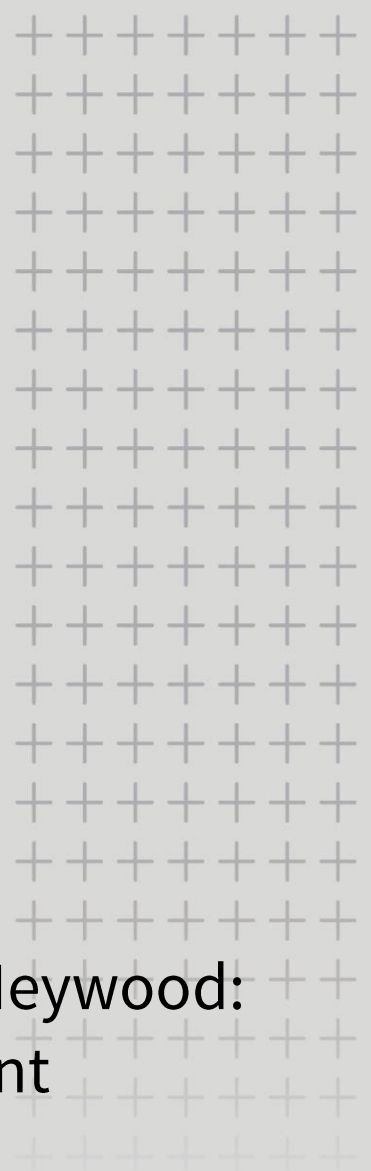




New Employment Development, Heywood: Socio-Economic Benefits Statement

A Final Report by Hatch

Trammell Crow Logistics (Heywood) Ltd.

Heywood Stores, Manchester Road: Socio- Economic Assessment

March 2023

www.hatch.co.uk

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Summary of Economic and Social Benefits

Key Benefits of Proposed Development

Economic and Social Benefits



590 FTE jobs

When fully occupied



£30 million

Gross Value Added per annum



Training and apprenticeship opportunities in construction



Accessible site at gateway location



300 FTE jobs

Indirect and induced employment supported



390 workers

To deliver the construction over 13 months



Supply chain opportunities for local construction businesses



New opportunities for **unemployed residents**



£23,250

Median salary for elementary occupations in logistics & distribution



£0.96 million a year

Collectible business rates revenue



Positive market signals about commercial investment market



Supporting **regeneration** of local economy



1-2 miles

The most deprived areas of Heywood and Rochdale within short travel distance of the site



Wide range of occupations and skills required – elementary to managerial and professional



