HOUSING NEEDS AND EMPLOYMENT LAND STUDY

Burnley Employment Land Study
Demand Update

Burnley Borough Council
14 February 2014
41083 CRo
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1.0 **Introduction**

1.1 Nathaniel Lichfield & Partners [NLP] have been commissioned to undertake a Housing and Employment Study by Burnley Borough Council [BBC], to provide robust evidence and demonstrate the need for, and deliverability of, employment and housing allocations across the Borough. The Employment Land Review [ELR] demand element of the work will form part of the evidence base for the emerging Local Plan in conjunction with the Housing Land Supply Study.

1.2 The ELR will assess Burnley’s employment land requirement and identify a portfolio of sites to meet this level of demand whilst complying with relevant guidance on ELRs. The Study will co-ordinate with the recent Burnley Retail, Office & Leisure Assessment and Strategic Housing Market Assessment [SHMA] also prepared by NLP.

1.3 The Study has the following objectives:

1. To build upon and critically review existing work already taken by the Council on the draft ELR and other economic development documentation;

2. To assess the future demand for employment land;

3. To develop appropriate future policy recommendations; and,

4. To improve systems for monitoring outcomes and reviewing employment policies and programmes.

1.4 This report should be read in conjunction with NLP’s report critically reviewing BBC’s 2012 ELR, which tests the approach taken in analysing the viability of employment sites in the Borough.

1.5 **Context**

1.5 The National Planning Policy Framework [The Framework] requires the Burnley Local Plan to set out priorities for homes and jobs needed in the area and to provide suitable amounts of land for housing and employment. The Local Plan is required to allocate sites to promote development, based on adequate, up-to-date and relevant evidence about the economic characteristics of the Borough.

1.6 The Burnley Local Plan was adopted in 2006 and is scheduled to be superseded by a new Local Plan in 2015. Policy EW1 specifies that land should be the right type of site in the right location for employment use, in order to contribute to the diversification and modernisation of the local economy.

1.7 The Burnley Local Plan employment land requirement is 70 ha, based on the average development rate of B1, B2 and B8 class uses over the period 2001 to 2016. Accordingly, 10.71 hectares of employment land was developed between the years 2001 to 2004, and 75.19 hectares of land was allocated or
given permission for employment uses, totalling 67.90 hectares of employment land take up.

**Approach and Methodology**

1.8 The approach to addressing these requirements is set out overleaf and broadly illustrated by Figure 1.1. It follows the principles of the ODPM’s ‘brown book’ guidance\(^1\) which remains extant despite the publication of The Framework and the draft ‘beta’ Planning Practice Guidance and other tasks as required by the Council’s Brief.

Figure 1.1 Study Methodology

1.9 Whilst the study predominantly focuses on employment space needs for the group of B Use Classes indicated in Table 1.1, The Framework provides a wider definition of economic development than just B class uses, and many of these uses produce jobs and create pressures on employment land. As such the recent retail study will inform the ELR to provide an overview of the demand for retail (including bulky goods), leisure and other employment accommodation in addition to typical B-Class uses. This is to ensure that the ELR is consistent with the findings and recommendations of recent retail studies.

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\(^1\) Employment Land Reviews Guidance Note, ODPM (2004)
1.10 A key input to this process was consultation with various organisations with an interest in the supply of employment land including employers, economic development and inward investment agencies, business groups, property agents and developers. Appendix 1 contains a list of consultees.

1.11 The study draws upon employment land studies in adjoining districts and other relevant documents including planning policy guidance, property market information, local and regional economic strategy documents, planning policy documents, economic sector studies and published economic statistics.

1.12 A key issue underlying the study concerns how the recession and subsequent economic downturn should be reflected in the analysis. However, it should be emphasised that the Council’s Local Plan process will be planning for longer term needs to 2030. Therefore, the analysis is based not only on where the Burnley commercial/industrial property market has been historically but also takes a view on how it is likely to recover and perform in future.

1.13 The employment portfolio will be refined based on consultation and further evidence gathering prior to informing the Borough’s Local Plan process.

**Structure of Report**

1.14 This document is structured as follows:

<table>
<thead>
<tr>
<th>Economic Context (Section 2.0)</th>
<th>An overview of current economic conditions and recent trends in the Borough and adjoining areas that may affect the need for employment space.</th>
</tr>
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<tr>
<td>Policy Review (Section 3.0)</td>
<td>An overview of Burnley from a planning policy perspective, including an analysis of relevant regeneration studies and employment land contextual research.</td>
</tr>
<tr>
<td>The Current Stock of Employment Space (Section 4.0)</td>
<td>A brief assessment of the current stock of employment space in the Borough, including levels and types of provision and recent changes in supply as well as major developments and employment land supply in nearby areas.</td>
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<td>Section Description</td>
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<td>----------------------------------------------------------</td>
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<tr>
<td>Stakeholder Consultation (Section 5.0)</td>
<td>An overview of the consultation undertaken over the course of the study involving interviews, workshops and surveys.</td>
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<td>Economic Potential and Growth Sectors (Section 6.0)</td>
<td>Consideration of the potential future economic role of the Borough and specific sectors with growth potential.</td>
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<td>Future B-Class Employment Space Requirements (Section 7.0)</td>
<td>This section translates estimates of net employment land requirements into gross requirements.</td>
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<td>Recommendations for Local Plan Policy Development (Section 8.0)</td>
<td>Discusses the policy choices available to Burnley Borough Council, alongside the needs of non-B uses and delivery mechanisms.</td>
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<td>Summary Conclusions (Section 9.0)</td>
<td>Summarises the study’s main findings and recommendations.</td>
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</table>
2.0 **Economic Context**

2.1 This section establishes the economic context of the study by reviewing recent economic conditions and trends within Burnley in the context of the economies of the North West and Great Britain as a whole. This analysis is important in identifying the existing strengths and weaknesses of the Borough’s economy, as well as those factors likely to influence the nature and level of future demand for employment land.

**Geography and Connections**

2.2 Burnley is located in the Central Lancashire City-Region and is bounded by the administrative areas of Hyndburn, Calderdale, Ribble Valley, Pendle and Rossendale. The Borough has strong road connections; Junction 10 of the M65 is located to the west of town centre, linking the town to Colne and Nelson to the north, as well as nearby Accrington, Blackburn and Preston to the west.

2.3 Public transport provision includes a network of bus routes connecting residents to destinations within the Borough and beyond. Train services from the three Burnley stations (Burnley Central, Manchester Road and Burnley Barracks) are limited to those between Blackpool, Colne and York. The planned reinstatement of the Todmorden Curve will allow direct rail services from Burnley to Manchester from May 2014, significantly enhancing the accessibility of the Borough.

*Figure 2.1  Burnley Sub-Regional Context*

Source: NLP Analysis
Economic Trends

2.4 The main sectors for employment in Burnley are manufacturing, distribution, hotels and restaurants, public administration, and education and health. Key international businesses located within the Borough include MB Aerospace Ltd, Aircelle Ltd and Futuba-Tenneco UK Ltd. Althams Travel Services, an important local employer, has its headquarters in Burnley.

2.5 A key opportunity for the Borough is to ensure that it maximises the potential benefits from the newly-created Lancashire Enterprise Zone [EZ] at two existing BAE Systems sites at Samlesbury and Warton, to the east and west of Preston. The Lancashire EZ, which is solely focused on the Advanced Engineering Materials [AEM] sector, is anchored by BAE Systems which has export orders valued at over £19 billion with Samlesbury and Warton central to delivering this programme.

2.6 The EZ is designed to exploit the critical mass and ‘halo effect’ of industrial activity at Samlesbury and Warton, which, in turn, is intended to help re-establish Lancashire as a leading global centre for the AEM sector. The EZ is expected to create up to 6,000 high-value high-skilled jobs over its lifetime, with between 5,000-7,000 high-value high-skilled jobs in the wider AEM supply chain which could benefit Burnley Borough directly. According to the Lancashire Growth Plan, the first occupiers are expected to be on-site at Samlesbury and Warton by late 2014/early 2015, with the potential to create up to 1,200 new jobs in the first phase, underpinned by £12M in investment loan support from the Government’s Local Infrastructure Fund.

2.7 Both sites will benefit from Business Rates relief worth up to £275,000 over a 5 year period; simplified planning processes; and superfast broadband for those advanced manufacturing and engineering companies seeking to move into/expand within the area.

2.8 BBC considers that this represents an opportunity for engineering and manufacturing businesses in East Lancashire to grow; as the purpose of the EZ is to attract OEMs and Tier 1 suppliers from elsewhere in the UK and overseas, who will bring with them demand for products which will help to grow the existing advanced engineering supply chain in Lancashire. BAE, Lancashire County Council [LCC] and the LEP are clear that the EZ is not intended to displace existing manufacturing businesses from elsewhere in the County, such as Burnley. The LEP’s Lancashire Growth Plan also identifies Burnley’s Aerospace Supplier Park as a location linked to the EZ for existing businesses needing additional space. The EZ’s potential also needs to be seen in the context of the demand for Civil Aircraft, which is predicted to double over the next 15 years (Reach for the Skies, Aerospace Growth Partnership) with Burnley businesses well placed to benefit. Furthermore, it is understood that BBC has

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2Lancashire Enterprise Partnership (April 2013): Lancashire Growth Plan 2013/14, page 8
the discretion to offer similar business rate relief to inward investors as the EZ. BBC has also put in place a Simplified Planning Zone (via a Local Development Order) at the former Michelin site which permits the same flexibility as the EZ can offer. BBC has also confirmed that it is willing to do this at other sites, if appropriate.

2.9

Superfast broadband is also being rolled out across Lancashire County, with the intention that all key existing sites in Burnley will have a Superfast Service. BBC are working with LCC and BT to ensure that future sites are in the programme for installation.

2.10

Burnley therefore remains well placed to strengthen its role in the sub-regional economy, and has recently benefited from significant investment and business interventions. These include:

1. **£8.8m Regional Growth Fund [RGF] allocation for the reinstatement of the Todmorden Curve (creating a direct rail link between Burnley and Manchester) and the redevelopment of Weaver’s Triangle;**

2. **Burnley’s £1.3m Aerospace Supply Park [ASP], an RGF-supported Programme that is only available to companies residing in Burnley Borough. The objective of the Programme is to support Aerospace and Advanced Manufacturing companies to invest, expand/relocate to the newly formed Aerospace Supply Park at the former Michelin site. However, it should be noted that related activities beyond the ASP would also be considered;**

3. **Accelerating Business Growth [ABG] – an RGF programme targeted at SMEs and delivered through Regenerate Pennine Lancashire [RPL]. The Programme offers businesses financial funding of between £20,000 and £150,000, with the aim of supporting companies who are looking to expand, develop and create jobs;**

4. **Accelerating Business Growth Plus [ABG+], which is the next step up for Medium Size Businesses [MSB]. The programme offers MSBs in the Aerospace/Advanced Manufacturing sectors access to funding of between £150,000 and c.£1m. This is available to businesses with more than 50 employees with a turnover of at least £5m;**

5. **£4m loan from Lancashire Local Enterprise Partnership’s [LEP’s] Growing Places Fund allocation, to tackle immediate infrastructure and site constraints at Burnley Bridge Business Park and Slater’s Terrace in the Weavers Triangle;**

6. **European Regional Development Fund (ERDF) capital funding for essential highways and other infrastructure works at Burnley Bridge Business Park (£3.85m) and the redevelopment of the Sandygate area of Weaver’s Triangle (£1.5m);**

7. **BBC’s £1m Business Growth Programme, available exclusively to companies residing in Burnley Borough. The programme aims to provide a range of support to businesses in Burnley who are looking to grow and create new job opportunities. The programme will support private sector**
investment projects, workforce development and bespoke business advice to SME businesses; and,

8 The launch of LCC’s Local Business Lending Partnership ‘Funding Circle’ – a smaller-scale scheme aimed at stimulating local economic growth and employment through improved access to business finance.

2.11 It is apparent that Burnley would not be benefiting from these grant schemes if there were not active private sector development partners in the Borough, such as Barnfield Construction and Eshton Group.

Economic Activity

2.12 Following a tentative recovery from what was arguably the worst recession since WWII, 2011, 2012 and 2013 have seen gradual economic growth and continuing economic uncertainty, especially in the Eurozone where the sovereign debt crisis has had a significant impact and affected global business confidence.

2.13 This, combined with austerity measures in the UK, has hit the Lancashire economy hard. For example, and as can be seen in Figure 2.2, unemployment in Burnley (and particularly youth unemployment) rose sharply in the latter part of 2008 during the recession and following a fall in mid-2010, rose again in the latter part of 2011 and 2012 to reach a peak of 5.2% in February 2012. However, JSA rates are now falling.

![Figure 2.2 JSA Claimant Count](source: ONS Claimant Count January 2014)

2.14 Claimant unemployment in Burnley Borough is estimated at 2,550 JSA claimants in May 2013, 4.6% of the working-age population. This remains above both the North West average (4.0%) and the national average of 3.5%, although the gap is starting to narrow.

2.15 Rates of youth unemployment, at 8.2% (as of November 2013), are also higher in Burnley than both regional (5.9%) and national (5.1%) rates, albeit this has
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fallen from a high of 13% in April 2012 and as with JSA rates as a whole, the gap between Burnley and the North West is continuing to narrow.

2.16 November 2012 data shows that there were 3.8 claimant unemployed workers for every notified job centre vacancy in the Borough. This was in line with the ratio for the North West and Great Britain as a whole (3.7 and 3.8 respectively).

2.17 Considering the proportion of JSA claimants in the economy does not, however, reflect the true level of worklessness in Burnley. Indeed, DWP data for May 2013 indicates that 20.4% of the Borough’s working-age population were claiming key out-of-work benefits (comprising job seekers, incapacity benefits, lone parents and other on income related benefits). This is significantly above the regional (16.9%) and national (13.9%) percentages, although again the trend is downward from a peak of 21.8% in February 2012.

2.18 Furthermore, these headline figures do not accurately reflect the current job situation in the Borough. The ONS model-based unemployment rate, which is a wider and arguably more realistic measure of unemployment (based upon the International Labour Organization [ILO] definition which includes all those looking for work and not just those claiming benefit), indicates that unemployment is higher at around 9.7%, which is above the regional (8.2%) and national averages (7.8%).

2.19 Over the period 2008-2011, the number of jobs in Burnley’s economy bucked the national trend and demonstrated growth of 2.7% (a good level of growth in the current climate), whilst over the same period, jobs in the North West and Great Britain decreased by 2.9% and 3.0% respectively.

2.20 Between 1998 and 2008, real estate, renting and business activities was the Borough’s fastest growing sector, both in percentage and absolute terms (+1,408 employees, +64.4%). Growth was also observed in the construction (+45.1%), education (+24.9%) and other community, social and personal service activities sectors (+52.3%). For all these sectors, the rate of growth observed locally was significantly greater than the national average.

2.21 However, the modest growth was not felt uniformly across all sectors, with a number experiencing a contraction in employment over the period. Manufacturing employment fell by -53.6%, which was much more pronounced than the level experienced across Great Britain (-32.9%). However, it is worth noting that the figures on manufacturing employment over the past four years show that the past trends of year-on-year decline are beginning to bottom out with manufacturing employment remaining relatively stable.

2.22 Public administration and defence also fell in Burnley (-37.4%) despite national growth in the sector of 5.5%.

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3 ONS Annual Population Survey (July 2012 – June 2013)
2.23 In employment terms, as of 2012 the Borough’s largest sectors comprise health, at 20.5% of the total number of jobs in the Borough, followed by manufacturing (15.6%). This latter figure in particular is well above the regional (9.5%) and national (8.4%) levels. As illustrated in Figure 2.3, professional, scientific and technical occupations account for just 2.6% of the workforce compared to 7.0% regionally and 8.0% nationally. Financial and insurance occupations (1.5%) are also below the regional and national averages. At the same time, the proportion of the labour force comprising of retail and education is above both regional and national averages.

Figure 2.3  Key Industrial Sectors 2012


Business Start Ups

2.24 Between 1994 and 2007, the number of VAT registered firms in Burnley increased from 1,780 to 2,005. This represents a growth rate of 12.64% which is far lower than the rates observed in the North West (21.1%) and Great Britain (25.9%) over the same period and indicates a weak level of entrepreneurial activity within the Borough. An analysis of the most recent available data on business births and deaths shows that in 2011 there were 260 business deaths in Burnley compared to 290 business births. The rate of business births in 2011 was 300 per head of population in Burnley, compared to 228 per head of population in the North West and 274 per head of population nationally.

