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Planning Design Economics

Greater Manchester Employment Land Position Statement

Final Report

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Clients:

Association of Greater Manchester Authorities
Bolton Council
Bury Metropolitan Borough Council
Manchester City Council
Oldham Metropolitan Borough Council
Rochdale Metropolitan Borough Council

Salford City Council
Stockport Metropolitan Borough Council
Tameside Metropolitan Borough Council
Trafford Council
Wigan Council

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1.0 Introduction

- 1.1 In May 2009, Nathaniel Lichfield and Partners (NLP) was commissioned by the Association of Greater Manchester Authorities (AGMA) to produce a Position Statement on employment land provision across the ten Greater Manchester districts.
- 1.2 The Regional Spatial Strategy (RSS) for the North West published in September 2008, sets out a series of spatial priorities for development within the region. Policy W3 relates to the supply of employment land and provides sub-regional requirements for the quantitative provision of employment land to 2021. The sub-regional requirements are not disaggregated to the district level.
- 1.3 Table 6.1 of Policy W3 quantifies the amount of the employment land needed in each sub region and identifies a requirement for an extra 536ha of employment land in Greater Manchester on top of the existing supply. However, the RSS acknowledges that there is a degree of uncertainty in establishing employment land requirements. Accordingly, an allowance for flexibility is factored in which has the effect of adding 20% to the employment land requirement for the sub-region, resulting in an extra allocation totalling 917ha.
- 1.4 As advocated by the RSS, the provision of employment land figures by sub-region has required the ten districts and other partners to work together to agree the distribution of land within the sub-region.
- 1.5 The Position Statement is the outcome of joint-working between Local Planning Authorities within Greater Manchester, and is intended to form an integral part of the evidence base and support for employment policies in district's Local Development Frameworks, as well as making recommendations for a future approach to Employment Land Reviews and subsequent monitoring.
- 1.6 In accordance with the brief, the work was undertaken in three parts, which were:
- Part 1 – a land use interpretation of the strategic economic vision for Greater Manchester
 - Part 2 – Districts' current work on the amount and distribution of employment land within Greater Manchester
 - Part 3 – the output – a narrative, including District figures, alongside a framework for future employment land review work in the city region.

2.0 Economic and Policy Overview

- 2.1 This section provides a summary of the key economic and policy issues considered in preparation of the Position Statement. Appendix 3 contains a more detailed overview.

Policy Direction

- 2.2 The spatial strategy for development of the Regional Spatial Strategy (RSS) is clear in prioritising the Regional Centre for growth, followed by the inner areas around the Regional Centre then towns and cities within the Manchester City Region (policy RDF1). Policy W3 on supply of employment land is based, in part¹, on past take-up rates of 112 ha per annum for Greater Manchester and concludes that an extra 917 ha of employment land is required in the sub-region, resulting in a total requirement of 2,285 ha between 2005 and 2021. This requirement incorporates the 20% flexibility factor, designed to provide additional land to take account of special circumstances; without this flexibility factor required, the RSS states that the additional requirement would be 536ha.
- 2.3 The RSS identifies specific strategies for the Manchester City Region (policies MCR1, 2, 3 & 5), to try and achieve a significant improvement in economic performance overall, as well as enabling the inner areas and northern part of the City Region to capture growing levels of investment by securing improvements to public transport. The Regional Centre is recognised as the primary economic driver in the City Region.
- 2.4 A review of the Regional Economic Strategy, the Manchester City Region Development Programme and the Manchester Independent Economic Review (MIER) found that the priority sectors identified for Greater Manchester comprise biomedical, energy & environment technologies, advanced engineering, food and drink, digital and creative industries and business and professional services.

Economic Trends

- 2.5 A review of employment trends in Greater Manchester has revealed that whilst the sub-region has experienced significant growth in employment during the past decade, representing an increase of 10.6%; this remains below national (12%) and regional (12.4%) averages. Within the sub-region, the rates of growth have varied markedly.
- 2.6 On employment structure, there has been strong job growth in financial and business services, (with particularly high proportions in the Regional Centre), public administration and health. There has been a decline, matched nationally, in the number of manufacturing jobs, although this decline has not occurred evenly across Greater Manchester, with Tameside, Oldham, Wigan,

¹ Policy W3 also takes into account economic forecasts and these are reflected in the take up rates used.

Rochdale and Bolton retaining proportions of such jobs higher than the regional averages. An overall reduction in the manufacturing sector's economic output has not been observed in the City Region, with an increase occurring between 1998 and 2006, assumed to be due in part to increased automation, a process known as capital substitution for labour. Representation of knowledge-based businesses varies significantly across Greater Manchester, particularly high in Trafford, Manchester and Stockport.

- 2.7 As would be expected in a sub-region, the different areas of Greater Manchester perform different economic roles. The Regional Centre is underpinned by strong concentrations of high value industries such as financial and professional, media and creative, health and life sciences. MIER acknowledges that outside of the Regional Centre, in southern areas, parts of Trafford retain strengths in a diverse range of manufacturing subsectors, whilst logistics is focussed around the airport and in Stockport. MIER also highlights that Districts in the north of the sub-region retain manufacturing strengths, as well as a growing satellite of financial and business services in Bolton and ICT/communications in Bury.
- 2.8 An analysis of travel to work data found that Greater Manchester as a sub-region is a relatively self-contained employment market, with very few major leakages to authorities beyond the sub-region. The Regional Centre authorities (Manchester, Trafford, Salford) provide a major source of employment for the sub-region, experiencing a net inflow of commuters from adjacent authorities.
- 2.9 Research into the business base of Greater Manchester found that it is dominated by small firms, with 89.4% in the sub-region employing fewer than 20 people and just 0.6% of businesses employing 250 people or more, with highest proportions of these in Manchester and Salford. This will have implications for the employment space needs of the area.
- 2.10 In recent years, Greater Manchester has performed well in attracting inward investment. Data collected by MIDAS shows that over the period April 2004 to February 2008, 1,352 new investments were attracted to the sub-region, with a total value in excess of £490m. This level of investment is estimated to have created more than 19,000 new jobs over the period. A significant proportion of investment (25%) was made by SMEs.
- 2.11 The data recorded by MIDAS indicates that 45% of investors in Greater Manchester were seeking industrial premises and 34% offices. A further 10% were seeking managed workspace premises.
- 2.12 Additional data provided by MIDAS disaggregated to the local authority level demonstrates the strong economic role played by the authorities covering the Regional Centre. Indeed, more than 75% of inward investment projects in the last 5 years are estimated to have located within Manchester City, Salford and Trafford.
- 2.13 The UK is currently in recession and potential impact of this in relation to future demand for employment land and premises must be taken account of. Since

August 2008 Job Seekers Allowance in Greater Manchester has increased steadily, reaching 4.8% in April 2009, slightly above the national average of 4.1%. There has been a corresponding decrease in the number of job vacancies registered with Job Centre Plus.

Economic Forecasts

- 2.14 The Greater Manchester Forecast Model (GMFM) developed by Oxford Economics has been reviewed for this statement. The first iteration of the model, released in 2007 forecast total employment in Greater Manchester would increase to 1,316,900 by 2026. A revised scenario published in autumn 2008 to take account of the economic downturn provided a less bullish forecast, projecting total employment would fall between 2008-2010 before reaching 1,301,400 by 2032. With the exception of Tameside, all Greater Manchester Authorities were forecast to experience a net growth in employment, with Manchester City identified as the key driver of growth. As reflected in MIER, the 2008 GMFM scenario found that the majority of growth is expected to be clustered in the south of the sub-region, with the four Authorities of Manchester, Salford, Trafford and Stockport accounting for almost 90% of the projected job growth.
- 2.15 A further partial run of the GMFM was commissioned by Manchester City Council for its Employment Land Study in May 2009, in light of the worsening recession. This iteration found that the impacts of the recession are likely to be more pronounced, leaving a lasting legacy, with job forecasts reaching only 1,258,400 by 2032 for Greater Manchester, 43,000 lower than the 2008 GMFM and with half the jobs being created within Manchester City itself. It is therefore important for this study to consider the land use implications of a range of scenarios.
- 2.16 In addition, a series of long term forecasts detailing the state of the North West's economy was produced by the Regional Economic Forecasting Panel on behalf of the North West's Regional Intelligence Unit in April 2009. The forecast is intended to provide a direct input to the Northwest's new Regional Strategy, RS2010, drawing on the work of three forecasting houses, with the Panel coming to its own judgements on the most likely long-term outcome for the region.
- 2.17 The Panel expects that, to 2030, GVA generated in the Northwest will grow more slowly than in the UK by an average of some 0.3 percentage points. Between 2008 and 2015, GVA growth in both the Northwest and the UK is expected to be dampened by the effects of the recession. If growth in the UK turns out to average 1.7% per annum (pa), that in the Northwest should average 1.4% pa. The outlook for the second period, 2015-2030, is brighter, with growth of 2.4% pa for the UK and 2.1% pa for the Northwest.
- 2.18 Over 2006-21, some 109,000 net additional jobs are expected to be created in the Northwest (CE). The largest increases are in the urban centres of Manchester and Liverpool, where the majority of the jobs are being created. Nevertheless, the increase in people employed here is more than the projected

increase in employed residents. Elsewhere, there would be an increase in employed residents in excess of the increase in employment opportunities, with the largest differential in Tameside, Stockport, Macclesfield, Knowsley, Sefton and Wirral².

Transport Investment

- 2.19 In May 2009, a new £1.5bn transport strategy was announced for Manchester following the demise of the Transport Innovation Fund bid. The Association of Greater Manchester Authorities submitted a new £1.5bn transport strategy to Secretary of State for Transport for approval. The transport secretary subsequently agreed to plans to fast-track £244m of projects included on this list - including Metrolink extensions to East Didsbury and Ashton-under-Lyne. There are a number of accelerated schemes with provisional funding identified in Greater Manchester, details of which are provided in Appendix 3.

² Regional Economic Forecasting Panel (April 2009): 'State of the Northwest Economy – Long Term Forecasts'

3.0 Consultation

Introduction

- 3.1 In line with the agreed brief, NLP met with policy officers from each of the 10 districts principally to discuss assumptions behind their Employment Land Reviews and the status of potential sites being considered suitable for employment development.
- 3.2 In addition NLP met with stakeholder groups such as the Planning Officers Group (POG) and the Employment SPIGlet, 4NW, NWDA and MIDAS. NLP interviewed a further eight bodies comprising agents and developers, as well as economic organisations, as listed in Appendix 4.

Local Authority Officer Consultation

- 3.3 During the weeks commencing 1 June and 8 June 2009, representatives of the study team met with officers of each of the ten Districts (Manchester City excepted, which was addressed through NLP's ongoing ELR work for the Council) to discuss the Greater Manchester Position Statement. The discussions focused primarily upon understanding each district's aspirations for economic growth; the current supply of committed employment land; the demand projections underpinning their ELRs (if available); key potential employment sites to be considered as part of the LDF process; the occurrence and likely contribution of landless growth to employment supply in future; and other issues relevant to the study.
- 3.4 The output from these meetings is not summarised in this section but has informed a number of sections of this report, specifically Section 4.0 concerning landless growth; Section 5.0, regarding the future requirements for employment space; and Section 6.0 detailing the current supply of sites. Appendix 2 also summarises the individual ELR methodologies and outputs. Following these meetings, a series of summary tables detailing current supply figures and demand forecasts, based on the study team's interpretation of the ELRs, AMRs and stakeholder discussion, were circulated to officers for comment. These tables were subsequently agreed and amended where appropriate during the week commencing 22 June 2009.

POG and SPIGLET Consultation

- 3.5 The principle issues which came out of this consultation included:
- 1 Whether landless growth relates to B2 as well as B1 land use. As a result NLP explored whether landless growth occurs in B2 developments
 - 2 Whether landless growth should be renamed high density growth;
 - 3 Whether job growth in non-B1 sectors was being considered

- 4 It is an aspiration of outlying Districts to have more office jobs, not just the Regional Centre
- 5 Doubt expressed about the validity of the RSS employment land sub-regional figure, now we are in recession
- 6 Whether windfalls need to be factored into the supply, although it was acknowledged that they will be included within the take-up
- 7 DPDs need to be flexible to cater for economic boom or recession, therefore they probably need to provide a figure with a modest range of employment land supply
- 8 It is crucial that employment sites are provided in the key locations where employment development is going to grow
- 9 Queries over how the landless growth research is going to be translated as potential
- 10 Potential for landless growth will of course depend on policies in core strategies

Key Stakeholder Consultation

3.6 Discussions with 4NW in relation to the 20% flexibility factor allowed for by the RSS identified that whilst it was written in a different economic climate to that currently being experienced, its underlying objectives were considered to remain valid. In relation to the future for manufacturing, the NWDA emphasised that the manufacturing base will retain its market share but will look for automated floorspace and fewer employees, in turn driving GVA growth.

3.7 In addition, Ask Developments, MIDAS, Peel Holdings, CB Richard Ellis and EC Harris were interviewed as part of this study and their comments are recorded below. It should be noted that the views expressed by the interviewees are their own opinions and do not necessarily reflect NLP's own view or the corporate positions of the local authority in question. Nor are they necessarily a collective view of the stakeholders consulted.

Bolton

- The success of Middlebrook Retail Park and associated employment developments was perceived to have occurred at the expense of the town centre. The focus is now believed to be on offices in the town centre and is receiving public sector support. There is considered to be potential along the motorway corridor for B2 and B8 development but it was hoped that the Local Planning Authority would not succumb to allowing much more employment development out of town.

Bury

- Developers were considered to own some good quality B1 stock in Bury and this is being brought forward. The consolidation of the Pilsworth retail/leisure development could free up some employment land. There was considered to be little current supply of large B2 and B8 sites left in key locations.

Manchester

- Industrial estates such as Sharston are believed to be expensive and contain restrictions on title which constrain occupiers' operations, given their proximity to residential property. Conversely others considered that the estates were not expensive but were in need of investment and their expansion is hindered by land ownership issues. There was believed to be a lack of readily available industrial land generally in Manchester, with priority given to office development. There was believed to be a need to go outside MCC's boundary to find larger industrial sites. Employment land rents immediately around the airport were regarded as too expensive together with service charges and occupiers locate further away as a result. There was a perceived over supply of office floorspace.

Oldham

- Hollinwood Business Park is due to come forward, with Langtree appointed, although an anchor tenant is still sought. Long term ownership of some employment sites was believed to make their availability difficult, with some owners trying to redevelop sites for residential uses.
- Oldham was considered to have scope to link to the regional centre with an Arc of Opportunity, linking the proposals for Hollinwood Business District, through to the established and successful Broadway & Greengate Business Parks, extending up to Foxdenton Strategic Site, across to the hi tech proposals for Chadderton Technology Park and through to the Town Centre where there are educational, cultural, retail and leisure opportunities.

Rochdale

- The vast majority of Rochdale's employment land supply is out of centre at Kingsway, although the Metrolink extension aspires to link Kingsway with the town centre. Lack of availability of freeholds at Kingsway is causing some of the delay to its progression. Sites are considered to be expensive at Kingsway. The availability of large sites (such as Kingsway), which is slow to progress is believed to be stymieing other large sites coming forward in the NW. Heywood Business Park is considered popular with only 1 plot remaining (although several redevelopment opportunities and smaller sites are available). It was believed that there is no land allocated in the town centre for B1 in Rochdale (although a 3ha site has been identified in the Rochdale Town Centre East SPD for speculative B1 development). Some agents were of the view that it is difficult to meet enquiries for large sites e.g. 30 acres, although it is recognised that there are two sites on Kingsway that remain available. The view was expressed that Investment opportunities are being presented to Rochdale but the deals are not secured, although this is a common problem not unique to Rochdale.

Salford

- Salford has a significant B1 supply as part of the regional centre, and Media City with its spin-off can only add to this. The Media City to Eccles stretch provides a lot of potential for employment land and is witnessing investment. The expansion of Spinningfields is proposed and public sector resources have been secured to fund the footbridge. There is considered to be considerable recycling of land/sites. In terms of potential shortage of B2 and B8, the very good take up of such land within Salford may exacerbate its problems of supply for these sectors.

Stockport

- There is a delay to town centre redevelopment caused by Lend Lease pulling out and now the recession has compounded this. There are transport communication links (rail) are regarded as good and this enhances suitability for public sector relocations. It is regarded as being difficult to navigate way round town centre by car. Bredbury is a key employment site for B2/B8 uses, whilst the town centre will be an area of focus for B1 developments in the future. A view was expressed that there has been limited speculative office development, and that much of this has not been of the required standard. There was a general view that there was a lack of employment land in the District due to land constraints.

Tameside

- Tameside is considered to provide ample office space currently including serviced office space, but there is believed to be a lack of quality accommodation with much of it being old. Ashton Moss provides for B2 and B8. The employment market is more public sector driven than private. Manufacturing is important to the Borough, and it should seek to retain this different characteristic (e.g. to Manchester).

Trafford

- The general market perception is that the Trafford and Stockport commercial markets are relatively indistinguishable. It was generally perceived that Trafford lacks a focused destination for offices and would benefit from a stronger independent identity. Some thought it is not a genuine office location. Good links to the motorways enhance its location for employment purposes, albeit it suffers from Green Belt constraints. There is strong demand in the Trafford area for B1, B2 and B8 and queries were raised as to whether this demand is being translated by the Council. Trafford Park is generally well let and the masterplan seeks to provide further land. There were suspicions that Trafford suffers from rivalry with adjoining Manchester City. There is considered to be capacity at Carrington and Partington; Saica – the Spanish paper recycling company – was planning to relocate to Partington and obtained planning permission for the development; however, it has not begun construction of the plant and has

recently announced that in the current economic climate the development is not to proceed.

Wigan

- Congestion remains a problem in Wigan for traffic circulation. There is some significant investment occurring currently, for example ASDA, in terms of B2 and B8 development. A Chinese textile business is currently exploring opportunities in Wigan. There are potential Strategic Sites adjacent to the M6, but occupiers would potentially favour Warrington over Wigan which is also close to the M6. It is difficult to meet enquiries for large sites e.g. 30 acres.

4.0 Landless Growth

- 4.1 The concept of 'landless growth' refers to the creation of significant levels of B1/B2/B8 jobs on land without a significant reduction in an authorities' 'stock' of allocated and committed employment sites. In general, it is understood that such growth is driven by one or both of the following factors:
- a Increasing densities of development (i.e. an increase in the amount of floorspace provided on a given (often unallocated) site); and
 - b Increasing densities of employment (i.e. an increase in the amount of workers that can be accommodated on a given floorplate).
- 4.2 This section of the report considers each factor in turn. However, it should be noted that there is no single, definitive statistical measure of 'landless growth' or its drivers. As a consequence, NLP has drawn together a range of proxy measures from the limited primary and secondary data sources available. All of the data sources have their limitations and in a number of cases, trends and issues highlighted may not be driven solely by landless growth but a range of other issues also at play in the commercial property market.
- 4.3 It is beyond the scope of this study to investigate landless growth in full. The brief required the NLP to consider the implications of landless growth for the 10 Districts. Whilst the proxy measures examined in this document highlight that there may be some evidence of landless growth occurring in some locations, it is evident that a further research focussed exclusively on landless growth in each district may be required to provide more definitive conclusions.

Increasing Density of Development

- 4.4 As outlined above, landless growth is understood to be driven in part by increasing densities of development. This can be achieved through 'building up' with the development of taller buildings facilitating landless growth through the provision of a greater level of floorspace on a development site than previously existed, or can occur through development of vacant sites which results in more floorspace than would be expected for the size of the site, based on historic plot ratios.
- 4.5 A masterplan led approach has enabled Manchester City to make the most efficient use of land, buildings and sites and has enabled it to achieve higher density developments in key locations. Spinningfields and Piccadilly Place are examples of where effective masterplanning has resulted in higher densities than might otherwise have been achieved but within a high quality environmental context and setting.
- 4.6 The findings of the stakeholder consultations by NLP for the MCC employment land study confirmed this trend both within Manchester City and in particular, the Regional Centre. In this way the area has been able to meet the accommodation requirements of growth sectors in recent years such as financial and business services.

- 4.7 A similar approach has also been observed in parts of Salford in recent years, particularly in locations such as Salford Quays and in the Regional Centre. Salford Quays, which originally functioned as the docks for the Manchester Ship Canal has been successfully redeveloped as a mixed use scheme which includes a number of high density commercial office developments.
- 4.8 In contrast, the consultations and research undertaken as part of this commission have indicated that higher development densities have been less apparent in locations such as Stockport, which have traditionally experienced high levels of take-up in low density B2 and B8 uses.

Case Study: Spinningfields

The development covers a 30 acre site and will create when complete, 4.5m sq ft of office space. It is expected that it will sustain 25,000 jobs once complete. The City Council and Allied London decided in the mid 1990s that there was an underprovision of large (in excess of 15,000sq ft) modern office buildings. They decided to address this by developing Spinningfields.

According to the developer, the size and quality of the office premises provided have assisted Manchester in competing both nationally and internationally for inward investment and the development has created a new financial and business district for the city, which has attracted a large number of blue chip companies. It was felt by the developer that it would only be viable (even in the pre-recession market) to bring forward such a scheme in locations inside the inner ring road of Manchester, although it was noted that the proposed Co-op headquarters are situated just outside the ring road.

Critical success factors of the development: the provision of large floorplates that enable major businesses to locate all of their staff in one flagship building; the high quality architecture and specification of offices; the provision of retail and restaurant facilities in the scheme, providing workers with access to amenities; the quality of the environment and public realm; and generous car parking provision

Table 1 Case Study: Spinningfields

- 4.9 A shift towards higher density development in the Regional Centre has been observed over the past decade. The *Demand for Employment Land in Greater Manchester* (2006) study states that the scale of a typical office development in the area has increased in recent years and now comprises of 8-12 storeys, compared to a previous position of 4-6. Research of planning applications undertaken by NLP highlights a number of instances whereby office schemes have been redeveloped at a higher density in recent years to provide more employment space, including:
- **1 New York Street:** redevelopment of a vacant 8-storey 1960s building to deliver a new 13-storey Grade A office building with retail/bar uses on the ground floor. The scheme has created 9,026sqm of B1 floorspace on a 0.1ha site;
 - **Chancery Place:** redevelopment of the 6-storey Scottish Provident House to create a new 15-storey Grade A office building with potential for retail uses on the ground floor. The scheme has resulted in the provision of 11,989sqm of B1 floorspace on a 0.075ha site; and
 - **Forty Spring Gardens:** redevelopment of the 5-storey Amethyst House to deliver a new 9-storey Grade A office building with ground floor retail space. The scheme has created 9,220sqm of B1 floorspace on a 0.1ha site.

- 4.10 Research commissioned by the British Property Federation (BPF)³ in 2008 revealed that Manchester contains a higher proportion of high rise development than the majority of UK cities, as illustrated in Figure 1 below. This shows that in 2008, there were 119 buildings (both commercial and residential uses) of 12-storeys or more in Manchester and a further 36 under construction or with approval. Across England, these are only exceeded by Birmingham and London (which has been excluded from the graph).

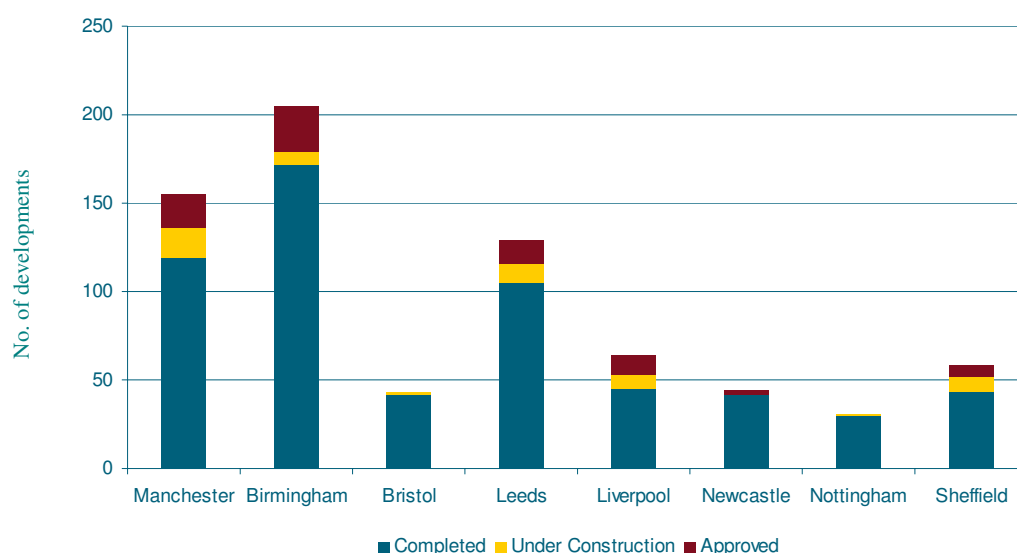


Fig 1 High Rise Developments
Source: BPF / NLP Analysis

- 4.11 Although the data does not relate exclusively to the development of commercial office premises, it does provide an indication of the extent to which the number of high rise developments in Manchester outstrips that of many of the major English cities. This data is not available for the other authorities of Greater Manchester and as a consequence it is not possible to compare performance across the study area.
- 4.12 The number of high rise developments in Manchester, in part reflects the specific economic role of the City and, more particularly, the Regional Centre. For example, Manchester contains a high proportion of knowledge-based businesses and is the UK's second largest financial centre behind London. The 2008 BPF research indicates that such sectors typically seek to locate in key urban areas and therefore often require tall buildings, for:
- Practical reasons – housing large numbers of staff in one building in order to maximise efficiency (although this does not mean that schemes are necessarily occupied by a single user); and
 - Image reasons – providing high profile space in a 'landmark address'.

³ *The economic impact of high density development and tall buildings in central business districts*, Colin Buchanan (2008)

- 4.13 It should however, be acknowledged that not *all* knowledge-based businesses will seek to locate in tall buildings within Manchester. Indeed, consultation has highlighted that such businesses are also attracted to large floorplates.
- 4.14 The UK Cities Monitor 2008 identifies Manchester as the best UK city in which to locate a new headquarters building and this is also likely to generate demand for tall buildings for those reasons outlined in the above bullets.
- 4.15 Increasing densities have also been driven by financial factors. Competition with residential developers for sites, particularly in the Regional Centre, has increased in recent years (although this has subsided in the last 18 months) and has exerted an upward pressure on land values in the area. As a consequence, with sites becoming more expensive, developers of commercial property have sought to significantly increase the amount of floorspace in order to maintain their returns.

Increasing Densities of Employment

- 4.16 Additionally, it is understood that increasing densities of employment can also contribute towards landless growth, by increasing the number of employees that can be accommodated on a given floorplate.
- 4.17 In part, the prevailing employment density observed in a location is influenced by the nature of the area. For instance, research commissioned in 2004 by the Regional Development Agency for the South East (SEEDA)⁴ found that employment densities tend to be highest in town and city centres. The work, which was based upon survey returns from approximately 1,000 businesses indicated that employment densities of 22.6sq m per worker were typically observed in town and city centre locations, compared to an average across the South East region of 36.2sq m per worker. The study suggested that land values are a key driver of the higher densities observed in town and city centres, as they provide the stimulus for firms to maximise the utilisation of their floorspace.

Location	Sq m/Worker
Town/City Centre	22.6
Inner Urban	29.6
Suburban	45.7
Out of Town	44.1
Total South East	36.2

Table 2 Employment Density by Location

Source: DTZ (2004) *Use of Business Space and Changing Working Practices in the South East*

- 4.18 Additionally, increasing densities of employment are thought to be driven in part by changing working practices, which facilitate the implementation of more flexible methods of working. This has in turn allowed new jobs to be created without generating a corresponding need for additional employment floorspace

⁴ DTZ (2004) *Use of Business Space and Changing Working Practices in the South East*

or land. The research commissioned by SEEDA suggests that in broad terms, these changes have been underpinned by a number of factors including:

- Technological advances, which have reduced the need for workers to be physically co-located. In this way technology has been a key driver of changing working practices, facilitating initiatives such as home working and hot desking;
- Changing management and organisational structures and a move towards new working practices such as homeworking, hot-desking and flexible working;
- Changes in demographics, social attitudes and lifestyles, including the feminisation of the workforce and the emergence of the concept of the work-life balance have resulted in the adoption of more flexible working practices.

4.19 Notwithstanding the above, there are a number of factors that have constrained the adoption of flexible working practices, namely:

- The time and resources required to adopt new working practices;
- The cost of implementing such changes, including the re-design of office space and procurement of new technologies; and
- Organisational, cultural and managerial opposition/inertia with respect to changing working practices.

Office Developments

4.20 In order to understand the whether employment densities have potentially played a role in delivering landless growth in Greater Manchester, NLP has prepared Figure 2. The analysis provides a proxy for employment densities by considering for each authority whether or not job growth has occurred without a corresponding need to bring forward employment floorspace.

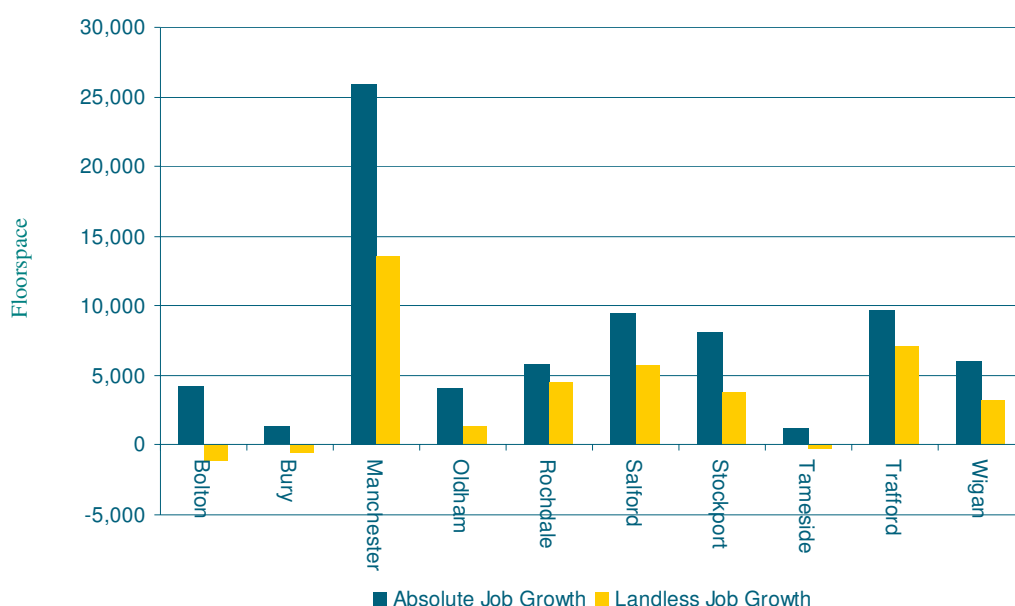


Fig 2 Indicative Estimate of Landless Growth
Source: NLP Analysis

4.21

The blue column denotes absolute job growth in financial and business services over the period 1998-2007. This was adopted as a proxy for the demand for (B1) office premises, although it should be included that this does not take account of self-employment. The yellow column illustrates the absolute level of landless employment growth in each local authority. This latter figure was calculated by:

- Taking VOA data showing the absolute growth in (B1) office floorspace over the period and applying an employment density of 19sqm per office worker to the figure. This was used to determine the level of job growth implied by the change in office floorspace. (It is acknowledged that there are some anomalies in VOA data as a result of the revaluation exercise that took place by VOA and came into effect in 2005);
- Applying a 10% reduction to the level of implied job growth to take account of the fact that a proportion of the office floorspace will be vacant and therefore could not create any jobs. 10% is widely acknowledged to represent a standard vacancy rate in a healthy property market; and
- Subtracting the absolute change in employment from the implied change to calculate the difference. A positive value is considered to represent landless growth as the level of actual employment created exceeds that which would be expected by applying standard densities to the change in floorspace.

