

**THE BOROUGH OF PENDLE
(LOMESHAYE INDUSTRIAL ESTATE
EXTENSION, PHASE 2)
COMPULSORY PURCHASE ORDER 2018**

**TOWN AND COUNTRY PLANNING ACT 1990
ACQUISITION OF LAND ACT 1981**

DRAFT STATEMENT OF REASONS

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1. Introduction

- 1.1 This non statutory Statement of Reasons has been prepared by The Borough Council of Pendle ('the Council') in support of its promotion of 'The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order 2018' (Document 1) ('the Order') in accordance with the Compulsory Purchase Guidance ('the Guidance') published by the Ministry of Housing, Communities and Local Government in February 2018.
- 1.2 It will be distributed to all the parties stated in paragraph 22 of the Guidance and will be available to the general public for viewing.
- 1.3 This Statement of Reasons includes all items set out in section 11 of the Guidance and takes account of the advice contained in section 1 thereof in respect of section 226 of the Town and Country Planning Act 1990.
- 1.4 The Council reserves the right to raise further matters in any statutory Statement of Case that is issued under the Compulsory Purchase (Inquiries Procedure) Rules 2007.
- 1.5 The Order is being promoted by the Council under section 226(1)(a) of the Town and Country Planning Act 1990 in order to acquire the ownership of the Order Land (described in Section 2 of this statement) so as to facilitate Phase 2 of the extension to the Lomeshaye Industrial Estate, Brierfield ('the Industrial Estate').
- 1.6 The Council proposes to extend the Industrial Estate in two phases (see the location plan annexed as Document 2). Phase 1 was covered by 'The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 1) Compulsory Purchase Order 2018' ('the Phase 1 Order') which was submitted to the then Department of Communities and Local Government on 12th January 2018 and was the subject of a public inquiry held on 26th-28th June 2018. It is anticipated that the Phase 1 extension shall safeguard or create 400-500 full time equivalent jobs within the local area and enhance the capacity for economic growth along the strategically important M65 Growth Corridor. This corridor is well connected, being located in the vicinity

of the M65 motorway. It is anticipated that the proposed Phase 2 extension covered by this Order, will safeguard or create up to a further 1000 full time equivalent jobs.

- 1.7 The Order Land is at present in the single ownership of Mr William John Hargreaves (see Section 2 below and Document 3). The Council is keen to acquire ownership of the Order Land in order to facilitate development of Phase 2, thereby enabling it to work with partners to deliver a fully serviced and well connected site to the market. Whilst being justified on its own merits, it would clearly complement any, Phase 1 extension to the south and deliver on Policy WK3 in the Core Strategy which allocates land adjacent to the existing Lomeshaye Industrial Estate as a Strategic Employment Site, thereby serving as a platform to build strategic economic growth within the Borough of Pendle ('the Borough'). The Council is of the opinion that the proposed scheme for expansion would not be financially viable for the private sector to undertake. Nevertheless, the proposed works are considered crucial to unlocking the potential for economic growth, building upon the already popular Lomeshaye Industrial Estate. Public sector funding is therefore considered vital to bringing this about. It is contended that it is important for the Council to be involved in assembling and servicing the site, not least because if the private sector were to attempt to do so, it would suffer delays through not being able to exercise CPO powers and could run into problems concerning the provision of state aid.
- 1.8 The central justification for the Order is to be found within the Strategic Planning Framework as the proposals would deliver a Strategic Employment Site that is allocated within the Core Strategy. Closely linked to this is the case to be advanced in terms of economic development, since the proposals would seek to build a solid and long term platform for sustainable economic growth that would deliver significant policy goals and objectives nationally, within Lancashire and for the Borough. These justifications based upon the Strategic Planning Framework, the case for economic development and the achievement of corporate policy objectives are closely related and are set out in sections 7-9 of this Statement.
- 1.9 It is anticipated that the total cost of delivering the Phase 2 extension shall be £4.4m. This shall be funded by way of £4m from the

Lancashire Enterprise Partnership (‘the LEP’) Local Growth Fund (to be drawn down by March 2021) and £400,000 from the Council as part of the Capital Programme 2017/2018, authorised by a resolution to the Executive on 22nd June 2017 and subsequently approved by the Council on 20th July 2017.

- 1.10 Whilst the Phase 2 extension is justified in its own right (based on the case set out in sections 7-9 of this Statement of Reasons) it would also build upon any Phase 1 extension. It is expected that the proposed Phase 2 extension will deliver agglomeration benefits on account of it being located in close proximity to any Phase 1 extension and within the strategically significant M65 Growth Corridor.
- 1.11 The Policy & Resources Committee of the Council resolved on 18th September 2018 to promote the Order and allow submission to the Secretary of State. (Documents 4 & 5).

2. Order Land

- 2.1 The Order Land is located on the outskirts of Brierfield and Nelson within the M65 Growth Corridor, located in the south of the Borough.
- 2.2 The Order Land totals some 19.19 hectares adjoining the Industrial Estate in Brierfield.
- 2.3 The Order Land comprises a working farm and agricultural buildings together with a dwelling house. The Order Land at present is therefore mainly in agricultural use and is bounded by the area edged black on the Order Map marked ‘The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order 2018’ and coloured pink thereon (Documents 1 & 3).
- 2.4 The Order Land is located along the strategically important M65 Growth Corridor and is well connected to the rest of Lancashire and the national motorway network by the M65 motorway.
- 2.5 The area is served by the East Lancashire railway line which runs hourly services between Blackpool South and Colne (via Preston, Blackburn and Burnley) offering connections into both the Manchester

and Liverpool city regions, as well as London and Scotland via the west coast mainline.

- 2.6 During 2015, the LEP funded infrastructure improvement works to junctions 12 and 13 of the M65 and surrounding roads in order to improve access and facilitate opportunities for growth around Brierfield Mill, the Lomeshaye Industrial Estate and the Trough Laithe Farm Strategic Housing Site in Barrowford. These works formed part of the Burnley Pendle Growth Corridor Investment Programme linked to the Lancashire Growth Deal 2015-2021 (Document 13). The recent investment in junction 13 was intended to future proof the junction so as to enable capacity for the development of strategic housing and employment sites in the locality. Taken together with the improvement works to junction 12, they provide access by way of modern highway infrastructure to key developments such as the Strategic Employment Site of Lomeshaye Industrial Estate (accessed by junction 12/13), the Strategic Housing Site of Trough Laithe Farm at Barrowford (accessed by junction 13), the Northlight development - a high quality mixed use housing/employment and leisure site at Brierfield (accessed by junction 12) and Reedyford Mill, which is currently being redeveloped for employment use. The Lancashire County Council Transport Plan (LTP3) to 2021 (Document 6) proposes further potential transport interventions in the area, particularly with a view to improving links to the Leeds city region through road links between Colne and Foulridge (allowing access to Keighley and Skipton) and the possibility at some stage of reopening the rail link between Colne and Skipton that was closed in 1970. The importance of having strong connectivity between Lancashire and Yorkshire was noted in Chapter 7 of the Local Plan (see paragraph 7.14 of this Statement) and Local Plan Policy ENV4: Promoting Sustainable Travel. It may be noted that the economy of the Leeds City Region (which includes Keighley/Skipton) covers 3 million people with a GVA of around £63bn-£65bn¹ – more than twice that of Lancashire. It is therefore attractive to high paid and high skilled jobs and underlines the importance of Lancashire having strong connectivity with these city

¹ These figures for the wider Leeds City region (include Skipton, Selby, York and Barnsley) and compare to just £51.6bn for the metropolitan area of West Yorkshire (ONS Statistical Bulletin, ONS, 2016) and were given to the West Yorkshire Economic Growth Conference (hosted by Built Environment Networking) held in Leeds on 22 September 2017.

regions if it is to benefit from access to those higher paid labour markets and to exploit opportunities for business growth.

- 2.7 The Order Land comprises a single plot shown as Plot 1 (191,900 sqm) in the ownership of William John Hargreaves – Freehold.