*Business Register and Employment Survey 2012
Economic Activity

2.25 Burnley has an estimated 36,400 economically active residents, which equates to an economic activity rate of 67.8% (July 2012-June 2013). This is a substantial fall from a year before, when the comparable figures for Burnley were 43,100 and 79.8%. In effect, the Borough’s workforce has dropped by over 15% in the past 12 months. The latest data is below that of the wider North West (75.4% of working age population) and for Great Britain as a whole (76.8%), and there remains scope to support further employment growth through the existing indigenous population in Burnley, through reducing unemployment and increasing economic activity.

2.26 The profile of Burnley’s labour force shows that the Borough has relatively fewer highly skilled occupations and a higher proportion of lower skilled, manual jobs relative to the regional and national average.

2.27 The proportion of working age residents with no qualifications is estimated at 11.6% for Burnley, which is higher than the corresponding figure at the regional (11.1%) and national (9.7%) level. Furthermore, the proportion of the Borough’s working age population qualified to degree level or above, at 20.2%, is below both the regional (30.3%) and national (34.4%) level. There is therefore a need to improve the skills base of the population further to come in line with the regional and national averages if Burnley is to attract more knowledge based businesses.

2.28 An analysis of the types of jobs sought by unemployed residents in Burnley demonstrates a significant proportion of total job seekers are looking for work in elementary occupations (35.6%), which is above both the regional (31.5%) and national (28.2%) rate. Demand is also particularly high for sales and customer services occupations (34.2%), in line with national and regional trends.

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5 ONS Annual Population Survey (October 2011 – September 2012)
6 Source: ONS Annual Population Survey Jan 2012-Dec 2012
Burnley suffers from high levels of deprivation; indeed, it is one of the most deprived local authorities in England, ranking 11\textsuperscript{th} out of 326 authorities in the English Index of Multiple Deprivation [IMD] (2010). Since the IMD was previously published (2007), Burnley has six more Lower Super Output Areas (LSOAs) in the 10\% most deprived category. As can be seen from Figure 2.5, the inner urban areas of the Borough around the towns of Padiham and Burnley itself, are considerably more deprived than the surrounding (less populated) rural areas.

Figure 2.5  IMD 2010 Burnley Borough

Source:  CLG/ NLP analysis
### Commuting Flows

2.30 Examining commuting flows can help in defining the functional economic area within which a Borough lies. At the time of the 2001 Census, 13,020 residents commuted out of Burnley Borough daily, against 13,085 in-commuters, giving a net total of 65 in-commuters. An illustration of the commuting flows for the Borough is shown in Figure 2.6. It demonstrates the strong flows of commuters between Burnley and Pendle in particular, with 4,397 Burnley residents commuting into Pendle daily, and 5,816 Pendle residents commuting in the opposite direction in 2001. There were also strong two-way flows of commuters between Burnley and Rossendale, Blackburn with Darwen, Hyndburn and Ribble Valley.

2.31 Given that this information is more than ten years out of date, a more recent standard net commuting rate was derived using a ‘Labour Force Ratio’, taking account of the relationship between resident workers and workplace jobs.

2.32 This was calculated using the formula:

\[
\frac{(A)}{(B)} \quad \text{Number of employed workers living in area}
\]

\[
\frac{(A)}{(B)} \quad \text{Number of workers who work in the area (number of jobs)}.
\]

2.33 In Burnley Borough, data from the 2011 Annual Population Survey [APS] and 2011 Business Register and Employment Survey [BRES] identifies LF ratios as follows:

**Burnley: 1.101** (38,900 residents employed ÷ 35,324 jobs);

2.34 This suggests that for Burnley Borough, effectively 10% more people commute into the Borough on a daily basis, than commute out of it for work\(^7\). This has important repercussions for the employment-led PopGroup modelling exercise, which assumes that current commuting trends in the Borough will be replicated in future. Hence a target increase in jobs based in Burnley Borough will require a higher increase in the number of residents to achieve this.

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\(^7\) However, it should be noted that this could involve a number of very short trips, for example residents living in Burnley and working in the M65 Corridor in Pendle, hence the level of unsustainable commuting may be less of an issue than the figures seem to indicate. An analysis of the 2011 Census Commuting projections is therefore recommended when they are released in 2014 to understand the issue more thoroughly.
Table 2.1 summarises Burnley’s particular strengths, weaknesses, opportunities and threats. Many of these issues will have a significant bearing on the Borough’s future employment land requirement.

### Table 2.1  SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant recent investment and business interventions from a number of private sector development partners in the Borough</td>
<td>Employment in traditional manufacturing jobs has witnessed a massive restructuring in recent years, accompanied by a significant loss of jobs</td>
</tr>
<tr>
<td>Established business location within Pennine Lancashire, benefitting from proximity to the M65</td>
<td>The Borough suffers from historic and continuing population decline</td>
</tr>
<tr>
<td>Advanced manufacturing, chemicals, energy &amp; environmental technology and food processing are established sectors in Burnley with opportunities to grow</td>
<td>Unemployment levels are high in relation to the national average and have increased since the height of the 2007/08 recession</td>
</tr>
<tr>
<td>Local nature of the Burnley market means that land values are generally low (this can also be a weakness)</td>
<td>Over-reliance on the advanced manufacturing sector and public administration jobs</td>
</tr>
<tr>
<td>Burnley is the largest centre in Pennine Lancashire and performs a sub-regional role for shopping, services, leisure and public administration</td>
<td>High levels of worklessness</td>
</tr>
<tr>
<td>The new UCLan Burnley campus provides state-of-the-art facilities and an Institute for Advanced Manufacturing</td>
<td>The Borough’s business base contains a low proportion of firms operating in knowledge-based industrial sectors</td>
</tr>
<tr>
<td>BBC able to offer business rate relief for inward investors, whilst superfast broadband is being rolled out across all key employment sites</td>
<td>There are relatively few highly skilled workers in comparison with the national average</td>
</tr>
<tr>
<td>The Borough has a number of high quality</td>
<td>The office market is limited and existing town centre stock is small scale and fails to meet modern needs</td>
</tr>
<tr>
<td></td>
<td>Limited supply of modern manufacturing floorspace in the recent past has masked underlying latent demand</td>
</tr>
</tbody>
</table>
**Opportunities**

- Substantial grant schemes available to businesses, including RGF
- Lancashire Local Enterprise Partnership [LEP] may provide access to further funding streams
- Lancashire EZ seeking to attract OEMs and Tier 1 inward investment which could help to growth the existing advanced engineering supply chain in Burnley
- Burnley's Aerospace Supplier Park identified as a location linked to the EZ for existing businesses needing more space;
- Work on Burnley Bridge Business Park commenced in March 2013, which will provide high quality business space in an accessible location
- Redevelopment of Weaver's Triangle to provide a major mixed use scheme including new university training college and regional offices for the Princes Trust
- Reinstatement of the Todmorden Curve will provide fast and direct train services between Manchester and Burnley
- Potential to capitalise on UCLan campus as a business location
- Existing pool of skilled labour within the advanced manufacturing sector which will be further improved by Institute of Advanced Manufacturing

**Threats**

- The Pennine Lancashire commercial property market is relatively local. Values and demand for employment space in the Borough is generally low, impacting on viability and deliverability of schemes
- Fragile economic recovery and the decline of traditional manufacturing employment
- Competition for inward investment from neighbouring economic centres (notably Blackburn and Preston)
- The Borough has clusters of former industrial buildings which are likely to require public sector subsidy before they become viable for redevelopment
- Further reduction in public spending could undermine growth and regeneration initiatives
3.0 **Policy Review**

3.1 National planning policy places a particular emphasis on sustainable development through a process of:

1. reviewing employment and housing land allocations to ensure the supply meets identified needs;
2. proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and
3. encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.

3.2 This section of the report provides a summary of the relevant policy documents relating to employment land and commercial leisure development within Burnley.

3.3 The coalition Government’s policy approach to planning has been focused on applying principles of ‘localism’ to give LPAs greater autonomy in planning for housing, and in particular setting local housing requirements in their development plans. The Localism Act (2011) has resulted in the Regional Strategy [RS] for the North West being rescinded and it no longer forms part of the statutory development plan.

3.4 The responsibility now falls on LPAs to set employment land requirement figures for their Local Plan. Local land targets will be tested through the Local Plan process and LPAs must collect and use reliable information to justify employment land supply policies.

**National Planning Policy Framework (March 2012)**

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

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

3.7 Within the overarching ‘presumption in favour’ of sustainable development, the Framework [§17] identifies 12 core land use planning principles that should
underpin both plan-making and decision taking. These 12 principles are that planning should (inter alia):

1. Be genuinely plan-led; based on joint working and co-operation to address larger than local issues;
2. Proactively drive and support sustainable economic development...identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth;
3. promote the vitality of our main urban areas, protecting the Green Belts around them, recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it;
4. encourage the reuse of existing resources, including conversion of existing buildings;
5. prefer development land of lesser environmental value;
6. encourage the effective use of land by reusing previously developed land;
7. promote mixed use developments; and
8. actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable.

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

1. set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
2. set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
3. support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
4. plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
5. identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
6. facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

3.9 The Framework [§22] also highlights that allocated employment sites for which there is no reasonable prospect of development should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
The Framework [§23] confirms that offices are a ‘main town centre use’, and as such, LPAs must allocate a range of office sites that meet identified needs in full. LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan:

‘They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale. [§24]’

Planning policies to support economic growth in rural areas in order to create jobs and prosperity are required [§28].

The Framework [§157] identifies a number of issues which are crucial to plan making including (inter alia):

1. planning positively for the development and infrastructure required in the area to meet the objectives, principles and policies of the Framework;
2. being drawn up over an appropriate time scale, preferably a 15 year time horizon, take account of longer term requirements, and be kept up to date; and,
3. being based on co-operation with neighbouring authorities, public, voluntary and private sector organisations.

Local authorities are required to ensure that the Local Plan is based on adequate, up-to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals [§158].

The Framework [§160] advises that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should:

1. Work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and
2. Work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.
3.15 The Framework [§161] states that local planning authorities should use this evidence base to assess (*inter alia*):

1. The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period;

2. The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;

3. Deprived locations may benefit from planned remedial action.

3.16 The Framework [§173] advises that pursuing sustainable development requires careful attention to viability and costs in plan making to ensure plans are deliverable. The Framework states that to ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing standards, infrastructure contributions, or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable development to be deliverable.

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

**Burnley Local Plan (2006)**

3.18 The Burnley Local Plan was adopted in 2006 and remains part of the development plan for Burnley Borough.

3.19 Objective EW1 and EW7 seek to modernise and diversify the local economy and encourage growth in new technology industries respectively. Targets are set to measure progress towards achievement of the objectives.

3.20 Policy EW1 allocates seventeen sites, totalling 57.19ha of land, for business (B1), general industrial (B2) and warehousing uses (B8). The total employment land allocation for the period 2001-16 is 67.9ha, which includes 10.71ha built out between 2001 and 2004.

3.21 Para 5.20 states that the Council will seek to modernise the Borough’s existing established businesses. This particularly applies to the existing textile, aerospace, engineering and automotive sectors.
3.22 The supporting text to Policy EW5 [§5.36] recognises the importance of the industrial estates at Heasandford, Rosendale Road, Network 65 and Shuttleworth Mead to the Borough’s economy.

3.23 Policy EW6 identifies six Economic Improvement Areas where development will be permitted for the expansion or improvement of existing businesses. This policy seeks to direct investment to improve buildings, environment and access in areas with concentrations of traditional industrial buildings such as Daneshouse, Harle Syke and Thompson Street (Padiham).

**Background Studies and Baseline Reports**

**Burnley Employment Land Review (Working Draft June 2010)**

3.24 The draft ELR provides an understanding and analysis of the quantity and quality of the existing supply of employment land and premises in the borough and the extent to which that supply can meet future demands. The ELR considers whether sites that have previously been identified as being suitable for employment use, by way of planning permissions, protections or allocations, reflect (and are capable of satisfying) the changing requirements of businesses and local economy, and assesses whether the sites identified are situated in sustainable locations.

3.25 The draft ELR identifies a projected requirement of 104 hectares of employment land over the period to 2021, based primarily on the RS apportionment of land in Lancashire. A supply of 70.97ha and a shortfall of 33.03ha were subsequently identified.

**Burnley Employment Land Supply Assessment (2012)**

3.26 The Council carried out an Employment Land Supply Assessment [ELSA] in October 2012. The ELSA considers the deliverability and developability of committed and identified sites, based on the viability of bringing forward the sites. The sites considered in the ELSVA have been identified through the monitoring of employment land planning permissions and a draft Employment Land Review.

3.27 The ELSA identifies a deliverable supply in years 1 to 5 of 898,813 Sq Ft (83,502 sq.m.). The developable supply in years 6 to 10 is identified as 876,387 Sq Ft (81,419 sq.m.). The developable supply in years 11 to 15 is identified as nil.

**Economic Strategy Documents**


3.28 The Burnley Economic Strategy outlines the vision for the town at 2017 and identifies key strategic projects and activities required to stimulate growth in employment and wealth creation opportunities.
3.29 The Strategy recognises Burnley’s key assets as: its status as a key employment and service centre in Pennine Lancashire; the cluster of advanced manufacturing businesses and jobs; and quality of place. Conversely, the key challenges for the Borough are identified as the limited skills and labour market; lack of economic diversity and poor connectivity.

3.30 The five strategic objectives for achieving economic vision for Burnley are:

1. Developing an entrepreneurial culture;
2. Supporting and promoting the advanced manufacturing cluster;
3. Creating a modern image and a first class business environment;
4. Securing a highly skilled workforce to underpin the knowledge economy; and
5. Improving connectivity to key growth centres

3.31 The Strategy identifies a number of key transformational and physical infrastructure projects required to stimulate growth in employment and wealth creation opportunities, including the former Michelin factory, new UCLan campus, redevelopment of Weavers Triangle and Todmorden Curve.

Practice Guidance

Employment Land Reviews: Guidance Note

3.32 This guidance was prepared by the ODPM in 2004 to provide planning authorities with effective tools with which to assess the demand for and supply of employment land. The ODPM guidance provides a methodological framework and a series of techniques which should be adhered to in undertaking an employment land review.

3.33 The existing ODPM guidance from 2004 remains extant and is still recognised as best practice amongst practitioners.

CLG Planning Practice Guidance (2013)

3.34 CLG is in the process of producing new on-line national planning practice guidance. The guidance is currently still in draft format and is currently displayed on a test website open for consultation until 9th October 2013. The draft guidance includes a section on the assessment of housing and economic development.

3.35 This new guidance covers both assessment of housing and economic needs and is more succinct than the extant ‘brown book’ ODPM Guidance Note on Employment Land Reviews (CLG, 2004).
With regard to assessing economic development needs, the guidance sets out how to assess the current economic situation, in order that current and potential future requirements can be understood. The guidance covers the key stages required in producing an ELR under 5 headings:

1. What is the purpose of the assessment of housing and economic development needs guidance?
2. What areas should be assessed?
3. What methodological approach should be used?
4. How should the current situation be assessed?
5. What are the core outputs?

Section 4 of the guidance details how employment land should be analysed advising that when examining the recent take-up of employment land, it is important to consider projections (based on past trends) and forecasts (based on future scenarios) in order to provide an understanding of the underlying requirements for each type of employment use.

Section 4 provides guidance on how to achieve an understanding of which market sectors are over/under supplied in terms of employment land.

With regard to forecasting future trends, Section 4 states that the key output will be an estimate of the scale of future needs, broken down by economic sectors. In forecasting future trends, the guidance lists various strands of information which plan makers should consider, including: information on labour demand and supply; analyses based on the past take-up of employment land and property and/or future property market requirements; and consultation with relevant organisations, studies and other economic and employment statistics.

Section 5 of the guidance advises on the format of core outputs and future monitoring.

**Summary**

The key messages from this section can be summarised as follows:

1. National planning policy requires LPAs to take a positive approach towards economic development, and makes it clear that applications seeking to secure sustainable economic growth should be treated favourably;
2. LPAs should plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
3. The Burnley Local Plan allocates 67.9ha of land for employment uses over the period 2001-2016;
4. The previous ELR identified a requirement for around 104ha of employment land and identified a shortfall in supply; and
5 The Economic Strategy for Burnley Borough identifies the areas as a key employment and service centre in Pennine Lancashire with a strong economic vision which will be achieved through the completion of key transformational and physical infrastructure projects.
4.0 **The Current Stock of Employment Floorspace**

### Introduction

4.1 This section provides an overview of the current stock of employment space in the Borough, as well as recent trends in and changes to supply. The future pipeline of development in Burnley and historic losses of employment land to alternate uses are also examined.

