

ROSSENDALE LOCAL PLAN EXAMINATION

MATTER 5 HEARING STATEMENT OF THE PEEL GROUP (REPRESENTOR ID 5160)

Issue: Does the Plan set out a positively prepared strategy for the delivery of employment development and jobs, which is justified, effective and consistent with national policy?

a) Is the identified Functional Economic Market Area of Rossendale justified?

1.1 We agree with the Council's position that:

*"...Rossendale in isolation does not comprise its own FEMA but instead overlaps with adjoining Blackburn and Manchester...and their corresponding economic geographies"*¹

1.2 As outlined in our response to Matters 2i and 3a, this means that the Plan must recognise the impact of functional relationships with other areas, and should not be considered in isolation.

b) Is the identified objectively assessed need (OAN) of 22-32 hectares of employment land over the period 2014 to 2034, as set out in the Employment Land Review, soundly based?

1.3 Whilst we have no technical comments on the ELR itself, our response to Matter 3ci is also relevant to this question and therefore articulated below with specific reference to matters relating to the local economy.

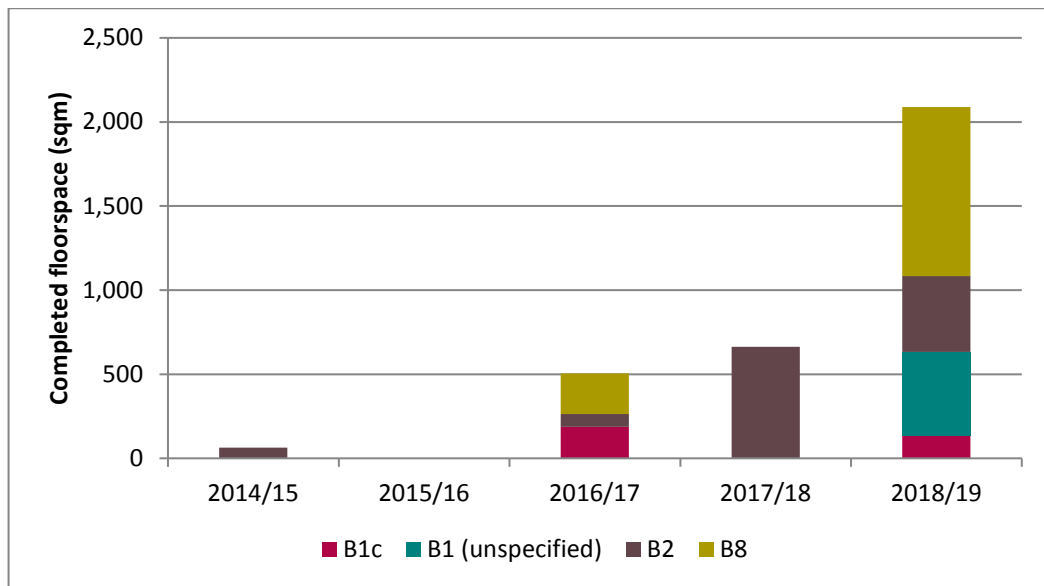
1.4 We note that the lower end of the concluded range (22ha) results from an extrapolation of past take-up rates. This is despite a clear warning within the ELR that such trends will be at least partially influenced by the *'unprecedented recession in the commercial market nationally'*². Such a warning was warranted, given that the borough has seen a strong recovery in the development of commercial floorspace since the ELR was produced as shown at Figure 1.1 overleaf³.

¹ Rossendale Borough Council (2019) Rossendale Draft Local Plan: Employment Land Topic Paper [EB018] paragraph 3.1.9

² Lichfields (2017) Rossendale Employment Land Review [EB017] paragraph 9.74

³ Rossendale Borough Council (2019) Rossendale Borough Council's response to Matter 5, part e) – Employment land completions and future supply [EL1.007] Table 1

Figure 1.1: Completions of B1, B2 and B8 uses in Rossendale (2014-19; sqm)



Source: Rossendale Borough Council, 2019

- 1.5 Thus there is clear evidence of an improving trend which highlights a risk that the historic-take up trend evidence will provide an under-estimation of need. More importantly the Council has also correctly recognised that historically *'low take up is not because of a lack of need or demand but because of a lack of suitable sites which, in itself, is seen to be constraining growth'*⁴. This further strongly questions the validity or reliability of presenting such a scenario as being representative of future needs in Rossendale, even where it forms only the lower end of a range.
- 1.6 The upper end of the range relates to an adjusted Experian forecast, which slightly uplifts the baseline (c.30ha) to reflect the priority sectors of the Lancashire Enterprise Partnership (LEP) by incorporating slightly more optimism around office job growth and less pessimism regarding industrial decline⁵. As noted in our Regulation 19 submission, such an approach is supported by evidence of a recent stabilisation in the sector and the existence of local strategies aimed at supporting manufacturing businesses and preventing forecast declines⁶.
- 1.7 It does, however, fall short of the job growth that would be planned for when retaining the Council's Core Strategy target of achieving 3% net jobs growth every five years, with circa 35ha of employment land required under such a scenario⁷. This is only disregarded because *'discussions with RBC Officers'* indicated that this target is *'unlikely to be taken forward in the Local Plan'*⁸, yet the dismissal of this target is not considered to be justified or appropriate. We maintain that such a rate of job growth would continue to provide a reasonable basis for the Local Plan, within the context of past trends, adjusted forecasts

⁴ Rossendale Borough Council (2019) Rossendale Draft Local Plan: Employment Land Topic Paper [EB018] paragraph 4.3

⁵ Lichfields (2017) Rossendale Employment Land Review [EB017] paragraph 9.31

⁶ Paper 2: Assessment of Housing Needs, paragraphs 4.31 – 4.37

⁷ *Ibid*, paragraphs 9.33 to 9.36 and Table 9.16

⁸ *Ibid*, paragraph 9.89(6)

and the broader economic strategy⁹. Such a rate of job growth has also been achieved in recent years¹⁰.

