside to this process is that to

²⁰ SIC2 code 84: 'Public administration and defence; compulsory social security'

smooth the BRES results means that sharp movements in the last historical observation period are not always fully taken into account until the following year, where Experian has 2 data points confirming that the movement is a 'real' movement, i.e. it relates to an underlying trend and is not a blip.

- 6.37 Analysis by Experian (Figure 6.4) presents the historic growth in this particular sector, with the blue line comprising BRES/ABI series data for the sector in question and the red line being Experian's 'smoothed' version. Experian was of the opinion that if WBC had evidence that this drop in public sector employment was 'real' and not simply a statistical anomaly, then a manual adjustment could be made in this instance.

Figure 6.4 Historic Growth in Public Administration and Defence



Source: Experian

- 6.38 As the job relocation has certainly occurred, it therefore appeared reasonable to bring the 2012/13 Experian job figures for *Public Administration and Defence* into line with the BRES data. NLP then adjusted the subsequent years' annual incremental growth projections in line with the underlying rate of change projected by Experian to 2031.
- 6.39 The effect of this adjustment has been to accelerate the rate of decline within the Experian industrial category 'Public Administration and Defence' over the plan period, from -910 to -1,957. This in turn reduces the Borough's overall B-Class employment growth from 1,525 to 478, as the Norcross adjustment related specifically to lost office jobs between 2011 and 2013 (Table 6.6).

Table 6.6 Forecast Employment Change in Wyre 2011-2031 – Adjusted Experian Baseline

	Offices (B1a/b)*	Manufacturing (B1c/B2)**	Distribution (B8)***	Total B-class Jobs	Other Non B-Class Jobs	Jobs in All Sectors
Wyre	-282	-91	851	478	2,045	2,523

Source: NLP analysis

- 6.40 Table 6.7 presents the floorspace requirements based upon the revised Experian employment figures, with the amount of net B-class floorspace reducing from 81,064 sqm to 67,471 sqm due to the loss of office floorspace.

Table 6.7 Forecast Net Floorspace Change (sqm) in Wyre 2011-2031 - Experian Baseline (adjusted)

2011-2031	Offices (B1a/b)	Manufacturing (B1c/B2)	Distribution (B8)	Total B-class
Wyre	-1,764	-1,917	71,152	67,471

Source: Experian / NLP analysis

Scenario 3: Job Growth: Policy On

- 6.41 An alternative job-based estimate of future needs has been compiled which is termed the Wyre Growth, or 'Policy-On', scenario. Following correspondence from Wyre Borough Council's Planning and Economic Development Officers, and having due regard to the Wyre Local Growth Plan 2014-17 (January 2014) and the Lancashire Growth Plan 2013/14 (April 2013), individual detailed Standard Industrial Classifications used in the Experian workforce projections were assessed 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 Wyre are complex and internally consistent with those of other authorities in the region.
- 6.42 With this caveat in mind, the Wyre Local Growth Strategy, informed by the 2012 ELCS, identifies several core growth sectors that should be promoted and supported in the years ahead in Wyre:
- 1 Energy and Environmental Technologies;
 - 2 Advanced Manufacturing / Engineering (including chemicals);
 - 3 Financial / Business Services;
 - 4 Information and Communications Technology (ICT);
 - 5 Creative and Media;
 - 6 Leisure and Tourism (including Visitor Economy); and,
 - 7 Rural Economies.
- 6.43 Energy and environmental technologies as well as advanced manufacturing/engineering (including chemicals) have been identified in the Local Growth Plan as having 'high' potential growth. The remaining sectors are identified as having potential for 'moderate' growth. The Local Enterprise Partnership (LEP) is keen to attract new businesses but also wants to expand and grow existing businesses in these growth sectors²¹.
- 6.44 As there is considerable overlap between the sectors and the standard industrial classifications used by Experian, it was assumed that the 7 broad categories would broadly align as set out in Table 6.8.

²¹ Lancashire Enterprise Partnership <http://www.lancashirelep.co.uk/news/archive/%C2%A356m-workforce-training-programme-launched-for-lancashire-businesses.aspx>

Table 6.8 Comparison between Wyre Target Growth Sectors and Experian sectors

Wyre Target Growth Sectors	Approximate Comparable Standard Industrial Classifications
Energy and Environmental Technologies	Extraction and Mining Fuel Refining Utilities
Advanced Manufacturing / Engineering	Civil Engineering Manufacture of: Food, Drink & Tobacco Textiles & Clothing Wood & Paper Printing & Recorded Media Chemicals Pharmaceuticals Non-Metallic products Metal Products Computer & Electronic Products Machinery & Equipment Transport Equipment Other Manufacturing
Financial / Business Services	Finance Insurance & Pensions Real Estate Professional Services
Information and Communications Technology	Telecoms Computing & Information Services
Creative and Media	Media Activities
Leisure and Tourism / Rural Economies	Accommodation and Food Services Recreation Agriculture, Forestry & Fishing *Potentially other decentralised sectors identified above

Source: NLP analysis

- 6.45 The next step is to test the continued prospects for growth of the sectors identified in the Wyre Local Growth Strategy, and as such, whether a further adjustment should be made to the revised Experian baseline job projections to derive a 'policy on' target.

Energy and Environmental Technologies

- 6.46 The Experian category 'Utilities' has a high locational quotient of 1.26 (i.e. it employs a higher proportion (26% more) of Wyre's workforce relative to the regional average). However, its growth over the period 1997-2011 was negative, at -55%. This compares to 15% growth in the category for the North West as a whole.
- 6.47 Experian data shows that in 2011 there were 470 jobs in Energy and Environmental technologies compared to 1,040 in 1997. Experian predicts the number of jobs in the sector would remain stable in extraction and mining and fuel refining, and would decline by 49% in utilities.
- 6.48 There are significant committed, planned and proposed developments in Wyre and the wider Fylde Coast region which would support a step change in the development of energy and environmental technologies in the Borough, which

suggest this will become a key growth sector in Wyre. The examples included below are provided for context and the quoted jobs figures do not feed directly into the scenario; rather they inform the extent of the uplift in sectors based on predicted future trends.

6.49

Selected major and key developments that are currently planned include:

- 1 Borehole/investigative fracking sites across the Fylde Coast and Wyre, provided by UK based company, Cuadrilla. Whilst the company's website suggests that these sites could provide up to 2,500 new jobs in the sector across this part of Lancashire over the next 16 years²². However, the EDC considers that a more realistic job target would be in the order of 1,750. There are three applications currently under consideration, one of which was refused by Lancashire County Council on 25 June 2015²³ whilst a related application for a monitoring array was approved;
- 2 The Wyre Tidal Power project is currently at a relatively early stage and whilst visuals have been created, consultants were only brought on board late last year²⁴. It is not currently subject to a planning application but we understand from Economic Development Officers at the Council that it is being strongly pursued. If/when it is constructed, the developers of the barrage consider it could attract up to 600,000 visitors per year and create at least 5,000 new jobs²⁵. Based on local knowledge of the Solaris centre in Blackpool officers suggested job creation would be around 50 with a reduced number of tourists;
- 3 The Lancashire Growth Deal has, as one of its key objectives, the aim of growing local skills and business base in the County through a new Energy Head Quarters in Blackpool creating up to 5,000 jobs across Lancashire²⁶. These jobs would be categorised across both education and the energy and environmental technologies sectors;
- 4 Reform Energy's first energy recovery (Waste to Energy) plant gained planning permission in December 2011 and the plant is expected to become operational in 2017²⁷. The plant will be located in Fleetwood creating up to 50 jobs, and;
- 5 The Halite Energy site in Preesall was approved by the Secretary of State on 17th July 2015. The decision letter states that 200-300 full time jobs are likely to be created during construction and 35-40 full time jobs during operation²⁸.

6.50

Although it is recognised that an absence of precise completion dates and an exact understanding of when recruitment will commence for these developments makes any estimation of likely future job growth in this sector

²² Cuadrilla <http://www.cuadrillaresources.com/benefits/jobs-and-investment/>

²³ Shale Gas Application Refused <http://www.lancashire.gov.uk/news/details.aspx?id=PR15/0275>

²⁴ Barrage News Story Fleetwood Weekly News <http://www.fleetwoodtoday.co.uk/news/business/local-business/200m-fleetwood-barrage-bid-is-a-step-closer-1-6966133>

²⁵ Wyre Tidal Barrage Project <http://naturalenergywyre.co.uk/>

²⁶ LEP Growth Deal <http://www.lancashirelep.co.uk/invest-in-lancashire/growth-deal.aspx>

²⁷ Reform Energy <http://www.reformenergy.co.uk/page/87/Fleetwood.htm>

²⁸ Paragraph 4.26 of the Secretary of State Decision Letter dated 17 July 2015

very problematic, nevertheless it is clear that there is a significant amount of activity proposed for this growth sector in Wyre. Company websites have a tendency to also exaggerate job creation.

- 6.51 With the above projects coming forward in Wyre and within close proximity to the Borough there is a reasonable prospect that there will be strong growth in the Energy & Environmental Technologies sector and it would not be unreasonable to align the prospects for job growth with the North West's rate of growth. Table 6.8 sets out which Standard Industrial Classifications fall within this sector.
- 6.52 In the Energy and Environmental Technologies Sector, the average growth for the North West in 'utilities' is 38% compared to the projected 49% decline in Wyre. Based on the planned and potential developments creating additional jobs in this SIC the policy on scenario uses the north-west average growth. This results in an increase in jobs of 179 (in utilities) over the plan period instead of a loss of 230 jobs, in Wyre.
- 6.53 There are zero extraction and mining jobs recorded in the Experian data and therefore irrespective of the growth rate applied the total number of jobs in this SIC would remain at zero. Therefore we have used potential job figures relating to the planned/potential fracking sites and assumed that 23%²⁹ of these would be located in Wyre. Applying this methodology, the number of jobs in this SIC has the potential to grow from 0 to 403 over the plan period.

