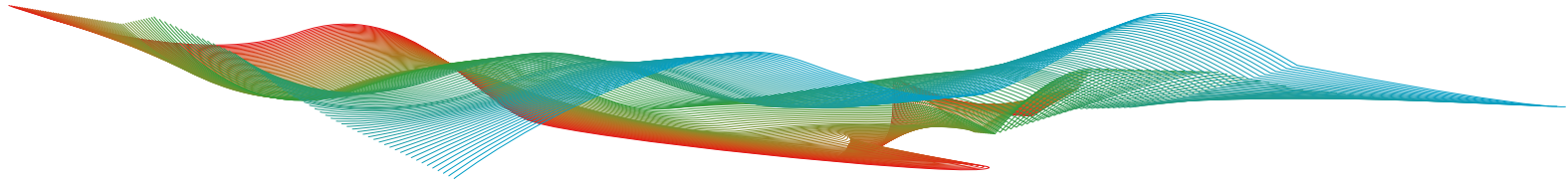


Pennine Lancashire



Growth and Prosperity Plan 2016-2032

INTRODUCTION

This Pennine Lancashire Growth and Prosperity Plan has been produced by Pennine Lancashire Leaders and Chief Executives and covers the five local authority areas of Blackburn with Darwen (BwD), Burnley, Hyndburn, Pendle and Rossendale, and includes Lancashire County Council. The Chief Executives of East Lancashire Chamber of Commerce and the East Lancashire Clinical Commissioning Group (CCG) are also members of the Pennine Lancashire Leaders and Chief Executive Groups.

It is recognised that the adjoining district of Ribble Valley also forms part of the functioning economic market area. However, for the purpose of this plan, the evidence base and targets relate to the local authority areas listed above.

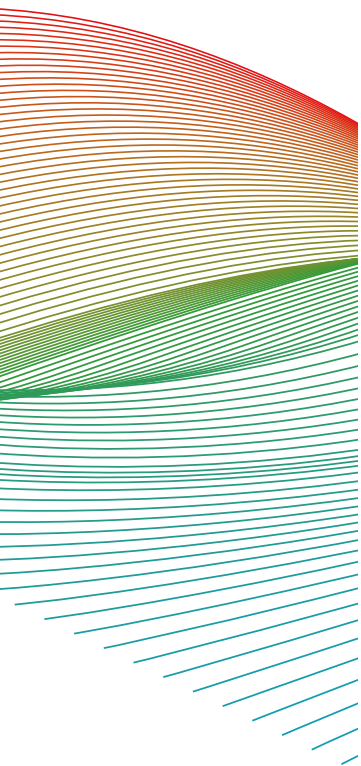
The Growth and Prosperity Plan sets our ambition to accelerate economic growth and housing development in Pennine Lancashire, closing the productivity gap and ensuring that Pennine Lancashire builds on its position as a major contributor to the Lancashire Economy and the Northern Powerhouse.

The plan is intended to inform and support the delivery of the Lancashire Strategic Economic Plan, the Lancashire Plan, the Northern Powerhouse and a Lancashire wide devolution deal. It is anticipated that this plan will form one of the key building blocks for the Lancashire Combined Authority's Devolution

Deal and benefit from the investment that will flow from that agreement with Central Government to drive an improved net contribution to the Lancashire and National economies

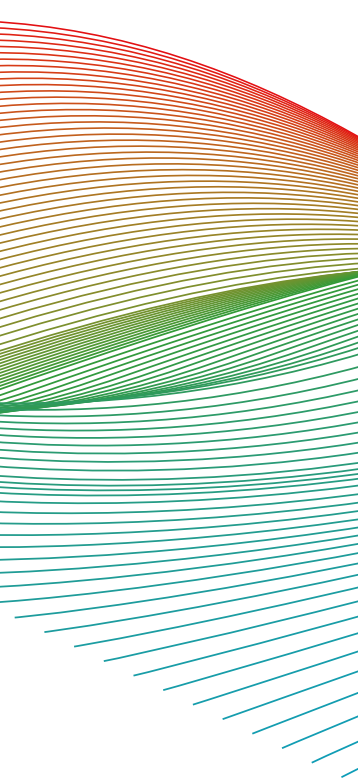
This plan will lead to a significant improvement in Pennine Lancashire's productivity supported by significant growth in the working age population, with the accelerated delivery of 28,000 new homes and 14,000 jobs, ensuring that Pennine Lancashire retains its position as a major contributor to the Lancashire Economy.

Our strategy is ambitious and deliverable. Pennine Lancashire already has a strong track record in delivering economic growth and housing development. The area has shown a strong recovery from the recession posting positive employment growth of 5.4% between 2009 and 2014.



OUR OFFER

by 2032 Pennine Lancashire will have...



...a prosperous and productive economy driven by innovative businesses located at the heart of the Northern Powerhouse.

...successfully diversified its economy with employment growth in high value sectors including digital, health and energy businesses and built on its strengths in advanced manufacturing and engineering

...succeeded in closing its productivity gap making a full and net positive contribution to the Lancashire economy.

...become a place that people aspire to live in attracting all ages and family types with diverse and high quality housing, an attractive lifestyle, cultural and leisure offer, complemented by first class education

...offered businesses starting up or relocating into the area a portfolio of first class employment sites and accommodation served directly by the M65 and M66 corridors, ideally positioned to take full advantage of new and improved connectivity to markets in the core cities of Leeds, Sheffield, Manchester and Liverpool.

...seen sustainable and inclusive growth in its economy with higher levels of workforce participation, improvements in health and a significantly reduced welfare costs.

OUR OFFER, WE WILL DELIVER:

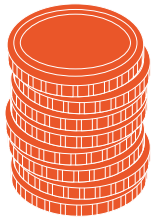


28,000 new homes, 14,000 above base (from Local Plans)



1.28m m² of commercial floor space, 321 ha of employment land

£40 million
additional
Council tax
pa by 2032



£500 million additional GVA pa (EKOSGEN)



14,000 new jobs

11,000 above baseline (EKOSGEN)



£27 million

fiscal benefits pa due to more people in work

AIMS AND OBJECTIVES:

Strategic Aim: To sustain growth in productivity above national rates significantly reducing the productivity gap between output in the Pennine Lancashire economy and the national average ensuring that we continue to make a net positive contribution to the Lancashire economy located at the Centre of the Northern Powerhouse.

The Vision and Strategic Aim will be achieved through four strategic objectives:



1

Population, Labour Supply and Housing Growth

To attract, grow and retain a skilled working age population resident in Pennine Lancashire facilitated by a major house building programme to significantly improve the quantity, quality and range of the housing offer in Pennine Lancashire, complimented by place making projects

2

Productivity, Employment Growth and Innovation

To significantly improve the productivity of the existing Pennine Lancashire business base, particularly in advanced manufacturing, with higher levels of private sector led R&D and to attract and grow businesses in higher value sectors particularly digital, professional and financial services and logistics

3

Education, Skills and Workforce Participation

To improve educational attainment from early years to higher education and to remove barriers to workforce participation ensuring that Pennine Lancashire residents have the best opportunities to secure higher skilled jobs, improve their quality of life, health and prosperity as well as ensuring that the area remains a competitive business location.

4

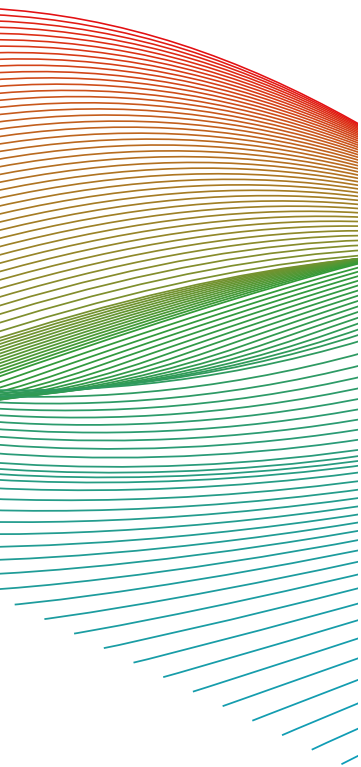
Connectivity and Infrastructure

To maximise and promote Pennine Lancashire's competitive advantage as a business location situated at the centre of the Northern Powerhouse, through a major infrastructure investment programme ensuring that Pennine Lancashire is well connected, and resilient to climate change