4.2 The analysis contained within this section draws upon the following data sources:-

1. Commercial floorspace data from the Valuation Office Agency (VOA);
2. Burnley Borough Council’s monitoring data on employment development; and
3. Commercial property databases including FOCUS and the websites of agents active in the local area.

### Current Stock of Employment Floorspace

4.3 In 2012, Burnley had over 1 million sq.m. of B-class floorspace. As illustrated in Figure 4.1, the vast majority of this relates to industrial floorspace – 927,000 sq.m., or 90% of the total. However, this bias was even more pronounced in 2000, with 93% of the total stock comprising industrial and warehousing floorspace. This has declined by 19% (or -218,000 sq.m.) over that time period, which has been the driving force behind an overall loss of 195,000 sq.m. of B-class floorspace, or 16,250 sq.m. per annum. In contrast, B-class office space has actually increased, by 28% (or 23,000 sq.m.).

![Figure 4.1 Stock of Floorspace in Burnley Borough 2000-2012](source)

4.4 A comparison with employment space levels in nearby boroughs is presented in Figure 4.2. This suggests that Burnley has a very similar level of floorspace as
nearby Pendle, with similar trends exhibited (i.e. rising during the early 2000s, followed by a continuous fall from around 2006 onwards. It currently has more floorspace than many nearby areas, notably Ribble Valley, Rossendale and Hyndburn, but lags behind the larger centre of Preston.

Figure 4.2  Stock of Floorspace by comparator areas, 2000-2012

Source: VOA Business Floorspace Statistics / NLP Analysis

**Vacancy Levels**

Based on commercial property being marketed via commercial property websites in March 2013, there was around 93,000 sq.m. of industrial floorspace available and being actively marketed, equivalent to 10% of the total B2/B8 industrial stock. This is around the level that might be expected in a healthy market and suggests that there is a reasonable balance between demand and supply in the Borough.

In contrast, for offices, the available stock was over 23,000 sq.m., equivalent to 22% of the total stock. This is well above the typical normal market level of 8-10% but may well understate levels of office vacancy as some large, older office blocks are not obviously being marketed. There therefore appears to be a surplus of office space, and from discussions with stakeholders it is understood that much of this available supply is not of a particularly high quality. It is important to note that much of the stock is vacant because it is of a relatively poor quality and is unsuitable for modern needs.

**Development Rates**

BBC collates data on the development of employment land for Annual Monitoring purposes. Take-up of floorspace for employment development is
4.8 As Table 4.1 illustrates, take-up of allocated employment sites over the period 2006/07 to 2012/13 totalled 102,913 sq.m., equating to an average of 12,864 sq.m. per annum. Applying a standard plot ratio of 40% would suggest that the gross average annual take up equalled around 3.22 ha per annum. This is somewhat higher than the level of development achieved in the 15 years prior to this, whereby 164,520 sq.m. was developed at an average of 10,968 sq.m. per annum, or 2.75 ha annually.

4.9 As can be seen from the Table, two thirds of the take up in the past 8 years relates to B2 industrial land, with 23% for B8 warehousing and the remaining 11% relating to B1 office floorspace. There are clear spikes in the data however, relating to the following developments:

1 2005/06: The erection of four industrial units at Network 65 by Barnfield Construction, totalling 4,752 sq.m. (APP/2004/0754);
2 2006/07: Use of premises for warehouse/trade distribution with ancillary retail use at Clifton Street, totalling 2,598 sq.m. (APP/2005/1102);
3 2007/08: Erection of Industrial Units (Class B1 and B2) at Kestrel Court, Network 65 Business Park totalling 4,926 sq.m. (APP/2006/0908);
4 2009/10: 50,430 sq.m. development of an Anthropology Research Centre by UCLan. This comprised a specialist field research centre for the School of Forensic Anthropology, although no physical development was proposed.

<table>
<thead>
<tr>
<th>Year</th>
<th>B1</th>
<th>B2</th>
<th>B8</th>
<th>Total B-Class</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(11,062 p.a.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(10,710 p.a.)</td>
</tr>
<tr>
<td>2005/06*</td>
<td>0.0</td>
<td>4,752.0</td>
<td>0.0</td>
<td>4,752.0</td>
</tr>
<tr>
<td>2006/07*</td>
<td>0.0</td>
<td>362.0</td>
<td>2,598.0</td>
<td>2,960.0</td>
</tr>
<tr>
<td>2007/08*</td>
<td>569.2</td>
<td>349.0</td>
<td>1,441.0</td>
<td>2,359.2</td>
</tr>
<tr>
<td>2008/09*</td>
<td>143.4</td>
<td>103.0</td>
<td>2,898.0</td>
<td>3,144.4</td>
</tr>
<tr>
<td>2009/10*</td>
<td>9,076.8</td>
<td>50,888.6</td>
<td>1,860.0</td>
<td>61,825.4</td>
</tr>
<tr>
<td>2010/11*</td>
<td>209.4</td>
<td>278.0</td>
<td>975.1</td>
<td>1,462.6</td>
</tr>
<tr>
<td>2011/12*</td>
<td>236.0</td>
<td>1,851.0</td>
<td>11,935.9</td>
<td>14,022.9</td>
</tr>
<tr>
<td>2012/13*</td>
<td>1,474.0</td>
<td>9,348.9</td>
<td>1,564.0</td>
<td>12,386.9</td>
</tr>
<tr>
<td>Annual Average</td>
<td>1,463.6</td>
<td>8,491.6</td>
<td>2,909.0</td>
<td>12,864.2</td>
</tr>
<tr>
<td>Year</td>
<td>B1</td>
<td>B2</td>
<td>B8</td>
<td>Total B-Class</td>
</tr>
<tr>
<td>--------------</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>--------------</td>
</tr>
<tr>
<td>2006/2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Average</td>
<td></td>
<td></td>
<td></td>
<td>11,627.5</td>
</tr>
</tbody>
</table>

Source: Burnley Borough Council

* Note – floorspace figures only available from BBC.

### Losses of Employment Land

4.10 Council monitoring data also indicates that past losses of employment land to other uses have been significant, but vary considerably year on year. Figure 4.3 plots the employment land take up referred to above (since 2005/06), against the losses of employment land to alternative uses. It demonstrates that around 69,400 sq.m. of employment floorspace has been lost or redeveloped for non B-class uses over the past 6 years (the longest period for which Council records are available). Of this total, around 44% has been developed for Sui Generis uses; 25% for D1 (non-residential institutions), 19% for A1 retail, 7% for C3 dwelling houses, and 5% for D2 leisure.

4.11 Again, there are clear peaks and troughs in the losses related to specific developments, the most notable of which include the following:

1. **2008/09**: The construction of a new further & higher education college with associated sports hall, sports fields, parking & landscaping. The new Burnley College site resulted in the loss of around 1.71ha, or 17,090 sq.m., of land allocated for B-class employment uses;

2. **2009/10**: The erection of one non-food DIY retail unit including garden centre; service yard; associated car parking; new access / egress; landscaping & boundary treatment together with the upgrading of existing public car parks to the east of Calder Vale Road. This development, by Homebase, resulted in the loss of 9,000 sq.m. of employment floorspace (0.9ha);

3. **2011/12**: The loss of 26,350 sq.m. (2.7ha) of employment land to accommodate a Sui Generis household waste recycling centre with associated access road and recycling/service yard at Balderstone Lane (NOT/2010/0047).

4.12 This equates to an average loss of around 11,570 sq.m., or 1.16 ha per annum.
Available Employment Land

Burnley’s Annual Monitoring Report (2011) indicates that the Borough has an estimated **55.22ha of available employment land** (including sites under construction (0.11ha). This figure is based upon the total employment land identified in 2010 (52.75ha), minus employment land allocations developed 2010/11 (0.03ha), minus Area Action Plan sites developed 2010/11 (0.00ha), plus windfall permissions 2010/11 (2.42ha), and minus windfall permissions developed 2010/11 (0.03ha). This information was based on an update of the preliminary findings of the BBC’s draft ELR.

Emerging Supply of Employment Floorspace

An analysis of Burnley’s development pipeline can also help us to understand the projected future supply of employment space. The study has analysed data provided by BBC detailing applications received by the Borough and separated out for industrial and office proposals.

Excluding extensions and changes of use, there are seven planning permissions for new industrial/commercial development on land currently allocated for B-class uses in the Local Plan, equating to around 4.95 ha (Table 4.2). This equates to around 18,598 sq.m. of floorspace, of which 16,547 sq.m. specifically relates to B-class uses. This includes 13,006 sq.m. B1; 1,056 sq.m. B2 and 2,485 sq.m. B8 floorspace.

It is also worth noting that there are a number of expired permissions on allocated employment land, as set out in Table 4.3. This equates to over 15 ha of land (36.79ha including the land at Hepworths/Burnley Bridge, of which a substantial amount would have been developed for non-B-class uses), and almost 100,000 sq.m. of floorspace.
### Extant Permissions on Allocated Sites

<table>
<thead>
<tr>
<th>Site (Application Ref)</th>
<th>Gross Site area (ha)</th>
<th>B1 (sq.m.)</th>
<th>B2 (sq.m.)</th>
<th>B8 (sq.m.)</th>
<th>Other (sq.m.)</th>
<th>Total (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units 4-7 Holt Business Pk Widow Hill Road (APP/2004/0820)</td>
<td>0.71</td>
<td>20.0</td>
<td>823.0</td>
<td>0.0</td>
<td>0.0</td>
<td>843.0</td>
</tr>
<tr>
<td>Cavour Street (APP/2006/0749)</td>
<td>0.26</td>
<td>170.0</td>
<td>170.0</td>
<td>0.0</td>
<td>0.0</td>
<td>340.0</td>
</tr>
<tr>
<td>Network 65 (APP/2007/0057)</td>
<td>0.4</td>
<td>439.0</td>
<td>63.0</td>
<td>0.0</td>
<td>502.0</td>
<td>1004.0</td>
</tr>
<tr>
<td>Finsley/Healey Royd Mills (APP/2010/0082)</td>
<td>1.2</td>
<td>n/k</td>
<td>n/k</td>
<td>n/k</td>
<td>n/k</td>
<td>n/k</td>
</tr>
<tr>
<td>Education and Enterprise Park, Rectory Road (APP/2011/0346)</td>
<td>1.2</td>
<td>12,000</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>12000</td>
</tr>
<tr>
<td>Hepworths/Burnley Bridge (APP/2012/0071)</td>
<td>0.88</td>
<td>209.0</td>
<td>0.0</td>
<td>2485.2</td>
<td>2694.2</td>
<td>2694.2</td>
</tr>
<tr>
<td>Sandygate Mill, Trafalgar Street/Sandygate (APP/2012/0505)</td>
<td>0.3</td>
<td>167.6</td>
<td>0.0</td>
<td>0.00</td>
<td>167.6 A2</td>
<td>374.00 A4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4.95</strong></td>
<td><strong>13,005.6</strong></td>
<td><strong>1,056</strong></td>
<td><strong>2,485.5</strong></td>
<td><strong>4,371.4</strong></td>
<td><strong>18,598</strong></td>
</tr>
</tbody>
</table>

Source: BBC Monitoring Data

### Expired Permissions on Allocated Sites

<table>
<thead>
<tr>
<th>Site (Application Ref)</th>
<th>Gross Site area (ha)</th>
<th>B1 (sq.m.)</th>
<th>B2 (sq.m.)</th>
<th>B8 (sq.m.)</th>
<th>Other (sq.m.)</th>
<th>Total (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glen Street/Clifton Street (APP/2004/1182)</td>
<td>8.0</td>
<td>1,027.0</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0</td>
<td>1,027.0</td>
</tr>
<tr>
<td>Liverpool Road (APP/2006/0775)</td>
<td>5.41</td>
<td>813.0</td>
<td>7,317 (B2 B8)</td>
<td>0.0</td>
<td>0.0</td>
<td>0,0</td>
</tr>
<tr>
<td>Area to north of Walshaw Clough, off Balderstone Lane (APP/2007/0541)</td>
<td>0.6</td>
<td>3,366.0</td>
<td>0.00</td>
<td>3,366.0</td>
<td>0.00</td>
<td>3,366.0</td>
</tr>
<tr>
<td>Unit 3 Boran Court, Network 65 BP (APP/2008/0525)</td>
<td>0.028</td>
<td>0.0</td>
<td>0.00</td>
<td>288.00</td>
<td>0.00</td>
<td>288.0</td>
</tr>
<tr>
<td>*Clock Tower Mill (APP/2007/1155)</td>
<td>0.28</td>
<td>2,800 B1/A1/A2/A3</td>
<td>2,800.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Wiseman Street (APP/2007/1155)</td>
<td>0.33</td>
<td>0.0</td>
<td>0.00</td>
<td>0.00</td>
<td>3,300.0</td>
<td>3,300.0</td>
</tr>
<tr>
<td>Liverpool Road (APP/2008/0721)</td>
<td>1.08</td>
<td>3,140.0</td>
<td>0.00</td>
<td>3,140.0</td>
<td>0.00</td>
<td>3,140.0</td>
</tr>
<tr>
<td>Area to north of Walshaw Clough, off Balderstone Lane (APP/2009/0213)</td>
<td>0.36</td>
<td>690.0 (B1/B8)</td>
<td>0.00</td>
<td>690.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Clock Tower Mill is an example of an expired permission on allocated sites.*
Employment Space in Adjoining Areas

4.17 It is also important to understand the extent of available employment land in adjoining authorities and any major new economic developments emerging in these locations which might compete with Burnley for future demand. A brief review has therefore been undertaken below of the current position in each area.

Pendle Employment Land Review (draft November 2013)

4.18 The Pendle Employment Land Review applies a number of methods for calculating the Borough’s future land requirements. The ELR concludes that sufficient employment land should be made available to meet the projected requirement of 61.42 ha between 2013 and 2030. The employment land portfolio in Pendle suggests that a total of 40 sites are currently available across the Borough, providing a total of 38.08 ha. This leaves a projected shortfall of 23.34 ha.

4.19 To address this shortfall, a further 13 sites were assessed for their potential to contribute to the Borough’s employment land requirement. Those sites that help to meet this quantitative shortfall and address any identified gaps in the existing supply in terms of site distribution, size and the typologies served will be identified in the Pendle Local Plan.

4.20 The ELR identifies a particular deficit of employment land within the M65 corridor, noting that primarily demand appears to be for warehousing and distribution park accommodation. It concludes that where possible, sites that are identified to meet the shortfall in employment land supply should be located within this area. The shortfall of employment land identified is sufficient to warrant consideration of the need to identify a strategic site within the M65 Corridor, where demand is highest, and/or to consider the need to relax, or remove, the B1a Office only policy restriction at the Riverside Business Park.

Rossendale Employment Land Study (December 2009)

4.21 NLP prepared an update to the previous Employment Land Study carried out by King Sturge in 2007. The study takes into account various factors in estimating future employment space requirements and models four alternative growth scenarios.

4.22 The ELS recommends that future employment land requirements for the Borough should be based upon the assumption that it will achieve the level of growth set out under Scenario 1 – Severe Recession. This equates to 20.8 ha
(gross) of employment land over the 18 year period 2008-26, once potential losses have been incorporated.

**Blackburn with Darwen Employment Land Review (2009)**

4.23 Blackburn with Darwen Council updated its Employment Land Review in 2009 to form part of the LDF evidence base and to provide a guide to the allocation of future employment land needs.

4.24 The Borough has a quantitative shortfall of 35.2 hectares of employment land against its requirement for 2021. Furthermore, the ELR also states that there is a qualitative demand for a greater supply of high quality employment land. The ELR concludes that all employment sites appraised were viable for future employment growth. This case was made on the understanding that various tools were in place to bring sub-standard employment sites up to a satisfactory level to meet demand.

