

Briefing Note

Economic and Regeneration Update – South Heywood

1. Introduction

- 1.1 Avison Young have been commissioned by Russell Homes to prepare an update to the Economic and Regeneration Statement first written in 2016 to support their Very Special Circumstances (VSC) outline planning application which is currently with Rochdale Borough Council ('RBC') for determination.
- 1.2 The application (22/01569/OUT), is seeking the following proposed development:

"Outline application (means of access only) for the erection of a Class B8 (storage or distribution) development and associated works" at Land On Plot 3 Of The South Heywood Masterplan Off Pilsworth Road South Heywood, Rochdale.
- 1.3 The VSC is to support the outline planning application for the delivery of 430,556 sq. ft. (40,000 sqm) of new B8 (manufacturing and distribution) employment floorspace. This is known as Plot 3 within the South Heywood Masterplan.
- 1.4 This is in addition to the 1.45 million sq. ft. (135,000 sqm) of floorspace previously consented by hybrid planning permission for the South Heywood Masterplan (16/01399/HYBR) in 2020.
- 1.5 All the employment development permitted by the hybrid planning permission can be implemented without having to develop any land within Plot 3. It is therefore available for additional development and the applicant considers it suitable for 100% Class B8 development.
- 1.6 Therefore, the total employment floorspace within the Masterplan is proposed as 1.89 million sq. ft.
- 1.7 This assessment of the proposed development's socio-economic and wider benefits in this statement is based on these development parameters.

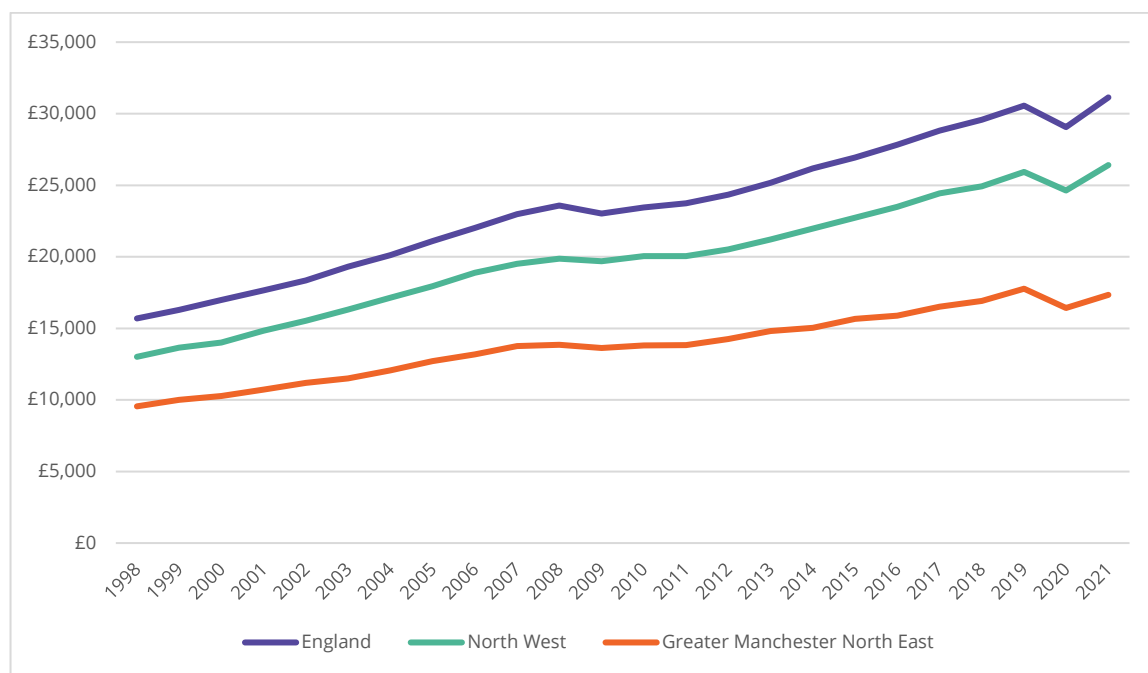
2. Employment and Socio-Economic Need Update

- 2.1 Due to its location by the M62 and M66, as well as within the Greater Manchester location, South Heywood already has a regional and national reputation as popular for manufacturing and distribution businesses.
- 2.2 Nevertheless, there is a need for additional employment in the area to address deprivation and unemployment issues within Rochdale.

Productivity and Wealth Gap

- 2.3 Gross Value Added (GVA) data points to a productivity and wealth gap between Rochdale¹ and the region and nation.
- 2.4 GVA per head of population in Rochdale is £17,300, substantially lower than £26,400 in the North West and £31,100 across the country (Figure 2.1). Notably, the gap has increased since the previous economic statement was written in 2016, with Rochdale experiencing 15% growth in GVA per head whilst the North West and England experienced 20% and 19% growth respectively.

