

# **Independent Examination of the Fylde Local Plan**

Hearing Statement submitted by The  
Strategic Land Group (Representor No: 59)

Matter 3 : Housing and employment  
requirements

March 2017

**Issue 5 – Is the identified overall housing requirement of 7,768 dwellings (370 dwellings per annum) over the Plan period justified and consistent with national policy?**

**Q23. Does the Council's evidence support the use of the figure of 370 dwellings per annum (dpa) as its housing requirement in the Plan? In particular:**

- (a) Is it a soundly based figure, supported by robust evidence?**
- (b) Will it ensure that the Plan meets the full objectively assessed housing needs identified in the SHMA?**
- (c) Will it significantly boost housing supply?**

1.2 It is appropriate to consider all parts of this question together. Reference should also be made to SLG's response to Matter 2.

### **Objectively Assessed Housing Need**

1.3 The issue of the Objectively Assessment Housing Need (OAN) has been considered in detail over a number of years and across a number of evidence base documents. These comprise:

- Fylde Housing Needs Assessment 2012<sup>1</sup>
- Fylde Coast Strategic Housing Market Assessment Report 2014 (FCSHMA)<sup>2</sup>
- Fylde Coast SHMA Addendum 1 2014 (Addendum 1)<sup>3</sup>
- Fylde Coast SHMA Addendum 2 2015 (Addendum 2)<sup>4</sup>

1.4 The FCSHMA was prepared by Turley in February 2014 and endorsed by the Council on 29 April 2014. The 2014 SHMA was based on the 2011 Sub National Population Projections (SNPP) and the 2011 interim housing projections and a range of demographic and economic scenarios. Ultimately the SHMA recommended a range of between 300-420 dwellings per annum (dpa), noting that the Council's final figure needed to consider economic and affordable housing requirements (which were estimated at 207 dwellings per annum).

1.5 An update of the SHMA was commissioned in May 2014 following the release of the 2012 SNPP by DCLG. Addendum 1 confirmed that the new population projections did not materially affect housing requirements in Fylde with objectively assessed need remaining within the 300-420 dpa range. A further update to the SHMA was commissioned to take into account of the 2012 Sub National Household Projections (SNHP), which were released on 27 February 2015, and a revised plan period up to 2032 (rather than 2030). Addendum 2 concluded that the lower end of the

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<sup>1</sup> Document ref. ED025

<sup>2</sup> Document ref. ED021

<sup>3</sup> Document ref. ED022

<sup>4</sup> Document ref. ED023

recommended range (300 dpa) was no longer appropriate and that a figure of 370 dpa would represent a base level of demographic need, consistent with the approach the Council has taken previously. However the main conclusion drawn was that a figure of 440-450 dpa would be required to support the level of economic forecast growth in the Council's employment evidence for the Local Plan.

- 1.6 The Housing Requirement Paper 2016 (HRP)<sup>5</sup> takes the SHMA work in respect of the OAN and seeks to identify the housing requirement. It concludes that a figure of 370 dpa will meet Fylde's objectively assessed need to 2032. Policy DLF1 of the Fylde Local Plan (FLP) sets a minimum dwelling target of 7,768 new homes over the plan period – equating to 370 dpa.
- 1.7 SLG does not support the figure of 370 dpa as representing FOAN nor do we support the minimum dwelling target of 7,768 dwellings over the plan period. For the reasons outlined below, the housing requirement is incorrectly derived and has consequences for the Council's overall housing requirement.

### **Employment Growth**

- 1.8 Employment-led scenarios are important in allowing an assessment of the housing requirement needed to secure and procure jobs in line with economic growth aspirations.
- 1.9 It is pertinent to note that the Blackpool Core Strategy (BCS) (included at Appendix 1) was found sound using the same methodology and principal documents used in the Council's evidence base. In that case the Inspector placed considerable weight upon the economic projections contained within the SHMA addendum 1 (as per paragraph 35 of his report). This is consistent with national policy and guidance which assert that plans should align their economic and housing strategies. For example, the Inspector in respect of the Cheshire East Local Plan Strategy clearly identified the implications for soundness should the two strategies not be aligned. In that case the local planning authority were required to fundamentally reassess their position in respect of the housing requirement.
- 1.10 In this regard the SHMA provides three separate employment scenarios, initially over the period 2011 to 2030 (in Addendum 1) but then to cover the period 2011 to 2032 (Addendum 2), summarised in the table below. Addendum 2 represents the most up to date analysis taking account of the revised plan period and the 2012 SNHP.