**Ribble Valley Employment Land Position Statement (June 2011)**

4.25 Ribble Valley Borough Council updated its Employment Land and Retail Study (BE Group, 2008) in 2011 to inform its Core Strategy and provide a guide to the allocation of future employment land needs. The Council forecast future demand by assessing take-up rates over a 10-year period\(^8\), applying a 5-year buffer and subtracting the current supply of allocated and unconstrained sites that are likely to come forward. This assessment results in a need for 13.5ha of employment land over the 10 years from 2010, balanced against a supply of 10.54ha (existing permissions and sites likely to come forward) and a need to ‘make good’ 2.6ha of employment land losses. The total additional requirement is therefore calculated at 5.56ha.

4.26 The position statement states that new supply needs to be primarily located adjacent to the A59, and where possible, extend and add value to existing employment areas, as well as being accessible to key service centres. The existing Barrow Brook Business Park and the BAE Samlesbury are identified as flagship sites.

**Hyndburn Employment Land Study (February 2008)**

4.27 Hyndburn Council adopt two different methods for calculating future employment land requirements over the period to 2012. Labour demand forecasts produced a requirement for 19.2ha and historic take-up forecasting produced a requirement for 57.97ha, both over the period to 2021. The take-up method is considered by the Council as more robust approach and it is this which is considered against the 36.15ha supply of allocated employment land, resulting in a shortfall of 21.82ha. Whilst the Council identify 21.89ha of

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\(^8\) Developments at the BAE Systems site at Samlesbury site are excluded as this is regarded as a Regionally Important Site and therefore not part of a Ribble Valley only calculation of future need.
existing employment land that is currently in poor condition and
underutilised/vacant and could therefore be redeveloped to provide better
quality provision, the ELS recognises that this does not count towards meeting
the identified future need.

Calderdale Employment Land Review (2012 Selective Update)

Calderdale Council carried out a selective review of its Employment Land Study
(Roger Tym & Partners, 2008) in 2012 to provide an up-to-date forecast of the
future need for employment land in the District over the period to 2031, taking
into account the impacts of the recession and the change in planning policy
since 2008. The selective review creates and tests three scenarios (REM baseline; regaining 2007 levels of employment by 2015 and zero job growth)
using the Regional Econometric Model. The baseline position (job creation in
the region of 526 per year) was considered to provide a realistic, yet positive
target, providing the net and gross employment land floorspace requirements in
Table 4.4.

Table 4.4  Calderdale Employment Land Requirements

<table>
<thead>
<tr>
<th></th>
<th>Office to 2031</th>
<th>Industry and Warehousing to 2031</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Requirement</strong></td>
<td>95,234</td>
<td>118,205</td>
</tr>
<tr>
<td><strong>Gross Requirement</strong></td>
<td>107,691</td>
<td>236,352</td>
</tr>
</tbody>
</table>

Source: Calderdale Council 2012

The Council identifies a total of 187,429 sq.m. potential new office floorspace
and 254,875 sq.m. of industry and warehousing floorspace, recognising that
there are wide disparities in potentially available employment land across
Calderdale. This is particularly the case when comparing West Calderdale
(Todmorden) to Halifax and East Calderdale (Brighouse and Elland).

Conclusions

1 Burnley has a very similar level of floorspace as nearby Pendle. It
currently has more floorspace than many nearby areas, notably Ribble
Valley, Rossendale and Hyndburn.

2 Since 2000, the Borough has experienced an overall loss of 195,000
sq.m. of B-class floorspace, or 16,250 sq.m. per annum. This loss
relates to manufacturing and industrial space, with B1 office space
increasing by 28% (or 23,000 sq.m.).

3 An average of 12,864 sq.m. gross new B class space has been
developed annually in Burnley since 2006. Almost 90% of this relates to
industrial and warehousing space, with very little new office space.

4 Excluding extensions and changes of use, Burnley currently has eight
extant planning permissions for new industrial/commercial development
on land currently allocated for B-class uses in the Local Plan, equating to
around 4.95 ha. This equates to around 18,600 sq.m. of floorspace, of which almost 90% of which is for B-class uses.

There are no known delivery issues in the adjoining districts of Pendle, Rossendale, Ribble Valley, Blackburn, Hyndburn and Calderdale which would require additional land to be provided in Burnley to meet their needs. As such, it is understood that none of the other areas are reliant upon Burnley to meet any of their employment land requirements (or vice versa).
5.0 Stakeholder Consultation

Introduction

5.1 Stakeholder consultation is vital for commercially realistic and robust outputs, particularly when it must be defensible in EIPs and planning inquiries. In this situation, significant weight has been given to views of local agents, developers, employers and other key stakeholders.

Employment Land Stakeholder Workshop

5.2 A half-day stakeholder workshop was used to discuss the amount of employment land required for future development. This provided a wider view of economic potential and market demand than statistical data or employment forecasts, which are not always a reliable indicator of housing and employment land needs at local levels. Early consultation with key stakeholders has helped the consultants to form a view on key economic issues, delivery assumptions, gaps in the market, constraints, and opportunities in the area.

5.3 The stakeholder consultation process involved agents, developers and other stakeholders including Burnley Borough Council and adjoining authorities as per the duty to co-operate. Local Authorities invited to the Stakeholder Workshop included the Borough Councils of Pendle, Calderdale, Rossendale, Hyndburn, Ribble Valley and Lancashire County Council.
6.0 Future Growth Sectors and Needs of Non B-Uses

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

Future Potential

6.2 In order to identify the economic potential of Burnley, 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.

6.3 Figure 6.1 assesses the Borough’s current sectoral strengths through the use of location quotients, which measure the proportion of employment in an industry at the local authority level relative to the regional average. In the graph, the location quotients are shown using an orange bar. A value above 1.0 denotes a higher local representation of a sector compared to the North West average, whilst anything below 1.0 signifies an under-representation. The further the orange bar is from 1.0, the greater the extent of any over or under-representation. In addition, the blue bars show the absolute level of employment within Burnley accounted for by each sector.

6.4 The graph indicates that the Borough has a strong employment representation in a number of manufacturing sub-sectors including: manufacturing of machinery and equipment, metal-based, transport equipment, and rubber and plastic products. It should be noted, however, that these sectors account for relatively low levels of employment in absolute terms. Perhaps more significantly, health & social work, education, retail and wholesaling, are strongly represented within Burnley, both in absolute and relative terms.

6.5 It can be seen from the graph that the retail, health & social work and education sectors support the largest number of jobs in the Borough, with the latter two sectors in particular being represented at levels well above what might be expected given the size of the labour market in Burnley.
6.6 The over-representation of the health & social work and education sectors within the local economy is an indication that Burnley is heavily reliant upon public sector employment, albeit paradoxically the number of jobs in the public administration and defence sector is relatively low. The graph starkly illustrates the low level of employment in the more knowledge intensive business services such as banking & insurance, in both relative and absolute terms.

6.7 Figure 6.2 presents the relative representation of sectors in Burnley as well as levels of employment change over the period 2000-2010. The relative size of the ‘bubble’ for each sector represents the level of absolute employment within Burnley.

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9 2010 used as the BRES data within is consistent with future years, once the 2008 ABI data has been scaled to match the 2008 BRES equivalent.
6.8 It is also important to understand the direction of employment change. The chart indicates those sectors where there has been employment growth in the Borough; those which have out-performed the North West regional average are highlighted in green; whilst those shown in red have under-performed relative to regional growth.

Figure 6.2 Growth, Representation and Size of Key Sectors in Burnley

<table>
<thead>
<tr>
<th>High Growth</th>
<th>High Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Representation</td>
<td>High Representation</td>
</tr>
</tbody>
</table>

6.9 The top-right quadrant indicates sectors which are likely to drive future economic growth. These sectors have a high representation and have experienced growth above the North West average, and notwithstanding the current economic climate, might be expected to enjoy continued strong growth within Burnley. The particularly high level of growth in the Education, Retail and Wholesaling sectors (76.9%, 19.5% and 15.6% respectively between 2000 and 2010), coupled with an above average representation in the sectors, indicates the existence of some competitive advantage for these sectors within Burnley. The number of jobs in health & social work has also been high, at 18.5%, although this remains short of the regional average growth rate of 37.1%.

6.10 The top-left quadrant contains those sectors that are under-represented relative to the regional average but have exhibited recent positive job growth. These sectors, which include Hotels and Restaurants, Transport, and Other Business Activities offer opportunities for future growth. Given the high level of growth in the Transport and Wholesaling sectors, the potential for B8-based sectors to drive future growth in the Borough would appear to be reasonable.
6.11 The bottom right quadrant contains those sectors that are over represented relative to the regional average but have exhibited negative growth. As Figure 6.2 shows, representation in the ‘All Manufacturing’ sector is very high. However, employment in this sector has declined sharply over the period 2000-2010 (-53.7%). Of particular note is the decline in the Textiles and Clothing sector. Once the dominant industry in Burnley, and still employment almost 2,300 people as late as 2000, it has declined by 92% in the decade since, to the extent that it now provides just 0.6% of all jobs based in the Borough.

6.12 The potential for office-based development to drive future growth would appear to be modest. As noted above, whilst Other Business Activities grew by 15.6% between 2000 and 2010, this was well below the regional average (49.2%), whilst the number of people employed in Business Services remained static over the same time period. The number based in Banking and Insurance, already under-represented, declined by 13.4% compared to modest growth regionally.

6.13 Clearly, there are limitations to predicting future growth based upon past performance, particularly given the uncertainty generated by current economic conditions. In particular, whilst location quotients are a widely used methodology, they are not always helpful in a Burnley/East Lancashire context where there is a large manufacturing sector that has undergone structural change over many years. Following a long period of employment decline in the manufacturing sector, discussions with Officers suggest that it is now in a period of ‘Jobless Growth’, whereby growing order books are being met by increased productivity rather than an increase in the number of jobs. As will be shown in Section 7.0, whilst both industrial jobs and floorspace declined between 2000 and 2012, the former did so at a much faster rate: -34% compared to a -19% fall in floorspace. Industrial GVA also fell sharply over the same timeframe, although again at a lower rate (-13%) than jobs.

6.14 Past trends of outsourcing are expected to continue, with manufacturing jobs increasingly being classed as service-based jobs. Manufacturing businesses often outsource functions such as logistics, IT and facilities management with these jobs being counted as service jobs.

6.15 Furthermore, Burnley lost two large manufacturing employers in 2012 – Gardners Aerospace (120 jobs) and McBrides (150 jobs) – not because they were contracting, but because they were expanding and could not find suitable available space within Burnley to accommodate that growth. Therefore, to stigmatise manufacturing as a declining industry based purely on job numbers as per the locational quotients analysis is somewhat misleading. BBC confirmed that their experience of dealing with businesses on the ground indicated that there is a demand for increased floorspace to accommodate business growth, but that any associated employment gains are likely to remain relatively modest.

6.16 As such, there is a strong commitment in Burnley to support the growth of advanced manufacturing industries despite recent employment trends, and
their importance to future economic performance is acknowledged in a range of policy documents and strategies.

**Needs of Non B-Uses**

6.17 Reflecting the lack of any distinction between different types of economic growth and development within The Framework, this section considers the current level of provision and distribution of some non B Class uses in the Borough, the employment potential of these uses and, as far as possible, their future requirements for land. Reflecting the brief for this study, only non B class uses which are growing and likely to create pressures on employment land are examined in detail.

**Context**

**Growth Forecasts**

6.18 Drawing on the Experian employment forecasts discussed in further detail in Section 11.0, non B-class jobs currently account for about 23,300 jobs in the Borough, some 63% of all employment. This sector is forecast to increase by about 1,400 jobs over the period to 2030, slightly increasing its overall share.

6.19 Table 8.1 indicates that the fastest growing sectors in Burnley in future are forecast to be education, followed by health and hotels and catering. Conversely, job numbers in public administration and retail are projected to fall. In some cases, components of these sectors are already included within the analysis of B-class sectors (as detailed in Appendix 7) so the analysis here relates to the rest of employment in the sector that is not assumed to create demand for B-class space.

<table>
<thead>
<tr>
<th>Sector</th>
<th>2011 Job Level</th>
<th>Estimated Job Change 2011-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>3,200</td>
<td>+300</td>
</tr>
<tr>
<td>Education</td>
<td>4,000</td>
<td>+400</td>
</tr>
<tr>
<td>Residential &amp; Social care</td>
<td>3,100</td>
<td>+200</td>
</tr>
<tr>
<td>Retail</td>
<td>4,300</td>
<td>-100</td>
</tr>
<tr>
<td>Public Administration</td>
<td>1,300</td>
<td>-400</td>
</tr>
<tr>
<td>Hotels &amp; Catering</td>
<td>2,200</td>
<td>+300</td>
</tr>
<tr>
<td><strong>Total Non B Jobs</strong></td>
<td><strong>23,334</strong></td>
<td><strong>+1,394</strong></td>
</tr>
<tr>
<td><strong>Total Jobs in Burnley</strong></td>
<td><strong>36,500</strong></td>
<td><strong>+1,600</strong></td>
</tr>
</tbody>
</table>

Source: Experian 2013 / NLP analysis
Figures are total employment including self-employed. Table includes only significant Non B Uses and jobs

**Development Pressure from Non B Classes**

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

**Retail and Leisure**

6.21 Retail and leisure growth is related to population change and expenditure. The economic downturn has had, and is likely to continue to have, an impact on the retail sector, albeit the underlying trend over the medium and long term is expected to lead to a need for additional floorspace.

6.22 The retail sector currently accounts for about 3,100 jobs in the Borough and is forecast to grow to reach nearly 3,400 jobs by 2030. Burnley Town Centre is the largest centre in both the Borough and Pennine Lancashire as a whole, performing a sub-regional role for shopping, services, leisure and public administration. Padiham is the second largest town in the Borough and plays a supporting role to Burnley in the retail hierarchy. There is also a network of district and local centres which meet day-to-day shopping needs.

6.23 The 2013 Retail, Leisure and Office Assessment concluded that:

1. There is no identified capacity for additional convenience floorspace in either Burnley or Padiham town centre over the period to 2026;
2. The capacity for comparison retail floorspace identified in the long term to 2026 (3,390 sq.m. net) is sufficient to deliver a meaningful extension to Burnley’s town centre offer;
3. Existing leisure facilities are sufficient to support the catchment population, although qualitative improvements to cinema provision may assist in increasing patronage;
4. The former Co-operative Pioneer site is considered to be the most appropriate location to provide a comprehensive comparison retail and leisure extension to Burnley town centre given its location in relation to the existing retail core and availability in the short term.

6.24 It is therefore considered that the retail and leisure sector provides moderate future potential for growth, with a focus on town centre regeneration.

**Public Administration and Defence**

6.25 This sector includes local and central government activities, along with social services, job centres, police, courts, defence, fire and other emergency services. Although some of this activity occurs within buildings classified as use class B1a, only a small proportion actually occurs in commercially available offices. It is only this generally-available and non-purpose built space which matters for estimating B-class future requirements and as a result the remainder (and vast majority) is considered here under non-B class uses.

6.26 With approximately 1,595 employees (4.6% of the Borough’s total employees in 2012 BRES), this sector is relatively strongly represented in Burnley in absolute job terms, although when compared with the regional average of 5.3%, it is
apparent that it actually has a locational quotient of less than 1.0. Due to on-going Government public sector expenditure cuts, it appears unlikely that there will be any further significant job growth in this sector in the short/medium term, and probably some decline, as forecast in the latest Experian Baseline forecasts.

6.27 The Council recently published its budget which outlined the challenges it faces as a result of the reduced level of funding introduced in the Government’s Comprehensive Spending Review. This highlights a current gap of £1.7m (or 10%) in funding for the period 2014/15, with a further reduction of 21% in 2015/16.

6.28 Overall, no job growth can be expected in this sector and no requirement for additional land, with the potential for some site and premises releases resulting from budget cuts and service rationalisation.

**Healthcare and Residential Care**

6.29 The healthcare sector includes hospitals, medical centres, GP and dental surgeries, both public and privately run. Burnley’s current employment in this sector totals about 3,200 jobs, and is forecast to grow by about 9% by 2030. The residential and social care sector, which includes care homes, currently supports about 3,100 jobs in the Borough and is expected to increase by 6% by 2030.

6.30 Whilst Burnley does not appear to have a particular competitive advantage with regards to the healthcare sector, the ageing population and continued high levels of investment (e.g. St Peters Primary Healthcare Centre, Burnley) are likely to mean that it will remain a growth area in terms of employment going forward. However, fairly limited requirements for new space are expected from this sector overall.

