



# Lancashire Central Economic Benefits Statement

July 2022

Application for Outline Planning Permission  
On behalf of Maple Grove Developments and Lancashire County Council





# Lancashire Central, Cuerden: Economic Benefits Statement

A Report by Hatch  
June 2022

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# 1. Introduction

## Location & Context

- 1.1 Maple Grove Developments (MGD) Limited and Lancashire County Council (LCC), as landowners, are submitting an outline planning application for the mixed-use redevelopment of 51.3 hectares of the Lancashire Central, Cuerden, site. The Brookhouse Group owns additional land at Lancashire Central, but that land does not form part of the current planning application. This additional land forms the remaining parts of the Cuerden Strategic Site allocation and is therefore assumed to be a 'Future Phase' of development.
- 1.2 Lancashire Central, Cuerden, is a key gateway site located approximately 4km south of Preston city centre and north of Leyland. It is an accessible location adjacent to the M6 and M65 motorways, with the M65 motorway directly serving the site. It has been identified in planning and economic development policies and strategies for several years, both regionally and locally, as the single largest new employment development site in Central Lancashire.
- 1.3 The development of Lancashire Central is key to accommodating the scale of future employment and sectoral growth outlined in the Central Lancashire Core Strategy. This strategic development site significantly contributes to delivering the focus on development and economic growth in the Central Lancashire City Deal area set out in the 10-year strategic regeneration framework agreed by Lancashire Enterprise Partnership (LEP), local authority partners and Government, as well as within Lancashire's current Strategic Economic Plan (SEP) and the emerging Greater Lancashire Plan.
- 1.4 The Site provides a once in a generation opportunity to achieve a dynamic, sustainable, premium development that has the potential to generate significant economic and employment benefits in Lancashire. The significance of the Site as an economic driver for the area is supported further by its accessibility and location in an area that is home to a skilled population.
- 1.5 In addition, the Lancashire Central site is also adjacent to another proposed significant regeneration and development project in Central Lancashire – Lancashire County Cricket Club's (LCCC) proposed new second ground. The adjacent land at Farrington, also owned by Lancashire County Council, would, subject to consultation and planning approval, provide space for a new LCCC training facility, a new women's Centre of Excellence, two new cricket pitches and pavilion facilities, and host competitive matches for both the men's and women's teams when Old Trafford is unavailable. Submission of the Planning Application is expected to occur at some point in 2022.
- 1.6 However, despite strong strategic and economic rationales for developing the Lancashire Central Site, technical and viability studies have, for many years, demonstrated that the scale and complexity of the opportunity at the Site is particularly challenging. The development of the Site requires a certain mix of uses and a phased approach to the delivery of individual development sites within it to be viable. Employment uses, including commercial and industrial

Figure 1.1 Lancashire Central, Cuerden



uses can be accommodated, but the scale of infrastructure investment required to open up the site and create the necessary capacity to meet the market opportunity, is a key issue that the master planning process has needed to address.

- 1.7 In light of the scale of infrastructure investment challenge at the Site, and in line with Policy C4 in South Ribble's 2015 adopted Local Plan, alternative uses such as retail, leisure and housing could be included in development at the Site. Such uses can be included in development proposals where it can be demonstrated that they deliver sufficient value to enable the delivery of the significant employment uses at the Site. A Strategic Masterplan was produced by AECOM on behalf of LCC and adopted by SRBC in April 2015 and is used for development management purposes to assess the level of conformity with Policy C4. The Proposed Development has been prepared having regard to this Masterplan to provide the optimal mix of uses.
- 1.8 Hatch was commissioned by MGD Limited in 2016 (in support of the 2017 application and in 2019 (in support of on-going discussions between key partners on the site masterplan) to prepare assessments of the potential economic benefits of the proposed development of the site<sup>1</sup>. In the intervening periods the Development Framework Masterplan has been evolving and revised Parameter Plans have recently been prepared by Fletcher Rae. Hatch was re-commissioned in 2021 to provide an assessment of the Proposed Development.
- 1.9 This Statement provides an independent assessment of the potential economic benefits that would arise during the construction phase, and once the Proposed Development is developed and occupied.
- 1.10 A key difference between this assessment and previous versions is the geographic extent of the Proposed Development, which takes place over part of the allocated land. The remaining areas of allocated land (which are under separate ownership), is anticipated to come forward as a Future Phase of development. To aid in the comparison of the Proposed Development and the 2017 permission, this Statement also comments and concludes upon the potential scale of future benefits arising if the whole Lancashire Central site, including the Future Phase (owned separately by Brookhouse Group), is developed.

## Statement Scope & Structure

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- 1.11 The Statement focuses upon the range of quantifiable economic benefits that can arise as a result of the proposed development. The Statement considers both the temporary economic benefits that arise as a result of the potential construction activity at the Site (e.g. temporary construction employment associated with the investment), as well as the permanent economic benefits which arise once the site is developed (e.g. permanent employment and gross value added (GVA), new housing, labour market, household expenditure, public sector fiscal benefits).
- 1.12 In addition to these benefits, the Statement also qualitatively considers the extent to which economic benefits can be maximised to ensure that local residents and businesses benefit from such a significant regeneration and economic development initiative in Central Lancashire. This draws on work undertaken by LCC and MGD on Skills and Employment Plans for the Site.
- 1.13 Given the nature of the assessment, we have drawn upon a range of information provided by the Applicant's wider consultant team, as well as using our own technical insights and professional judgements. For example, construction costs and phasing information, the Development Framework Masterplan floor space parameters and proposed uses, as well as other available information provided by the consultant team.