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<sup>5</sup> Document ref. ED017

Employment Scenario	Annual Dwelling Requirement		
	Experian Employment-led Scenario	Oxford Economics Employment-led Scenario	AECOM Employment-led Scenario
Employment Scenario (Addendum 2)	315 (312)	450 (447)	443 (440)
Employment Scenario (Addendum 1)	302	434	427
Alternative unemployment rate (Addendum 1)	280	411	403

**Table 1.1: Comparison of dwelling projection outputs for each employment scenario Fylde 2011 – 2032 (Addendum 1 and 2). Figures in brackets are for period 2011 - 2030**

- 1.11 The employment scenarios clearly show that the Council's proposed housing requirement of 370 dpa would only fulfil the Experian economic projections (although the Council clarifies in its Response to Inspector's Initial Questions<sup>6</sup> that this is coincidental). The Experian projections are based on job growth forecasts obtained from Experian Business Strategies and job growth forecast over the plan period from 2011 to 2029. That scenario forecasts lower levels of employment growth and represents a significant reduction from the AECOM and Oxford Economics scenarios which identify a requirement for 440 and 447 dpa respectively (for the plan period 2011 – 2030).
- 1.12 Furthermore the AECOM scenario was provided to recognise the work undertaken in 2012 on the Fylde Employment Land and Premises Study<sup>7</sup> (FELPS). This included a 'policy-on' scenario which forecasts an increase of approximately 2,400 jobs between 2012 and 2030. To align the housing requirement with this scenario would require a net minimum of 440 dpa although it is recognised that any justifiable reduction in unemployment rates may lower this marginally. In terms of validation, it is worth noting the conclusions of the BCS Inspector who found that the Oxford Economics economic forecasts were '*more consistent [than Experian forecasts] with national and local policy aspirations*'.
- 1.13 Given the evidence, it is clear that the Council's proposed housing requirement is not sufficient to meet OAN. Indeed the SHMA Addendum 2 concludes at paragraph 5.27 and 5.28 that:

*'The re-modelling in this report continues to identify that at the upper end, the range identified within the 2013 SHMA falls below the re-modelled outputs presented in this Addendum. The Employment-led AECOM and Oxford Economics scenarios suggest a*

<sup>6</sup> Document ref. EL1.001b, response to Q5

<sup>7</sup> Document ref. ED041a

*need for between 440 and 450 dwellings per annum based upon the application of the adjusted headrate assumptions presented in this report.’*

*As the addendum 1 report concludes that the upper end of the range would represent the OAN on the basis of the considered economic position within the Council’s evidence base....”*

- 1.14 This recommendation has not been taken through into the FLP and its policies.
- 1.15 It is clear therefore the Council has not planned for sufficient housing to support the forecast levels of employment growth in the borough, leading to a lack of alignment between housing need and economic growth. On this basis, the FLP should be planning to deliver its full OAN of at least 440 to 450 dpa.

## **Housing Requirement**

- 1.16 The Council’s Housing Requirement Paper 2016<sup>8</sup> (HRP) seeks to justify the housing requirement advanced in the FLP.
- 1.17 It concludes that a figure of 370 dwellings per annum will meet Fylde’s objectively assessed need to 2032 and it provides an appropriate balance in respect the three dimensions of sustainable development. No analysis has been carried out of whether this position still holds true if an OAN within the higher the range of 370 – 450 is adopted. SLG considers the justification underpinning the proposed housing requirement is flawed, given the clear evidence of the FCSHMA and associated updates that a higher figure is appropriate. SLG also consider that the proposed overall housing requirement in the FLP and its asserted justification is flawed for a number of additional reasons:
- (a) Within the HRP, various issues are considered in order to derive a housing requirement figure; these include economic factors, market signals and indicators and the quantum of housing that can be delivered having regard to housing delivery rates, housing commitments and overcrowding.

- **Commuting Factors**

Commuting factors are cited in the HRP as supporting a lower requirement. This is on the basis of a claim that economic growth will in part be driven by workers commuting from outside Fylde. The HRP asserts that Fylde is unique with a high level of in-commuting from outside the borough (50%) and has a specific set of circumstances, and a functional economic area that extends beyond the North West of England. This means that although Fylde aspires to grow its economy, the Council considers that these new workers will choose to live within the Council’s area.