Advanced Manufacturing / Engineering

- 6.54 The Experian locational quotient for manufacturing is 0.98 which means that Wyre's workforce operating in this sector is slightly below the regional average. Its growth over the period 1997-2011 was negative, at -16.8%; however, this compares to -39.2% decline in the category for the North West as a whole.
- 6.55 Experian data shows that in 2011 there were 3,560 jobs in Manufacturing compared to 4,280 in 1997. Experian projects the number of jobs to decrease in some manufacturing sectors, such as manufacture of chemicals, but to increase in others, such as manufacture of machinery and equipment (albeit from a low base).
- 6.56 Nevertheless, there are signs of growth and an established workforce within the advanced manufacturing and engineering sector, for example established businesses at Hillhouse International.
- 6.57 Wyre has a strong industrial legacy from ICI locating at Hillhouse International Business Park in the early 1920s. The closure of Thornton Power Station and Astra Zeneca in 1999 and 2000 respectively, led to a decline in the number of jobs in this sector. However significant international companies are still located in Wyre as this site accommodates the likes of Victrex, Vinnolet, AGC and

²⁹ BRES data for 2013, was used. The number of jobs in 'Extraction & Mining' in Wyre Borough was taken as a percentage of the sum of the total jobs in this sector across the Fylde Coast. The calculation, $30,389/129,531$, equates to 23% jobs based in Wyre in this sector. This was applied to the overall 1,750 jobs in this sector forecast for the three Fylde Coast districts to derive 403 jobs for Wyre.

Asahi Optical as well as businesses in advanced manufacturing such as Addison Precision Engineering and Euro Rubber Lines.

6.58 AGC Chemicals Europe Ltd is located at Hillhouse International Business Park, Thornton Cleveleys. AGC is developing a thermal treatment facility which will secure demand for its business over the long term and recent investments by the company at its site demonstrates confidence in its position at Hillhouse. AGC is also currently involved with the high profile project of the redevelopment of Victoria Station in Manchester, which suggests the market remains strong for their services.

6.59 Other developments which demonstrate expansion and job growth in this sector are as follows:

- 1 Fleetwood Fish Park which is likely to be operational in late 2016 is expected to create up to 150 jobs³⁰ in fish processing.
- 2 Victrex has recently been awarded a £1.3m grant fund from the Regional Growth Fund. Through this grant, Victrex Polymer Innovation Centre has the potential to create 80 direct and indirect jobs over the next 10 years³¹. Victrex is a world leader in High Performance Aromatic Polyketone Solutions and continues to invest heavily in Wyre³².

6.60 Overall, manufacturing has declined in Wyre by 17% between 1997 and 2011; however, this decline is at a lower rate than was experienced for the North West as a whole. The Wyre projects identified above could justify an uplift in the level of manufacturing growth going forward, based on the level of planned activity in the Borough. Each of the 13 manufacturing sectors in the Experian datasets were analysed, and it was found that the vast majority of them were forecast to have a level of growth in excess of, or decline below the level of, that forecast for either the North West or the country as a whole. However in three sectors, including manufacture of non-metallic products, the reverse was true. Hence these sectors' growth has been uplifted to match either the North West or the national projection (whichever is greater).

Financial / Business Services [FBS]

6.61 The Wyre Locational Quotient for jobs within the FBS sector is 0.39, with growth of 2.2% recorded in this sector between 1997 and 2011, compared to 11.7% across the North West over the same period. There is therefore low representation currently. Experian data records 460 jobs in this sector in 2011, remaining stable up to 2031.

6.62 Whilst no new businesses within this sector are known to be locating to Wyre, both Accenture and Trescal have recently located to the Enterprise Zone at Warton creating new jobs for the local area.

³⁰ Food Manufacture <http://www.foodmanufacture.co.uk/Business-News/Spaces-at-20M-fish-park-up-for-grabs>

³¹ Victrex News <http://www.victrex.com/en/news/2015/02/victrex-innovation-center>

³² Victrex New Plant News <http://www.victrex.com/en/news/2012/10/910>

- 6.63 Accenture is a global management, technology and outsourcing company and the Warton office will specialise in providing business systems. Trescal are a worldwide specialist in calibration and asset management services, and work with companies within industries such as aerospace, automotive and defence.
- 6.64 The Enterprise Zone is located outside Wyre but the opening of Accenture and Trescal offices in March 2015 may help stimulate spin off jobs. Conversely, the significant loss of FBS jobs for Department of Work and Pensions at Norcross has a direct link to financial and business service jobs and is likely to constrain growth in this sector.
- 6.65 The Council has advised of expansion plans at Fleetwood Nautical College and continued development of Myerscough College. However these create an appropriate training and skills base in the Borough rather than provide new job opportunities per se. Therefore whilst these are positive developments, an uplift to the Policy On scenario is not considered appropriate here.
- 6.66 Therefore, acknowledging the limited committed development in Wyre but mindful of the Borough and county-wide policies that seek to promote growth in this sector we would suggest that the Experian projected growth rates for Wyre are realistic and do not require further adjustment in the modelling.

Information and Communication Technologies

- 6.67 The location quotient in this sector for Wyre is 0.71, with negligible job growth of -9.5% between 1997 and 2011. There were 380 jobs in this sector in 2011. Across the north-west, there was 53.8% growth in this sector highlighting that Wyre is falling behind regional trends despite this sector being targeted for growth.
- 6.68 This is likely to be partly related to recent job losses at Hewlett Packard³³. Jobs have been lost from Wyre and the wider Fylde coast in this industry as Hewlett Packard is relocating outside of the North West. Latest figures suggest just 20/30 HP employees remain at the Norcross site.
- 6.69 Given the relocation of HP from the area, one of the key employers, it is considered that the Experian projected figure for negative growth is realistic, despite the Borough's policy aspiration for growth in this sector.

Creative and Media

- 6.70 Experian projections show a decline in this sector over the period 2011-2031 of 10%, compared with a growth on 34.4% across the North West. There were 200 jobs in the industry in 2011.
- 6.71 There are no known businesses relocating to Wyre and no significant projects have been identified that will result in job growth in this sector in Wyre over the short term at least.

³³ Hewlett Packard Job Losses <http://www.blackpoolgazette.co.uk/news/local/400-jobs-at-risk-at-dwp-site-1-6449689>

6.72 Whilst there is a new initiative called 'LeftCoast' which promotes arts and culture across the Fylde Coast and may be a catalyst for attracting related employers and/or creatives to the area the Council have found that this project often recruits people on a short-term basis from elsewhere. On this basis the Experian projection for this sector has not been adjusted for Wyre.

Leisure and Tourism

6.73 Wyre has countryside, towns and coastline that are highly attractive to tourists and visitors pursuing leisure activities. The close proximity to Blackpool and the Forest of Bowland AONB means that Wyre is well positioned geographically for developing its Leisure and Tourism industries further. This growth has been observed over a number of years; according to WBC, visitor numbers to Wyre rose by 4%, from 4.36 million to 4.56 million by 20-12 with a corresponding increase in tourism spend. It is understood that the Borough receives over 7% of the overall numbers of visitors to Lancashire, which can be attributed, at least in part, to a calendar of events across the Borough.

6.74 In 2012 the Tourist Information Centre [TIC] was relocated to Marine Hall offering longer opening hours and a new Tourist Information Point at Fleetwood Market³⁴ which highlights investment and a desire to develop the industry in Wyre. The Garstang Tourist Information has also relocated to Booth's and has extended opening hours, with the result that it tends to attract more visitors than the other TIC.

6.75 The sector employed around 3,840 in 2011. Experian projections show a 48.3% growth in jobs in this sector in the recreation category which is higher than the regional average up to 2031. In terms of the accommodation sector Wyre was projected to grow by 30.6% compared to the national growth of 43.2%.

6.76 The Wyre Tidal Power website suggests that once constructed up to 600,000 tourists will visit each year to visit the proposed green energy centre. However, as stated above the scheme is not currently subject to a planning application. Whilst WBC has commented that the scheme is being strongly pursued, there remains a high degree of uncertainty regarding the number of likely visitors the developer suggests will be attracted to visit the facility. It is considered the annual number of visitors will be significantly below the 600,000 predicted.

6.77 Despite this the potential for growth is clear and would still be significant if the Tidal Power development goes ahead. However, there is sufficient uncertainty around the scheme coming forward. Furthermore, Wyre has successfully grown its tourism base over a number of years and this growth is likely to have been factored into Experian's projects as they incorporate past trends. On this basis, it is considered reasonable for the Experian projection for accommodation and food services to remain at the Wyre Borough projected level of 30.6%.

³⁴ Wyre Information Centres https://www.wyre.gov.uk/info/623/tourist_information_centres

Economic Growth in the Rural Areas

- 6.78 The Wyre Local Growth Plan states it will:
- “Regenerate Wyre, particularly in the deprived wards in our coastal urban town of Fleetwood and the less accessible rural wards by maximising business and tourism potential”. [page 6]*
- 6.79 Therefore growth of rural economies overlaps with leisure in tourism aspirations in the borough. Economic growth in the rural areas will likely be through the promotion of tourism and diversification which are key objectives set out in the Wyre Local Growth Plan 2014-17, rather than growth in agriculture or fishing industries.
- 6.80 It has been mentioned previously that the fishing industries in Wyre are focused on food processing rather than agricultural processes so growth in the rural economies sector is more likely to come from other sectors such as leisure and tourism related job creation and business expansion as well as manufacturing. For example Dewlay Cheese is an example of an existing rural manufacturing company with some overlap with the tourist industry as the factory is open to the public and it is possible to view cheese being made and buy the product on site.
- 6.81 The Council has advised that the new draft of the Local Growth Plan in relation to Rural Economies will focus on economic development in the rural areas rather than rural economies per se. In Wyre there is a high percentage of industry and employment that is situated and occurs within the rural area, but is not directly related to the rural ‘economy’ and could be just as well located in urban areas of Wyre and the new/updated Local Growth Plan will seek to build on this existing situation.
- 6.82 Although somewhat aspirational, the potential of redundant office space in rural areas, combined with the number of residents working from home expected to reach in the order of 14% and should there be a high number of housing allocations in rural areas then demand for out of town business space is likely to be on the increase. This is likely to be attractive to high growth sectors, such as advanced manufacturing.
- 6.83 It should of course be noted that development in a small rural location in Wyre can potentially have as much of a transformational impact at a local level as a multi-million pound development in a City Centre, at least in terms of spin off jobs and the impact on the local community.
- 6.84 The aspirations for growth in this section are therefore combined with the adjustment made to the leisure and tourism categories.