4.22

A worked example for Manchester is set out below:

ABI data shows that employment in financial and business services in Manchester grew by 25,890 over the period 1998-2007:

1998 = 66,830 jobs

2007 = 92,720 jobs

Absolute change 1998-2007 = $92,720 - 66,830 = \mathbf{25,890 \text{ jobs.}}$

VOA data shows that commercial office floorspace in Manchester grew by 261,000 sq m over the period 1998-2007:

1998 = 1,521,000 sq m

2007 = 1,782,000 sq m

Absolute change 1998-2007 = $1,782,000 - 1,521,000 = \mathbf{261,000 \text{ sq m.}}$

If a standard office employment density of 19sq m per worker is assumed, then an increase in floorspace of 261,000 sq m might be expected to generate an increase of 13,737 jobs. ($261,000 / 19 = 13,737$)

Applying a 10% reduction to take account of vacant floorspace reduces the level of implied job growth to 12,363.

$13,737 * 0.9 = 12,363.$

Subtracting the actual employment growth from that implied by the growth in floorspace provides an indication of landless growth:

$25,890 - 12,363 = 13,527.$

This indicates that Manchester created an additional 13,527 jobs in financial and business services compared to the job growth implied by the increase in commercial office floorspace.

- 4.23 It should be noted that whilst this methodology enables a negative value for employment densities to be attributed to a local authority, this does not represent negative growth or a contraction in jobs. Rather, it simply demonstrates that zero landless growth of this type has been recorded, i.e. less actual jobs have been created than would be expected by applying a standard employment density to the absolute floorspace change.
- 4.24 Clearly, this approach can only provide a broad and basic indication of whether increasing employment densities have occurred in the authorities of Greater Manchester and is not without its limitations. For instance, it is acknowledged that not all employment growth necessarily locates within new employment space and therefore some of the job increases observed may be as a result of the re-occupation of existing, previously vacant employment space. Unfortunately very little research has previously been undertaken on the subject of landless growth and hence data sources are limited. Districts' Employment Land Reviews have not to date explicitly considered the implications of landless growth, with the exception of Manchester which is still under preparation by NLP. Whilst NLP has endeavoured to draw together the key factors in this analysis, it is beyond the scope of this commission to undertake a full assessment of landless growth in order to accurately quantify the extent to which it is observed in each of the local authorities. It is recommended AGMA give consideration further research, with a particular focus on undertaking primary research concerning solely the implications of landless growth for employment land supply.

- 4.25 Notwithstanding the limitations of the research acknowledged above, Figure 2 does show that a number of authorities in Greater Manchester have generated more jobs in financial and business services over the period 1998-2007 than would be expected given the level of commercial office floorspace developed. This would perhaps indicate that employment densities in these areas are higher than elsewhere and this has in turn helped to deliver landless growth by accommodating more workers within a given floorspace.
- 4.26 In absolute terms, the greatest levels of this type of landless growth were observed in those authorities that comprise the Regional Centre:
- In Manchester, absolute employment growth of almost 25,900 was observed over the period. Based upon the methodology set out above, it is estimated that 52% of this growth (13,500) was landless. The figures for Manchester may have been affected by Spinningfields, which begun to attract its first occupiers in early-mid 2007;
 - In Trafford, absolute employment growth equated to almost 9,700. It is estimated that 74% of this growth (7,200) was landless; and
 - In Salford, absolute employment growth of more than 9,500 was recorded. It is estimated that 60% of this growth (5,700) was landless.
- 4.27 However, in proportionate terms, landless growth of this type was also recorded in Rochdale (78% or 4,500 jobs), Stockport (47% or 3,800 jobs) and Wigan (52% or 3,200 jobs).
- 4.28 Based upon this initial research undertaken by NLP, Bolton, Bury and Tameside appear to be the only authorities in Greater Manchester that did not experience some degree of landless growth of this nature.
- 4.29 It is beyond the scope of this study to undertake a detailed quantitative research exercise to assess how employment densities in Greater Manchester have changed over time. However, research commissioned specifically to consider this issue elsewhere in England has been published. It is considered useful to draw upon the broad findings of these studies because their remit enabled them to focus upon the issue of changing employment densities in far more detail.
- 4.30 The research suggests that in general terms, employment densities have changed very little in recent years. This would need to be reconciled with the findings of Figure 2 set out above. Over the past twelve years, a number of research projects have been commissioned to examine employment densities by use class, including:
- Research commissioned by SERPLAN in 1997⁵ – undertaken to establish standard employment densities for the South East of England. The evidence base underpinning the study included a business survey, which generated 1,200 returns;

⁵ Roger Tym and Partners/SERPLAN (1997) *The Use of Business Space: Employment Densities and Working Practices in South East England*

- Research commissioned by English Partnerships (EP) in 2001⁶ – national research undertaken to determine standard employment densities for the whole of England. The study did not include a business survey and drew upon a review of data provided by EP and the RDAs relating to approximately 100 completed developments; and
- Research commissioned by SEEDA in 2004⁷ – undertaken to determine how changing working practices have impacted upon employment densities in the South East. The evidence base underpinning the research included an analysis of 1,000 business survey responses.

4.31 The results of the three studies are summarised in Table 3 below. By comparing the results generated by successive studies, it is possible to observe any general trends in office employment densities over the period 1997 to 2004. It should be noted that the table only includes those sectors of the office market where the research enables inter-temporal comparisons to be made, and it is also of note that the studies do not cover major urban centres with the critical mass and dynamics of the Regional Centre. However, it can clearly be seen from the table that employment densities with respect to office development have not changed significantly over the period 1997 to 2004.

Sector	Type	SERPLAN 1997	EP 2001	SEEDA 2004
	Business (general)	17.9sqm (net)	19.0sqm (gross internal)	18.3sqm (net)
Offices	Head Offices		22.0sqm (gross internal)	20.7sqm (net)
	High Tech/R&D		29.0sqm (gross internal)	27.2sqm (net)

Table 3 Floorspace Ratios
Source: Various / NLP Analysis

4.32 This concurs with the stakeholder consultation exercise for the Manchester CC ELS where a number of developers and other organisations including University and the Chamber of Commerce were interviewed. When asked whether changing working practices were resulting in less space per worker being required, the answer was generally negative, or with little difference having been observed. It was generally felt that there was no replacement for being in the office/workplace for at least some or most of the week.

Industrial Developments

4.33 In considering landless growth, it is also important to take account of the potential impact with respect to demand for B2 premises. This is considered in Figure 3 below. It should be noted that a slightly different methodology has been adopted. This is because manufacturing jobs and the level of B2 floorspace have declined across Greater Manchester over the period.

⁶ Arup Economics and Planning (2001) *Employment Densities Report for English Partnerships and the Regional Development Agencies*

⁷ DTZ (2004) *Use of Business Space and Changing Working Practices in the South East*

Consequently, rather than consider the extent to which historic growth has been landless, the graph examines whether decreases in employment and floorspace have been in alignment. It is of course recognised that there can be landless growth in employment in B2/B8 due to using existing spare capacity in existing industrial and warehouse premises, although it is suggested that this spare capacity would even out over the 19 year plan period.

4.34

The amber column illustrates the level of absolute employment change in manufacturing observed over the period 1998-2007 for each local authority. The yellow column denotes the implied job change for the same period. The latter shows the change in manufacturing employment that might be expected given the change in B2 floorspace observed. It is calculated by taking the absolute change in B2 floorspace for the period (sourced from VOA data) and applying a standard employment density of 34sq m per worker.



Fig 3 Manufacturing Job Growth
Source: VoA / NLP Analysis

4.35

It is interesting to note that both Salford and Wigan lost more jobs than might have been expected given the decline in B2 floorspace observed. This would suggest that job losses in these authorities were driven by rationalisation of the workforce rather than business closures, with firms continuing to operate from the same premises but with a smaller workforce. Businesses that have adopted such measures could have surplus floorspace as a result (if space was not occupied by alternative models of production or other uses). If businesses with such capacity experience growth in future (particularly as the economy moves out of recession) then it will be possible for them to increase the size of their workforce without the need for additional employment space. In this way, it may be possible to deliver an element of landless growth.

- 4.36 Alternatively, in a number of instances, specifically Manchester, Rochdale and Tameside, implied job change was considerably higher than actual job change. In such instances, this suggests that there may have been an excess of underutilised/redundant premises that were not required and could be lost without the concurrent loss in employment, although increased mechanisation could have resulted in increased job densities in these areas. Retaining the vacant units could have an adverse impact upon more viable employment sites elsewhere, contributing to sustained low land values in future. However, it is important to note that there are many external factors at work (i.e. the distorting impact of certain large industrial developments constructed toward the end of the study period which were still awaiting an occupier) and it would therefore be difficult to draw generalised conclusions.
- 4.37 It should also be recognised that manufacturing employment has been in decline for a number of years. If this were to continue, then clearly large scale employment growth would not be anticipated to occur, although some small, high value niche sectors may experience modest growth in future.
- 4.38 One further point to consider with respect to the manufacturing industry is the distinction between employment growth and productivity growth. Section 2.0 and Appendix 3 of this report highlighted that the level of GVA generated within Greater Manchester has increased over the period to 1998-2006 and consultations with 4NW and NWDA highlighted that this trend is anticipated to continue in the medium to long term.

Implications for Districts

- 4.39 Whilst increased density has been taken account of in ELRs, 'landless growth' as a concept and its implications for spatial planning has not been researched in detail before. To NLP's knowledge, it was not considered in the employment land calculations that informed the North West RSS's Policy W3. Anecdotal evidence concerning the extent of landless growth accruing in the Regional Centre in particular has been supported by primary research outlined above which suggests a significant proportion of job growth in industrial sectors commonly associated with B1 office requirements did not translate to a commensurate demand for office floorspace on allocated sites or indeed at all.
- 4.40 In planning terms, this job growth may not, therefore, be coming forward in areas allocated for employment use in the relevant UDP/DPD. Insofar as this trend may not be reflected in past rates or an assumed uplift in those rates as envisaged in the RSS, the RSS approach has a risk of 'over-provision' in terms of employment land requirements in Greater Manchester, and the Regional Centre in particular. This final part of section 4.0 therefore seeks to assess the contribution of land supply to accommodating the forecast growth in employment in the period to 2026, analysing the extent to which 'building up/building out' of sites is likely to occur in each District.

- 4.41 In addition, future changes in plot ratios and employment densities, and also the move away from industrial uses to office, could have significant impacts on likely land take. This changing emphasis is already occurring to a certain extent in places such as Stockport, whereby past levels of take up, formerly dominated by low density B2/B8 uses, are increasingly being replaced by higher density B1 uses. The issue here, therefore, is identifying the extent to which the nature of employment development is likely to change going forward to 2026, in both composition and scale, in a way that would not be picked up based on past trends.
- 4.42 A key issue identified at the outset of this study is the extent to which the existing supply of sites in the sub-region would fall within town centre locations (where the favoured approach may be characterised as ‘building up’ at relatively high densities) and how much could be identified for lower density development (characterised as ‘building out’). The role of ‘building up’ sites has important parallels with the assessment of ‘landless growth’; any scope to maximise the contribution of existing sites to meet future needs through intensification, redevelopment to provide modern premises, sub-division to smaller units or expansion on site all has implications for districts seeking to plan for a realistic yet flexible portfolio of employment sites to 2026.

Summary by Local Authority

- 4.43 Following reviews of the various ELRs, assessment of the GMFM demand projections and an appraisal of the economic growth aspirations of individual districts, the following sets out a judgement as to whether better use could be made of the existing land supply without making further employment allocations. The extent to which windfall allocations and recycling of existing employment sites have a role in defining each District’s employment land portfolio is also discussed below.
- a **Bolton:** Bolton Town Centre is the largest in Greater Manchester outside the Regional Centre, and eleven sites were identified in the town as having potential for employment-led mixed use (totalling 31.8ha), which could result in higher density development on these brownfield sites. However, in general, other landless growth opportunities are expected to be relatively limited, with strong demand for B2 and B8 uses expected to continue for the foreseeable future. Aside from the eleven small town centre sites, the main opportunity for higher density, hi-tech B1 use relates to the Horwich loco works, which, at 16.3ha, is relatively small given the size of Bolton’s current portfolio of employment land.
- b **Bury:** the district has a modest portfolio of employment sites at present. Landless growth has not been observed in the District in recent years, although that may change in the future. As noted in Section 7, the district’s ELR has identified a range of site sizes and types that have the potential to be taken forward in the district’s emerging LDF, including a number of sites suitable for higher density growth industries including the creative industries and media; financial and professional services; healthcare/biotechnology

and ICT/Digital. The consultation draft Bury but Better study identifies seven potential sites in Bury Town Centre which could accommodate higher density office uses, whilst an additional 50,000sqm of unspecified B1 floorspace has also been identified to come forward during the period 2023-28. It is envisaged that this unforeseen 'windfall' allowance would be accommodated on sites within the Borough's key centres and would constitute high density development that would not require a significant land take.

- c **Manchester:** In recent years, it has been apparent that although the number of jobs based in the Regional Centre has increased dramatically, this has not led to a commensurate take up of employment land. The implication of this is that a high proportion of employment growth has been accommodated by higher density office development on smaller parcels of land (including the redevelopment of schemes such as 1 New York St and Chancery Place). It is clear that a masterplan-led approach involving partnership working between the City Council and developer has enabled the City to make the most efficient use of land, buildings and sites and enabled the City to achieve higher density developments in key locations. Spinningfields and Piccadilly are examples of where effective masterplanning has resulted in higher densities than might otherwise have been achieved, but within a high quality environmental context and setting. The recent GMFM 2008 and 2009 Interim projections both indicate that the Business Services sector is likely to be the prime driver for economic growth in the period to 2026 even allowing for the long term repercussions of the ongoing recession; the majority of jobs resulting from this are likely to be office-based, and it seems realistic to assume that job densities and 'landless growth' will remain high.
- d **Oldham:** it is recognised that land within Oldham is a particularly scarce resource, with Green Belt restrictions severely constraining the amount of greenfield land that could be released for employment development in future. Consequently, whilst landless growth has not been witnessed to a significant extent in the recent past, the redevelopment of brownfield sites at higher densities is likely to be a pre-requisite if the borough is to achieve its goal of encouraging new hi-tech industries to locate in the district. A series of strategic sites are proposed in the district's Core Strategy Preferred Options report, including Hollinwood Business District, Chadderton Technology Park, Foxdenton and a number of sites in and around Oldham Town Centre (including Mumps and New West End masterplan areas), which could result in higher employment densities and more efficient use of existing sites.
- e **Rochdale:** stakeholder engagement indicated the district has seen little evidence of landless growth occurring in recent years, with strong demand in the recent past for lower density B2/B8 use, although NLP's landless growth analysis in Section 4.0 suggests significant landless growth has occurred. Consultation with the Local Authority concluded this is probably due to recent B1a office development at Sandbrook Park, Waterfold Farm.

There are also opportunities for higher density office development in Rochdale and Middleton Town Centres. Officers are of the view that windfall sites have been (and will continue to be) an important source of supply that is not reflected either in their current ELR or AMR. Assuming 4ha per annum of windfall development could therefore have a substantial impact on the district's total land supply.

- f **Salford:** A low overall supply of employment land has been identified when compared with forecast land requirements, however major new sites are proposed in the Council's emerging Core Strategy. As with Manchester, high density office development in the Regional Centre in recent years is likely to have resulted in higher employment and development densities. The proposals for the Regional Centre including MediaCityUK, Exchange Greengate and Salford Central Station are likely to continue this trend. The recycling of existing employment sites is recognised as a contributory factor in the supply, with existing employment sites cleared and redeveloped, creating more employment opportunities. This recycling of land is difficult to quantify, however the city's Unitary Development Plan identified a windfall allowance to 2016 which is reflected in the supply identified in the AMR, this element of supply has not been included in Table 4.
- g **Stockport:** the district has traditionally seen high levels of B2/B8 industrial development coming forward, at relatively low densities; however, B1 office take up has recently been increasing and employment densities are rising as a result. NLP analysis in Section 4.0 does indicate that significant landless growth has occurred. Due to the limited opportunities for 'building out' greenfield sites in the district, officers are of the view that opportunities exist to enhance the office market in Stockport Town Centre, which is under performing. If this is taken forward in the emerging Core Strategy, it is likely that the recycling of existing sites and higher density office development will take place on an increasing scale.
- h **Tameside:** the district has historically been heavily reliant on manufacturing sectors with a legacy of industrial mill buildings often in residential areas. Landless growth has not been observed as a consequence, although considerable recycling of land does occur. In terms of future opportunities, there are likely to be few new greenfield allocations, with existing employment sites to be strongly protected in planning policy terms. The main opportunity for high quality office development is likely to comprise Area 3000 on Ashton Moss Strategic Site and the St Petersfield site (approximately 20,000 sq m).
- i **Trafford:** the district has traditionally had a strong role in providing B2/B8 land for development, with the key sites at Trafford Park and Carrington driving economic growth in the district. These two areas still contain the vast majority of committed employment land sites for the district, although it is likely that Trafford Park in particular may accommodate more higher density office uses. Altrincham has an established office market albeit on a relatively small scale, and its compact nature is likely to ensure that future office developments in the area will be relatively limited. However, this

needs to be squared with the fact that NLP's analysis in section 4.0 indicates that significant landless growth has occurred.

- j **Wigan:** in common with many of the surrounding districts in GM, the district has a strong heavy industrial heritage which has set the context for the land used for employment. The town centre office market has been relatively limited in recent years, although following sustained public sector investment, larger, lower density, edge-of-centre schemes have begun to come forward. It is considered likely that, given the size and likely uses of the available employment land sites and the ongoing industrial legacy of the area, landless growth will not be a strong determinant of Wigan's employment land requirements for the foreseeable future. However, this needs to be squared with the fact that NLP's analysis earlier in this section indicates that some landless growth may have occurred in recent years.

Prospects for increasing development densities

4.44

Based on the above analysis, the table below seeks to 'traffic light' the prospects for 'landless growth', in the context of high density employment land development, in each authority.

	Past evidence of landless growth	Future prospects for landless growth
Bolton	Lower	Lower
Bury	Lower	Moderate
Manchester	High	Very High
Oldham	Lower	Lower
Rochdale	Moderate	Moderate
Salford	High	High
Stockport	Moderate	Moderate
Tameside	Lower	Lower
Trafford	Moderate	Moderate
Wigan	Lower	Lower

Table 4 Potential for 'Landless Growth' in GM, by District

*NOTE: due to acknowledged limitations of the research presented in Figure 2, judgements on past evidence of landless growth also included views expressed in stakeholder discussions and local knowledge

4.45

In light of the data limitations described above, this represents the most robust approach to identifying future potential in terms of interpreting the current position for employment space provision and the approach to RSS Policy W3.

5.0 Future Requirements for Employment Land

- 5.1 A key element of this Position Statement is the derivation of each of the ten Districts' employment land aspirations and projections as identified in their respective ELRs. This section presents the key findings and methodological approaches used, before summarising the current 'position' regarding employment land requirements for the sub-region.

Understanding the ELR Approach across the GM Authorities

- 5.2 ELRs have been undertaken by eight of the ten districts and have largely followed Government guidance on the subject⁸. The ELRs focus on employment space needs for the group of B Use Classes (i.e. B1, B2 and B8) and generally do not assess the future land requirements of other employment generating uses such as retail, tourism, healthcare and education, although in certain instances the potential employment growth and labour requirements of such uses have been qualitatively considered.
- 5.3 Stockport Council currently does not have an ELR, although forecasting work will be used to inform their LDF and will incorporate GMFM forecasting and Evolutive information on recent demand. Tameside Council began work on an Employment Land SPD in 2007 in an attempt to address the pressure for housing and other non-employment redevelopment on existing employment land and sites. This focused upon an analysis of the current supply of sites and it is anticipated that the remainder of the ELR work will be completed during 2009. A review of the approaches used across the remaining authorities is summarised in Appendix 2.

Consistencies and Inconsistencies across the Methodologies

- 5.4 The GM districts have employed a broadly similar methodology in appraising the sites and forecasting demand requirements. The methodologies have generally used the 2004 Government guidance note as a base, and have then adapted it to suit the individual circumstances of that particular district. In general, the quantitative modelling work has used the most recently available run of the GMFM employment projections, whilst the fact that the ELRs were either undertaken in-house or by a small group of consultants has resulted in a broadly comparable approach.
- 5.5 Nevertheless, there are some important differences in the approach used to derive the final demand projections across the ten authorities. A summary of the key differences is presented in Table 5 and explained below:
- 1 **Flexibility Factor:** five of the districts have factored in a 20% 'margin of choice' / flexibility factor into the projections, whilst Bury, Oldham, Salford

⁸ ODPM (December 2004): *Employment Land Reviews Guidance Note*

- and Trafford have not. The ELRs reveal a number of reasons why the Districts chose not to apply the 20% flexibility factor, with constraints due to Green Belt development restrictions being the pre-eminent factor.
- 2 **Base date:** Although most of the districts use 2007 as the base date, Rochdale, Tameside and Wigan use 2005 as a starting point, whilst the most recent ELR for Manchester City uses 2008.
 - 3 **Time horizons:** most of the districts have used a 19-year time horizon, from 2007-26; however, both Rochdale and Tameside's projections finish at 2021, whilst Wigan's projections cover a 21-year time horizon from 2005-26 – this potentially causes problems when trying to derive an overall sub-regional employment land 'need' projection to 2026;
 - 4 **GMFM:** As 18 months separates the preparation of the various ELRs, different model runs of the GMFM have been used by each District, underpinned by contrasting views on the future strength of the local economy. Hence those ELRs relying on GMFM model runs from 2005 to 2007 (particularly Bolton, Oldham, Rochdale and Wigan) are likely to be founded on more optimistic growth forecasts than more recently completed ELRs (particularly Manchester City and Bury);
 - 5 **Employment Densities:** Whilst most districts use the standard densities for B1, B2 and B8 as set out in English Partnership's guidance note⁹, Rochdale has varied the density for different types of office use (i.e. call centre, science park etc) whilst Salford has used a slightly lower density for B1c/B2;
 - 6 **Definition of B1/B2/B8 employment:** There is considerable variation amongst the districts when it comes to considering the relationship between the B1/B2/B8 use classes and the Standard Industrial Classification sectors for the quantitative modelling. This is primarily in the definition of B8 uses, which ranges from taking all employment in the 'Transport' and 'Communications' SIC2 sectors (Trafford) to a detailed analysis at ABI sector 4 level of 'Distribution', 'Transportation', 'Communications' and 'Other Business Services' (Salford).
 - 7 **Plot Ratios:** All the districts used a standard plot ratio of 40% to convert floorspace into land, with the exception of Manchester and Salford, which applied a higher plot ratio of 200% and even 400% to B1a/b uses to reflect the proliferation of high density office blocks in the Regional Centre, and Rochdale, which used a mix of 40/80% for different types of B1a office uses; and
 - 8 **Conversion of net to gross:** Several of the authorities, specifically Bolton, Manchester and Trafford, factored in the anticipated 'loss' of employment land into the net GMFM projections to derive a gross requirement; others derived a gross figure by applying (net) GMFM GVA growth to (gross) past take up figures.

⁹ English Partnerships (2001): Employment Densities: A Full Guide

	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan
AMR Recording of committed employment supply	Allocations plus sites with planning permission	Allocations + sites with planning permission + other sites suitable for employment	Allocations + sites with planning permission	Allocations + mixed use sites SITES OVER 0.4HA ONLY	Allocations + sites with and without pp but in broad zones allocated for employment development	Allocations + sites with planning permission + sites under construction + windfall assumption	Allocations + sites with planning permission + sites under construction	Allocations + sites with planning permission	Allocations + sites with planning permission + sites under construction	Allocations + sites with planning permission
ELR demand projections – includes Flexibility Factor of 20%	YES	NO	YES	NO	YES	NO	NO	YES	NO	YES
Time frame for ELR demand projections	2007-26	2007-26	2008-26	2007-26	2005-21	2007-26	n/a	2005-21	2007-26	2005-26
Gross or net projection?	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross
GMFM model used for quantitative demand projections	GMFM 2007 Update and GMFM 2007 Accelerated Growth models	GMFM Reference Nov 08 GMFM AGS 2008		GMFM Reference Scenario 2007 GMFM Accelerated growth 2007	GMFM Reference 05 Optimistic 05 Reference 06	GMFM LGS 2008 GMFM Base 2007 GMFM AGS 2008 GMFM Aspirational 2008 Scenario (Salford Specific)	GMFM Reference 08 AGS 09-	-	GMFM 2007 Update AGS 2006 Low Growth (LGS) 2008	GMFM Reference 05 Optimistic 05 Reference 06
	General office buildings: 19sqm per employee. General industrial buildings: 34sqm General warehousing buildings: 50sqm				-		-	-		B1: 19sqm per employee. B2: 34sqm B8: 50sqm
Relationship between B1/B2/B8 and SIC sectors for quantitative modelling	= =	B1 = FBS B2 = 13 Industrial sectors, constr. %, distrib. %, other services% B8 = distrib %, Trans%	B1 = FBS B2 = 13 Industrial sectors B8 = distrib %, Trans%	= = =	= = =	B1ab = mix of FBS, public admin% B1c/B2 = 13 Industrial sectors, constr.%, distrib %, industrial cleaning% B8 = distrib%, trans%, com%, other bus services%	= = =	-	= = =	B1 = FBS B2 = 13 Industrial sectors B8 = Distribution %, Tr & Coms %
Plot Ratios for quantitative modelling	40% for B1/B2/B8	40% for B1/B2/B8		40% for B1/B2/B8	Mix of 40%/80% for B1 40% B2/B8/	200% B1a/b 40% B1c/B2 30% B8	TBC	-	40% for B1/B2/B8	40% for B1/B2/B8
Conversion of net to gross?	Factored in loss of 8ha of employment land per annum	No	Yes	Applied % to take up	No	No	-	-	Factored in losses of 4.42ha p.a.	No
Overall demand to 2026	Factored in qualitative considerations to quantitative demand projections (take up and GMFM forecasts). VOA data was also provided. Capital substitution of labour was also taken into account.	Adjusted past take up rates on the basis of proportional change in B-use class employment.		Adjusted past take up with GMFM GVA growth.	GMFM: B1 = 11ha B2 = -41ha B8 = 3 Total = -27ha net Alternatively: Historic take up = 176ha RSS = 71ha Took an average = 26.4ha above current supply Overall conclusion is a need for 25-30ha additional land	-	-	10.31ha take up x RSS 6%, x 20% flexibility: 209.86ha <i>NOTE: this is a slight deviation from the figure used in the SPD at the LA's request due to an error in the evidence base.</i>	The overall demand to 2026 set out in the ELS was the result of the moderation of the GMFM data by the views expressed at a stakeholder workshop and consideration of past take up rates. There was an estimated need for between 100-170ha	Adjusted past take up rates on basis of B class employment growth projections.

Table 5 Comparison of ELR approach and data sources across the ten GM districts.

Summary of ELR 'Demand' Projections

5.6

Table 6 presents a summary of the resultant employment land demand projections for each of the ten GM districts. In the case of Manchester, Tameside and Wigan, the ELR figures have been increased/decreased pro-rata to ensure a consistent timeframe across the sub-region.

	Districts ELR demand projections, to 2026	POTENTIAL TOTAL DEMAND (figures increased pro rata to 2007/26 where necessary)	Includes 20% Flexibility factor?
Bolton	175ha – 195ha (2007-26)	175-195ha	YES
Bury	76.9ha (2007-2026)	76.9ha	NO
Manchester	187-236ha (2008-26)	197-249ha	YES
Oldham	132.8ha-137.6ha (2007-26)	133ha-138ha	NO
Rochdale	210-215ha (2005-21)	210-215ha**	YES
Salford	124-243.5ha (2007-26)	124-243.5ha	NO
Stockport	No ELR available	138ha (7.27ha take up x 19 years)	NO
Tameside	209.86ha (2005-21)*	249.2ha	YES
Trafford	100-170ha (2007-26)	100-170ha	NO
Wigan	293ha-336ha (2005-26)	265ha-304ha	YES

Table 6 Summary of ELR demand projections

* To be updated from ELR work summer/autumn 2009'

** Rochdale Council officers consider that the figure for 2007/26 should remain as 210-215ha.

5.7

The table and the accompanying Fig 4 (below) indicate that the highest forecast demand is likely to be in the districts of Bolton, Manchester, Rochdale, Salford and Wigan, with a considerable range between the high and low end projections for some of these districts. Demand for employment land is forecast to be significantly lower in Bury (77ha) and Stockport (138ha).

5.8

In total, and based upon the conclusions of the ELRs recently undertaken, the demand for employment land in the Greater Manchester sub-region could range from **1,668 to 1,979** between 2007 and 2026. However, as some districts have included a flexibility allowance whilst others have not, it is difficult to compare this figure with the RSS Policy W3 requirement.