Figure 2.1: GVA per Head of Population (1998 – 2021)



Source: ONS Subregional GVA

- 2.5 Earnings in Rochdale are also significantly lower than wider comparators, further reinforcing the wealth gap. Both workplace and resident earnings are lower than regional and national averages. Average annual earnings in Rochdale are £27,800 which compares to £30,300 in Greater Manchester and £31,500 across the country. Rochdale ranks 9th of the 10 Greater Manchester boroughs for wages.
- 2.6 It is necessary therefore for high quality and high value development in Rochdale, with its range of employment opportunities it will provide, to help close this productivity gap. The logistics and distribution sector can provide a wide range of entry-grade employment opportunities alongside higher skilled managerial roles. Given the push towards advanced logistics operations and on-line fulfilment, the range of skilled roles will broaden further.

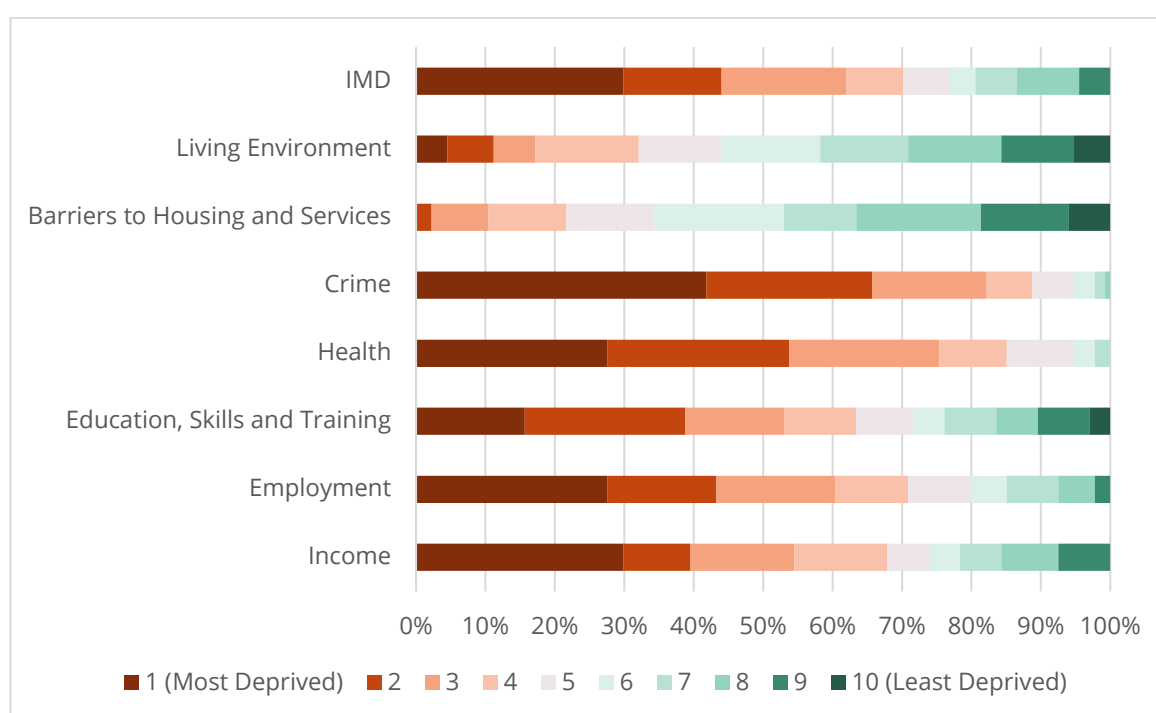
Proximity to Deprivation

- 2.7 Rochdale is one of the most deprived areas in England. It is ranked as the 15th most deprived local authority area in England, with 30% of Rochdale's neighbourhoods ranked within the top 10% most deprived neighbourhoods in England by the Index of Multiple Deprivation (IMD, 2019) (Figure 2.2).

¹ ONS sub-regional GVA does not provide data at the local authority level. We have therefore used GVA data for Greater Manchester North East as a proxy for Rochdale.

- 2.8 This position has worsened since the 2015 Index of Multiple Deprivation which identified 28% of Rochdale's neighbourhoods ranking within the top 10% most deprived neighbourhoods in England.
- 2.9 Key drivers of deprivation in Rochdale are income - 30% of neighbourhoods are within the 10% most deprived in the country – and employment – 28% of neighbourhoods are within the 10% most deprived in the country (IMD, 2019).
- 2.10 There are also large within-borough disparities in income-deprivation across Rochdale. Of all the local authorities in the country, Rochdale ranks 18th in terms of the magnitude of difference between the most and least income-deprived neighbourhoods.
- 2.11 Given the significant additional employment opportunities that the development would deliver, and there is a clear opportunity for the scheme to provide new employment opportunities for local residents which could contribute to tackling the issue of deprivation in Rochdale.

