

Recent evidence base

Turley Associates have been commissioned to bring the Council's evidence base up to date to inform the emerging Local Plan and future economic development and regeneration policy. The three key elements are:

- A Housing Requirement Study (called a 'Strategic Housing Market Assessment') due in July 2015;
- The Employment Land review, published in January 2015; and
- A report on the Prospects and Recommendations for Achieving Economic Growth Potential published in April 2015.

Strategic Housing Market Assessment (July 2015)

In its Local Plan, the Council must identify the District's future housing needs and identify sufficient land to meet this need. The Strategic Housing Market Assessment (SHMA) is the evidence base which underpins this process.

The Council re-commissioned Turley Associates to re-visit the SHMA work in spring 2015 following the publication of new household projections and economic evidence prepared in the Employment Land Review (both of which influence the levels of new housing required). This was presented to Members in July 2015.

The SHMA remains a draft and will not be formally published until the end of September (anticipated to be the 22nd September). As a result there may still be some amendments required to the content of the assessment. However, at the point of writing this report the SHMA suggests that there is a need to support job growth of between 6,848 and 7,645 jobs over the plan period up to 2031.

Employment Land Review and Strategy for Economic Growth (January / April 2015)

The Employment Land Review and Turley's advice document, Prospects and Recommendations for Achieving Economic Potential, describe the district's current economic position and highlight key strengths and weaknesses which need to be addressed.

Whilst the population of the district, is forecasted to increase by 5% from 139,000 currently to 146,000 by 2031, this masks a backdrop of a decreasing working age population which is expected to reduce from 81,000 to 76,000 by 2031.

In addition, the district relies heavily on public sector employment and has one of the lowest rates of business formation in the UK. However, although the levels of entrepreneurship is low, evidence also suggests that those new businesses that do start up in the district have a higher than average chance of survival beyond the short-term. This suggests that the district provides a positive environment for new business development.

Whilst there are clear challenges and issues associated with a decreasing working age population and skills shortages, the District benefits from multiple economic drivers which generate jobs, create investment and deliver benefits to a range of businesses within the locality. These drivers include the Port of Heysham, Lancaster University and Heysham Nuclear Power Station.

These economic drivers, coupled with the district's strategic location on the M6 motorway and in close proximity to the Lake District and Yorkshire Dales National Parks means that opportunities for maintaining and growing the local economy is a real prospect.

A key element of the Employment Land Review was to provide forecasts on the levels of job growth which could be delivered in the district, subject to favourable conditions being put in place to encourage economic growth. Such favourable conditions include sufficient land and

premises, better infrastructure (such as improvements to the transport network) and the delivery of new housing to accommodate workers.

The forecasting, undertaken by Experian, suggested that with favourable conditions for economic growth, a total of 10,400 new FTE jobs could be delivered by 2031. Much of this growth is anticipated to take place in the Transport and Storage Sector, Wholesale and Retail, Professional and Private Services, Education and Health and Construction Sector.

If this growth did not take place to the level predicted within the district, significant growth is already occurring on the other side of Morecambe Bay in areas of low population growth. It is anticipated that this will attract workers from the district into well paid jobs in other locations whilst local intelligence from the Chamber of Commerce suggests that businesses in the district are already identifying local skills shortages.

Prospects and Recommendations for achieving Economic Potential (April 2015)

The Strategy for Achieving Economic Growth sets out a number of clear strengths which need to be capitalised upon in order to maximise investment in the future. These key strengths include:

- **The City of Lancaster** is situated in a strategic location, on the M6 and West Coast Mainline which has a historic legacy of being an important commercial, cultural and educational centre. The City Centre already draws in significant economic activity which could be strengthened further via closer links to centres of Higher Education, securing its role as a sub-regional retail centre and promoting & enhancing the city's historic assets – in particular Lancaster Castle. Opportunities to improve the economic potential for the City Centre could be directed through the preparation of an action plan / vision which sets out future priorities for improvement.
- **The Port of Heysham** is perhaps the district's most important infrastructure asset, acting as a 24 hour transport gateway between the North of England and Ireland / Isle of Man via the Irish Sea for both to passenger and freight cargo. The construction of the M6 / Heysham Link Road represents a significant opportunity to increase the levels of freight through-put and increase the role and function of the port.
- **The District's role as a leading energy centre** is as equally important to the Port of Heysham and the wider South Heysham area. Significant energy developments have already taken place in the South Heysham area and out in the Irish Sea which provides the opportunity to establish the Heysham area as a leading centre for energy generation, service and supply.
- **The District's role as a centre for academic excellence** can be significantly enhanced by supporting sustainable and appropriate growth at both leading universities (Lancaster University and the University of Cumbria) and the district's leading 6th form college (Lancaster and Morecambe College). Opportunities should also be taken to improve linkages between higher education establishments and local businesses to address local skills gaps and ensure that the working population have the right skills to match the job opportunities in the locality. Closer working relationship and sustainable growth will not only result in direct job creation but also offer the opportunity for the district to address the skills shortages and declining work-age population which has already been described in this report.
- **New Connections and Infrastructure** will certainly be improved by the opening of Heysham / M6 Link Road which will deliver significant accessibility improvements and enhance the commercial appeal of a range of employment sites in the South Heysham area. Whilst these benefits are significant continued investment in transport infrastructure will be required to realise greater economic benefits – in particular

addressing congestion issues in Lancaster City Centre. It is expected that in delivering the improvement packages suggested in the Highways and Transport Masterplan for Lancaster District will greatly assist in delivering such benefits.

The Turley's economic work highlights the strengths, weaknesses and opportunities in addressing economic growth in Lancaster District over the coming years, identifying areas which need to be addressed and highlighting the district's unique economic assets, which require careful consideration when preparing economic growth priorities in the future.