Preferred Projections by Sector

- 6.85 Table 6.9 presents the adopted job growth by sector for each Standard Industrial Classification [SIC], compared with the Experian Baseline projections for Wyre Borough. Differences between the two are highlighted in bold.

Table 6.9 Preferred Growth by Sector - Policy On Scenario

Growth Sector	SIC (Standard Industrial Classification)	% Growth Wyre Borough (2011-2031)	Preferred Policy On % Growth (2011-2031)
Energy and Environmental Technologies	Extraction and Mining	n/a	n/a
	Fuel Refining	-	-
	Utilities	-49%	+38%
Advanced Manufacturing / Engineering	Civil Engineering	+14%	+44%
	<i>Manufacture of:</i>		
	Food, Drink & Tobacco	+5%	+5%
	Textiles & Clothing	-20%	-20%
	Wood & Paper	-16%	-16%
	Printing & Recorded Media	-17%	-17%
	Chemicals	-18%	-18%
	Pharmaceuticals	+100%	+100%
	Non-Metallic products	-24%	-13%
	Metal Products	-25%	-9%
	Computer & Electronic Products	-14%	-9%
	Machinery & Equipment	+11%	+11%
	Transport Equipment	-	-
Other Manufacturing	+15%	+15%	
Financial / Business Services	Finance	-	-
	Insurance & Pensions	-	-
	Real Estate	+36%	+36%
	Professional Services	+54%	+54%
Information and Communications Technology	Telecoms	-	-
	Computing & Information Services	-11%	-11%
Creative and Media	Media Activities	-	-
Leisure and Tourism / Rural Economies*	Accommodation and Food Services	+31%	+31%
	Recreation	+48%	+48%
	Agriculture, Forestry & Fishing	-10%	-10%

Source: WBC / NLP Analysis / Experian 2011

*Note: Potentially other decentralised sectors identified above

**Note: Growth of 479 jobs in Extraction and Mining Sector factored into the model – no percentage uplift given in the Table as the base employment is zero.

Policy On Summary

6.86

Table 6.10 summarises the total jobs anticipated to arise under the Policy On Scenario. It indicates that over the Plan period 2011-2031, there would be a total of 3,558 net additional jobs in Wyre, of which 855 are likely to be based on B-class land. This represents an increase of 1,035 jobs over and above the level projected under the (adjusted) Experian baseline, in either manufacturing or non-B Class uses (particularly in Utilities, Mining & Extraction, and Energy Generation).

Table 6.10 Policy On Net Additional Jobs

	Offices (B1a/b)	Manufacturing (B1c/B2)	Distribution (B8)	Total B- class Jobs	Other Non B- Class Jobs	Jobs in All Sectors
Wyre	-282	286	851	855	2,702	3,558

Source: Experian/NLP analysis

- 6.87 These employment forecasts were then converted into floorspace requirements in a similar manner to the Experian baseline forecasts before. The resulting forecasts are significantly more optimistic in terms of industrial job growth and less pessimistic regarding office decline, with a net floorspace increase of 96,270 sqm overall. These are set out in Table 6.11.

Table 6.11 Forecast Net Floorspace Change (sqm) in Wyre 2011-2031 – ‘Policy On’

2011-2031	Offices (B1a/b)	Manufacturing (B1c/B2)	Distribution (B8)	Total B-class
Wyre	-1,764	26,882	71,152	96,270

Source: Experian/NLP Analysis

Labour Supply

Scenarios 4, 5 and 6: Labour Supply

- 6.88 It is also important to consider how many jobs (and hence how much employment space) would be needed to align with the forecast growth of Wyre Borough’s resident workforce. In contrast to the preceding approaches, this projects the supply of labour, rather than labour demand. It then estimates the amount of new jobs needed to support this future supply of workers, and how much employment space would be needed to accommodate these jobs.
- 6.89 At the time of writing, a Strategic Housing Market Assessment [SHMA] is being undertaken by independent consultants on behalf of Wyre Borough. Using the PopGroup demographic modelling tool, the consultants have identified three preferred demographic scenarios for Wyre Borough:
- 1 215 dpa (SNPP-2012 scenario)
 - 2 280 dpa (‘PG-10Yr’ scenario)
 - 3 360 dpa (‘PG-10Yr-X’ scenario)³⁵
- 6.90 The resultant projections are presented in Table 6.12. The workplace labour supply forecasts indicate a range from an increase of 441 workers (based upon the PG-10Yr-X scenario); a decrease of -1,091 workers (based upon the PG-10Yr scenario) and a decrease of -1,589 workers (based upon the SNPP-2012 scenario) in Wyre by 2031. It should be noted that any differences in labour-force outputs between the SNPP-2012 scenario and those output from the Experian model (Table 6.1) relate to different modelling assumptions relating to economic activity, unemployment and commuting rates.

³⁵ The difference between PG-10Yr and the PG-10Yr-X scenario is that the PG-10Yr-X scenario excludes ‘unattributed population change’

6.91

Table 6.13 indicates that in terms of how this is translated into B-Class job growth, all three project a decrease of jobs in B-class sectors within Wyre between 2011 and 2031, from -142 to a high of -746.

Table 6.12 SHMA Housing OAN Modelling Outputs

	2011	2031	Change
SNPP-2012 (215 dpa)			
Population	107,692	114,032	6,340
Households	47,245	51,309	4,064
Dwellings	49,953	54,251	4,297
Labour Force	51,370	49,192	-2,178
Jobs	37,469	35,880	-1,589
PG-10Yr (280 dpa)			
Population	107,692	115,794	8,102
Households	47,245	52,547	5,303
Dwellings	49,953	55,560	5,607
Labour Force	51,370	49,874	-1,496
Jobs	37,469	36,378	-1,091
PG-10Yr-X (360 dpa)			
Population	107,692	119,578	11,886
Households	47,245	54,059	6,814
Dwellings	49,953	57,158	7,205
Labour Force	51,370	51,975	605
Jobs	37,469	37,910	441

Source: Turley 2015

Table 6.13 Forecast B-Class Job Growth based on Labour Supply Projections for Wyre Borough

Scenario	Total B-class Jobs (2011-31)
SNPP-2012 (215 dpa)	-746
PG-10Yr (280 dpa)	-598
PG-10Yr-X (360 dpa)	-142

Source: Turley 2015 / NLP Analysis

6.92

In terms of how this is translated into employment floorspace requirements, meeting the employment needs of local residents would mean a requirement for between 29,555 sqm and 48,274 sqm of B-class employment space (net) between 2011 and by 2031 (Table 6.14).

Table 6.14 Wyre B-Class Net Floorspace Required from Labour Supply Growth Scenarios, 2011-2031

Use	SNPP-2012 (215 dpa)	PG-10Yr (280 dpa)	PG-10Yr-X (360 dpa)
Offices (B1a/b)	-3,954	-3,689	-2,873
Industrial (B1c/B2)	-13,119	-11,763	-7,589
Warehousing (B8)	46,628	49,596	58,736
Total	29,555	34,143	48,274

Source: NLP analysis

Estimating the Office and Industrial Land Requirement from Labour Demand and Labour Supply Scenarios

6.93 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. This has 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 ELRs³⁶ and reflects typical development densities for these uses.

6.94 The resulting net land requirements for six labour demand/supply scenarios are set out in Table 6.15, and range from 7.4 ha to 24.1 ha.

Table 6.15 Wyre Net Land Requirements by Scenarios

Scenario Use	Wyre Labour Demand			Labour Supply		
	1. Experian Baseline Job Growth	2. Experian Baseline Adjusted Job Growth	3. 'Policy-On' Job Growth	4. SNPP-2012 (215 dpa)	5. PG-10Yr (280 dpa)	6. PG-10Yr-X (360 dpa)
Offices (B1 a/b) (ha)	2.96	-0.44	-0.44	-0.99	-0.92	-0.72
Industrial (B1c/B2) ha	-0.48	-0.48	6.72	-3.28	-2.94	-1.90
Warehousing (B8) ha	17.79	17.79	17.79	11.66	12.40	14.68
TOTAL	20.27	16.87	24.07	7.39	8.54	12.07

Source: NLP analysis

Past Rates of Delivery

Scenario 7: Past Take Up

6.95 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs. Completions over such a period as ten years or more should even out demand fluctuations over a business cycle, and normally provide a reasonable basis for estimating future needs provided land supply has not been unduly constrained. Whereas job forecasts show growth in net terms, past trend-based assessments take into account development that offsets the redevelopment of employment sites, and from the recycling of sites.