Figure 2.2: IMD Rankings of Rochdale (2019)



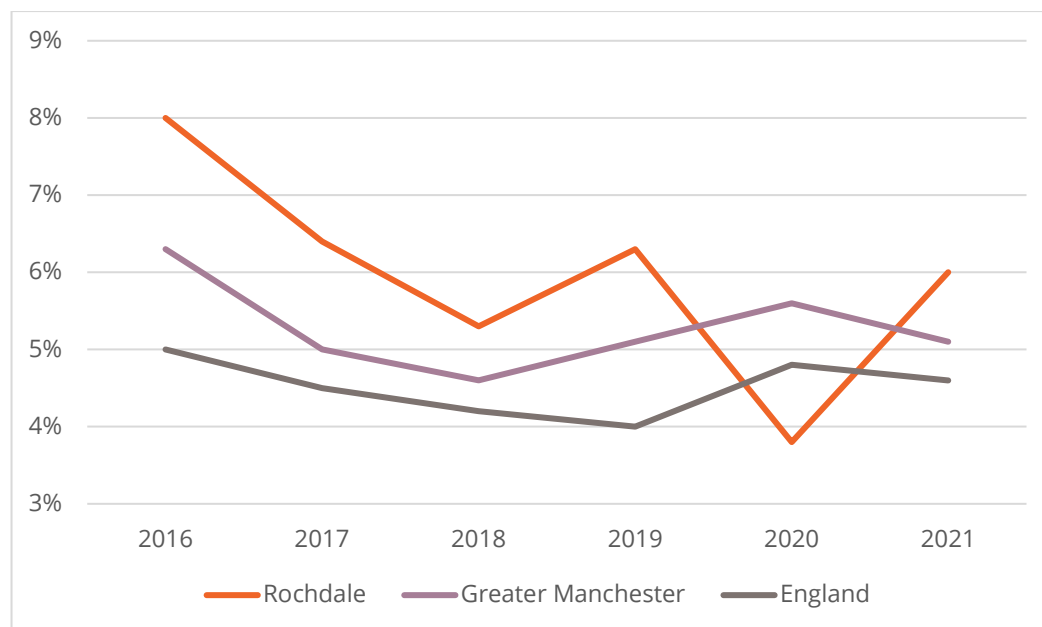
Source: IMD, 2019

Unemployment and Inactivity

- 2.12 Rochdale suffers from a relatively high unemployment rate, especially amongst young people. Rochdale has an unemployment rate of 6.0% which compares to an unemployment rate of 5.1% in Greater Manchester and 4.6% in England (Figure 2.3).
- 2.13 Whilst this is lower than the unemployment rate in 2016, when the previous economic statement was written, this reflects the wider changes seen in employment across the country. Nevertheless, it is still higher than the wider averages.
- 2.14 Youth unemployment is of particular issue. In Rochdale, 21% of residents aged 16-19 are unemployed and 15% of residents aged 20 – 24 are unemployed. This shows there is a pressing need to create more employment opportunities for young people – including entry grade occupations.

- 2.15 There are also high levels of economic inactivity in Rochdale. According to the ONS², as much as 30.0% of Rochdale's working age population is economically inactive. This is the highest level of economic inactivity across all of Greater Manchester. Key drivers of economic inactivity are students (31.4% of the total) and long-term sick (28.2% of the total).

Figure 2.3: Unemployment Rate (2016 – 2021)