6.31 It has been acknowledged for a number of years that the current supply and form of housing nationally does not adequately meet the needs of a rapidly ageing society. It has been estimated that more than 3 million people over the age of 65 receive public funded services such as home care, home improvement and/or housing related support services, and community alarm/telecare services to help them live well in the home.

6.32 This issue is becoming more and more pressing over time due to Britain’s ageing population, with substantial gains in life expectancy above the age of 65. According to the latest ONS (interim) 2011-based population forecasts, the number of people over the age of 65 in Burnley Borough is likely to grow by 16% (+2,288 residents) between 2013 and 2021, which is slightly above the regional growth rate of 15%. Furthermore, the proportion of ‘very elderly’ people in Burnley (i.e. over 85 years) is anticipated to increase by 38% by 2021 (+627 elderly residents), compared to a regional increase of 30%.

6.33 These improvements in life expectancy are not being matched by commensurate gains in disability-free longevity, leading to a greater absolute
number of older people who may need care. There is therefore a clear imperative for extra care facilities in Burnley over the coming years. Many facilities utilise former residential or institutional premises and it is possible that some future growth could be achieved by expanding capacity on existing sites without necessarily having a large additional land requirement.

Education

6.34 Burnley contains a number of further and higher educational facilities including the new University Technical College, University College of Football Business, Burnley College and a campus of the University of Central Lancashire. Although there has been significant investment in new facilities during recent years, limited expansion is seen in this sector generally due to increases in student fees and public sector spending cutbacks generally. The improvement, expansion and replacement of a number of secondary school facilities have also recently taken place under the Building Schools for the Future programme.

6.35 The Experian trend-based forecasts indicate some job growth in education, although it is not clear where this is likely to occur and, in any event, it is more likely that any expansion in the sector will take place largely on existing sites in institutional use rather than creating pressure on employment land. Some conversion of small office premises to educational or training uses could continue to occur but this does not appear an inappropriate use of less attractive office space less likely to be occupied by B1 uses and again appears unlikely to occur on a large scale.

6.36 The growth in the Borough’s student population has also created demand for student accommodation which is currently in short supply. However, recent proposals have been for the conversion of existing buildings (i.e. former Sparrow Hawk Hotel and GUS building in Burnley Town Centre) and the requirement for additional land is therefore likely to be limited.

Conclusions

6.37 Growth of selected Non B-Class uses is likely to make an important contribution to employment growth in Burnley by 2030. The growth needs of several Non B sectors have been considered where job growth is forecast and there is some limited potential for this to create pressures on employment land.

6.38 For retail and leisure uses, the majority of the additional floorspace requirement identified is likely to be met within Burnley town centre. Most of the future growth needs of the healthcare and education sectors are likely to be met within existing sites in such use and the scale will be limited by the continued constraints on public sector spending. For residential care homes, although there are a few proposals for new facilities on employment land, most future needs are likely to be met through expansion of existing facilities or re-use of other institutional premises rather than using land within Burnley’s employment areas where the environment may not always be appropriate.
7.0  

**Future Employment Space Requirements**

**Introduction**

7.1  
We have assessed B-Class employment space requirements in Burnley for the Plan period 2011-30 using several different approaches:

1. forecasts of employment growth in the main B class sectors *(labour demand)* derived from the latest available economic forecasts;
2. consideration of past trends in completions of employment space based on monitoring data supplied by the Council, and how these might change in future;
3. estimating future growth of local labour supply related to the planned housing target for Burnley in the 2013 SHMA and Housing Needs Study (up to 100 dwellings per annum [dpa]) and also the latest CLG 2011-based (interim) household projections, and the amount of jobs and employment space that this could support.

7.2  
In addition, a ‘policy on’ scenario has also been considered to reflect a situation in which policy interventions help support a higher level of new business start-up activity in the Borough than has occurred in the past. The underlying assumptions for this scenario are explained in more detail below.

7.3  
All these approaches have some limitations and careful thought needs to be given as to how appropriate each is to circumstances in Burnley. In addition, and to be robust, the economic growth potential and likely demand for employment space in Burnley needs to be assessed under different future scenarios, to reflect lower or higher economic growth conditions arising in the future. Other factors that may influence future economic conditions in the Borough have also been considered including:

1. the pace of future national economic growth following severe recession(s);
2. the rate of formation of new businesses in the Borough;
3. Burnley’s record of attracting inward investment in recent years;
4. vacancy levels for both industrial and commercial floorspace;
5. the implications of the introduction of permitted development rights for change of use from B1(a) offices to C3 residential;
6. the land needs of potential growth sectors in the Borough;
7. the need to replace employment space lost to other uses;
8. wider trends (i.e. so-called ‘landless growth’) that could reduce amounts of employment space needed per worker, such as denser occupation standards and hot-desking; and,
Spin offs further down the supply chain resulting from the Lancashire Enterprise Zone. This comprises 147ha across 2 existing BAE Systems sites at Samlesbury and Warton, east and west of Preston. The Enterprise Zone is seeking to build on the aerospace capabilities already in the region, to capitalise on new and emerging market opportunities in parallel with advanced engineering and manufacturing activities. This could help expand the existing engineering supply chain in Burnley.

It is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

Accordingly, this has framed the consideration of five main scenarios to help understand the implications of different assumptions on future demand outlined in Figure 7.1 and detailed below.

**Figure 7.1  Range of Growth Scenarios/Approaches**

<table>
<thead>
<tr>
<th>Job Growth (Experian Baseline)</th>
<th>Forecasts of job demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Growth (Policy On)</td>
<td>Net annual completions</td>
</tr>
<tr>
<td>Past Completion Rates</td>
<td>Growth of workplace population, assuming current out-commuting rates</td>
</tr>
<tr>
<td>Labour Supply (100 dpa SHMA)</td>
<td></td>
</tr>
<tr>
<td>Labour Supply (2011 CLG household projections)</td>
<td></td>
</tr>
</tbody>
</table>

### Job Growth Forecasts

#### 1. Experian Baseline Job Growth Model

Forecasts of job growth for Burnley Borough up to 2030 were obtained from Experian Business Strategies in May 2013. It should be emphasised that such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level, but are widely recognised as a valuable input and can indicate the broad scale and direction of economic growth in different sectors to help assess future employment space requirements.

Experian’s sub-regional economic model takes account of the existing economic structure of each Local Authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The forecasts of job growth by sector used here reflect recent trends and economic growth projections at national and regional level, and how economic sectors in Burnley have fared relative to the North West region’s growth in the past. These forecasts also
reflect the current post-recession economic climate. They are not constrained by either labour supply or land availability.

7.8 The overall employment change in Burnley resulting from these forecasts is shown in Table 7.1, along with expected job growth in the main B-class sectors. This includes some jobs in 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.

7.9 This indicates a modest net job gain (approximately 205 jobs) in the B-use classes in Burnley over the period 2011-2030, with significant growth in office (+1,100) and less pronounced growth in warehousing / logistics sectors (+340) effectively cancelled out by continued decline in B2 manufacturing sectors (-1,235) (primarily from the metal products, chemicals and ‘other’ manufacturing sectors). This is within the context of overall job growth of 1,600 projected for the Borough over the 19-year plan period. As noted in the previous section of this report, growth in non-B class sectors is expected to be strongest in administration and support, education, health, and residential care & social work sectors.

Table 7.1  Forecast Employment Change in Burnley 2011-30 (rounded)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2030</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices*</td>
<td>3,960</td>
<td>5,060</td>
<td>+1,100</td>
</tr>
<tr>
<td>Manufacturing**</td>
<td>6,520</td>
<td>5,285</td>
<td>-1,235</td>
</tr>
<tr>
<td>Distribution***</td>
<td>2,685</td>
<td>3,025</td>
<td>+340</td>
</tr>
<tr>
<td>Total B-class Jobs</td>
<td>13,165</td>
<td>13,370</td>
<td>+205</td>
</tr>
<tr>
<td>Non B-class Jobs</td>
<td>23,335</td>
<td>24,730</td>
<td>+1,395</td>
</tr>
<tr>
<td>Jobs in All Sectors</td>
<td>36,500</td>
<td>38,100</td>
<td>+1,600</td>
</tr>
</tbody>
</table>

Source: Experian/NLP analysis 2013 - total jobs including self employed

* includes a proportion of public administration and administration & support services ** includes vehicle repair, some utilities and some construction activities ***includes parts of wholesale and land transport, storage and post that use B8 warehousing land

7.10 These job forecasts for Burnley have been converted to future employment space requirements by assuming typical ratios of jobs to floorspace for the different B uses. To estimate space needs, the following average ratios have been applied:

1. offices: 1 job per 12.5 m²
2. industry: 1 job per 42 m²
3. warehousing: 1 job per 65 m² is assumed for general, smaller scale warehousing, and 1 job per 74 m² for large scale/high bay distribution units. On the basis of current market intelligence (see stakeholder

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10 Based on HCA/Offpat Employment Densities Guide, 2010; figures are gross external floorspace [GEA] per job
consultation in Section 5.0) it is understood that there is likely to be a fairly even split between the more modern, higher specification high-bay warehousing and the generally more traditional low bay warehousing coming forward in Burnley over the Plan period, hence a split 50:50 of high bay:low bay/general warehousing has been used.

7.11 An adjustment has been made to reflect the fact that vacancy rates are currently 10.0% for industrial and 22.3% for commercial floorspace in Burnley. On the basis that a figure of 10% better reflects ‘normal’ market conditions, the model has assumed that there is a need for lower levels of office floorspace to allow for a reduction down to 10% by 2030, but conversely, the industrial space is broadly in balance across the Borough.

7.12 The relationship between job growth and floorspace is, however, not straightforward. As can be seen in Figure 7.2, whilst both industrial jobs and floorspace declined between 2000 and 2012, the former did so at a much steeper rate: -34%, compared to a -19% fall in floorspace. Industrial GVA has also fallen sharply over the same timeframe, although again at a lower rate (-13%) than jobs.

7.13 From discussions with stakeholders, it is apparent that many existing manufacturing businesses are based in unsuitable premises and particularly old mill buildings. There is a clear trend for companies vacating these premises and moving into new, modern, units. BBC provided the example of Kaman Tooling, a company based in an old mill building in Darwen which provides them with no space to accommodate growth, or space to accommodate larger machinery. They are now moving to new premises on the Michelin site in Burnley. Their floorspace growth is disproportionate to their employment growth.

7.14 As such, where a reduction in industrial jobs is forecast (and recognising the complex relationship between floorspace growth and equivalent job growth), the associated negative floorspace was halved, to reflect the fact that not all of this employment space is likely to be lost.

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11 On the basis of an assessment of commercial property websites in March 2013, set against the Business Floorspace (Experimental Statistics) published in May 2012 by the VOA. The realism of these figures has been tested with local agents, who broadly agreed with the figure for offices and industrial uses.
Figure 7.2  Comparison of Historic Industrial Jobs/Floorspace in Burnley Borough

Source: NLP analysis/Experian/ Experimental Business Floorspace Statistics 2000-2012 (VOA)

Estimating the Land Requirement

7.15 The final step was to translate floorspace into land requirements for both office and industrial uses. The job/floorspace ratios and plot ratios adopted here reflected those in the ODPM guidance\(^\text{12}\) and reflect typical development densities for these uses. This has been calculated by applying appropriate plot ratio assumptions to the floorspace estimates using the following assumption:

1. a plot ratio of 0.4 was applied so that a 1 ha site would be needed to accommodate 4,000 sq.m. of employment floorspace.

Results

7.16 The resulting floorspace and land requirements for this scenario are set out in Table 7.2 and indicate positive demand for some 1,085 sq.m. of industrial space (i.e. manufacturing and distribution combined) and modest requirements for around +1,150 sq.m. of office space by 2030.

Table 7.2  Experian Job Growth Scenario: Net Employment Floorspace Requirements in Burnley 2011-30

<table>
<thead>
<tr>
<th></th>
<th>Change in Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011-30</td>
</tr>
<tr>
<td>Offices*</td>
<td>9,170</td>
</tr>
<tr>
<td>Manufacturing**</td>
<td>-25,885</td>
</tr>
<tr>
<td>Distribution***</td>
<td>25,935</td>
</tr>
<tr>
<td>Total B-class Jobs</td>
<td>9,215</td>
</tr>
</tbody>
</table>

Source: Experian / NLP analysis 2013. Figures rounded

2. Policy On Job Based Estimate

7.17 An alternative job based estimate of future needs has been compiled that has been termed the Regeneration, or ‘Policy-On’, scenario. Following detailed discussions with BBC Planning and Economic Regeneration Officers, the individual industrial classifications used in the Experian Baseline forecasts were re-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 Experian’s forecasts for Burnley are complex and internally consistent with those of other authorities in the region.

7.18 With this caveat in mind, the Experian forecasts do not take into account the job growth implications of new or planned developments at local authority level. The extant Burnley Local Plan (2006) states that the Council through the Economic Development Strategy and Local Plan will seek to modernise the Borough’s existing established businesses. ‘This particularly applies to the existing textile, aerospace, engineering and automotive sectors. It will also seek to diversify the local economy by providing sites to attract new business and industry, particularly financial and professional services, tourism and computer and internet based services. [§5.4]’

7.19 With this in mind, discussions with Economic Development Officers at BBC suggested that the Council’s strategy was to continue to focus upon the core priority sectors outlined in the NWDA’s 2006 Regional Economic Strategy (RES), namely:

1. Biomedical: biotechnology, pharmaceuticals and medical devices;
2. Energy and Environmental Technologies;
3. Advanced Engineering and Materials:
4. Chemicals, Aerospace, Automotive;
5. Advanced Flexible Materials;
6. Food and Drink;
7. Digital and Creative Industries;
7.20 Burnley’s Economic Strategy identifies Advanced Manufacturing and other private sector service industries such as IT and Business Services as areas to be targeted for growth.

7.21 In this regard, the following significant proposals/developments are likely to propel job growth in these key sectors over the next few years:

1. The Burnley Education and Enterprise Park (BEEP) project has been evolving since 2007. The aspiration is for 130,000 sq ft of high quality commercial space adjacent to the new Burnley College and UCLan campus on Princess Way. This would comprise a 30,000 sq ft Enterprise Centre (including Business Incubator and Managed Workspace elements) and a 100,000 sq ft Enterprise Park providing general office and light industrial space. The space will meet the needs of a target market of technology, ICT and knowledge based businesses, and provide accommodation for new start spin-off businesses from the UCLan campus as well as other local businesses.\(^{13}\)

2. Work on the Burnley Bridge Business Park commenced in March 2013, which will provide high quality business space in an accessible location. 2014 is likely to see 60,000 sq ft of new employment floorspace coming forward at this site, plus significant extensions to existing buildings including 100,000sq ft at veka.

3. With the opening of the new UCLan campus it is highly likely that the proportion of employee jobs based in the Digital and Creative and the Advanced Engineering and Material sectors will increase in the coming years as students graduate and progress through into their working careers. The presence of the Advanced Manufacturing Research Centre and the Media Access Bureau is likely to facilitate growth in these sectors.\(^{14}\)

4. The former Michelin site is located at Bancroft Road within the established Heasandford Industrial Estate. In 2002, Michelin closed its factory operations in Burnley after 40 years, and the NWDA purchased the site with the intention of developing the area for new business use. The vision of Education and Enterprise in Burnley is for an Advanced Manufacturing Park (AMP), building upon Burnley’s existing strengths in hi-tech manufacturing, engineering and aerospace and supporting economic recovery through private sector growth and job creation.\(^{15}\)

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\(^{13}\) Burnley Education & Enterprise Park Commercial Market Review, Prepared by Burnley Council and DTZ (November 2010), page 1

\(^{14}\) Burnley Education & Enterprise Park Commercial Market Review, Prepared by Burnley Council and DTZ (November 2010), para 5.46

\(^{15}\) Former Michelin Site, Burnley Commercial Market Review Prepared by Burnley Council and DTZ (December 2010), page 1
Employment Land Review Demand Update

5 The redevelopment of the former Michelin site has the potential to generate 1,236 net additional jobs within the Burnley economy, and an additional 335 in the wider Pennine Lancashire economy. Once fully developed and occupied, the former Michelin site could increase the size of the Burnley economy by £67.4 million per annum and the Pennine Lancashire economy by £85.6 million per annum\textsuperscript{16};

6 Weavers Triangle: this comprises a collection of land and Victorian mill buildings alongside the Leeds Liverpool Canal on the edge of Burnley Town Centre. The development of the Weavers Triangle provides Burnley with a unique opportunity to develop a high quality canal side living and working environment adjacent to the Town Centre. With aspirations to create a mixed use development with a strong identity offering the full range of commercial, residential and leisure space, it aims to provide a hub for cultural and creative industries making a significant contribution to both the image of the area and the diversity of the economy.\textsuperscript{17}

7.22 An attempt has been made to take the industrial sectors provided by the Experian baseline scenario and to match these up with the eight high value priority growth sectors identified in the NWDA’s RES (2006), set out in Table 7.3.