Delivering **training and apprenticeships** in logistics and distribution

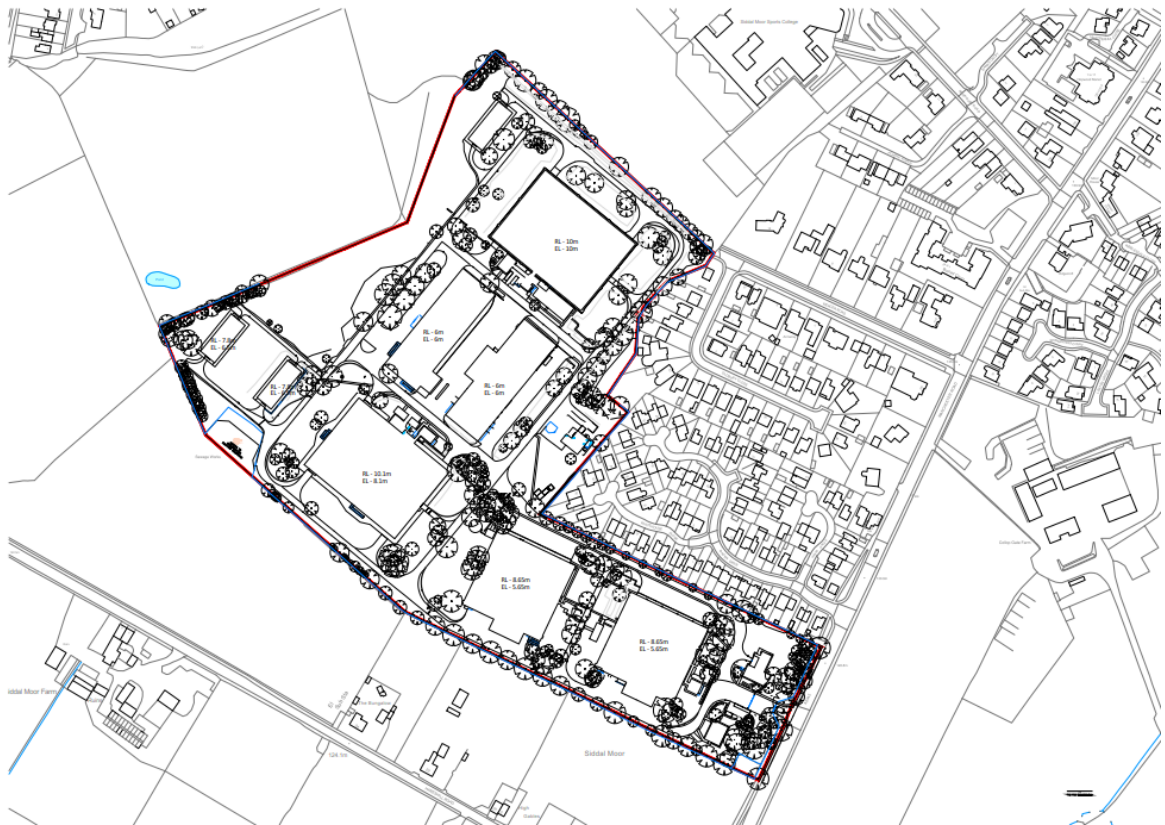
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Scheme and Context

Introduction

Trammell Crow Logistics (Heywood) Ltd. is preparing to submit a full planning application for a new development of storage and distribution units (Use Class B8) on a site off Manchester Road in Heywood, Rochdale borough. The site is just over 11 ha in total area (27.3 acres) and is located to the south of Heywood and close to Junction 19 of the M62.

Figure 1.1 Location of Site



Source: Trammell Crow

The site is adjacent to a well-established industrial area to the north east in Heywood which is occupied by a range of sectors including logistics and distribution, and further east to Heywood Distribution Park which is a hub for the sector and a key location for the industry in Greater Manchester.