- 1.8 Accordingly, we consider that a range of between 32ha and 35ha should have been recommended in the ELR, allowing for a recovery from mis-representatively low past take up trends and showing a greater alignment with the Council’s existing employment growth targets, strategies and investment.

c) Paragraph 116 in the Plan confirms that the Council has identified an employment land requirement of 27 hectares. Is this figure justified and supported by robust evidence? If the employment requirement is based on labour supply estimates, are there implications arising from the different Plan periods for the housing and employment requirements in the Plan (2019-34 v. 2014-34)?

- 1.9 As above, our response to Matter 3ci is similarly relevant to this question.
- 1.10 The ELR’s range includes further “labour supply” scenarios which fall between its lower and upper end. These scenarios begin from the premise that the realisation of forecast job growth, at the upper end of the concluded range or indeed beyond, is constrained by a lack of available labour. The ELR warns that such scenarios are “*more conservative given that they relate to a (proportionately) declining working age population*”, and clearly states that “*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*”¹¹ (emphasis added).
- 1.11 The Council has nonetheless proposed a requirement for 27ha of employment land, linked to one of these ‘labour supply’ scenarios which models the floorspace needed to accommodate the labour force envisaged where housing provision is limited to only 220 dwellings per annum. This would self-evidently fail to support the job growth forecast by Experian, or the higher level of growth that the Council has previously targeted. Its approach to establishing its employment land requirement therefore freely accepts that the economic growth potential of Rossendale will be constrained by a lack of available labour.
- 1.12 This stance is clearly linked to the Council’s determination to plan for the lowest possible level of housing provision, with the Employment Land Topic Paper stating that:
- “The higher figure has...been ruled out because, as the ELR points out, if the Council opted for the top end of the range, it may need to consider a higher level of housing delivery or have sufficient weight behind policies which ensured that the labour force would remain high enough to warrant this increased employment land supply. For example, policies that had the ability to ‘claw back’ out-commuters and **planning for a mix of housing that specifically encouraged retention of economically active residents or would attract younger economically active people into the borough.** Whilst these aims*

⁹ Paper 2 of our Regulation 19 submission: Assessment of Housing Needs, paragraphs 4.20 to 4.37

¹⁰ Rossendale Borough Council (2017) Authority Monitoring Report for 2014/15, 2015/16 and 2016/17 [EB044] p34

¹¹ Lichfields (2017) Rossendale Employment Land Review [EB017] paragraph 9.44

are supported, it is recognised this may be difficult to achieve in full without strong policy intervention”¹² (emphases added)

- 1.13 The negativity and circularity of such an approach directly conflicts with the requirement for Local Plans to be ‘*positively prepared*’¹³. It would fail to ‘*create the conditions in which businesses can invest, expand and adapt*’ to realise the potential for higher employment growth in Rossendale, and fails to recognise that housing is a potential barrier to investment that could be addressed through a positively prepared Local Plan¹⁴.
- 1.14 Within this context, we maintain that the Council should be seeking to support through the allocation of an appropriate supply of employment land a level of job growth which exceeds that implied by an off-the-shelf forecast, and is more proportionate to its adopted target of securing 3% net jobs growth over five years or 0.6% per annum. This continues to appear reasonable in the context of past trends, adjusted forecasts and the broader economic strategy, and would require a level of employment land provision beyond that proposed in the draft Plan.

d) Are there any implications for employment OAN and employment land requirements arising from the updated employment forecasts in the SHMA 2019? (also see Matter 3cii)

- 1.15 The SHMA Update continues to refer to the Experian forecast cited in the ELR, alongside a more recent forecast produced in December 2018. It does not express a preference for either forecast, nor recognise the limitations of such off-the-shelf forecasts as described above.
- 1.16 We maintain that the baseline Experian forecast cited in the ELR underestimates the full economic potential of Rossendale where it is recognised that stronger levels of recent job growth have been recorded and as the ELR itself acknowledged that a more positive future for manufacturing is assumed¹⁵. The updated Experian forecast in the 2019 SHMA Update suffers the same limitations and therefore, in our view, risks failing to fully recognise likely job growth potential in Rossendale over the plan period.
- 1.17 Interrogation of past trends of employment growth and the Council’s economic strategies suggests that the Council should be planning for a higher level of employment growth than is tested in the SHMA Update, or than it is planning to accommodate through the provision of employment land.

¹² Rossendale Borough Council (2019) Rossendale Draft Local Plan: Employment Land Topic Paper [EB018] paragraph 4.3

¹³ MHCLG (2019) National Planning Policy Framework, paragraph 35a

¹⁴ *Ibid*, paragraphs 80 and 81c

¹⁵ Paper 2 of our Regulation 19 submission: Assessment of Housing Needs, paragraphs 4.27 – 4.36