PENNINE LANCASHIRE TODAY

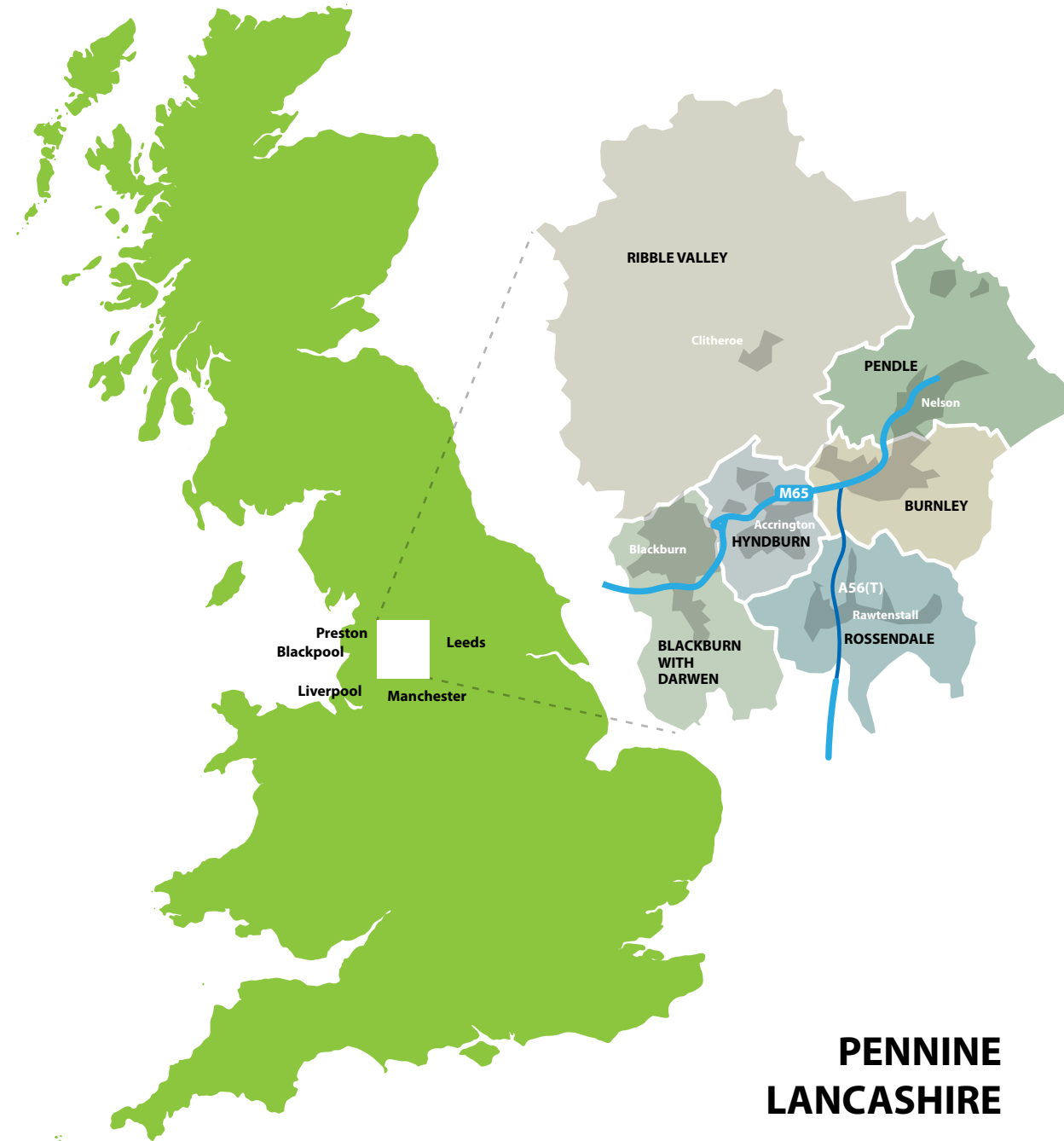
Pennine Lancashire is located directly North of Greater Manchester and East of Preston and Central Lancashire. The M65 corridor runs directly through the area West to East from Blackburn to Colne, providing an important economic link between the settlements and their respective economies. This M65 Corridor forms a significant part of the Arc of Prosperity as defined in the Lancashire LEP's Strategic Economic Plan. The A56(T)/M66 runs North to South connecting Pennine Lancashire to Greater Manchester. Three international airports, at Liverpool, Manchester and Leeds Bradford are all within an hour of Pennine Lancashire, and extensive marine connections are also within an hour's travel at Liverpool Super Port and Heysham.





Pennine Lancashire has no central city or town, but has a polycentric geography comprising of settlements of varying sizes, with important and contributory roles to play. The two main towns are Blackburn in the West and Burnley in the East acting as transport hubs, providing higher order shopping and services including higher education, hospitals and courts. Immediately North lies the attractive rural borough of Ribble Valley. With its open countryside and vibrant market towns it has become a sought after residential location and there are strong housing market and travel to work links between the Ribble Valley and the Pennine Lancashire towns.

Pennine Lancashire is fortunate to possess a highly attractive natural environment, bounded to the North by the boding Pendle Hill and the Forest of Bowland AONB and to the South by the South and West Pennine Moors. The towns benefit from good quality open spaces including a significant legacy of formal Victorian parks, and a network of waterways, canals and green corridors. The recreational and tourism potential of Pennine Lancashire's landscape setting remains largely untapped and a resource that can be used to attract investment. The moors and river valley systems provide vital watershed and air quality management to major towns and cities to the South, and the area offers significant renewable potential from wind and hydro.

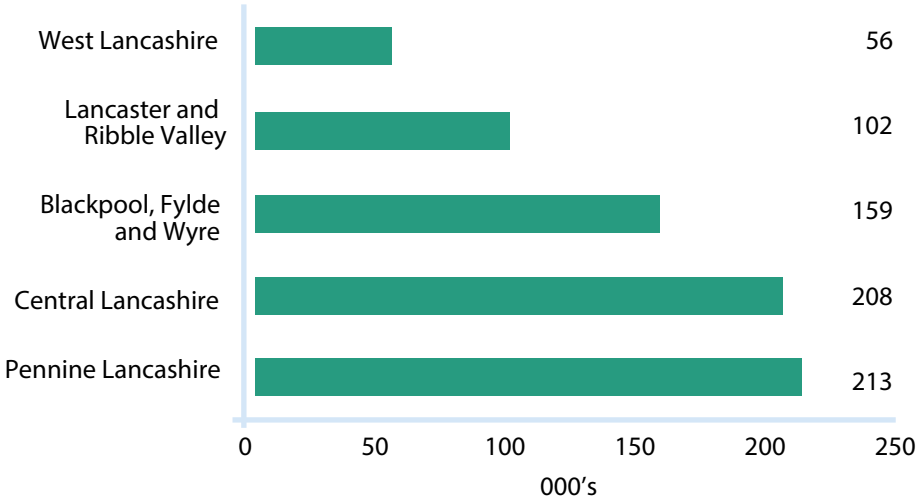


PENNINE LANCASHIRE

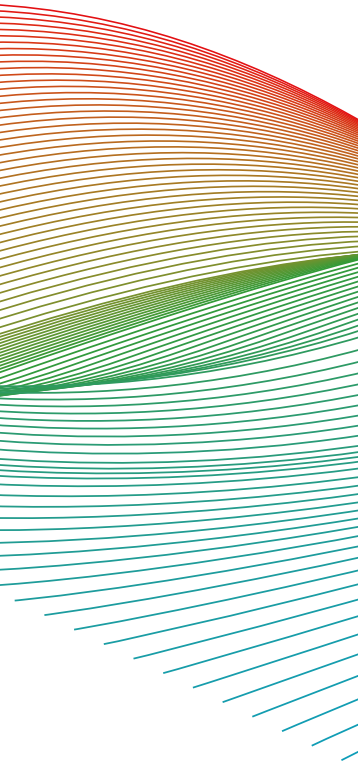
Pennine Lancashire is home to almost half a million people, a third of Lancashire's population. It represents a significant functioning economic area with 213,000 employee jobs, providing 29% of Lancashire's employment and contributing £7bn per annum in GVA making it the largest sub-area in the County.

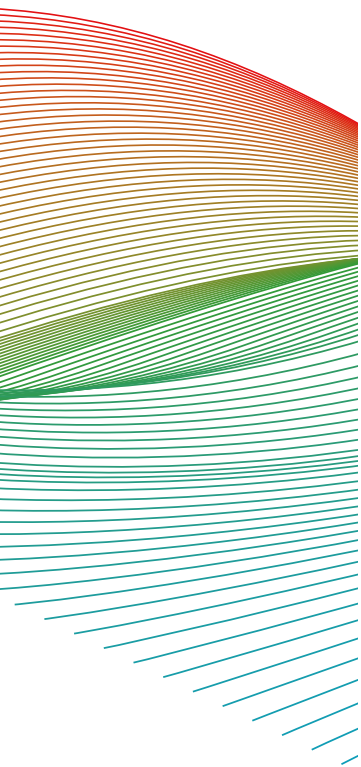
Employment in Lancashire by Sub Geography 2015

Source: Oxford Economics



The area retains a significant and growing advanced manufacturing/ engineering sector accounting for 20% of all employment.



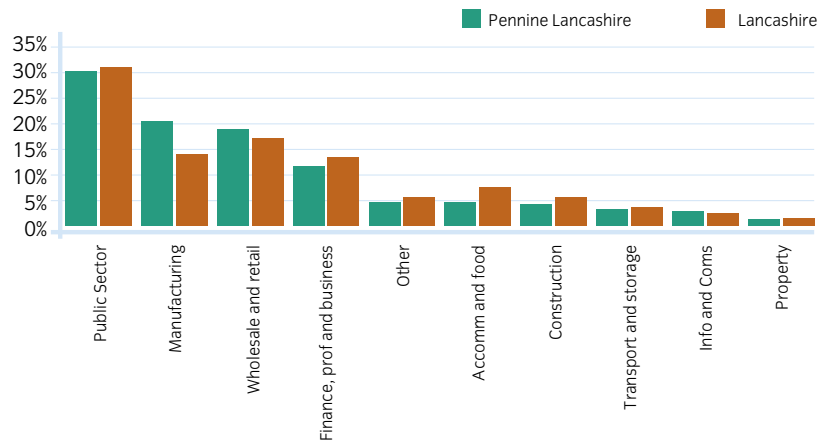


Pennine Lancashire is renowned for making goods and exporting products across the world. The importance of Advanced Manufacturing/ Engineering to the health of the local economy should not be underestimated as it is not dependent on local expenditure and as such generates wealth and prosperity to support growth in other parts of the economy.

Pennine Lancashire accounts for 28% of Lancashire’s business base with 17,070 businesses, 97% of those businesses are small, employing less than 50 people. At the opposite end of the spectrum the area is home to a number of large businesses with a national and international profile including Rolls Royce Engines, Graham and Brown, Crown Paints, Safran Nacelles, Silent Night, Boohoo, Exertis, Protec, Endsleigh Insurance, ZF TRW, WEC, Promethean, Precision Polymer Engineering, Euravia, Lucite

Sectoral Employment 2014

Source: Business Register and Employment Survey



International, Senior Aerospace Weston and Kaman UK.