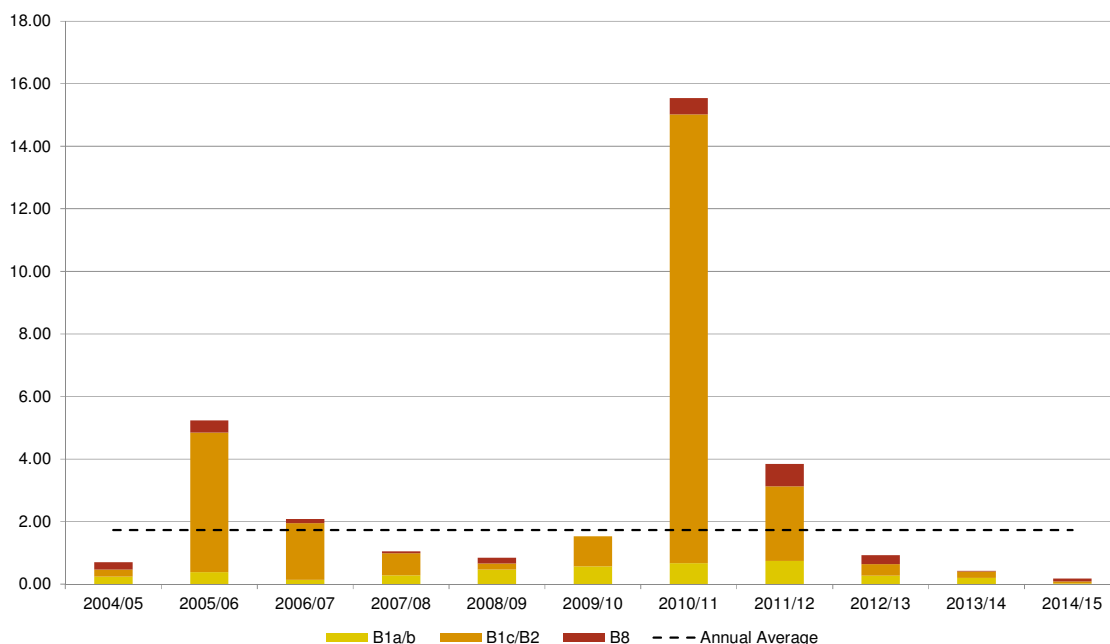
6.96 This approach assumes that past trends of office and industrial development in both a relatively buoyant as well as recessionary economic period would continue unchanged, but may not fully reflect the impacts of future challenges and uncertainties or longer term workplace trends that could reduce future

³⁶ODPM (2004): Employment Land Reviews: Guidance Note

demand for space. Conversely, it may under-estimate future demand if the supply was constrained in the past, for example because of the unavailability of good quality sites or infrastructure/viability factors.

6.97 Data on past completions by B class sector was provided by WBC (both for the original 2012 ELR and this 2015 update). The data covered an 11-year period, from 2004/05 to 2004/15 (Figure 6.5). The rate of development averaged 2.94 ha annually.

Figure 6.5 Gross Take-Up



Source: WBC / NLP analysis
 Note: Annual Average reflects reduced rate of 1.73 ha excluding Lancashire Waste Technology Park development

6.98 As discussed in the 2012 ELR³⁷, a strong argument can be made that the very high level of development witnessed in 2010/11 was the result of a one-off development. 13.3 ha of that year's recorded 15.55 ha of employment land take up related to just one development, the Lancashire Waste Technology Park (which involved the redevelopment of the former ICI Burn Hall site at Thornton for a Waste Technology Park). It was considered unlikely that another development on this scale would be seen again over the plan period. This development distorts the overall take-up figures; stripping the 13.3 ha out reduces the average employment land gross take-up over the eleven years analysed from 2.94 ha to 1.73 ha annually.

6.99 In terms of losses, a total of 1.75 ha of employment land has been lost over the corresponding 11-year period, at an annual average rate of 0.16 ha. This suggests that the annual average net take up of employment land in recent years has been 1.57 ha.

³⁷ Wyre Borough Council (2012) Wyre Employment Land and Commercial Leisure Study, page 69

6.100 Table 6.16 presents the net annual take-up for the Borough by B-use class and projects this rate forward over the 20-year plan period. It suggests that this could justify a need for 31.5 ha of B-class land (net), based simply on past trends.

Table 6.16 Net Annual Take-Up

	Assumed Net Land Change (p.a.) (ha)	Net Land Requirement (2011-2031) (ha)
Offices (B1a/b)	0.32	6.40
Industrial (B1c/B2/B8)	1.25	25.08
Total	1.57	31.47

Source: WBC / NLP analysis

Adjustments to Net Take Up

- 6.101 To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated/planned for), 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. This allowance ensures that sufficient space is re-provided to account for employment space that is anticipated to be lost in future and provides some protection against continued erosion of employment space in the Borough.
- 6.102 Judgements were made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on analysis of supply-side deliverability factors and current trends in the market. Not all losses need to be replaced as some will reflect restructuring in the local economy, for example as less manufacturing space is needed in future. Consideration has been given to a number of factors and property market dynamics.
- 6.103 Future development rates for industrial space may be less than has been achieved historically as sectors rationalise and/or makes more efficient use of space. Clearly the recession and prolonged economic downturn has had a significant effect on the viability of development schemes and in this regard Wyre is no different from the majority of other areas outside London and the Greater South East.
- 6.104 Whilst the Experian projections suggest a strong growth in office jobs in Wyre, conversely the same projections indicate a slight decline in B1c/B2 industrial floorspace requirements within the Borough. This suggests that the process of structural change (whereby older industrial estates make way for more modern facilities) may mean that a step change in B2 employment land delivery is unlikely for the foreseeable future.
- 6.105 In addition, all of the following suggest that the take up rates may not significantly change in the future:
- 1 The move towards a more service sector economy, which is predominantly based on B Use-Class employment land with significantly higher employment densities. This aligns with the Borough's core priority

- sectors as outlined in the Policy-On section, for instance Financial / Business Services, ICT, and Creative and Media;
- 2 The restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites;
 - 3 The Government's measures to facilitate the change of use from B1a office to residential without the need for planning permission (albeit this is scheduled to end by 2016);
 - 4 The long term impacts of the economic downturn and further cuts to the public sector as proposed by the incoming Conservative Government;
 - 5 The significant reduction in public sector expenditure available to deliver difficult brownfield sites; and,
 - 6 The need to consider alternative uses for existing B-class sites (i.e. for waste and recycling).

Converting Net to Gross Requirements

- 6.106 To convert the net requirement for employment space into gross (the amount of employment space or land to be allocated/planned for), 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.
- 6.107 Judgements were 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 Wyre and current trends in the market.
- 6.108 Not all losses need necessarily be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors (particularly traditional manufacturing) in future. However, even in declining industrial sectors some replacement will inevitably be needed to refresh the quality of the stock and to avoid the employment land supply continually declining.
- 6.109 Over the period 2002/03 – 2014/15, some 5.5 ha of B-class land was lost to non-B-uses at a rate of 0.42 annually. However, analysis of potential future losses by WBC suggests that this could accelerate in future years, reducing choice within the market. Table 6.17 presents the potential sources of future losses and the scale of B-class land that could be lost.

Table 6.17 Likely losses from 2015 onwards

Source	Employment land (ha)
Draft SHLAA Sites	11.02
Existing Employment Sites that were considered for protection in the 2012 Study	9.60
Other Sites (land to the east of Wyre Dock/Land to the north of Bourne Road – current land in employment use)	7.6
Total	28.22

Source: WBC 2015

- 6.110 Alongside the potential employment sites that could be lost for residential use as identified in the SHLAA; existing sites and allocations that WBC considered could be removed from the portfolio, two sites required further consideration. These comprised two locations - one is 'Land to the east of Wyre Dock' in Fleetwood, a 10.56 ha site that was last in employment use, but which has been a housing allocation in both WBC's adopted Local Plan (1999) and the Fleetwood Area Action Plan (2009). The other site is 'Land to the North of Bourne Road', a 14 ha site that was also previously in employment use (partly for a Power Station), but was again a housing allocation in the Council's 2009 AAP.
- 6.111 Both sites comprise under-utilised employment locations that do not provide an abundance of jobs and are, in general, very low density sites. Analysis undertaken by WBC Officers suggested that around 4.9 ha of the Fleetwood Docks site is currently in use for low density storage and B8 uses. As for the former Power Station site at Bourne Road, only around 2.7 ha of the 14 ha site is currently in use for B-class employment.
- 6.112 A further relevant consideration is the strength of demand for employment land in these locations. The qualitative market analysis undertaken by Keppie Massie suggests that due to the localised nature of much of the demand in Wyre, employment space will need to be allocated where a specific need exists. This would mean that need is distributed throughout the Borough and there is a need to avoid retaining excessive employment land allocations in those parts of the Borough where demand is weaker.
- 6.113 On this basis it was considered that treating these as large scale employment land losses to be replaced in full at a later stage would be inappropriate – a replacement rate of 7.6 ha for the two sites was considered suitable in this instance.
- 6.114 Over the period 2015 to 2031, this would therefore equate to 28.22 ha, or 1.764 ha per annum. Including the 1.55 ha lost between 2011/12 and 2014/15, this equates to **29.77 ha** over the plan period 2011 – 2031, or **1.488 ha** per year (Table 6.18).

Table 6.18 Suggested annual replacement of losses going forward

	Future Losses Replacement		
	Office annual (ha)	Industrial annual (ha)	Total
Wyre Borough	0.386	1.102	1.488

Source: NLP analysis

Note: B1/B2/B8 split indicative for the purposes of the modelling work, based on past trend split

- 6.115 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 Wyre's stock of employment land 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. However, against this argument is the likelihood that other 'windfall' sites are

also likely to be lost over the next 20 years that have yet to be picked up in the SHLAA. It is suggested that the ‘planned’ rate of losses, 1.49 ha, remains a reasonable basis to go forward, although this should be monitored by WBC over the next few years and adjusted as necessary.

Safety Margin / Flexibility Factor

- 6.116 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 usual to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.
- 6.117 This margin represents 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.
- 6.118 The South East England Planning Partnership Board [SEEPB] Guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years.
- 6.119 For Wyre, on the basis of the net completions analysis set out in the Past Completions Scenario 7 plus the replacement of 1.49 ha losses, the following safety margins were added for B Class uses:

Table 6.19 Safety Margin

	Gross Average Annual Completions			2-year Safety Margin Added		
	B1a/b Office (ha)	B1c/B2/B8 (ha)	Total (ha)	B1a/b Office (ha)	B1c/B2/B8 (ha)	Total (ha)
Wyre	0.706	2.356	3.062	1.412	4.712	6.124

Source: WBC / NLP analysis

Summary

- 6.120 The results of the scenario modelling for the 7 sets of projections, including an allowance for a margin of choice and the replacement of losses, are summarised in Table 6.20.