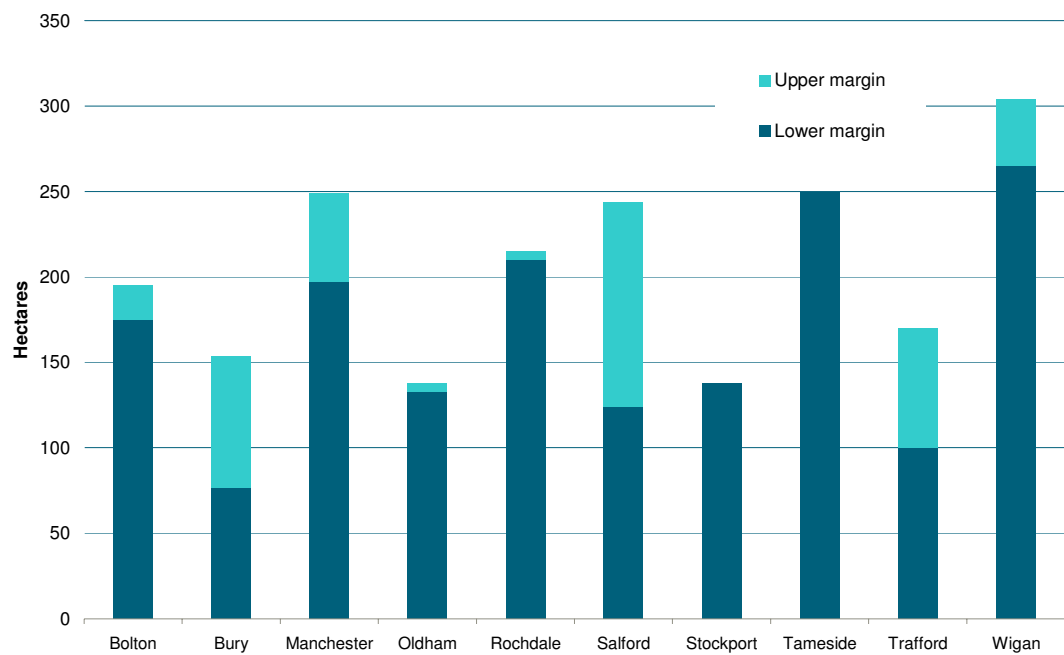


Fig 4 ELR Demand Projections - upper and lower margin, 2007-26

5.9

Since the base year of the RSS, 2005, there has clearly been a considerable amount of employment land development in the ten districts. Table 7 presents a summary of the level of take up of employment land in 2005/06 and 2006/07. The table indicates that, overall, there has been around 198.6ha developed, at a rate of **99ha per annum**. This is 12% lower than the 112ha/119ha¹⁰ per annum Policy W3 of the RSS used to inform future requirements.

¹⁰The latter figure allowing for a 6% increase over the plan period.

	Take Up 2005/06 (ha)	Take Up 2006/07 (ha)	TOTAL (ha)
Bolton	10.1	18.56	28.66
Bury	2.48	2.79	5.27
Manchester	18.21	9.98	28.19
Oldham	7.1	7.9	15
Rochdale	7.7	7.1	14.8
Salford	3.09	11.67	14.76
Stockport	7.11	8.71	15.82
Tameside	4.03	5.65	9.68
Trafford	4.91	25.37	30.28
Wigan	16.38	19.76	36.14
GM TOTAL	81.11	117.49	198.6

Table 7 Take up of Employment Land 2005-2007,
(Based on take up rates as sent to Urban Vision by GM authorities)

Future Employment Land Requirements – A Comparison

- 5.10 As noted in Table 5, each district has derived its individual ELR employment land requirements based on a combination of methods including projecting forward past take up rates; utilising the econometric GMFM projections; the use of VOA floorspace figures; and using a variety of qualitative techniques including engagement with agents to derive a commercially realistic figure. It is not the purpose of this report to question the accuracy or reliability of the methods used; rather it uses recent data regarding take up rates and the GMFM model to provide some further objective context to the RSS Policy W3 requirements.

Past Take Up Rates

- 5.11 At this stage it is important to contrast the ELR demand projections discussed above, with the requirements that could be derived if the RSS approach was revisited.
- 5.12 As set out in Section 2.0, Policy W3 of the North West RSS deals with the supply of land that is expected to be available between 2005 and 2021. Table 6.1 that features in the policy, provides supply and take up information based

on the evidence collated for the NWRA's 2005 Regional Employment Land Study and GVA economic growth data modelled by Experian. Table 8 below presents a summary of the approach used by the RSS and revisits the data to derive a new figure based on updated take up rates for each GM district (using five years of figures which is the maximum period available for all ten districts – to allow comparison and consistency - although some LPAs are able to provide more).

- 5.13 In essence, the methodology used by the RSS involves taking recent take up rates for each district and totalling these by sub-region (row 1 in Table 8 below). An assumption was then made regarding the relationship between the recent success scenario GVA growth projections for the sub-region as forecast by Experian and employment land take up, with forecast growth to 2021 equal to 6% increase in past take up rates. The resultant sub-regional figure of 119ha was then projected forward 16 years to arrive at a total sub-regional 'need' figure of 1,904ha (row 3 in Table 8). A flexibility factor of 20% was then applied, with the subtraction of the resultant figure from the existing supply of sites resulting in the potential allocation that may be required in each sub-region to 2021.
- 5.14 Supporting text to policy W3 explains that it requires the individual local authorities in each sub-region to work together with 4NW to develop a logical, evidence based approach to distributing this employment land requirement. 4NW has subsequently written to all authorities indicating that the starting point for the debate/working together on distributing the land requirement should be the base requirement figure of 536 hectares.

	GM TOTAL	Bolton	Bury	Man chester	Oldham	Rochdale	Salford	Stock port	Tame side	Trafford	Wigan
1) RSS take up 2005 ^a	112.2										
2) RSS take up per annum (6% growth) ^b	119										
3) Need 2005-21 (no flexibility) ^c	1,904										
4) Need 2007-2026 (no flexibility) ^d	2,257										
5) Need 2007-2026 (20% flexibility) ^e	2,709										
6) NEW take up per annum (last 5 years) ^f	99.6	12.2	5.3	10.9	8.7	9.7	8.3	8.0	6.5	17.7	12.3
7) NEW 19 year need ^g	1,893	233	101	207	165	184	157	152	123	337	234
8) NEW need (incorp 6% growth)^h	2,006	247	108	220	175	195	166	161	130	357	248
9) NEW need (incorp 20% flexibility)ⁱ	2,408	296	129	263	210	234	199	194	156	429	297

Table 8 Review of Past Take Up Rates

- 1) Based on take up data collected by NWRA as part of the 2005 Regional Employment Land Study
- 2) 6% growth in take up rates
- 3) 'b' multiplied by 16 (years)
- 4) 'b' multiplied by 19 (years)
- 5) 'd' +20% growth
- 6) 5 yr annual average take up rate as sent to Urban Vision by GM authorities
- 7) 'f' multiplied by 19 (years)
- 8) 'g' +6% growth
- 9) 'h' +20% growth

- 5.15 As recognised by 4NW in their Employment Land Implementation note (April 2009), it is vital that the evidence base produced is robust and credible and (as stipulated in PPS12) *'proportionate to the job being undertaken by the plan, relevant to the place in question and as up to date as practical having regard to what may have changed since the evidence was collected'*. In addition, draft PPS4 highlights the critical role in compiling the evidence base to *'plan positively'* for sustainable economic development.
- 5.16 Consequently, in this regard there are a number of issues regarding the original methodological approach underpinning Policy W3:
- 1 The take up figures used in the RSS covered the **period up to 2005**; three years additional data is now available for the local authorities and it is apparent from Row 6 of Table 8 that more up to date take up rates over the last five years (totalling 99.6ha) are lower than the 112.2ha used in the RSS (see also Table 7 above). Consequently, revisiting the RSS approach with updated (and significantly lower) take up rates¹¹ could result in a 16-year 'need' (excluding the flexibility factor) of 1,594ha across the sub-region, 310ha lower than the comparable RSS figure (row 3) (note: the 5 year take up has been assumed for consistency purposes, although it covers a period of economic growth).
 - 2 The **time frame used is no longer consistent** with the period districts are planning for in their LDFs. In general, 2007-2026 is the time horizon employed by Greater Manchester districts when planning for employment land, a period of 19 years. However, the RSS provides guidance for the period 2005-21, a 16 year period. In an attempt to reconcile this approach, the original RSS projected annual take up figure (119ha) has been projected forward 19 years to derive a total sub-regional requirement between 2007 and 2026 of 2,257 (excluding 20% flexibility factor). It should be noted that an assumption has been made that the original Experian modelling would have continued the growth rate at a level of 6% beyond 2021.
 - 3 The **Experian GVA growth projections** used to increase the trajectory of employment land requirements are necessarily crude in the context of the north west region as a whole and reflected the general optimism in the economy back in 2005; however, the severe economic downturn has resulted in drastically revised models being produced, with successive GMFM model runs generating increasingly pessimistic short-to-medium term projections. There is therefore a need to test whether the 6% growth rate applied to past take up is sufficiently robust, given the ongoing recession.
 - 4 The RSS appears to acknowledge that given the **degree of uncertainty** in establishing employment land requirements, as well as the need to provide additional land to take account of special circumstances, the need to apply a 20% flexibility factor will require a judgement from LPAs (working with 4NW) based on what their evidence base reveals, and set within the policy

¹¹ It should be noted that there are some minor differences between the ten districts in terms of how employment land take up is recorded; for example, Bury, Rochdale, Stockport, Salford, Trafford and Wigan have size thresholds below which employment land take up is not recorded.

context of the RSS and the relevant emerging DPDs. Several of the districts did not apply the 20% flexibility factor to their demand projections in their recent ELRs; however, Bolton, Manchester, Rochdale and Wigan did apply this figure. Consequently the sub-regional figure, with or without the flexibility factor, needs to reflect this differing approach (relevant to the place in question) to providing additional land by the individual districts.

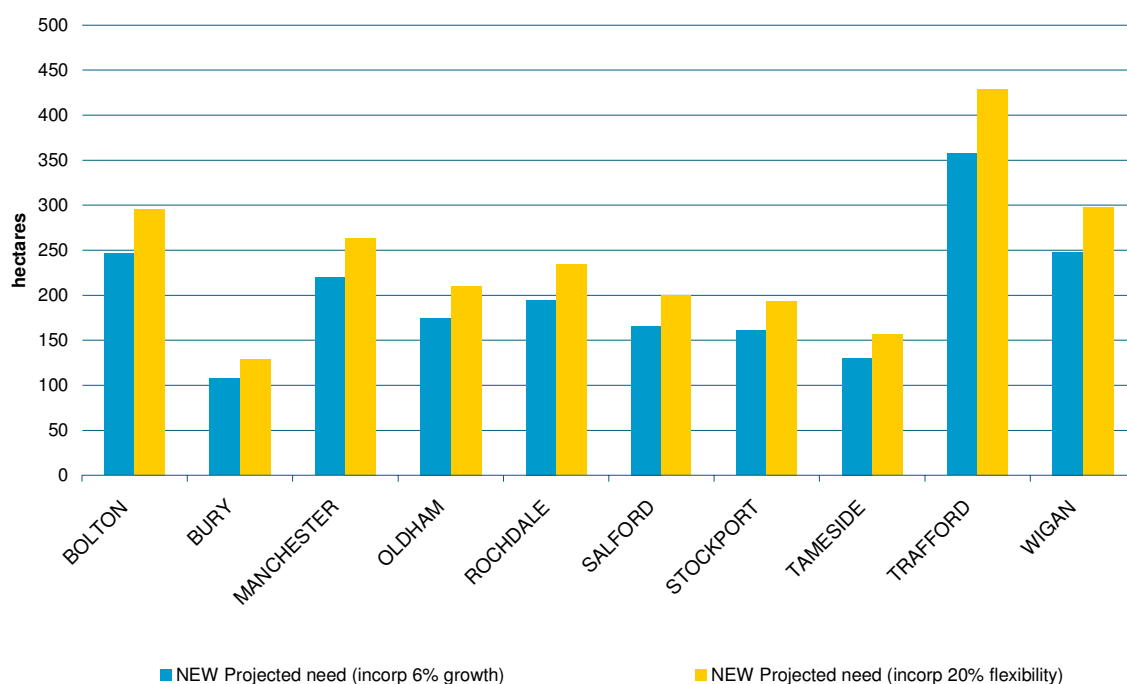


Fig 5 Application of RSS Policy W3, utilising 2003-2008 employment land take up rates

5.17 Fig 5 demonstrates the results of applying the RSS Policy W3 approach to each of the GM Districts, using 2003/08 employment land take up rates. It indicates that utilising more up-to-date information could result in an overall reduction in the total amount of employment land required for the sub-region, with substantially lower take up rates reported in Bolton, Salford, Tameside and Wigan in particular.

5.18 Whilst such an approach is relatively crude, it demonstrates that the RSS 'need' figure as it currently stands in Policy W3 could be judged excessive.

Comparison with GMFM

5.19 The North West RSS was informed by a series of model runs undertaken by Experian for the NWDA in 2005. Three employee-based forecasts were produced, based on long term trends; recent successes; and a transformational change in productivity. For Greater Manchester, the resultant GVA growth trends relating to the recent success scenario were adopted by the NWRA. Consequently, 6% growth forecasts were applied to the past take up

rates in an attempt to reconcile the reality of past take up rates with the aspirational changes envisaged.

- 5.20 To inform this Position Statement, NLP has reviewed more recent modelling work undertaken by Oxford Economics. As noted in Section 2.0, the Greater Manchester Forecasting Model (GMFM) provides a set of integrated economic, population and household forecasts for each of the Greater Manchester authorities. NLP has appraised the 2008 model run in detail, which was designed to take account of the impact of the economic slowdown driven by the credit crunch.
- 5.21 In order to determine the projected employment land requirement by type generated by each scenario, it was necessary to categorise the level of forecast employment change by B use class. For the purposes of this exercise it was assumed that:
- The B1 office floorspace requirement would be related to job growth/ decline in the financial and business services sector;
 - The B2 floorspace requirement would be related to job growth/ decline in the manufacturing industrial sectors; and
 - The B8 floorspace requirement would be related to job growth/ decline in the sectors of distribution and transport and communications¹².
- 5.22 Following the calculation of the employee breakdown for B1, B2 and B8, employment densities and plot ratios as recommended in the Government guidance were then applied to the job change figures. The resultant employment land projections for each District are presented in Table 9 below.

¹² Note: an analysis of SIC Level ABI data for 2007 indicated that just 16% of jobs in the transport and communications sector can be considered to contribute to the need for employment land in Greater Manchester. In response, the GMFM job figures for the sector were reduced by 84% to remove any non-B8 uses (such as taxi operations) from the forecasts.

	Employment Land Requirements 2007-27 (net)				Employment Land Requirements 2007-27 (net), including 20% flexibility factor*			
	B1	B2	B8	Total	B1	B2	B8	Total
Bolton	24.0	-60.35	1.8	-34.5	28.8	-48.3	2.2	-17.3
Bury	4.7	-34	2.0	-27.3	5.6	-27.2	2.4	-19.2
Manchester	192.3	-52.7	15.7	155.4	230.8	-42.2	18.9	207.5
Oldham	8.2	-46.75	4.0	-34.6	9.8	-37.4	4.8	-22.8
Rochdale	25.7	-48.45	3.5	-19.2	30.9	-38.8	4.2	-3.7
Salford	41.5	-37.4	4.4	8.5	49.8	-29.9	5.3	25.2
Stockport	25.7	-50.15	6.2	-18.3	30.9	-40.1	7.4	-1.9
Tameside	5.8	-56.1	3.8	-46.4	7.0	-44.9	4.6	-33.3
Trafford	42.1	-41.65	8.8	9.2	50.5	-33.3	10.5	27.7
Wigan	25.7	-51	2.2	-23.1	30.9	-40.8	2.6	-7.3
GM TOTAL	395.8	478.6	52.4	30.4	474.9	382.8	62.9	155.0

Table 9 Summary of GMFM 2008 Quantitative Demand Projections

*Note: where land requirement figure is negative, the final figure has been reduced by 20%.

- 5.23 The model run indicates that, approached in this way, the net total requirement for employment land in the Greater Manchester between 2007 and 2027 could range from -30.4ha to 155ha, with the vast majority of growth attributable to the continued strong office market in the Regional Centre.
- 5.24 In addition, it is apparent that since the GMFM 2008 model run was completed, the economic position has worsened significantly, with the UK economy moving into recession. In recognition of this, a bespoke 'Interim' run of the GMFM was undertaken for Manchester City to inform their ELR. Whilst no figures are available at District level (other than for Manchester City itself), a sub-regional figure was generated (see Section 2.0). The 2009 GMFM indicates that the adverse impacts of the recession are likely to be even more pronounced, with the level of employment across Greater Manchester projected to increase to 1,258,400 by 2032; a figure that is 43,000 lower than the 2008 GMFM.
- 5.25 These demand projections, modelled during a time of economic pessimism, may be judged to be more realistic than the Experian 'recent success' GVA forecasts which informed the North West RSS, and hence may cast some doubt as to the continued validity of Policy W3's results.

- 5.26 It is apparent that there is little agreement amongst economic forecasters about the length and severity of the current recession and hence local authorities will need to take a flexible approach to planning for the up-turn, particularly when it comes to forecasting the demand for employment land. The wide variety in the results of the demand forecasting approaches described above point to a need for a range of demand forecasts.
- 5.27 However, it is clear that the 'net' GMFM forecasts cannot be directly compared with 'gross' past take up rates; the resultant wide disparity between the two modelling approaches indicates the considerable amount of uncertainty surrounding both sets of figures and the need to adopt a realistic, robust and flexible approach to indicating how much land is required. The implications of the various modelling techniques used for each District are discussed in further detail in Section 7.0.

6.0 Current Supply of Employment Sites

6.1 To maintain its distinct role and help deliver economic growth, the Manchester City Region must plan for the land and premises requirements of specific growth sectors. The Arup Demand Study identifies the growth industries for the City Region and summarises the key locational factors that shape their investment decisions. This Section of the Position Statement presents a detailed understanding of the spatial distribution of the overall Greater Manchester portfolio of employment land and how this corresponds with the RSS spatial framework described in Section 2.0.

6.2 The section begins with an appreciation of the current quantitative situation regarding employment land availability, based on recent Annual Monitoring Reports; the Employment Land Reviews undertaken to date; discussions with Council Officers and the emerging recommendations of their respective Local Development Frameworks.

Potential Forward Supply of Employment Land

6.3 Table 10 presents a summary of the current situation regarding the 'committed', or existing, employment land supply for each district in the Sub-Region. For the avoidance of doubt, 'committed' employment land is generally taken to mean land with either an allocation for employment use in an adopted UDP/Local Plan/LDF document, or which has an extant planning permission for employment use. Whilst this definition is generally adhered to by the GM districts, there is some variation reflected in the AMR figures, with certain districts excluding sites with extant planning permission, whilst others include sites under construction and mixed use sites. These are discussed in further detail overleaf.

6.4 The 'Potential Total Supply' figure in Table 10 represents an aspirational figure that could be achieved if the ELR recommendations are followed through for each District. It also factors in officers' aspirations for their districts based on the stakeholder discussions undertaken as part of this study, and hence the figures in this final column should be treated with a degree of caution.

6.5 It is important to note that much of this potential supply is actually located in the **green belt**. This includes: 97ha of land at Cutacre in Bolton; a 13.51ha site in Bury; a 5.4ha site in Oldham (already designated as a Major Developed Site in the green belt); a 36.8ha site in Rochdale; potentially 40ha of additional land at Barton to the west of City Airport Manchester in Salford; a 20ha site at Mottram in Tameside; approximately 40 ha of land in Stockport, a major existing developed site in the green belt; and approximately 40ha of land in Wigan. Clearly, this comprises a considerable cumulative amount in total for the sub-region, equal to around **253ha** to be released.

	RSS Policy W3 2005 Supply*	2007/08 AMR Committed Employment Land Supply**	Potential Total Supply of Employment Land
Bolton	123	103.41	220.71
Bury	63	48.12	92
Manchester	168	164.2	551.38
Oldham	59	79.58	68.75
Rochdale	174	175.2	205.20
Salford	200	123.25	198.25
Stockport	80	60.62	100.62
Tameside	28	74.19	94.19
Trafford	245	131.9	283.76
Wigan	229	212.22	275.00
GM Total	1,368	1,173	2,089.86

Table 10 Summary of Total Forward Supply of Committed Employment Sites in GM

* Source: Land Supply data provided by each District to inform the NWRA Regional Employment Land Study, 2005.

** Generally includes allocated land and unallocated land with extant planning permission for employment use. See Row 1 of Table 5 above for District variations.

- 6.6 The following paragraphs summarise the position for each authority.
- 6.7 **Bolton:** the district's AMR figure records allocated land (85.35ha, including 31.8ha of town centre sites identified in the ELR as having potential for employment led mixed use), plus 18.06ha on sites with extant planning permission, the majority of which are small sites which the Council would not be identifying as allocations. The allocated sites also include the Horwich loco works (currently 16.3ha but will increase in size), which has the potential to play a key role in providing knowledge based, mixed use employment in the future.
- 6.8 The potential total supply figure includes the remaining area at Cutacre. This large site comprises 138ha, of which 20.74ha is already allocated for employment use. The remaining area of 117.3ha is recommended for inclusion as an allocation in the district's emerging LDF documents, which would increase the potential total supply of sites to 220.71ha.
- 6.9 **Bury:** the district's AMR records a relatively modest amount of employment land at 48.12ha, including allocations, sites with extant planning permission for employment use and other sites suitable for employment. No distinction is made between sites that are immediately available, or those which are

constrained. The district has traditionally had a limited supply of available employment land, with few large sites.

- 6.10 Bury's ELR identified 33 employment sites covering 84.34ha. This includes 31.56ha of existing employment land that is considered suitable for carrying forward and an additional 52.78ha on 14 new sites that is required to meet Bury's projected needs. The ELR concluded that the portfolio offered a diverse range of deliverable sites covering a range of site sizes and with a more balanced spatial distribution than that which currently exists.
- 6.11 In 2009, work commenced on the review of the 'Bury but Better' Town Centre Vision and Development Strategy which will set out the long-term strategy for future development in and around Bury town centre. The consultation draft of the review has identified the potential for a further 7.25 ha of B1 land on seven sites and these have been included in the 'potential supply' figure as a consequence.
- 6.12 **Manchester:** the Annual Monitoring Report for 2007/08 indicates that the City's current employment land portfolio totals 164.2ha. This comprises existing employment land allocations, plus sites with extant planning permission for employment use. No split is provided regarding the amount of land available by type (i.e. B1, B2 or B8). Manchester City's 2007/08 AMR states that most sites are created by clearance/redevelopment. It is understood that in addition to the 164.2ha of available employment land quoted in the AMR, a further 18ha of employment sites were under construction as of April 2008. However, the emerging ELR indicates that the actual supply figure is nearer to 260ha (due to the inclusion of a much larger area at Central Park), whilst there is potential capacity for employment land totalling some 551.38ha, although not all of this is necessarily part of the current supply and its quality is variable.
- 6.13 **Oldham:** the district's AMR records a committed employment land supply (based on existing allocations only) of 79.58ha. It is generally considered that the Borough has a very limited supply of employment land due to environmental and physical restrictions. In particular, topographical issues and the fact that over half the district is allocated as Green Belt land severely restricts the ability of the council to release new sites for employment use. It is noted, however, that Strategic Regional Sites located in neighbouring Boroughs such as Kingsway in Rochdale, Ashton Moss in Tameside and Central Park in Manchester may offer opportunities for Oldham's workforce to gain employment.
- 6.14 The district's draft ELR identified an available portfolio of 40.75ha, and it is apparent that, following discussions with officers, a further 28ha of land is available on 'Land Reserved for Future Development' to be taken forward in the Core Strategy at Foxdenton. This results in a potential forward supply of **68.75ha**.

- 6.15 **Rochdale:** the district's AMR indicates that a total of 175.2ha of land is 'committed' for employment use, including allocations, sites with extant planning permission for employment use, and some mixed use sites. This figure does not include windfalls that may become available up to 2026. As with many of the other districts in the sub-region, Rochdale is restricted in the amount of greenfield land that could come forward on top of the existing land supply which comprises a large proportion of Greenfield land.
- 6.16 Rochdale has currently a good supply of high quality sites comprising around 115 ha on Greenfield sites with good motorway access. Rochdale's largest outstanding allocation lies at the Kingsway Strategic employment site, with a job target of 7,000 employees on this site. There remains a strong demand for B8 distribution due to the Borough's excellent links to the motorway network. The potential supply includes a 30ha site to the south of Heywood, which would require the release of Green Belt land and new road infrastructure to unlock the site. This additional site would help meet the strong demand for B8 if all B8 sites on Kingsway are developed.
- 6.17 **Salford:** the district committed employment supply currently stands at 123.25ha, comprising of allocations plus sites with extant planning permission. The supply figure of 147.65ha in the AMR includes an allowance for windfalls (24.4ha). The potential total supply figure of 198.25ha includes an additional 10ha greenfield site at Cutacre, plus a 40ha site within the Green Belt to the west of City Airport Manchester. It also includes a 25ha allowance for office floorspace coming forward in the Regional Centre as identified in Salford's emerging Core Strategy, primarily as part of wider mixed-use schemes. The council will also seek an additional allowance for development on existing employment land, i.e. 'recycling' of sites that would not necessarily appear in the AMR 'committed sites' figure, but which nevertheless are recorded as employment land take up.
- 6.18 **Stockport:** the district's 2007/08 AMR identifies a forward supply of 60.62ha, comprising allocations, plus sites with planning permission as well as mixed use sites. Of this figure, 25.93ha relates to B1 office uses. Despite this relatively modest allocation, it is unlikely that there will be many opportunities to release new greenfield sites for employment use in the future due to the Green Belt restrictions. This is despite the growth opportunities identified for the borough in professional services, with a highly skilled workforce commuting into the Regional Centre for work. The main opportunities for large new employment sites comprise two unallocated sites (totalling 40ha) currently operated by British Aerospace. It is understood that this site may come forward for employment use by 2012/13, although not all of the site may be wholly available for employment use. This figure has been included within the 'potential supply' figure in Table 10 above. Officers also see a clear opportunity to enhance the current stock of employment land through the development of the office market in Stockport Town Centre, which is currently under-performing as a B1 destination.

- 6.19 **Tameside:** the district's AMR identifies a committed employment land supply of 74.19ha, comprising allocations plus sites with extant planning permission. The Borough has come under sustained pressure in recent years for the release of employment sites for 'higher value' uses, and the Council produced an Employment land SPD to address this. The borough also experiences a significant amount of churn, with existing employment sites being redeveloped. Sites remain limited, however, resulting in a very high proportion of residents commuting out to adjoining Boroughs for work. Along with a severe shortfall of available employment land, there is also an imbalance in where these sites are located; residents living in isolated areas such as Hattersley suffer from a lack of employment opportunities. To resolve this issue a site adjacent to the proposed Mottram bypass can be identified but this has policy constraints and would need to secure release.
- 6.20 **Trafford:** the district's AMR identifies a total committed employment land supply of 131.9ha, including allocations, sites with extant planning permission and land under construction. Recent office investment activity in town centres has been limited to one redevelopment scheme in Altrincham, whilst the supply of land identified in the AMR is concentrated in Carrington and Trafford Park, with modest amounts in Old Trafford and Altrincham Town Centre. The district's recent ELR identified a potential portfolio of 184.67ha on 31 sites, all of which are located on previously developed land, with a further supply of 99.09ha on sites that were not currently available at the time of the ELR, but which were to be retained for development in whole or in part for employment use. The inclusion of these sites could potentially boost the total forward supply of employment land in Trafford to 283.76ha. There are potential additions to this supply that are being considered as part of Trafford's emerging Core Strategy.
- 6.21 **Wigan:** the district's AMR identifies a committed employment land supply of 212.22ha, comprising allocations plus sites with extant planning permission for employment use. The Core Strategy is seeking to provide around 275ha of employment land, comprising 150ha of existing allocations; over 100ha on proposed key 'strategic' sites (most of which comprise existing Safeguarded Land), plus windfall town centre sites.

Summary

- 6.22 The ten Districts have an existing committed forward supply of employment land equal to 1,173ha, potentially rising to 2,090ha if other suitable sites likely to come forward as part of the LDF process are included. This latter figure is in excess of the RSS Policy W3 supply figure for Greater Manchester, which equated to 1,368ha as at 2005. Fig 6 indicates that Manchester has potentially the highest amount of employment land in the sub-region, at 551ha, followed by Trafford (284ha) and Wigan (275ha).

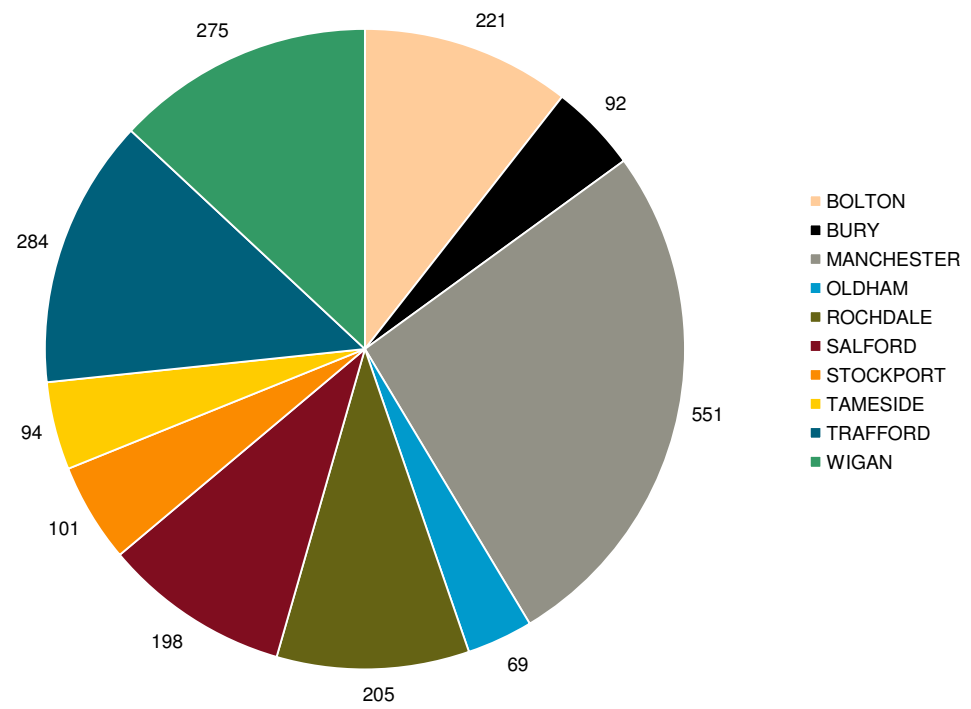


Fig 6 Potential Total Supply of Employment Land in Greater Manchester (ha)

7.0

A Response to RSS Policy W3

Introduction

7.1

The preceding sections of this report have summarised the current situation regarding the demand and supply of employment land for each of the ten districts in the sub-region; and the extent to which landless growth has contributed to employment growth and influenced take up rates in the recent past, and how this is anticipated to become an increasing factor in spatial planning.

7.2

This section of the Position Statement seeks to draw together the emerging conclusions to provide a reasoned response to the RSS sub-regional employment land figures for Greater Manchester as outlined in Policy W3, providing a detailed breakdown of its distribution across the ten districts.