This claim is rather spurious and not considered to be sustainable development as it suggests the Council are actively encouraging

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<sup>8</sup> Document ref. ED017

commuting rather than to plan positively and sustainably through providing more housing to serve the district and its labour workforce.

Indeed the HRP also ignores the positive contribution that the substantial amount of employment land proposed through the FLP will make in terms of retaining Fylde residents in Fylde and will meet needs arising within the HMA. Furthermore, a substantial amount of the total provision - 25% of the overall quantum - is to meet a specific need arising with another Fylde Coast Authority area, i.e. Blackpool's unmet employment needs.

- Affordable Housing

SHMA Addendums 1 and 2 identify a high affordable housing need of 249 dpa, which equates to over two-thirds of the proposed overall housing requirement. The current housing requirement would provide 111 affordable units per annum based on the emerging requirement of 30% affordable housing – 138 dpa short of the identified need.

This scale of provision is the antithesis of national planning policy and national guidance. This has implications in respect of soundness particularly in light of the *Satnam Millennium Limited v Warrington BC* (2015) ruling (CO/4055/2014) which asserts that having identified the OAN for affordable housing, the housing requirement included in the Local Plan should then be considered in order to help deliver the required number of affordable homes. The ruling goes on to state that the Local Plan should meet the OAN for affordable housing subject only to the constraints referred to in paragraphs 14 and 47 of the NPPF. This supports the proposition that the identified objectively assessed need is too low.

- Environmental Factors

It is recognised that there are a number of environmental constraints that restrict the ability to accommodate housing across Fylde. However there remain a number of sites which are relatively unconstrained and can assist in meeting a higher housing requirement. This includes land within the Strategic Locations such as the land SLG has an interest in (Peel Hill Farm).

- (b) Flexibility: The FLP states that sufficient land has been identified to exceed the total housing requirement of 7,768 dwellings. However, the extent to which the proposed allocations do exceed that requirement is just c.1.6% (122 dwellings). It is considered that such a small contingency figure does not provide sufficient flexibility, particularly as all identified sites are unlikely to come forward and would exacerbate the shortcomings in the plan in respect of housing delivery.

In line with the Local Plan Expert Group's (LPEG)<sup>9</sup> recommendations, a buffer equivalent to 20% of the housing requirement should be planned for. Based on the requirement sought by SLG this would be 1,848 – 1,890 dwellings.

- (c) Supply: The supply position is considered further in relation to Q24 below. SLG asserts that further sites will need to be identified if Fylde is to meet even the current proposed requirement of 370 dpa. Clearly there will be a need to identify more sites if a housing requirement is subsequently identified which properly reflects the Council's evidence base. Suitable sites are available and capable of assisting the accommodating this need. This includes SLG's land at Peel Hill Farm.
- (d) Unmet housing need from Wyre: Since Addendum 2 was prepared Wyre has requested that Fylde assists in accommodating its anticipated unmet housing need which we identify as being in the region of 2,000 dwellings (considered in detail in relation to Matter 1). Paragraph 181 of the NPPF is clear that such needs should be accommodated '*when it is reasonable to do so and consistent with achieving sustainable development*'. Despite the clear direction in the NPPF and the duty imposed on local planning authorities to make every effort to assist as part of the Duty to Cooperate (DtC), this request has been completely disregarded by Fylde in reaching a conclusion on the housing requirement.

### **Summary**

- 1.18 The Council's own evidence base supports an OAN at the upper end of the range recommended in the SHMA, equivalent to between **440 and 450** dwellings. This casts significant doubts over the appropriateness of the proposed housing requirement.
- 1.19 The failure to (i) identify a housing requirement that would meet full objectively assessed housing needs and align with economic growth; and (ii) demonstrate through robust evidence why a figure at the lower end of the range is appropriate means that the FLP is not justified or positively prepared in the context of the Framework. It fails to fully accord with the requirement of the Framework to take steps to '*significantly boost housing supply*'.
- 1.20 The housing requirement is not supported as it is not reflective of a plan which is in accordance with national planning policy – it is held to be wholly contrary in fact resulting in a plan which is not positively prepared, justified or effective. On this basis it is considered that the plan is unsound

**Q24. The soundness of specific land allocations and deliverability of sites to meet the housing requirement will be considered at Stage 2 of the Examination. However, on the basis of the Plan as submitted does it confirm that there is:**