Table 6.20 Wyre Gross Employment Land Comparisons 2011-2031 (ha)

WYRE		Office	Industrial	
		B1a/b	B1c/B2	B8
1) Experian Baseline	2011-2031 (net)	2.96	-0.48	17.79
	2011-2031 (gross)	50.03		
	+ Flexibility factor	56.16		
2) Experian Baseline Adjusted	2011-2031 (net)	-0.44	-0.48	17.79
	2011-2031 (gross)	46.64		

	+ Flexibility factor	52.76		
3) Policy On	2011-2031 (net)	-0.44	6.72	17.79
	2011-2031 (gross)	53.84		
	+ Flexibility factor	59.96		
4) Labour Supply: 215 dpa [SNPP-2012]	2011-2031 (net)	-0.99	-3.28	11.66
	2011-2031 (gross)	37.16		
	+ Flexibility factor	43.28		
5) Labour Supply: 280 dpa [PG-10Yr]	2011-2031 (net)	-0.92	-2.94	12.40
	2011-2031 (gross)	38.30		
	+ Flexibility factor	44.43		
6) Labour Supply: 360 dpa [PG-10Yr-X]	2011-2031 (net)	-0.72	-1.90	14.68
	2011-2031 (gross)	41.84		
	+ Flexibility factor	47.96		
7) Past Completions	2011-2031 (net)	6.40	25.08	
	2011-2031 (gross)	61.24		
	+ Flexibility factor	67.37		

Source: NLP analysis

- 6.121 In summary, the demand-led range of indicative total gross land requirements over the plan period 2011 to 2031, factoring in a 2-year margin of choice, results in the following range of demand projections for Wyre: **43 – 67 ha of office and industrial land.**

Sensitivity Testing

- 6.122 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 rate of past completions has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of Wyre economy and commercial property market will lie somewhere between the econometric and past trends projections.
- 6.123 In order to provide a clearer steer as to what level of growth WBC should be planning for, it is important to apply a series of reality checks.

Adjustments to Plot Ratios

- 6.124 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 guidance³⁸. At present, it is assumed that the plot ratio³⁹ of 40% is generally applied to industrial space and warehousing.

³⁸ Employment Land Reviews Guidance Note, ODPM (2004)

³⁹ A plot ratio is the total building square meterage (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.

6.125 If a lower level were applied to all types of employment land of, say, 30%, this would make a fairly significant difference to the overall gross requirement, resulting in between a 5-8% increase in the gross requirements.

6.126 Wyre lacks the critical urban mass for high density development to be common. The predominantly rural nature of Wyre Borough means that lower density, often single storey units, are commonplace, recognising that there are some older sites which are located within existing settlements which are restricted and tend to be higher density. On this basis, it is considered reasonable to assume that the majority of future development in the Borough will be at plot ratios closer to 40% than 30%.

Adjustments to the Margin of Choice

6.127 Another significant assumption in terms of sensitivity testing 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 uncertainties in the commercial property market 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.

6.128 It should also be noted that the UK is currently witnessing an economic recovery, which is likely to continue in the coming years. The consequence of this may be increased demand for employment land beyond that projected by the various scenarios.

6.129 In summary, it is suggested that the approach taken in defining a two-year margin of choice remains valid.

Qualitative Overview of Employment Land Demand

6.130 The Commercial Property Market Review in Appendix 3 provides a detailed analysis of qualitative commercial considerations and trends likely to inform the future demand for employment space in Wyre Borough, by spatial area. The key conclusions of that analysis are summarised below:

- 1 Having regard to rental and yield levels in the Borough, it is anticipated that **limited amounts of speculative development** will be developed in the short to medium term unless there are significant uplifts in rental levels in Wyre. Future development in Wyre is likely to be on a smaller scale, based on individual businesses specific requirements, especially within the specific industrial estates that contain high proportions of small units;
- 2 Whilst significant business clusters exist in the Borough, a significant proportion of businesses comprise small locally based enterprises that are geared towards serving the needs of the immediate population. With this in mind, **land will need to be allocated within different localities** in the Borough to ensure that land and premises are available should these businesses require additional space for expansion;

- 3 Given that demand for employment stock in Wyre is intrinsically linked to proximity of the population and meeting the needs of local inhabitants, care will need to be taken to ensure that **expanding communities have adequate provisions of employment uses**, so that any increases in demand over the plan period can be matched by increases in stock levels;
- 4 The economies of Garstang, Poulton-le-Fylde, Fleetwood and Thornton-Cleveleys specialise in very different functions, and often occupiers are specifically geared towards these specialisms (such as businesses focusing on servicing agricultural industries in Garstang and Piling; fish processing industries in Fleetwood and chemical industries at Hillhouse). Due to the agglomerations that exist and the fact that the majority of businesses located in Wyre serve the needs of local populations, there are a number of geographical constraints that exist. **Such businesses need to be located within close proximity to their local populations, suppliers and markets**;
- 5 Employment space will be developed where a specific need exists. Given the small clusters of different industries in different parts of the Borough, additional land will be required so as to enable businesses within these different clusters to grow. For example, **if land is solely allocated towards the West of the Borough, the potential growth of agricultural focused supplier industries located in Garstang is restricted**. Similarly, if sites along the A6 corridor are allocated at the expense of sites towards the West of the Borough, potential growth of chemical industries and fish processing industries could be constrained.

Conclusions

- 6.131 In interpreting the outputs of this chapter, regard should be had to the Practice Guidance which states that local authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. In this respect, planning for employment growth should avoid relying on single sources of data or projections which tend to rely upon a number of different variables which are inevitably subject to change.
- 6.132 It is also important to recognise that there are inevitably uncertainties and limitations associated with modelling assumptions under any of the future growth scenarios considered. In particular, there are some inherent limitations to the use of local level employment forecasts generally and also where there are data anomalies (such as having to adjust the Experian baseline forecasts due to the miscoding of the BRES data such forecasts are based upon). In addition, it should be noted that economic forecasts do not take into account market shocks, and because they are regularly updated the resulting employment outputs will change across WBC's plan period.
- 6.133 Seven different scenarios of future employment space requirements have been considered, based on a number of approaches which reflect economic growth (both baseline, adjusted baseline and 'policy on'), past development trends and

potential labour supply factors (using three different dwelling requirements from the emerging SHMA):

- 1 The Experian baseline (adjusted) scenario reflects a forecast view of the 'realistic' level of future growth in the economy based on the sector mix and the extent to which the area is overly influenced by broader macro-economic assumptions. The baseline scenario effectively represents the starting point for assessing future business needs. It suggests a need for around 53 ha of land. This compares with just 34 ha in the previous study. This is due to significantly higher job forecasts, plus a higher allowance for losses based on updated information received from WBC. It should also be noted that the 2012 ELR forecast requirements over a shorter time period (2011-2029, as opposed to 2011-31 in this update);
- 2 The 'policy on' scenario reflects an assumption of higher future economic growth in line with the Council's policy aspirations and linked to delivery of a range of interventions. The additional job growth over and above the Experian baseline (adjusted), of +1,035 jobs, represents a significant uplift over and above the baseline position (albeit the majority of this growth is in non-B class sectors such as extraction and utilities). This scenario provides a realistic assessment of potential future economic growth but does not take account of potential market demand, delivery or planning policy factors. It is also possible that a share of this growth potential is already captured within the baseline forecast. Therefore, this scenario should be regarded as a yardstick of future economic potential in line with the council's policy aspirations (and the investments and interventions that flow from these) rather than a prescriptive requirement for planning purposes. The land requirement projected under this scenario is 60 ha;
- 3 The labour supply-based estimates (between around 43-48 ha) provide a useful benchmark for comparison with the labour demand approaches, and produces a land requirement that sits beneath both the labour demand and the past completions scenarios;
- 4 The 'past development trends' scenario results in an uplift over and above the baseline position, suggesting a need for around 67 ha, and is lower than the previous ELR (80 ha).

6.134 In summary, this 2015 ELR Update's requirement range of between 43 ha to 67 ha of employment land to 2031 represents a narrowing of the previous ELR's range of between 34 ha – 80 ha. Indeed, the recommended requirement in the 2012 ELR, of 45 ha, is only slightly above the bottom end of the revised range. Should discussions with adjoining authorities identify a need for additional employment land to be located in Wyre to address unmet strategic needs, this could require an employment land requirement significantly above the 43 ha - 67 ha range.

6.135 This apparent discrepancy is due to a range of factors, including:

- 1 significantly more optimistic job growth projections provided by Experian;

- 2 higher rates of past take up and future losses based on the latest data provided by WBC Officers;
- 3 a 20-year, rather than an 18-year timeframe; and,
- 4 the use of newer labour force projections based on the 2012-based Sub-National Population Projections [SNPP] as opposed to the 2010-based SNPP previously.

- 6.136 The requirement is provided as a range to enable the Council to make an informed policy decision on the precise requirement chosen for Local Plan purposes. The lower end of the range is associated with the labour supply model run from the SHMA Addendum 2012 SNPP Scenario, whilst the upper end aligns with Policy On job growth / Past Trends and may have implications in terms of commuting for example. The figures in the range relate to general market employment land and exclude port/chemical/power station development due to their quite distinct operations and site requirements.
- 6.137 The 45 ha (gross) of employment land that was considered appropriate to plan for in the previous ELR (to 2029) was approximate to the Labour Supply scenarios. Given that the 2015 SHMA Addendum now suggests a housing OAN range of between 340 dpa to 486 dpa, a similar approach would suggest that an employment land requirement in the order of 48 ha (i.e. Labour Supply Scenario 6: 360 dpa) broadly equates to the lower end of the SHMA's revised OAN range.
- 6.138 The qualitative market analysis undertaken by Keppie Massie suggests that due to the localised nature of much of the demand in Wyre, employment space will need to be allocated where a specific need exists. This would mean that need is distributed throughout the Borough, which could justify a higher provision of employment land to ensure that businesses in the more rural areas of Wyre are not constrained in their operations due to a lack of supply.
- 6.139 Keppie Massie suggest that larger industrial accommodation may come forward in the Borough, although it is likely to comprise accommodation built for a specific purpose, and may take the form of chemical affiliated accommodation at Thornton or fish processing related activities at Fleetwood. They take the view that Garstang and Catterall lack the required infrastructure capacity to support larger scale logistical types of development, whilst Poulton-le-Fylde, Thornton and Fleetwood are located towards the end of the Fylde peninsular and are therefore unlikely to be developed as a 'regional hub' for logistical operations in the North West due to their remoteness relative to locations along M6 and M62 motorways.