Approach

7.3

In arriving at a response to RSS Policy W3, NLP has drawn together the analysis flowing from a variety of data sources including:

- a Considering the strengths/weaknesses, aims and economic aspirations of each District (including information contained within the emerging Core Strategies and MIER);
- b Reviewing the conclusions of each District's ELR and setting the demand projections therein against the current forward supply of sites in the respective 2007/08 AMRs;
- c Discussions with officers from the individual authorities alongside other stakeholders;
- d Analysis of recent GMFM employment projections, factoring in the implications of the ongoing economic downturn;
- e Consideration of any specific transport infrastructure constraints and likely improvements emerging from the stakeholder discussions;
- f Analysing the current representation and recent job growth trends of key sectors for each district;
- g Assessing the prospect of potential growth sectors against key locational factors for each sector;
- h Likely implications and opportunities of building up/building out for each District;
- i Considering factors that could lead to a step change in the sub-regional economy.

Factors Relevant in Assessing the Requirements

7.4

In considering these factors, and in seeking to consider the implications of RSS Policy W3, it is clear that:

- a There are inherent methodological difficulties in setting district-level requirements for employment land based on a single consistent 'top down' approach using past take-up rates (adjusted to reflect uplifts in GVA) as was adopted in forming the **RSS Policy W3**. Although they can be a useful starting point for planning within Greater Manchester, there are risks in taking forward these by rote, as the fact that the figures change markedly by adopting a more recent set of take-up rates demonstrates. The issues were considered earlier in this Report, but in summary, the risks are because, inter alia:
 - i time frames are inconsistent: the RSS projects need for employment land between 2005-2021; the GM districts are generally working towards a timeframe of 2007-26 for their Core Strategies;
 - ii take up rates fluctuate – some districts were comfortable that the RSS W3 estimates reflected a reasonable perspective of future requirements; others considered the period that was projected forward to be unrepresentative of the long term economic picture for their district(s). More recent take up data is now available which indicate a downturn in the amount of employment land coming forward in recent years. It is almost certain that this will have been accentuated by the current recession. A re-run of the RSS Policy W3 methodology using these updated figures indicated a significant drop in the amount of employment land required over the time period;
 - iii the degree of uplift (6%) to past rates (taken from what was already a relatively benign macro economic environment) now looks to be optimistic given the current downturn and the widely expected prognosis of growth at trend or below in the medium to long term. It is not consistent with the outputs of the GMFM. Applying these rates could result in 'over-provision' which can damage market certainty and leave a legacy of redundant and undeveloped land sometimes in unsustainable locations;
 - iv there are challenges around the reconciling gross and net take up rates, and there is some uncertainty over the consistency of definition between districts that NLP has not been in a position to validate
 - v it takes no account of future local land use patterns and the future availability of land other than insofar as they are reflected by past take-up rates;

- vi the issues of 'landless growth' were not able to be considered, and although data limitations prevent a definitive conclusion on how significant this could be across Greater Manchester, this has the potential to contribute towards meeting future employment needs. Evidence suggests 'landless growth' has been a feature of the Regional Centre and that there is also potential in Trafford, Salford and Stockport in particular. Further work is needed to validate these conclusions however;
 - vii it does not reflect the potential impact of changes in the economy over the coming years, including the way in which the sectoral mix (with different space requirements) may evolve, impacting on the type of premises required and the extent to which B1, B2 and B8 land is actually needed; and
 - viii the application of the 20% flexibility allowance is inconsistently applied across the districts, and not evidenced.
- b The use of **GMFM employment forecasts** as an approach to looking at Greater Manchester-wide requirements on a consistent basis is a helpful reference point for considering employment land take-up, but is not in itself a direct proxy for employment land requirements – although it does highlight that some districts in GM are projected to see significant reductions in employment in sectors that traditionally required significant land allocations.
 - c Equally, because the ODPM guidance on local **Employment Land Reviews** is not prescriptive (and in the absence of a GM-wide framework for undertaking ELRs), the local assessments prepared by Districts are not, at the current time, prepared on a sufficiently consistent basis to enable them to be 'grossed up' to present a Greater Manchester-wide estimate of the requirement. Nor do they necessarily provide the basis for reconciling any cross-boundary issues within Greater Manchester that might influence the quantum of land required. This is not an observation that invalidates any of the current ELR work (NLP was not appointed to critique or test each ELR), but does point to the difficulties in collectively using the ELR evidence base as a single interpretation of the RSS W3 figure.
 - d There are few currently available robust alternatives to the approaches outlined above (i.e. projecting forward adjusted past take up rates and econometric forecasting) in determining the employment land requirements of Greater Manchester.
 - e There are mixed views among stakeholders as to the approach that should be adopted, and how individual districts should plan for the future needs of the economy in terms of employment land, including on matters such as the flexibility allowance.

7.5 The above are important drivers of the ability of the study to arrive at definitive conclusions on employment land provision in Greater Manchester.

Making an Estimate of Future Requirements

- 7.6 In this context, there is no single point of evidence that leads to either a simple validation of the RSS W3 figures or to a consistently derived alternative to it. Within the ambit of NLP's work, there is no benefit in seeking to 'distribute' a fixed requirement based on the RSS W3 figures between authorities within Greater Manchester – such an approach would lead to perverse outcomes. However, it is possible to review the various components of evidence and draw conclusions, based on high level judgements on the potential implications and appropriateness of different quantum of provision, which are effectively a range 'book-ended' by:
- the outputs of the RSS methodology (as updated);
 - the 'need' defined by the local ELR; and/or
 - the potential supply.
- 7.7 In doing so, NLP has arrived at an indicative conclusion on where within (or conceivably above or below) this range future provision should be pitched in interpreting the RSS W3 policy in Greater Manchester. In doing so, it is cognisant of the factors (and data limitations) highlighted earlier in this section, and should be interpreted accordingly.
- 7.8 It is recognised that Policy W3 of the RSS requires individual districts to derive an extra allocation of 536ha/917ha based upon the difference between the total supply of employment land in 2005 as set against the total projected demand for the sub-region (including both the 6% growth and the application of the 20% flexibility factor). However, it is suggested that such an approach would be inappropriate given that:
- the total supply figure quoted in the RSS for 2005 is outdated;
 - an inconsistent approach has been taken as to what constitutes 'total supply' in the GM authorities' AMRs;
 - the ten districts have not applied the 20% flexibility factor on a consistent basis; and
 - different approaches have been followed when calculating and justifying an appropriate level of 'need' for each individual authority; this has not always involved a strict re-interpretation of the RSS approach, for reasons discussed in Table 11 and Table 12 below.
- 7.9 The schedule below, populated on the basis of a district-by-district analysis set out in Appendix 5 (which draws together a number of outputs from the preceding analysis in the report) provides a summary of the key factors used by NLP in its analysis, and outlines the NLP conclusions for each District. The analysis is grouped under:
- Employment Land Indicators
 - Economic Drivers
 - Implications and Conclusions.
- 7.10 Reflecting the availability of evidence, and the absence of local level appraisal of individual ELRs or the sites identified within them or the basis for their

estimates of need, the conclusions drawn by NLP are expressed as a range or are subject to $\pm 10\%$.

		BOLTON	BURY	MANCHESTER	OLDHAM	ROCHDALE	SALFORD	STOCKPORT	TAMESIDE	TRAFFORD	WIGAN	GM TOTAL
Employment Land Indicators	Current RSS Policy W3 Requirement (with 20%) ^A											2,257 (2,709)
	Future RSS Policy W3 Requirement (with 20%) ^B	247 (296)	108 (129)	220 (263)	175 (210)	195 (234)	166 (199)	161 (194)	130 (156)	357 (429)	248 (297)	2,006 (2,408)
	ELR ‘Need’ (adjusted to 2007-2026) ^C	175-195	77	197-249	133-138	210-215	124-244	138	249	100-170	265-304	1,668 – 1,979
	Use of 20% Flexibility Margin in ELR ^D	YES	NO	YES	NO	YES	NO	NO	YES	NO	YES	-
	Employment Land in AMRs ^E	103	48	164	80	175	123	61	74	132	212	1,172
	Potential Supply ^F	221	92	551	69	205	198	101	94	284	275	2,090
	Potential Supply of land as a % of GM Total ^G	11%	4%	26%	3%	10%	9%	5%	5%	14%	13%	100%
	Potential Supply in Green Belt (% total) ^H	97 (44%)	13.51 (15%)	0 (0%)	5.4 (7%)	36.8 (18%)	40 (23%)	0 (0%)	20 (21%)	0 (0%)	40 (15%)	252.71 (14%)
	Over/under provision (Potential Supply v. mid-range ELR ‘Need’) ^I	<20% Over Supply	<20% Over Supply	>20% Over Supply	>20% Under Supply	<20% Under Supply	<20% Over Supply	>20% Under Supply	>20% Under Supply	>20% Over Supply	<20% Under Supply	-
Economic Drivers	% of current GMFM B1/B2/B8 Jobs (2007) ^J	9%	4%	26%	6%	6%	10%	11%	6%	13%	8%	100%
	Future B1/B2/B8 Job Growth 2007-26 (GMFM Nov 2008) ^K	-2,800	-3,000	28,300	-3,700	-1,000	3,100	-900	-5,200	3,200	-1,400	16,600
	Future Job Growth Rank (GMFM Nov 2008) ^L	7	8	1 (highest)	9	5	3	4	10 (lowest)	2	6	-
	Inward Investment Potential ^M	Moderate	Moderate	Higher	Lower	Moderate	Higher	Higher	Lower	Higher	Moderate	-
	Landless Growth Potential ^N	Lower	Moderate	Very High	Lower	Moderate	Higher	Moderate	Lower	Moderate	Lower	-
	Economic Growth Potential ^O	Lower, mainly in industrial sectors; potential for further B2/B8 growth along motorway network	Lower; GMFM growth projections suggest weak prospects for key sectors in the GM context, although it is recognised that the district does have significant industrial clusters in the food and drink, healthcare and bio-technology and ICT/digital sectors.	-	Lower; strong representation in declining industries	Moderate; potential for growth in logistics and employment at Kingsway.	Higher; major concentration of media-related and other knowledge-based industries. As with Manchester, strong growth projected in high value professional services driving the sub-regional economy. Development of the Inter-modal freight terminal may also significantly impact future demand.	Higher; suitable for ICT/digital cluster development and financial and professional services, with positive growth forecasts in key sectors.	Lower; weak growth forecasts and over-reliance on existing declining industries	Moderate/High: strong prospects for growth in established industrial areas.	Moderate; potentially well suited for logistics if accessibility issues can be resolved, alongside traditional engineering and manufacturing industries	-

		BOLTON	BURY	MANCHESTER	OLDHAM	ROCHDALE	SALFORD	STOCKPORT	TAMESIDE	TRAFFORD	WIGAN	GM TOTAL
Conclusions	Barriers to Employment Land Take Up ^P	Substantial	Currently a limited	Industrial estates	Long term	Slight majority of	High	Delays to STC's	Lack of quality,	Lacks a focus	Severe east/west	-
	Effects of providing	Relatively modest	Weaker growth	Very strong	Weaker growth	Despite slightly	Stronger economic	Reasonably strong	Very Poor GMFM	Reasonably strong	Moderate	-
	Summary	195ha (+/- 10%)	77-92ha	197-249ha	69-133ha	210-215ha	199-244ha	101-138ha	94-130ha	170ha (+/- 10%)	297ha (+/- 10%)	1,609 – 1,863

Table 11 Conclusions on Employment Land Provision

Key to Table 10:

^A Based on take up data collected by NWRA as part of the 2005 Regional Employment Land Study, incorporating 6% growth in take up, taken forward 19 years (20% flexibility factor in brackets).

^B Based on 5 yr annual average take up rate as sent to Urban Vision by GM authorities in 2009, incorporating 6% growth in take up, taken forward 19 years (20% flexibility factor in brackets).

^C Summary of the employment land demand projections as summarised in the respective ELRs for each of the ten GM districts. In the case of Manchester, Rochdale, Tameside and Wigan, the ELR figures have been increased / decreased pro-rata to ensure a consistent timeframe across the sub-region.

^D Clarifies whether or not the 'need projections calculated in the respective ELRs incorporated a 20% flexibility margin as recommended in the RSS. Note: as regards Salford, whilst the consultants undertaking the ELR did acknowledge the need for it in their analysis of GMFM forecasts, the 20% figure was not included in the ultimate demand conclusions.

^E Summary of the current situation regarding the 'committed' employment land supply as taken from the 2007/08 AMR for each district. For the avoidance of doubt, 'committed' employment land is generally taken to mean land with either an allocation for employment use in an adopted UDP/Local Plan/LDF document, or which has an extant planning permission for employment use. There is some variation reflected in the AMR figures, discussed in further detail in Section 6.0.

^F The 'Potential Total Supply' figure represents an aspirational figure that could be achieved if the ELR recommendations are followed through for each District. It also factors in officer's aspirations for their districts based on the stakeholder discussions undertaken as part of this study.

^G Potential supply of land as a % of sub-regional total.

^H Amount of potential land identified in Row 'F' that is currently allocated Green Belt land (and % of total).

^I Over/under provision of employment land based on the 'Potential Supply' in row F, set against the identified ELR 'Need' in row C (using the mid point if a broad range was identified).

^J Based on the November 2008 run of the Greater Manchester Forecasting Model, the number of B1/B2/B8 jobs in each district for 2007 was calculated. Para. 5.18 details the assumptions made regarding the relationship of the various industrial sectors to the land use classes. Figures in red denote below 5%; figures in green relate to percentages over 10% of the sub-regional total.

^K Presents a calculation of the job growth forecast in the B1/B2/B8 sectors following the November 2008 run of the GMFM, between 2007 and 26. Figures in red denote over 1,000 decline; figures in green denote job growth over 1,000.

^L District sub-regional ranking, based on results of row K.

^M Inward investment based on a qualitative judgement incorporating stakeholder discussions and baseline review of Economic Strategies and Policy documents, including MIER. Judgement includes the availability of sites likely to be suitable for inward investment opportunities.

^N Potential based on landless growth discussion presented in Section 4.0, with 'lower', 'moderate' and 'high' judgements made in the Manchester sub-regional context.

^O Economic Growth potential reflects a variety of factors including stakeholder discussions and the report by Arup & Donaldsons on behalf of Manchester Enterprises: *Demand for Employment Land in Greater Manchester* (2006)

^P Identification of potential barriers to employment land take up, informed by discussions with key stakeholders and planning policy officers and resulting from a review of each District's ELR.

^Q Minimum / maximum employment land needs based on the Future RSS Policy W3 requirement (with or without the flexibility factor) and the ELR 'Need' adjusted to 2007-2026.

^R Summary of the implications and/or risks from over or under providing employment land in each district.

^S Summary recommendations on employment land 'need', providing a reasoned response to the employment land requirements for each District based on the information presented in rows A-R

7.11

The outputs and reasoning for each local authority area from the exercise above are summarised in Table 12:

LPA	Conclusion	Reasoning
Bolton	195ha (+/- 10%)	<p>Bolton has retained its strength in a variety of manufacturing sub-sectors, although the GMFM projections forecast continued losses in B2 employment which may dampen future demand. Whilst there has been considerable out-of-centre development at relatively low densities in recent years, the future focus is likely to be on higher density office development in central locations, which is receiving substantial public sector support. There also remains potential for further B2/B8 development alongside the motorway network.</p> <p>Consequently, whilst past take up rates may not reflect the future direction of economic growth in the district, it is suggested that a supply of employment land commensurate with the top end of the ELR need forecasts, i.e. 195ha (including the 20% flexibility factor), be provided. This represents a reasonably close match with potential supply, albeit with the caveat that 97ha of this supply comprises a Green Belt allocation that has consequent uncertainty as to whether it will come forward for employment use in its entirety over the plan period.</p>
Bury	77-92ha	<p>Whilst Bury has one of the lower growth projections in the sub-region based upon the GMFM forecasts, particularly in Business Services and other B1-class sectors, it has been successful in attracting a number of ICT/communications businesses in recent years and research has suggested that there are further opportunities to develop food and drink, healthcare and biotechnology clusters in the district.</p> <p>Past take up rates in the district have traditionally been the lowest in Greater Manchester, with few very large sites coming forward for employment uses in recent years; the Borough also has the smallest portfolio of committed employment sites in GM. However, as identified in the ELR, whilst there may be limits to the quantity of land likely to be available in Bury, a new portfolio of good quality sites has been identified to meet forecast demand, particularly in the B1 growth sectors.</p> <p>Consequently, on balance, a narrow range of demand projections are suggested, from the 77ha recommended in the ELR, to the 92ha which would comprise the potential land portfolio identified through the ERLR, together with the additional sites identified through the 'Bury but Better' study. This is slightly lower than past take up rates would suggest; however, this takes into account the continued restructuring of the local economy towards higher density B-class uses. It is considered difficult to justify significantly higher levels over and above the +/-10% margin, given forecast demand.</p>

LPA	Conclusion	Reasoning
Manchester	197-249ha	<p>Manchester City is underpinned by strong concentrations of higher value economic sectors. Financial and Business Services are currently well represented in the City, whilst media and creative industries are focused in City Centre fringe locations such as the Northern Quarter. Health and life sciences are also well represented, particularly along the Oxford Road Corridor. The 2008 GMFM model run forecasts continued strong growth in the Business Services sector in Manchester City, with the area accounting for 58% of net job growth in the sub-region.</p> <p>However, it is apparent that although the number of jobs based in the Regional Centre has increased dramatically, this has not led to a commensurate take up of employment land at traditional densities. The Business Services sector is likely to be the prime driver for economic growth in the period to 2026 and it seems realistic to assume that job densities will remain high or even increase further.</p> <p>In summary, whilst the GMFM growth forecasts are by some margin the strongest in the sub-region, the very high prospects for higher density and landless growth are likely to ensure that much of the job growth is unlikely to translate into land requirements using 'traditional' job densities and plot ratios. Consequently, even though the ELR projections of 197-249ha (increased pro-rata to accommodate a common time period and including the 20% flexibility factor) are somewhat lower than past take up might suggest, they are considered a realistic proxy for future need.</p>
	69-133ha	<p>Oldham retains its strength in a range of manufacturing subsectors, particularly mechanical and electrical engineering, with future target sectors including ICT, digital engineering and cultural industries, although it has the second lowest growth projections overall in the sub-region, particularly in the B1-use classes. Considerable transport investment may improve the attractiveness of the district to new industrial users, although sites within the town are limited due to the preponderance of constrained existing industrial areas/mill buildings whose re-use/intensification is constrained by viability factors. Oldham also has an opportunity to link to the regional centre with an arc of opportunity which links established employment areas in the district to Foxdenton strategic site and the hi-tech proposals for Chadderton Technology Park.</p> <p>However, it is recognised that land within Oldham is a particularly scarce resource, with Green Belt restrictions and topographical issues severely constraining the amount of greenfield land that could be released for employment development in future.</p> <p>In summary, due to very limited available land supply and GMFM forecasting c.3,700 net job losses, it is considered inappropriate to plan for excessive need based on past take up; a range of demand projections are therefore suggested, between the current supply of sites (69ha) to the lower end of the ELR demand projections (133ha).</p>

LPA	Conclusion	Reasoning
Rochdale	210-215ha	<p>Rochdale is forecast to retain its strength in a range of manufacturing sub-sectors, including mechanical and engineering. Despite the slightly negative net GMFM job forecasts, It is suggested that there remains considerable potential for growth in the logistics sector, whilst Kingsway also represents an excellent opportunity to develop customer contact and shared service centres as a business function.</p> <p>Whilst it is recognised that the district has one of the largest employment land portfolios in the sub-region, it remains restricted in the amount of additional greenfield land that could come forward on top of the existing land supply, a large proportion of which is greenfield (with 18% in the Green Belt).</p> <p>Although the ELR projections of 210-215 relate to the time period 2005-21, it is considered that they retain their relevancy over the longer 2007-26 time period, as the severe recession has resulted in a marked reduction in new B1/B2/B8 development in the past year. The 210-215ha range (including the 20% flexibility factor) achieves an appropriate balance between ensuring that Rochdale avoids a situation of oversupply that could detract from the delivery of Kingsway, whilst ensuring the need to allow a sufficient supply of additional land if Kingsway (in particular its provision for B8) is taken up over the course of the plan period.</p>
	199-244ha	<p>The district has highly positive job growth forecasts and stronger economic prospects and is progressing a number of significant proposals that could have major implications for the demand for employment land within the city, including those throughout the Regional Centre and Port Salford to the west.</p> <p>It is of further note that Salford's ELR highlights qualitative constraints with the existing supply of employment land which may have acted to dampen past take up rates, which proposals in the city's emerging Core Strategy are seeking to address.</p> <p>Whilst the Regional Centre initiatives are likely to include significant development densities, the impact these could have over what has happened in the past, together with the potential for logistics growth, leads NLP to the conclusion that a requirement derived from the RSS method should be considered to be a minimum, given that it is primarily based on past trends. Given the City's strategic role as part of the Regional Centre, together with the key infrastructure to support logistics uses in particular, the city should be providing a supply of land in the range between 199ha and the top end of their ELR, giving a range of 199 to 244 hectares.</p>

LPA	Conclusion	Reasoning
Stockport	101-138ha	<p>There will be a major drive for office accommodation in Stockport Town Centre, targeting education and science sectors. MIER projects that Stockport will experience a growth in creative and digital industries in future, to complement the existing concentrations of financial and professional services satellite operations and ICT/communications businesses operating from out-of-town locations in the district.</p> <p>GMFM projections indicate continued B2 decline balanced by moderate forecast growth in B1 and one of the higher growth forecasts for B8-related industries. Stockport has traditionally experienced high levels of B2/B8 industrial development coming forward, at relatively low densities; however, given the restrictions on greenfield land release in future and the drive for town centre development, it is likely that the recycling of existing sites and higher density office development will take place on an increasing scale.</p> <p>Consequently, although Stockport has reasonably strong growth prospects, the district's limited supply of land, the ongoing recession and the changing composition of developments (i.e. B1 rather than B2) caution against the use of overly optimistic land projections and the simple projection forward of past rates; hence a broad range is recommended, from the existing potential supply (101ha) to the 138ha recommended in the ELR.</p>
Tameside	94-130ha	<p>Potential growth sectors seek to build on established clusters, including engineering and food sectors, although these are currently contracting rapidly. The main opportunity for high quality office development is likely to comprise Ashton Moss Strategic Site and specifically the St Petersfield area, although landless growth opportunities as a whole are likely to remain limited. Tameside is the only GM district with negative net overall employment growth forecasts in the 2008 GMFM.</p> <p>The District also has a limited supply of sites due to constraints, whilst a high number of employment sites have been lost to alternative uses in recent years.</p> <p>Consequently, the implications of contracting established industrial sectors, limited supply of sites and the considerable pressure on existing employment sites for alternative higher value uses guard against an over provision of land, although the district may still require limited new allocations in selected locations to ensure a balanced portfolio across the district. In the absence of a detailed ELR forecast, it is therefore recommended that a range of projections be used for Tameside, ranging from the potential supply of 94ha to the lower end of the NWRA RSS 'need'. It is suggested that the application of an additional flexibility factor of 20% would not be suitable in this instance for the reasons highlighted above.</p>

LPA	Conclusion	Reasoning
Trafford	170ha (+/- 10%)	<p>MIER acknowledges that parts of Trafford outside of the Regional Centre retain strengths in a diverse range of manufacturing subsectors including food and drink and high value niche specialisms. Additionally, there are concentrations of logistics activity focussed around the M60. There are further opportunities to develop the capacity of the Trafford Park Core Industrial area as a sub-regional resource providing sustainable long-term employment growth opportunities to support economic regeneration, improved skills levels and development within and beyond the Borough. Other than Manchester City, Trafford has the highest job growth forecasts in the GMFM in the sub-region.</p> <p>Consequently, it is suggested that the top end of the ELR projections be used to estimate 'need' for the period 2007-26. The figure of 170ha reflects the highly positive growth forecasts in key industrial sectors, whilst the non-application of the 20% flexibility factor can be justified on the grounds that the availability of alternative greenfield sites is limited, whilst most criteria used for location by sector are the same. Whilst this figure is well below what recent past take up rates might suggest, it is noted that a 'blip' in recent development rates has distorted the short term picture; hence allocations above 170ha in response to perceived demand should be treated with caution.</p>
Wigan	297ha (+/- 10%)	<p>Wigan has one of the larger portfolios of employment land sites in Greater Manchester, although many sites suffer from an insufficiently broad offer and there is a clear requirement for a higher quality portfolio to attract under represented sectors such as knowledge-based industries. The GMFM growth projections indicate ongoing declines in B2 manufacturing offset, to an extent, by relatively strong growth in B1.</p> <p>Poor internal road infrastructure has resulted in high levels of congestion, particularly on the east/west axis, with the result that a high proportion of existing employment sites have poor accessibility and low market attractiveness. However, the substantial transport investment programmed for the district seeks to ameliorate this congestion and this, aligned with the emerging Core Strategy's proposed allocations of new strategic sites, is likely to significantly enhance the attractiveness of the district as a business destination.</p> <p>Given positive growth prospects, significant ongoing private sector investment in B2/B8 development, improved transport links and the substantial potential supply of better quality land, it is reasonable to assume the continuation of recent take up rates, incorporating the 20% flexibility factor, as a proxy for future demand (equal to 297ha). This figure also represents a reasonably close correlation with the Core Strategy's target land supply and the top end of the ELR projections.</p>
GM Total	1,609-1,863	

Table 12 Reconciliation with RSS W3

7.12

In general terms, recognising the limitations of the evidence available to NLP, the following conclusions can be drawn:

- 1 The evidence within this Position Statement point to Greater Manchester making **indicative provision for 1,609 – 1,863 ha** of land for the period

- 2007-26 rather than the 2,285 proposed for the period 2005-21 in the RSS Policy W3;
- 2 There appears to be **limited correlation** between the RSS figure (both original and if updated) and some of the local ELR outputs to some of the core economic drivers (e.g. as illustrated by GMFM outputs);
 - 3 Indicative estimates of employment land provision for each district are **based on a judgement as to the balance of available evidence** at a GM level supporting the different approaches to estimating land requirements. In some cases this is the RSS-based estimate; in some cases the outputs of the ELR; and in other examples, it is the potential current supply that NLP has judged to be a best fit with future requirements.
 - 4 Notwithstanding the limited evidence available to arrive at precise alternative estimates of employment land provision in each district, NLP's judgement is that **there is merit in a number of locations providing for less land than the RSS estimated**, and this need not have any material impact on the ability of that location to deliver economic growth provided that the range and choice and quality of sites is a good fit to the future shape of the economy and that the potential for landless growth is properly realised. Indeed, there will be advantages in some locations of reducing land supply and providing a credible and attractive portfolio to the market.
 - 5 Districts' take up rates are likely to include **windfall developments** and this will have influenced the RSS requirement. However, by its very definition, planning for windfall developments in district LDFs is problematic and difficult to include in overall supply figures;
 - 6 In some cases, NLP's view is that the local ELR estimate appears to be putting forward a requirement that is **disproportionate to the scale of economic opportunity and forecast employment growth**, and that a further consideration of need estimates may be appropriate. In those circumstances, the NLP conclusion is that a requirement range set between the existing supply and the 'need' defined by the ELR might be appropriate.
 - 7 It will be open to individual local authorities to consider their requirements further and it may be that their conclusions differ from those of NLP, drawing on **local evidence** that was not available to NLP in considering the issue at a GM level.

Key Issues for Further Consideration

- 7.13 The above represents a statement of the position, based on the drawing together (for the first time) of the available evidence on employment land provision across Greater Manchester. The findings, particularly the indicative estimates of how RSS Policy W3 should be interpreted, should be regarded as a starting point for further analysis and consideration, based on the evidence available to this study at a GM-wide level. Future work will need to be considered, at least part of which should be within the framework for conducting Employment Land Reviews set out in Section 7.0 of this report.
- 7.14 The key issues for further consideration in taking forward these outputs are:
- a The need to increase consistency in the approach to local ELRs;

- b The opportunity to achieve integration of MIER outputs to planning for employment space;
- c The need to make an allowance for windfall employment land developments;
- d Further evidence on the impacts of recession and the legacy in terms of structural economic changes and provision for employment space;
- e Further considering the Impacts of economic change on land use requirements and change (including the impact on occupancy, use, and recycling of existing employment land and premises);
- f Clarifying better the evidence around gross and net take-up and what that means for future provision;
- g Increasing the availability and quality of evidence to support the potential scope and role of 'Landless growth' in meeting future space requirements
- h Integration and reconciliation of cross-boundary issues within Greater Manchester
- i The extent to which past rates and blanket GVA multipliers should be used in isolation by RSS to underpin future provision in light of a – h above

8.0 Deriving a Consistent ELR Methodology for Greater Manchester

8.1 A key output of this study involves the development of a set of recommendations for a co-ordinated and consistent future approach to Employment Land Reviews and monitoring across Greater Manchester. Clearly the two are inter-related; a method for appraising future demand can only be consistently realised if data collection records similar information across all ten districts. Consequently, on the basis of the work undertaken to date; discussions with Council Officers and reviews of the available ELRs, this section provides a broad methodology capable of being put into practice by each individual district in Greater Manchester. It is not, however, intended to form a rigid structure, and clearly individual studies will need to be tailored to meet local needs and circumstances where appropriate.

Consistency and Flexibility – Striking a balance

8.2 This section puts forward a broad methodology for future ELR work and monitoring best practice for all ten Districts in the sub-region. This has involved the consideration of the following:

- The 2004 ODPM guidance on undertaking ELRs, specifically the three stage assessment process and broad stages therein;
- The emerging findings of the Roger Tym & Partners Report for CLG (January 2009): 'Delivering Land for Economic Development';
- The methodologies of the ELRs undertaken for each of the ten authorities in the sub-region to highlight commonalities and innovative approaches that could coalesce into a definitive approach;
- Current government guidance on Business Development Monitoring as established through the RSS and LDF Core Indicator update – this identifies three relevant indicators, concerning the total amount and type of completed employment floorspace (gross and net); the amount coming forward on previously developed land; and the total amount and type of land currently available;
- The Districts' current and potential use of employment floorspace outputs from the GMFM.

8.3 The starting point for deriving a common ELR methodology is the 2004 ODPM ELR guidance, known as the 'Brown Book'. This provides step-by-step instructions on how to produce an ELR set within three main stages: taking stock of the existing situation; creating a picture of future requirements; and identifying a 'new' portfolio of sites. However, the guidance does provide flexibility and is not prescriptive, particularly in terms of precise methods of data collection and particularly demand forecasting, with no one method preferred over alternatives. Indeed, the guidance advocates the use of a variety of approaches, noting that *'the assessment of requirements and the means of meeting these depends on professional judgement and local*

interpretation'. The actual mechanics of translating employment and output forecasts into land requirements are also given little detailed consideration, with the guide referencing a number of 'good practice' examples for further detail.