Pennine Lancashire demonstrated a strong recovery from the recession with a 5.4% increase in employment between 2009 and 2014 outperforming the rest of Lancashire at 0.6% and the GB average of 4.9%. During this period the manufacturing sector showed modest growth, bucking predictions and national trends of job losses. There was also growth in key sectors including Transport and Storage, Information and Communication, Professional Scientific and Technical; and Business Administration and Support Services demonstrating that the Pennine Lancashire economy is becoming more diverse. A significant reduction in higher value Finance and Insurance sector employment reflects the consequences of the 2007/08 financial crisis.

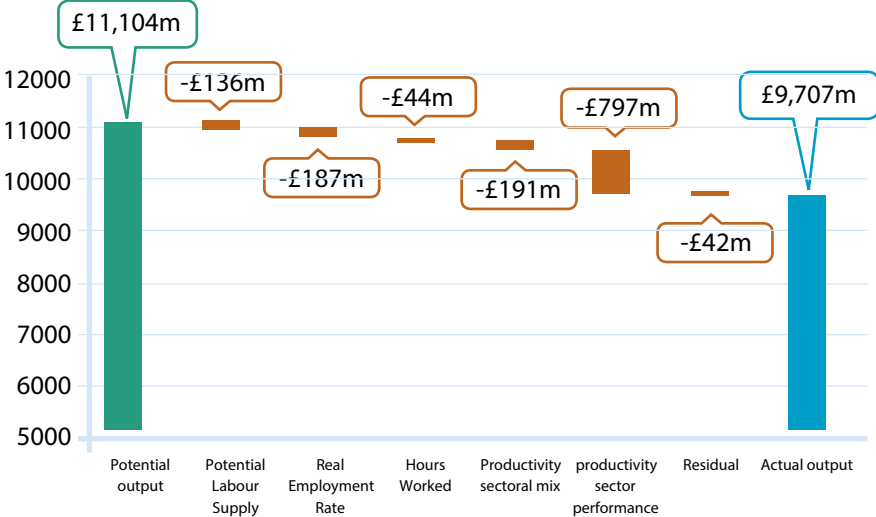
Pennine Lancashire has some strong assets and opportunities that this strategy seeks to exploit:

- Its juxtaposition between Greater Manchester, Central Lancashire and the Leeds City Region provide enormous potential. There are strong links to neighbouring Central Lancashire and Greater Manchester with some 44,000 residents commuting to work outside the area including Greater Manchester (14,000) and Central Lancashire (7,800).
- A significant business and employment base with concentration of Advanced Engineering and Manufacturing (AEM) businesses and a large and diverse number of small and medium sized enterprises
- Strong post-recession employment growth across a range of sectors
- A good supply of development land to accommodate new housing and economic growth
- High quality environment mixed with good value for money for home buyers, developers, and business investors
- Pro-active local authorities with a track record of delivery and ambitious plans for the future
- Effective Business Leadership with the East Lancashire Chamber of Commerce, Burnley Bondholders and Blackburn with Darwen Hive actively promoting the area as a business location and ensuring that business has a strong and collective voice

Despite strong recent employment growth across all sectors, productivity remains a challenge. Pennine Lancashire, along with most of the sub regions that constitute the Northern Powerhouse, operates below its economic potential. GVA per head of working age resident in Pennine Lancashire is £28,500 compared to £30,000 in Lancashire and the national figure of £39,000, suggesting scope for improvement across Lancashire.

The graph below illustrates the scale of the output gap that is the difference between GVA outputs in Pennine Lancashire compared to the potential GVA if the area performed at national standards. The total is broken down to show the main contributory factors that make up that productivity gap.

Components of the Pennine Lancashire Prosperity Gap



Source: Ekosgen, Pennine Lancashire Economy, December 2015

The four main components of this productivity gap include:

- Sector Productivity which accounts for 57% of the gap. Key contributors to sector productivity include the skill base of the workforce, the occupational distribution of the workforce, business competitiveness and relatively low levels of capital investment per employee.
- The Sector Mix, that is too few jobs in high value added service sectors, accounts for £191m or 14% of the productivity gap.
- The Employment rate, that is a lower proportion of working age residents in employment, accounts for £187m or 13% of the gap.
- The potential labour supply; that is the proportion of working age residents, accounts for £136m or 10% of the productivity gap.

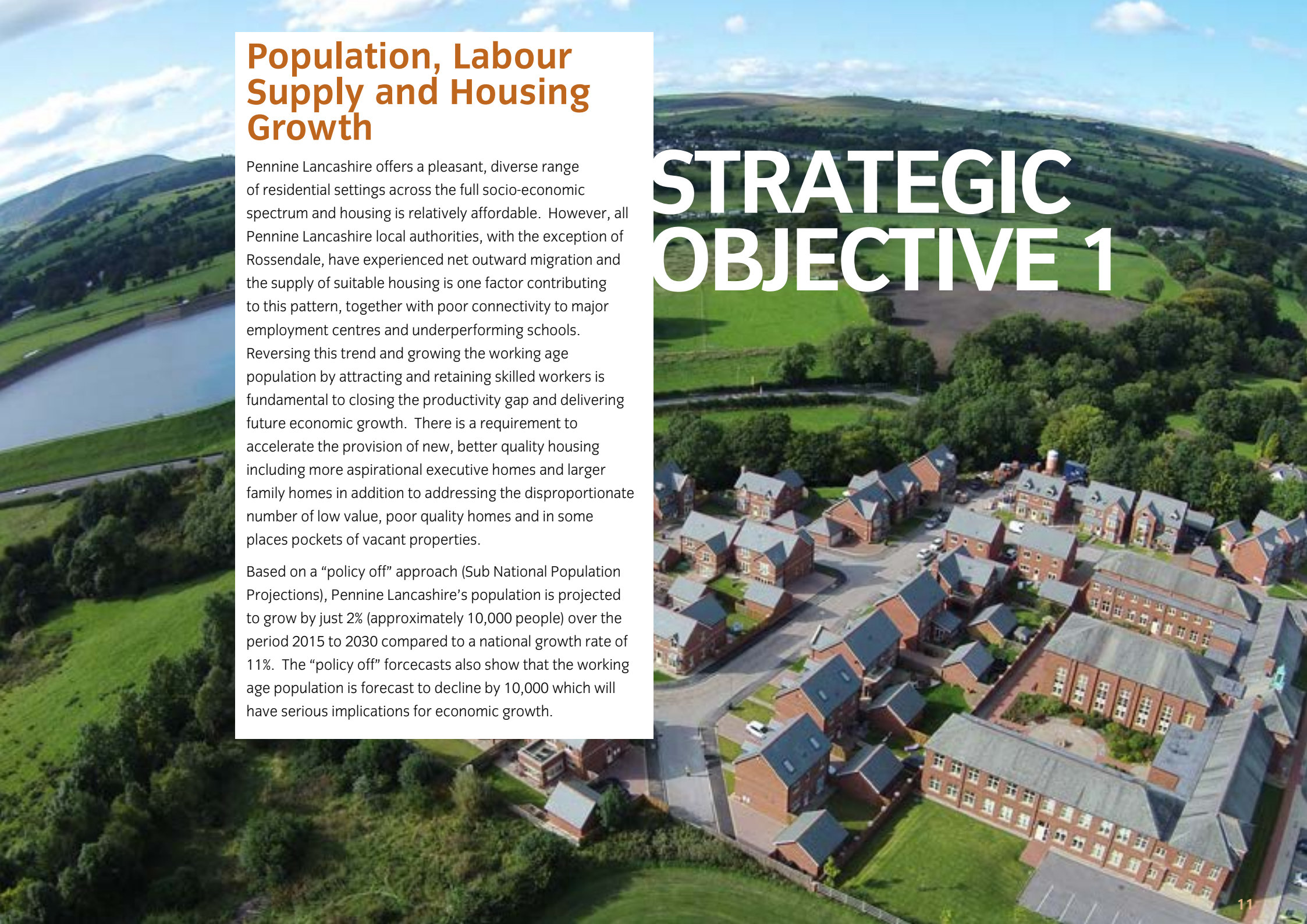


Population, Labour Supply and Housing Growth

Pennine Lancashire offers a pleasant, diverse range of residential settings across the full socio-economic spectrum and housing is relatively affordable. However, all Pennine Lancashire local authorities, with the exception of Rossendale, have experienced net outward migration and the supply of suitable housing is one factor contributing to this pattern, together with poor connectivity to major employment centres and underperforming schools. Reversing this trend and growing the working age population by attracting and retaining skilled workers is fundamental to closing the productivity gap and delivering future economic growth. There is a requirement to accelerate the provision of new, better quality housing including more aspirational executive homes and larger family homes in addition to addressing the disproportionate number of low value, poor quality homes and in some places pockets of vacant properties.

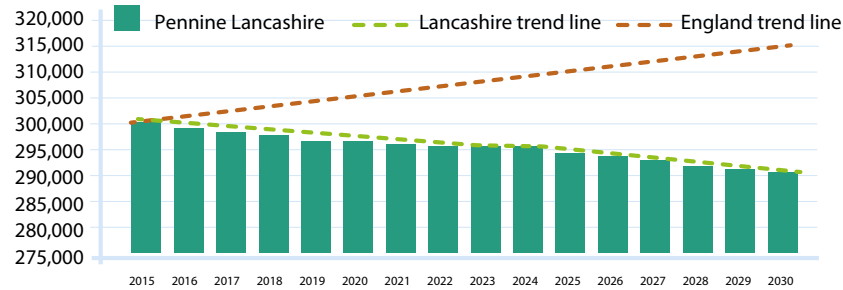
Based on a “policy off” approach (Sub National Population Projections), Pennine Lancashire’s population is projected to grow by just 2% (approximately 10,000 people) over the period 2015 to 2030 compared to a national growth rate of 11%. The “policy off” forecasts also show that the working age population is forecast to decline by 10,000 which will have serious implications for economic growth.