<sup>1</sup> See section 8 for a summary of the headline employment benefits for the 2016 and 2019 assessments.

1.14 The statement is structured as follows:

- Section 2: presents an overview of the development proposals.
- Section 3: presents the economic benefits of the construction phase.
- Section 4: presents the economic benefits (employment and GVA) associated with the proposed employment floor space.
- Section 5: presents an overview of proposed approaches to maximise the benefits for local people and businesses.
- Section 6: presents the economic benefits arising from new households (e.g. labour supply and household expenditure benefits)
- Section 7: presents an analysis of the fiscal benefits the scheme will deliver.
- Section 8: presents a summary of the proposed development's benefits.

## 2. The Proposed Development

### The Site

- 2.1 Lancashire Central provides a once in a generation opportunity to deliver significant economic and employment benefits for the people of Lancashire. The Application Site is the largest employment development site in Central Lancashire. Located between Bamber Bridge and Leyland, with Preston to north, Figure 2.1 indicates how the Site is adjacent to the M6 and M65 motorways, with the M65 motorway directly serving the Site. The area of the Site which is subject to the planning application is shown by the red-line boundary.

Figure 2.1 Site Location and Red Line Boundary



Source: LCC – Fletcher Rae. Note: the dashed redline refers to Brookhouse Group land.

### The Proposed Development

- 2.2 The economic benefits assessment is based upon the latest Parameter Plans prepared by Fletcher Rae<sup>2</sup>. Figure 2.1, the plans set out the key development areas/zones at Lancashire Central. The following table presents a summary overview of the proposed Development Zones (Zones A-E) and the potential mix of uses. The final mix of use classes is still unknown at this stage; however the table shows the overall maximum scale of development in each zone, and

<sup>2</sup> Fletcher Rae – Drawing No: 21017-SK13 (24<sup>th</sup> January 2022). This masterplan excludes the areas of Lancashire Central owned by the Brookhouse Group.



the maximum quantum of floor space for a range of use classes. The final development profile will lie within these parameters.

Zone	Use class	Max GIA (sq m)	Max plot size (sq m)
A	Retail (E(a))	4,000	
	Hotel (C1)	2,500	
	Gym (E(d))	1,000	
	Food, Drink & Drive-Through (E(b))/Sui Generis	800	
	Car Showroom (Sui Generis)	4,000	30,000
	Creche (E(f))	500	
	Health Centre (E(e))	1,500	
	Employment (B2, B8)	25,000	
	Business (E(g) (i-iii))	4,000	
B	Employment (B2, B8)	65,000	
	Business (E(g)(i-iii))	5,000	65,000
C	Employment (B2, B8)	18,000	
	Business (E(g)(i-iii))	5,000	
	Leisure Centre (E(d), F1 (e), F2(b))	13,000	18,000
D	Employment (B2, B8)	47,000	
	Business (E(g)(i-iii))	5,000	
	Leisure Centre (E(d), F1 (e), F2(b))	13,000	47,000
E	Residential (C3)	116	116 homes