7.0 Policy Implications and Recommendations

7.1 The following conclusions can be drawn from this study updating the demand forecasting elements of the 2012 Wyre ELCLS.

The Borough remains highly reliant on public sector jobs compared to elsewhere in the region which is of concern given continued job cuts / restructuring and privatisation likely to affect many people employed in this sector. Relocations from the Norcross site are likely to dampen future job growth projections for the Borough, although this may be countered by potential future growth in advanced manufacturing, utilities and energy.

7.2 The DWP has been a significant public sector employer on the 'Norcross' site in the past but as these jobs have begun to relocate this sector has declined. Figures provided by the Blackpool, Fylde and Wyre EDC in March 2015 estimate that around 1,000 jobs have recently relocated from the site, with around 550 remaining for the DWP and MoD.

7.3 There are, however, a number of opportunity sectors that offer optimism for the future and will dictate the need for employment land in the Borough, specifically opportunities for the renewable and environmental technology sectors; shale gas fracking; and continued advanced manufacturing investment.

7.4 In particular, the Borough has internationally renowned chemical companies which originally located to the Borough, attracted by the presence of ICI Hillhouse which had processing plants along the River Wyre. Companies such as Vinnolit, Victrex and AGC continue to operate, invest and expand in Wyre despite ICI's demise.

7.5 Whilst the Fylde Coast peninsula is very much distinct from the wider Wyre Borough to the east of the River Wyre and its estuary, commuting patterns suggest that it is nevertheless part of a much wider Functional Economic Market Area that includes the other Fylde Coast authorities (Blackpool and Fylde Borough itself). It is therefore recommended that under the Duty to Co-operate, WBC works with these adjoining authorities when planning the quantity and location of employment land to provide for.

The Borough's relative isolation has meant that it has been relatively insulated from the worst recessionary trends, although it suffers from a lack of inward investment as a consequence. Future Enquiries for sites in Wyre are also limited to indigenous needs, with the area of search usually extending to the wider Fylde Coast.

7.6 Wyre's geographical location on the Fylde Coast peninsula extending East towards the A6 and M6 with relatively poor transport links means that the Borough is at least partially insulated from the worst effects of the recession and subsequent economic downturn. However, take up remains low, enquiries

are limited and demand is very much driven by local indigenous companies seeking to expand and remain within the Fylde Coast, rather than inward investment from beyond the sub-region.

- 7.7 Vacancy rates are also relatively low, at 8% for office space and just 5% for industrial floorspace, although this varies across the Borough with high B1a vacancy levels at Poulton Industrial Estate and Nateby Industrial Park. Whilst this suggests an imbalance between supply and demand, in general rents (particularly for office space) are lower than comparator areas elsewhere in the Fylde Coast and beyond. With the exception of Norcross, there are relatively few concentrations of office accommodation within the Borough, as the larger settlements do not appear to be of a sufficient size to sustain concentrations of professional practices.
- 7.8 Agents commented that there is more activity and demand for employment floorspace along the A6/M6 corridor, particularly for office floorspace and smaller industrial units (up to 10,000 sqm/929 sqm). It was considered that current stock in this area is more modern, whilst the geographic location is attractive to many companies who require good accessibility and transport links close by.

Past take up of land has been relatively low, at around 2.94 ha, and distorted by the Lancashire Waste Technology Park development. If this is excluded, the average annual rate of development falls to 1.73 ha over the past 11 years. The vast majority of demand is from indigenous occupiers.

- 7.9 The Borough has seen an average of 2.94 ha of B-class development over the eleven years 2004/05 – 2014/15. The vast majority of this development is in the form of B2 industrial land (around 80%), with the remainder being split between B1 office space (12%) and B8 warehousing space (8%). The particularly high level of industrial development in 2010/11 of 13.3 ha was due to the construction of the Lancashire Waste Technology Park. This skews the average level of development across the period; excluding this development brings the average annual rate of development down to 1.73 ha. Very little land has been developed at all in the past two years.
- 7.10 Total losses of employment land to alternative, non B-class uses have also been low in recent years, with just 2.13 ha lost over the past four years.
- 7.11 The 2012 Wyre ELCS found that the Borough potentially had an over-supply of employment land in very basic terms, with around 26-years of forward supply should past delivery rates continue. This update has found that over-supply has increased to 36 years, predominantly on the basis of take up rates declining in recent years following the aftermath of the recession. The imbalance is particularly high in Fleetwood, Hillhouse Secure Site and Garstang/Catterall.

*The Borough requires between **43 and 67 ha** (gross) to meet employment land needs up to 2031. This represents a narrowing of the previous ELR's range of between **34 ha – 80 ha** but is mainly above the previous recommended OAN of **45 ha** due to high econometric and labour supply projections and a longer time period for assessment.*

- 7.12 Based on projecting forward past trends and allowing for the re-provision of likely losses to non-B-class uses, it is suggested that Wyre Borough could require in the order of 67 ha gross 2011-31. However, this stands in contrast to the demand forecasts based on the Experian Baseline econometric model. This would indicate a requirement for 56 ha gross over the same time period, with a bias towards B1a office and particularly B8 warehousing. In an attempt to define a 'realistic' projection that seeks to factor in the likely growth in target sectors such as renewables and utilities, against job losses at Norcross, a more appropriate figure based on demand-side forecasting would be 60 ha gross.
- 7.13 Three labour supply tests explored the employment land implications of planning for certain levels of housing growth, based on the Borough's emerging SHMA. This analysed the likely population growth, and resultant labour supply and job implications, of delivering 215 dpa, 280 dpa and 360 dpa. Unsurprisingly, the employment land requirement increases broadly in line with the increased population associated with dwelling growth, from 43 ha at the bottom end, to 48 ha based on a target of 360 dpa.
- 7.14 The 2015 SHMA Addendum suggests a housing OAN range of between 340 dpa to 486 dpa. Hence an employment land requirement in the order of 48 ha (i.e. Labour Supply Scenario 6: 360 dpa) broadly equates to the upper end of the SHMA's revised OAN range.
- 7.15 Hence to align fully with the Council's housing need, at least 48 ha of employment land would need to be provided as set out in Table 7.1.

Table 7.1 Summary Employment Land Scenarios 2011-2031

	Scenario	Hectares
Econometric	Experian Baseline	56
Demand	Experian Baseline (adjusted)	53
Forecasting	Policy On (realistic)	60
Labour Supply	4) Labour Supply: 215 dpa [SNPP-2012]	43
	5) Labour Supply: 280 dpa [PG-10Yr]	44
	6) Labour Supply: 360 dpa [PG-10Yr-X] (OAN)	48
Past Completions		67

- 7.16 The 43 ha - 67 ha range accommodates Wyre's SHMA; the need to revitalise current poor quality stock and the imbalance of the portfolio in terms of the geographic location of the properties currently available. It allows for the continued demand for B8 floorspace (particularly from indigenous companies) whilst factoring in the macro-economic uncertainties and practicalities of delivering employment land in an area driven primarily by indigenous demand which would preclude a step-change in delivery. The range also accommodates the potential need for emerging manufacturing, utilities, and renewable sectors.

- 7.17 If the authority seeks to accommodate new developments of large-scale warehousing schemes (which has not been the case in the past), then this could necessitate higher levels of provision well above the current portfolio.
- 7.18 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 is 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.
- 7.19 As such, if the Council was to consider going for the top end of the employment land range, it 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 Wyre.
- 7.20 Ultimately, WBC will be required to make a decision on a suitable level of employment land to be provided in the Borough based on the evidence before it, balancing the social, economic and environmental dimensions to sustainable development in line with The Framework.
- 7.21 In this regard, if WBC were to have a defined policy response to reduce net out commuting this could align with the Government’s sustainability agenda in the Framework, which states that:
“Planning policies should aim for a balance of land uses within their area so that people can be encouraged to minimise journey lengths for employment, shopping, leisure, education and other activities” [§37]
- The Borough has a good supply of available employment land in quantitative terms, although much of this appears to be located in areas of weak market demand. Rebalancing the portfolio comprises a key challenge for the Borough’s future economic success.*
- 7.22 In basic quantitative terms the Borough appears to have a substantial amount of employment land of around 92 ha net (comprising allocated and ‘available’ vacant sites within existing employment areas). However, the portfolio is geographically unbalanced, with the majority of allocations in the urban west of the Borough and limited provision in the rest of Wyre.
- 7.23 The location of employment sites in Wyre has largely been determined by historic factors. In the urbanised western part of the Borough, there remains some potential for reducing the scale of employment land provision. In contrast, in the A6 Corridor there remains some pressure for new employment areas to come forward.

Table 7.2 has been updated by WBC from the equivalent Table (10.3) in the 2012 ELCLS. Based on the latest available evidence gathered by WBC, and based on the same principles concerning de-allocations/restricted use as per the 2012 ELCLS, the current portfolio of 92 ha would be reduced down to around 54 ha. This includes the exclusion of around 12 ha of sites in 'restricted use', i.e. that is protected for port related, chemical and energy specialist uses or as expansion land for adjoining businesses. This is still around 4 ha higher than was reported in the previous ELCLS, primarily due to land now becoming available at Cleveleys.