- 8.4 The recent Roger Tym & Partners Report for CLG noted that the 14 tasks outlined in the Brown Book were poorly understood and not followed in detail by Local Authorities, with a wide variety of approaches and techniques leading to a confused overall response. However, in Greater Manchester it is apparent that the districts have employed broadly similar methodologies in appraising the sites and forecasting demand requirements.
- 8.5 Nevertheless, Section 5.0 of this Report identifies a number of important differences in the approaches used to derive the final demand projections across the ten authorities which make it difficult to provide a consistent GM picture or to understand the reason for differences between districts. These include:
- 1 the often unsubstantiated use (or exclusion) of the 20% flexibility factor;
 - 2 inconsistent time horizons;
 - 3 different approaches to application of past take-up rates, GMFM model runs and approaches to scenario testing;
 - 4 differences in employment densities and plot ratios;
 - 5 inconsistency or absence of 'landless growth' considerations;
 - 6 varied approaches in converting 'net' to 'gross' requirements; and
 - 7 inconsistency in mapping sites and storing/presenting site assessment information.
- 8.6 Different regions/sub-regions have adopted consistent approaches to Employment Land Review work. Some of these approaches/methodologies, whilst providing comprehensive guidance, can risk the application by rote of approaches that do not reflect specific circumstances within individual localities. The challenge for Greater Manchester is in striking a balance between, on the one hand:
- Maintaining consistency to a) take advantage of the investment made in GM-wide economic intelligence and b) so that there is confidence in being able to aggregate and synthesise and interpret the results at a GM-wide level without needing to interrogate or re-run local assumptions; and on the other
 - Providing sufficient flexibility for localities to respond to their own economic and land use circumstances.
- 8.7 This section proceeds to identify a common general structure and approach that could be successfully combined across all ten local authorities. This is not rigid; in particular, there is a high degree of flexibility in the fine detail of the demand calculations which could remain specific to each individual district.

- 8.8 There is a separate issue, outwith the scope of this Study (which focuses on the issue of interpreting a GM response to RSS Policy W3) around the methodological issues associated with:
- Alignment with the new Local Economic Assessment duty
 - Flowing from Consultation Draft PPS4, the growing recognition of the need to understanding and plan for a wider range of economic development uses (including non-B-Class uses)
- 8.9 The above may be an issue for AGMA to consider further.

Broad Methodology for Undertaking ELRs in Greater Manchester

Stage 1: Taking Stock of the Existing Situation

Collate data on land stock and revealed demand

- 8.10 The LPA should undertake an initial quantitative assessment of employment land (i.e. undeveloped land available for employment use, in hectares) and employment premises (i.e. existing employment site floorspace, in sqm) in each District and how this relates to the rest of the sub-region, identifying changes in supply, vacancy rates, age of premises and amounts of losses and emerging land/floorspace in the pipeline.
- 8.11 The assessment should include the following:
- Total employment land/floorspace by 'B' type;
 - Change in employment land/floorspace by type (5 years+);
 - Age of premises by type compared with regional average;
 - Completion rate for new land/floorspace by type over last 10 years (if available);
 - Losses of employment land/premises by type over last 5 years+;
 - Total employment land allocated, available, committed; and
 - Amounts of employment land/premises and major developments in adjoining districts.

Devise and Apply Site Appraisal Criteria

- 8.12 A degree of flexibility should be taken with regards to the derivation of a set of criteria for appraisal of sites, tailored to the individual needs and aspirations of each District. However, the appraisal form should seek to balance sustainability and deliverability attributes and include criteria relating to:
- Strategic and local road access;
 - Proximity to labour/services;
 - Adjoining incompatible uses;
 - Site characteristics/development constraints;
 - Market attractiveness and deliverability.
- 8.13 Further criteria are provided in Annex E of the 2004 ELR Guidance Note.

- 8.14 For transparency the assessment should be supplemented by guidance on those factors that make up each of these criteria.

Undertake and Record Site Appraisal

- 8.15 All sites should be appraised via a combination of site visits and desk based analysis incorporating GIS. Site visits should be undertaken by trained staff using agreed criteria, supplemented by notes justifying each rating, alongside photographs and GIS, to be stored on a spreadsheet/database. This should be supplemented by a set of quantitative information concerning relevant factors including planning status, land ownership, landscape designations, flood risk etc. Where urban design/massing issues are relevant, a capacity analysis of development potential may be appropriate.
- 8.16 The assessment should include the amount of land available (gross and net), developable land remaining on each site and the likelihood/timescale for it coming forward. Sites should be ranked on the basis of good, average, lower quality ratings, with the bandings justified and supported by a 'common sense' check that sites are in correct category based on LPA knowledge of each site. The rating of each site should support, rather than determine, the decision for each site (e.g. there is a need for 'lower quality' sites as well as 'good' to cater for different parts of the local economy).

Stage 2: Creating a Picture of future Requirement

Understand Market Areas and Segments

- 8.17 The study should **establish local economic conditions and trends** to provide context for considering current deficiencies and future employment land and premises needs, include brief analysis of following:
- Main employment centres within and adjoining the district;
 - Main employers and types of sectors in the district;
 - Knowledge based industries;
 - Economic indicators (i.e. Employment growth (ABI); Self-employment levels (Nomis); Breakdown of firms by size (no. of employees) (Nomis); Unemployment rates (Nomis); wage and skill levels (Nomis); Commuting – commuting flows and main sources/destinations (Nomis) etc).
- 8.18 The study should provide an **assessment of the Commercial Property Market:** defining the extent of the property market within which the district lies and a review of the demand/supply picture within that area. Property agency input with relevant local knowledge as well as key economic stakeholders should be encouraged.
- 8.19 Analysis should seek to identify key factors underling attractiveness / lack of attractiveness of the district in economic terms; alongside a supply and demand picture associated with employment land and premises.

Select and Apply Suitable Forecast Model/Demand Analysis

- 8.20 ODPM Guidance recommends the use of a variety of methods to identify 'need', but specifically past take-up rates, employment growth forecasts and labour supply projections. This should be for a defined period consistent across GM. There should be flexibility across Districts regarding the modelling used, whilst the derivation of a requirement is a matter of judgement based on knowledge of underlying economic circumstances of the locality, taking a realistic view of the impact/benefits of interventions.

Estimating Future Requirements**Past-take-up**

- Obtain net annual completion rates for different uses – B1 offices, B1c/B2 manufacturing, B8 distribution, ideally for 10 years;
- If only gross completions available, obtain annual losses of employment and deduct to get approximation for net completions;
- Consider whether past rates need adjusting to reflect future growth needs;
- Project adjusted annual completion rate forward, by type of B use, to obtain future needs.

Econometric Modelling

The Greater Manchester Forecast Model (GMFM) developed by Oxford Economics should be used to provide employment forecasts by SIC sectors. The outputs are readily available to all GM authorities and provide detailed employment forecasts to 2026.

A variety of model runs are available; clearly the most recent update should represent the 'baseline' scenario; at time of writing, this would comprise the November 2008 model run, although a new update should be available in Summer 2009 which will reflect the changing economic situation.

Labour Supply (more appropriate for areas with strong land constraints e.g. Green Belt)

- Estimate future resident population using housing targets or ONS forecasts;
- Apply % to obtain working age population;
- Apply economically active % to obtain working population;
- Apply % from ABI to get proportion likely to seek B Class jobs;
- Apply % for out-commuters;

Compare likely available labour supply with forecast increase in jobs.

Table 13 Estimating Future Requirements

Source: NLP

Quantify Employment Land Supply

- 8.21 This stage should refine the current 'stock' of committed employment land, reconciling the AMR forward supply figures with the realities on the ground following the detailed site appraisals. Existing supply of employment land/premises should comprise existing developed or partly developed premises, allocated land and undeveloped land with planning permission. The

analysis should result in a set of figures indicating ‘unconstrained’ and ‘constrained’ employment land supply.

Translate Employment Forecasts to Land Requirements

Employment Forecasts to Land Requirements

Employment forecasts:

Based on the 23 SIC sector baseline forecasts from the most recent GMFM model run, calculate job change in 3 main B sectors over the study period. Figures should be adjusted to include / exclude from each sector as follows:

- B1(a/b) (Offices): Financial Intermediation and Business Services sectors;
- B1c/B2 (Manufacturing): 13 Industrial Sectors;
- B8 (Distribution): Proportion of ‘Distribution’ and ‘Transport & Communications’. Derived from most recent ABI SIC4 level information obtained from NOMIS. Add to Wholesaling (SIC 50-51) the following: SIC 60-64.

Conversion of Jobs to Floorspace

- Convert job change to B class floorspace using ODPM guidance ratios as follows: B1 offices: 1: 19sqm; B1c/B2): 1: 34sqm; B8: 50sqm.

Plot Ratios

Plot ratios to assess land requirement from floorspace should be: B1c/B2 industrial: 0.4; B8 distribution: 0.4

For offices, a view should be formed on what % of new office development will be town centre/infill and what % out-of-centre/business park, with bookend

- B1 offices (town centre): 2.0 (depending on nature of centre – more appropriate for the Regional Centre)
- B1 offices (business park/out of centre) 0.4

Flexibility Factor

This involves the application of a percentage on top of the estimated amounts of land.

The RSS recognises that, exceptionally, there may be a need to provide additional land to take account of special circumstances, such as the expansion requirements of a particular business or the realisation of significant inward investment potential. If, following a review of the land portfolio and demand requirements, this proves to be the case for a GM District, an allowance for flexibility would need to be applied.

This should be factored into the ‘need’ projections through the incorporation of a flexibility factor, which would have the effect of adding 20% to the employment land requirement. Departing from this approach, either by not applying the 20% flexibility factor or by applying a lower/higher figure, would need robust justification and evidence to be demonstrated for each individual District.

Gross Land Requirements

The methodology outlined above will derive a ‘net’ employment land forecast, and in many cases (particularly for B2), this may result in a negative net projection. For planning purposes, it is therefore necessary to translate these into ‘gross’ requirements. This could simply involve applying the average amount of employment land losses over the last 5-10 years, adjusting for likely changes envisaged (i.e. if a case could be made that former mill buildings are unlikely to be lost at past rates due to plateauing demand in the apartment market).

Table 14 Defining Land Requirements

Source: NLP

8.22 There should be flexibility in the application of employment densities and particularly plot ratios to suit the individual circumstances of the GM districts. For example, it may be more appropriate for Manchester and Salford to use 200% plot ratios. The application of rates of past losses may need to be adjusted according to individual circumstances.

8.23 The Issue of 'landless growth' needs to be addressed, particularly in the Regional Centre – this may take the form of higher B1 office densities and a sample approach to estimating development potential.

Scenario Testing

8.24 This is important for exploring the implications of different economic futures. It is recommended that up to 3 scenarios are developed, based on the GMFM baseline projections, which could be made up of different approaches set out below or different assumptions of economic growth (potentially using earlier, more optimistic, GMFM model runs). Other potential scenarios could include those relating to changing patterns of commuting etc but do need to have a rationale to them that is consistent with the evidence base.

8.25 The evidence supporting each scenario (and its implications) should be used to arrive at a conclusion as to which growth scenario is the most appropriate for the district.

8.26 A series of 'reality checks' should be applied to test the robustness of the land projections. This could involve varying plot ratios to reflect higher concentrations of high density office development; factoring in a greater degree of 'landless growth' by increasing employment densities; applying higher (or lower) flexibility factors; and considering the future growth of local labour supply to test the amount of jobs and employment space that the demand projections can support.

8.27 Flexibility in the approach to scenario testing and reality checks according to the individual circumstances of each GM district.

Stage 3: Identifying a 'New' Portfolio of Land

Demand/Supply Balance

8.28 This stage would involve a comparison of the estimated future requirement for employment land with current supply in order to identify whether more or less employment land is needed in future, what type, and in what locations. It should also consider the scope to release any surplus employment land unsuitable for future needs.

Identify additional land to be brought forward

- 8.29 Relevant only if a district has identified a shortfall of employment land over the plan period, this penultimate stage would seek to identify potential new land if a need for these has been identified.
- 8.30 Potential new land would be identified through (a) an earlier Council call for sites; and (b) sites identified in the consultation/survey process through criteria such as extension of existing employment areas, within or adjoining main settlements, good access to main roads etc.
- 8.31 The potential of new land should be assessed using the same criteria as existing sites. New land should be compared with potential candidates for release among existing allocations to derive a new land portfolio to be taken forward as part of the LDF.

Monitoring

Background

- 8.32 The ODPM document Local Development Framework Monitoring: A Good Practice Guide states that “*survey, monitoring and review are crucial to the successful delivery of Local Development Frameworks.*” Employment Land Reviews have been prepared (or are currently being prepared) for nine of the ten Districts within the study area.
- 8.33 It is essential that monitoring of the employment land situation is undertaken by each District to establish what happens and to determine how each area performs against the preferred scenario and whether any revisions are required to LDF allocations as a consequence. This reality checking is important, particularly in the later stages of the LDF, as econometric projections become less reliable over longer time periods, and at a time of economic uncertainty.
- 8.34 The importance of effective monitoring even in the short-medium term has been high-lighted by the current recession and the associated uncertainty over future employment land requirements.

Core Requirements

- 8.35 An effective monitoring system should collect only information for which a clear and necessary purpose has been identified. The monitoring approach should be designed or adapted to meet the intended purpose. The amount of effort and resources needed to obtain, update and analyse the information also need to be balanced against its potential usefulness. This emphasises the need to make full use of data which is readily available and practical to monitor, particularly data already captured by the authorities.
- 8.36 In this context, the CLG Employment Land Review Guidance Note sets out the minimum recommended employment monitoring to be undertaken by LDF

Authorities, focused primarily upon information relating to the local supply and demand. Some of these are already monitored by the authorities, but there is a need to ensure greater consistency of monitoring outputs. Without a detailed assessment of individual authorities' current monitoring regimes, it is not possible to make specific recommendations on an authority by authority basis. However, drawing on the CLG Guidance, the core requirements are: -

- Employment **permissions granted** by type (recording B1a, B1b, B1c, B2, B8 if possible) including both floorspace and site areas. These can be obtained from planning application forms and building control records;
- Employment **permissions implemented** by type and matched to allocated land;
- The amounts of employment **floorspace/land lost** to other uses, based on planning permissions for land and premises previously in employment use for non-employment uses;
- Monitoring land **available**¹³ for development on allocated employment land and other land with extant planning permission for employment uses.

8.37 As a minimum, each of the ten Local Authorities in the study area will need systems to ensure they monitor the above. For consistency, there should be an agreed approach to how the data is collected, analysed and presented.

Other Indicators

8.38 In addition to these core requirements, other potential monitoring indicators would help provide a wider picture on the changing nature of the stock of employment land, and also qualitative information about the nature of demand. The need for these additional indicators should be considered on an authority by authority basis, but include:

- Monitoring of **net floorspace change** within new employment developments by comparison of existing and new floorspace, to help provide contextual information on the extent of landless growth and the types of employment premises/locations where it is occurring. This is likely to be a relatively simple extension of the core monitoring requirements;
- Levels of **vacancy** within employment premises based on surveys, commercial property websites and/or published market information where available; and
- **Enquiry levels** for employment land and premises, by type and size band. This can be obtained through regional inward investment data; and
- **Employer requirements** and aspirations, to be gauged via periodic business surveys or an annual workshop/forum attended by occupiers, developers and property agents.

¹³ Definition of 'available' employment land: *All available land allocated for industrial uses excluding (a) expansion land, (b) land with empty industrial buildings already in-situ, unless those buildings are time expired, and (c) special sites allocated for specific employment uses, i.e. chemical works.* This should also include land with extant planning permission for employment use.

Supplementing the Evidence Base

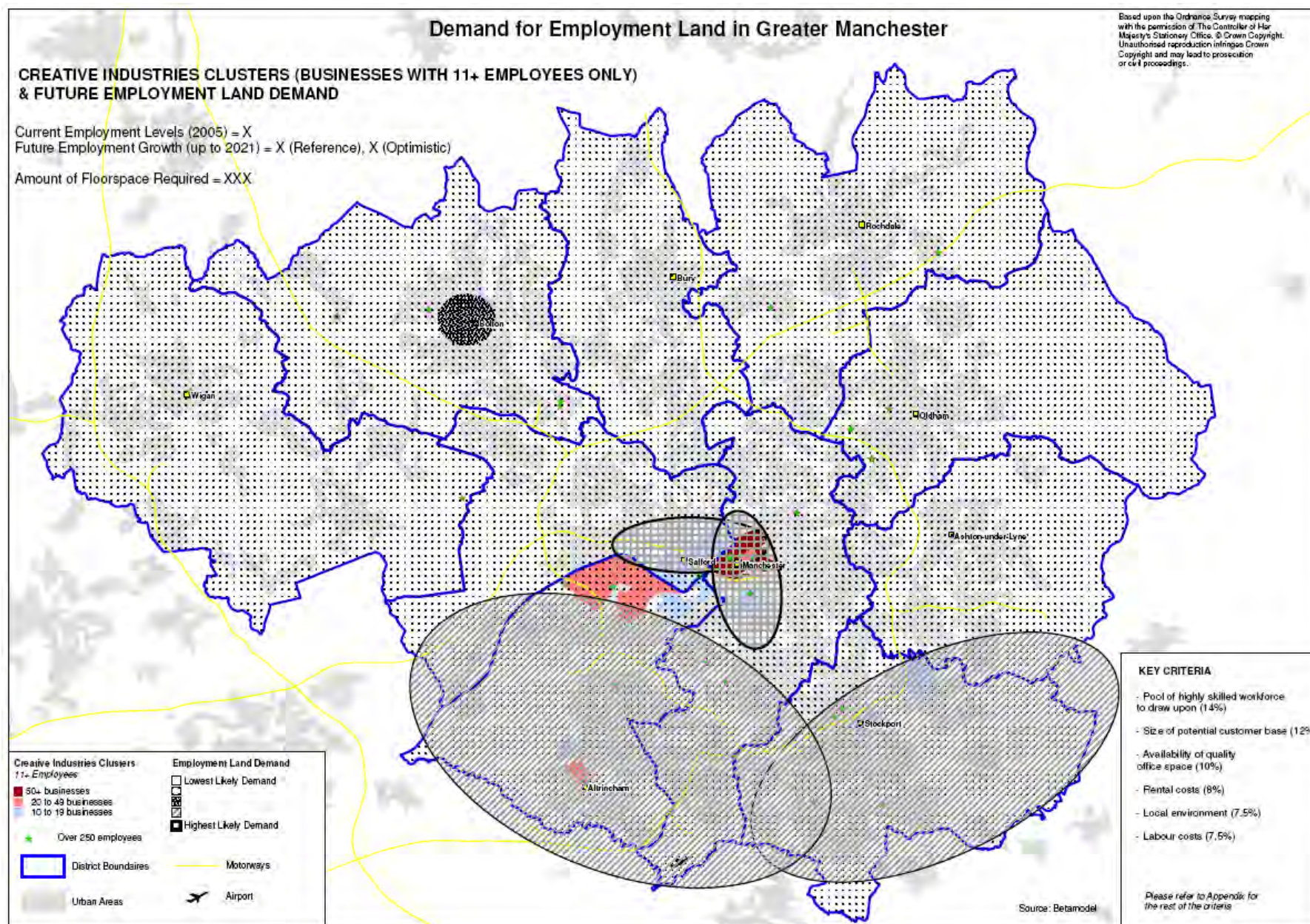
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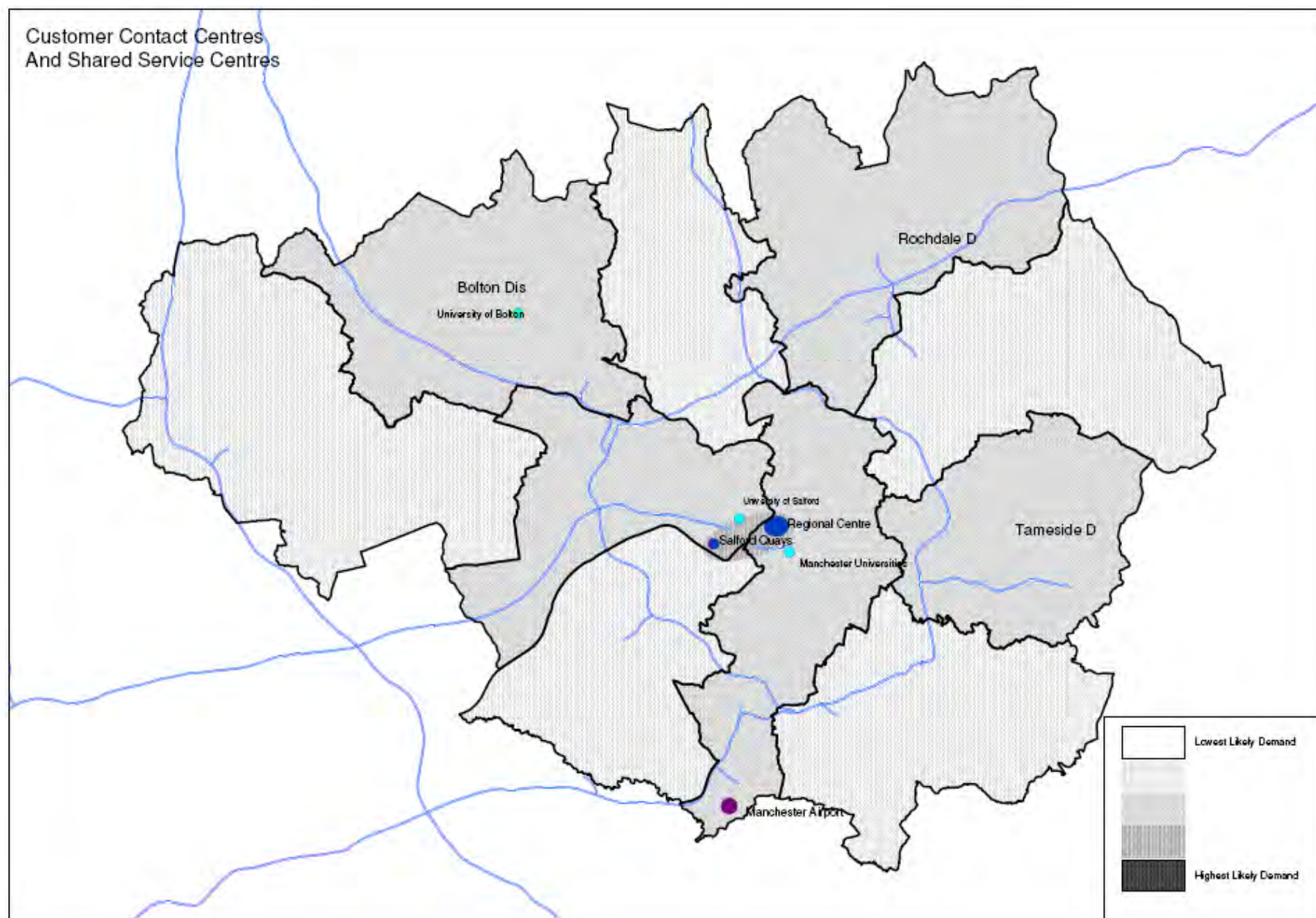
This study has identified a number of areas in which the current evidence base on employment land is less well developed, for example on the issue of landless growth. It would be impractical for these types of issues to be considered on a regular basis through annual monitoring reports, but instead they could be subject to stand-alone research/evidence forming projects covering the AGMA area that would help supplement the existing evidence base on employment land. These include:

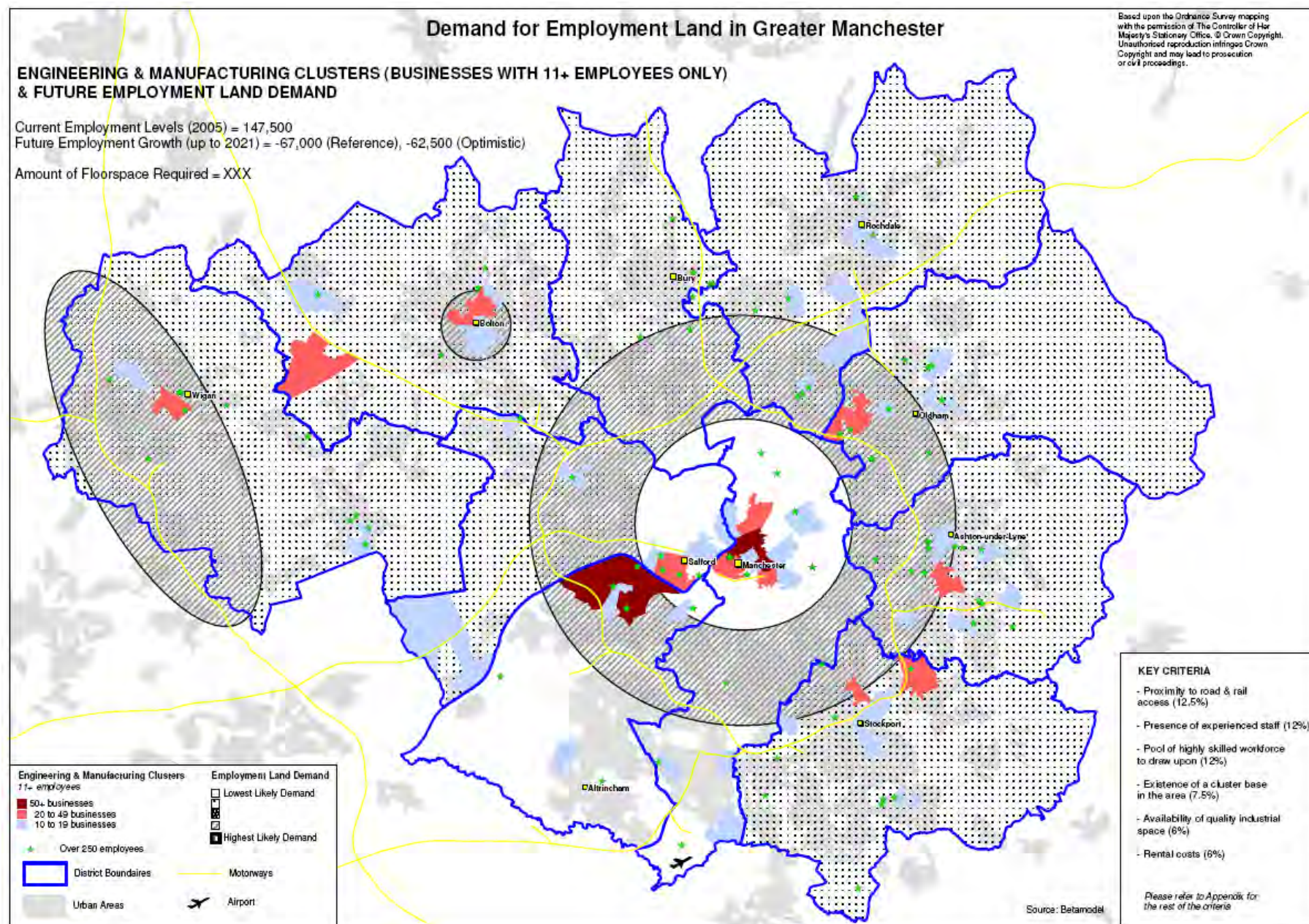
- **Landless growth** – more detailed investigation on the scale of landless growth, which locations are most conducive to landless growth occurring, and which sectors or types of development are most likely to deliver landless growth;
- **Changing employment densities** – investigate the extent to which employment densities are changing within Greater Manchester, which locations are experiencing greatest change, and the key driving factors;
- **Rebalancing of employment areas** – consider the extent to which there is a need to ‘rebalance’ existing employment areas by introducing non B-class employment generating uses; this may help support the upgrading and renewal of existing employment premises, or complement their existing role;
- **The impact of recession and future economic restructuring** – investigating the impacts of the current recession and future changes in the economy, particularly in terms of shifts within the structure of the manufacturing and financial/business services sector within Greater Manchester, and how this will affect future demand for land/premises, the use/extent of occupation of current sites/premises, the types of sites required, and the extent to which Greater Manchester will compete with other locations. This would relate to wider changes in the pattern of land use.