3. Statutory Enabling Power to promote CPO

- 3.1 Upon confirmation, the Order shall permit the compulsory acquisition of 19.19 hectares of land in total, which is located adjacent to the Industrial Estate in order to facilitate the Phase 2 extension to the Industrial Estate as shown on the Location Plan (Document 2).
- 3.2 The Order is made under section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by section 99 Planning and Compulsory Purchase Act 2004) and the Acquisition of Land Act 1981 (as amended) to secure the development, re-development and improvement of the area.
- 3.3 The re-development of the area through the proposed Phase 2 extension of the Industrial Estate (which shall add 19.19 hectares of industrial land (9.03ha developable) and approx 36,000 square metres of extra floorspace) is intended to deliver on the site allocation in the Core Strategy as a Strategic Employment Site, whilst consolidating benefits of any Phase 1 extension (including environmental improvements) thereby bringing clear social, and economic benefit to the area. The proposal would be likely to deliver social benefits, because it is located in an area of relative deprivation, namely Brierfield and Nelson, and workers are likely to spend in the local economy. The extension should provide economic benefit through provision of greater employment on the Industrial Estate, and it is anticipated that many of these jobs will also benefit local residents², as well as bringing a strategic benefit to the area – being located as it is within the M65 Growth Corridor. The clustering of businesses within

² The 2011 Census showed that 49.5% of workers within the Borough travel less than 0.5km to work compared with 19% across the UK. It is therefore likely in accordance with these trends that local workers will be attracted to fill jobs available within the new industrial units, although it is accepted that the specific position will be dictated by workers having the required skills profile to take new positions. (This is also why the improvement of the skills base is also a key priority for the Borough). '2011 Census: Method of Travel to Work' (Published by the Office of National Statistics, 2014).

an extended Industrial Estate should increase the capacity to deliver agglomeration benefits to businesses as they profit from access to local labour markets through the proximity of the M65, cheaper public goods (such as access to high speed broadband) and derive benefit from local knowledge spillovers, as businesses within the site are located within close proximity enabling the exchange of technical knowledge and expertise. It has been proven that these agglomeration benefits are key to delivering successful economic growth³. The Phase 2 extension is being developed so as to consolidate upon the infrastructure and environmental improvements expected to be delivered in Phase 1. Furthermore, it is estimated that the Phase 2 extension would safeguard or add the equivalent of up to 1000 full time jobs, in addition to the 400-500 full time equivalent jobs created or safeguarded as a result of Phase 1, thereby building a strategic platform on which to build the delivery of long term and sustainable economic growth.

- 3.4 At present, the Industrial Estate (without the phased extensions) extends to 40 hectares in total and is home to around 100 businesses employing 3,500-4000 people (just under 10% of the total workforce of the Borough of Pendle). These businesses cover the key sectors that make up the local economy in Pendle, namely manufacturing, engineering and distribution as well as growth sectors such as technology and telecoms. The site includes some of the largest employers in the Borough such as Protec Fire Distribution plc with over 800 jobs, the Daisy Group with over 500 jobs, Wellocks with 370 jobs, and Science in Sport providing 88 jobs. It also includes small businesses such as Pendle Frozen Foods and Straight Line Engineering Ltd, each of which provide just over 20 jobs. In many ways these two companies are typical of the small business sector in Pendle, in that 94% of businesses within the Borough employ under 20 people. These will continue to be crucial to the future successful economic growth of Pendle in the years to come.
- 3.5 The Industrial Estate is presently operating at capacity and there are no further opportunities for it to grow without the proposed extensions of Phases 1 and 2. This situation is reflected in other industrial estates

³ See Rosenthal, S. & Strange, W. (2001) 'The Determinants of Agglomeration', *The Journal of Urban Economics*, 50, pp.191-229. Also see Glaser, E. (2008) 'Cities, Agglomeration and Social Equilibrium', Oxford University Press.

– such as Whitewalls in Colne and West Craven Business Park (both operating at 100% capacity). This lack of spare capacity across the Borough is problematic both for Pendle and for Lancashire, because the Borough needs to provide suitable locations for a mix of businesses including starter units and those over 10,000 square feet. This problem is particularly acute within the M65 Growth Corridor, where significant future growth is anticipated. Much of the industrial space across the Borough is located within former mill buildings. Whilst such buildings typically have character, the units they provide are generally not up to modern standards, often of an inappropriate size, constrained by poor access and are located in primarily residential areas. Taken together, these factors have constrained the ability of the Borough to provide industrial space of sufficient quality and in appropriate locations that are demanded by modern businesses looking to relocate to and expand their operations within Pendle. It is anticipated that the Phase 2 extension will be large enough and flexible enough to accommodate a wide range of different sized units (see Section 6 'Development Proposals'). This would not only add capacity, but would also be likely to free up some second hand units within the Industrial Estate, as existing businesses sought to relocate to the new units, as was also anticipated with Phase 1. This would mean the delivery of a mixture of new and second hand vacant units to the market, bringing a substantial improvement to the industrial space that is on offer within the Borough. The population of Pendle (around 89,000⁴) is due to grow to 93,000 by 2030⁵ and the provision of opportunities for economic growth is therefore fundamental, not least to cater for the anticipated increase in local population. The proposed extension would address these issues and thereby deliver significant economic, social and environmental benefits, locally, Borough wide and across the county.

4. Human Rights

- 4.1 The Council has taken into account the rights of the property owners under the European Convention for the Protection of Human Rights and Fundamental Freedoms 1950 ('the Convention'), in particular Article 1 of the First Protocol (right to private property). The Council

⁴ Census of Population, 2011 (ONS).

⁵ Sub National Population Prediction (2012)

contends that it is in the public interest for the proposed extension of the Industrial Estate to proceed. The land which is the subject of the Order represents the minimum amount of land reasonably required to carry out the proposed redevelopment. The Council considers that this measure does not have an excessive or disproportionate effect on the interests of the persons affected and the extent of the powers sought in the Order strikes a fair balance between the legitimate aims of the Council and the affected persons' Convention rights.

5. Purpose of Compulsory Purchase

- 5.1 The Council's purpose in seeking to acquire the Order Land is to enable the construction of Phase 2 of the Lomeshaye Industrial Estate extension. This would build upon the Phase 1 extension to the south, which was the subject of the Phase 1 Order and together this would further enable delivery of the Strategic Employment Site as envisaged in Policy WRK3 of the Core Strategy (see paragraph 7.21 below).
- 5.2 Consideration was given to the private sector assembling the site and carrying out the infrastructure works, but it was concluded that this would be uncertain and time consuming, not least because the private sector would not have access to compulsory purchase powers and would potentially run into legal problems with state aid rules over the public funding of infrastructure works. Accordingly, although in the long term the ultimate benefit in terms of delivering jobs to the area would be the same (see section 6 below) allowing the private sector to assemble the site and package it for the market would be likely to take around two years longer, thereby taking longer to deliver the ultimate annual benefit of increased £49m GVA to the local economy.⁶
- 5.3 The Council is seeking to exercise its powers of compulsory purchase as a last resort and contends that there is a compelling case in the public interest to promote the Order. This would allow title to be obtained to the Order Land in a timely manner, thereby facilitating the Phase 2 extension which needs to be delivered promptly to meet funding conditions of the LEP monies (see section 12 below). Whilst justified on its own merits (see sections 7-9 below) it is anticipated that Phase 2 would also consolidate benefits arising from any Phase 1 extension to

⁶ Advice from JL Advisory (Aug, 2018)

the south and would deliver on the allocation of the site as a Strategic Employment Site in Policy WRK3 of the Core Strategy, bringing a potential benefit of around 1400-1500 safeguarded or new FTE jobs, over both phases. These expansion proposals are perhaps all the more important because it is likely that Phase 1 units will be occupied quite quickly and the current site operates at capacity and acts as a significant constraint on much needed economic growth.

6. Statement of Development Proposals

- 6.1 The proposed extension under Phase 2 will unlock 19.19 hectares of industrial land (9.03 hectares of which are developable) delivering approximately 36,000 square metres of new industrial floor space. Although the precise mix will depend on a market assessment, upon which will be formulated a detailed development/disposal strategy, it is anticipated that the Phase 2 extension will be large enough and flexible enough to accommodate a range of different sized units to accommodate businesses primarily (but not necessarily exclusively) within the manufacturing sector.
- 6.2 The Borough suffers from an acute shortage of larger industrial units (over 10,000 square feet) which are of interest to inward investors and expanding businesses. This problem is particularly acute within the M65 Growth Corridor. If the issue is not addressed it will act as a significant constraint on growth in years to come and shall seriously undermine attempts to drive economic growth. This would bring problems in delivering corporate objectives that are intended to boost employment and improve population wellbeing, as set out in the Jobs and Growth Strategy for Pendle 2013-2023 (Document 7).
- 6.3 The Council is aware that there continues to be strong demand for businesses to locate and expand within the M65 Growth Corridor and particularly at the Industrial Estate. It is evident that provision of quality industrial space is needed in order to achieve significant economic growth which is vital to secure the economic prosperity and social wellbeing of Pendle and its people. This shows the importance of the Phase 2 extension being delivered as quickly as possible, to consolidate the benefits from any Phase 1 extension and secure the delivery of the Strategic Employment Site as allocated in Policy WRK3 of the Core Strategy.