Table 7.2: Recommended adjustments to the Existing Portfolio of Employment Land

Sub-Area	Current Portfolio of 'available' sites		Deductions from the portfolio			Adjusted Employment Land Portfolio (net)
	Remaining Allocated Employment Land July 2012 (net)	Vacant Land within existing Employment Areas (net)	De-allocations	Restricted uses*	Mixed use with no employment	
Fleetwood (excluding Port)	0.96	2.75	-	-	-	3.71ha
Port of Fleetwood	6.42	6.00	-	WY/10/01: 6.00ha WY/10/03: 1.25ha	WY/10/02, 04, 05: 0.00ha (2.73ha gross)	5.17ha
Cleveleys	0	5.42	-	-	WY/03/06: 0.86	4.56ha
Thornton (excluding Hillhouse)	13.73	0	WY/07/02: 0.62ha WY/07/03: 1.98ha WY/07/04: 2.47ha WY/07/05: 0.39ha	-	-	8.27ha
Hillhouse Secure Site	43.15	0	WY/04/08: 13.53ha	-	-	29.62ha
Poulton & Carleton	1.41	2.06	WY/11/01: 0.20ha WY/13/01: 0.34ha WY/13/02: 0.91ha	-	-	2.02ha
Rural West	0	0	-	-	-	0.00ha
Central Rural Plain	0.62	0.17	WY/20/01: 0.62ha	-	-	0.17ha
Garstang & Catterall	10.14	0	WY/00/05: 2.73ha WY/00/06: 2.78ha	WY/00/04: 1.37ha WY/00/06a: 3.06ha	-	0.20ha
Rural East & Uplands	0	0	-	-	-	0.00ha
Wyre	76.43ha	15.54ha	26.57ha	11.68ha	0.86 ha	53.73ha

Source: WBC 2015

*Note: 'restricted uses' includes allocated / vacant employment land sites that could be removed from the general employment land portfolio and protected for restricted/specialist uses, specifically port-related, chemical and energy related or as expansion land for adjoining businesses.

Wyre Borough contains three sub-markets for industrial and commercial space, with distinct economies performing very different functions.

- 7.24 Keppie Massie's Report concludes that three separate sub-markets operate within the Borough, which include:
- a A6 Corridor (Garstang and Catterall);
 - b Wyre Peninsular (Poulton-le-Fylde, Thornton Cleveleys and Fleetwood);
 - c Rural Areas (Rural West, Central Rural Plain and Rural East and Uplands).
- 7.25 There is little differentiation in terms of property values across the Borough (and therefore there is little difference in values between different submarkets), and values appear to be intrinsically linked to the quality of stock. Notwithstanding this, there are key differences in respect of the size, density and types of occupier within each employment allocation.
- 7.26 The key characteristics of each of the different recognised sub-markets are identified in detail in Keppie Massie's report (see Appendix 3), and summarised below:

A6 Corridor

- 7.27 The A6 Corridor includes Green Lane West, Brockholes Way, Riverside and the Creamery Industrial Estates. Centred around Garstang (but including accommodation at nearby Barnacre and Catterall), the A6 corridor has 497,338 sq.ft of employment accommodation which amounts to around 14.4% of the total in Wyre Borough. Development is therefore at a smaller scale relative to the accommodation types noted on the Wyre Peninsular, although on a larger scale relative to the surrounding rural areas.
- 7.28 Given the ease of access between the employment areas and the clustering that has taken place around Garstang and Catterall, Keppie Massie consider that the employment areas operate as a single sub-market and contain a number of similarities. The characteristics and trends of the property market in this sub-area include intensively used industrial estates with minimal room for (internal) expansion (which would need to expand on surrounding greenfield sites; generally smaller accommodation types below 10,000 sq ft; low vacancy rates for smaller accommodation types; and concentrations of locally based companies.

Wyre Peninsular

- 7.29 The Wyre Peninsular includes the settlements of Fleetwood, Thornton Cleveleys and Poulton-le-Fylde, and contains the majority of employment stock within the Borough. Both Poulton Industrial Estate and Copse Road, which comprise the two largest concentrations of employment accommodation in the Borough, are located in this sub-area, alongside concentrations of

accommodation at Norcross, Red Marsh Industrial Estate, Hillhouse Secure Site, Burn Hall Industrial Estate, the Port of Fleetwood, St George's Lane and at Dorset Avenue. In total the Wyre Peninsular contains 2,757,530 sq.ft of accommodation which amounts to 79.8% of the Borough's total stock.

7.30 Fleetwood, Thornton Cleveleys and Poulton-le-Fylde are located within close proximity to one another. Whilst different clusters exist within each of these separate locations, given the ease of transit between these locations along the A585 Keppie Massie consider the Wyre Peninsular to comprise a single submarket (albeit more localised markets exist in respect of certain industries).

7.31 The characteristics and trends of the property market in this sub-area include: large vacant brownfield sites; relatively low densities of development (and therefore greater potential for expansion of floorspace following consolidation); a more diversified accommodation offer; low vacancy rates; and a mix of occupiers including companies operating on an international, national and regional basis.

Rural Areas (Rural West, Central Rural Plain and Rural East & Uplands)

7.32 The Rural Areas in Wyre located outside of the main settlements of Fleetwood, Thornton Cleveleys, Poulton-le-Fylde and Garstang are typically agricultural in character and contains a low proportion of the overall employment accommodation stock within the Borough.

7.33 The rural locations contain around 199,740 sq.ft of accommodation which equates to around 5.8% of the overall stock within the Borough, despite the fact that 9 of the 23 employment areas identified within the Borough are located within the Rural Areas sub-market.

7.34 Whilst the accommodation is typically dispersed within the rural localities outside of the main urban centres, Keppie Massie conclude that the Rural Areas form a similar sub-market owing to the similarities in the accommodation typologies provided.

7.35 The characteristics and trends of the property market in this sub-area include: poor accessibility; low availability of brownfield sites; smaller accommodation types; low vacancy rates; and the majority of occupiers comprising smaller locally-based companies who typically specialise in agriculture, motor-trade, engineering or construction industries.

Meeting the economic needs of rural areas is key to the long term sustainability of Wyre's outlying settlements. New small scale allocations are justified in sustainable locations in the Borough's rural areas.

7.36 The previous ELCLS concluded that beyond the A6 Corridor, the smaller scale of rural premises likely to be needed, combined with the environmental designations covering much of the remaining rural parts of the Borough and

lower level of demand for office and industrial space, did not require any specific land allocations, where low rents may not justify new development and which may therefore not be taken up, with new provision encouraged through flexible and responsive policy support for rural building conversions to business. However, rural tourism and its related sectors have the potential to stimulate employment in the Borough.

- 7.37 As noted in Keppie Massie's Commercial Property Review, the economies within each of the identified sub-markets specialise in very different functions, and often occupiers are specifically geared towards these specialisms. This includes businesses focusing on servicing agricultural industries in Garstang and Piling, fish processing industries in Fleetwood, chemical industries at Hillhouse, and additional locally based industries in Thornton-Cleveleys and Poulton-le-Fylde. Due to the agglomerations that exist within these different business clusters, and the fact that the majority of businesses located in Wyre serve the needs of local populations, there are a number of geographical constraints that exist. Such businesses need to be located within proximity to their local populations, suppliers and markets. Notwithstanding this, these business clusters sometimes comprise fairly small proportions in terms of overall stock.
- 7.38 Employment space will be developed where a specific need exists. Given the small clusters of different industries in different parts of the Borough, additional land will be required so as to enable businesses within these different clusters to grow. For example, if land is solely allocated along sites along the Wyre Peninsular, the potential growth of agricultural focused supplier industries located along the A6 Corridor is restricted. Similarly, if sites along the A6 Corridor are allocated at the expense of sites along the Wyre Peninsular, potential growth of chemical industries and fish processing industries could be constrained.
- 7.39 Having regard to the above, Keppie Massie therefore considered that the optimum solution to facilitating the development of new employment space in the Borough and to enable locally based companies to expand is to ensure that future allocations are provided wherever possible within each of the main sub-markets within the Borough following the existing concentrations of accommodation.
- 7.40 **There is therefore a need for a more even spread of employment allocations. Given the increased demand for employment land more generally across the Borough, particularly in rural areas to the east of the Borough, it is considered that modest allocations are now justified.**
- 7.41 For example, having regard to the A6 sub-market, it is clear that due to the proximity of the different employment sites that the market operates on a singular basis, and whilst the accommodation in Green Lane West tends to contain a slightly higher proportion of trade counter premises, it is considered that a single allocation could facilitate the growth of smaller locally based industries. For example, if a business relying on local custom was located at the Creamery Industrial Estate and required larger premises, Keppie Massie

considered that relocation to either the Green Lane West or Brockholes Industrial Estate would not adversely affect the business.

7.42 In this instance, Keppie Massie considered that due to the constraints that exist due to the proximity to key infrastructure at the Creamery Industrial Estate, and as Green Lane West is surrounded by existing development, that the potential for the expansion of the Brockholes Industrial Estate may be considered.

7.43 Outside of the main settlements within the Rural Areas, employment locations are concentrated around Piling, Hambleton, Preesall and Nateby. Whilst businesses within the Rural Areas may look to expand, new development is likely to be more limited due in part to the size of these rural communities and the current provisions of accommodation. With this in mind, more limited provisions of employment land may be required within these locations, although as outlined above there is a prospect for new development as and when local businesses seek to expand their operations.

Following the Council's updated review of employment areas and allocations in Wyre Borough, they concluded that the Borough's portfolio comprised 31 employment sites, totalling 54 ha (net) of employment land, with the potential for a further 11.32 ha of land allocated as part of 2 larger mixed use schemes, plus Beech House Fields and Land South of Goose Lane. WBC may also require further mixed use allocations on currently unallocated sites.

7.44 The 2012 ELCLS assessed the characteristics and quality of provision of 41 individual employment areas of the Borough, plus sites at the soon to be vacated DWP complex at Norcross and seven further sites that came forward as part of WBC's call for sites exercise. Issues reviewed included each area's locational context; accessibility; constraints; existing sectoral mix; size and type of businesses; amount of floorspace required; scope for windfall; compliance with planning policy; market attractiveness and likelihood and viability of site redevelopment.

7.45 This assessment was partially revisited by WBC Officers in 2015. Table 12.2 in the original 2012 ELCLS has been updated to take into account the latest available information on the employment land supply and potential sites at Brockholes Way, South of Goose Lane and Beech House Fields.

7.46 Site assessment pro-formas for each of these three sites, undertaken by WBC Officers, are provided in Appendix 4. The Council's assessment and recommendations are presented in Table 7.3. Appendix 5 updates the site assessments of the Hillhouse Secure Site and Poulton Industrial Estate, which were undertaken by WBC Officers in May 2015.