STRATEGIC OBJECTIVE 1



Working Age Population Projections 2015-2030

Source: Sub-national population projections



Pennine Lancashire local authorities are taking a positive “policy on” approach to stimulate population growth over the period of this strategy. Based on figures included in already adopted local plans and emerging local plans the five local authorities are planning to deliver 28,000 new homes across Pennine Lancashire over the period to 2032 supporting a population increase of 62,000 bringing the area’s population growth profile back into line with national trends. This level of growth is far in excess of previous delivery and approximately 14,000 units above baseline CLG Household growth requirement. The increase in the working age population will have a positive impact on business, ensuring a supply of skilled labour, increased expenditure in the local economy supporting a growing service sector as well as generating additional tax receipts.

Housing is not just a quantitative issue and the local authorities have identified a number of key housing development opportunities through adopted or emerging local plans and existing planning permissions. These sites, whose scale, location in key transport corridors along the M65 and A56 corridors or with good rail links and potential market appeal, mark a significant step change in the local housing market in terms of both quality, type and quantity of housing provision. Development of these key sites will be complemented by a wider suite of sites in both suburban, rural and inner urban locations including a significant number of brownfield sites with challenging viability issues that could be unlocked with funding.

Strategic Housing Sites

Blackburn with Darwen

- Gibb Lane, 590
- North Blackburn, 450
- East Darwen, 350
- Roe Lee, 220
- SE Blackburn, 290
- Heys Lane, 450
- SAPPI, 450
- Holden Fold, 315

Hyndburn

- Lyndon, 200
- Clayton, 200
- Huncoat, 800

Pendle

- Trough Laithe, 500
- Further Clough, 200
- Knotts Lane, 200
- Halifax Road, 200

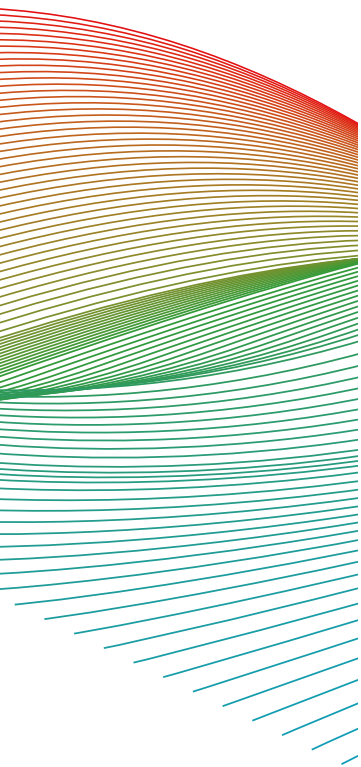
Burnley

- Blythes, 202
- Baxi, 200
- Hollins Cross, 245
- Rossendale Road, 210
- Habergham, 300

Rossendale

- Cloughfold, 150
- Whitworth, 130
- Moss Farm, 135
- Grane Village, 150





As well as houses we also need to deliver “places” where people want to live with great cultural and leisure assets. Pennine Lancashire already has some fantastic “place” assets including dramatic countryside and a rich built environment reflecting the areas heritage, which results in a diverse range of towns and villages, each offering a unique and individual proposition. There has already been investment in Town Centres, most notably the re-development of the Mall and the Cathedral Quarter in Blackburn’s town centre. At a smaller scale there is significant on-going investment in Burnley and Accrington Town Centres. In Burnley and Pendle, the redevelopment of the Weavers Triangle and Brierfield Mills (Northlight) by Barnfield Developments and Pearl is creating attractive, alternative destinations for living, leisure and business, along the Leeds-Liverpool Canal. The countryside provides opportunities to develop outdoor leisure and tourism activities.

The Leeds-Liverpool canal which runs along the spine of Pennine Lancashire is a significant but under-utilised asset that has not benefitted from the same levels of investment as other waterways. The canal is identified as the ‘signature project’ in the Pennine Lancashire Heritage Investment Plan. Improving the canal will also add value to many adjacent housing, employment, and leisure sites either in development or earmarked for future development.



KEY ACTIONS

- Pennine Lancashire Local Authorities will take a pro-active approach to planning, ensuring that it has up to date local plans and a responsive approach to development management giving developers confidence to invest in the area
- Pennine Lancashire Local Authorities will work with the HCA and with Marketing Lancashire to develop and promote the areas proposition to house builders
- Utilise the respective public sector assets in partnership with the private sector to bring forward new housing
- Secure HCA Housing Zone Status and support to accelerate the delivery of 5 strategic brownfield housing schemes delivering 1895 houses working closely with the HCA and ATLAS where appropriate
- Secure funding to progress key infrastructure required for strategic housing sites, for example the Fishmoor Link Road in Blackburn
- Work with the HCA, LEP and Combined Authority to establish an investment fund to accelerate the assembly and re-development of brownfield sites delivering 1,000 new houses in the next five years
- Seek to capture value from higher value developments to support inner urban renewal in the longer term. This will require some flexibility on the application of starter homes and affordable homes policy
- Work with HCA to identify brownfield sites to kick-start the delivery of a Pennine Lancashire Starter Homes programme
- Commission a joint review of local plans and local plan evidence base with a view to replacing separate plans with a single Local Plan in the future.
- Work with the private sector to deliver key place making, leisure and culture based projects in town centres and canal side locations including Brierfield Mills and Weavers Triangle
- Work with the Canals and River Trust and Newground to secure funding for canal infrastructure improvement projects.





STRATEGIC OBJECTIVE 2

Business Productivity, Employment Growth and Innovation

It is clear from the analysis of the productivity gap that there is a need to drive growth and productivity within the existing business base, but also to widen the sectoral mix particularly attracting higher growth, higher value added services. It is recognised that businesses are best placed to lead the identification of new opportunities for growth in a global economy. England's Smart Specialisation Strategy identifies Lancashire's sector specialisms as Nuclear and Aerospace. Furthermore it identified the following "great technologies" as being key enablers to delivering transformational improvements in productivity and performance: Big Data, Advanced Material/Nano Technology and Robotics.

Pennine Lancashire has a strong Advanced Engineering and Manufacturing (AEM) sector with specialisms in areas of aerospace, automotive and energy. The adoption of new technologies and new processes will drive productivity in this sector. Businesses, particularly SMEs need to make use of resources at its disposal, through national and local initiatives aimed at increasing productivity in the AEM sector. Access to capital is a key issue for businesses looking to invest in new processes and products, with a long term return. In addition, evidence shows that Leadership development and support in the adaptation of known practices also drive growth in the SME sector.

Fostering innovation in businesses will play a vital role in increasing prosperity in the area. Pennine Lancashire doesn't have the major research institutions that many other areas of a similar size would take for granted, however, it does have a strong business base that invests in R&D activities and access to research institutions in the North West including UCLAN's new Engineering Innovation Centre in Preston, a proposed Advanced Manufacturing Centre at Salmesbury and Manchester's Graphene Centre, the area is well placed

Lancashire's successful bid with the Sheffield City Region to conduct an Aerospace Science and Innovation Audit (SIA) provides a cross-Pennine AEM corridor. This presents a good opportunity for Pennine Lancashire businesses, with research and industrial excellence, capable of a global impact that could comprise an innovation corridor of national importance. The SIA can also act as the catalyst for the development of a wider Lancashire Innovation Strategy to ensure that sufficient support and infrastructure is in place for businesses of all sectors to maximise opportunities from local and national research institutions, as well as supporting the commercialisation of ideas from our Lancashire universities.

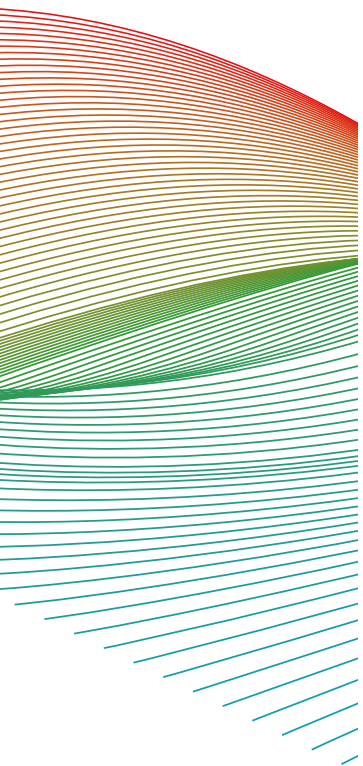


R&D CASE STUDY

Emerson & Renwick is a highly innovative advanced engineering business designing and manufacturing machinery to produce intricate parts. The company is a leading manufacturer of production machinery exporting worldwide with a reputation for innovation, engineering excellence, simplicity of design and inbuilt reliability. In order to be more competitive the business has recently invested £0.5m, with support from Growth Lancashire's Accelerating Business Growth Programme, in a new R&D Technology Centre. Emerson and Renwick's Technology Centre was completed mid-2015 and now provides clients with the production environment to understand how their products and processes perform under manufacturing conditions, while demonstrating the Company's latest product developments within; Automotive, Wallcovering and Coating Divisions. The Technology Centre incorporates coating, laminating, drying and winding technologies, automotive tooling, fin forming and tube milling machinery.

The investment is helping to secure the Company's future growth and a number of highly skilled new jobs have been created within the business.