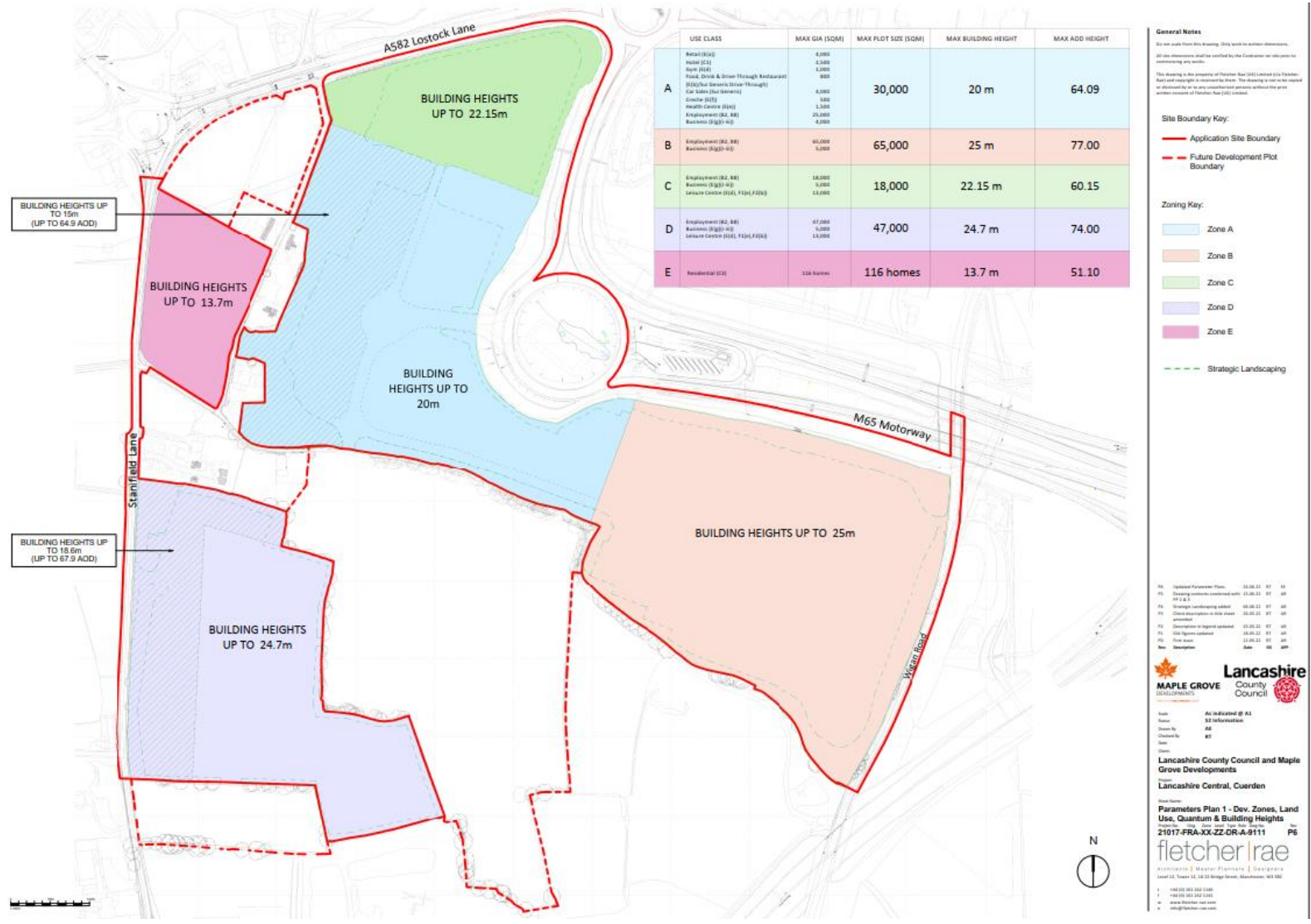
2.3 While the Parameter Plans focus on the Proposed Development on LCC's land at Lancashire Central (the Application Site), the total economic benefits of the whole wider allocated land would be realised and maximised by the additional development of the three areas of land owned by the Brookhouse Group. Referred to as 'Future Phase' areas on the Parameter Plans, these include<sup>3</sup>:

- A 15.93 hectare site for employment uses adjacent to Phases A, B and D which (based on the 2017 permission) could accommodate a further 52,385 sqm of B2/B8 uses; and
- A future housing phase area which (based on the 2017 permission) could lead to Lancashire Central supporting up to 220 dwellings, including a 90-unit extra care facility.

2.4 While the assessment primarily considers the potential economic benefits of the Proposed Development delivered under the planning permission being sought by LCC and MGD, the assessment's final section also comments and summarises on the scale of total potential benefits if all land within the Cuerden Strategic Site allocation was developed (i.e. the sum of benefits arising from the Proposed Development and the potential Future Phase of development).

<sup>3</sup> Assumed uses and floorspace provide by MGD Limited.

Figure 2.2 Parameters Plan



Source: Fletcher Rae

## 3. Construction Phase Benefits

### Construction Phase

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- 3.1 The assessment of temporary construction benefits arising from the proposed development has been informed by an estimate of potential construction costs provided by MGD Limited<sup>4</sup>.
- 3.2 The estimate of construction costs is based upon their assessment of the costs associated with delivering the necessary site infrastructure to open up and service the site, as well as the costs for delivering the commercial/employment uses and the proposed residential uses.
- 3.3 Using the estimates of construction costs, along with labour co-efficients which indicate the level of construction turnover which supports one construction job for different types of construction activity (e.g. site infrastructure, commercial development, residential development)<sup>5</sup>, the total temporary construction employment arising as a result of the proposed development at Lancashire Central has been estimated.
- 3.4 Given the scale and the mix of uses proposed, as well as the infrastructure requirements, there will be significant construction employment and construction supply chain opportunities arising throughout the site's development phases.
- 3.5 It is estimated that around **2,300** person years of construction employment could be supported as a result of the proposed development. MGD Limited estimates that the overall construction period for delivering the required site infrastructure works and developing the proposed phases and commercial and residential end uses is approximately 8 years<sup>6</sup>. This equates to Lancashire Central supporting an average of around **300** temporary construction jobs each year.
- 3.6 It is important to note that these are construction jobs will be a combination of both on-site roles, but also off-site pre-fabrication and supply chain roles through the various tiers of the construction supply chain. This is also an average level of construction employment over the duration of the build period. Given construction activity is likely to take place over multiple, overlapping phases, there will be some periods where construction related activity is likely to be more intensive and hence a greater level of employment will arise.
- 3.7 In addition, further multiplier effects are also expected to arise during the construction period. For example, given the large-scale nature of the scheme and the type of construction work that will take place, demand for accommodation for specialist construction workers could arise, whilst construction workers would also place higher demand on the existing food and drink provision in the local community.
- 3.8 The construction phase of the development will therefore provide opportunities to ensure that existing business in South Ribble and the wider Central Lancashire area can derive maximum benefit from constructor supply chain opportunities and construction workers' expenditure.