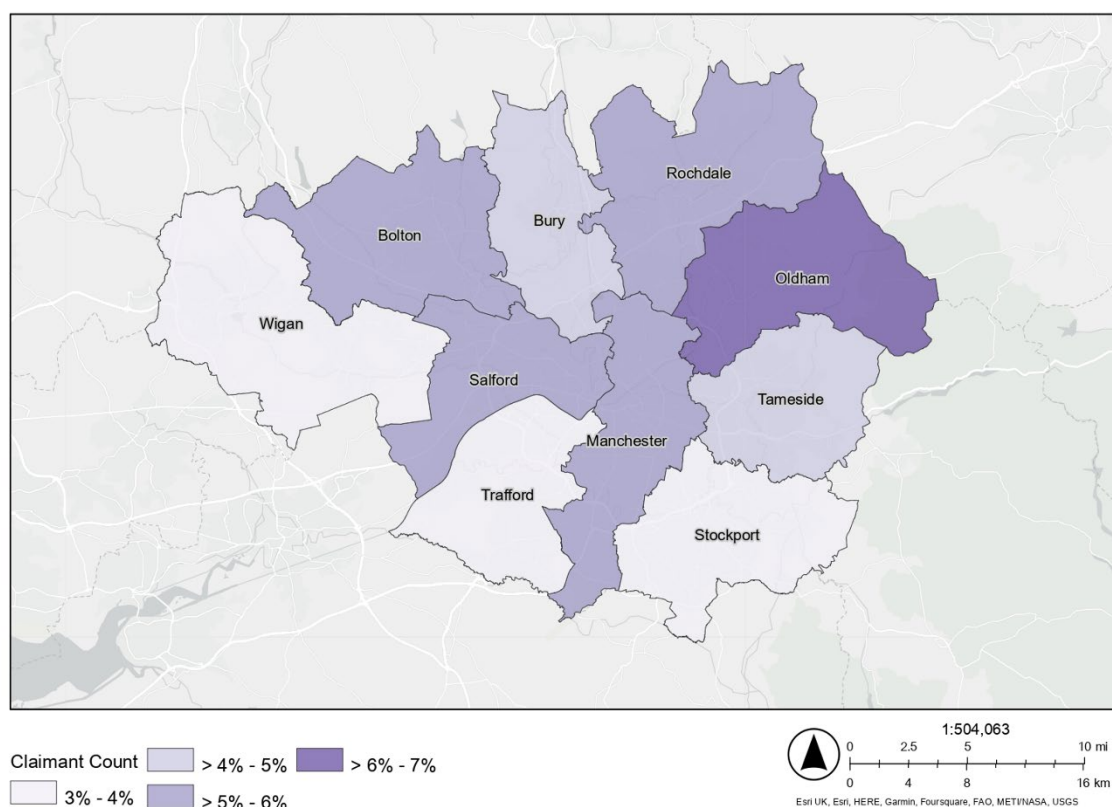
Source: Annual Population Survey

- 2.16 Rochdale has the second highest rate of claimants out of all ten Greater Manchester boroughs. In May 2023, the claimant count rate was 5.9% in Rochdale. This compares to a Greater Manchester average of 4.9% and national average of 3.7%. In addition, for those aged 18 -24 the claimant count rate was 8.2%, again emphasising the issue with youth unemployment.
- 2.17 It is notable that, a high proportion of economically inactive residents in Rochdale want a job: 20.5% of economically inactive residents in Rochdale want a job, which generally benchmarks with Greater Manchester (20.1%) and England (18.4%)³.
- 2.18 This is a long-term and deep-rooted challenge, as Rochdale's claimant count rate has been higher than the Greater Manchester average over the past five years.
- 2.19 This development will clearly benefit Rochdale and Heywood's employment position, providing opportunities for a wide range of jobs and skills-levels. It should be noted that the applicant is receiving enquiries for large scale-operators that wish to provide regional and national bases here, meaning a larger concentration of office, managerial, engineer and logistics roles, than smaller satellite units.

² Annual Population Survey, 2022

³ Annual Population Survey

Figure 2.4: Greater Manchester Claimant Counts



Source: DWP

3. The Need for New Employment Land Update

- 3.1 There is a recognised strategic need for new high quality employment land in the north of Greater Manchester, and in Heywood/Rochdale more locally – including established policy support for employment development at South Heywood. This is evidenced through:
- The employment land policy context established within the emerging *Places for Everyone* Spatial Framework for Greater Manchester and the adopted Rochdale Local Plan Core Strategy;
 - Available employment land evidence base supporting the above policy context – including evidence underpinning Places for Everyone, the Core Strategy, and annual monitoring data; and
 - Updated evidence of the need for employment land within South Heywood.

Employment Land Policy Context

Rochdale Borough Council Core Strategy

- 3.2 The adopted Core Strategy position of relevance to proposed development at South Heywood is as per the South Heywood: Economic & Regeneration Statement submitted as part of the original Hybrid Planning Application (16/01399/HYBR) in 2020.
- 3.3 The Core Strategy was adopted in October 2016, setting out a long-term spatial vision, objectives and a planning and development strategy for the borough up to 2028. It remains the statutory development plan at the time of writing, alongside ‘saved’ policies of the Unitary Development Plan

(UDP) which was adopted in 2006 (policies saved until they are replaced by the Allocations Development Plan Document – in draft at the time of writing).

- 3.4 With specific reference to employment land context and significance of South Heywood, the following is noted from review of this local policy context:

CORE STRATEGY VISION AND OBJECTIVES

- 3.5 The Core Strategy vision is to *“become a prosperous Borough: to grow our economy and develop our place through co-operation and partnership, improving the lives of local people”*. The importance of delivering prosperity, growth and economic development is further emphasised within Strategic Objective S01 – To Deliver a More Prosperous Economy. To achieve S01 the Council intend to *“...[identify] quality employment sites and areas to increase the number and range of jobs and employment levels.”*
- 3.6 As noted as part of the original application supporting evidence, in addition to Strategic Objectives, the Core Strategy includes Spatial Objectives. These enable the Council to establish where their preferred type and scale of development should be located. Given the significance of economic development and growth within the Core Strategy, employment land is an important consideration running through the Spatial Objectives – including the strategic role for specific locations in meeting employment land requirements and opportunities. Of specific note are Spatial Objectives:
- SP1: Rochdale’s role in the City Region: Rochdale has an important role to play in the success of the Manchester City Region and the North West through the delivery of sustainable development and investment that includes supporting national and sub-regional objectives for economic growth. This includes the promotion of the borough as an attractive location, and a focus on strategic employment development which will support the overall economic growth of the sub-region.
 - SP2: Spatial Strategy for the Borough: With a focus on the ‘South of the Borough / Manchester Fringe’ area, an acknowledgement of this areas strong connection to the city region, and opportunity to be a focus for investment and development – including employment sites in Heywood town centre, in regeneration areas, and along economic growth corridors. The subject site, within the wider South Heywood development area, is an extension of the well-established and successful Heywood Distribution Park.
 - SP3/H: The Strategy for Heywood: The vision for Heywood includes reference to *“...more and better jobs with new high quality employment opportunities within the employment areas to the south and east of the town”*. SP3/H specifically notes that *“South Heywood will be a desirable location for businesses, enjoying improved access and better traffic management, reducing congestion in the town centre and residential areas.”* The attractiveness of South Heywood for employment development has enhanced following delivery of the Heywood Link Road – with the opportunity now unlocked to support the SP3/H spatial objective to promote economic growth in South Heywood through new economic development sites within the successful employment areas in the south of the town – supporting its reputation as a high-quality business location.