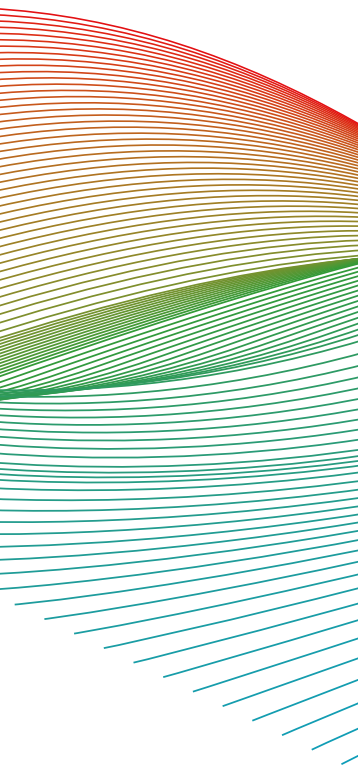
In terms of the sectoral mix there has been a healthy level of growth in a range of sectors over recent years. The digital sector is recognised as a core capability of the Northern Powerhouse and as a key enabler for productivity gains in other sectors. Whilst the sector is still relatively small in Pennine Lancashire, evidence suggests that it is growing and the prospects for growth are good. As well as delivering high value jobs and GVA in its own right, the digital sector will drive innovation and productivity gains across all sectors, particularly in manufacturing.

To remain competitive, Pennine Lancashire must focus on attracting and growing digital businesses that will develop and produce new products and technologies to enable productivity gains in other sectors, particularly manufacturing and health. SME's that embrace digital technologies are proven to grow at a much faster rate than those who don't. Growth of the Digital Technology sector will be dependent on developing and attracting a suitable pool of highly skilled workers.

Growth in the AEM and Digital Sectors will drive growth in the service sector, particularly higher value professional and financial services.

Establishing new businesses will also help to close the GVA gap, creating new jobs and rebalancing the sector mix. It is important that Pennine Lancashire residents and nascent businesses access a full range of support on offer through the Lancashire Growth Hub – Boost Business Lancashire. The Lancashire Business Simplification review will identify gaps in provision and inform future programme development that should be the basis for devolving remaining national business support packages and grant regimes.

International Trade is hugely relevant to Pennine Lancashire and besides being long-established offers considerable significant opportunities in both growing markets and improving productivity. Evidence shows that businesses engaged in international trade have higher employment growth with the highest impact being amongst SME's. The relationship between internationalisation and innovation is also strong; 26% of internationally active SMEs introduced products or services that were new for their sector in their country, for other SMEs this is only 8%. These internationally active SMEs are also more active with process innovations that are new for their sector in their country (11% vs 3% for the SMEs without international activities) (SME's Eurobarometer 2015).



Identified barriers to SME's engaging in international trade include the lack of specialised staff to deal with exports, complex administrative procedures and identifying business partners abroad. The national challenge is to double exports to £1 trillion by 2020 and there is huge potential for Pennine Lancashire businesses to participate. The East Lancashire Chamber of Commerce has a strong track record working with UKTI to assist businesses to enter into international trade.

Through their role as place makers, the respective local authorities will aim to create an environment that supports businesses with local authorities taking a pro-active approach in carrying out their regulatory functions. A key role for local authorities is planning for employment growth and Pennine Lancashire authorities have identified a range of employment sites to accommodate future employment growth. This includes a number of large strategic sites of significant size along the M65 corridor. These sites will accommodate large floor plates for growth in key sectors including advanced manufacturing/engineering and transport and logistics.

In response to the need to accommodate higher value services a number of Town Centre and Gateway sites have been identified for high quality office and B1 uses incorporated into wider mixed use developments as well as two sites linked to Pennine Lancashire's higher education institutions in Blackburn and Burnley. Recent exemplar sites include Blackburn Cathedral Quarter where 2800m² of new office accommodation has already been completed with a further 4500m² phase planned. In Burnley and Pendle, key sites include Vision Park adjacent to the University Campus, Place De Vitry in Burnley Town Centre and Brierfield Mills (Northlight).

In terms of commercial development, whilst demand and rental values are improving, marginal land values continue to undermine the commercial viability of investments particularly in site infrastructure and remediation. Relatively low demand and low rental values for office accommodation throughout Pennine Lancashire means that schemes are difficult to bring forward without public sector intervention. This is somewhat of a vicious circle and there is a need to provide quality accommodation to attract footloose occupiers and to accommodate growing indigenous businesses in high growth service sectors.

Pennine Lancashire Employment Sites

Knowledge Based Investment in Town Centres

- Blackburn Knowledge Zone
- Burnley Knowledge Quarter/Vision Park

Strategic Business Parks

- Whitebirk, Hyndburn
- Burnley Bridge
- N65 West
- Shuttleworth Mead South
- Huncoat
- Lomeshaye II
- Junction 7 business park
- Furthergate, Blackburn
- J13 Business Parks

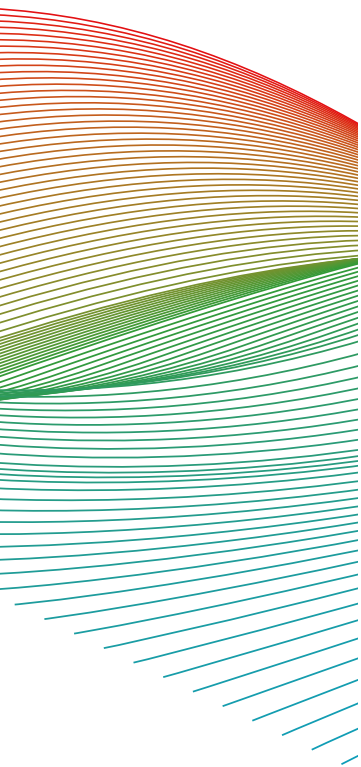
Major Town Centre/Gateway Employment Sites

- Cathedral Quarter, Blackburn
- Weavers Triangle, Burnley
- Brierfield Mills (Northlight), Pendle
- Pennine Gateway, Blackburn
- Peel Riverside Park
- Rawtenstall Town Centre
- New Hall Hey, Rossendale
- Place De Vitry, Burnley
- West Craven Business Park



KEY ACTIONS

- We will establish a private sector led “productivity commission” to further our understanding of the Sectoral Productivity Gap, starting with manufacturing, to identify where interventions can be most effective.
- Ensure that Pennine Lancashire businesses have access to a range of business support including leadership development and access to Knowledge Transfer activities locally and nationally through Lancashire’s Business Growth Hub, Boost.
- Engage with Tech North, Digital Lancashire and the education sector to raise the profile of Pennine Lancashire’s Digital Tech sector, to ensure that businesses benefit from national support programmes and have access to a pool of talent.
- Seek support for Enhanced Capital Allowances and other financial incentives to enable businesses to make capital investments or invest in workforce development to drive productivity
- Secure funding to progress key infrastructure to unlock employment sites, for example the Huncoat Link Road, to bring forward 60 acres of employment land
- Work with the LEP and Combined Authority to access to development funding to accelerate the development of strategic employment sites
- Linking to the Lancashire Science and Innovation Audit and planned developments at the Advanced Manufacturing Centre at Salmesbury, the Engineering Innovation Centre at UCLAN Preston, FabLab Blackburn, and Lancashire’s Institute of Cyber Security and develop the UCLAN campus at Burnley to become a Pennine Lancashire focal point for R&D and knowledge transfer activity.

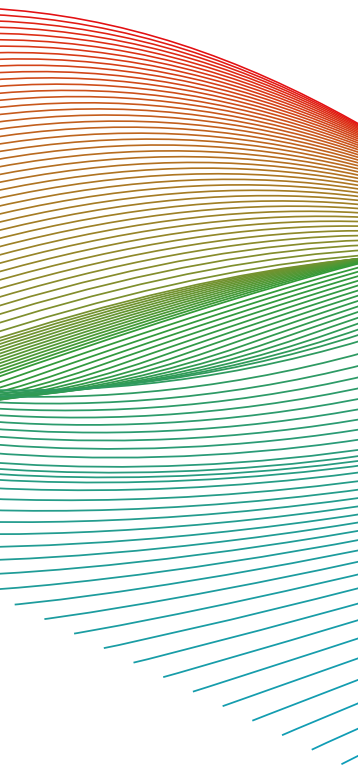




STRATEGIC OBJECTIVE 3

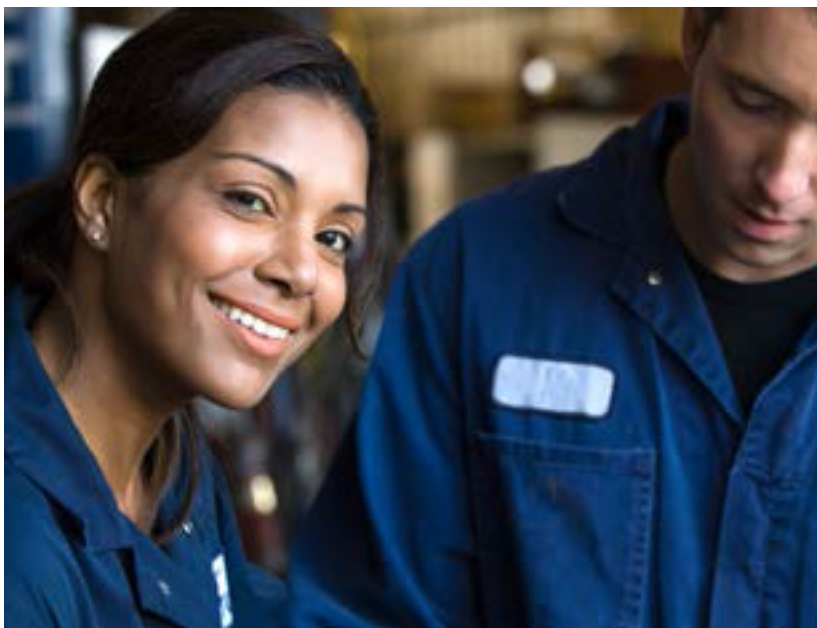
Education, Skills and Workforce Participation

Improving educational attainment, raising skill levels and increasing workforce participation will be vital if the area is to see an upturn in economic output and close the productivity gap. Indicative of the high concentrations of Advanced Manufacturing, Pennine Lancashire has more trade apprenticeships in the economically active population and nearly 40% of Lancashire's apprenticeships come from Pennine Lancashire.