<sup>4</sup> MGD cost estimates provided in April 2022

<sup>5</sup> HCA (2015) Calculating Cost Per Job Best Practice Note 2015 (3rd Edition)

<sup>6</sup> MGD estimated construction period

## 4. Direct Employment & GVA Benefits

- 4.1 South Ribble Borough Council, LCC and the Lancashire Local Enterprise Partnership (LEP) have shared a long-standing ambition for the Lancashire Central site to be a key driver for economic growth in Central Lancashire and to be developed for high quality employment uses. However, as Policy C4 of the South Ribble Borough Council adopted Local Plan sets out, alternative uses will be considered where it can be demonstrated that they will help to deliver primary employment uses.
- 4.2 The Parameter Plans set out the potential mix of uses in order to bring forward a **viable** and **deliverable** scheme, which incorporate a number of alternative uses which help to deliver the wider employment aspirations of the allocated site. The following section outlines the scale of the potential employment and GVA benefits that would arise once the Proposed Development was fully developed and occupied.

### Employment & GVA Benefits

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- 4.3 The economic impact of the Proposed Development will depend, to a large extent, on the final configuration of floor space and the types of economic activities that take place within each zone. Although the Parameter Plans in Table 2.1 show the parameters within which development will take place, there is still uncertainty about the exact mix of use classes. The impact of the Proposed Development on jobs and GVA is therefore presented as a range, with the upper and lower estimates determined by different assumptions about the nature of development in each zone:
- The lower estimate is based on the lowest density uses which could come forward within the development parameters i.e. those which accommodate relatively low numbers of employees per sq. m (such as warehouse space).
  - The upper estimate is based on the highest density uses within the development parameters (e.g. office space)
- 4.4 The assessment of gross employment is based upon guidance provided in the 2015 HCA, now Homes England, Employment Density Guide (3<sup>rd</sup> Edition). This guidance provides employment density benchmarks for different employment uses, as well as guidance on making other adjustments<sup>7</sup>. This guidance, along with insights from MGD, as well as Hatch's own professional judgement<sup>8</sup>, have been applied to the floor space parameters to estimate employment. These estimates are presented in terms of full-time equivalent (FTE) jobs.
- 4.5 The assessment of GVA benefits is informed by an understanding of the range of potential sectors and end-users that would likely take-up units at Lancashire Central once fully developed and occupied. To estimate the site's total annual GVA contribution to the Central Lancashire economy, the analysis draws on the latest ONS Local Enterprise Partnership sectoral GVA data<sup>9</sup> and ONS BRES employment data to apply appropriate GVA per FTE job benchmarks to the employment estimates.

<sup>7</sup> Such as conversion benchmarks between gross external and gross internal floor space measurements

<sup>8</sup> For example, where a employment density range is presented for a use, we have been conservative and applied the upper end of the range (e.g. 20 sqm per FTE job in a range of 15-20 sqm per FTE job).

<sup>9</sup> ONS, 2019. For example, GVA per FTE job estimates for Manufacturing (£82,000), Transportation/Warehousing (£44,000) and Wholesale/Retail (£54,530) sectors have been used.

- 4.6 The following sections summarise the potential benefits arising from development in zones A-D and concludes with a summary of the potential range of employment and GVA benefits.

## Zone A

- 4.7 Zone A has a maximum development capacity of 30,000 sq m. The Parameters Plan shows this could include a range of uses, including retail, Food & Beverage, health, industrial and office development. Table 4.1 shows development in this zone would support between **400 and 1,200 FTE jobs** and between **£17m and £78m** in GVA<sup>10</sup> depending on the mix of uses. The low estimate is based on a scenario in which the majority of floorspace developed is B8 warehousing while the high estimate is based on a scenario which includes industrial, office and retail development.

	Floorspace, GIA (sq m)		FTEs		GVA (£m)	
	Low	High	Low	High	Low	High
Retail (E(a)) & F&B/Drive-Through (E(b))/Sui Generis	-	4,800	-	300	-	17
Car Showroom (SuiGeneris)	4,000	-	40	-	2	-
Health Centre (E(e))	1,500	-	10	-	0.4	-
Industrial (B2)	-	21,200	-	590	-	48
Warehouses (B8)	25,000	-	340	-	15	-
Office (E(g) (i))	-	4,000	-	320	-	13
<b>Total</b>	<b>30,000</b>	<b>30,000</b>	<b>390</b>	<b>1,210</b>	<b>17</b>	<b>78</b>

Source: Hatch using HCA 2015 and GVA data from ONS. Figures are rounded

## Zones B-D

- 4.8 The Parameters Plan shows floor space delivered in zones B-D will be in either industrial (B2), warehouse (B8) or commercial/business development (E(g) (i-iii)) use classes, with a maximum development capacity of c. 130,000 sq m.
- 4.9 Table 4.2 shows the assumptions used to assess the range of potential economic impacts. Development within these zones is expected to support between **1,770 and 4,380 FTE jobs** and between **£78m and £312m in GVA** (gross).

	Floorspace		FTEs		GVA (£m)	
	Low	High	Low	High	Low	High
Industrial (B2)	-	115,000	-	3,200	-	262
Warehouse (B8)	130,000	-	1,800	-	78	-
Office (E(g) (i))	-	15,000	-	1,200	-	50
<b>Total</b>	<b>130,000</b>	<b>130,000</b>	<b>1,800</b>	<b>4,400</b>	<b>78</b>	<b>312</b>

Source: Hatch using HCA 2015 and GVA data from ONS. Figures are rounded

<sup>10</sup> These are gross impacts and do not take in to account the potential for displacement, leakage or multiplier effects.