- 6.4 The proposed Phase 2 would anticipate the development of 36,000 square metres of new industrial space with the creation of up to 1000 full time equivalent jobs.
- 6.5 Phase 2 is challenged by the difficult topography of the site (in parts) and the need to build and locate industrial units in such a way so as to be sympathetic to the visual amenity of the locality. This will be achieved by incorporating and enhancing existing natural environmental features, as appropriate and the provision of new strategic planting/landscaping. To this end the Council has prepared a draft development brief (including a design code) which, once adopted, will inform the submission of a planning application.
- 6.6 The total Phase 2 area is 19.19 hectares. This would result in the development of 9.03 hectares of new industrial space and 36,000 square metres of floor space. For the reasons set out in paragraph 6.5 above, not all of the land within the Phase 2 area is capable of being built/developed out. Nevertheless, the Council contends that there is a compelling case in the public interest to seek acquisition of all elements of the Order Land detailed in section 2 above and set out more specifically in the Schedule to the Order, on account of the fact that the Council seeks to develop Phase 2 by way of comprehensive development, rather than adopt a piecemeal approach. Such a comprehensive approach also maximises the potential to deliver agglomeration benefits deriving from any Phase 1 extension and increases the chances of being able to deliver the Strategic Employment Site in accordance with Policy WRK 3 of the Core Strategy.
- 6.7 Although not all of the Order Land will be developable, the Council contends that it is required in order to ensure that the industrial units are built and located in a way which enhances the visual amenity of the local area and to ensure that landscaping is delivered in a comprehensive way consistent with the draft development brief (including the design code) incorporating sustainable transport routes to link with the existing Industrial Estate and any Phase 1 development. In this context, the Council is of the view that there is a compelling case in the public interest to acquire such areas, to ensure

comprehensive development and to allow the Owner to be compensated properly according to the statutory compensation code.

7. Justification for CPO: (1) Strategic Planning Framework

- 7.1 The central justifications for the Council's promotion of the Order are to be found in the Strategic Planning Framework, consisting of the National Planning Policy Framework 2018 ('the NPPF') (Document 8) and Borough of Pendle Local Plan 1: the Core Strategy 2011-2030 (Document 9) that was adopted by the Council in December 2015. The case advanced in terms of the Strategic Planning Framework is substantially supplemented with and assisted by the case advanced in terms of securing economic development and delivering a strong platform for the delivery of sustainable economic growth across the Borough and beyond. This in turn is supported by the case advanced in terms of the proposed development achieving key corporate objectives for the Council aimed at delivering substantial social economic and environmental improvement for the Borough and beyond.

Section 226(1)(a) Town and Country Planning Act 1990 (as amended)

- 7.2 As indicated in Section 3 above, the Council contends that whilst the proposed Phase 2 extension of the Industrial Estate is fully justified on its own merits, it would also consolidate the economic, social and environmental benefits arising from any Phase 1 extension. As such the proposals for the Order Land fall within the terms of enabling power prescribed by the amended Section 226(1)(a). The delivery of these proposals would also be wholly consistent with the Strategic Planning Framework, both in terms of national planning policy through the NPPF and local planning policy through the Local Plan.

National Planning Policy Framework

- 7.3 The NPPF (Document 8) was introduced by the Government and took effect from July 2018. It contains national policy and is intended to guide planning decisions and policies along the lines of sustainable development with a view to promoting social economic and environmental wellbeing.

- 7.4 Paragraphs 80-82 of the NPPF deals with policies designed for 'Building a strong, competitive economy'.
- 7.5 Paragraph 80 indicates the importance of supporting economic growth and productivity taking account of the needs of local businesses and wider development opportunities. Paragraph 81(a) makes clear that planning policy should set out a clear economic vision and strategy that supports sustainable economic growth. Paragraph 81(b) provides that planning policy should where appropriate identify strategic sites for local and inward investment which fits with the wider strategy referred to in paragraph 81(a). Paragraph 81(c) requires planning policy to address potential barriers to investment, and this includes proposals to deal with inadequate infrastructure.
- 7.6 The Council contends that the proposals to develop the Order Land are in accordance with the requirements of the NPPF as set out above, in that the proposed Phase 2 extension to the Industrial Estate will be large enough and flexible enough to accommodate a range of different sized units which would facilitate business growth in sectors important to the local economy, notably but not exclusively the (advanced) manufacturing sector. Furthermore the provision of larger units (over delivery of Phases 1 and 2) would be designed to satisfy a proven demand to cater for potential inward investment into the Borough, as well as providing smaller starter units for new SME businesses which are of crucial importance to the local economy in Pendle.

Pendle Local Plan Part 1: Core Strategy 2011-2030

- 7.7 The Pendle Local Plan Part 1: Core Strategy 2011-2030 ('the Local Plan') (Document 9) was adopted by the Council in December 2015.
- 7.8 The Local Plan builds upon the ambition set out in the Sustainable Community Strategy - 'Our Pendle Our Future: Pendle's Sustainable Community Strategy 2008-2018') (Document 25) namely that the Council wants Pendle to be 'a place where quality of life continues to improve and where people respect one another and their neighbourhoods. We want Pendle to be a place where everyone aspires to reach their full potential. We want to be recognised locally,

regionally and nationally as a great area to live, learn, work, play and visit’.

- 7.9 The Local Plan incorporates this ambition, and significantly the means and intention to achieve it, by setting out a Vision for Pendle in 2030, so as to guide delivery of the broader ambition set out in the Community Strategy by the end of the Local Plan period.
- 7.10 Further reference is made to the Community Strategy and the Vision for Pendle 2030 contained in the Local Plan in section 9 below dealing with the third aspect of justification for the CPO: Corporate Policy. Reference is made to it here merely to set the context and highlight the fact that delivery of detailed planning policies in the Local Plan that are set out in detail below, form part of a wider strategy designed to drive the improvement of social economic and environmental wellbeing for those who live, work within or visit the Borough.
- 7.11 Paragraph 3.11 of the Local Plan identifies the M65 Corridor (consisting of Nelson, Colne, Brierfield and Barrowford, which together contain two thirds of the population of the Borough) as one of three clearly identifiable spatial areas in the Borough, ‘each with its own distinctive characteristics and unique opportunities (the other two being the West Craven towns and Rural Pendle).
- 7.12 Paragraph 3.16 of the Local Plan chronicles the historical development of the Industrial Estate (with its strategic location off junction 12 of the M65) dating back to the 1980s and how it has become the major employment site for Nelson (as well as Brierfield). It is noted that the current estate is home to approx. 100 businesses employing between 3,500 and 4,000 people.
- 7.13 Paragraph 3.17 of the Local Plan makes reference to the historic site of Brierfield Mills, which dominates the local landscape, is located next to the train station in Brierfield, accessed off junction 12 of the M65 and within the vicinity of the Industrial Estate. The Local Plan makes clear that this site has ‘great development potential’. The Council is working with public and private sector partners (including Lancashire County Council) to deliver ‘Northlight’ which is a substantial regeneration project designed to create a high quality

leisure, residential and educational destination for the area, and do so in a way which maximises the cultural value of the mill which is listed and is clearly a historic asset to the area. The Council contends that this project which is in the process of being delivered, would fit well with the proposed Phase 2 extension to the Industrial Estate, in that both are designed to significantly boost the social, economic and environmental wellbeing in the area to the benefit of those who live, work and visit there. The Industrial Estate, as a Strategic Employment Site complements the nearby Trough Laithe Farm Strategic Housing Site at Barrowford, which is accessed by junction 13 of the M65.