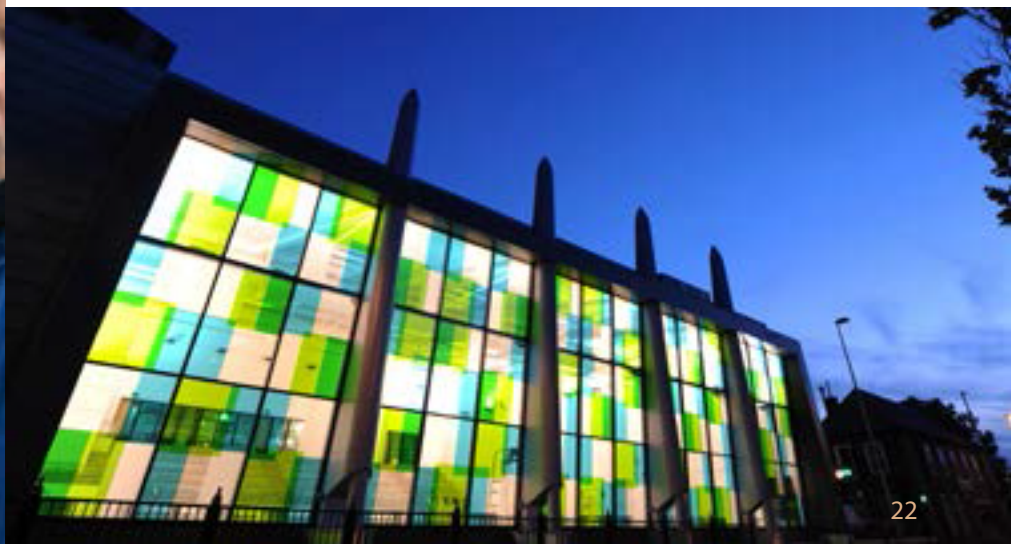
Changing the sector mix, improving the productivity of existing sectors and attracting higher value jobs will require a more highly skilled qualified workforce. Currently, 25.5% of the working age population have level 4 and above qualifications compared to 28.3% across Lancashire. There has been a major drive across Pennine Lancashire to increase higher level skills, most notably with the opening of a UCLAN facility in Burnley in 2009 and an HE Centre at Blackburn College affiliated to the University of Lancaster in 2010. These institutions currently support approximately 4,500 HE students.

Pennine Lancashire has below average rates of workforce participation accounting for 13% of the productivity gap. There is a strong link between qualifications and workforce participation, and too many people have qualifications below Level 2. Levels 2 and 3 qualifications provide a route to more secure employment options for individuals and create more wealth in the economy. Additionally, a large number of working age residents do not participate in the workforce due to ill health. Health inequalities are a significant and persistent issue across Pennine Lancashire. Raising the levels of workforce participation across Pennine Lancashire is a key driver to increasing productivity and wealth in the area. Almost 15,000 Pennine Lancashire residents have participated in the Work Programme since it began. This is nearly 40% of the total number



participating in the programme from Lancashire, but the outcomes as a percentage of attachments for Pennine Lancashire are lower than the county and national averages, with only 1 in 5 securing a job outcome. Without addressing these health inequalities many communities in Pennine Lancashire will continue to be trapped in a cycle of unemployment and poor health with serious consequences for individuals, communities and public services. We will conduct a 'lessons learned' investigation with DWP, Work Programme providers and the CCG to determine how to improve outcomes in future work focused programmes.

Pennine Lancashire's skills challenge needs to start with pre-school and school age interventions. Addressing low educational attainment in some of Pennine Lancashire's schools, over the longer term, will be vital if the area is to prosper and to be attractive to residents – educational attainment and good schools drive the locational choices of businesses and individuals. Evidence points to the following reasons for low attainment – late English Language development, attitudes to learning, aspirations, weak relationships between schools and parents, mental health issues and personal and community resilience. These issues are not unique to Pennine Lancashire and we are currently exploring the underlying causal factors for the large variation in educational attainment within Pennine Lancashire and lack of progress compared to other areas with similar circumstances. Taking account for the reasons set out above this education challenge will require the commitment of a wide range of partners outside of the education sector, including businesses.



CASE STUDY

BURNLEY BONDHOLDERS AND PRIMARY ENGINEER

A central challenge in building Burnley's future prosperity is improving educational attainment, to support the growth of world class businesses in the town. That is why Burnley Bondholders – a network of local business leaders – and Burnley Council has entered into a three year partnership with Primary and Secondary Engineer, a not for profit organisation, headed up by founder and CEO Susan Scurlock. It delivers unique teacher training and pupil engagement programmes in both primary and secondary schools, with the aim of encouraging young people to consider careers in engineering and related fields. The cross-curricular programmes cover applied maths, science and technology.

Mark Crabtree O.B.E, Managing Director of AMS Neve, which develops and manufactures some of the world's leading sound engineering consoles, explains his involvement: "Burnley is growing its reputation as a centre for advanced manufacturing, digital and engineering excellence so it's essential that our local high-skilled industries have the talent they need. Inspiring our young people is a big part of that, which is why I supported the Primary and Secondary Engineer programmes. It gives pupils the chance to develop vital skills in STEM subjects through the practical and rewarding process of designing and making fully working models. The training given

to the teachers as part of the programme gives them increased confidence and makes the gains sustainable. It is great fun, but it is also real-life application of maths, and develops skills in analysis, teamwork, communication and persistence- skills which are vital attributes of a 21st century workforce."

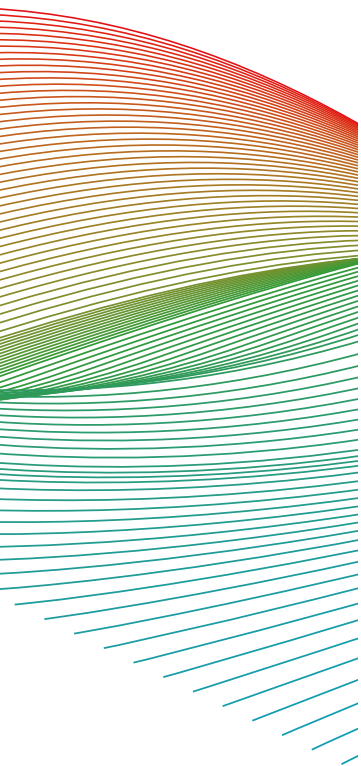
Burnley Council has committed half the total programme costs- £165,000- with the other half provided by the schools and the private sector. By the end of the third year, 26 schools, 3,000 secondary school pupils and 15,000 primary school pupils in Burnley will have participated in the programme. A range of local tech and advanced manufacturing businesses have volunteered the time of their engineers to go into the schools and be part of the programme.

The Lancashire Area Based Review will make recommendations regarding the future infrastructure of post-16 education and training in the area, it is recognised that this is critical in raising productivity and economic growth. This presents an opportunity to wrap round a review of school based attainment in the context of supporting the wider Lancashire skills framework and the delivery of the growth ambitions set out in this plan.



KEY ACTIONS

- Establish a cross sector Commission including representation from education, health and business to drive improvements in educational performance in Pennine Lancashire and work with the Combined Authority to seek inclusion in the Northern Powerhouse Schools Strategy to implement a programme aimed at delivering a step change in educational attainment, building on existing pockets of success in Pennine Lancashire
- Building on existing best practice improve employer engagement in schools and education
- Establish a knowledge transfer partnership between Pennine Lancashire businesses and Universities to improve aspirations and readiness for learning and work
- Work with DWP and CCG to better understand the barriers to workforce participation in PL and the potential for an integrated public service approach based on troubled families programmes to inform commissioning of the future Work and Health programme
- Work with CCGs to develop interventions to assist people and families with ill health to participate in work and education
- Work with FE/HE providers in PL to increase participation in higher level learning programmes including advanced and higher apprenticeships, particularly focussing on key sectors in manufacturing, engineering, digital and health.
- Work with HE providers and businesses to secure higher levels of graduate retention in the area



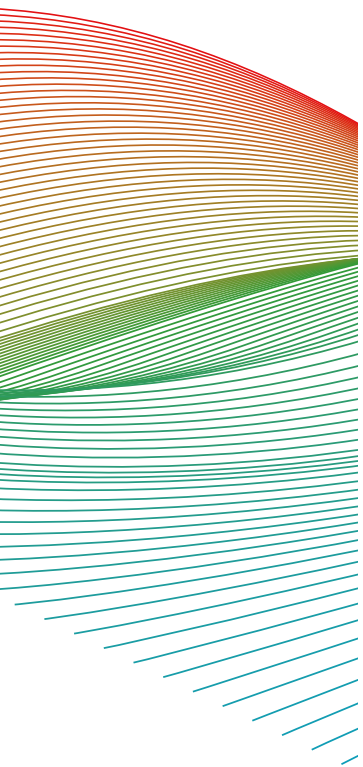


STRATEGIC OBJECTIVE 4

Connectivity and Infrastructure

The East Lancashire Transport Masterplan (ELTM) was agreed in 2014, and alongside other sub-County area masterplans formed the basis of the Lancashire Strategic Transport Prospectus, approved in January 2016. The ELTM highlighted key strategic transport schemes and proposed a number of studies to help inform future priorities. It is important that the 'policy on' scenario identified in this plan is used to inform future strategic transport priorities.