Table 7.3 Matching NWDA RES Priority Growth Sectors to BRES SIC2 Industrial Sectors

<table>
<thead>
<tr>
<th>NWDA Priority Growth Sectors</th>
<th>Incorporated within the following</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomedical: biotechnology, pharmaceuticals and medical devices</td>
<td>Other Manufacturing, Professional Services\textsuperscript{18}, Pharmaceuticals</td>
</tr>
<tr>
<td>Energy and Environmental Technologies</td>
<td>Utilities</td>
</tr>
<tr>
<td>Advanced Engineering and Materials</td>
<td>Manufacture of: Computer &amp; Electronic Products; Machinery &amp; Equipment</td>
</tr>
<tr>
<td>Chemicals, Aerospace, Automotive</td>
<td>Chemicals, Transport Equipment</td>
</tr>
<tr>
<td>Advanced Flexible Materials</td>
<td>Textiles</td>
</tr>
<tr>
<td>Food and Drink</td>
<td>Food, drink and tobacco</td>
</tr>
<tr>
<td>Digital and Creative Industries</td>
<td>Media Activities; Telecoms; Computing &amp; Information Services</td>
</tr>
<tr>
<td>Business and Professional Services</td>
<td>Finance; Insurance &amp; Pensions; Professional Services</td>
</tr>
</tbody>
</table>

Source: NLP analysis

\textsuperscript{16} Ibid, page III
\textsuperscript{17} Ibid, page 18
\textsuperscript{18} As per research on biomedical and medical services, SIC72.11 and 72.19)
A higher rate of projected job growth was applied to these sectors over the Plan period (2011-30) using the national/regional growth rates where appropriate (which in some instances are higher than the Burnley forecasts). There is considerable cross-over with the Advanced Manufacturing Park proposed for the former Michelin Site, which aims to create 1,236 net additional jobs in hi-tech manufacturing, engineering and aerospace. This level of job growth considerably exceeds the forecast growth in the advanced engineering and materials, and transport equipment manufacture sectors highlighted above. Hence to avoid double counting the 1,200 net additional job growth has been added to the baseline figures and no further uplift applied.

Table 7.4 presents the resultant job growth adjustments made to the forecasts to provide an estimation of the amount of employment that could be achieved in the Borough should certain high growth policy initiatives or developments come forward as planned.

<table>
<thead>
<tr>
<th>No. of Jobs</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2030</td>
</tr>
<tr>
<td>Offices*</td>
<td>3,960</td>
</tr>
<tr>
<td>Manufacturing**</td>
<td>6,520</td>
</tr>
<tr>
<td>Distribution***</td>
<td>2,685</td>
</tr>
<tr>
<td><strong>Total B-class Jobs</strong></td>
<td><strong>13,165</strong></td>
</tr>
<tr>
<td>Non B-class Jobs</td>
<td>23,335</td>
</tr>
<tr>
<td><strong>Jobs in All Sectors</strong></td>
<td><strong>36,500</strong></td>
</tr>
</tbody>
</table>

Source: Experian/NLP analysis 2013 - total jobs including self employed

* includes a proportion of public administration and administration & support services ** includes vehicle repair, some utilities and some construction activities *** includes parts of wholesale and land transport, storage and post that use B8 warehousing land

The resultant job growth is around 1,775 higher with this scenario than the Experian Baseline. These employment forecasts were then converted to floorspace requirements in a similar way to the Experian baseline forecasts above. This translates into a net requirement of +54,535 sq.m. to 2030, a figure 45,320 sq.m. higher than the Experian baseline.

<table>
<thead>
<tr>
<th>Floorspace (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
</tr>
<tr>
<td>Industrial</td>
</tr>
<tr>
<td>Warehousing</td>
</tr>
<tr>
<td><strong>All</strong></td>
</tr>
</tbody>
</table>

Source: NLP analysis (figures rounded)
3. Past Completion Rates

7.26 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not reflect past trends and some adjustments may be needed.

7.27 Data on past completions by B class sector was provided by BBC and discussed in detail in Section 4.0. This scenario simply assumes that future development rates of employment space up to 2030 will be similar to those that have occurred in Burnley over the past 20 years or so. As this period covered a period of substantial economic growth (2000-07), but also 6-years of severe recession and economic downturn, this can be considered to represent a reasonably balanced estimate of employment land required in future years.

Figure 7.3  Employment Land Development Rates (ha) within Burnley, 1990/91 – 2012/13

This would suggest a requirement for around 25,135 sq.m. (6.28ha) more office space, and 154,830 sq.m. (36.46ha) more industrial space (Table 7.6). In total, this would indicate demand for approximately 220,923 sq.m. (55.2ha) of employment space by 2030, a figure substantially higher than that estimated using the econometric job forecasts. The key difference is that this approach indicates a need for substantially more industrial floorspace, while the job-based forecasts indicate the opposite.
### Table 7.6 Employment Space Requirement based on Past Trends Continuing, 2011-30

<table>
<thead>
<tr>
<th>Sector (Use Class)</th>
<th>Average annual completion rate 1991/2013</th>
<th>Floorspace (sq.m.)</th>
<th>Average annual completion rate 1991/2013</th>
<th>2011-30 Requirement</th>
<th>Land (hectares)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office space</td>
<td>1,323</td>
<td>25,135</td>
<td>0.33</td>
<td>6.28</td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>7,675</td>
<td>145,830</td>
<td>1.92</td>
<td>36.46</td>
<td></td>
</tr>
<tr>
<td>Warehousing</td>
<td>2,629</td>
<td>49,958</td>
<td>0.66</td>
<td>12.49</td>
<td></td>
</tr>
<tr>
<td><strong>All</strong></td>
<td><strong>11,628</strong></td>
<td><strong>220,923</strong></td>
<td><strong>2.91</strong></td>
<td><strong>55.23</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Estimated through the application of standard 40% plot ratios as per the Experian Baseline

Source: NLP analysis / BBC Business and Industrial Land / AMR 2010/11 records

7.29 This approach assumes that past trends of development would continue unchanged, and may not fully reflect changes in the economy once it fully emerges from recession. It may also underestimate future demand if the supply was constrained in the past, for example because of few sites available or infrastructure/funding factors. On the other hand, future development rates for industrial space may be less than historically as the sector rationalises and/or makes more efficient use of space.

7.30 It is considered that a strong argument could be made that as the very high level of take up that was achieved in 2009/10 was directly related to the 50,430 sq.m. development of an Anthropology Research Centre (Class B1b) in 2009, and the loss of 26,350 sq.m. of employment land to accommodate a Sui Generis Use (specifically a household waste recycling centre with associated access road and recycling/service yard) in 2011/12, both of which could be argued to have distorted the overall figures. In particular, the Anthropology Research Centre is used by UCLan as a specialist field research centre for the School of Forensic Anthropology and no physical development was proposed as part of the submitted application back in 2009.

7.31 These particular circumstances should not be discounted altogether from the figures, as there are several large B-class developments in the immediate pipeline that will enable the reasonably high take up in the past to be sustained. These developments include the forthcoming redevelopment of the Michelin site for 8,360 sq.m. (c. 2.09ha) of employment uses, and the Hepworths site at Burnley Bridge (expired planning permission APP/2008/0805 for 28.6ha gross, of which 15.1ha was proposed for B1/B2/B8 uses).

7.32 On balance, it is considered that it would be appropriate to reduce the amount of land attributed to B1b in 2009 for the Anthropology Research Centre, as although technically this may comprise land used for R&D purposes, it does not comprise commercial/industrial floorspace in the literal sense. It was considered to reduce the amount of land attributable to take up from this source by a half. This would reduce the overall average annual take up from 2.92ha to 2.63ha, hence the resultant requirement would be **50.02ha** net.
### Table 7.7 Adjusted Employment Space Requirement based on Past Trends Continuing, 2011-30

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Floorspace (sq.m.)</td>
<td>Land (hectares) *</td>
<td>Floorspace (sq.m.)</td>
<td>Land (hectares) *</td>
</tr>
<tr>
<td>Office space</td>
<td>1,587</td>
<td>30,154</td>
<td>0.40</td>
<td>7.54</td>
</tr>
<tr>
<td>Industrial</td>
<td>5,790</td>
<td>110,006</td>
<td>1.45</td>
<td>27.50</td>
</tr>
<tr>
<td>Warehousing</td>
<td>3,154</td>
<td>59,932</td>
<td>0.79</td>
<td>14.98</td>
</tr>
<tr>
<td>All</td>
<td><strong>10,531</strong></td>
<td><strong>200,092</strong></td>
<td><strong>2.63</strong></td>
<td><strong>50.02</strong></td>
</tr>
</tbody>
</table>

Source: NLP analysis / BBC Business and Industrial Land / AMR 2010/11 records

### Safety Margin

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

The South East England Planning Partnership Board (SEEPB) guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Burnley, on the basis of the analysis set out regarding the Past Take Up Scenario 3 above, the safety margin in Table 7.8 was added for B Class uses.

### Table 7.8 Safety Margin Allowances

<table>
<thead>
<tr>
<th>Use</th>
<th>Average Annual Take-up (sq.m.)</th>
<th>Safety Margin Added 2011-30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Land (ha)</td>
</tr>
<tr>
<td>Office</td>
<td>0.40</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.45</td>
<td>5.27</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.79</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td><strong>2.63</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: NLP analysis

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

7.35 Convert Net to Gross Floorspace Requirements

To convert the net requirement of employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B Class uses in future. This is a widely accepted approach in planning for future employment land needs.

7.36 A judgement was therefore made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants’ understanding of supply-side deliverability factors in Burnley and current trends in the market. Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining.

7.37 From discussions with BBC Officers, it is understood that the latest SHLAA for Burnley estimates that around 18 sites that are currently allocated/existing B1, B2 and B8 land have now been identified in the SHLAA as being deliverable / developable for housing over the Plan Period. This totals 46.23ha gross, or 3.08ha per annum gross over the next 15 years. Clearly not all of these employment sites will come forward for residential use over the period 2030, but it provides a broad indication of the potentially suitable and achievable B-class sites that could be lost under a worst-case scenario.

7.38 Furthermore, BBC Officers confirmed that the 18 sites referred to above do not include the very large BAXI site. Marketing exercises have demonstrated that there is no demand for the site/buildings for employment use, and a planning application is due to be submitted for change of use to residential. Should this proposed development be forthcoming, it would result in the loss of an 8.28ha former employment site from the portfolio.

7.39 Incorporating this likely loss on top of the 46.23ha identified in the SHLAA could suggest a 3.63ha loss annually over the next 15 years. Whilst this may appear high, it is widely recognised that much of the existing stock in Burnley, such as the BAXI site and the old mills on Weavers Triangle, are vacant due to their poor quality and unsuitability for modern business needs and are unlikely to be refurbished for B-class uses as a result.

7.40 An alternative approach is to analyse the 6-years’ worth of losses data that is available since 2007/2008 (see Section 4.0) which covers the recession and subsequent economic downturn, it is estimated that 6.94ha of employment land was lost to non-B class uses either through redevelopment or through a change of use, at an annual average rate of 1.16ha. This includes the loss of 2.7ha of employment land to accommodate a Sui Generis household waste recycling centre at Balderstone Lane.

7.41 Losses to residential uses has comprised just 7% of all losses of employment land over the past six years, although this has undoubtedly been distorted due to the prolonged recession in the housebuilding industry, which is only now...
showing sustained signs of recovery. However, the SHLAA data clearly does not include other potentially unknown ‘windfall’ sites that are likely to come forward over the plan period, such as the BAXI site.

7.42 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 Burnley’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.

7.43 However, against this argument is the likelihood that other ‘windfall’ sites are also likely to be lost over the next 19 years that have yet to be picked up, and these represent losses to the overall land portfolio, reducing choice within the market. Furthermore the time period over which the past losses have been assessed covers a period during which the construction market was very depressed, and it might be expected that losses, particularly to higher value uses such as residential, will accelerate in future.

7.44 As such, and balancing the various issues outlined above, it is considered that a reasonable level of employment land losses that might be expected to continue over the plan period could equate to around 2.5ha per annum, which is roughly approximate to the mid-way point between the level achieved in recent years (1.16ha) and the amount identified as having the potential to accommodate housing in the emerging SHLAA + BAXI (3.63ha). This factors in planning policy changes (such as the relaxation of the restrictions within the Use Class Order on converting office space into residential dwellings), the recovering housing market nationally (and concurrent pressures to redevelop lower value sites such as the BAXI site for such uses), and enabling RBC/developers to replace/decant older stock and avoid stagnation.

7.45 Consequently, by adding on an allowance for replacement of losses (2ha per annum, or 38ha over 19 years) and factoring in two years of take up (5.27ha) to allow a margin for choice, this results in a gross total requirement of approximately 55ha to 103ha between 2011 and 2030.

7.46 An alternative approach to calculating gross land requirements with a margin of choice is to apply a rate of ‘churn’ equivalent to 1% of the Borough’s existing stock per annum (see other employment land studies e.g. Lichfield, Nuneaton & Bedworth). This could roughly equate to demand for around 2.6ha per annum (based upon 1% of 1,031,000 sq.m. of existing floorspace and multiplied by a 40% plot ratio) resulting in demand for an additional 41ha in addition to ‘net’ requirements over the plan period, which is roughly comparable to that calculated for this study (48ha).
The econometric model steps are summarised in Figure 7.4. In summary, the demand-led range of indicative total gross land requirements to 2030, factoring in a 2-year margin of choice, results in the following range of demand projections:

1. Experian Baseline: 55.1ha
2. Regeneration / Policy On: 66.4ha
3. Past Take Up: 102.8ha

Labour Supply Growth

To provide a benchmark for comparison with these demand estimates, the employment space requirement that would result from anticipated housing and hence population growth in Burnley was estimated, since this could impact upon the Borough's ability to attract businesses and future job growth.

4. Draft Local Plan Housing Target (60-100 dpa)

NLP produced a Strategic Housing Market Assessment [SHMA] and Housing Needs Study on behalf of Burnley and Pendle Borough Councils in 2013. This will form a key part of both Councils' evidence base as they move towards the adoption of their respective Local Plans. Within that document, a dwelling requirement range of between 60 dwellings per annum [dpa] and 100dpa (net) was recommended as BBC's objectively assessed housing need, based on a range of demographic model runs using PopGroup. For the purposes of this ELR, the implications of applying the upper end of the range (i.e. 100dpa) has been used. This level of development equated to a level of population growth equal to around 3,750; a fall in the local labour force of -2,100 and a resultant decline in jobs of around 1,610 over the period 2011 and 2031.
5. Labour Supply incorporating CLG 2011-based (interim) household projections

7.50 The SHMA and Housing Needs Study for Burnley and Pendle (2013) also modelled a baseline scenario which analysed the implications of the latest 2011-based (interim) CLG household projections. The baseline scenario incorporated updated SNPP data alongside revised data on commuting, headship rates and unemployment. The revised baseline projection indicated population growth of just 490 over the period of 2011-30; associated household growth of 400 and a housing requirement of 430 dpa (23 dpa 2011-30). The number of jobs associated with this growth equalled a decline of approximately 2,800, or 148 per annum.

7.51 Typically (based on national figures), only about 45% of these workers will work in B class jobs which further reduces the number of B-class workers. By applying general employment densities (a rough approximation being 40 sq.m. per employee in this instance) and a standard plot ratio of 40%, the labour supply scenarios could result in gross requirements ranging from 45.5ha to 40.15ha, as illustrated in Table 7.9.