- (a) ***a supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption; and***

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<sup>9</sup> Report to the Communities Secretary and to the Minister of Housing and Planning, Appendix 1, paragraph 41

**(b) a supply of specific, developable sites or broad locations for growth for years 6-10 from the point of adoption?**

**(c) If you contend that the plan would not provide for either (a) or (b) above (or both) could the Plan be appropriately modified to address this?**

- 1.21 In responding to this question reference is made to the Housing Trajectory contained within the FLP<sup>10</sup>. It provides a breakdown of the sites from which the Council claim will comprise its future supply, including Strategic and Non-Strategic Sites identified in the FLP, together with components from small sites, windfall sites and long-term empty homes.
- 1.22 SLG contends that the assumptions used within the trajectory are flawed and undermine the requirements of the NPPF in relation to identifying a suitable supply.
- 1.23 As a general point, the trajectory proposes that the substantial shortfall accrued since the start of the plan period (802 dwellings) is recouped over the remainder of the plan period (i.e. the Liverpool method), though no justification is advanced to support this approach. It is contrary to the policy imperative contained within the NPPF (paragraph 47) to *'boost significantly the supply of housing'*. Rather, the 'Sedgefield' approach of applying the full backlog to the immediate 5-year requirement should be used as generally advocated in PPG<sup>11</sup> as the most appropriate to boost supply and provide choice and competition in the housing market.
- 1.24 With regard to the five year supply and lead in times, SLG note that virtually all of the strategic and non-strategic sites within the trajectory either have planning permission or are subject to a live application. The largest site (Whyndyke Farm (site ref. MUS2)) comprising 1,310 dwellings is subject to an application for outline planning permission which is yet to be determined<sup>12</sup>. Clearly until it is (necessitating the completion of a S.106 agreement) and reserved matters application(s) are prepared, submitted and approved and all pre-commencement conditions are discharged, it cannot begin to deliver dwellings. There can be a long lead-in time to reaching this point on sites of this scale. Despite this, the housing trajectory assumes that they will deliver sites in 2018/19, i.e. within the next two years. Furthermore, an application for reserved matters approval has only just been submitted for 360 dwellings on the Land opposite Blackfield End Farm (site ref. HSS2). The housing trajectory assumes it will begin delivering dwellings this year.
- 1.25 In the absence of evidence or justification, SLG consider the Council's assumptions in respect of lead in times are optimistic.
- 1.26 The trajectory shows expected annual completion rates between 643 and 781 in the first five years of the plan beyond the targeted date of adoption. Whilst SLG expects that levels of development will increase upon adoption of the FLP, an immediate jump to figures at least 50% greater than the highest figure<sup>13</sup> achieved in recent years is simply

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<sup>10</sup> Document ref. SD001, Appendix 2, pages 210 - 214

<sup>11</sup> Paragraph: 035 Reference ID: 3-035-20140306

<sup>12</sup> As per Fylde Public Access System

<sup>13</sup> 394 dwellings in 07/08



not credible, particularly given that recent increases in the number of units consented has not been borne out by a corresponding rise in the number of completions.

- 1.27 Overall, the assumptions made by Fylde are considered to be highly optimistic. No justification is provided as to how the conclusions have been reached. In the circumstances SLG are concerned that insufficient housing allocations have been made to ensure that a five year supply is in place, particularly if the undersupply to date is to be recovered in the first five years following adoption and there is slippage in terms of the rate of delivery on allocated sites (as seems likely). In the circumstances Fylde's position in terms of the ability to ensure a five year supply following adoption of the FLP is undermined.
- 1.28 Looking beyond to the 6 – 10 year phase, the trajectory assumes that a total of 440 dwellings will be delivered from windfall sites (5.7% of the overall housing supply) during years 10 to 21 of the plan period, i.e. 2021 - 2032). One of the underlining purposes of a Local Plan is to provide certainty on the source of housing supply by identifying suitable allocations, with the effect that, post-adoption, the number of windfalls should decline. The NPPF enables LPAs to include an allowance for windfall sites within the five year housing land supply where there is compelling evidence. However, it does not make provision for such sites within development plans. Reliance on a windfall allowance (regardless of size) throughout the plan period (as described in Table 2, page 41 of the FLP) is contrary to the NPPF and increases the level of doubt that the plan will not meet the current proposed requirement.
- 1.29 In terms of addressing the shortcomings identified above, contingencies should be put in place in the event the trajectory is not delivered. At present significant emphasis is placed on ensuring the delivery of the full extent of dwellings across all identified sites and means that, as drafted, the Plan is inflexible in the event that this is not achieved. This strongly supports the needs to identify additional sites.
- 1.30 An increase in the housing requirement, as advocated by SLG, would worsen the degree to which the FLP would be unable to meet that requirement and would increase the need to identify additional housing allocations.