- 7.14 Chapter 7 of the Local Plan sets out planning policies in respect of spatial development. The geographical position of the Borough sets the context, namely that Pendle forms an important gateway between Lancashire and Yorkshire and so there is an objective to improve transport links between these counties as well as those to Manchester, thereby enabling residents to access higher paid labour markets in the Greater Manchester area. Policy SDP2: Spatial Development Principles makes clear that the focus of growth should be in 'Key Service Centres' centred upon Nelson (including Brierfield), Colne and Barnoldswick, whilst Policy SDP 4: Employment Distribution requires 78.5% of new employment land allocated to meet the requirements of Policy WRK2: Employment Land Supply, should be located within the M65 Growth Corridor. Policy ENV4: Promoting Sustainable Travel underlines the importance of ensuring that developments are located in close proximity to transport networks and that regard shall also be had to the promotion of walking and cycling where appropriate. The Council contends that the proposals for the Order Land are fully in accordance with the planning policies set out in this paragraph.
- 7.15 Chapter 11 of the Local Plan sets out planning policies in respect of the local economy under the title 'Working: Creating a Dynamic and Competitive Economy'. Paragraph 11.1 makes clear that the policies in the Local Plan are designed to address three main components of the local economy – Production (including manufacturing) and services, Retailing and town centres, and Tourism, culture and leisure. Paragraph 11.2 chronicles how vital it is to create a healthy and sustainable local economy if wider ambitions set out in the Community Strategy – notably 'securing confident, socially cohesive

and prosperous communities’ – are to be achieved. Paragraph 11.3 acknowledges that the creation and sustaining of local employment opportunities are key components in the regeneration of deprived areas (and both Nelson and Brierfield score highly on the Index of Multiple Deprivation) and the creation of sustainable communities. Paragraphs 11.5-9 draw upon Goal 2 in the Community Strategy - which states ‘We want to create and sustain a dynamic, competitive and healthy economy, providing the jobs of the future and the talents and skills to fill them’. The intention is that the economy in Pendle makes a positive contribution to the economy at local, regional and national levels. This would mean addressing a historic problem for the local economy, which has traditionally functioned below the trend rate of national growth (see Section 8 below). This is supported by the activities of the LEP which made clear in its founding document – ‘The Lancashire Enterprise Partnership: The Way Forward (2011)’ (Document 10) that the priority is to support opportunities which maximise jobs and growth and ensure that access to such are spread across the county in order to maximise impact on delivering growth targets. The first Lancashire Growth Plan published by the LEP in 2013 (Document 11) made clear the importance of building upon existing strengths and competitive advantage – in terms of Pendle this means advanced engineering/manufacturing and tourism. The Council works closely with the LEP to not only safeguard existing employment opportunities and create new ones, but to match the supply and demand sides of the labour market so that businesses can fill the requirements for skilled labour. To this end, the Council has worked with other partners, notably Nelson and Colne College to ensure that there are relevant programmes of post 16 education and training (including its flagship apprentice programme) which will add value to the local economy and boost the prospects of people joining the labour market. The key outcomes the Council is seeking to achieve are set out in the Pendle Jobs and Growth Strategy 2013-2023 (Document 7)(see Section 8 below). Paragraphs 11.14-16 note that though well paid in some areas, the manufacturing sector of the economy in Pendle provides a disproportionate number of job opportunities, which indicates a need for diversification of the economy where possible. By contrast the service sector is under represented, and the majority of opportunities in this sector are low skilled and low paid. This has an impact on the average median weekly wage levels in Pendle, which in 2013 (when assessed by place

of work) were just £383.60 slightly below levels for the North West (£388.60) and significantly below the average for England (£421.60) (ONS: Provisional Annual Survey of Hours and Earnings (2013) (Document 12). The average hourly pay in 2012 for full time workers in Pendle was £10.97 compared to the national average of £12.87 (Document 7). The position in terms of income is to some extent a reflection of the structure/dynamics of the local economy and the ability of sectors to maximise value in terms of Gross Value Added ('GVA'), the skills levels of the working population⁷ and the challenges that face the economy as a whole such as health problems, the ageing population and issues around long term worklessness (see Section 8 below). Paragraph 11.15 notes that the economic challenges are most acute in the M65 Corridor, which has the highest concentrations of economically inactive people, and those that are most likely to have the lowest levels of qualifications. This underlines the importance of boosting skills levels of local residents so that they can take job opportunities at a higher level, which are likely to pay more, thereby improving their own position and that of the local economy. Boosting skills levels should also make the Borough more attractive to inward investors looking to relocate. Pendle has traditionally had a problem in the sense that many of the high level knowledge intensive business service jobs (which generate graduate level employment and drive GVA) have tended to locate to neighbouring city regions such as Manchester and Leeds, which offer twin benefits of ready access to highly skilled labour and enhanced connectivity. These challenges which are chronicled in the Local Plan and also underline the importance of having a ready supply of business sites with which to attract inward investors, hence the importance of the proposed extension of the Industrial Estate, which should deliver further capacity in terms of industrial space over both phases.

7.16 Policy WRK1: Strengthening the Local Economy makes clear that proposals for economic development should help to strengthen and diversify the local economy and support the strategies and growth

⁷ The Jobs and Growth Strategy for Pendle (2013-2023) records that just 18% of the population in Pendle hold qualifications at NVQ Level 4 (degree level) and above compared to 34% for the national average. (This has serious implications for generating well paid knowledge information business service sector jobs). At lower levels the problem persists. Only 63% of the population in Pendle is qualified NVQ Level 2 (5 GCSE passes at grade C or above) compared to 70% in Lancashire and just under 72% across the country.

sectors identified in the Lancashire Strategic Economic Plan 2015-2025 (Document 13) and the 'Jobs and Growth Strategy for Pendle 2013-2023' (Document 7) (See Section 8 below). Proposals should look to improve entrepreneurialism and reduce worklessness, maximise training opportunities particularly for those wishing to enter the labour market or improve their skills and improve connectivity (whether through transport links or digital means). Furthermore, in the M65 Corridor (in which the Industrial Estate is located) proposals should seek to support regeneration activity in the housing market (notably through recent activity with the HMRI Pathfinder Initiatives with Elevate) and look to reduce levels of worklessness.

- 7.17 Paragraph 11.30 of the Local Plan notes how employment land and premises are concentrated along the M65 Corridor, which has the benefit of being able to access a ready supply of Labour and good road transport connectivity due to the M65. Around 24,000 people (or two thirds of the Borough's working population) live and work within the M65 Corridor. In sectors which particularly suffer from low pay/low skills, residents need to be able to access employment opportunities close to home. That said, paragraph 11.31 indicates that there is a net outflow of commuters from the Borough (presumably to neighbouring centres such as Burnley, Blackburn, Preston and Manchester) with 12,785 residents of the Borough travelling to work outside of it and some 8,692 travelling into the Borough for work opportunities. The net outflow of commuters obviously acts as an incentive for the Council to work with partners in an attempt to create further job opportunities within the Borough. At the same time an increase in commuting (including out of the Borough) is to be expected with enhanced levels of connectivity and such patterns do drive up overall wage levels for residents, as those residents who do commute out of the Borough tend to be higher skilled and can typically access higher paid service sector (generally knowledge based) jobs in the neighbouring city regions such as Manchester or Leeds. These issues raise the important question of the employment land supply within the Borough and as Paragraph 11.33 of the Local Plan records, the Council prepared the Pendle Employment Land Review, (Document 14) which calculated an employment land supply target by assessing a requirement for employment land within use classes B1 (Light Industry), B2 (General Industry) and B8 (Distribution and Warehousing) for the period of the Local Plan up to

2030. This informed the calculation and requirement set out in Table WRK2a: Employment Land Requirement Calculation. This calculation indicated a shortfall in supply of 25.02ha up to the end of the Local Plan period in 2030. This was based upon a projected gross requirement of 68ha. Paragraph 11.37 of the Local Plan records that ‘....much of [the] industrial and commercial floorspace represents a legacy from the industrial revolution’ being poorly located in relation to the road network, with the fabric of buildings often in poor condition and the layout not suited to modern needs. Paragraph 11.39 indicates that quality, location and size of potential employment sites are important considerations. Paragraph 11.40 makes reference to the need to identify a strategic employment site within the M65 Corridor for B2 (general industrial) and B8 (warehousing) in order to promote economic growth and contribute towards Lancashire wide growth targets. Paragraph 11.41 emphasises the importance of having a supply of usable employment sites in order to attract inward investment and facilitate job creation.