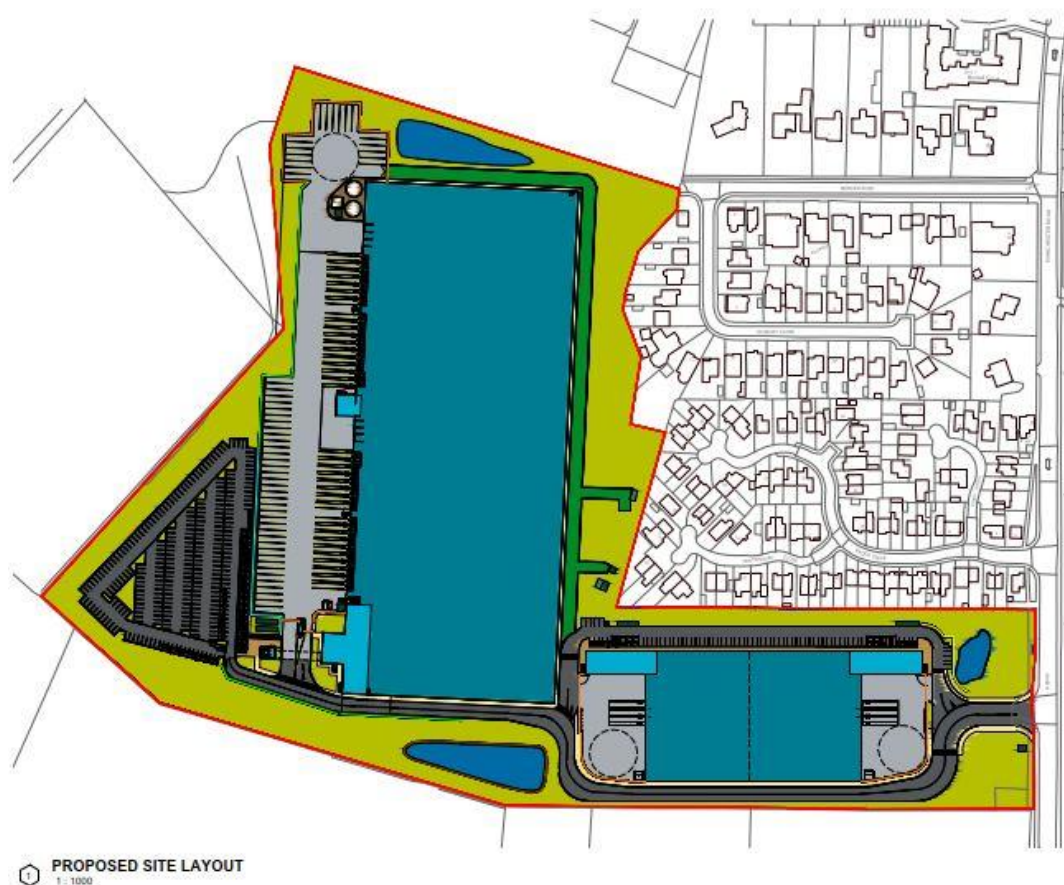
Trammell Crow's UK Operation specializes in industrial logistics investment and development across the UK, and the company has an extensive track record in designing and constructing logistics, warehouse, fulfillment and e-commerce facilities. This is backed by an international portfolio of successful projects across Europe and the USA.

Proposed Development

The proposed development comprises 45,393 square metres (sqm) or 489,000 square feet (sqft) Gross External Area (GEA) of employment floorspace in Use Class B8 (warehousing) with ancillary office space to support the warehousing operation, vehicular, pedestrian and cycle access, external yards, landscaping and associated works.

The site plan is shown below and includes one larger unit of 35,937 sqm and two smaller units of 4,923 and 4,533 sqm respectively. The development is therefore geared to occupiers including large scale logistics and distribution sector operators, and smaller scale operations more likely to be geared to a local market in the north of Greater Manchester, or to meeting the storage and distribution needs of local businesses.

Figure 1.2 Site Plan



Source: Trammell Crow Logistics (Heywood) Ltd.

Purpose of the Report

Hatch has been appointed by Trammell Crow Logistics (Heywood) Ltd. to provide an independent assessment of the potential economic benefits of the proposed development both to Heywood and Rochdale borough, and to the wider Greater Manchester area in which logistics and distribution is recognized to be a key sector. The report will be submitted as part of the planning application documents and has the following content.

- An overview of the local socio-economic context;
- A summary of the characteristics of the logistics and distribution sector and its growth needs;
- An assessment of the socio-economic benefits including;
 - Construction benefits – temporary employment;
 - Operational benefits – employment, GVA contribution, commercial floorspace, spending and fiscal benefits; and
- Report conclusions.

The report demonstrates that the proposed development would generate a substantial amount of employment, support wider economic activity both on and off the site, and deliver a positive contribution to the Rochdale and Greater Manchester economy.

2 Socio-Economic Context

The potential benefits of the proposed development would must be considered in the context of current socio-economic conditions. The impacts of new industrial developments contribute to meeting local economic and social priorities, addressing key challenges for the areas in which they are located, and supporting efforts to generate positive economic change.

The site is located in Heywood, a settlement in Rochdale borough in Greater Manchester. The data and commentary in this section is therefore presented for Heywood, Rochdale borough and the wider Greater Manchester area wherever appropriate as context. National (England) benchmarks are also used where relevant.