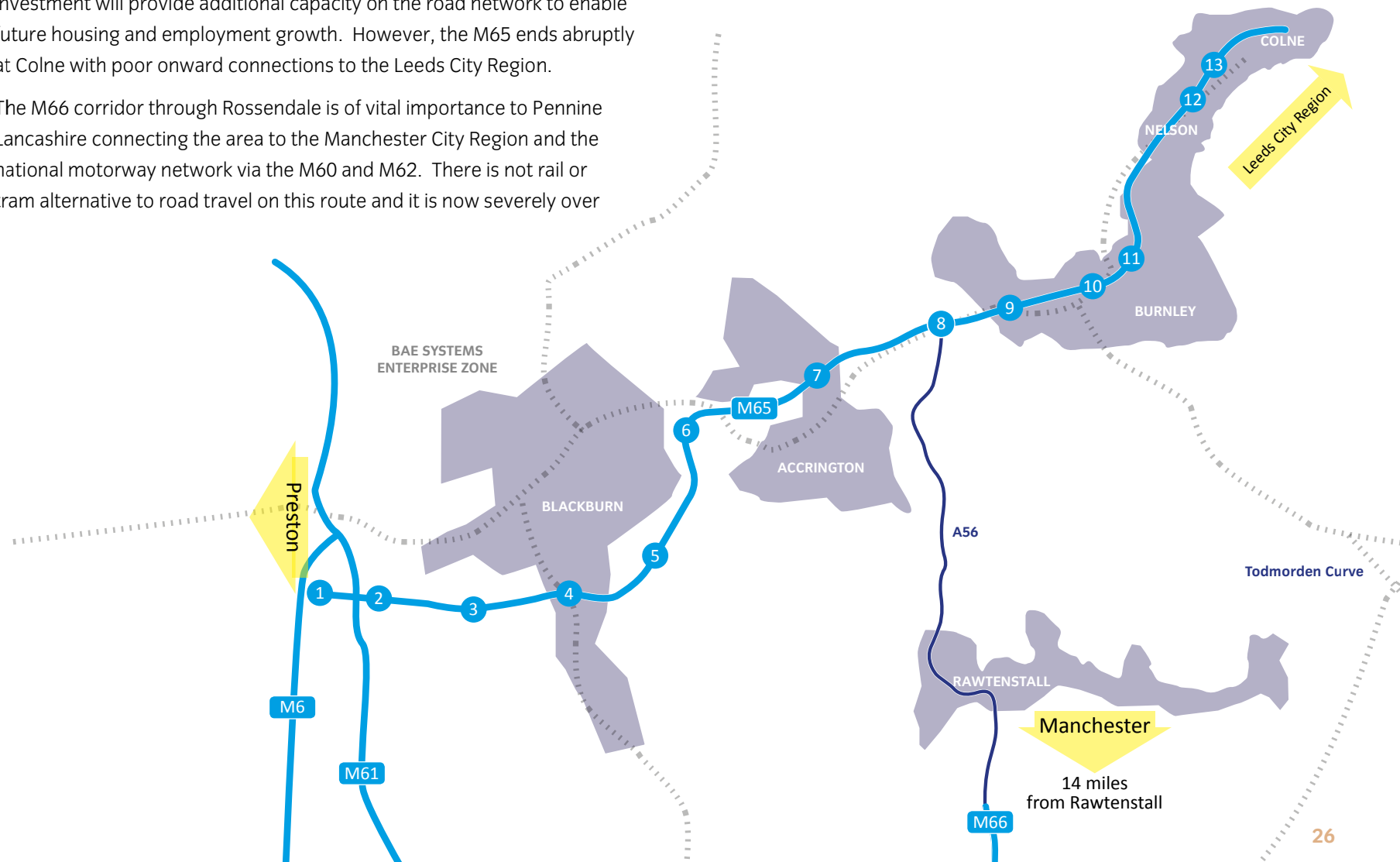
Improving connectivity, both internally and externally is a key driver of economic growth. Pennine Lancashire is in a good location with relatively close proximity to major city regions, Liverpool Super Port and Manchester Airport. The Government's Northern Transport Strategy recognises that the number, capacity and reliability of east-west road connections is seen as a constraint on the Northern economy. Furthermore there are areas of very high congestion on the network, with high demand for freight from the Northern Ports. Pennine Lancashire should seek to understand the role it can play in relieving pressure on the network through improved east-west connectivity and how it connects to and capitalises on the regions strategic transport hubs including major ports, Manchester Airport, Leeds-Bradford Airport and proposed Hs2 hub at Preston.

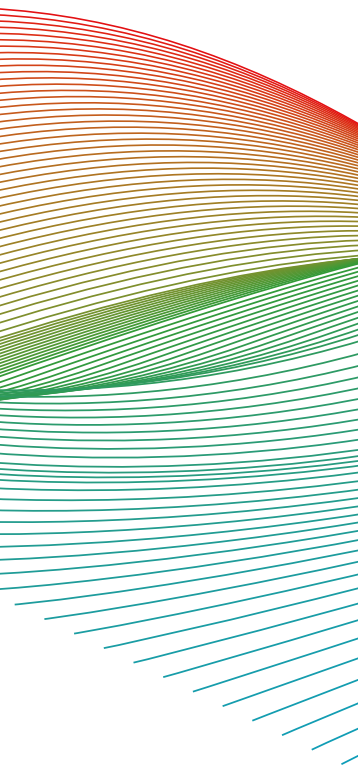


The M65 and the A56(T)/M66 provide the main arterial roads connecting Pennine Lancashire both internally and externally. Traffic volumes on the M65 have grown at 4% pa since its opening in 1997 and evidence now suggests that the current level of demand at peak times is causing congestion. The most notable points of congestion are between J6 (Whitebirk) and J2 (M61) and at J13 where the M65 terminates abruptly at Colne. Other points of congestion have been identified and a package of works worth £18m including the Highways Agency Pinch Point Schemes at J4 and 5 and the Growth Deal Funded Accrington-Burnley-Pendle Growth Corridor are committed for delivery between 2015 and 2018. This investment will provide additional capacity on the road network to enable future housing and employment growth. However, the M65 ends abruptly at Colne with poor onward connections to the Leeds City Region.

The M66 corridor through Rossendale is of vital importance to Pennine Lancashire connecting the area to the Manchester City Region and the national motorway network via the M60 and M62. There is not rail or tram alternative to road travel on this route and it is now severely over

capacity at peak times, with consequential impacts on the M60/62 corridor rendering it the most congested main route in Pennine Lancashire at peak times. Peak journey times to Manchester via the corridor have grown by over 100% over the last decade. The challenges posed by this corridor are exacerbated by a lack of strategic overview, due to the cumulative impacts being split between Lancashire and Greater Manchester's Strategic Transport authorities and therefore not reaching top priority in either area despite being highly significant. Funding has been committed to ease congestion at Simister Island where the M66 joins the M62, however this does not address capacity north of Bury and queuing on the A56T.



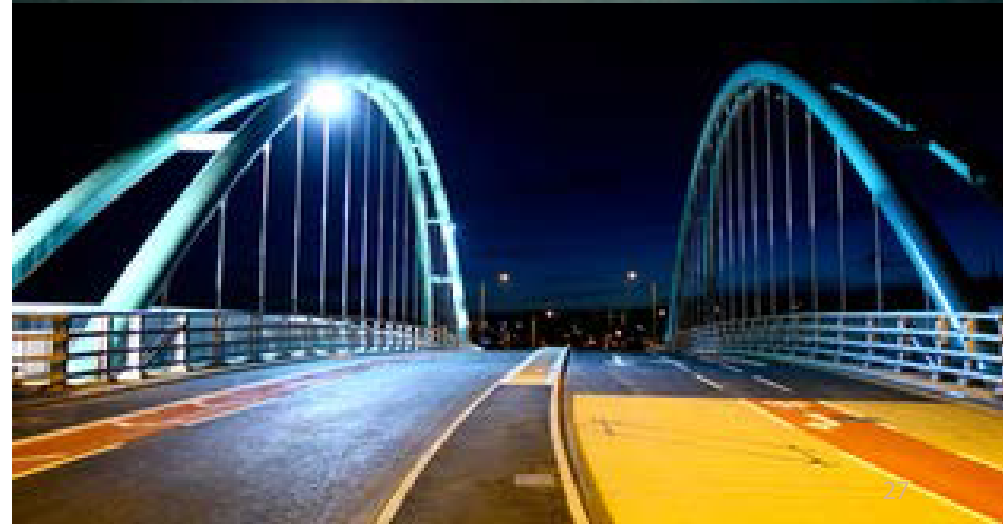


Pennine Lancashire is served by a main rail line which runs West to Preston and East to the Leeds City Region via Blackburn, Accrington and Burnley. There is a south bound rail line from Blackburn to Manchester and funding has been secured through Transport for Lancashire for key infrastructure to enable a reliable half hourly service between Blackburn and Manchester. The re-instatement of the Todmorden Curve secured a direct hourly service from Accrington/ Burnley to Manchester in May 2015. The services still suffer from relatively slow journey times and poor quality rolling stock and there are no direct services to Manchester Airport

Pendle is served by the Blackpool to Colne Service connecting to Preston and Blackburn. The service is single track within Pendle and very poor in terms of rolling stock, journey times, and frequency with poor interchange onto South bound services. The line terminates at Colne with no eastward connection to Yorkshire. Rossendale does not have a rail service at all.