7.47 The revisions to the 2012 ELCS Table indicate that, following the adjustments to the portfolio, the Borough would have around **54 ha net of land being allocated in the Local Plan for B-class employment use**, which includes most of the soon to be vacated DWP site at Norcross.

- 7.48 As detailed within Keppie Massie's Report, the connectivity and proximity of Fleetwood, Thornton, Cleveleys and Poulton-le-Fylde led them to identify that the property markets operate as a single sub-market. Notwithstanding this, due to the presence of certain clusters, Keppie Massie advise that certain sites remain allocated for employment use to facilitate potential future expansion of these clusters.
- 7.49 Due to the presence of the clustering of fish processing industries in Fleetwood and chemical related industries at the Hillhouse Secure Site, it was considered that adequate amounts of employment land at the Port of Fleetwood (South) and at the Hillhouse Secure Site will need to be provided to ensure that the future expansion of these industries can be facilitated in the future.
- 7.50 Whilst noting that the area operates as a wider sub-market, other locations will also need to be made available to enable the growth of other locally based industries, although it is noted that a number of sites such as those at the Poulton Industrial Estate and both the Dorset Avenue and St George's Road sites in Cleveleys are geographically constrained and future growth is likely to be restricted.
- 7.51 The extent to which the Borough has a shortfall obviously depends upon where within the 43 ha – 67 ha range the Council wishes to choose as its preferred employment land requirement. The 43 ha is broadly in line with the lower labour supply scenarios. In contrast, if the Council sought to plan for a higher level of employment land provision to align with the (realistic) Experian Policy On job growth forecasts or past take up rates, then clearly there would be a significant shortfall of between 6 ha and 13 ha respectively).

Table 7.3: Resultant Portfolio of Employment Land (net) in Wyre Borough to 2031

Proposal	Number of Sites	Gross Site Area (ha)	Net Developable Area (ha)	Net Employment Area (ha)
Retain Current Employment Allocation	19	43.23	40.12	40.12
Allocate vacant land within existing employment area for B-Class use	5	4.17	3.68	3.68
Employment land component of re-allocated Mixed Use sites	2	9.43	8.06	5.37
Employment land component of Mixed-Use redevelopment at Norcross	5	9.60	9.12	4.56
Employment Land Portfolio	31	66.43	60.98	53.73
Employment land component of Mixed-Use redevelopment at Catterall Gates Lane South Extension	1	4.33	3.68	1.84
Employment land component of Mixed-Use redevelopment at West of A6, Garstang	1	16.00	13.60	6.80
Beech House Fields, Catterall Lane	1	2.04	1.73	1.73
Employment Land, South of Goose Lane*	1	1.46	0.95	0.95
Potential Employment Land Portfolio	4	23.83	19.96	11.32
Reserve for Port Related Use	1	7.06	6.00	6.00
Reserve for Expansion Land	4	9.49	8.34	8.34
Other Employment Land Portfolio Sites	5	16.55	14.34	14.34
Employment land, Brockholes Way Expansion**	1	36.29	n/a	n/a
Allocate for Mixed-Use without Employment Component	4	3.63	0.86	0.86
De-allocate	9	28.96	25.46	25.46
Potential sites not to be taken forward	5	9.47	8.22	8.22
TOTAL	59	185.16	129.81	113.92

Source: WBC 2015

*Note: due to unusual site shape, a gross to net conversion factor of 1:0.65 has been used

** It is problematic to identify what the gross to net will be at this point in time for this site without more detailed analysis of constraints (pylons, pipes etc.), discussions with landowners and further consideration of deliverability. As such, and for the purposes of this study, the site has been set aside from the other sites in this portfolio table. The Council will determine the net figure at a subsequent date following a more detailed consideration of site constraints.

- 7.52 An updated series of site appraisal scores undertaken by the Council is also provided in Appendix 6. The previous 2012 ELCLS concluded that 'Catterall Gates Lane South' and 'Land West of the A6' could best meet any additional land requirements for the A6 Corridor, although speculative development of employment use in any of these locations would not be viable and would be likely to require an element of mixed use.
- 7.53 Of the seven (non-expansion) sites that the Council have re-assessed, they have concluded that four should be allocated, either for mixed use with an element of employment, or for B-class employment use in isolation. These four sites have the potential to deliver some 11.3 ha of additional B-class employment land.
- 7.54 The 2012 ELCLS also concluded that the 7.00 ha Brockholes extension would comprise a less sustainable mixed use extension than these two sites. Part of this site (2.66 ha net) has since been granted planning permission for B-class expansion land for an existing business on the estate. A much larger site to the south and east has now been appraised by the Council. This has been included separately in the Table above due to uncertainty concerning likely site constraints and the likely gross:net ratio as a consequence.
- 7.55 This very large (36.3 ha gross) site was scored relatively highly by WBC Officers following their site visit, primarily due to its location in an area of relatively high demand on the edge of a successful, and expanding, industrial estate. Clearly given its size and potential importance substantial further work will need to be done on the proper masterplanning of this potential allocation to assess likely deliverability constraints.
- 7.56 **This report has been undertaken on the basis of re-assessing the demand forecasts and re-aligning the employment OAN with the employment land OAN. Depending upon where within the 43-67 ha OAN range the Council wishes to take forward as its employment land requirement, this may lead to a need for additional allocations. Whilst it will be for the Council to make the final decision as to which of the potential employment sites identified in Table 7.3 would be best placed to meet the identified need, they should be mindful that the market analysis has clearly identified a requirement for additional allocations in the rural sub-areas of the Borough outside of the A6 Corridor.**
- 7.57 In this regard, and as set out in Keppie Massie's Wyre Commercial Property Market Review in Appendix 3, the optimum solution to facilitating the development of new employment space in the Borough and to enable locally based companies to expand may be to ensure that future allocations are provided wherever possible within each of the main settlements within the Borough following the existing concentrations of accommodation.

The Council should adopt a proactive approach to managing and improving the existing portfolio of employment sites to facilitate future growth.

7.58

Alongside making new allocations, WBC should adopt a proactive approach to managing and improving the existing portfolio of employment sites to facilitate future growth. Renewal and intensification on older sites with available land should be encouraged to ensure that they contribute positively to meeting some of the Borough's employment land requirements, taking account of the particular constraints that apply on individual sites. In assembling a new portfolio of sites, a cautious approach would be required to manage the competing pressures on potential employment sites within Wyre, balancing the aspirations for mixed-use development on some sites with the need to encourage renewal and intensification of the older industrial estates. Where mixed-use development or potential release of an employment site to other uses is contemplated, this should have regard to the availability of alternative sites to accommodate the relocation of firms.

Appendix 1 Experian's Data Guide to its UK Regional Planning Service Model

Appendix 2 Definition of B-Class Sectors

The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised overleaf.

Table 0.1 Apportionment of B Class Sectors to Land Uses

Experian Sector	Proportion of Jobs by Use Class		
	B1a/b office	B1c/B2 industrial	B8 warehousing
Agriculture, Forestry & Fishing	Non B-Class		
Extraction & Mining	Non B-Class		
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing and Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities		58%	
Construction of Buildings	Non B-Class		
Civil Engineering	Non B-Class		
Specialised Construction Activities	0%	39%	0%
Wholesale	0%	19%	73%
Retail	Non B-Class		
Land Transport, Storage & Post	0%	0%	70%
Air & Water Transport	Non B-Class		
Accommodation & Food Services	Non B-Class		
Recreation	Non B-Class		
Media Activities	100%	0%	0%
Telecoms	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance	100%	0%	0%
Insurance & Pensions	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	18%	0%	0%
Other Private Services	Non B-Class		
Public Administration & Defence	10%	0%	0%
Education	Non B-Class		
Health	Non B-Class		
Residential Care & Social Work	Non B-Class		

Source: Experian / NLP analysis

Appendix 3 Wyre Commercial Property Market Review

Appendix 4 Additional Site Pro-Formas

Appendix 5 Updated Site Appraisals

Table 0.2 Employment Sites Appraised in the Hillhouse Secure Site

Site Reference and Name	Site Status and Planning Designation	Gross Site area, in hectares (Net area in brackets)	Total Ranking	Recommendations
WY/04/01: Between West and East Road	Strategic Location for Development	12.31 (12.31)	25	Retain as an Employment Allocation
WY/04/02: West Road	Strategic Location for Development	1.19 (1.19)	24	Retain as an Employment Allocation
WY/04/03: East Road	Strategic Location for Development	2.23 (2.23)	23	Retain as an Employment Allocation
WY/04/04: South Road fronting Vinollit	Strategic Location for Development	0.94 (0.94)	24	Retain as an Employment Allocation
WY/04/05: South Road adjoining new substation	Strategic Location for Development	0.67 (0.67)	23	Retain as an Employment Allocation
WY/04/06: Riverside Business Park	Strategic Location for Development	13.26 (11.27)	25	Retain as an Employment Allocation
WY/04/07: South Road / Central Road	Strategic Location for Development	1.01 (1.01)	24	Retain as an Employment Allocation
WY/04/08: Lagoons & land at North of Site	Strategic Location for Development	15.92 (13.53)	22	Deallocate

Source: WBC

Table 0.3 Allocated Employment Sites Appraised at the Poulton Industrial Estate

Site Reference and Name	Site Status and Planning Designation	Gross Site area, in hectares (Net area in brackets)	Total Ranking	Recommendations
WY/11/01: West of Premier Way	Vacant Land within existing employment area	0.20 (0.20)	35	Do not allocate
WY/11/02: West of Aldon Road	Allocated for employment	0.61 (0.55)	30	Retain as an Employment Allocation
WY/11/03: East of Aldon Road	Allocated for employment	0.27 (0.27)	30	Retain as an Employment Allocation
WY/11/04: North of Furness Drive	Allocated for employment	0.25 (0.25)	30	Retain as an Employment Allocation

Source: WBC

Appendix 6 Summary Site Scoring / Recommendations