7.18 Under Policy WRK2: Employment Land Supply the Council shall seek to allocate at least 25 hectares of employment land by 2030 to make up the predicted shortfall in supply. Provision of particular sites will follow the typologies set out in ‘Towards a Sustainable Employment Land Strategy’ (Genecon: 2005) (Document 15). In particular all sites should address the needs of business as contained in the latest Pendle Employment Land Review, help to diversify the local economic base, be well located in relation to public transport infrastructure, preferably be located on brownfield sites – unless local circumstances dictate otherwise – and consider the potential impact on the natural environment in accordance with Local Plan Policy ENV1: Protecting and Enhancing Our Natural and Historic Environments. The M65 Corridor should be the main focus for new employment initiatives within Pendle because of relatively high levels of connectivity and access to supplies of labour that exists along this corridor.

7.19 Paragraph 11.62 requires the Strategic Employment Site (allocated under Policy WRK3) to have a complementary and sustainable relationship with other sites in the Borough. The Council contends that this is clearly the case because each site acts as an employment focus for a different geographical settlement. The Industrial Estate

therefore has a complementary relationship to other such sites in the Borough. Notably it is located close to junction 12 of the M65 and serves as the main employment site for Nelson/Brierfield (presently covering 40 hectares, with over 100 businesses providing 3500-4000 jobs) in the same way that the Whitewalls Industrial Estate is located close to junction 14 of the M65 serves as the main employment site for Colne (covering 22 hectares, with over 24 businesses providing 2000 jobs). The West Craven Business Park is located near to Earby in the north of the Borough, whilst the Riverside Business Park located at junction 13 of the M65 secures provision of high quality office space, as opposed to the mixed use (B1, B2, B8) provision at the Industrial Estate.

- 7.20 Paragraph 11.68 of the Local Plan indicates that the Strategic Employment Site must be capable of accommodating demand for larger plot sizes. Within the M65 Corridor, there is high demand, but a lack of supply in the current portfolio. Paragraphs 11.70-71 make reference to the 'significant topographic constraints and the extent of the Green Belt' which limit options for development within the M65 Corridor. During the process of preparing and adopting the Core Strategy, the Green Belt boundaries were altered to facilitate the allocation of this site, on the basis of exceptional circumstances, namely that the proposed extension to the Industrial Estate was and remains the only site in the M65 Growth Corridor which can provide the identified level of development and is suitably accessible from the motorway network. Paragraph 11.73 records that the site is accessible by sustainable modes of transport from both Nelson and Brierfield and that although the proposed development would result in a loss of an area of Green Belt 'this would not impact on its overall role in this location or to its general extent'. In any case 'any loss would be significantly outweighed by the economic social and environmental benefits a new site would help to bring about.' Furthermore 'the site has considerable advantages over any alternatives in terms of its relationship to existing businesses, accessibility and the infrastructure necessary to bring the site forward'. The site accounts for just 1.4% of 2,067 hectares of Green Belt within the Borough. Paragraph 11.75 of the Local Plan notes that the allocation of land as a strategic employment site, although in the Green Belt would not lead to unnecessary or unjustified urban sprawl, not result in neighbouring towns merging together and not have an adverse impact upon the

special character of a historic town. The proposed extension over two phases constitutes 30.59 hectares – but allowing for structural landscaping, SuDS schemes, wildlife corridors and environmental measures, it is estimated that around 16 hectares would be developable. This would also take account of the fact that part of the site located along Pendle Water lies within Flood Zone 2 and 3 which places some restrictions upon development in accordance with Local Plan Policy ENV7: Water Management. Paragraph 11.77 notes that the site has a good functional relationship with key service centres along the M65 and allows residents the opportunity to seek employment in close proximity to their homes. The site is also likely to be attractive to the market, given its proximity to the local and national transport network.

- 7.21 Policy WRK3: Strategic Employment Site – Lomeshaye allocates the site as a Strategic Employment Site making clear that B1, B2 and B8 uses will be supported, provided the site is adequately connected to the existing road and motorway network, there is early engagement with infrastructure providers to ensure provision of appropriate infrastructure (such as utilities and broadband) under Local Plan Policy SDP6: Future Infrastructure Requirements, the development of a high quality landscaping scheme, the submission of a detailed development brief and the addressing of any potential environmental impacts under Local Plan Policy ENV1: Protecting and Enhancing Our Natural and Historic Environments.
- 7.22 The above paragraphs have set out how the proposed extension of the Industrial Estate became allocated as a Strategic Employment Site under Local Plan Policy WRK3. The Council contends that whilst the purpose for promotion of the Order (see Section 5 above) namely to facilitate the proposed Phase 2 extension of the Industrial Estate is justified in its own right, it would also be likely to consolidate benefits from any Phase 1 extension to the south and fully fits within the above policies as set out, and in particular fits with Policy WRK3 in that in formulating its Development Proposals (see Section 6 above) the Council shall oversee the provision of appropriate infrastructure.
- 7.23 Accordingly, the Council contend that the proposals to develop the Order Land are fully consistent with the policies of the Local Plan,

and as such with the Strategic Planning Framework and is satisfied that they have the potential to deliver significant social economic and environmental benefit to the Borough and beyond.

Links between the Strategic Planning Framework and Economic Development

- 7.24 It will be appreciated that the justification for the CPO in relation to the Strategic Planning Framework as outlined above, of necessity relates to and makes the case in relation to economic development, as well as planning policy issues – not least because a significant part of the strategic planning framework is directed towards securing economic development. It will be further noted that the Phase 2 extension is intended to consolidate and take advantage of the environmental and infrastructure improvements delivered as part of Phase 1. The next section of the Statement of Reasons however will set out the case for economic development, first in its broader context and then specifically in relation to the Industrial Estate.

8. Justification for CPO: (2) Case for Economic Development

Context of the Local Economy

- 8.1 Before considering the importance of economic growth generally and specifically in relation to the proposed extension of the Industrial Estate, it is perhaps worth setting the context in which the local economy operates.
- 8.2 At 2016 the UK economy measured by workplace output was valued at around £1.75 trillion Gross Value Added ('GVA'). London made the largest contribution (£396bn) and the South East region generated around £257bn. But outside London and the South East, the North West region generated the most – contributing £165bn of value to the national economy. Of this Greater Manchester made the largest contribution (£62.8bn) with the economies of Lancashire and Merseyside broadly similar (valued at £31.5bn and £30bn respectively). Cheshire was slightly below at £28.4bn (driven by Warrington), with the Cumbrian economy generating just over £12bn. It will be evident from this brief survey that Lancashire generates just under 20% of GVA for the north west economy, broadly equal to

Merseyside and Cheshire, but nearly three times that of Cumbria and only half that of Greater Manchester.

- 8.3 The economy of each county can be further analysed by considering the data produced by the Office of National Statistics (Document 16). For Lancashire, there are six sub regions – the largest is Mid Lancashire (which is centred on the economic engine of Preston) at £11.5bn (35% of the Lancashire economy), but the East Lancashire sub region (which covers Pendle and also includes Burnley, Hyndburn, Rossendale and Ribble Valley) generates £6.1bn, which is 19% of the county economy. In fact when taken with neighbouring Blackburn with Darwen which has an economy valued at £2.9bn (9.4% of the Lancashire economy), it is evident that nearly one third of the Lancashire economy is based in the East Lancashire area. When joined with Preston it accounts for nearly two thirds of the Lancashire economy. The remaining areas such as Blackpool contributes £2.3bn (7.4%) Chorley and West Lancashire just over £4bn (14%) and Lancaster and Wyre £4.2bn (14.7%). This brief survey shows the importance of the East Lancashire sub region to the Lancashire economy and the vital contribution that the Lancashire economy makes to generating economic value for the north west region.
- 8.4 The RSA City Growth Commission's report 'Unleashing Metro Growth' (2014) (Document 17) surveyed economic growth trends for 15 urban/metropolitan areas across the UK and reported in October 2014. The main conclusion was that all areas outside London and the south east region tended to perform below the UK average. When this is considered, there is a clear economic prize waiting to be claimed in terms of generating extra GVA, if ways can be found to close the productivity gap that would enable these areas to deliver the average rate of UK growth instead of being below trend. This research is echoed in the position of Lancashire. It is estimated that GVA in Lancashire is around 77% of the national average⁸. This 'productivity gap' has been the subject of much debate. The Northern Powerhouse Independent Economic Review (2016) (Document 18) ('the Review') examined the issue with specific reference to the northern economy (which as a whole is valued at over £300bn with some 15million