Key Points

- Recovery and economic resilience from Covid-19 are national priorities, with emphasis on the need to create more and better jobs, and to reduce economic disparity within the UK, exemplified by the UK Government's Levelling-Up strategy. The need to create and sustain jobs is further reinforced by the global uncertainty experienced in 2022 as a result of the Ukraine crisis, energy price inflation and financial instability.
- The importance of the logistics and distribution sector is recognised nationally and this heightened during the pandemic as supply chain security came under pressure whilst the industry saw growing demand as online retail continued to expand.
- The NPPF recognises that the logistics and distribution sector is one that should be planned for in terms of its locational and land requirements as part of the Framework's emphasis on supporting growth.
- Heywood and Rochdale borough are well-represented in the logistics and distribution sector. Locally in Heywood the sector accounted for around 2,500 jobs pre-pandemic, reflecting the presence of Heywood Distribution Park and other key employment areas close to Junction 19 of the M62.
- The area benefits from a large and accessible workforce, with 19,000 Heywood residents and 138,000 Rochdale borough residents aged 16-64, and a much larger labour force resident across northern Greater Manchester with access to the proposed development site.
- As is the case across much of the northern area of Greater Manchester, unemployment is higher and economic activity rates lower than the regional and national averages. At over 1,000 in Heywood and 8,700 in Rochdale in June 2022, claimant count unemployment is substantially higher than was the case pre-Covid 19. Resident and workforce earnings and lower than average.
- There are also high levels of deprivation in and around Heywood, with six areas of Heywood in the 10% most deprived nationally.
- Whilst Rochdale borough has a positive and successful approach to attracting new commercial investment, the economic challenges it faces and the need for recovery post-Covid 19 are consistent with emphasis on the need to create more and better jobs and to reduce inequality.

Socio-economic and Regeneration Objectives

UK Policy

At the national level, the **National Planning Policy Framework (NPPF), 2021**¹ sets out the Government's economic, environmental and social planning policies for England. The framework focuses on the promotion of sustainable development in relation to building a strong and competitive economy. Under the framework this means meeting three overarching objectives:

- An economic objective – “to help build a strong, responsive and competitive economy”
- A social objective – “to support strong, vibrant and healthy communities”
- An environmental objective – “to contribute to protecting and enhancing our natural, built and historic environment”

The NPPF is clear that planning policy should help create conditions for business investment, expansion and adaptation, and that significant weight should be placed on supporting economic growth and productivity.

The storage and distribution sector is recognised in the NPPF as one with specific locational requirements at a variety of scales and in suitably accessible locations (para. 82).

Post-pandemic, the UK Government's **Build Back Better**² strategy (2021) points to the need for substantial investment in transport, utilities, digital and other infrastructure to deliver economic growth. The value of transport infrastructure in securing supply chains is acknowledged in the growth plan, reflecting a period during the pandemic when the UK's exposure to restrictions on the inbound and outbound movement of goods was highlighted.

Levelling-Up is a flagship policy for the current UK Government, committing specific funding a range of policy measures to closing the gap between the higher and lower performing areas of the country. Challenges for the North West identified in the 2022 **White Paper**³ include the well-established productivity gap, the need to increase the number of accessible jobs, the need to boost skills and educational attainment, and the importance strengthening transport infrastructure. As is the case with Build Back Better, supply chain resilience is recognised as a key contributor to economies. Amongst the evidence of performance gaps identified in the White Paper, the gap between Greater Manchester and London in terms of the number of jobs available to residents within 5 miles of their place of residence is notable, pointing to the need to generate more local employment opportunities.

An earlier strategy from National Highways (then Highways England) points to the critical importance of the logistics sector together with manufacturing and construction as industries which are reliant on the strategic road network (SRN). **The Road to Growth**⁴ (2017) shows that these three sectors combined contributed 7.4 million jobs to the UK economy and £314 billion in gross value added (GVA). The road freight sector alone was estimated as contributing £11

¹ Ministry of Housing, Communities and Local Government (2021) The National Planning Policy Framework

² HM Treasury (2021) Build Back Better: Our Plan for Growth

³ HM Government (2022) Levelling Up the United Kingdom

⁴ Highways England (2017) The Road to Growth: Our Strategic Economic Growth Plan

billion a year. The growth plan highlighted the expansion of the e-commerce sector and the need for larger distribution centres linked to the SRN.