## Zone E

- 4.10 Zone E will include residential uses and therefore would not deliver any direct employment or GVA benefits. These could generate indirect effects which are assessed in section 6.

## Total Employment & GVA Benefits

- 4.11 Based upon the proposed phased development and potential end uses, the assessment shows that a fully developed and occupied site would support between **2,200 and 5,600 FTE jobs**. This level of employment would support between **£95m and £390m of GVA per annum** for the Central Lancashire economy. Table 4.3 shows the estimated breakdown of these impacts by each of the zones, with Zone B generating the greatest impact.

	FTE jobs		GVA (£m)	
	Low	High	Low	High
Zone A	400	1,200	17	78
Zone B	900	2,100	39	153
Zone C	200	800	11	46
Zone D	600	1,600	28	112
Zone E	0	0	0	0
	2,200	5,600	95	390

Source: Hatch using HCA 2015 and GVA data from ONS. Figures are rounded

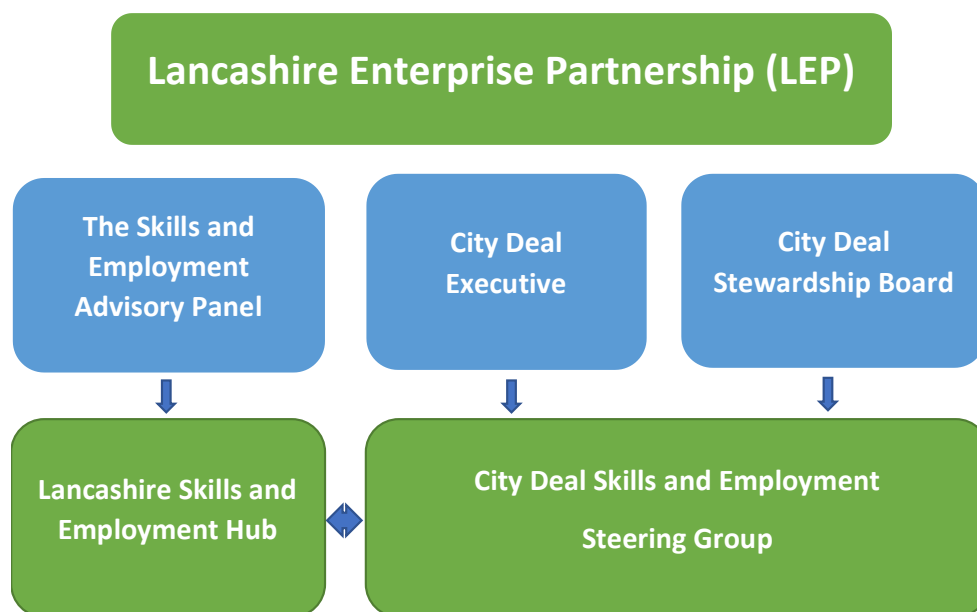
- 4.12 A large share of the jobs in the low impact scenario are likely to be in the logistics and warehousing sector. It is important to note that this sector has grown significantly in the last decade, with this growth largely influenced by increased demand driven by consumer expenditure, the rise of e-commerce, as well as the more recent implications from the Covid-19 pandemic.
- 4.13 The sector is also modernising and using technology to efficiently operate and manage complex warehousing systems and processes. Consequently, there is a growing need for logistics sector employees to have higher-level skills, including electrical and mechanical engineering, ICT, analytics, as well as management and supervisory functions<sup>11</sup>.

<sup>11</sup> BPF, December 2015 and 2020, Delivering the Goods.

## 5. Maximising Local Employment Benefits

- 5.1 The Site has been identified in regional and local planning and economic development policies and strategies for several years as the single largest new employment development site in Central Lancashire.
- 5.2 The development of Lancashire Central is key to accommodating the scale of future employment and sectoral growth outlined in the Central Lancashire Core Strategy. This strategic development site significantly contributes to delivering the focus on development and economic growth in the Central Lancashire City Deal area. This was set out in the 10-year strategic regeneration framework agreed by Lancashire Enterprise Partnership (LEP), local authority partners and Government, as well as within Lancashire's current Strategic Economic Plan (SEP) and the emerging Greater Lancashire Plan.
- 5.3 The Site provides a once in a generation opportunity to achieve a dynamic, sustainable, premium development that has the potential to generate significant economic and employment benefits in Lancashire. As section 4 has outlined, the significance of the Site as an economic driver for the area is clear, given the scale of the proposed development and the economic (employment and GVA) benefits it can deliver. This is further supported by its accessibility and location in an area that is home to a skilled population.
- 5.4 In light of this opportunity, LCC, MGD and respective stakeholders in the area are committed to working together to maximise the benefits for local residents and businesses which will arise during both the **construction** and **operational** phases.
- 5.5 It is important to note that Lancashire has a strong policy and strategic framework for focussing and supporting on supporting and growing employment skills. This is currently through the Lancashire Strategic Economic Plan (SEP) and City Deal. The SEP sets out an ambitious growth programme for Lancashire focusing on an "Arc of Prosperity". This includes Central Lancashire and the Preston, South Ribble and Lancashire City Deal area within which the Lancashire Central site is located. The SEP seeks to create 50,000 new jobs, 40,000 new houses and add £33 billion of additional economic activity to the Lancashire economy over a 10-year period. To achieve this there is a focus upon delivering an integrated package of infrastructure investment and employment and skills priorities. The role of employment skills is high upon the agenda of stakeholders.
- 5.6 Both the SEP and City Deal recognise that creating sustainable skills and employment to drive prosperity is critical to Lancashire's future growth, and the well-being of its communities. In order to take this forward the Lancashire Enterprise Partnership (LEP) has set up the LEP Skills and Employment Advisory Panel (previously the Skills and Employment Board) together with the Lancashire Skills and Employment Hub, while the City Deal Executive has set up the City Deal Skills and Employment Steering Group.
- 5.7 The work of these bodies is inter-related and together they provide the employment skills framework and priorities to support the employment skills planning of the Cuerden development. The City Deal Executive comprising the Leaders and Chief Executives of Lancashire County Council, South Ribble Borough Council and Preston City Council, the LEP and the HCA has oversight and ownership of implementing the City Deal Skills Action Plan.
- 5.8 Figure 5.1 sets out the current LEP and City Deal Skills and Employment Structures for Lancashire. Senior leaders in both the public and private sectors are involved in key groups and panels to inform and shape their work. Central Lancashire has, as part of its City Deal, a Skills & Employment Steering Group. This group oversees a specific Central Lancashire Employment Taskforce, which includes a task group with a remit for the Lancashire Central site.