***Issue 6 – Whether the amount of employment land (60.6 ha gross as set out in Policy DLF1 and 62 ha net in Policy EC1) is appropriate to meet the objectively assessed needs of the Borough.***

**25. Whilst the soundness of individual employment sites will be considered at Stage 2 of the Examination, is the amount of land justified, consistent with national policy and supported by robust and credible evidence?**

- 1.31 The Employment Land Requirement for the FLP has been largely established through the Fylde Employment Land and Premises Study 2012<sup>14</sup> (FELPS) and associated addendum from 2015<sup>15</sup>. The FELPS analyses take up rates between 1989 and 2012, with the figure used in the FLP modified to reflect take up rates to 31 March 2015.

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<sup>14</sup> Document ref. ED041a

<sup>15</sup> Document ref. ED041m

- 1.32 The NPPF was published towards the end of the period analysed in the FELPS. It introduced an imperative that *'the planning system does everything it can to support sustainable economic growth'* and that *'significant weight should be placed on the need to support economic growth through the planning system'*<sup>16</sup>. Local Plans should also seek to meet the full and objectively assessed needs. This represented a step-change in the policy approach to economic development and, along with other government strategies, seeks to drive economic growth.
- 1.33 Improved economic growth is reflected in the take-up rates which show a consistent improvement across the most recent five (10 and 15 year) period covered in the FELPS, with a rate of almost 3 ha per annum experienced across the most recent five year period assessed. It is instructive to note that this was achieved despite a substantial part of this period being subject to a global recession. It suggests a strong and improving economy which is capable of delivering stronger take-up than previously experienced. Using this rate, there would be a requirement for an additional 5.88 ha of employment land across the Plan period.
- 1.34 Furthermore, no provision is made for flexibility. This is particularly concerning as c.25% of the requirement is to comprise specialist provision at the Blackpool Airport Enterprise Zone, associated with the Fylde Coast Energy Hub. The BCS also used historic take-up rates to establish its employment land requirement, however it applied a 20% flexibility allowance. This approach was found by the BCS Inspector to be sound and an appropriate basis on which to plan. The position in Fylde is more positive, with substantial job growth expected across the plan period (a decline was forecast in Blackpool) and the improvements in take up rates recognised in the FELPS.
- 1.35 Despite this, no additional allowance is made for flexibility in the FLP. As drafted, it therefore fails to make proper provision for employment land and associated economic growth. SLG contend that the approach of the FLP in respect of employment land is contrary to the requirements of the NPPF by failing to properly justify the employment land requirement and not being positively prepared. On this basis it concludes that the FLP is unsound.
- 1.36 The Brief Employment Land Assessment (BELA) prepared on behalf of SLG (Appendix 2) confirms that there is a potential shortage of 'oven-ready' land (i.e. serviced plots) available due to the current acquisition of the last vacant plots at Whitehills Business Park and Blackpool Business Park. It also identifies a lack of good quality business space (i.e. premises) in the Fylde coast as a result of the lack of recent development activity. There is, however, some return to speculative development and the CLR identifies a buoyant market for small warehouse/ industrial accommodation and a trend for occupiers moving out the town centre to upgrade the quality of their accommodation.
- 1.37 It also raises some concerns over the deliverability of some of the larger employment allocations to meet short-term needs given the need for significant investment to provide infrastructure, or which are not particularly appealing to the market.
- 1.38 SLG's land at Peel Hill Farm is capable of accommodating a proportion of employment development in a Strategic Location (the M55 Hub) which the FLP recognises as an

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<sup>16</sup> NPPF paragraph 19

appropriate location for employment development. The FELPS demonstrates that the take up at the M55 Hub has been particularly strong, with c.47% of all take up in the monitoring period at this location. This figure increases to 72% if the last six years covered by the FELPS are used. It now has a critical mass of occupiers, including major regional and national occupiers who have all acquired sites in recent years.