Table 7.9  Labour Supply Assessments 2011-30

<table>
<thead>
<tr>
<th></th>
<th>Net Job Growth 2011-30</th>
<th>45% B Class</th>
<th>Floorspace Requirements</th>
<th>Land requirements (net)</th>
<th>Employment land lost</th>
<th>Margin of choice</th>
<th>Land requirements (gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Needs Requirement – 100 dpa (top end of range)</td>
<td>-1,607</td>
<td>-723</td>
<td>-28,926</td>
<td>-7.23</td>
<td>47.5</td>
<td>5.27</td>
<td>45.54</td>
</tr>
<tr>
<td>2011-based (interim) CLG Household Projections</td>
<td>-2,804</td>
<td>-1262</td>
<td>-50,471</td>
<td>-12.62</td>
<td>47.5</td>
<td>5.27</td>
<td>40.15</td>
</tr>
</tbody>
</table>

Source:  NLP analysis  * workplace labour supply means residents who also work in the Borough
NLP (2013): SHMA and Housing Needs Update for Burnley and Pendle Boroughs

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

7.53 Nevertheless, the labour supply forecasts are reasonably close to the Experian Baseline and Policy on Scenarios, hence this approach could support the need for a broad range of employment land requirements. However, the reality checks set out below also need to be taken into consideration.

7.54 The labour supply projections are illustrated alongside the aforementioned econometric and past take up projections in Figure 7.5 and Table 7.10. They indicate that the two labour supply projections, at 40.2ha to 45.5ha (gross), sit
below the broader range based on the demand-led projections of 55.1ha (Experian baseline) to 102.8ha (Past Take Up rate).

Figure 7.5  Employment Land Projections 2011-30 (ha)

Table 7.10  Gross Employment Land Comparisons 2011-30 (ha)

<table>
<thead>
<tr>
<th></th>
<th>Office</th>
<th>Industrial</th>
<th>Warehousing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) Experian Baseline</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-2030 (net)</td>
<td>2.29</td>
<td>-6.47</td>
<td>6.48</td>
<td>2.30</td>
</tr>
<tr>
<td>2011-2030 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>49.80</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>55.07</td>
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<tr>
<td><strong>2) Regeneration / Policy On</strong></td>
<td></td>
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<tr>
<td>2011-2030 (net)</td>
<td>2.89</td>
<td>4.26</td>
<td>6.48</td>
<td>13.63</td>
</tr>
<tr>
<td>2011-2030 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>61.13</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>66.40</td>
</tr>
<tr>
<td><strong>3a) Past Take Up</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-2030 (net)</td>
<td>7.54</td>
<td>27.50</td>
<td>14.98</td>
<td>50.02</td>
</tr>
<tr>
<td>2011-2030 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>97.52</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>102.79</td>
</tr>
<tr>
<td><strong>4) Labour Supply (100 dpa)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2011-2030 (net)</td>
<td></td>
<td></td>
<td>-7.23</td>
<td>40.27</td>
</tr>
<tr>
<td>2011-2030 (gross)</td>
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<td>45.54</td>
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<tr>
<td>+ Flexibility factor</td>
<td></td>
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<tr>
<td><strong>5) Labour Supply (latest household projections)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-2030 (net)</td>
<td></td>
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<td>-12.62</td>
<td>34.88</td>
</tr>
<tr>
<td>2011-2030 (gross)</td>
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<td>40.15</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
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</tbody>
</table>

**Commercial Overview**

The Enquiries data provided by BBC indicates that as of 28th February 2013, there were 288 enquiries for industrial properties (particularly in the 93-280 sq.m. range) against 314 units currently available, compared to 135 registered enquiries for office space (60% of which were for units below 280sq.m.) against
207 units being marketed. Inquiries for storage units were even lower (35), although only 23 such units were currently being marketed.

7.56 According to information made available by BBC, the conversion rate of enquiries between 2009/10 and 2013/14 (Q2) was around 22%. This included both inward investment and expansion enquiries. Furthermore, it should be noted that the Michelin site is already partly developed with 90,000 sq ft already under construction for two companies, with options on a further 120,000 sq ft. BBC considers that the developments coming forward are emblematic of the strong underlying demand for B2 industrial uses in Burnley.

7.57 Market intelligence suggests that whilst the available space is dominated by industrial and warehousing units, the office market remains highly localised and fragmented. Demand is split between larger logistics units serving a sub-regional market in close proximity to the M65 junctions, and smaller manufacturing units in more secondary locations that take advantage of Burnley’s low cost location. There remains a lack of modern manufacturing space for indigenous users, which proposals such as those at the former Michelin site and Burnley Bridge will seek to address.

7.58 The vast majority of office units available within Burnley are below 280 sq.m in size in Business Centres and Burnley Town Centre, with the fewer larger office spaces that are available are situated on the Borough’s Business Parks at Shuttleworth Mead and Time Technology Park and are targeted towards regional, out-of-town occupiers. The high vacancy rates and general poor quality of the smaller office stock in Burnley (much of which comprises dilapidated first floor premises above retail units without inclusive parking provision and which are not generally DDA compliant) presents clear challenges for the future and there remains a need to rebalance the stock by providing more modern office space that meets the needs of indigenous occupiers, whilst renovating / releasing older and less viable commercial units to reduce the high vacancy rate. The proposed Burnley Education and Enterprise Park [BEEP] will go some way towards addressing this need.

7.59 This analysis points towards using a demand estimate that reflects a realistic level of land requirement allowing for the rebalancing needed of the office stock in particular, whilst taking account of likely labour supply growth (or rather decline) in the area. The Experian baseline job forecasts appear unduly pessimistic with regard to light industrial space and do not incorporate the likely impact of economic growth aspirations and proposed developments such as Burnley Bridge and the former Michelin site.

**Reality Checks**

7.60 Clearly the level of future demand for B-use class land projected by the various employment-based projections differ significantly. The projections are largely trend-based, in particular, the Experian/Policy-On scenarios reflect the position at the ‘bottom’ of the market. The past take up have been at least partly
Employment Land Review Demand Update

recorded during an unprecedented boom in the commercial market nationally. It is likely that the actual performance of Burnley’s economy and commercial property market will lie somewhere between the econometric and past trends projections.

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

7.62 The two econometric model scenarios and two labour supply scenarios estimate a relatively low gross employment land requirement, ranging from 40ha to 66ha. Given that as at November 2013, BBC estimated that there was around 55ha of available/potential employment land in Burnley, this could suggest that in purely quantitative terms, no new land is required under the labour supply/Experian baseline scenarios, although clearly this makes no allowance for the need to refresh the current stock and factor in qualitative considerations such as the viability of existing sites and locational requirements of future occupiers.

Adjustments to Plot Ratios

7.63 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 ODPM guidance\(^\text{20}\). At present, it is assumed that the plot ratio\(^\text{21}\) of 40% is generally applied to out-of-centre office space, industrial space and warehousing.

7.64 The assumed plot ratio is standardised and appears unlikely to make a significant difference to land requirements. Whilst other studies have distinguished between office and industrial plot ratios, with the former tending to have a much higher rate, this was felt to be inappropriate in the Burnley context due to the lack of very high density B1a office developments coming forward in recent years and the weak commercial market generally.

7.65 However, even if a lower level were applied to all types of employment land of, say, 30%, this would make a modest difference to the overall net requirement, of around 1ha for the Experian baseline scenario. Given that the Council are keen to encourage a diversification of the employment base towards business services, which tends to have higher plot densities, and The Framework’s requirement for office space to be located in town centres/edge of centre rather than out of centre, this could point to plot densities increasing, rather than decreasing in future (assuming the relevant centres can accommodate the level of office floorspace needed). On this basis, it is considered reasonable to


\(^{21}\) A plot ratio is the total building square footage (building area) divided by the site size square meterage (area of the plot). Therefore, a plot ratio of 150% would indicate that the total floor area of a building is 1.5 times the gross area of the plot on which it is constructed. For practical purposes, this would equate to a 3 storey building with fifty percent plot coverage, the remaining plot area being occupied, for example, by access roads, parking and landscaping.
assume that the majority of future development in the Borough will be at plot ratios closer to 40% than 30%.

7.66 Overall, it is the choice of approach and growth scenario which most affects the level of future requirements and this will need to be carefully considered by the Council in selecting a basis for future planning.

Adjustments to the Margin of Choice

7.67 A more significant assumption in terms of sensitivity is the 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of the on-going economic uncertainties and the need to provide market ready sites to prevent occupiers from moving beyond the Borough when searching for appropriate sites. In addition, there are a number of potentially good quality employment areas that are not in a position to be developed without infrastructure coming forward over the medium to long term, hence an increased margin of choice would help to provide a balanced portfolio.

7.68 It should be noted that 6.6ha of employment land has already been taken up for employment uses since 2010/11 and a further 3.3ha of existing employment land lost to alternative uses, reducing the remaining amount of land required over the full plan period of 2011-30. Furthermore, it is understood that around 8,360 sq.m. at the former Michelin site will be developed in 2014, whilst a considerable amount of land could also be developed at the Hepworths site (Burnley Bridge).

7.69 In more marginal demand locations, there may be greater delays in bringing sites forward and there appears a tight supply of employment land, hence this level of safety margin is necessary. This issue can be considered further in the context of any surplus in supply and in considering whether additional supply is needed for other reasons.

7.70 However, there is a counter-argument to this. By planning for a 19-year time frame, we are already over-providing employment land, given that the Local Plan will only have a 16-year time horizon to 2030 (assuming adoption in 2014). Consequently, by providing two years of further employment land allocations on top of the 19-year timeframe, which is in itself an attempt to provide an adequate ‘margin of choice’, this could in effect, be double counting.

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

Non B Uses

7.72 The development needs of economic sectors other than the B use classes were also considered. These are likely to be modest relative to the land requirements of offices for business and industrial uses. These other sectors will compete for employment land to a point, although the extent and nature does not appear likely to cause particular pressures on land supply. The needs of certain Sui Generis uses could potentially have significant land requirements
over the coming years, although at present it is not possible to definitively identify how much, and where, land requirements are likely to be.

7.73 Tourism could also have a prominent role to play in growing the number of jobs in the local economy, raising awareness and improving perceptions of Burnley as a gateway to the Pennines at a national level, although this sector will again generate limited employment land requirements. This sector could help to further diversify the economy, however, boosting levels of self-employment.

7.74 Consideration should also be given as to whether the growth of some sectors could be accommodated in existing employment areas in a way that improves sustainability and enhances the attractiveness of the site as an employment location. This may have some scope, subject to strict controls, to avoid adverse pressures on landowners from higher value uses thereby reducing the potential for lower value B Class development.

Summary

7.75 This section has appraised a range of employment land projections for Burnley Borough using a variety of methodologies. It is important to identify an appropriate level of need that achieves a balance between market realism and economic and planning policy objectives. A range of qualitative and quantitative factors have been considered within this report that can help to inform a judgment on the appropriate level of need, with the key issues set out below:

1 Burnley has many advantages as an industrial location, with many established international companies, a number of smaller, burgeoning advanced manufacturing companies and very competitive business rates. There are also significant opportunities resulting from the Lancashire EZ, with Burnley seeking to benefit from the EZ stimulating the existing advanced engineering supply chain in the Borough. However, the Borough remains over-reliant on the traditional manufacturing sector, with weak pre-recession levels of entrepreneurial activity and business health. The Borough also lacks significant inward investment opportunities and relies primarily on an indigenous industrial/commercial market to sustain demand.

2 Considerable challenges remain from competition elsewhere, aligned with a dwindling labour force. The Borough also suffers from an unbalanced commercial and industrial stock, with too much outdated office/industrial floorspace in inappropriate locations;

3 Future job growth projections for Burnley are therefore modest in the medium to long term, with much of the growth likely to be in non-B-class industries;

4 The Borough has an opportunity to develop a competitive advantage as a destination for advanced manufacturing, alongside aspirations to diversify the portfolio to allow for further development in advanced materials, aerospace, automotive, digital and creative industries and business and professional services. The spin-off investment and skills development resulting from the UCLan campus will be key in this regard;
5 Take up rates in the Borough in recent years have been reasonably high despite the economic downturn, at 2.63ha per annum, with the B1b Anthropology Research Centre discounted accordingly. The SHLAA identifies the potential future loss of around 46ha of existing employment land to non-B class uses in the years ahead, plus the redevelopment of the former BAXI site for residential uses (a further 8.3ha);
6 Labour supply analyses indicate that the number of economically active residents is forecast to fall over the Plan period, resulting in a net loss of employment land requirements.

7.76 Consequently, on the basis of these considerations, a range of between **45ha and 100ha (gross)** of employment land may be considered appropriate to 2030. This is approximate to the Experian Baseline / Labour Supply Scenarios at the lower end, and the Past Take Up projection at the top end.

7.77 This range reflects the ongoing challenges facing Burnley, including the challenging demographic indices; continued economic uncertainty; and ongoing viability issues regarding much of the existing portfolio which would preclude a step-change in delivery.

7.78 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, the two are fundamentally related and there remains a need to ensure that the two dovetail together to avoid any unsustainable outcomes.

7.79 As such, if the Council were to consider going for the top end of the employment land range or beyond, they would need to be mindful of the housing implications by either considering a higher level of housing delivery and potentially re-drafting the SHMA accordingly, 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 Burnley Borough.

7.80 In terms of how this 45-100ha range could be split between the office, industrial and warehousing uses, it is not possible to directly translate the net split in Table 7.10 into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type. Furthermore, there are a number of conflicting considerations:

1 Based on the current ‘stock’ of floorspace in Burnley Borough, there is a considerable supply of industrial units, comprising 55% of all floorspace
in the Borough, compared to 35% for warehousing and just 10% for office;  

2 Past take up rates indicate that more B2 and B8 units have been developed in recent years, with much less employment land being developed for B1a office uses;  

3 The Experian growth forecasts indicate strong growth in B8 land requirements; a more modest growth in B1a office floorspace requirements; and a decline in demand for B2 industrial. The regeneration/policy on forecasts suggest a reversal in growth for B2 and a slightly higher growth in B1a land requirements;  

4 The target growth sectors have a reasonable split between high-end manufacturing and business sectors.

On the basis of the points above, it is considered that the provision of employment land should be weighted towards additional industrial/warehousing land. This seeks to balance the replacement of some existing industrial stock against predicted weakening demand in this sector going forward; the strong past development history of industrial units in the Borough; the modest growth in office requirements against economic aspirations for this sector; and the moderate underlying requirements of warehousing. This also accounts for the fact that B2 and particularly B8 developments will inevitably be more land hungry, with lower employment densities, than office.

Policy Advice

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

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

- **45ha – 100ha 2011-2030.**

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

The choice of which level of demand to plan for will, to some extent, reflect the Council’s aspirations. Planning for a significantly higher level than the labour supply projections at the lower end of the range could encourage in-commuting

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22 VOA: Commercial and industrial rateable value statistics (2008)
but may be appropriate if the aim were to achieve a more aspirational level of economic activity in the area. It is also worth noting the aims of The Framework to generally encourage economic growth, and that the risks of under-providing may be greater than over-provision.

If the Council were to consider going for a figure significantly above the 45ha recommended at the lower end of the employment land range, they would need to be mindful of the housing implications by either considering a higher level of housing delivery (and potentially re-drafting the SHMA accordingly), or reviewing other policy interventions to minimise any adverse labour force and economic implications.
8.0 Recommendations for Local Plan Policy Development

8.1 This section considers other policy measures which may be required to support Burnley’s economic growth objectives. These relate to qualitative employment land issues such as how to renew and upgrade existing sites or how to encourage modern employment development within the constraints of a limited supply of potential new sites.

Policy Choices

Non B Uses

8.2 The development needs of economic sectors other than the B use classes were also considered. The growth of non B-class uses is likely to make an important contribution to employment growth in Burnley to 2030. The growth needs of a number of these sectors have been considered where job growth is forecast and there is potential for this to create some pressures on employment land. These sectors include retail, healthcare, residential care homes and waste.

8.3 These other sectors will compete for employment land up to a point, although the extent and nature does not appear likely to cause particular pressures on land supply. Retail and leisure development is likely to be focussed in and around existing town centres, for which the Local Plan has identified land already (beyond that identified for B Class use). There will be a need for a degree of flexibility in provision to cater for any B-class land being taken up by other uses (e.g. waste facilities) so that B Class uses still retain a choice of good quality sites and land over the plan period (and so that the Borough can respond to any rapid change in circumstances).

8.4 Most of the future growth needs of the healthcare and education sectors are likely to be met within existing sites in such use and the scale will be limited by the continued constraints on public sector spending. For residential care homes, although there are a few proposals for new facilities on employment land, most future needs are likely to be met through expansion of existing facilities or re-use of other institutional premises rather than using land within Burnley’s employment areas where the environment may not always be appropriate.