Figure 5.1 LEP and City Deal Skills and Employment Structures



Source: Lancashire LEP

5.9 In 2021, the LEP published a refreshed Lancashire Skills and Employment Strategic Framework, which, together with the LEPs Strategic Economic Framework and emerging Greater Lancashire Plan, outlines the vision for skills and employment in the region. The Framework has a central aim to build a talent pipeline aligned with the needs of the economy, boost the skills of the regions people to enhance productivity, and drive an inclusive workforce in partnership with businesses, providers, and stakeholders. To achieve this vision several priorities ranging from supporting NEETS to re-engage with learning and work, to sector specific initiatives targeted at areas with labour market demand, have been set out under the following themes:

- Future workforce
- Inclusive workforce
- Skilled and productive workforce
- An informed approach

## Employment & Skills Plans for the Site

- 5.10 An Employment & Skills Statement has been prepared for the Lancashire Central site by MGD and LCC. This statement sets out the strategic Lancashire and Central Lancashire context for employment skills, while also outlining the proposed approach and structure for the preparation of **Employment & Skills Plans** by developers and occupiers of the Site.
- 5.11 The Employment & Skills Plans will set out the employment skills opportunities for both the construction phase of the development and those presented by the occupation and operation of the businesses. It is proposed that the need for the Employment & Skills Plans is set via a planning condition as details of each Development Zone comes forward for development via Reserved Matters.
- 5.12 The intention is that each plan will need to take in to account strategic and local priorities, the work of existing coordinators and stakeholders, as well as the needs and priorities of developers and occupiers. Each Plan will provide information on the employment and skills measures that will be provided for local people, while being developed individually and tailored to the



particular organisation and activities it relates to. The plans will need to consider and adhere to the following criteria:

- Creation of apprenticeships
- Recruitment through Jobcentre Plus and other local employment vehicles.
- Work trials and interview guarantees.
- Vocational training (NVQ).
- Work experience (14-16 years, 16-19 years and 19+ years)
- Links with schools, colleges and universities
- Use of local suppliers
- Supervisor training
- Management and leadership training.
- In house training schemes
- Construction Skills Certification Scheme Cards
- Social Value outcomes

5.13 Given the scale and opportunity of Lancashire Central, there is an opportunity to be an exemplar lead for good practice in employment skills delivery. As well as a coordinated and joined up approach, all plans will include key performance indicators (KPIs) to ensure implementation and delivery can be monitored. In addition, LCC, as majority landowner at the site will provide a named Lancashire Central Employment Skills Coordinator to liaise with developers, occupiers, and key stakeholders to support the successful delivery of Skills & Employment Plans at the Lancashire Central site.

## 6. Housing Area Benefits

- 6.1 New housing developments can deliver a range of socio-economic benefits for local economies. Beyond increasing local housing supply, new housing delivers population and labour supply benefits in local areas, as well as being a driver of expenditure in the local economy through households' expenditure.
- 6.2 The Development Framework Masterplan identifies capacity for 116 residential units in Zone E of the Site. The mix of different sizes of dwelling has not yet been determined and will be subject to separate consideration at Reserved Matters stage. For the purpose of this assessment, the population impacts of new housing development have been presented as a range based on two extreme scenarios which use the following assumptions:
- Low impact: 100% of housing is in 2 bed dwellings
  - High impact: 100% of housing is in 4 bed dwellings
- 6.3 Population and labour markets are inextricably connected to the supply of new accommodation. Hence, one of the key benefits of the proposed new housing development is a rise in the labour supply within the area.
- 6.4 The potential addition of 116 new homes to South Ribble is a positive contribution towards addressing the housing needs of the Borough<sup>12</sup>. As well as increasing housing supply, the proposed development, once fully occupied, would be home to between **220 and 370 residents** depending on the mix of housing which is delivered<sup>13</sup>.
- 6.5 Based on the population range above, it is estimated that between **150 and 260 residents** would be of working age (16-64 years old) and a high proportion of working-age residents are likely to be economically active and working across a range of occupations<sup>14</sup>.
- 6.6 Based on 116 homes being occupied, it is estimated in the region of **£2.1 million**<sup>15</sup> of household convenience and comparison expenditure will be generated annually. Residents of the new housing development would spend a proportion of their household income both in the immediate local area, across the borough and across Central Lancashire.
- 6.7 New housing offers an opportunity for local businesses and services to capture this increased household expenditure. In turn, this helps to support the vitality and viability of the local economy (e.g. through supporting employment), and the health of retail and service centres (e.g. in Bamber Bridge). These impacts are particularly important for local centres in light of Covid-19 and at a time when the online retail industry is growing rapidly and putting further pressure on the viability of retail and other service centres.