- 1.39 The BELA confirms what the FELPS demonstrates, that in qualitative terms the site performs well based on its proximity to the M55 motorway and the Whitehills Business Park. It would therefore be capable of accommodating part of an additional requirement for employment land and could be expected to perform well.

# **Appendix 1: Brief Employment Land Assessment**



**Land at Peel Hill Farm  
Whitehills  
Brief Employment Land Assessment**



**Prepared by Robert Pinkus & Company  
for Strategic Land Group  
March 2017**

## **1. Introduction**

This report is in response to your request to advise on the suitability of a section of the subject site for employment use, in the context of supply of employment land within the borough and surrounds.

I understand you have recently entered into a Promotion Agreement for this site with a view to securing planning permission for a mixed-use residential and commercial development.

I am a Partner at Robert Pinkus & Company in Preston and head of the Agency Department. I have specialised in the commercial property market for the last 23 years and have been and remain heavily involved in the employment land activity on sites throughout the Fylde Coast area.

Robert Pinkus & Company are based on Preston Riversway and advise a wide range of clients on commercial properties matters throughout Lancashire and Cumbria. We are the largest firm of Commercial Property Consultants in Lancashire and have developed a reputation of being one of the most active firms within the Fylde Coast area. I believe I am well qualified to comment on the market in this location.

## **2. The Site**

The subject site comprises a relatively flat piece of green-field land, together with a caravan park and a residential dwelling, totalling approximately 72 acres, known as Peel Hill Farm.

The site is located immediately adjacent to junction 4 of the M55 in Blackpool. Although the site falls within Fylde Borough it is adjacent to the boundary with Blackpool Council.

Blackpool Town Centre is located approximately four miles to the north-west with Lytham St Annes approximately three miles to the south-west of the site.

The immediate area is of a mixed residential/rural/commercial nature. There is a large B&Q store together with a cluster of car showrooms directly opposite on the Whitehills Business Park, which is an established business park and is home to a number of local and regional occupiers.



### **3. Market Commentary**

The majority of activity in the employment sector that has taken place in south Blackpool over the past 20 years has been at Blackpool Business Park, next to Blackpool Airport and at Whitehills Business Park. Blackpool Business Park is located approximately 2 miles west of J4 of the M55 motorway and was the first specific business park in the town, launched in the late 1990's. This site, totalling approximately 100 acres, has seen take up from predominantly local businesses together with non-employment uses including a Morrisons Supermarket and Squires Gate Retail Park at the front of the site. There is now limited supply going forward for employment use in this location, despite the area receiving Enterprise Zone status recently.

Whitehills Business Park emerged in the late 1990s as a competing strategic site to Blackpool Business Park, initially led by the B&Q and Premier Inn/Pub development and over the last 15 years or so there has been a combination of speculative development of both offices and small scale industrial units to meet demands of the local market. At present, there are a number of undeveloped plots at Whitehills, totalling approximately 10 acres and these are virtually all held under the control of a local developer, Henco Developments. It is likely that these sites will be taken up in the next year or so. Contracts have just been exchanged on 7 acre site at Whitehills to an owner occupier and Henco are in discussions with an owner occupier on 2.25 acre plot. Once these two transactions alone complete it could leave a potential shortage of supply for the borough in terms of "oven-ready" land.

Whitehills, and the area adjacent to Junction 4 of the M55 generally is the target for increased economic growth going forward in Blackpool and Fylde. This location has excellent communication links to the local motorway network and is well positioned to serve towns including Blackpool, Lytham St Annes and Wesham/Kirkham. The success of this location over recent years means there is now a critical mass of occupiers which will continue to attract new business to the area. Major regional and national occupiers such as Travis Parkins, Wren Kitchens, Bathroom Solutions, Hargreave Hale Stockbrokers, Napthens Solicitors and NST Travel have all acquired sites at Whitehills over recent years. It is important therefore that sites will be available in the future to meet anticipated future demand.

We are now experiencing a shortage of available, good quality business space in the Fylde coast as a result of the lack of recent development activity or allocations in development plan documents. There has been a slow-down in occupier activity during this period, largely due to a nervousness to commit to larger premises and associated higher occupational costs. This slow-down will however halt and the market will recover. The supply of good quality premises has slowly reduced to a point where supply and demand are now reasonably well balanced but in the absence of new development I anticipate there being a shortage in the future. The identification of suitable sites within the Fylde Local Plan will assist in meeting growing demand in the future.