EMPLOYMENT LAND / ECONOMIC POLICY PRIORITIES

- 3.7 **Policy E2 Increasing Jobs and Prosperity** states that the provision of a good supply of land and premises for employment use, suitable for a range of businesses in accessible locations, is essential if the borough is to ensure the creation of more and better jobs and increased prosperity. Policy EC2 specifically notes the need to:
- Ensure up to 210ha of highly accessible employment land, focused in the south of the borough, that is attractive to 21st Century employment development – to accommodate development for

offices, manufacturing, and distribution (B1 – B8 uses as defined by the appropriate Use Classes Order at the time of adoption), as well as other employment generating uses.

- Protect existing employment zones and B1 – B8 (as defined at the time) employment sites outside of employment zones which are most suited to continued employment use.

3.8 As noted at the time of the hybrid planning application, Policy E2 has a clear focus on delivering most of the employment sites and job creation in the south of the borough – along key economic growth corridors and in proximity to existing established business locations – including sites in South Heywood. This is further compounded by the delivery of the Heywood Link Road since adoption of the Core Strategy, via the previous Hybrid Planning Application.

3.9 **Policy E3** *Focusing Upon Economic Growth Corridors and Areas* clearly identifies South Heywood as a priority location for economic growth in the borough. This includes, via Policy EC3 the promotion of:

- Development of the Heywood Distribution Park SPZ recognising its potential for further major employment development in addition to land North of Hareshill Road (with permission for B1, B2 & B8 development);
- Improvements to all existing employment areas within South Heywood to maintain and enhance the quality of employment premises;
- Distribution uses coming forward in the area; and
- Infrastructure improvements to service new and existing development including reducing Heavy Goods Vehicle traffic in Heywood Town Centre and nearby residential areas (now addressed by the Heywood Link Road).

3.10 **Policy E4** *Managing the Release of Land to meet Future Employment Needs* identifies the criteria by which the Council would consider the development of additional employment land outside of existing employment zones or sites currently in employment use, including if:

- There is clear and demonstrable need that additional land for employment development is required in order to meet the target; and
- At least 60% of all the land available for employment development on Kingsway Business Park or 80% of the land available for B8 uses in Kingsway Business Park is contractually committed; and
- The location of the site is consistent with the Spatial Strategy and policy E2; and
- The site is capable of delivering high quality employment uses which meet the needs of modern businesses; and
- The development of employment uses on the site does not have an unacceptable impact on the amenity of local residents; and
- The site is in a sustainable location and is, or will be, well served by motorway access and public transport; and
- The site can accommodate development without an unacceptable impact on landscape, biodiversity or wider green infrastructure value.

3.11 At the time of the Hybrid Application the supporting evidence based suggested just over half of Kingsway had been 'developed' including sites built out, under construction or contracted. This equated to some 54 hectares of land, compared to the total area of 104.6 hectares across the development area. The latest information from Rochdale Development Agency (RDA) at the time of production of this note suggests that only 29.7 hectares of land remains available at Kingsway⁴ (as of

⁴ Source: https://www.kingswaybusinesspark.com/uploads/page-images/New-Masterplan-May-23_2023-05-19-094217_uhwh.pdf

May 2023) – or just over 28% of the total development area. This suggests that the policy test of over 60% of the land available for development at Kingsway has now been met.

Places for Everyone – Spatial Framework for Greater Manchester

- 3.12 Places for Everyone (‘PfE’) is the spatial framework for Greater Manchester – covering the nine boroughs of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan. It is a long-term plan for jobs, new homes, and sustainable growth, covering the period up to 2037.
- 3.13 Following Examination in Public between November 2022 and July 2023, the Inspectors appointed by the Secretary of State (Levelling Up, Housing and Communities) have confirmed that the Places for Everyone plan is ready to move to the next stage of the process – being consultation on proposed modifications to the policies of the plan, with the Vision, Objectives and Spatial Strategy remaining unchanged.
- 3.14 The vision for Greater Manchester established by PfE is to make Greater Manchester one of the best places in the world to grow up, get on and grow old – including via being a place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.
- 3.15 Under Objective 3, PfE commits to laying our part in ensuring a thriving and productive economy in all parts of Greater Manchester, by:
- Ensuring there is adequate development land to meet our employment needs;
 - Prioritising the use of brownfield land;
 - Ensuring there is a diverse range of employment sites and premises; and
 - Facilitating the development of high value clusters in prime sectors such as:
 - Advanced manufacturing;
 - Business, financial and professional services;
 - Creative and digital;
 - Health innovation; and
 - Logistics.
- 3.16 The central theme of the PfE spatial strategy is to deliver inclusive growth across the city region, with everyone sharing in the benefits of rising prosperity. PfE recognises that this will include creating more favourable conditions for growth by providing high quality investment opportunities that help to address disparities.
- 3.17 PfE recognises the need to spread growth beyond the historic concentrated core of Manchester-Salford-Trafford. It acknowledges that when a broad range of socio-economic measures are considered, such as levels of economic activity, qualifications, occupation, household incomes, house prices, poor health, population change and levels of housing development, the northern areas of Greater Manchester with the exception of Bury (i.e. Wigan, Bolton, Rochdale, Oldham and Tameside) perform significantly worse than the southern areas.
- 3.18 In response the Spatial Strategy identifies the need to ‘boost northern competitiveness’ within Greater Manchester – including Bolton, Bury, Oldham, Rochdale, Tameside, Wigan, and west Salford.
- 3.19 The plan identifies that investment will be required across the northern areas, with the provision of a good supply of high quality development sites and major transport improvements across all districts to support greater competitiveness.