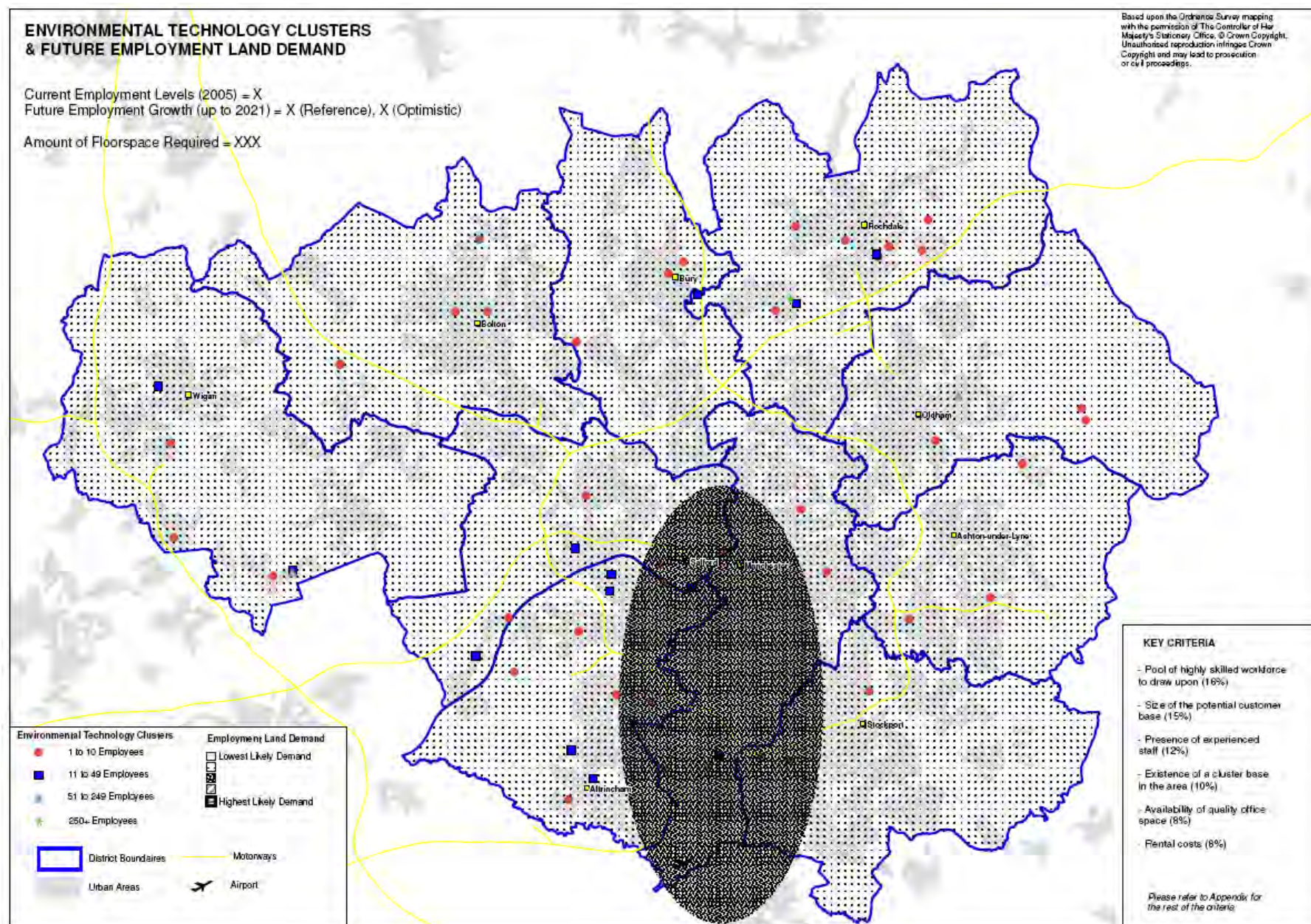
Appendix 1 Growth Sector Opportunity Areas

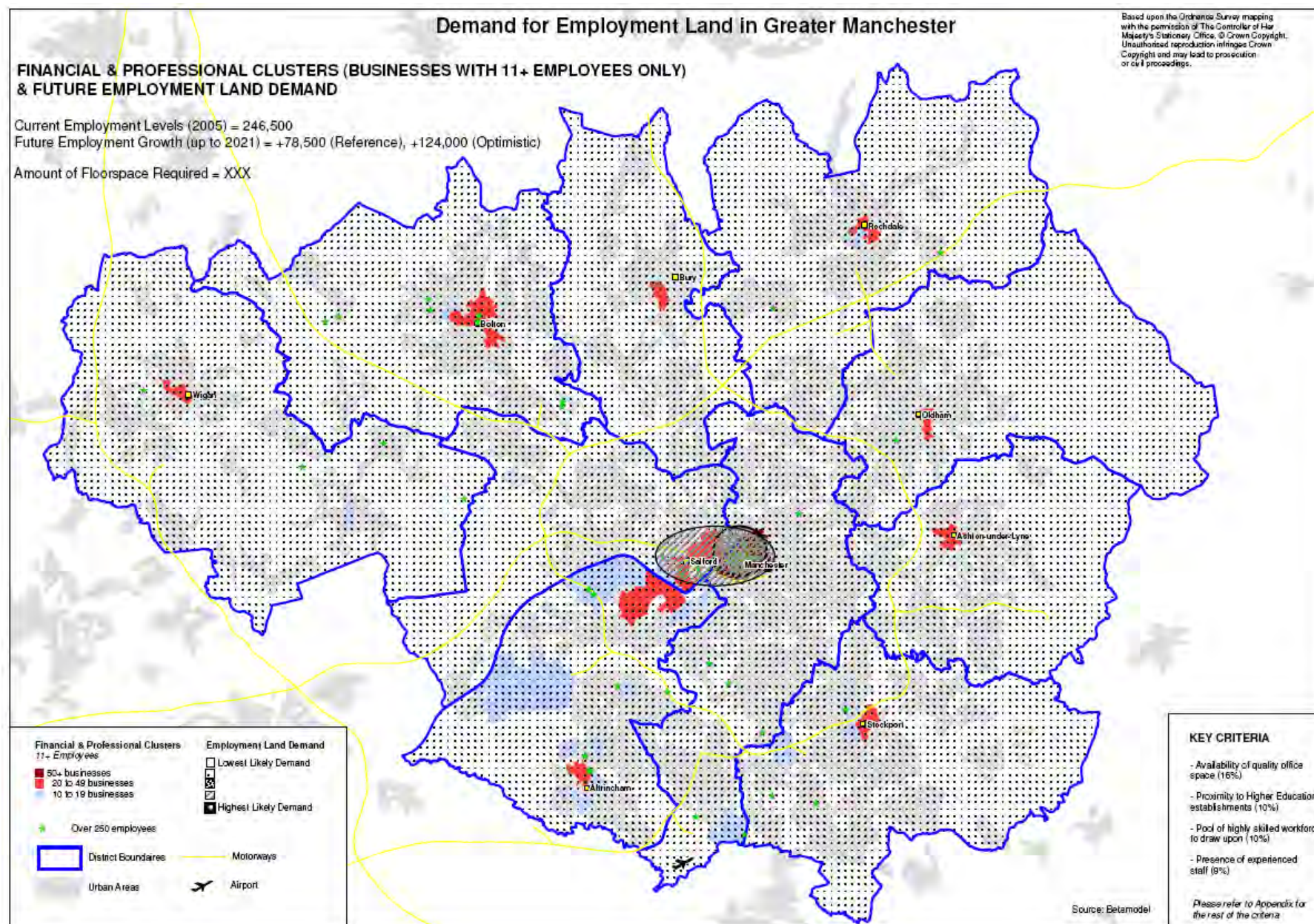
Mapping referenced from report by Arup & Donaldsons on behalf of Manchester Enterprises: *Demand for Employment Land in Greater Manchester* (2006)

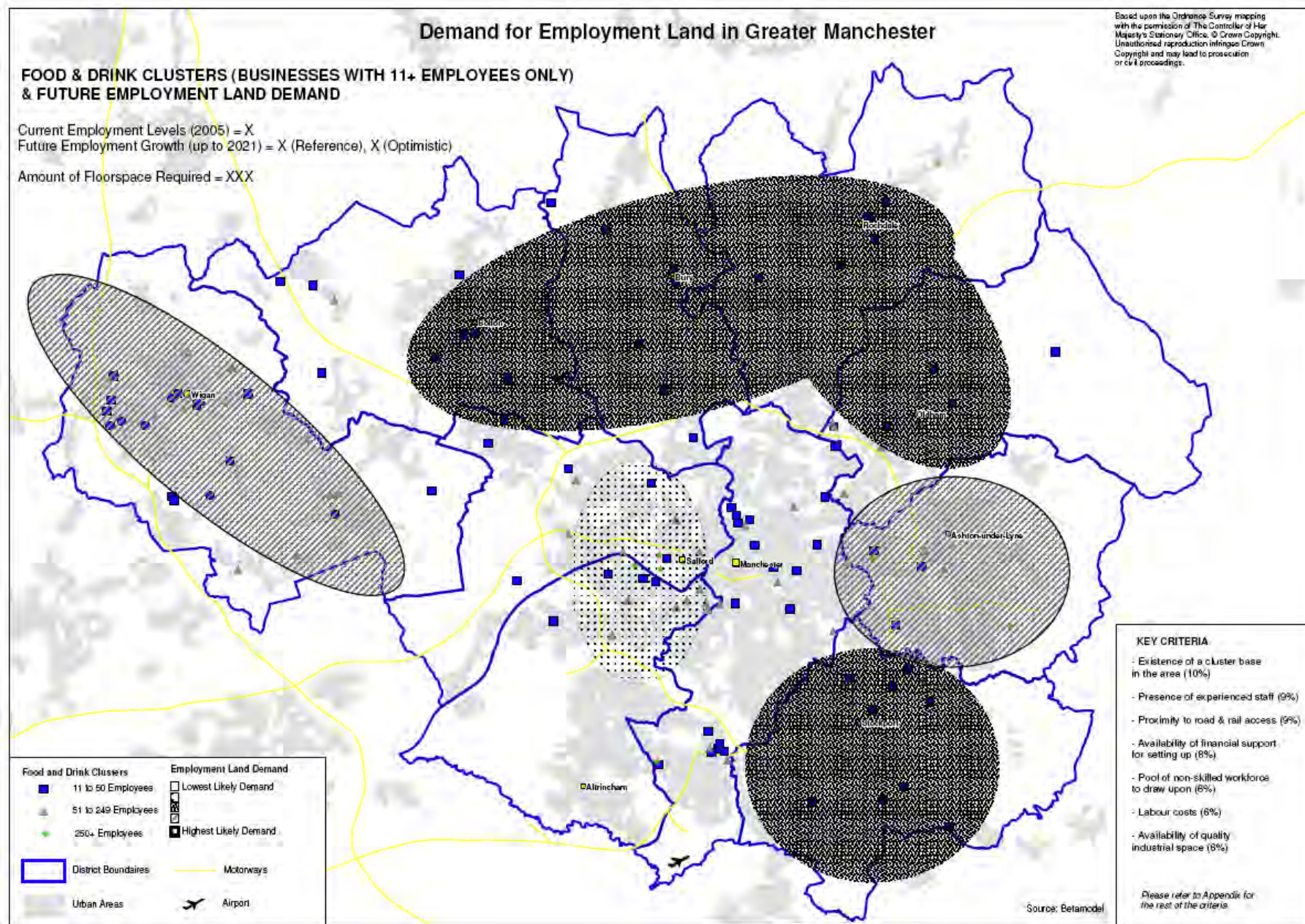


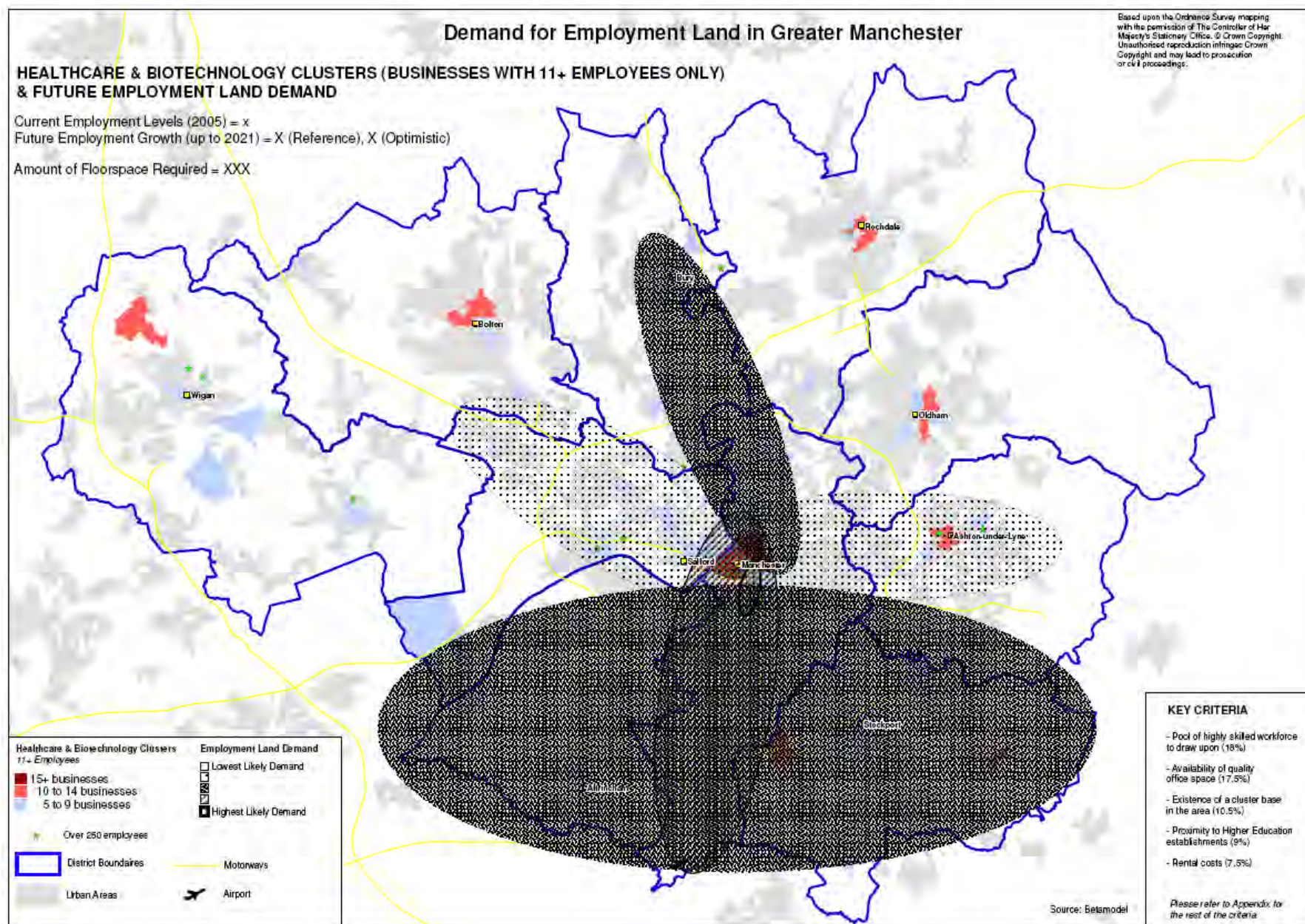


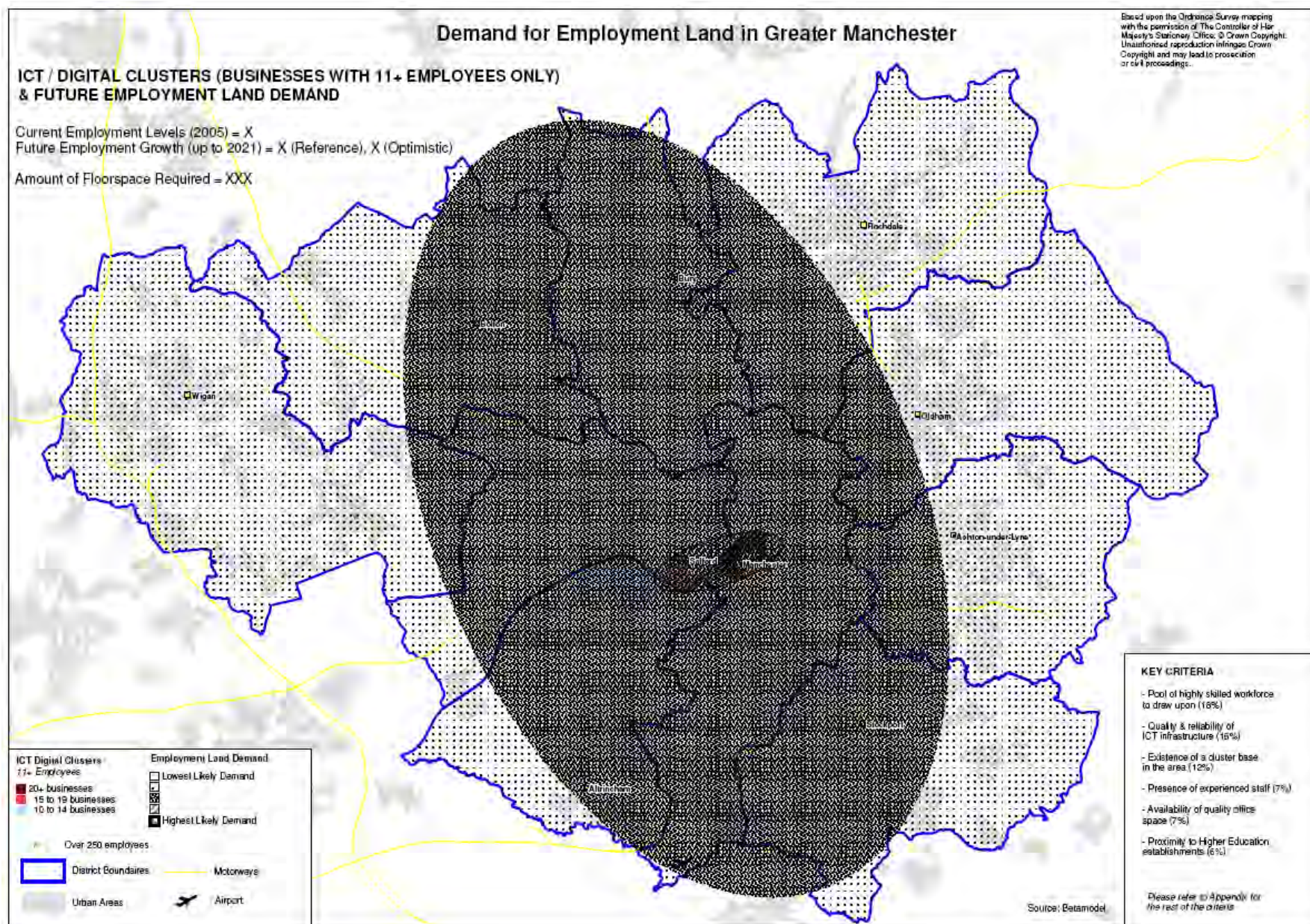


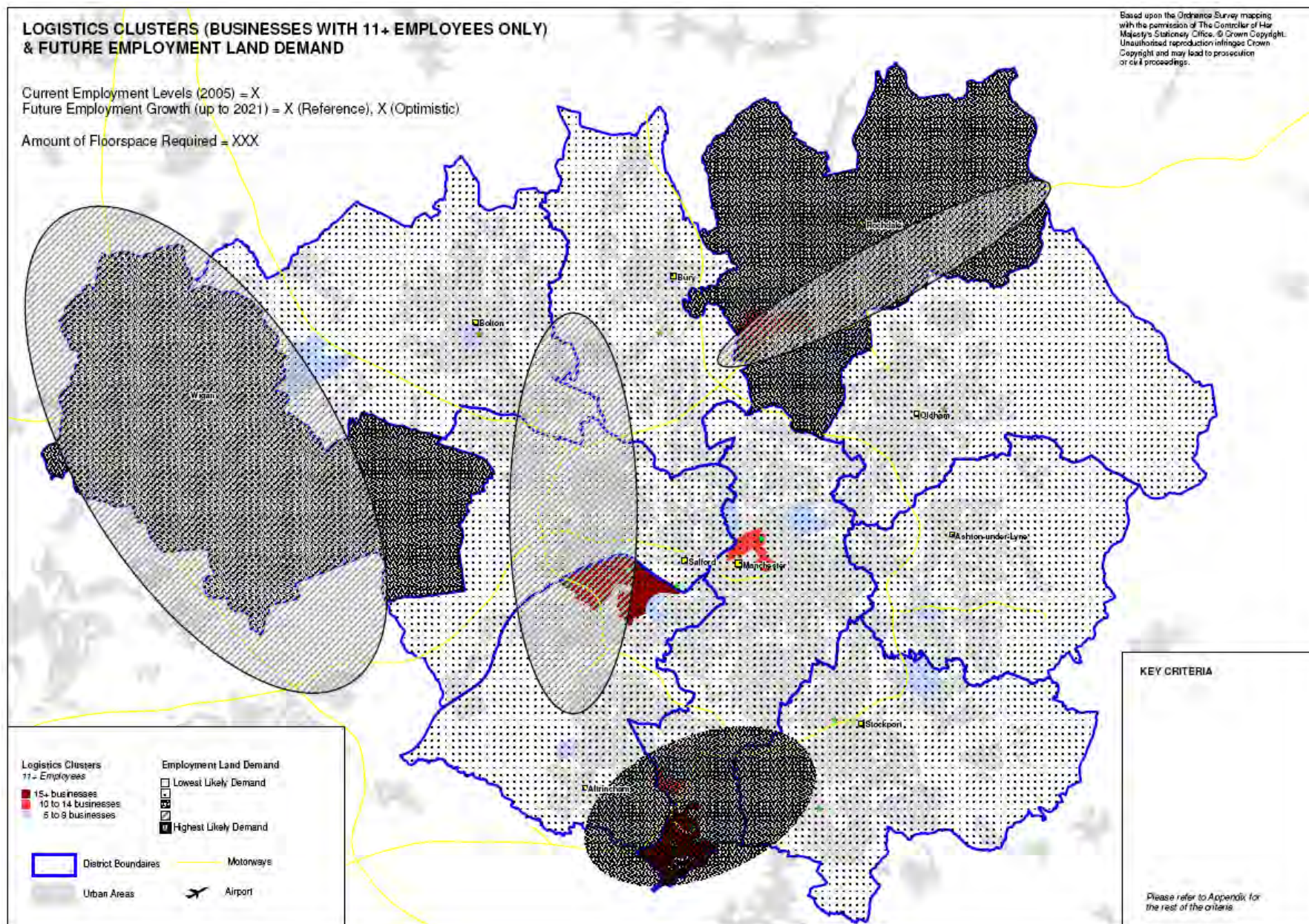












Appendix 2 ELR Update by District

Bolton Council's ELR (issued September 2008) appraised 44 sites (including 17 existing) and 11 town centre sites for mixed use. The quantitative demand projections involved using a variety of modelling techniques including projecting forward past take up rates; VOA statistics on Commercial and Industrial Floorspace trends; and econometric modelling utilising the GMFM 2007 update and Accelerated Growth Scenario (AGS). The demand projections factored in past losses of employment land to other uses; planning application details; business aspirations; a 20% margin of choice and capital substitution for labour in manufacturing.

Bury Council's ELR (published in March 2009) reviewed Bury's entire employment land portfolio of 315 sites and premises, a significant majority of which were located in Bury and Radcliffe with deficiencies elsewhere. The quantitative demand projections were based upon past take up rates, GMFM econometric modelling and VOA floorspace trends.

Manchester City Council's ELR is currently being undertaken by Nathaniel Lichfield and Partners and is due for completion in September 2009. It is anticipated that the final ELR will involve a review of existing sites and allocations, with demand modelling focusing upon past take up rates, GMFM econometric modelling and VOA floorspace trends. A particular focus of the ELR will be the issue of landless growth and how this impacts upon standard assumptions regarding the relationship between employment growth and associated land requirements.

Oldham Council's ELR is currently in draft, with Stage 1 and 2 completed. Oldham MBC is now starting work on Stage 3 (Review of Additional Sites). The ELR appraised 23 sites over 0.4ha, with demand modelling focusing upon past take up rates, GMFM econometric modelling and VOA floorspace trends.

Rochdale Council's ELR (completed July 2008) reviewed all allocated employment sites and areas. The demand analysis used 2006 GMFM forecasts to arrive at employment land requirements, alongside utilising past take up rates plus the RSS methodology (6% GVA growth plus 20% flexibility factor).

Salford Council's ELR (issued May 2009) involved a qualitative appraisal of 65 employment areas using a locally derived methodology. The demand requirements do not result from one specific method, but have been derived by taking a balanced view based on the available evidence. Along with more standard methods, this included rolling forward transactions and enquiries by use class using results from the Focus and Midas databases respectively.

Stockport Council are currently carrying out employment land forecasting work and have appointed consultants to undertake a study into office supply, which is expected to be published in May 2009. Whilst no ELR is currently available, the forecasting work will be used to inform the LDF and will incorporate GMFM forecasting and Evolutive information on recent demand, combined with consultation with the private sector over land requirements along with other studies such as MIER.

Tameside Council began work on an Employment Land SPD in 2007 in an attempt to address the pressure for housing and other non-employment redevelopment on existing employment land and sites. This focused upon an analysis of the current supply of sites (i.e. steps 1-4 of Stage 1 of the ODPM 2004 Guidance). The SPD was adopted in January 2009, and it is anticipated that the remainder of the ELR work will be completed during 2009. The methodology has been finalised and consultants have been appointed to complete the office and industrial market assessment in addition to the sectoral analysis outlined in the ODPM guidance. Demand modelling will be similar to many of the other Authorities. The quantity and quality review carried out for the evidence base of the Employment Land SPD looked at 217 sites.

Trafford Council's ELR (completed in May 2009) appraised 49 sites, including 15 from the call for sites process. Demand modelling focused upon past take up rates, GMFM econometric modelling and VOA floorspace trends. Whilst losses were factored into the demand projections, no flexibility allowance was included. Demand projections were also adjusted to take into account qualitative considerations emerging from a stakeholder workshop.

Wigan Council's ELR (December 2007) appraised 65 areas comprising 637 sites and undertook a range of demand forecasting techniques including past take up rates, VOA floorspace trends and GMFM econometric modelling (using data from 2005/06). Safeguarded Land sites were also included in the appraisal process to increase the forward supply of land.

Appendix 3 Economic and Planning Policy Context

Introduction

This chapter establishes the economic and planning policy context for the study by reviewing planning policy alongside current economic conditions and recent trends. This is important to help identify existing economic strengths and weaknesses, as well as those factors likely to influence the nature and level of future demand for employment space. The analysis focuses primarily upon the performance of Greater Manchester as a whole and this is benchmarked, where appropriate, against national and regional averages.

Policy Review

Planning Policy

The Regional Spatial Strategy, the adopted Unitary Development Plans and emerging Core Strategies for Greater Manchester have been reviewed, and can be summarised as follows:

- a RSS Policy RDF1 specifies that the Regional Centre (incorporating part of Manchester, Salford and Trafford) should be the first priority for growth, followed by the inner areas surrounding the Regional Centre, then towns and cities within the Manchester City Region such as Bolton, Burnley, Oldham, Rochdale, Stockport and Wigan;
- b In promoting opportunities for economic development, RSS Policy W1 specifies that in the Manchester City Region there should be an emphasis on growth sector opportunities comprising advanced manufacturing and engineering, financial and professional services, media, creative and cultural industries, biomedical and ICT and digital communications;
- c RSS Policy W2 specifies that regionally significant economic development should be located close to sustainable transport nodes within the urban areas;
- d The 2005 existing supply of employment land within Greater Manchester for the period to 2021 was 1,368 ha (RSS Policy W3). With a projected take-up rate of 112 ha per annum, an extra 917 ha of employment land is identified as being required, resulting in a total requirement of 2,285 ha;
- e The justification to RSS Policy W3 states that as the North West economy continues to restructure there will be a likely reduction in demand for B2 uses and a significant increase in demand for B1;
- f Manchester Airport is likely to act as key driver of economic growth, particularly in those local authority areas located close to the airport; and

- g RSS Policy MCR 1 seeks to achieve a significant improvement in the sub-region's economic performance by encouraging investment and sustainable development in the Regional Centre, surrounding inner areas and accessible suburban centres;
- h RSS Policy MCR2 relates to the Regional Centre and inner areas of the Manchester City Region and seeks to ensure that it continues to develop as the primary economic driver, providing the main focus for business, retail, leisure, cultural and tourism development in the City Region.
- i RSS Policy MCR3 relates to plans and strategies for the southern part of the City Region, which should sustain and promote economic prosperity, consistent with the environmental character of the area, by, for example focussing employment development in towns and on brownfield land; and
- j RSS Policy MCR5, which relates to the northern part of the City Region requires plans and strategies to support the transformation of the local economy, regenerate communities and enhance the environment; and
- k Detail relating to the specific amount of employment land allocated, and required, is not defined in a uniform manner across the 10 UDP's and emerging Core Strategies.

Policy W3 of the RSS explains in its supporting text that there exists a degree of uncertainty in establishing employment land requirements and there may be a need to provide additional land to take account of special circumstances such as the expansion requirements of a particular business. It is for that reason that policy W3 incorporates a flexibility factor of 20%, potentially adding to the sub-region's requirement.

Further accompanying text to policy W3 (para 6.12 of the RSS) suggests that employment land figures for each sub-region should be distributed in accordance with local labour market areas, broadly indicated by travel to work areas from the 2001 census. The steering group for this study all agreed that it was preferable to use district boundaries instead of travel to work areas (TTWAs) for the basis of disaggregating employment land requirements, not least due to the outdated data on which TTWAs are based (2001 census) and the fact that TTWAs cross administrative boundaries of the ten Districts.

Table 3.16 of the technical appendix published alongside the draft RSS in January 2006 explains that the policy response to the then existing employment land picture for Greater Manchester was to increase the amount of committed employment land. The supply for Greater Manchester was then 12 years and economic growth was anticipated and hence a need to identify additional employment land. There was concern that particularly strong growth in B1 uses may not be met by the allocations and together with the strength of the economy of Greater Manchester a 20% flexibility factor was considered sufficient to support future economic growth.

4 NW's employment land implementation note (April 2009) further expands on the flexibility factor and advises that the flexibility factor is not a given but needs to be considered by the Districts, based on what the evidence base reveals and set within the policy context of the RSS and emerging DPDs.

Economic Policy

A review of the Regional Economic Strategy, the Manchester City Region Development Programme and the Manchester Independent Economic Review (MIER) can be summarised thus:

- a Five key themes to achieve the vision for the region: business, skills & education, people & jobs, infrastructure and quality of life.
- b Priority sectors identified include biomedical, energy & environment technologies, advanced engineering, food & drink, digital & creative industries and business & professional services;
- c A need to encourage business start-ups, which in turn is likely to lead to an increased demand for incubator and managed workspace units;
- d Invest in the provision of quality business accommodation in HMR and URC areas in order to stimulate demand and enable growth;
- e Manchester Airport identified as critical to the development of an internationally competitive economy;
- f Up to 100,000 new jobs could be created in key growth sectors; and
- g MIER recommends that a unified regime for planning, regeneration and neighbourhood renewal be created in Greater Manchester.

Background Research

A review of the Demand for Employment Land in Greater Manchester by Arup and Donaldson's Assessment of Employment Land in Greater Manchester, was also undertaken. These documents concluded:

- a An additional **866,850 sqm of office space** is required in Greater Manchester over the period 2006 to 2021, with particular demand for small spaces under 464 sqm (5,000sqft);
- b Development **densities have increased** in recent years, currently reaching 8-12 storeys, compared to 4-6 storeys previously, with associated implications for landless growth;
- c **A move from high volume-low value to high value-low volume** manufacturing has resulted in smaller B2 units being required;
- d Over the ten years to 2001, whilst there was a net loss of just 2ha of employment land (excluding retail), this masked **a decline in B2 land (net 16 ha loss) but a strong growth in B1 office space** (net increase of 10 ha), and a net gain of 4ha of B8 land;

- e Between 2005 and 2021 the **economic growth of 7% is forecast but with a substantial decline in manufacturing sectors** and uneven growth across the area; and
- f A qualitative assessment by Donaldson's **of 109 key employment sites; 27% were found to have poor or very poor prospects of being relevant to the identified growth sectors**, but the rest were either potentially or ideally suited to accommodating the growth sectors.

Employment Trends

Greater Manchester has experienced significant growth in employment during the past decade, with the total employee jobs in the sub-region rising from 1,061,500 in 1997 to 1,174,600 in 2007. This represents an increase of 10.6% which, although significant, is marginally lower than national (12.0%) and regional (12.4%) averages. Within the sub-region, the rates of growth observed across individual authorities during this period vary markedly. The number of jobs in Tameside remained almost static over the period (0.04%), whilst Manchester (16.5%) and Trafford (15.8%) recorded high increases.

Employment Structure

Figure 7 demonstrates how the structure of employment in Greater Manchester has altered during the period 1998 to 2007. This illustrates that the proportion of jobs accounted for by financial and business services increased from 17.6% to 22.5% over the period, whilst strong growth was also observed in public administration and health where the job share rose from 23.8% to 26.6%. In common with national trends, manufacturing jobs declined markedly, with the proportion of employment contracting from 18.2% to 10.9%. The relative representation of all other sectors remained reasonably stable.