⁸ Economic Forecasts for Lancashire, Oxford Economics (2013) quoted in the Lancashire Strategic Economic Plan 2015-2025.

population) and noted that there was a 25% productivity gap for the northern economy (when compared with the rest of the country) which was due to a combination of low skills, lack of technology, lack of investment, poor connectivity, poor agglomeration and a lack of enterprise. Notwithstanding the problems caused by the productivity gap, the Review also identified economic sectors in which the north has a competitive advantage on a global scale. These are high growth high value sectors, which have the prospect of generating well paid knowledge intensive business service jobs for the northern economy. The Review found that the north was competitive in four main sectors – manufacturing/advanced manufacturing, health (including production of health devices), digital⁹ and energy. This is supported by other sectors notably Further/Higher Education, Professional Services and Logistics, which support delivery in these competitive sectors. The Lancashire Strategic Economic Plan 2015-2025 (Document 13) highlighted that the county has competitive advantage in advanced manufacturing and engineering sectors such as automotive and aerospace industries (such as those clustered around the two Enterprise Zones at Warton and Salmesbury or the Rolls Royce engineering facility located in Barnoldswick) and it should be noted that the Jobs and Growth Strategy for Pendle (2013-2023) (Document 7) indicated that manufacturing and engineering are of primary importance to the economy of Pendle. These considerations underline the need for the Borough to have sufficient workspaces of adequate size, in appropriate locations that are well connected both to local labour and communications, so as to be able to take advantage of economic opportunities that offer the chance to close the productivity gap, generate economic growth and in so doing, significantly improve the wellbeing of the local community. The importance of the Borough having a sufficient supply of industrial space to generate economic growth, whether it is in traditional sectors or new ones, can hardly be overstated. This explains why (as with the Phase 1 extension) the case around economic development for the proposed extension in Phase 2, remains of critical importance in the promotion of the Order.

⁹ The importance of the digital sector to the northern economies was underlined by the recent 'Northern Digital Jobs Strategy Report' (published by Tech North, Ernst Young, January 2018) which chronicled that productivity is rising four times faster in the digital sector than the wider economy and the average salary in the sector is 48% higher than the economy as a whole.

The Importance of Economic Growth

- 8.5 Economic Growth is the cornerstone from which progress can be built out. In a modern economy, it appears to be a necessary if not sufficient condition for social progress. If the RSA City Growth Commission (2014) in their report 'Unleashing Metro Growth' (Document 17) highlighted the importance of UK regions developing strategies to deliver economic growth that closed the productivity gap, bringing regions closer to the UK trend level of growth, then the RSA Inclusive Growth Commission (2017) in their report 'Inclusive Growth Commission: Making the Economy Work for Everyone' (Document 19) underlined the social aspect of this growth. It also highlighted the importance of it being inclusive, and the need to offer opportunities to all sectors of the community to participate within it. This observation was derived from the finding that it was possible to have a scenario which grew GVA but did not grow jobs. The key issue in respect of inclusive growth is to be seen in the way that it rejects 'trickle down' economics in favour of a more interventionist approach to tackle deep seated often multi-faceted social economic problems. These interventions are typically associated with linking up the supply and demand sides of the local labour market, by for instance ensuring that the labour market offers the skills levels needed to meet local business demand. This explains the importance of the Council working in close partnership with the Lancashire Enterprise Partnership, Lancashire County Council and education providers such as Nelson & Colne College as well as with local business and other agencies to ensure that education and training programmes are designed to meet the requirements of local businesses, so that the Borough can boast a skilled labour force that is attractive to businesses wishing to start, expand or relocate to the Borough. Another related and crucially important aspect of inclusive growth, is the prospect that it offers for reducing worklessness and in particular helping 'hard to reach groups' that are economically inactive within the labour market, to take jobs that are on offer in the local area. This interventionist approach is therefore designed to remove barriers (be it in terms of skills or other assistance) to people taking jobs that are generated by economic growth and offers the prospect of the benefits of economic growth being shared by the wider community.

- 8.6 The generation of inclusive economic growth offers the opportunity to deliver upon other crucial public policy agendas, particularly around improving health, delivering high quality housing and the reduction of crime. At one level, this is because those in employment enjoy better levels of health and are more likely to be able to afford better quality housing, but it is also because economic growth generates the resources to pay for public services in these areas. Viewed in this way, inclusive economic growth not only offers the prospect of delivering on key corporate objectives for the Borough such as improvement in health levels, reduction in levels of worklessness and improvement in the quality of housing, but also offers the prospect of significantly improving life chances for the community who are able to share in the proceeds of economic growth.
- 8.7 Economic growth also offers the prospects of delivering fiscal benefits at both a local and national level. This can manifest itself in boosted tax receipts and (at a local level) improved income from business rates and council tax. By the same token, reduction of worklessness and expanding the pool of available skilled labour should reduce public expenditure, thereby delivering a net benefit to the public purse. In the longer term these gains can be potentially enhanced by public service reform with a focus on collaboration and partnership working to be centred around the delivery of joined up public services, with an emphasis on lower cost prevention rather than after the event cures, which inevitably turn out to be more expensive. Such benefits can be long term and require sustained investment, but are often evident in areas such as public health or early years provision.
- 8.8 The quest for economic growth has become a national priority, signified by the publication of the Industrial Strategy 'Building Our Industrial Strategy'(2017) (Document 20), as the Government contemplates how to cope with challenges that a post Brexit UK will produce. It has also become clear that the strengths of regional economies will need to play a part in this process, if productivity is to be raised across the country to benefit 'uk plc'. Partly for this reason and partly because of the increased focus on place shaping, the quest for economic growth has also become a clear priority for the Local Government sector. A recent survey by the Society of Local Authority Chief Executives 'Transforming Services: Transforming Leadership' (2016) (Document 21) put economic growth within the top three

issues that members considered priorities (along with social care and housing). This was also reflected in the priorities of council leaders.

- 8.9 The recent debate over devolution has been premised on how to drive economic growth, with a deep seated desire to gain local control of the levers of economic policy, in areas such as skills policy, transport planning and increased flexibility around housing provision. In Lancashire, there is a continued debate about whether devolution can be delivered in an institutional form with the creation of a Lancashire Combined Authority – again the purpose of which would be to create a strategic platform from which to build sustainable economic growth across the County.
- 8.10 Regardless of whether a Lancashire Combined Authority is in the long run formed or not, the quest for economic growth is clearly a priority within Lancashire. The LEP(which was formed in 2011) has engaged in a number of specific interventions designed to boost economic growth in Lancashire. Significant interventions include the setting up of two Enterprise Zones in Salford and Warrington which have a focus on advanced manufacturing (particularly clustered around the aerospace sector), the creation of Boost Lancashire – a support programme delivered through Growth Lancashire to provide business advice and assistance, the Preston and South Ribble City Deal (which covered highways investment, extra housing provision and improved business support) and the launch of Superfast Lancashire to secure the provision of high speed broadband connections across Lancashire. The Lancashire Strategic Economic Plan (2015-2025) (Document 13) set out a strategic programme to drive growth over the next decade, acknowledging (in paragraph 10.5) that ‘without any intervention, there will be a modicum of economic, employment and housing growth’. Paragraph 1.44 of the Lancashire Strategic Economic Plan 2015-2025 (Document 13) chronicles that this intervention included the development of a specific Lancashire skills strategy ‘Skills for Growth’(Document 22). Key components covered the use of apprenticeships to drive future skills delivery in key sectors, capitalising on the benefit derived from institutions of higher education, improving career advice and guidance, supporting and improving the skills chain for key employment sectors as well as for sectors with transformational potential. This latter point underlines that the Lancashire Strategic Economic Plan 2015-2025 (Document