- 3.20 The North-East Growth Corridor is of notable significance to South Heywood as the most significant proposed intervention in the northern areas focused on the M62 corridor from Junction 18 (the confluence with the M60 and M66) to Junction 21 (Milnrow), extending across parts of Bury, Rochdale and Oldham (GM-Strat 7). The scale of this initiative is considered necessary in order to transform perceptions of, and opportunities within, the north of Greater Manchester.
- 3.21 PfE identifies this location for large-scale intervention for three main reasons. Firstly, this part of its corridor already has well-known established employment locations such as Heywood, Pilsworth, Stakehill and Kingsway Business Park. Additionally, the M62 is a key piece of transport infrastructure connecting Greater Manchester with the major cities of Liverpool and Leeds, and beyond. As such, it has the scale, connectivity and profile required to attract a broad range of high-quality occupiers and major inward investment. This will not only provide a better range of good quality jobs but will also offer opportunities for premises for new and growing sectors for example advanced manufacturing. Secondly, the corridor is close to a substantial residential population, many of whom live in deprived wards with poor connectivity to employment opportunities.
- 3.22 Policy JP proposes Allocation 1.1 Heywood / Pilsworth (Northern Gateway) – within which the application site is located. This allocation benefits from being in close proximity to existing regionally renowned employment sites at Heywood Distribution Park and Pilsworth and the development of this site will complement other opportunities in the Northern Gateway as well as other key sites in the north of the sub-region such as Logistics North. Whilst the location of this allocation along the key M62 corridor will be particularly attractive to the logistics sector, it is important that it provides high quality business premises for a range of other sectors including advanced manufacturing and higher value, knowledge-based businesses. This variety will not only provide a better range of good quality jobs but has the potential to provide premises for new and growing sectors, thus diversifying both the local and sub-regional economy.

Employment Land Evidence Base

- 3.23 The Core Strategy evidence base remains largely as per the summary provided in support of the Hybrid Application. This includes the *2008 Rochdale Employment Land Study (RELS)*, the *2013 RELS update* and the *2009 Greater Manchester Employment Land Position Statement*. Salient points summarised previously include:
- There were sound reasons to suggest that the economic projections significantly underestimate the land requirement in Rochdale. Their updated bottom-up approach, which was based upon past trends, showed that between 190ha and 221ha of land supply may be required. This was based upon maintaining a strong trend from the past two years.
 - In regard to the Boroughs strong performance in logistics/manufacturing land take-up, the progress made at the Kingsway Business Park, and the areas transport infrastructure – the evidence suggests that there were greater risks for Rochdale if it had a low employment land supply as this would constrain economic growth in the Borough.
- 3.24 The South Heywood: Economic & Regeneration Statement submitted as part of the original Hybrid Planning Application made reference to the draft 2015 Rochdale Council Annual Monitoring Report (AMR).
- 3.25 Key conclusions drawn at the time include:
- Based upon the 2015 draft AMR reported average take-up of rate of 7.5 hectares per annum and allocated employment and supply of 98 hectares (as of March 2015), this would equate to **around 13 years of employment land supply**.