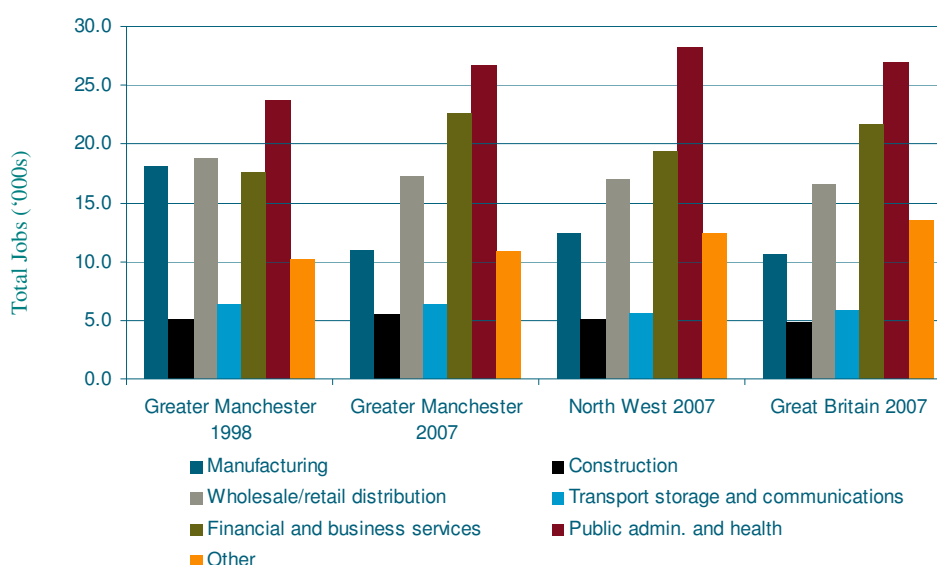


Fig 7 Employment Structure (Source: ABI)

Notwithstanding the significant decline in manufacturing jobs over the period, a corresponding reduction in the sector's economic output has not been observed. Indeed, ONS statistics show that manufacturing in Greater Manchester accounted for £6,089m in Gross Value Added (GVA) in 1998, increasing to £6,154m in 2006 in real terms.

This indicates that the loss of employment in manufacturing observed in Greater Manchester over the past decade tells only part of the story. Indeed, it would appear that many manufacturing businesses are continuing to operate successfully, albeit with fewer staff. It is likely that this is due in part to an increased automation of manufacturing, a process known as capital substitution for labour. Clearly, this has important implications for employment land requirements as although employment in the sector may fall in future, manufacturing businesses may remain and occupy the same land and buildings. This issue was highlighted by the Bolton Employment Land Review.

Figure 7 also illustrates how the current employment structure of Greater Manchester compares with the regional and national average. This shows that whilst it is broadly in alignment, there are some local differences. In particular, Greater Manchester includes a higher proportion of financial and business services (22.5%) than the North West (19.4%) or Great Britain (21.6%). This is underpinned by particularly high levels in Trafford (31.7%), Manchester (30.0%) and Salford (26.8%), reflecting the strength of the Regional Centre with respect to the sector.

Greater Manchester also contains a lower share of manufacturing jobs (10.9%) than the North West average (12.4%). There are still, however, a number of authorities with a high representation of manufacturing including Tameside (20.8%), Oldham (16.7%), Rochdale (16.6%) and Bolton (15.1%).

When considered alongside the over-representation of financial and business services outlined above, this indicates that the economy of Greater Manchester is more advanced than the North West as a whole with respect to the transition from an industrial to a service-based economy.

Job Density and Commuting Patterns

Job density is the ratio of total jobs to resident working-age population of an area and can be used to examine the relative strength of local jobs markets. Figure 8 illustrates that the job density of Greater Manchester (0.88) is the same as the national average, providing 88 jobs for every 100 residents of working age. Additionally, the graph clearly highlights the importance of Manchester and Trafford as key regional employment locations. In both authorities, there are more jobs than there are working age residents and as a consequence, these areas help to meet the employment needs of the surrounding authorities.

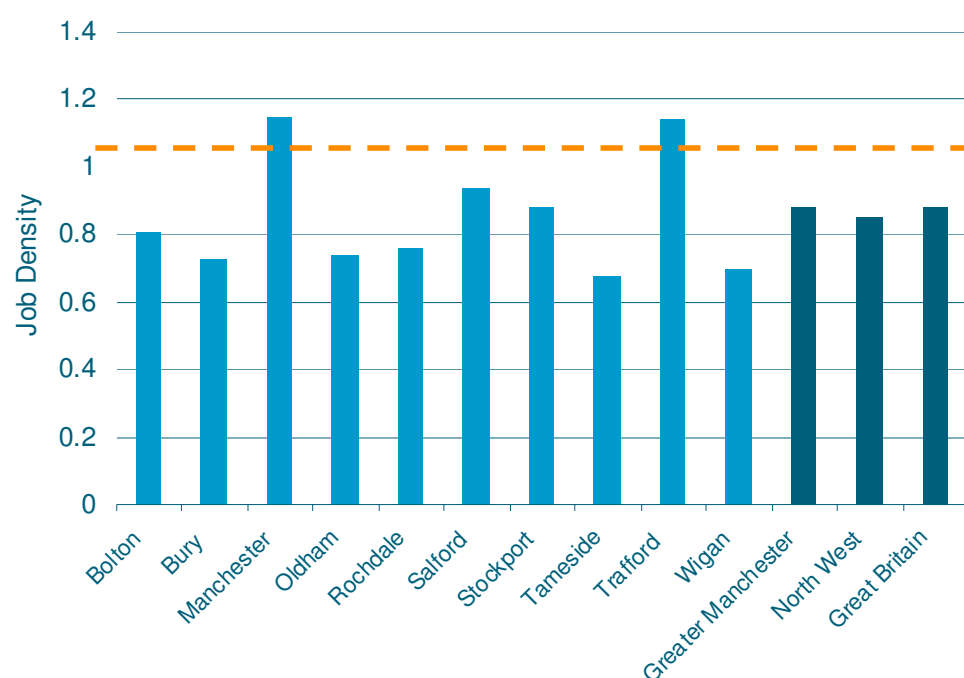


Figure 8 Job Density (Source: ONS / NLP Analysis)

An analysis of travel to work data, as set out in Figure 9, illustrates that Greater Manchester as a sub-region is a relatively self-contained employment market. It can be seen that there are very few major leakages of workers to jobs in authorities beyond the sub-region, whilst half of the Greater Manchester authorities have a containment rate¹⁴ of 60% or more.

The data again highlights the importance of those authorities comprising the Regional Centre as a major source of employment for the wider sub-region, with Manchester, Trafford and Salford experiencing a net inflow of commuters from the majority of adjacent authorities. Indeed, it is estimated that the three authorities experience a net inflow of more than 150,000 commuters, driven primarily by Manchester (with a net inflow of 125,000). This also reflects the job density data discussed above, which highlighted the important role played by Manchester and Trafford in providing a surplus of jobs relative to their working age populations.

¹⁴ NB – containment rate refers to the proportion of a local authority's resident population that are in employment and commute to jobs within the local authority area.

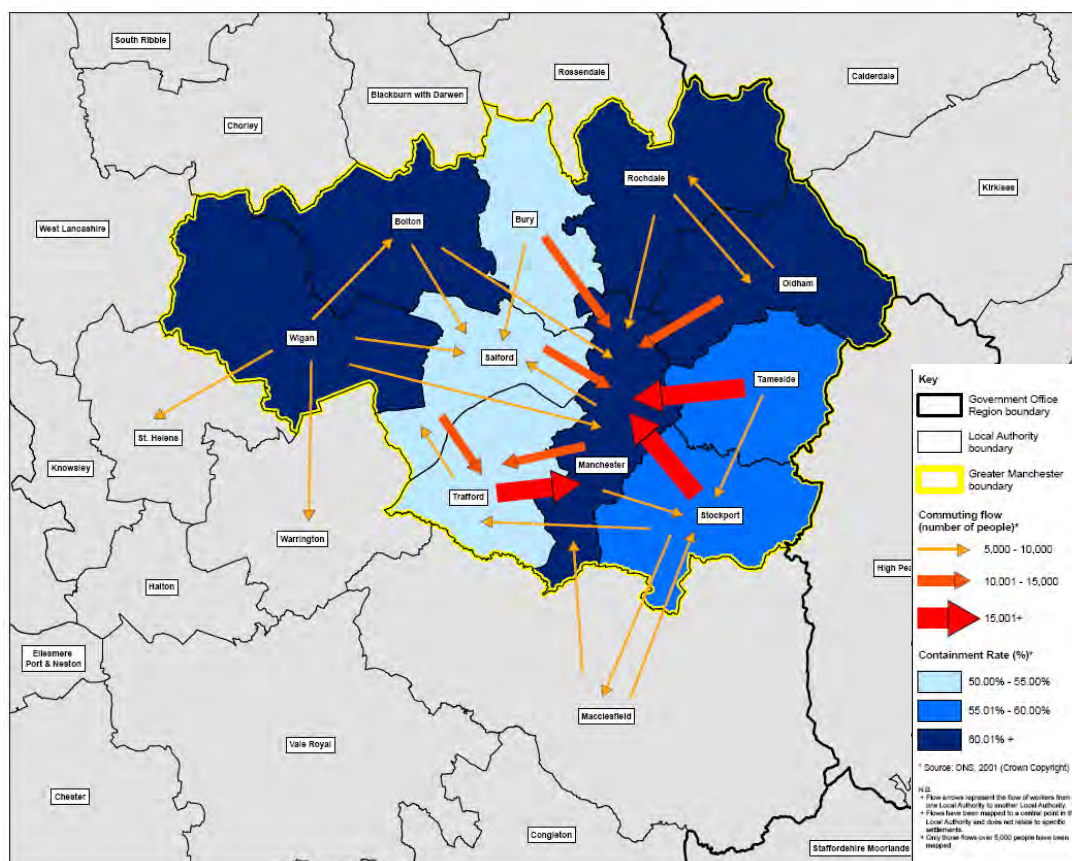


Figure 9 Travel to Work Patterns (Source: Census / NLP Analysis)

Business Base

Between 1997 and 2007, the number of VAT registered businesses in Greater Manchester increased from 60,100 to 70,800. This equates to an increase of 17.7%, below the levels of growth observed nationally (21.3%) and regionally (19.7%). The greatest increases were in Salford (28.5%), Trafford (25.5%) and Wigan (24.3%), with all three authorities experiencing levels of growth above the national average.

The size profile of the Greater Manchester's business base is broadly in line with the national and regional average, as shown in Table 15. The stock of businesses is dominated by small firms, with 89.4% in the sub-region employing fewer than 20 people. At the other end of the size spectrum, just 0.6% of businesses in Greater Manchester employ 250 people or more. Clearly this has implications for the employment space needs of the area.

	Employees		
	0 19	20 249	250+
Greater Manchester	89.40%	10.00%	0.60%
North West	90.40%	9.10%	0.50%
Great Britain	91.20%	8.30%	0.50%

Table 15 Size Profile of Business Base (Source: UK Business: Activity, Size and Location)

Whilst the broad trend towards the dominance of small businesses is consistent throughout the sub-region, there are some fluctuations in the structure of the business base at the local authority level. The proportion of large businesses (250+ employees) is highest in Manchester (1.0%) and Salford (0.8%), reflecting the economic primacy of these locations, as well as the Regional Centre. Indeed, the UK Cities Index 2008 identified Manchester as the number one location for new business headquarters in the UK and clearly this places different demands on the area's property market, with a greater need for large headquarter premises.

Inward Investment

In recent years, Greater Manchester has performed well with respect to attracting inward investment. Data collected by MIDAS¹⁵ shows that over the period April 2004 to February 2008, 1,352 new investments were attracted to the sub-region, with a total value in excess of £490m. This level of investment is estimated to have created more than 19,000 new jobs over the period. A significant proportion of investment (25%) was made by SMEs.

The data recorded by MIDAS indicates that 45% of investors in Greater Manchester were seeking industrial premises and 34% offices. A further 10% were seeking managed workspace premises.

Additional data provided by MIDAS disaggregated to the local authority level demonstrates the strong economic role played by the authorities covering the Regional Centre. Indeed, more than 75% of inward investment projects in the last 5 years are estimated to have located within Manchester City, Salford and Trafford.

Impact of Recession

At present, the UK is in recession and it is important that this study takes account of the potential impact of the economic downturn upon the future demand for employment land and premises. One of the key impacts of the recession so far has been an increase in unemployment. This is highlighted in Figure 10.

¹⁵ Manchester Investment and Development Agency Service

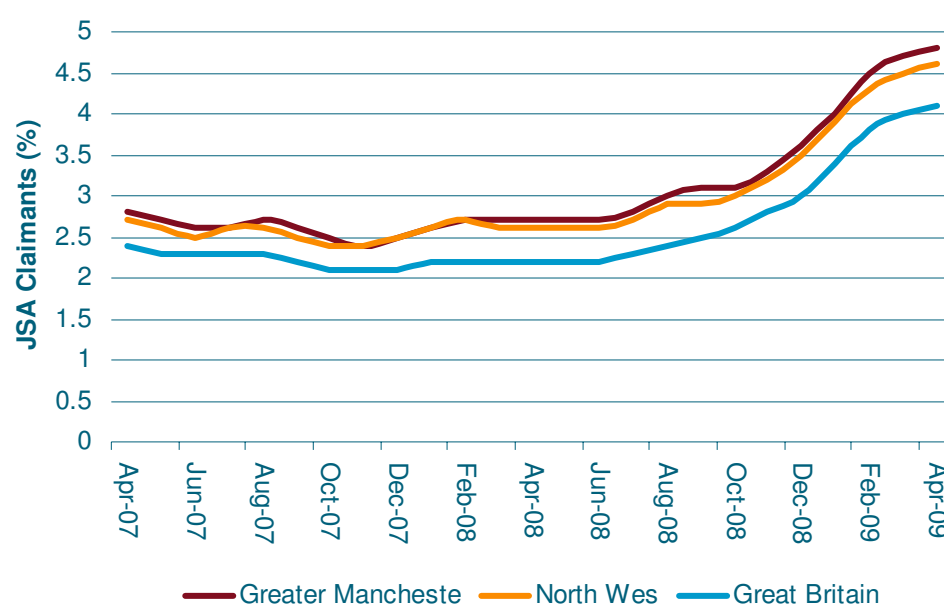


Figure 10 Claimant Unemployment (Source: NOMIS)

The graph indicates that the proportion of working age residents claiming Job Seekers Allowance (JSA) in Greater Manchester remained fairly stable over the period April 2007 to August 2008, fluctuating between 2.4% and 2.8%. Since then, however, the JSA claimant count has increased steadily, reaching 4.8% in April 2009. Throughout this period, levels of unemployment have remained broadly in line with the regional average (4.6% in April 2009) but slightly above the national average (4.1% in April 2009).

In addition to an increase in levels of unemployment, the number of job vacancies registered with Job Centre Plus has decreased significantly over the same period. In April 2007, there were 21,230 job vacancies registered across Greater Manchester, which had fallen to just 8,484 by April 2009. This represents a significant contraction of the local jobs market, meaning that it is currently far more difficult for those people out of work to find a new job.

The recession has resulted in economic growth forecasts for Greater Manchester being dampened down considerably, as discussed below.

It should also be noted that the Regional Economic Forecasting Panel recently produced a long-term baseline forecast for the North West on behalf of the Regional Intelligence Unit. The forecast is intended to provide a key input to the new Regional Strategy, RS2010, and draws upon projections developed by the three forecasting houses of Cambridge Econometrics, Experian and Oxford Economic Forecasting.

The Panel have used these inputs and other analysis to form a judgement on future growth, with the forecasts divided into two time periods:

- 2008-2015, to reflect the recession and the likely recovery period thereafter; and
- 2015-2030, by which time the UK and regional economies are expected to return to longer term growth trends.

Employment is projected to experience year-on-year decline between 2008 and 2011, before recovering and as a consequence, annual average growth to 2015 is forecast to be in the order of -0.1%. In the longer term, the underlying rate of employment growth is forecast to equate to 0.3% per annum. Overall, the forecast predicts that employment will increase by 150,000 over the period 2008-2030. It is understood that this work will be used as the platform to develop a set of sub-regional base forecasts. However, the sub-regional work will not be available until later in the year.

GMFM Projections

The Greater Manchester Forecast Model (GMFM) was developed by Oxford Economics to provide integrated economic, population and household forecasts for each of the Greater Manchester authorities. The GMFM provides robust and consistent information regarding current and projected future performance with respect to all three strands outlined above and is critical in underpinning the development of strategies and plans for Greater Manchester.

The first iteration of GMFM was published in 2007 and forecast that total employment in Greater Manchester would increase to 1,316,900 by 2026. In response to the economic downturn, a revised set of projections were commissioned and published in Autumn 2008 to take account of the potential impact of the recession. The 2008 GMFM forecast was less bullish; projecting that total employment in Greater Manchester would fall in over the period 2008-10 before increasing from 2011 onward, reaching 1,301,400 by 2032.

Figure 11 considers how the projections generated by the two runs of the GMFM differ on a sector-by-sector basis. Projected employment growth over a period of 19 years from the base date has been considered in both instances, to ensure a comparable time frame for analysis.

This illustrates that the most dramatic change in the projections relates to the Financial Intermediation sector. Whilst the 2007 GMFM forecast employment growth of approximately 6,000, the 2008 run projected that the sector would contract, suffering a loss of 3,400 jobs. This is understandable given the impact of the recession upon the financial sector both nationally and globally. However, this sector share of jobs is quite small.

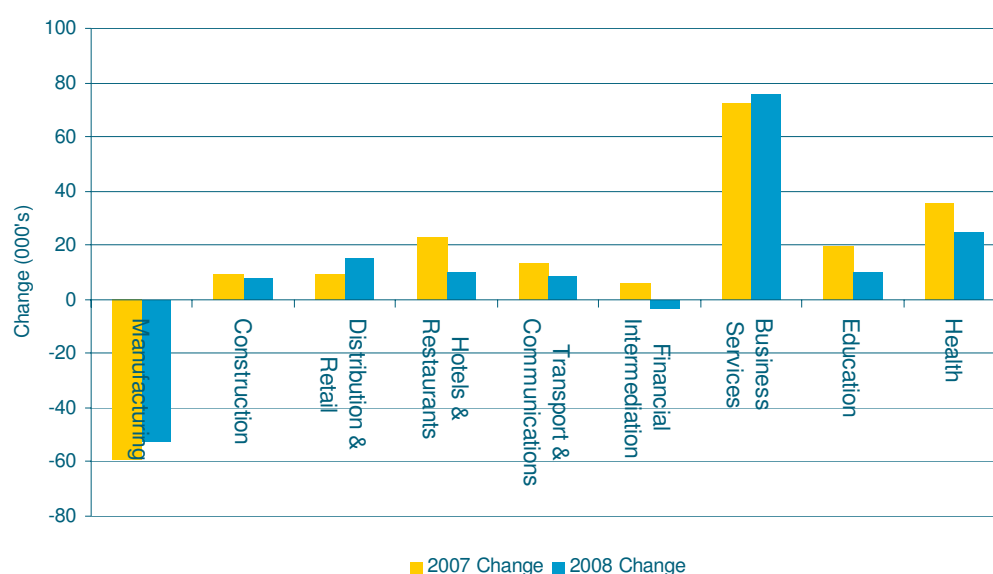


Figure 11 GMFM Forecast Employment Growth by Sector

The graph also shows that the growth forecasts for Education and Hotels & Restaurants were scaled back significantly by the 2008 GMFM; with the level of job growth reduced by approximately 50%. It can also be seen that both runs of the model forecast a significant decline in the level of employment in the manufacturing sector.

Additionally, Figure 12 considers the spatial distribution of the employment growth projected by the 2008 GMFM. This illustrates that, with the exception of Tameside, all of the authorities are expected to experience a net growth in employment. It can also be seen from the map that despite the economic downturn and the potential impact upon the financial services industry, Manchester City is still anticipated to be the key driver of growth in Greater Manchester. Indeed, the level of employment growth forecast for the city is more than four times higher than that projected for any other authority.



Figure 12 2008 GMFM Forecast Employment Growth (Source: GMFM / NLP Analysis)

Additionally, the map highlights that the majority of growth is expected to be clustered in the south of Greater Manchester, with the four authorities of Manchester City, Salford, Trafford and Stockport accounting for almost 90% of the projected job growth. This is reflected in the Manchester Independent Economic Review (MIER) which highlights that demand for employment sites is strongest in the south of Greater Manchester.

It should also be acknowledged that a partial run of the GMFM was commissioned in May 2009 to help inform the Manchester City Council Employment Land Review in light of the worsening recession. Whilst this does not provide a breakdown of employment change for each of the Greater Manchester authorities, it does provide some steer on how the position has shifted since the production of the 2008 GMFM discussed above.

In line with the 2008 GMFM, the 2009 work also projects that employment will decline over the period 2008-11, with the number of jobs beginning to increase thereafter. The 2009 GMFM does, however, indicate that the adverse impacts of the recession are likely to be more pronounced, with the level of employment across Greater Manchester projected to increase to 1,258,400 by 2032; a figure 43,000 lower than the 2008 GMFM.

Additionally, the 2009 GMFM provides employment projections for Manchester City, anticipating it to be the key driver of growth in Greater Manchester. Indeed. Over the period 2008-32, it is anticipated that Greater Manchester will

experience a net increase of 95,000 jobs, of which 55,800 will be in Manchester City. It can, therefore, be concluded that the remaining 9 authorities will see growth of 39,200 between them over the same period.

Clearly the extent to which the growth projections for Greater Manchester have been revised downward has major implications regarding the future demand for employment land. The forecasts produced in 2007 are likely to represent the top end of the market, whilst the 2008/9 work is likely to be close to the bottom and it is likely that actual future growth will lie somewhere between the two. It is therefore important for this study to consider the land use implications of a range of scenarios.

Economic Growth Opportunities

This sub-section assesses the future economic role of each District, the key drivers for each, and the types of sectors for which the sub-region would appear to have a competitive advantage.

All ten local authorities exhibit a number of common economic development aspirations as outlined in their respective Sustainable Community Strategies, emerging LDF documents and other Economic Strategy documents. These include the need to increase economic prosperity generally; to improve skill levels; to restructure the local economy so that it is better positioned to meet future challenges; and to target higher value growth industries, particularly knowledge-based businesses.

As regards the latter point, Table 16 shows that the relative representation of knowledge-based businesses varies significantly across Greater Manchester. It is particularly high in Trafford (27.0%), Manchester (24.9%) and Stockport (23.5%), all of which exceed the national average. The high concentrations in Manchester and Trafford are likely to reflect the Regional Centre's strengths in sectors such as financial and professional services, life science industries and a range of other knowledge intensive sectors. In Stockport, the high representation of knowledge-based businesses is likely to be a result of availability of a skilled labour force and proximity to Manchester International Airport.

It is important to understand the relative representation of knowledge-based businesses; that is, businesses operating in those sectors of the economy where added value is derived from the intensity and accumulation of knowledge. Firms operating within such sectors tend to grow faster than other firms and have greater future potential. Consequently, knowledge-based businesses represent an important indicator of an economy's competitiveness and future growth prospects.

	on of Knowledge Based Businesses ¹⁶		
	1997	2005	Change 1997 2005
Bolton	14.4%	17.0%	18.1%
Bury	15.4%	17.7%	14.9%
Manchester	19.3%	24.9%	29.0%
Oldham	13.3%	14.1%	6.0%
Rochdale	11.0%	13.4%	21.8%
Salford	15.0%	18.6%	24.0%
Stockport	20.8%	23.5%	13.0%
Tameside	13.1%	14.9%	13.7%
Trafford	24.2%	27.0%	11.6%
Wigan	13.7%	15.4%	12.4%
Great Britain	18.6%	20.5%	10.2%

Table 16 Proportion of Knowledge Based Businesses (Source: UK Competitiveness Index)

In addition, the likely suitable locations for new economic development, in the context of the existing portfolio of employment land, have been reviewed. Maps taken from Arup's Demand for Employment Land in Greater Manchester report are reproduced in Appendix 1. These indicate that, in general, Manchester City is suitable for most forms of industrial development, with the exception of food and drink, followed by Trafford and Salford. The greatest number of available sites are located within Wigan (which is identified as being suitable for construction, engineering and manufacturing, food and drink and logistics) followed by Bolton and Trafford. In summary, the Arup/Donaldsons reports indicate that:

- **Bury** is particularly well suited to healthcare and ICT/ digital industries and food and has sites available for such development;
- **Bolton** is well suited for engineering & manufacturing and financial & professional services;
- As noted above, **Manchester**, at the heart of the Regional Centre, is suitable for most forms of industrial cluster development, with an emphasis on the financial and professional services sector and education, healthcare/biotechnology (focussed in particular on the Oxford Road corridor).
- **Oldham** has sites available for industrial development, although the Arup report considered that the sectors for which Oldham is most suited (i.e. engineering and manufacturing) could not be accommodated on these sites;
- **Rochdale** has considerable potential for growth in the logistics sector with sites identified as being suitable for this form of development; Kingsway is also highlighted as an excellent opportunity to develop customer contact and shared service centres as a business function;

¹⁶ NB – The UK Competitiveness Index categorises the following as knowledge-based businesses: high-technology manufacturing and knowledge-based services such as telecommunications, IT services, and research and development activities.

- Along with the creative industries and media sector arising from the Media City development at Salford Quays, **Salford** is also appropriate for the logistics sector, having sites available and suitable for this.
- **Stockport** is identified as being particularly suitable for ICT / digital cluster development and financial and professional services, particularly within the town centre, and has sites suitable for this use. Stockport is also an advantageous location for shared service centres (back office and HQ facilities) due to the local skills base and relatively cheaper office accommodation in highly accessible locations. Stockport also has the potential to attract the emerging/growing Data Centre sector on former manufacturing sites.
- **Tameside** has several industrial sites suitable for engineering and manufacturing. Food and drink are established clusters in the district and are likely to remain so;
- **Trafford** is particularly suited to financial and professional services and ICT / digital and has sites available and suitable for these uses; and
- **Wigan** is particularly well suited for logistics, engineering & manufacturing and food and drink

It is also important to understand the relative roles, strengths and weaknesses of different areas within Greater Manchester. A brief overview is provided below:

- **The Regional Centre:** underpinned by strong concentrations of high value industries. Financial and professional services are currently well represented within the Regional Centre, with particular concentrations in Manchester City Centre, Salford Quays and Trafford Park. Media and creative industries are currently focused in regional centre fringe locations such as the Northern Quarter. The development of MediaCity UK in Salford is expected to serve as a further catalyst to growth in the sector. Health and life sciences are well represented in this area, particularly focussed along the Oxford Road Corridor, in close proximity to the teaching specialisms of the universities, as well as Manchester Science Park.
- **Southern Areas:** MIER acknowledges that parts of Trafford outside of the Regional Centre retain strengths in a diverse range of manufacturing subsectors. This includes food and drink, and high value niche specialisms linked to the automotive supply chain. Additionally, there are concentrations of logistics activity focussed around Manchester Airport, as well as in Trafford around the M6 and in Stockport close to the M60 and M62. MIER also projects that Stockport will experience a growth in creative and digital industries in future, to complement the existing concentrations of financial and professional services satellite operations and ICT/communications businesses operating from out of town locations in the Borough.

- **Northern Areas:** as highlighted by MIER, the authorities in the north of Greater Manchester also retain a strength in a range of manufacturing subsectors, including: mechanical and electrical engineering in Oldham, Rochdale and Wigan; electronics/communications in Bolton and high value niche specialisms such as those linked to the automotive supply chain in Bolton. In addition it is understood that there is a growing satellite of financial and business services located in and around Bolton, whilst Bury has been successful in attracting a number of ICT/communications businesses. There is also a concentration of logistics activity focused around Wigan, capitalising upon the accessibility of the area.

Transport Infrastructure

In May 2009, a new £1.5bn transport strategy was announced for Manchester following the demise of the Transport Innovation Fund bid. The Association of Greater Manchester Authorities submitted a new £1.5bn transport strategy to Secretary of State for Transport for approval. The transport secretary subsequently agreed to plans to fast-track £244m of projects included on this list - including Metrolink extensions to East Didsbury and Ashton-under-Lyne.

There are a number of accelerated schemes with provisional funding identified, which include:

- Metrolink: work proceeding on new tram line to Chorlton. East Didsbury line with stops at Withington, Burton Road, West Didsbury, Didsbury Village and East Didsbury
- Metrolink: Construction is continuing on a tram line to Droylsden. A new Metrolink line will run between Droylsden and Ashton under Lyne, calling at Audenshaw, Ashton Moss, Ashton West and Ashton-under-Lyne.
- Elements of Cross City bus package include introducing more bus priority measures to make journeys to the universities and hospitals on Oxford Road quicker and more reliable. This will include new links from north and west Greater Manchester and improve the quality of buses serving the area.
- Park and ride sites throughout Greater Manchester serving a mix of rail and Metrolink routes

8.40

There are also a number of priority schemes with funding identified, including:

- Metrolink: new line to Manchester Airport, calling at Barlow Moor Road, Hardy Farm, Sale Water Park, Northern Moor, Wythenshawe Park, Moor Road, Baguley, Roundthorn, Martinscroft, Haveley, Benchill, Crossacres, Wythenshawe town centre, Robinswood Road, Peel Hall, Shadowmoss, Woodhouse Park and the airport.
- Second City tram crossing
- Metrolink: Metrolink is already being constructed through Oldham town centre and funding has now been earmarked to build a new loop line to Oldham town centre, from Werneth to Oldham Mumps
- Metrolink: to extend the line serving Rochdale railway station, down Drake Street to a new transport interchange in Rochdale town centre

- SEMMMS relief road - new dual carriageway linking the airport roundabout at the end of the M56 spur to the A555 at Bramhall, and from the A555 at Bramhall to the A6 at Hazel Grove
- Mottram Bypass and Glossop Spur
- Ashton Northern Bypass stage 2 - which will complete the ring of relief roads around Tameside town centre by extending the Ashton northern bypass (stage 1) through to the Arlington Street link in the north of the town.
- Wigan inner relief road - new route between the A49 Saddle junction and Frog Lane and would complete the inner relief road.
- Leigh-Salford-Manchester rapid transit busway, with buses guided on a 7km path along a former rail route between Leigh and Ellenbrook
- Contributions to station upgrades
- Altrincham new transport interchange
- Bolton new transport interchange, adjacent to rail station, involving relocation of bus station

Other priority schemes with funding awaited include:

- Metrolink: new line connecting Pomona with Trafford Park
- Manchester Rail Hub
- Metrolink Wythenshawe Loop
- Stockport new transport interchange
- Stockport town centre access scheme – various highways and public transport improvements to reduce congestion, improve bus journey times and reliability, and improve walking and cycling opportunities around the town centre.
- Options for reducing congestion between Ramsbottom, Bury and Heywood including the development of the East Lancashire Railway

The new transport strategy involves securing £1 billion through contributions from local transport programmes, future GMITA levies and regional allocations which have been earmarked for Greater Manchester. The schemes in the £1.5bn transport plan are in addition to the £600m investment currently underway to expand the Metrolink network with new lines to Oldham and Rochdale, Droylsden in Tameside, Chorlton in South Manchester and MediaCity in Salford.