<sup>12</sup> South Ribble's adopted Core Strategy has a requirement for 6,255 dwellings over the 15-year plan period (417 dwellings per annum)

<sup>13</sup> This range is based upon the two extreme scenarios and average household sizes (MHCLG, English Housing Survey) in different sizes of dwelling.

<sup>14</sup> Working age resident estimate based upon 70% of residents, reflecting a younger working-age demographic likely to move into new developments. The average across South Ribble is 60%.

<sup>15</sup> Estimated based upon average weekly household convenience and comparison expenditure in the North West. ONS Family Expenditure Survey, 2018

## 7. Fiscal Benefits

7.1 The completion and occupation of Lancashire Central would lead to four main sources of revenue for South Ribble Borough Council and the Preston, South Ribble and Lancashire City Deal area<sup>16</sup>. These are:

- Business Rates
- Council Tax
- New Homes Bonus
- Community Infrastructure Levy (CIL)

7.2 Business Rates and Council Tax would provide additional annual, permanent revenues whilst the New Homes Bonus and CIL would provide a boost to revenues temporarily.

### Business Rates

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7.3 Business rates have been calculated using, where available, benchmark rateable values per square metre of properties in the same use classes in the Central Lancashire area<sup>17</sup>. For the purposes of this assessment, this approach provides a proxy for the potential rateable value of units by use type. Any rate reliefs or other discounts have not been applied in these calculations, as more detailed information regarding the occupier of each unit would be required to assess this.

7.4 The development of Lancashire Central would lead to a total rateable value in the region of between £6.0 and £6.4m depending on the mix of development. Applying the 2021/22 national business rates multiplier (i.e. the level of business rates paid by businesses based on their rateable value)<sup>18</sup>, businesses operating at Lancashire Central would support total annual Business Rates revenue of between **£3.1m and £3.3m** once the site is fully developed and occupied. Given the ability for local areas to now retain a proportion of their future growth in business rates, Lancashire Central will make an important contribution in enabling local areas to benefit from the growth they support.

### Council Tax

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7.5 The construction of 116 homes would, when developed and occupied, generate approximately **£0.22m** per annum in Council Tax for South Ribble Borough Council.

7.6 This assessment has been based upon an indicative assessment of potential council tax bands for the proposed units and the application of appropriate current Council Tax bands for dwellings in the Parish of Farrington (2021/22).

<sup>16</sup> The three local authorities, South Ribble Borough Council, Preston City Council and Lancashire County Council are signatories to the Preston, South Ribble and Lancashire City Deal whereby the Councils and Homes England pool resources for infrastructure provision.

<sup>17</sup> Benchmarks for similar uses taken from postcode searches within the VOA's online database.

<sup>18</sup> The 2021/22 business rates multiplier is 0.512 (i.e. 51.2 pence is every £1)

## New Homes Bonus

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- 7.7 The New Homes Bonus is a series of payments made by government to local authorities for increasing the delivery of new houses in the local area.
- 7.8 Based on the total number and mix of homes, as well as assumed Council Tax bands for the units, South Ribble Borough Council could potentially receive approximately **£0.63m** over four years and approximately **£0.16m** to Lancashire County Council<sup>19</sup>. Local Authorities can decide how to allocate any New Homes Bonus they receive.

## Community Infrastructure Levy

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- 7.9 For the purposes of this assessment, a pro-rata approach has been undertaken based upon the previous CIL estimate of £2.83m estimated by MGD in 2019 which was for 146 dwellings. Based upon 116 dwellings the potential CIL due by the developer could be in the region of **£1.8m**. This could increase further if retail food store uses are developed at the Site.

<sup>19</sup> No affordable housing has been included in this assessment of New Homes Bonus payments.

## 8. Summary of Benefits

8.1 Lancashire Central, Cuerden, is a key gateway location between Leyland and Preston. It is an accessible location adjacent to the M6 and M65 motorways, with the M65 motorway directly serving the site. It has been identified in planning and economic development policies and strategies for several years, both regionally and locally, as the single largest new employment development site in Central Lancashire. Its future development forms an important component in supporting and delivering economic growth in Central Lancashire.