Greater Manchester Policy

For Greater Manchester, plans for recovery and economic resilience post-Covid 19 are set out in the 2021 **Greater Manchester Strategy 2021-31**⁵. Priority is attached to the delivery of new and better paid jobs amongst the key commitments of the strategy, which echo the Levelling Up agenda in identifying the need to increase prosperity and reduce inequalities in the Greater Manchester area.

The Strategy emphasises the importance of attracting investment and encouraging business growth, targeting growth locations and recognising the need to deliver housing and employment sites that create opportunities for places and communities which may not have benefited previously, or where there are major opportunities to drive growth.

The area's economic vision, set out in **Building a Greater Manchester, Making a Greater Britain**⁶ points to Greater Manchester's role at the heart of the northern economy, identifying priorities to drive up economic growth across the whole area, establish resilient places and delivering productive, 'job rich' and fair employment amongst a wider range of priorities. There is specific reference the need to nurture new supply chains and create opportunities for 're-shoring' of manufacturing and supply chains.

Greater Manchester's emerging spatial plan – **Places for Everyone** (2021)⁷ - explicitly identifies (Objective 3 and Policy JP-J1) the logistics sector as a 'prime sector' for the area whose development should be facilitated and which is acknowledged to be 'central to the economy'. The plan points to increasing demand for logistics and warehousing, recognising the imperative that re-shoring has brought. It is clear that logistics and warehousing are seen as industries which should contribute to providing new employment opportunities and that meeting market demand for sites for these industries is part of the effort to offset the effects of the pandemic-related economic downturn.

In total, the emerging plan points to a need (Policy JP-J 4) for 3.3 million sqm of new, accessible industrial and warehousing floorspace, emphasising the need for choice and the need to increase the supply of high-quality sites across northern parts of Greater Manchester to increase the competitiveness of the area. Rochdale is one of six northern boroughs where two thirds of the supply of industrial and warehousing land will be concentrated, recognising the strength of the area as a location for these industries given its connectivity. The plan identifies a North-East Growth Corridor of which Rochdale and Heywood are part, focusing on the M62 from Junctions 18 to 21 and pointing to the area as a location for 'large scale intervention. The plan is clear that the area has the 'scale, connectivity and profile required to attract a broad range of high-quality occupiers and major inward investment'. It also highlights the major opportunity area of the Northern Gateway, in which Heywood is located, and which is earmarked for major employment and housing development.

The emerging plan recognises that Rochdale is amongst the most deprived areas in the country, with significant disparities both with the southern part of Greater Manchester and England and Wales. Boosting the competitiveness of the northern boroughs is a strategic priority in the plan,

⁵ Greater Manchester Combined Authority (2021) Greater Manchester Strategy 2021-31: Good Lives for All

⁶ Greater Manchester Local Enterprise Partnership (2021) Building a Greater Manchester, Making a Greater Britain

⁷ Greater Manchester Combined Authority (2022) Places for Everyone Submission Plan

with the North East Growth Corridor proposals highlighting a large population with a significant number of residents living in deprived areas, but opportunities to for large-scale development which attract high quality businesses, jobs and housing.

Local Strategy

At the local level, the **Rochdale Growth Plan**⁸ targets 1 million sqm of new employment space and 20,000 new jobs, emphasising advanced manufacturing amongst the key sectors. The plan highlights the area's strengths as an industrial location, echoing the messages in Greater Manchester strategies about its position on the M62 and the potential for industrial development.