We are starting to see pockets of speculative development of small business units in the north and south of the borough, at Blackpool Business Park and Blackpool Technology Park respectively. There has also been some recent new development at Whitehills Business Park, close to the subject site. Developers are now reacting to the upturn in the market.

Despite this upturn, we believe that further recovery is needed for demand to recover to pre-recession levels. The market for small warehouse/ industrial accommodation, sub 5,000 sqft remains the most buoyant in the business sector with offices the most challenging. We are slowly seeing occupiers drift out of the town centre to upgrade the quality of their accommodation but we are also seeing more evidence of hot-desking/home working which is reducing office occupier's demands for space generally.

The subject site occupies a very good business location for companies looking for "out-of-town" space. The proximity to the motorway and local amenities, together with the site's prominent and accessible location will ensure it scores highly on occupier's requirement criteria.

#### **4. Proposed provision of employment land going forward.**

The Fylde Employment Land and Premises Study was carried out in 2012 and identified the quantum of land that was perceived to be required until the end of the new Local Plan period, based on historic take-up figures.

The employment land market in Fylde has strengthened over that historic period. Take up rates have averaged 2.01 hectares per year over the last 15 years. However, over the last 5 years (which included the deepest recession since the 1930s) the average take-up rate has been 2.98 hectares per year. The future transactions identified earlier in this report show that those trends are continuing.

The Employment Land and Premises Study also reveals the strength of demand in the area around Junction 4 of the M55. Over the period from 1989 to 2011, 46% of all employment take-up was in this location. More recently, over the last 6 years recorded (2005-11), 72% of all employment land take-up was in the Whitehills area.

Referring to Policy EC1 of the draft Fylde Local Plan, I would comment as follows:

1. Queensway Industrial Estate is being promoted by the Receivers controlling this site as an employment site but despite continued enquiries, their aspiration of value remain for higher value uses including A1 retail and residential. The site does not have a retail/residential planning permission and I think this will be hard to secure in this location.
2. Dock Road and Boundary Road in Lytham have very limited land availability but that would only be suitable for small-scale, local demand.
3. Mill Sports Farm purports to have plots available for employment use but recent enquiries indicate their aspirations of value are far in excess of conventional employment use. They appear to be looking to attract hotel/pub occupiers.
4. Blackpool Airport Enterprise Zone - This figure has been reduced as a result of recent land sales and some of the employment land is actually located "airside", which limits its use to airport related activities only. I believe the actual available land here for general employment use is nearer 4-5 hectares, which is low bearing in mind this is most established business park on the Fylde Coast.
5. Naze Lane, Freckleton – this is a very secondary location in the context of the Fylde and would only be suitable for very local demand.

Whilst there appear to be a number of sites with employment allocations, the occupier market only concerns itself with which sites are available immediately for development.

## **5. Conclusion**

- The subject site occupies a strategic location adjacent to J4 of the M55 motorway in an established and improving business location. We appreciate that the intention will be to secure an allocation (and ultimately planning permission) for predominantly a residential scheme which will incorporate some employment use.
- The general supply of available business space is low in Blackpool and Fylde, and generally of poor quality. Given the economic climate, there has been very little new development in either the office/warehouse sector, resulting in a shortage of good quality space available in the market for occupiers.
- Whilst there is currently a reasonable supply of employment land in the Blackpool and Fylde boroughs, my concern is that, as the market continues to improve, a number of sites which have an employment allocation going forwards need significant investment to provide infrastructure, or are not particularly appealing sites. It is a qualitative argument which needs addressing now to ensure the region has the employment land supply going forward.
- The subject site, in qualitative terms, would score highly in my opinion based on its proximity to the M55 motorway and its adjacency to Whitehills Business Park which is a proven business location. It has historically proven to be the most attractive business location in Fylde.
- I understand that securing a residential planning permission on the subject site would enable land to be released for employment use.
- In terms of meeting the demands of local and regional businesses, I also believe it is important to actually deliver floorspace in the form of premises, as opposed to simply providing serviced land. Most occupiers in this vicinity are looking for smaller units which they won't want to build themselves.
- If the subject land were to be brought forward for employment uses in say the next 5 years, I would expect it would attract interest from both developers and occupiers alike. Given the potential for frontage development as well, the site has potential for higher value car showrooms/trade counter operators in addition to conventional forms of employment.