13) is concerned to support traditional sectors which are the mainstay of the Lancashire economy such as food manufacturing (with 13,000 employees), the visitor economy (with 60,000 employees) and business and financial services (with 40,000 employees). It also covers developing sectors such as health (from NHS and social care to manufacture of medical devices), aerospace, digital and Business Process Outsourcing, which covers office administration functions often of large companies which locate to Lancashire to take advantage of relatively cheap premises and a ready supply of labour. These sectors fit alongside the fast growing sectors of aerospace (with 20,000 employees), the automotive industry (with 3,500 employees) and the energy sector (with 37,000 employees). These latter sectors are fast growth and offer a trajectory for strong transformative economic performance and well paid jobs, taking advantage of a combination of skilled labour, technology, high quality specialist assets which are often clustered together so as to deliver significant agglomeration benefits. It is these latter sectors that form the basis of an Arc of Prosperity that stretches from Lancaster in the north (with a focus on research facilities at Lancaster University, the development of Heysham Port and the potential growth of the energy sector) through Wyre and Fylde (with a focus on nuclear and renewable energy), to Blackpool (the premier seaside holiday destination in the UK), and to Salmesbury and Warton Enterprise Zones (with a focus on advanced manufacturing), to Central Lancashire and Preston (with strengths in the automotive sector and higher education with the University of Central Lancashire underpinned by the development of new infrastructure from the Preston & South Ribble City Deal) through to the M65 Growth Corridor (in which the Industrial Estate is located) and out towards West Craven with the Rolls Royce engineering facilities at Barnoldswick. It is worth noting that the M65 corridor contains Burnley, which is regarded as the most enterprising location in the UK¹⁰ and that Pendle itself is home to the largest concentration of employment in advanced manufacturing in England¹¹. The Lancashire Strategic Economic Plan 2015-2025 (Document 13) provided the basis for the Lancashire Growth Deal 2015-2021 (Document 13) which looks to deliver 50,000 new jobs, 40,000 new houses and deliver an additional benefit of £3bn in GVA

¹⁰ Burnley won an award from the DBIS in August 2013 for the most enterprising location in Britain.

¹¹ Spatial Distribution of Industry Release (ONS) 2013, chronicled in the Lancashire Strategic Economic Plan (2015-2025)

by 2021, in return for access to growth funding. The economic strategy of each district council within the County therefore looks to assist in delivery of these wider objectives of the Lancashire Growth Deal. The anticipated increase in employment from the proposed phased extensions to the Industrial Estate, namely Phase 1 (400-500 safeguarded or new jobs) and Phase 2 promoted by this Order (up to 1000 new jobs) therefore count towards these strategic objectives.

- 8.11 The Jobs & Growth Strategy for Pendle (2013-2023) (Document 7) sets out the vision of delivering 'a vibrant economy that creates high quality jobs to support business growth which leads to a prosperous population'. The strategy acknowledges that whilst future economic growth is subject to external influences, the Council should work with partners to help stimulate it. The strategy is built around four themes – our business (to create more thriving businesses and provide suitable and sufficient land for economic growth), our people (to provide a highly employable workforce for growing businesses), our connectivity (to improve road, rail and digital connections to bring employees, residents and businesses closer together) and our place (to ensure that housing is of sufficient quality in Pendle). These four elements are designed to deliver jobs and growth. The strategy acknowledges that whilst the fact that the economy of Pendle is overweight in the manufacturing sector (as in 2011 30% of 30,700 jobs in the Borough were attributed to it, compared to 13.8% in Lancashire and 8.7% at national level) creates a need to diversify and rebalance the local economy, manufacturing remains a competitive strength and jobs in the advanced manufacturing/engineering sector in particular are highly paid¹². With specific reference to Industrial Estate, the first strand 'Our Business' deals with the need to provide employment sites to accommodate business growth and do so particularly within the M65 Growth Corridor, which presently contains 80% of jobs within East Lancashire¹³, thereby providing opportunities for agglomeration economic benefits.

¹² Average annual earnings in the manufacturing sector are £36,000 significantly above other sectors (see Pennine Lancashire Investment Plan 2013) quoted in paragraph 7.125 of the Lancashire Strategic Economic Plan (2015-2025)

¹³ Lancashire Strategic Economic Plan (2015-2025) paragraph 7.125

The Lomeshaye Industrial Estate: Present Position

- 8.12 The above context makes clear the vital importance of economic growth and in particular the adverse consequences for social wellbeing of not being able to generate it. This is why the Council together with other partners including Lancashire County Council and the LEP have made the generation of sustainable and inclusive economic growth such an important priority in their plans and strategies.
- 8.13 The present position is that the Industrial Estate is at the capacity limits of what it can contain. It is unable to accommodate further demand for industrial units and this is a significant constraint on growth. The Council is content that there is sufficient demand for modern high quality industrial units of sufficient size in this location, not least because it is well connected to the motorway network and closely located to other business activity within the M65 Growth Corridor. A failure to extend the estate by way of the proposed phased extension, would present a serious problem not only for the growth ambitions of Pendle, but on the ability of Pendle to contribute to the delivery of outputs in terms of employment required by the Lancashire Growth Deal 2015-2021 (Document 13). The Council are of the view that doing nothing is not a viable option. A failure to act will be a blockage to economic growth and a barrier to improving life chances of those who live and work within the M65 Growth Corridor, as inward investors and existing businesses looking to grow seek other locations outside of Pendle because the Borough does not have sufficient industrial space of the required condition and in the required localities to accommodate business needs. The consequence is that Pendle loses out and this is a cost to the local economy and its people.

The Lomeshaye Industrial Estate: Proposed Extension for Phase 2

- 8.14 As indicated in Section 2 (above) the Local Plan has allocated the Industrial Estate as a 'Strategic Employment Site'. The Jobs and Growth Strategy for Pendle (2013-2023) (Document 7) makes clear that there is a lack of suitable industrial/employment land elsewhere. Notwithstanding the development of other sites such as Brierfield Mill and the West Craven Business Park, there is a need for new industrial units to be of sufficient size for business demand and well located

within the M65 Growth Corridor. As indicated (in section 5 above) the Council is seeking acquisition of the Order Land, in order to facilitate the Phase 2 extension of the Lomeshaye Industrial Estate. The Council intends that the Phase 2 extension shall cater for the demand for larger modern industrial units. Knowledge from work associated with Phase 1 suggests that there is likely to be demand for such units and Phase 2 will be large enough and flexible enough to accommodate a wide range of unit sizes. As the Jobs and Growth Strategy for Pendle (2013-2023) (Document 7) acknowledged, the site 'has the potential to create a substantial number of jobs in the Borough'. It is anticipated that Phase 2 will safeguard or create up to 1000 FTE jobs, in addition to the 400-500 FTE jobs safeguarded or created as a result of Phase 1. The significance of this to Pendle, Lancashire and to the national economy will be evident, given the considerations outlined with respect to the important role of economic growth and the responsibilities of the Council and partners to try to create conditions to encourage that in order to secure the wellbeing of its people. Accordingly, the Council believes that there is a strong justification for the promotion of the Order based upon the case for economic development.

9. Justification for CPO: (3) Corporate Policy Framework

Vision of 2030 set out in the Local Plan

9.1 The Pendle Local Plan Part 1 Core Strategy 2011-2030 ('the Local Plan') (Document 9) that was adopted by the Council in December 2015 set out a vision for the Borough of Pendle in 2030. The vision paints a broad picture of how the Borough should look by 2030, thereby providing an action plan to guide progress in the interim period. The following observations from that can be made:-

- Dynamic/beautiful location
- Carbon Reduction
- Modern IT infrastructure/improved broadband connectivity
- Improved transport links – particularly to neighbouring city regions of Manchester and Leeds

- An expanded business sector along the M65 Corridor
 - Improved skills levels so as to be able to attract well paid employment
 - Revitalised town centres
 - A quality, balanced and affordable local housing market
 - Protection and enhancement of high quality natural landscapes
- 9.2 It will be evident that many of these elements of the 2030 Vision related to improved IT infrastructure, better connectivity, higher skills levels and an expanded business sector along the M65 Corridor, directly relate to and would in part be delivered by the proposed Phase 1 and Phase 2 extension of the Industrial Estate.

Strategic Plan 2018-2020

- 9.3 The Strategic Plan adopted by the Council for the period 2018-2020 (Document 23) notes that 'As a Council we have signed up to the vision in our Sustainable Community Strategy and we are committed to working with our partners to ensure that.....we want Pendle to be a place where everyone aspires to reach their full potential'. This vision is supported by four strategic objectives – strong services, strong economy, strong communities and strong organisation. The strategic objective to develop a strong economy means 'helping to create and sustain jobs with strong economic and housing growth' and has obvious relevance to the proposals to extend Phase 2 of the Industrial Estate. The strategic objective to develop a strong economy feeds into and supports other strategic objectives notably that of creating and sustaining strong communities, as without strong economic growth and the jobs that are provided by that, it is difficult to create and sustain strong communities. These strategic objectives are to be delivered by 'headline actions' for 2018-2020. With reference to developing a strong economy, it should be noted that under the headline action to help create and sustain jobs with strong economic and housing growth, the Council is committed to 'working with partners, which includes the Lancashire Enterprise Partnership, to help create sustainable and accessible jobs, so that businesses locate, grow and stay in Pendle and to provide business support and facilitate skills improvement'. The Council contends that the proposals to extend Phase 2 of the Industrial Estate which would create extra

capacity for new industrial units to be located onto the site, fit fully with the objectives of the Strategic Plan to create sustainable and accessible jobs, in a way that would be likely to deliver long term social economic and environmental benefits for the people of Pendle.