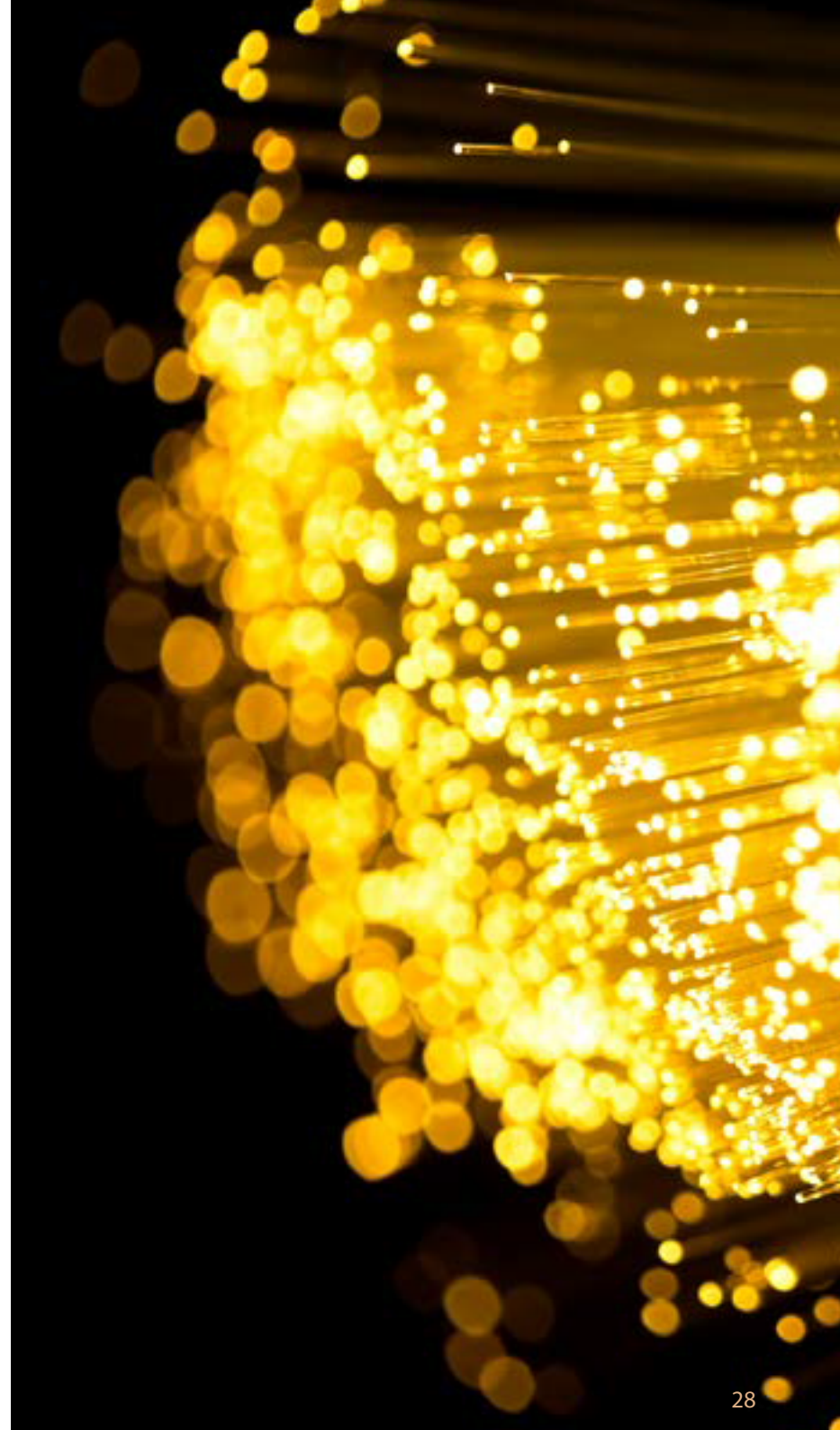
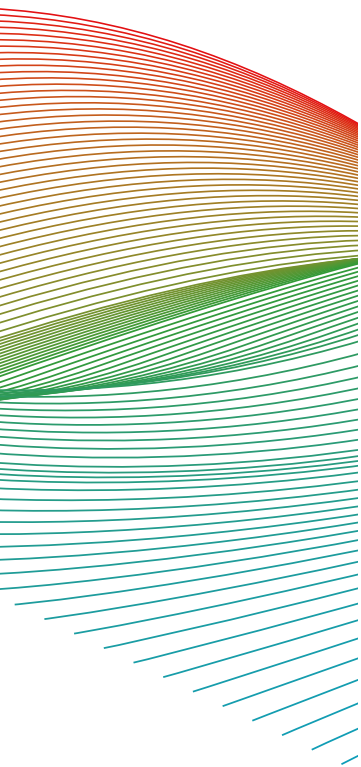
As well as transport connectivity, changes to the economy and the growth in the Digital sector will require a step change in digital connectivity. Research published by Centre for Cities (Cities Outlook 2016) based on the report Connected Nations (Ofcom; 2015) shows that the Pennine Lancashire Primary Urban Areas of Blackburn (Blackburn with Darwen and Hyndburn) and Burnley (Burnley and Pendle) are worst performing areas of the country for Super-Fast Broadband (SFBB) penetration. The report states that only 67.9% of properties in Burnley and Pendle have access to SFBB and only 61.2% of properties in Blackburn with Darwen. As opposed to the best performing area in the country, Luton, where SFBB penetration is 88.0%.

With regard to other infrastructure there is excellent capacity across Pennine Lancashire in terms of utilities infrastructure – water, power and gas, although some key strategic sites may require some investment. There are some emerging capacity issues in terms of drainage and flood defence where there is an increasing threat and incidence of flash (surface water) and river flooding both within Pennine Lancashire and affecting neighbouring communities in Ribble Valley and North Manchester.



KEY ACTIONS

- Secure improvements and future electrification of Pennine Lancashire rail network including Calder Valley Line, Roses Links and Clitheroe –Manchester line in Network Rail’s control period 6 (2019 to 2024) including faster and more frequent services between Pennine Lancashire and Manchester, Leeds, Preston (Hs2 hub) and Manchester Airport
- Work with Transport for Lancashire, the LEP, North Yorkshire County Council, the West Yorkshire Combined Authorities to develop options and a business case for improved connectivity between Pennine Lancashire and the Leeds City Region and to unlock new housing and employment sites
- Secure widening of M65 to three lanes throughout between J2 (M61) and J6 (Whitebirk) in the 2nd Road Investment Strategy (RIS) and re-assess the ability of the M65 to accommodate the levels of growth projected in this plan and beyond
- In partnership with the Environment Agency secure funding from Government and the private sector to address flooding risk and watershed management, particularly to key employment and housing sites and to mitigate the risks to neighbouring areas.
- Work with Transport for Lancashire and the LEP to secure funding to implement the recommendations of the A56/M66 Gateway Study and elements of the Ribble Valley corridor study that directly impact on PL
- Work with Transport for Lancashire, Transport for Greater Manchester, Highways England, Network Rail and others to determine and develop a business case for improved connectivity between Rawtenstall and Manchester.
- Secure better coverage of superfast and ultra-fast broadband



Impact

The Pennine Lancashire Growth and Prosperity Strategy will deliver a significant uplift in productivity (GVA) and employment growth. This will be underpinned by a significant increase in housebuilding compared to past trends and a return to positive population growth.

Based on the “policy on” projections included in the respective local plans 28,000 new homes will be delivered across Pennine Lancashire in the period to 2032. That is more than double the rate of delivery in the period 2005 to 2015 and 14,500 new homes more than base line CLG projections would require. Additional funding for key infrastructure, brownfield remediation and starter homes means that higher levels of build out projected towards the end of the plan period can be delivered sooner.

The “policy on” scenario will see Pennine Lancashire’s population grow by 61,000 over the period 2016 to 2032. That is three times the rate of growth in the “policy off” scenario.

The policy on approach will increase employment from a baseline projection of 3,900 (Oxford Economics) to 14,000 jobs up to 2026, with a considerable reduction in projected manufacturing job losses and increases in higher value sectors including Scientific and Professional Services, Construction, and Transport and Storage.

Implementation

The Pennine Lancashire Growth and Prosperity Plan sets out an ambitious Vision for the area. All the respective local authorities have agreed the contents of the plan and are committed to work in partnership to deliver the objectives. Pennine Lancashire Local authorities have a strong track record in delivering ambitious plans, as was demonstrated by the joint delivery of the housing market renewal programme 2002-2011 and key infrastructure projects such as the Todmorden Curve and capacity enhancements to the Clitheroe-Blackburn line.

Delivery will require the commitment of the local authorities, and other public and private sector agencies. Key delivery partners will include the HCA, FE and HE institutions, East Lancs Chamber of Commerce, Lancashire LEP, Growth Lancashire, DWP and Pennine Lancashire CCG. Whilst there are some things that the public sector can deliver, the real investment required will be through the private sector and we will seek to actively engage private sector partners. All Pennine Lancashire partners have a strong track record in working with the private sector to deliver major schemes.

To assist in the delivery a more detailed prioritised Action Plan will be developed that will act as a lever for investment as well as assist in monitoring progress. It is anticipated that this plan will form one of the key building blocks for the Lancashire Combined Authority’s Devolution Deal and benefit from the investment that will flow from that agreement with Central Government to drive an improved net contribution to the Lancashire and National economies.

Pennine Lancashire Chief Executives has already established a Growth and Prosperity Board, and it will be the responsibility of this board to ensure that projects are developed and implemented.