- If unallocated sites are also included, total supply rise to 132 hectares. This would equate to **around 18 years of supply**. However, it should be noted that around half of this supply is identified at Kingsway Business Park, as well as allocated and unallocated sites within the Boroughs Primary Employment Zones (including sites in South Heywood).
 - Notwithstanding the above points on employment land supply, the AMR at the time demonstrated that, at best, the Borough had **a total supply of up to 132 hectares**. With a Core Strategy target of 210 hectares, the Borough **requires a significant further allocation of employment land** as part of the next local plan in order to meet this target – emphasising the need for additional employment land to come forward.
- 3.26 The latest AMR available at the time of writing was published in July 2019, covering the period 1 April 2016 to 31 March 2017. Within the AMR the figures above are updated including:
- An average annual take-up of employment land of 10.86 hectares for the period 2012 – 2017, compared to an available total supply of 103.02 hectares, or less than 10 years of supply. This supports a conclusion of a relatively constrained employment land position across the Borough – which will need to be addressed through windfall and/or future additional allocations.
- 3.27 The PfE Plan is supported by an up-to-date evidence base. This includes the *July 2021 Employment Topic Paper*. It includes a summary of the PfE Employment Land Supply (PfE ELS) which forms a key component of the evidence base. The ELS supports the delivery of employment to meet adopted employment floorspace targets set through the PfE plan and assesses the supply of employment land against employment floorspace requirements. Each of the nine districts has carried out their own assessment of employment land availability. The PfE ELS brings together information from each of the nine districts to identify the total employment land supply across the plan area.
- 3.28 The total industrial and warehousing floorspace requirement for the plan period is 3,300,000 sq m. As outlined in the topic paper, Greater Manchester's existing Industry and warehousing land supply for 2021-2037, as at 1 April 2020, was 1,805,509 sq m. This represents a shortfall of 1,494,491 sq m.
- 3.29 The Northern Gateway Policy JP Allocation 1 is the single largest allocation identified in the PfE for employment development in response to the above identified requirement and shortfall of employment land. The topic paper acknowledges that the floorspace arising at Allocation 1.1 'Heywood / Pilsworth (Northern Gateway)', has been split between Bury and Rochdale based on illustrative plans and may be subject to change following comprehensive masterplanning – this could include additional floorspace potential to meet requirements identified.

South Heywood Local Context

- 3.30 South Heywood is an acknowledged important existing business location. Its strategic significance has been identified in the latest policy context and supporting evidence base – including the PfE allocation at the Northern Gateway. This recognises the importance of identifying and releasing additional land for employment development purposes and reflects the prominence of this development area including since the delivery of the Heywood Link Road.
- 3.31 The Northern Gateway provides a step change in the scale and quality of space available to Greater Manchester's growth sectors. There are few sites, both existing and proposed in Greater Manchester, that could provide units in excess of 100 000 sqft meeting pent up demand and future need. Indeed allocation of the site directly responds to Greater Manchester's historic shortage of sites suitable for major occupiers. Over 25% of industrial space in Greater Manchester is less than 5 000 sqft and only 7% of stock is larger than 100 000 sqft.

- 3.32 In addition, Greater Manchester lacks higher quality industrial premises. Only 7 of total industrial floorspace is Grade A – B compared to 93 for Grade C. Higher quality industrial space achieves higher rental values.
- 3.33 The application site is ideally located for new employment development, benefiting from excellent connectivity to the wider motorway network, key urban settlements and transport hubs, including Manchester and Leeds and their respective airports, as well as the Ports in Salford and Liverpool.
- 3.34 South Heywood is already a well-established employment location with a large surrounding residential population. Over the next 20 years, the working age population growth in Rochdale and Bury is projected to exceed the North West and English averages.
- 3.35 These residential centres provide the available workforce to respond to the thousands of opportunities that will be created. The proximity of the site to residents makes it easier to address local issues of worklessness by overcoming barriers such as accessibility.
- 3.36 The site is also close to established employment locations such as Heywood Distribution Park, Pilsworth Industrial Estate, Stakehill Industrial Estate and Kingsway Business Park. This highlights that there is an existing talent pool in relevant sectors which will be strengthened when the site is developed.

4. Construction Benefits

- 4.1 The proposed development will lead to temporary additional employment during the construction period. The assessment of this employment creation has been informed by a cost estimate and insights on the build period and phasing provided by the client.
- 4.2 To show the impact of the additional development floorspace we have shown the construction impact of the original development floorspace of c. 1.45 million sq. ft. (135,460 sqm) and the impact of the updated development floorspace of c. 1.89 million sq. ft. (175,460 sqm).
- 4.3 Due to the strategic nature of the site, and to align with the economic statement completed for the hybrid application in 2016, we have used regional (North West) cost assumptions.
- 4.4 The total number of temporary construction jobs has been estimated on the total estimated construction costs (excluding contingency, professional fees, financing costs and developer's profit) and using construction cost and labour turnover ratios.
- 4.5 The total number of person years of work is determined by the construction cost divided by the estimated output per worker within the construction sector locally⁵. Given these will be 'short term' opportunities to provide a reasonable understanding of economic benefit these are converted into Full Time Equivalent (FTE) jobs, using the general assumption that 10 person years equates to 1 FTE role.
- 4.6 For Plot 3, the total construction cost has been estimated at £52 million. This results in 865 person years of work and therefore **86 direct FTE construction jobs per annum**. If we include both direct and indirect jobs, we would achieve 234 FTE per annum.
- 4.7 The previous economic statement⁶ found that the construction of the original development would result in 180 direct FTE construction jobs per annum. Therefore, with the addition of Plot 3, we

⁵ Due to the strategic nature of the site, and in alignment with the previous strategy, we have used North West based figures

⁶ South Heywood: Economic and Regeneration Statement – Regeneris Consulting, 2016

estimate that there will be **266 direct FTE construction jobs per annum** created for the length of the construction period of Plot 3.