Appendix 4 Consultation

NLP met with the following bodies during the preparation of the Statement:

- 1 Employment SPIGlet - 17th June 2009
- 2 Planning officers Group – 19th June 2009
- 3 MIDAS – 29th June 2009
- 4 4NW and NWDA – 2nd July 2009
- 5 Manchester City Council
- 6 Bolton MBC
- 7 Wigan MBC
- 8 Salford City Council
- 9 Rochdale MBC
- 10 Bury MBC
- 11 Stockport MBC
- 12 Tameside MBC
- 13 Trafford MBC
- 14 Oldham MBC

In addition NLP undertook telephone interviews with the following organisations:

- 15 Ask Developments
- 16 Peel Holdings
- 17 EC Harris
- 18 CB Richard Ellis

Appendix 5 District Summary Tables

BOLTON	Comment
Strengths/weaknesses/aims/potential	<p>Retains strength in a range of manufacturing subsectors, including electronics/communications and high value niche specialisms such as those linked to the automotive supply chain. Also a growing satellite of financial and business services located in and around the district.</p> <p>Stated aim to increase economic prosperity generally across the Borough and to narrow the gap between the haves and the have nots. Previously allowed considerable out-of-centre development, although future focus is likely to be on offices in the town centre, which is receiving public sector body support. There is potential for further B2/B8 development along the motorway network.</p> <p>Key Implication: Potential for growth in key sectors supported by public sector funding.</p>
Potential growth sector impacts	Bolton is well suited for engineering & manufacturing and financial & professional services.
Summary conclusions of ELR	<p>Identified a shortfall of between 126 to 179 hectares of allocated employment land over the period to 2026.</p> <p>The study recommended that Bolton should consider retaining the majority of its existing allocated employment sites (with 2 exceptions), and allocating 11 suggested town centre sites for employment-led mixed use.</p>
Summary of ELR Demand Projections (2007-26)	<p>175-195ha</p> <p>Key implication: Qualitative considerations resulted in consultants using the lower end of the demand range projected.</p>
Use of the Flexibility Factor?	YES – 20% to ensure consistency with the regional levels and other ELRs produced by Arup in the North West region.
Summary of District's existing/potential supply of sites	<p>103.41/220.71ha</p> <p>Key implication: Potentially a sufficient supply of good quality sites to meet forecast ELR demand.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>233ha rising to 247ha incorporating 6% growth factor.</p> <p>Key implication: High rate of past take up in excess of ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>-35ha / -17ha (net)</p> <p>Key implication: One of the lower demand projections due to considerable forecast losses in B2 industries.</p>
Implications of landless growth for District	<p>Aside from high density office growth in Bolton town centre, other landless growth opportunities are expected to be limited with continued strong demand for B2/B8.</p> <p>Key implication: Lower future prospects for landless growth, in the GM context.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Bolton has reasonable prospects for growth in higher value engineering / manufacturing specialisms and to a lesser extent FBS. The 175-195ha ELR demand projections incorporated the 20% flexibility factor, but were toward the bottom end of the forecasts used. The district has 103ha of employment land, potentially rising to 221ha.

BURY	Comment
Strengths/weaknesses/aims/potential	<p>Bury retains its strength in a range of manufacturing subsectors, and has been successful in attracting a number of ICT/communications businesses. The Borough is taking an optimistic view on growth, aspiring to move away from traditional manufacturing toward more office-based research and development employment opportunities to introduce better quality and higher paid employment opportunities for residents.</p> <p>Key Implication: Growth in Business Service sectors to compensate for continued restructuring in the traditional manufacturing industries.</p>
Potential growth sector impacts	Bury is particularly well suited to healthcare and ICT/ digital industries and food sectors.
Summary conclusions of ELR	ELR identified a requirement for 76.9ha and an initial deficit of 45.34ha. 14 potential new sites were identified (equal to 52.78ha), resulting in a total portfolio of 84.34ha, although as a result of the consultation draft 'Bury but Better' Study, an additional 7 B1 office sites (7.25ha) have been identified which would take the overall portfolio to 92ha. These additional sites will be considered as part of a review of Bury's ELR.
Summary of ELR Demand Projections (2007-26)	<p>76.9ha</p> <p>Key implication: Figure in excess of committed supply – this resulted in a requirement for an additional 52.78ha.</p>
Use of the 20% Flexibility Factor?	NO – the ELR identifies an additional 7.44ha on top of the demand requirement of 76.9ha. However, the potential addition of 7.25ha that have been identified in the consultation draft 'Bury but Better' study would effectively represent an allowance for an additional 20%.
Summary of District's existing/potential supply of sites	<p>48.12 / 92ha</p> <p>Key implication: Potentially a sufficient supply of good quality sites to meet forecast demand if 14 potential new sites are allocated as recommended in the ELR together with the additional sites that have been identified in the consultation draft 'Bury but Better' study.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>101ha rising to 108ha incorporating 6% growth factor.</p> <p>Key implication: Past take up slightly in excess of ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>-27.3ha / -19.2ha (net)</p> <p>Key implication: One of the lowest growth projections in the sub-region, with particularly low rates forecast for Business Services and other B1-type uses despite Council aspirations.</p>
Implications of landless growth for District	<p>Landless growth has not been observed in the District in recent years, although that may change in the future as there are 7 potential sites in Bury Town Centre which could accommodate higher density office uses, whilst an additional 50,000sqm of unspecified B1 floorspace has also been identified to come forward.</p> <p>Key implication: Moderate future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Bury has reasonable prospects for growth in health care, food and ICT/digital clusters. Council aspirations for growth in Business Services sectors not reflected in GMFM growth projections. The 76.9HA ELR demand projections did not incorporate the 20% flexibility factor. Factoring in the allocation of 14 new sites and the 7 sites identified in the consultation draft 'Bury but Better' study, the district potentially has 92ha of employment land.

MANCHESTER	Comment
Strengths/weaknesses/aims/potential	<p>The Regional Centre is underpinned by strong concentrations of high value industries. FBS is currently well represented in the City, whilst media and creative industries are currently focused in fringe locations such as the Northern Quarter. Health and life sciences are well represented, particularly along the Oxford Road Corridor.</p> <p>The City Centre has high concentrations of knowledge based businesses, reflecting the Regional Centre's strengths in FBS, life science industries and other knowledge intensive industries. The 2008 GMFM model run forecasts continued strong growth in the Business Services sector in Manchester City, with the area accounting for 58% of net job growth in the sub-region.</p> <p>Key Implication: strong growth in high value professional services sectors driving the sub-regional economy for the foreseeable future.</p>
Potential growth sector impacts	Manchester is suitable for most forms of industrial cluster development, with an emphasis on the financial and professional services sector and education, healthcare/biotechnology.
Summary conclusions of ELR	Demand requirements likely to be in the range of 187-236ha 2008-26. Considerable potential supply of sites, although Central Park dominates the current portfolio.
Summary of ELR Demand Projections (2007-26)	<p>197-249ha</p> <p>Key implication: likely to be higher than actual land requirement, given high density office development.</p>
Use of the Flexibility Factor?	YES – given strong growth projections, although considerable evidence of landless growth in recent years, a trend expected to continue.
Summary of District's existing/potential supply of sites	<p>164.2ha in AMR, although this does not allow for the inclusion of a much larger area at Central Park which they now consider to be designated for employment land - (163.20ha now compared to around 25.98ha previously that informed the AMR.</p> <p>Key implication: potential under-supply of land in absolute quantitative terms, although evidence of landless growth may justify lower levels of provision. Substantial potential supply of 551.4ha.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>207ha rising to 220ha incorporating 6% growth factor.</p> <p>Key implication: Rate of past take up in broad compliance with ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>155.3ha / 207.5ha (net)</p> <p>Key implication: By far the strongest growth forecasts of all the districts in the sub-region, with a particularly strong growth forecast for B1-type industries (192-231ha net), although even here growth forecasts in traditional B2 manufacturing are projected to decline markedly to 2027.</p>
Implications of landless growth for District	<p>Apparent that although the number of jobs based in the Regional Centre has increased dramatically, this has not led to a commensurate take up of employment land. The Business Services sector is likely to be the prime driver for economic growth in the period to 2026 and it seems realistic to assume that job densities and 'landless growth' will remain high.</p> <p>Key implication: Very High future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Manchester City has very strong future growth prospects for all forms of industrial cluster development, particularly in high value professional services and knowledge based industries. The 197-249ha ELR demand projections incorporated the 20% flexibility factor. The district has 164.2ha of employment land, rising to 260ha including a larger area of Central Park.

OLDHAM	Comment
Strengths/weaknesses/aims/potential	<p>The district is seeking economic transformation through diversification of the economy and improving its skills base. Oldham retains its strength in a range of manufacturing subsectors, particularly mechanical and electrical engineering. It is understood that future target sectors include ICT, digital engineering and cultural industries. Considerable investment is underway constructing Metrolink through Oldham town centre, with further funding earmarked.</p> <p>Key Implication: strong representation in declining industries, although substantial transport investment may improve attractiveness of the district to new industrial users.</p>
Potential growth sector impacts	Engineering and manufacturing
Summary conclusions of ELR	Identified a shortfall of between 92.05ha and 96.85ha. ELR concluded that providing new sites to cover this 'gap' in the portfolio was unachievable, given the topographical constraints and the Green Belt restrictions. Concluded that opportunities should be taken to increase the development of offices in the district and hence employment densities. Alternative recommendations included the allocation of new sites from Land Reserved for Future Development, as well as identifying new allocations from within masterplan areas.
Summary of ELR Demand Projections (2007-26)	<p>132.8-137.6ha</p> <p>Key implication: unachievable level of demand, given restrictions.</p>
Use of the Flexibility Factor?	NO – not for the Preferred Methodology, which is based on past take up rates that have then been moderated by factoring in the proportional change in B-use employment from the GMFM.
Summary of District's existing/potential supply of sites	<p>79.58/69ha</p> <p>Key implication: significant under supply of land with few viable opportunities for new allocations.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>165ha rising to 175ha incorporating 6% growth factor.</p> <p>Key implication: High rate of past take up well above ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>-34.6ha / -22.8ha (net)</p> <p>Key implication: Similar overall growth forecasts as for Bolton, although growth in B1 employment forecast to be weaker, whilst B2 decline likely to be less precipitous.</p>
Implications of landless growth for District	<p>Whilst landless growth has not been witnessed to a significant extent in the recent past, the redevelopment of brownfield sites at higher densities is likely to be a pre-requisite given the district's development restrictions and aspirations.</p> <p>Key implication: Lower future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> • Oldham has reasonable prospects for growth in engineering and manufacturing, although it is recognised that these are declining industries as a whole. • The 133-138ha ELR demand projections incorporated the 20% flexibility factor, despite the restricted availability of sites. • The district potentially has 69ha of employment land.

ROCHDALE	Comment
Strengths/weaknesses/aims/potential	<p>Retains its strength in a range of manufacturing subsectors, including mechanical and electrical engineering. Considerable investment in a new Metrolink link to extend the line serving Rochdale railway station, down Drake Street to a new transport interchange in Rochdale Town Centre. The district's aspirations include a desire to retain a balanced economy with higher quality jobs contributing to an increase in GVA.</p> <p>Key Implication: development of Kingsway should make a major contribution to providing higher skilled jobs in the district.</p>
Potential growth sector impacts	<p>Considerable potential for growth in the logistics sector; Kingsway also represents an excellent opportunity to develop customer contact and shared service centres as a business function.</p>
Summary conclusions of ELR	<p>Rochdale has one of the largest employment land portfolios in the sub-region. A smaller, more focussed, and higher quality portfolio of employment sites would give developers greater certainty and therefore confidence to develop speculatively. The average of the five demand variations used in the ELR equates to an additional requirement of 26.4ha, which ties in closely to RSS figure using the mid-range Kingsway allowance of 29.2ha. On this basis, the ELR concluded that the provision of a further 25-30ha, over and above the proposed new supply of 185ha identified, would seem appropriate.</p>
Summary of ELR Demand Projections (2007-26)	<p>ELR stipulated 210-215ha 2005-21 – Council officers consider that this should remain the figure for 2007-26 given the ongoing recession.</p> <p>Key implication: additional allocation required of 25-30ha; over half of the total demand likely to be taken up by the Kingsway site.</p>
Use of the Flexibility Factor?	<p>YES – 20% has been used, based on previous studies and DTZ's market knowledge.</p>
Summary of District's existing/potential supply of sites	<p>175.2/205.2ha</p> <p>Key implication: moderate additional allocations required – windfalls not included, but expected to form a significant part of forward supply in future.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>184ha rising to 195ha incorporating 6% growth factor.</p> <p>Key implication: Past take up broadly in accordance with ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>-19.2ha / -3.7ha (net)</p> <p>Key implication: Slight negative net requirements (with flexibility factor) primarily due to reasonably strong growth forecasts for B1 employment, one of the highest of the northern districts.</p>
Implications of landless growth for District	<p>Little evidence of landless growth occurring in recent years, with strong demand in the recent past for lower density B2/B8 use. Kingsway will provide office opportunities but there are opportunities for higher density office development in Rochdale and Middleton Town Centres also.</p> <p>Key implication: Moderate future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> • Rochdale has considerable potential for growth in the logistics sector • Kingsway provides the largest allocation • The 210-215ha ELR demand projections incorporated the 20% flexibility factor. • The district has 175ha of employment land, potentially rising to 205ha.

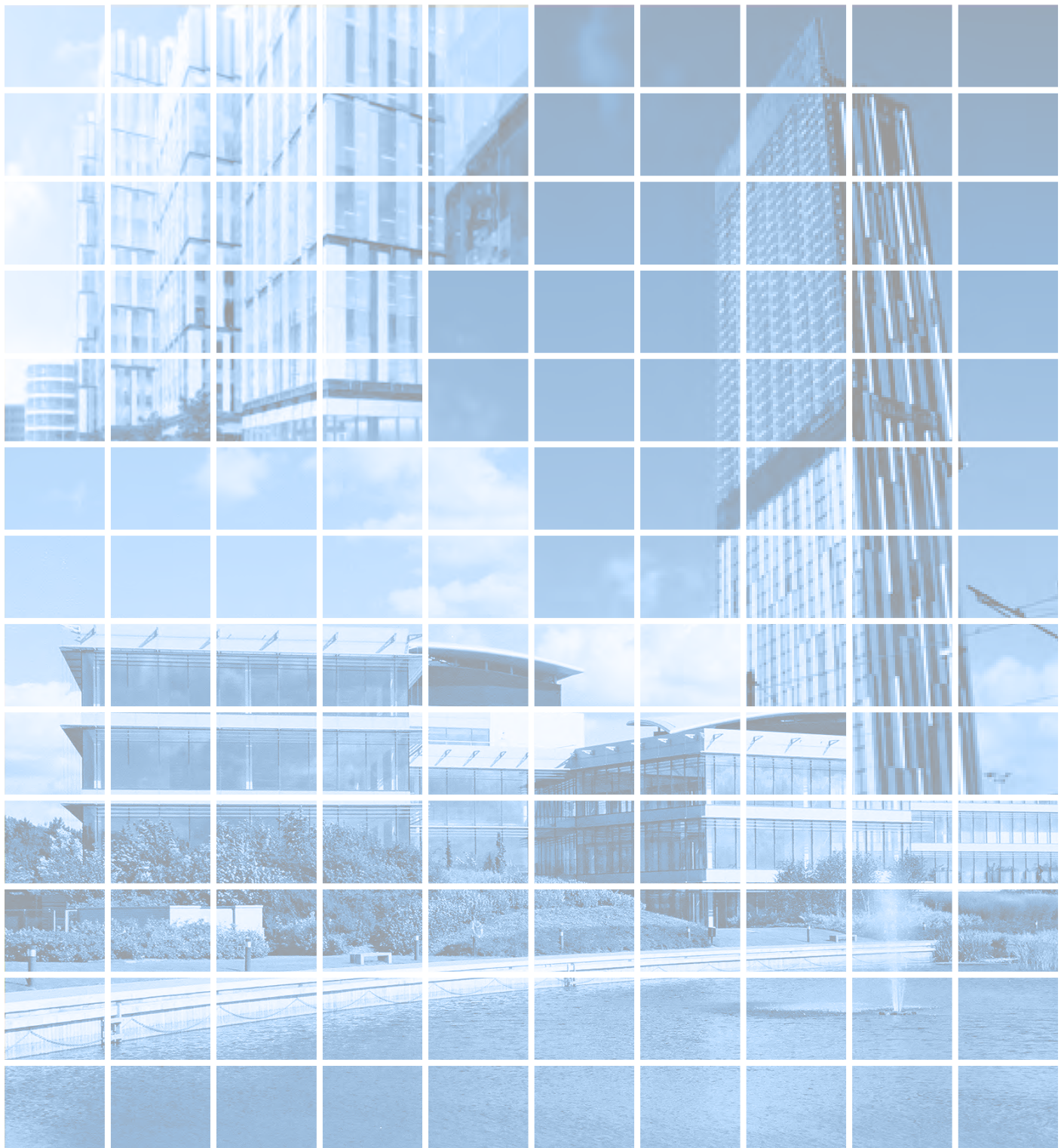
SALFORD	Comment
Strengths/weaknesses/aims/potential	<p>The Regional Centre is underpinned by strong concentrations of high value industries. Financial and professional services are currently well represented within Salford Quays whilst the development of MediaCity UK is expected to serve as a further catalyst to growth in the sector.</p> <p>Key Implication: High growth potential – major concentration of media-related and other knowledge-based industries, with the Council keen to maximise the benefits of the BBC and other investment in key creative/digital/new media growth sectors.</p>
Potential growth sector impacts	Along with the creative industries and media sector arising from the MediaCity development at Salford Quays, Salford is also appropriate for the logistics sector.
Summary conclusions of ELR	The ELR noted that the decline in traditional manufacturing and the growth in the service sector indicated a need for a reduction in the overall stock of industrial floorspace and an increase in office accommodation. There is currently an under supply of good quality sites. Attention should be focused on identifying new sites for logistics users on the M60 corridor. The ELR also recognised the need to realise the potential of Salford Quays and locations on the edge of the Regional Core.
Summary of ELR Demand Projections (2007-26)	<p>124-243.5ha</p> <p>Key implication: Substantial range in figures. Potential requirement biased towards B2 – maximum of 152ha compared to 28.5ha for B1 and 63ha for B8. As this is considerably higher than the current supply, much of this demand will need to take place on windfall sites if no new allocations are forthcoming.</p>
Use of the Flexibility Factor?	NO –although the consultants undertaking the ELR did acknowledge the need for it in their analysis of GMFM forecasts.
Summary of District's existing/potential supply of sites	<p>123.25/198.25ha</p> <p>Key implication: figures include 50ha Barton site, a modal freight allocation. Generally an under-supply of land, although recycling of existing sites anticipated to be a major source of land in the future.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>157ha rising to 166ha incorporating 6% growth factor.</p> <p>Key implication: Past take up rates considerably below top end of ELR demand projections.</p>
Job growth (GMFM) 2007-27	<p>8.5ha / 25.2ha (net)</p> <p>Key implication: strongest growth forecasts in the sub-region behind Manchester City and Trafford. Has the second lowest forecast decline in B2 employment in the sub-region.</p>
Implications of landless growth for District	<p>High density office development in recent years has resulted in higher employment densities and landless growth. This trend is likely to continue in future with developments at Media City in Salford Quays and the recycling of land.</p> <p>Key implication: Higher future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Salford has high growth potential particularly in media-related and other knowledge-based industries. The 124-243.5ha ELR demand projections incorporated the 20% flexibility factor. The district has 123ha of employment land, potentially rising to 198ha.

STOCKPORT	Comment
Strengths/weaknesses/aims/potential	<p>Council has aspirations to boost professional services, in order to reduce the outflow of highly skilled commuters into the Regional Centre. Major drive for office accommodation in Stockport Town Centre, targeting education and science sectors.</p> <p>Concentrations of logistics activity focussed in Stockport around the M60 and A6 and/or town centre. MIER projects that Stockport will experience a growth in creative and digital industries in future, to complement the existing concentrations of financial and professional services satellite operations and ICT/communications businesses operating from out-of-town locations in the district.</p> <p>Key Implication: Aspirations to retain highly skilled residents from commuting elsewhere supported by positive growth forecasts in key sectors and push for high density, in-centre, office development.</p>
Potential growth sector impacts	<p>Stockport is identified as being particularly suitable for ICT/digital cluster development and financial and professional services, particularly within the town centre. Stockport is also an advantageous location for shared service centres (back office and HQ facilities) due to the local skills base and relatively cheaper office accommodation in highly accessible locations. Stockport also has the potential to attract the emerging/growing Data Centre sector on former manufacturing sites.</p>
Summary conclusions of ELR	No ELR available at present.
Summary of ELR Demand Projections (2007-26)	<p>138.13ha</p> <p>Key implication: Demand forecasts are considerably in excess of potential supply even without applying the 20% flexibility factor – may require landless growth/high density office use in the future.</p>
Use of the Flexibility Factor?	NO – Given the limited supply of available sites; drive for office development in Stockport Town Centre and the Green Belt land use restrictions.
Summary of District's existing/potential supply of sites	<p>60.62/100.62ha</p> <p>Key implication: Under supply of land. Officers keen to develop high density offices in Stockport Town Centre in future, which may reduce overall land requirements. Few greenfield opportunities for new allocations.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>152ha rising to 161ha incorporating 6% growth factor.</p> <p>Key implication: past take up rate considerably in excess of future projections and available supply – however, nature of take up changing with increasing amounts of B1 at higher densities than before, hence past take up not necessarily a reliable guide for future requirements.</p>
Job growth (GMFM) 2007-27	<p>-18.3ha / -1.9ha (net)</p> <p>Key implication: Continued B2 decline balanced somewhat by moderate forecast growth in B1 and one of the higher growth forecasts for B8-related industries.</p>
Implications of landless growth for District	<p>Traditionally experienced high levels of B2/B8 industrial development coming forward, at relatively low densities; however, given restrictions on greenfield land release in future and the drive for town centre development, it is likely that the recycling of existing sites and higher density office development will take place on an increasing scale.</p> <p>Key implication: Moderate future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Stockport has strong growth potential in creative and digital industries and is seeking to stimulate the office market in Stockport Town Centre. The 138ha demand projections did not incorporate the 20% flexibility factor. The district has 60.6ha of employment land, potentially rising to 100.6ha.

TAMESIDE	Comment
Strengths/weaknesses/aims/potential	<p>Potential growth sectors seek to build on established clusters, including major engineering and food sectors, although these are currently contracting rapidly. The council is seeking to balance growth evenly throughout the District. Tameside is the only GM district with negative net overall employment growth forecasts in the 2008 GMFM.</p> <p>Key Implication: Contracting established sectors and considerable pressure on existing employment sites for alternative higher value uses.</p>
Potential growth sector impacts	Food and drink are established clusters in the district and are likely to remain so in the future.
Summary conclusions of ELR	SPD focussed predominantly upon the supply implications – the second and third stages of the ELR have yet to be undertaken. Limited supply of sites due to constraints; a high number of employment sites have been lost to alternative uses in recent years. Initial forecasting based on the RSS methodology indicated a potential shortfall of 91.6ha.
Summary of ELR Demand Projections (2007-26)	<p>249.2ha (209.9ha 2005-21)</p> <p>Key implication: Considerable potential shortfall of employment sites given demand projections. NOTE – this is not the official ELR demand projection, as work is still underway, but represents a calculation made using the RSS W3 methodology.</p>
Use of the Flexibility Factor?	YES – in accordance with North West RSS methodology.
Summary of District's existing/potential supply of sites	<p>74.19/94.19ha</p> <p>Key implication: Sites remain limited and under pressure for alternative uses. Potential supply figure incorporates an additional 20ha site at Mottram.</p> <p>Generally an under supply of sites and an imbalance across the Borough, with a need for new greenfield releases in places such as Hattersley.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>123ha rising to 130ha incorporating 6% growth factor.</p> <p>Key implication: past take up lower than ELR demand projections but still considerably in excess of supply.</p>
Job growth (GMFM) 2007-27	<p>-46.4ha / -33.3ha (net)</p> <p>Key implication: highest projected net decline overall of all the GM districts, with steep decline in B2-related industries and only a very minor growth in B1 employment.</p>
Implications of landless growth for District	<p>Little evidence of landless growth at present. The main opportunity for high quality office development is likely to comprise Ashton Moss Strategic Site, with an opportunity for high quality office development in the St Petersfield area (approx 20,000sqm of outstanding pp), although landless growth opportunities as a whole are likely to remain limited.</p> <p>Key implication: Lower future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Tameside has limited prospects for future growth, with reliance on established but vulnerable clusters such as engineering and manufacturing. The 249ha ELR demand projections incorporated the 20% flexibility factor. This figure is considered to be excessively ambitious as the calculation was made before the full ELR has been completed and bears no relation to the current availability of land in the district. The district has 74ha of employment land, potentially rising to 94ha.

TRAFFORD	Comment
Strengths/weaknesses/aims/potential	<p>MIER acknowledges that parts of Trafford outside of the Regional Centre retain strengths in a diverse range of manufacturing subsectors. This includes food and drink, and high value niche specialisms linked to the automotive supply chain. Additionally, there are concentrations of logistics activity focussed around the M60.</p> <p>There are further opportunities to develop the capacity of the Trafford Park Core Industrial area as a sub-regional resource providing sustainable long-term employment growth opportunities to support economic regeneration, improved skills levels and development within and beyond the Borough. The Metrolink extension through Trafford Park will further boost growth in this established area.</p> <p>Key Implication: Strong prospects for continued growth in established industrial areas.</p>
Potential growth sector impacts	Trafford is particularly suited to financial and professional services and ICT / digital.
Summary conclusions of ELR	<p>Based on the scenarios modelled the ELR concluded that Trafford had sufficient land supply to meet its projected employment land demand requirements up to 2026.</p> <p>The ELR also recognised that there would be additional employment land that is currently in use that could contribute to the future supply of land and could help meet the Council's objectives to focus new employment development on sites that are in previous or current employment use.</p>
Summary of ELR Demand Projections (2007-26)	<p>100-170ha</p> <p>Key implication: slight oversupply of land, based on ELR conclusions; range does not include a margin of choice and therefore the ELR recognises the need for the Council to monitor its land throughout the plan period to ensure that supply meets demand.</p>
Use of the Flexibility Factor?	<p>NO –a 'margin of choice' was not applied in the ELR based on discussions and agreement with Trafford Council. It was viewed that a 20% margin of choice was too high as most criteria for location by sector are the same. In addition, it was considered that at 20% other uses such as leisure development (which is an aspiration for the Council) could potentially be restricted from developing.</p>
Summary of District's existing/potential supply of sites	<p>131.9/283.76ha</p> <p>Key implication: Supply concentrated in Trafford Park and Carrington, with modest amounts of office space in Old Trafford and Altrincham Town Centre.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>337ha rising to 357ha incorporating 6% growth factor.</p> <p>Key implication: very high recent levels of past take up rates (17.7ha) distort the Trafford picture, as the highest 3 years of supply occurred within the last 5 years of this data. The 10 year average supply works out at 13.2 hectares per year.</p>
Job growth (GMFM) 2007-27	<p>9.2ha / 27.7ha (net)</p> <p>Key implication: highest growth forecasts behind Manchester City. Particularly strong growth forecast in the B8 industries.</p>
Implications of landless growth for District	<p>Strong role in providing B2/B8 land for development, although it is likely that Trafford Park may accommodate more high density office uses in future along with Altrincham Town Centre.</p> <p>Key implication: Moderate future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Trafford has strong prospects for growth in financial and professional services, in IT and a diverse range of manufacturing sub-sectors. The 100-170ha ELR demand projections did not incorporate the 20% flexibility factor. The district has 132ha of employment land, potentially rising to 284ha.

WIGAN	Comment
Strengths/weaknesses/aims/potential	<p>The council are keen to turn around the Borough's negative image through improving the infrastructure and opening up the Borough east/west. Wigan retains a range of manufacturing subsectors, particularly mechanical and electrical engineering. Also a concentration of logistics activity, capitalising upon the north/south accessibility of the area. Considerable areas of brownfield land suitable for economic development, although many sites remain constrained due to a variety of historical factors.</p> <p>Key Implication: Considerable transport infrastructure investment (such as the completion of Wigan's inner relief road) likely to improve already established demand for logistics.</p>
Potential growth sector impacts	Wigan is particularly well suited for logistics, engineering & manufacturing and food and drink.
Summary conclusions of ELR	The ELR identified a potential shortfall of 168.04ha of employment land if the top end of the demand projections (335.59ha) were targeted. The ELR recommended including the top-rated Safeguarded Land sites to add a further 84.76ha to the forward supply.
Summary of ELR Demand Projections (2007-26)	<p>265-304ha (ELR recommended 293-336ha 2005-26)</p> <p>Key implication: Potential shortfall of land even if Safeguarded Land sites are included.</p>
Use of the Flexibility Factor?	YES – 20% 'margin of choice' applied in accordance with North West Employment Land Study recommendations.
Summary of District's existing/potential supply of sites	<p>212.22/275ha</p> <p>Key implication: The Core Strategy is seeking to provide around 275ha of employment land, comprising 150ha of existing allocations; over 100ha on proposed key 'strategic' sites (most of which comprise existing Safeguarded Land), plus windfall town centre sites. This figure is below the ELR forecast demand projections.</p>
Revised RSS Policy W3 Demand projections (take-up in past 5 years, excluding 20% flexibility)	<p>234ha rising to 248ha incorporating 6% growth factor.</p> <p>Key implication: past take up rates have lowered in recent years although still relatively high in the sub-regional context.</p>
Job growth (GMFM) 2007-27	<p>-23.1ha / -7.3ha (net)</p> <p>Key implication: Similar growth forecasts to Rochdale, with ongoing declines in B2 manufacturing offset to an extent by relatively strong growth in B1.</p>
Implications of landless growth for District	<p>Limited evidence of landless growth in the recent past; it is considered likely that, given the size and likely uses of the available employment land sites and the ongoing industrial legacy of the area, landless growth will not be a strong determinant for the foreseeable future.</p> <p>Key implication: Lower future prospects for landless growth.</p>
Conclusions re: demand v. supply	<ul style="list-style-type: none"> Wigan has reasonable prospects for growth in logistics, engineering, manufacturing and food and drink. The 265-304ha ELR demand projections incorporated the 20% flexibility factor. The district has 212.2ha of employment land, potentially rising to 275ha. Wigan is weak on readily available quality sites suitable for under-represented sectors such as knowledge base industry to take advantage of its strategic location.



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