10. Attempts at Voluntary Acquisition

- 10.1 The Council has been actively pursuing the acquisition of outstanding interests within the Order Land in an attempt to obtain ownership of the Order Land by agreement. The owner is being offered compensation at open market value in accordance with MHCLG Guidance. Although the Council is committed to pursuing these negotiations in good faith, until such a time as the Order may be confirmed by the Secretary of State, the Council considered it important to promote the Order so that the Phase 2 extension may be constructed and the Strategic Employment Site envisaged in Policy WRK3 of the Core Strategy may be delivered without delay.
- 10.2 The Council acknowledges that compulsory purchase powers are only to be exercised as a matter of last resort and has adopted the approach outlined above as a result.
- 10.3 In seeking to purchase the Order Land by agreement, the Council has been offering sums which it considers to represent open market value and has been paying additional sums that would be due and payable if the Order was already in place. The Council has given approval for this by way of resolution of the Policy & Resources Committee on 28th August 2018 (Document 24).
- 10.4 To date the Council has not acquired title to any of the Order Land.

11. Planning

- 11.1 The Council has developed a draft Development Brief (including a design code) in respect of the proposed Phase 2 extension. This is undergoing consultation and will inform the submission of a planning application. Given that the proposals shall be fully in accordance with the Strategic Planning Framework (as set out in section 7 above) there is no reason to expect that a planning application would not be

successful, taking account of the requirements of section 38(6) of the Planning and Compulsory Purchase Act 2004.

12. Finance

- 12.1 It is anticipated that Phase 2 shall cost £4.4m to acquire the land and install the infrastructure and this is to be funded by way of monies of £4m from the LEP Local Growth Fund plus an additional £400,000 from the Council to cover a 10% contribution which will come from the Council capital programme. The LEP funding has been secured subject to the approval of a detailed business case (expected Nov 2018). It may be noted that the Growth Fund monies for Phase 2 have to be drawn down by March 2021, hence the need to progress Phase 2 as soon as possible.

13. Highways

- 13.1 Any highways that fall to be constructed as part of the scheme shall be so constructed by or on behalf of Lancashire County Council as the local highway authority using statutory powers under the Highways Act 1980. It is envisaged that they would then be maintained as public highways at the public expense. It should be noted that there are no stopping up orders associated with this scheme.

14. Special Considerations

- 14.1 There are no special considerations such as listed buildings. There are no other historic or sensitive buildings within the site covered by the Order Land. The site is not located within a Conservation Area.

15. Views of Government Departments

- 15.1 No Government Department has expressed any views about the proposed development of the Order Land.

16. Conclusion

- 16.1 The Council is promoting the 'The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order

2018' as a last resort, in order to obtain title to Order Land. This will facilitate the Phase 2 extension to the Lomeshaye Industrial Estate. This is justified in its own right on the basis of that it fits with the Strategic Planning Framework, delivers economic development and is in line with corporate policy objectives. It is anticipated that this would also consolidate any environmental and infrastructure improvements that may be delivered as part of any Phase 1 extension, so as to provide a comprehensive development and deliver the Strategic Employment Site as allocated in Policy WRK3 of the Core Strategy.

- 16.2 Whilst the exact development/disposal strategy is being determined, it is envisaged that the Phase 2 area will be large enough and flexible enough to accommodate a wide range of unit sizes. It is expected that this Phase 2 extension shall safeguard or create up to 1000 full time equivalent jobs by providing high quality industrial space for business expansion, within the M65 Growth Corridor. This is in addition to around 400-500 full time equivalent jobs already safeguarded or created under Phase 1. The Council has had expressions of interest from a number of businesses keen to locate to the extended area, because the present site is operating at capacity. A failure to act will mean that the capacity of Pendle to create economic growth is severely constrained, with detrimental impacts upon prosperity and life chances of the local population.
- 16.3 The Council contends that the promotion of the Order is justified on the basis of the strands of argument set out in sections 7-9 above – namely that the Order fully complies with the Strategic Planning Framework (as the site has been allocated as a Strategic Employment Site within the Core Strategy), the Order is backed by a strong case advanced in favour of economic development and the Order delivers on corporate goals that the Council has to improve the wellbeing of its people by exploiting opportunities to generate economic growth in order to improve the wellbeing of its people. Whilst the Order is justified in its own right with the anticipated creation or safeguarding up to 1000 full time equivalent jobs through Phase 2, the proposed development shall consolidate the benefits delivered by Phase 1, bringing a combined increase of around 1400-1500 full time equivalent jobs. The Council contends that the proposals for the Order Land deliver on national and local planning policy to secure and

deliver economic growth and also offers a significant contribution towards delivering on employment targets contained in the Lancashire Growth Deal 2015-2021 (Document 13) which looks to deliver 50,000 jobs across Lancashire by the turn of the decade. Accordingly, the Council contends that it has made out a compelling case in the public interest for the Order to be confirmed by the Secretary of State.

- 16.4 The proposals comply with the Strategic Planning Framework, therefore it is expected that planning permission for the proposals will be granted. The Council has also been able to establish that the proposals are fully funded and there are therefore no impediments to implementation, should the Order be confirmed.
- 16.5 The Council is satisfied that the Order is promoted in the public interest for the proper statutory purpose under section 226(1)(a) Town and Country Planning Act 1990 (as amended). The land take covered by the Order is required immediately so that the Phase 2 extension of the Industrial Estate can commence, thereby providing a strong platform on which to build long term sustainable economic growth that would bring significant social, economic and environmental benefits to Pendle and Lancashire in the years to come.

17. List of Documents

17.1 The following is a List of Documents which may be viewed at all reasonable times during business hours at No 1 Market Street, Nelson Lancashire. Should any recipient of the Statement of Case wish to see a particular extract of any document listed, they are welcome to contact the Council who shall be pleased to assist. The Council shall put these documents in evidence at any Public Local Inquiry held in connection with this Order, but reserves the right to add further documents when the statutory Statement of Case is produced in the usual way.

1. The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order 2018
2. Location Plan with Phase 1 and Phase 2 extensions marked
3. CPO Order Map for Phase 2
4. Report to the Policy & Resources Committee dated 18th September 2018
5. Minute of the Policy & Resources Committee dated 18th September 2018
6. Lancashire County Council Transport Plan to 2021 LTP3
7. Jobs and Growth Strategy for Pendle 2013-2023
8. National Planning Policy Framework, July 2018
9. Borough of Pendle Local Plan 1: Core Strategy 2011-2030
10. Lancashire Enterprise Partnership: The Way Forward 2011
11. Lancashire Growth Plan 2013
12. Provisional Annual Survey of Hours and Earnings 2013 (ONS)
13. Lancashire Strategic Economic Plan 2015-2025 & Lancashire Growth Deal 2015-2021
14. Pendle Employment Land Review
15. 'Towards an Sustainable Employment Land Strategy' 2005 (Genecon)
16. Bulletin of National Statistics for GVA 2016 (ONS, 2017)
17. Unleashing Metro Growth 2014 (RSA)
18. Northern Powerhouse Independent Economic Review 2016
19. 'Inclusive Growth Commission: Making the Economy work for everyone' 2017 (RSA)
20. 'Building Our Industrial Strategy' 2017 Green Paper, (HMG).
21. 'Transforming Services: Transforming Leadership' 2016 (SOLACE)

22. Skills For Growth (Lancashire Economic Partnership)
23. Borough of Pendle Strategic Plan 2018-2020
24. Minute of Policy & Resources Committee dated 28th August 2018
25. 'Our Pendle, Our Future: Pendle's Sustainable Community Strategy 2008-2018')

18. Contact Details.

- 18.1 The following officers have had direct dealings with the promotion of the Order and in event of queries you are invited to contact them: -

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**H.CULSHAW
HEAD OF LEGAL SERVICES
THE BOROUGH COUNCIL OF PENDLE
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18th September 2018.