- 4.8 The Additionality Guide states that there will be further economic activity e.g. jobs, expenditure or income associated with additional local income and local supplier purchases. This is likely to be a requirement from construction companies likely to be sub-contracting local contractors e.g ground works, civil engineering, plastering, electrical, plumbing.
- 4.9 Further multiplier effects are also likely to arise as a result of the construction process. For example, demand for accommodation, demands on existing food and drink operators. The construction phase will also provide some clear opportunities to ensure that existing businesses in the Heywood area can derive the maximum benefit from construction and construction worker expenditure.
- 4.10 Using North West based GVA per FTE job data for workers in the construction sector and applying it to the direct on-site FTE jobs created as a result of the proposed development we are able to estimate the GVA of the construction period.
- 4.11 We therefore estimate that the construction of Plot 3 will result in a construction GVA of **£5.2 million per annum**.

Total Benefits of Plot 3

- 4.12 Therefore, the impact of Plot 3 on the construction period are:
- 86 additional direct jobs associated with Plot 3 resulting in 266 FTE direct construction jobs per annum for the length of the construction period of Plot 3.
 - Plot 3 will result in a direct construction GVA of £5.2 million per annum

5. Operational Benefits

- 5.1 The proposed development would provide 430,000 sq. ft. industrial and distribution floorspace in South Heywood additional to the 1.45 million sq. ft. of space that has already been consented.
- 5.2 The distribution and manufacturing sectors are vital to the local economy with the existing Heywood Distribution Park one of the most successful industrial and distribution centres in the North West with major operators such as Argos, Kuehne & Nagel, Next and DFS located there.

On-Site and Wider Benefits

- 5.3 The estimate of on-site employment supported by the proposed development is based on guidance outlined in the 2015 HCA Employment Density Guidance (3rd edition) which provides benchmark employment densities for both industrial and office employment uses.
- 5.4 The split of floorspace between B2 and B8 has been provided for by the client and is reflective of the 2021 update to the outline planning application. This stated that:
- “no more than 116,500m² (1,253,995sq.ft) of floorspace (GIA) for use within Use Class B8 of the Town and Country Planning (Use Classes) order (as amended) and no more than 18,960m² (204,083sq.ft) of floorspace (GIA) for use within Use Class B2”
- 5.5 As noted previously, Plot 3 is 100% B8 use.

- 5.6 The Plot 3 development creates **519 gross FTE direct on site jobs** per annum.
- 5.7 The Regeneris Report, 2016 (App 16/01399/HYBR), stated that the original development would result in 2300 direct, on site jobs. This means that the total site will now create **2819 gross FTE direct jobs** per annum, for the employment area only.
- 5.8 The proposed development can also deliver a range of positive off-site employment multiplier effects in the Borough. This refers to any supply chain purchases which could support further local employment, and the expenditure out of wages injected into the local economy by both direct and indirect workers that can support further local employment.
- 5.9 We anticipate that the economic multiplier effect of Plot 3 results the potential for up to **additional 104 FTE jobs** supported in the Borough
- 5.10 Regeneris stated that the original development would result in 450 off-site jobs. This means that the total site will now create **554 gross off-site jobs** per annum.
- 5.11 As a result of the increased job numbers, the GVA impact of the development was also estimated to be **up to £26 million per annum**⁷.
- 5.12 Regeneris estimated that the initial development would result in a total GVA per annum of £175 million (Employment area only, as per Regeneris Report 2016). With the addition of Plot 3, we estimate this will now reach £201 million per annum.
- 5.13 This level of job creation and GVA impact within the South Heywood area will be a significant boost to the local economy and contribute towards addressing some of the key challenges in the area.
- 5.14 Based on comparable schemes in the local area the original development would likely generate business rates for Rochdale Council of up to £3.4 million per annum⁸. With the addition of Plot 3, this is likely to rise to c. £4.3 million. This means the impact of Plot 3 would mean an additional **£900,000 in business rates per annum**.

Total Benefits of Plot 3

- 5.15 Therefore, the impacts of Plot 3 on the operational period are:
- Additional 519 gross direct FTE jobs which results in 2819 gross direct FTE jobs across the whole development
 - An additional 104 FTE jobs in the wider economy which results in 554 gross off-site jobs
 - A GVA impact of up to £26 million which means an overall GVA impact of the development of £201 million per annum
 - Additional business rates of c. additional £900,000 in business rates per annum.

⁷ At the time of submission the GVA of the scheme was estimated by Pegasus to be up to £26 million per annum.

⁸ Rateable value of comparison schemes in South Heywood were found from VOA with an average and a multiplier applied to the are of the development to achieve the potential business rates. Rents have likely risen in South Heywood since the production of the Pegasus infographic as industrial/transport and storage rents have increased nationally and South Heywood has continued to establish itself as a key location for transport and logistics. This is likely to result in higher business rates.

6. Summary of Benefits

6.1 The following infographic summaries the additional benefits that the construction and operation of Plot 3 will provide:



1. Construction Cost provide by client. An increase from 2022 due to inflationary pressures and increased understanding of abnormal costs on site
2. At the time of submission the GVA of the scheme was estimated by Pegasus to be up to £26 million per annum.
3. Rateable value calculated using data from the VOA for comparable sites in the South Heywood area – increases likely to increased rents.