8.2 Based upon the latest development use parameters, Hatch has undertaken a revised assessment of the potential economic benefits of the proposed development. The key economic benefits are as follows:

- Between **2,200 and 5,600 FTE jobs** would be supported at Lancashire Central once all of the proposed new employment sites are fully developed and occupied.
- Once developed and fully occupied, Lancashire Central could generate between **£95m and £390m of GVA per annum**.
- The 116 proposed new housing would make a positive contribution towards addressing the housing needs of the Borough. As well as increasing housing supply, the proposed development, once fully occupied, would be home to between **220 and 370 residents**.
- Based on this population range it is estimated that between **150 and 260 residents** would be of working age (16-64 years old), with a high proportion of these working-age residents likely to be economically active and working across a range of occupations.
- Around **£2.1 million** of household convenience and comparison expenditure would be generated annually. Residents would spend a proportion of their household income both in the immediate local area, across the borough and across Central Lancashire, supporting local employment and businesses.
- The completion and occupation of Lancashire Central would lead to four main sources of revenue for South Ribble Borough Council and the Preston, South Ribble and Lancashire City Deal area. These are:
  - Total annual Business Rates revenue of between **£3.1m and £3.3m** once the site is fully developed and occupied.
  - The construction of 116 homes would, when fully constructed and occupied, provide an income of **£0.22m** per annum in Council Tax for South Ribble Borough Council.
  - New Homes Bonus payments of approximately **£0.63m** to South Ribble Borough Council and approximately **£0.16m** to Lancashire County Council.
  - Based upon the proposed uses for which Community Infrastructure Levy (CIL) are charged, the CIL due by the Developer would be in the region of **£1.8m**.
- It is estimated that an average of around **300** temporary construction jobs per annum could be supported by the scheme. Construction jobs will be on-site roles, but also off-site pre-fabrication and supply chain roles through the various tiers of the construction supply chain. Given construction activity is likely to take place over multiple, overlapping phases, there will be some periods where construction related activity is more intensive and hence a greater level of employment will arise.

Figure 8.1 Summary of Benefits – Infographic

# Lancashire Central Socio-Economic Benefits Assessment

## CONSTRUCTION PHASE

Investment in  
Construction



**300**

Temporary  
Construction  
Jobs annually  
over 8 years



## OPERATIONAL PHASE



**2,200-5,600**

FTE Jobs



**£95m-  
£390m**

Annual GVA contribution  
to the local economy



**£3.1m-  
£3.3m**

Business Rates  
Revenue p.a.



**220-370**

New residents



**£2.1m**

Household  
expenditure p.a.



Local Fiscal Benefits:  
Council Tax,  
New Homes Bonus &  
CIL

## WIDER BENEFITS

**160,000 sqm** New  
Commercial Floor  
space



**116**  
New Homes



Supporting local  
jobs, skills and  
training



Source: Hatch

## Future Development Phase

- 8.3 This assessment has also considered what the potential economic benefits of Lancashire Central would be if the two areas of land owned by the Brookhouse Group were also developed. While an indicative assessment at this stage in respect of end-uses on this land, the following further benefits could potentially arise if those sites are also developed and occupied<sup>20</sup>:
- Employment at Lancashire Central could increase by a further **870 FTE jobs**<sup>21</sup>, with the overall Lancashire Central site supporting over **3,000 FTE jobs**.
  - Further employment could lead to GVA increasing by approximately **£53m** per annum, with the overall site supporting GVA of approximately **£150m** per annum.
  - Further commercial floor space could lead to an increase in business rates of a further **£0.84m** per annum, with the site's overall annual business rates contribution rising to approximately **£3.8m**
  - If total dwellings increased to 220 dwellings, including a 90-unit extra care facility, this could lead to a total resident population of approximately **400-560 residents**<sup>22</sup>.
  - Further dwellings would lead to a **modest increase** in local household expenditure, as well as **increases** in fiscal benefits such as Council Tax, New Homes Bonus and CIL<sup>23</sup>.
  - In addition, further temporary **construction employment** would be supported at Lancashire Central as a result of the development of further future commercial and housing phases.
- 8.4 For context, the 2016 Hatch benefits assessment concluded that the Lancashire Central Site could support approximately 4,600 FTE jobs, once fully developed and occupied. This was the full site, including both LCC and the Brookhouse Group land. The proposals then included significant new office development in the 'Employment North' area – this supported approximately 1,600 FTE jobs, or 35% of all jobs at the site. The 2019 assessment was also based upon the whole site, but on a revised mix of uses without significant office development. The assessment concluded that the proposed 2019 masterplan uses could support approximately 2,700 FTE jobs once fully developed and occupied
- 8.5 Therefore, the **scale of potential economic benefits** that could arise from the whole Lancashire Central site, based upon the latest proposed masterplan and assumed uses on the Brookhouse Group land, are **comparable** to those assessed in the 2019 assessment.

<sup>20</sup> Totals for jobs, GVA and business rates based upon adding the Brookhouse Group estimates to the 'low' scenario. For residents a range is presented.

<sup>21</sup> Employment and GVA estimates are based upon a 30%/70% mix of B2 and B8 uses as per the approach in the main assessment. If more B8 uses came forward rather than B2 uses this would support a reduced number of jobs and GVA.

<sup>22</sup> 220 total dwellings based upon a mix of 1 bed and 2 bed extra care units (no.90) and a further 14 dwellings.

<sup>23</sup> Estimates based upon the 14 further dwellings but excluding the 90-unit extra care facility given limited information at this stage.

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