8.5 Consideration should also be given as to whether the growth of some sectors could be accommodated in existing employment areas in a way that improves sustainability and enhances the attractiveness of the site as an employment location. This may have some scope, subject to strict controls, to avoid adverse pressures on landowners from higher value uses thereby reducing the potential for lower-value B Class development.
Policy Delivery Mechanisms

8.6 There are a number of other policy delivery mechanisms which have the potential to contribute to the delivery of more and better quality employment land which could be investigated further by the Council.

8.7 Firstly, Section 106 agreements and/or Community Infrastructure Levy (CIL) from larger developments could potentially be used, either directly or indirectly, to deliver workspace. This would be subject to the regulations governing these mechanisms. This particularly applies to schemes which involve a mixed-use redevelopment of existing employment land. Provision could be either on-site or in some cases, at an alternative location. It should be noted that the ability for projects to generate sufficient profit to enable such levies may be limited in all but the most buoyant markets. Any scheme involving the use of CIL to cross fund employment development from residential or retail uses will need to be underpinned by strong evidence justifying the need and viability of such an approach.

8.8 Whilst this approach offers the prospect of new office space in Burnley, there are some potential problems in ensuring such provision is attractive to the market. The layout of the site and uses, particularly for mixed-use schemes, can make a significant difference to their commercial appeal, with most office occupiers wanting a relatively high profile location towards the front of a site and without any potential for amenity conflicts. In addition, there may be issues about matching the type of space delivered to demand in that area.

8.9 Where the development lies within an area of low industrial and office demand (i.e. areas with high vacancy rates at present), subject to the legal provisions governing such approaches, funding from sources such as CIL/s.106 contributions could be pooled and used to develop workspace space on other sites, perhaps including those in Council ownership, and loans or grants to firms to support upgrading of premises. This could also potentially be used to fund further enterprise or incubation workspace.

8.10 If there are areas where large-scale change may be required in order to deliver workspace, an Area Action Plan, Supplementary Planning Document, Planning Brief or Development Brief could be considered as a tool for identifying how new development should come forward.

8.11 Local Development Orders (LDO) is another potential mechanism that could be considered in some appropriate situations. These allow Councils to identify specific areas/sites where express planning permission is not required for certain types of development. Examples applying to industrial estates, for example, could include alterations or certain levels of extensions to premises, construction of new employment premises within specified limits, and some types of change of use. In some situations, this approach could provide benefits to occupiers/developers through greater flexibility, speed, certainty of outcome and reduced cost.

8.12 Mixed use schemes can also be a way forward in delivering some new office or industrial space. This is more likely to be effective on larger schemes.
The market alone is unlikely to deliver these improvements. Encouragement for owners/developers may be necessary, and could be aided by a range of planning and economic development interventions including:

1. A Local Plan policy encouraging such forms of upgrading, although this will only work in combination with other actions;
2. Continued and stronger Local Plan policy protection for certain industrial sites (reducing the potential for residential ‘hope value’ pricing out development);
3. BBC involvement in instigating more BID schemes in other suitable areas;\(^{23}\)
4. Local initiatives to publicise to local firms case studies of successful upgrading of business premises, including costs, local contractors involved and rental or other benefits achieved;
5. The continuation of funds such as the Private Sector Projects fund, which supports such activities by developers or occupiers in the Borough;
6. Encouragement of mixed use developments to help facilitate and cross-subsidise the creation of B-class premises; and
7. BBC economic development officers engaging with owners on upgrading of premises.

There may also be some potential to explore different funding sources (e.g. Tax Increment Financing) and potential sources of grant aid to enable small/medium firms to upgrade premises or develop new premises if the market does not deliver these improvements. This could include a number of forms of direct Council financial support such as a Business Improvement Grant, direct lending to small firms and/or mortgage support, as well as grants to install renewable energy equipment. It is recognised that such measures will be harder to fund in the current economic climate and rolling back of public expenditure but appear worthwhile as future actions.

Conclusions

Previous sections of this report have highlighted the need for a quantitative increase in the office and industrial stock of between 45ha to 100ha (gross) to 2030. However, barriers to the redevelopment / improvement of industrial sites in particular remain, primarily as a result of low commercial values and viability issues in many urban parts of Burnley Borough. A number of planning and economic development interventions could significantly improve the level of development and premises renewal activity including continued policy protection for B-class land, use of BID schemes, and engaging with land...

\(^{23}\) It is recognised that points c and d are both resource-hungry activities and that BBC may not have the resources to undertake them effectively. BIDs in particular would require support from legal and electoral services.
owners. In certain locations cross subsidy of new employment facilities from residential development may offer.

8.16 A number of mechanisms can be used to facilitate the delivery of workspace. These include using mixed use developments, s.106 agreements and/or Community Infrastructure Levy to pay for workspace either on-site or off-site. However, any new provision should ensure that the layout, location and type of space is attractive to the market rather than purely focusing on the quantum of space delivered.
9.0 Conclusions

9.1 The following conclusions can be drawn from this study on the future requirements for employment space in Burnley Borough over the period 2011-2030.

1: Burnley's economy has experienced substantial restructuring in recent years and remains over-reliant on manufacturing and public sector employment. However, as Burnley's economy begins to recover from the downturn there remains opportunities in established sectors.

9.2 Burnley's economy has diversified and improved from its legacy of industrial job losses. However, whilst it has experienced growth and improved its position it still remains vulnerable and in need of further structural changes to enhance its overall resilience due to historical losses of employment in manufacturing which has disproportionately impacted upon the local economy. It still remains overly reliant on manufacturing and public service sectors.

9.3 Much of its recent growth was related to education, retail and wholesaling sectors which, coupled with an above average representation in the sectors, indicates the existence of some competitive advantage for these sectors within Burnley. The number of jobs in health & social work has also been high. Sectors such as Hotels and Restaurants, Transport, and Other Business Activities remain under-represented relative to the regional average but have exhibited recent positive job growth. Given the high level of growth in the Transport and Wholesaling sectors, the potential for B8-based sectors to drive future growth in the Borough would appear to be reasonable.

9.4 Parts of the Borough continue to suffer from acute deprivation, whilst Burnley also has high levels of unemployment at around 10%, significantly higher than the national (7.8%) and regional (8.2%) averages. The profile of Burnley's labour force shows that the Borough has relatively fewer highly skilled occupations and a higher proportion of lower skilled, manual jobs relative to the regional and national average.

9.5 The legacy of the recession(s) and public sector cuts will undoubtedly place significant strains on the local economy over the short to medium term, with Burnley likely to be vulnerable to any further public sector job cuts. There are, however, a number of opportunity sectors that will dictate the need for employment land in the Borough, specifically continued opportunities for growth in advanced manufacturing, chemicals, energy & environmental technology and food processing distribution.
2: The Borough has a reasonable supply of available employment land, and potential losses may require the re-provision of employment land elsewhere in the Borough to cater for retained and future job growth.

9.6 In basic quantitative terms, the Borough appears to have a moderate level of employment land, comprising around 55ha including potential sites. This figure is towards the top end of the employment land requirement range identified.

9.7 The Borough has a relatively high proportion of vacant existing office floorspace, equal to around 22% of all employment floorspace across the District as a whole. This figure is above the level that could be considered the ‘ideal’ level of vacancy necessary to enable a properly functioning property market; however, the level of vacant industrial property, at 10%, is around the margin that would be generally considered a reasonable level to enable the market to function smoothly. Furthermore much of the stock is vacant because it is of a relatively poor quality and is unsuitable for modern needs.

9.8 Set against this available supply over the plan period is the potential for around 46ha of existing employment land to be lost to non-B class uses, as identified in the latest version of BBC’s SHLAA, whilst 3.3ha has already been lost in the plan period to date (2011-13).

3: Past take up of land has been reasonably high, influenced by a number of larger scale B2 developments within the Borough in recent years.

9.9 Past take up of employment land in Borough has been reasonably high and influenced by a number of large-scale B2 industrial developments in recent years. Take-up of allocated employment sites over the period 1990/91 to 2012/13 totalled 267,433 sq.m., equating to an average of 11,628 sq.m. per annum. Applying a standard plot ratio of 40% would suggest that the gross average annual take up equalled around 2.91 ha per annum. Losses to non-B class uses have also been high, averaging 1.2ha per annum.

9.10 The nature of developments going forward therefore will influence the level of employment land into the future (e.g. if BBC moves away from significant, large scale B2/B8 developments, take up rates can be expected to be lower).

4: Burnley’s future growth is likely to be driven by continued demand for B8 warehousing; growing demand for office space; whilst B2 manufacturing will still have a strong role to play in meeting indigenous demand in parts of the Borough.

9.11 Burnley’s future growth is likely to be driven by continued demand for B2 industrial units; growing demand for warehousing; whilst offices will still have a strong role to play in meeting indigenous demand in parts of the Borough. The potential for office-based sectors to drive future growth is likely to depend on the provision of good quality units in accessible areas of stronger demand. The Borough has an opportunity to develop a competitive advantage as a destination for advanced manufacturing, alongside aspirations to diversify the
portfolio to allow for further development in advanced materials, aerospace, automotive, digital and creative industries and business and professional services. The spin-off investment and skills development resulting from the UCLan campus will be key in this regard.

9.12 The Experian Baseline job growth projections suggest that the number of jobs likely to be based in B2 units would decrease by around -1,230 over the Plan period 2011-30, although factoring in policy initiatives this could rise to +370. However, it is understood that at a local level manufacturing is seeing something of a resurgence, with local businesses starting to recover following challenging economic circumstances. The baseline job growth for office jobs is forecast to increase 1,100 to 2030), factoring in policy initiatives could substantially increase this to +1,100, whilst the number of B8 warehousing jobs could increase by around 340.

9.13 The success of regeneration policies, particularly those looking to diversify the manufacturing base into more high-tech sectors, will also impact upon future land demands.

5: The Borough requires between 45ha and 100ha (gross) to meet employment land needs up to 2030

9.14 Based on projecting forward past take up and allowing for the re-provision of likely losses to non-B-class uses, it is suggested that Burnley Borough could require around 103ha 2011-30. However, this projection is well in excess of the demand forecasts based on the Experian Baseline econometric model. This indicated a requirement for 55ha gross over the same time period, with a bias towards B8 warehousing. A scenario incorporating the policy aspirations of BBC could suggest a higher figure of 66ha gross to 2030, with a greater representation of B2 industrial land.

9.15 The analysis has not identified a particular qualitative need for any additional A2 space given macro-economic trends, although clearly the Council should take a flexible approach in this regard going forward.

9.16 Two labour supply sensitivity tests indicate a lower level of need to the job-based econometric projections due to the forecast decline in economically active residents over the plan period, with commensurate implications for the number of jobs required. These range from 40-45ha over the Plan period as illustrated in Table 9.1.

Table 9.1 Summary Employment Land Scenarios 2011-30

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Net</th>
<th>Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Econometric Demand Forecasting</td>
<td>2.30</td>
<td>55.1</td>
</tr>
<tr>
<td>1) Experian Baseline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Regeneration / Policy On</td>
<td>13.6</td>
<td>66.4</td>
</tr>
<tr>
<td>Past Take Up</td>
<td>50.0</td>
<td>102.8</td>
</tr>
<tr>
<td>3) Past Take Up Rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour Supply</td>
<td>-7.2</td>
<td>45.5</td>
</tr>
<tr>
<td>4) Labour Supply (100 dpa)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Labour Supply (Latest household projections)</td>
<td>-12.6</td>
<td>40.2</td>
</tr>
</tbody>
</table>
On the basis of the modelling work, it is considered that a range of between 45ha and 100ha (gross) of employment land may be considered appropriate to 2030. This is approximate to the Experian Baseline / Labour Supply Scenarios at the lower end, and the Past Take Up projection at the top end.

This range reflects the ongoing challenges facing Burnley, including the challenging demographic indices; continued economic uncertainty; and ongoing viability issues regarding much of the existing portfolio which would preclude a step-change in delivery.

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, the two are fundamentally related and there remains a need to ensure that the two dovetail together to avoid any unsustainable outcomes.

If the Council were to consider going for a figure significantly above the 45ha recommended at the lower end of the employment land range, they would need to be mindful of the housing implications by either considering a higher level of housing delivery (and potentially re-drafting the SHMA accordingly), 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 Burnley Borough.

Ultimately, BBC 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.

In this regard, if BBC were to have a defined policy response to decrease 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]

Regarding other matters, whilst we do not consider it would be appropriate to set individual targets for the individual use classes within this overall range, an indicative split for planning purposes could involve 20% (9-20ha) for office; 50% for industrial (22.5-50ha); with the remaining 30% (13.5-30ha) for warehousing.

A policy decision will need to be made within this broad range to ensure that if a specific (and, as yet, unforeseen) inward investment opportunity were to arise, a suitably sized prestige site could be made available within the overall portfolio in an accessible location attractive to the market. This may require Officers to adopt a flexible approach responding to the release/reservation of
such a site, particularly if this could be linked to the Council’s strategic aim of diversifying the employment base by attracting more highly skilled manufacturing jobs to Burnley.

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

9.26 Alongside making new allocations, BBC should adopt a pro-active 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. This could include releasing some of BBC’s poorer quality employment sites to housing or other higher value uses in order to cross subsidise improvements to other, more viable, estates.

9.27 However, in assembling a new portfolio of sites, a cautious approach would be required to manage the competing pressures on potential employment sites within Burnley, 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.

9.28 On appropriate sites and where a clear need is demonstrated, marginal areas of the Borough may require allowing a limited amount of higher value ‘enabling development’ to help fund infrastructure and support provision of speculative employment premises. Mixed-use development may provide one way of enabling the private sector to provide such enabling investment. As well as seeking to retain employment land in any redevelopments of redundant employment sites (where appropriate, depending upon the nature of the employment site itself), there may also be some scope for developers to provide small business units in mainly residential schemes, perhaps secured through s.106 agreements and with delivery linked to the timing of other development. The precise location and layout of such space should be carefully assessed to ensure that it will be attractive to the market; for example, office space and Sui Generis uses such as car showrooms should typically be located at the front of sites to ensure market visibility.
Appendix 1  Definition of B-Class Sectors
The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised below.

**Apportionment of B Class Sectors to Land Uses**

<table>
<thead>
<tr>
<th>Experian Sector</th>
<th>Proportion of Jobs by Use Class</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B1 office</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td></td>
</tr>
<tr>
<td>Extraction &amp; Mining</td>
<td></td>
</tr>
<tr>
<td>Food, Drink &amp; Tobacco</td>
<td>0%</td>
</tr>
<tr>
<td>Textiles &amp; Clothing</td>
<td>0%</td>
</tr>
<tr>
<td>Wood &amp; Paper</td>
<td>0%</td>
</tr>
<tr>
<td>Printing and Recorded Media</td>
<td>0%</td>
</tr>
<tr>
<td>Fuel Refining</td>
<td>0%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>0%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>0%</td>
</tr>
<tr>
<td>Non-Metallic Products</td>
<td>0%</td>
</tr>
<tr>
<td>Metal Products</td>
<td>0%</td>
</tr>
<tr>
<td>Computer &amp; Electronic Products</td>
<td>0%</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>0%</td>
</tr>
<tr>
<td>Transport Equipment</td>
<td>0%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
<td>0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0%</td>
</tr>
<tr>
<td>Construction of Buildings</td>
<td></td>
</tr>
<tr>
<td>Civil Engineering</td>
<td></td>
</tr>
<tr>
<td>Specialised Construction Activities</td>
<td>0%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0%</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td></td>
</tr>
<tr>
<td>Land Transport, Storage &amp; Post</td>
<td>0%</td>
</tr>
<tr>
<td>Air &amp; Water Transport</td>
<td>0%</td>
</tr>
<tr>
<td>Recreation</td>
<td>0%</td>
</tr>
<tr>
<td>Media Activities</td>
<td>100%</td>
</tr>
<tr>
<td>Telecoms</td>
<td>100%</td>
</tr>
<tr>
<td>Computing &amp; Information Services</td>
<td>100%</td>
</tr>
<tr>
<td>Finance</td>
<td>100%</td>
</tr>
<tr>
<td>Insurance &amp; Pensions</td>
<td>100%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>100%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>100%</td>
</tr>
<tr>
<td>Administrative &amp; Supportive Services</td>
<td>20%</td>
</tr>
<tr>
<td>Other Private Services</td>
<td></td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>10%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Residential Care &amp; Social Work</td>
<td></td>
</tr>
</tbody>
</table>

Source: Experian / NLP analysis