The Rochdale Development Agency is clear about the borough's strengths as a location for the logistics and distribution sector.⁹ It highlights the large number of people employed in the sector, with 27,000 (2018) employed in the industry within a 30-minute drive of the town, whilst Rochdale itself has a workforce estimated at 6,000 people in the sector. It points to the potential for 10 million sqft of developable land to come forward, highlighting success stories including Kingsway Business Park, Stakehill Industrial Estate and Heywood Distribution Park. The future potential of the Northern Gateway scheme is also highlighted. The RDA also notes that colleges in Rochdale work closely with the logistics sector, linking the resident workforce to the training and skills development necessary to support the industry.

Rochdale's **Core Strategy** was adopted in 2016¹⁰. Logistics is acknowledged to be a key strength of the area, with South Heywood identified as a location for employment growth in Greater Manchester, in particular for logistics but also for manufacturing. For Heywood specifically, Policy SP3/H emphasises the need to create local employment opportunities and to capitalise on the potential to develop sites in the area's successful employment locations to the south of the town.

Socio-Economic Context

Resident Population and Labour Market

Population

In 2020 there were around 30,500 residents in Heywood¹¹ and 223,700 in Rochdale borough, around 8% of Greater Manchester's total population of 2.85 million. In this local population, around 19,000 residents of Heywood and 138,000 residents of Rochdale borough were in the 16-64 age group, representing the largest part of the resident working population of these areas.

The population of Heywood and Rochdale borough has a similar profile to that of England, with 62% of residents in the core working age population (16-64). However, in common with much of the UK, that age cohort has seen its share of the total population fall since 2020 by around three percentage points as the population ages.

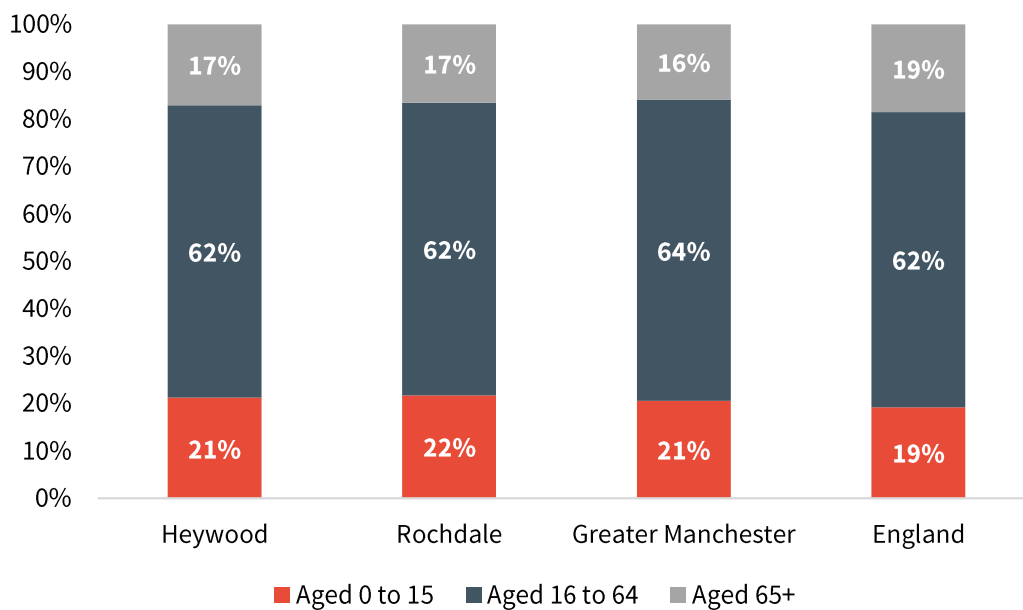
⁸ Rochdale Borough Council and Rochdale Development Agency (2020) Rochdale Growth Plan 2020-30

⁹ Rochdale Development Agency, Reasons Why Rochdale is Great for Logistics

¹⁰ Rochdale Borough Council (2016) Rochdale Core Strategy

¹¹ Based on Office for National Statistics definition of built-up area (BUA) for Heywood

Figure 2.1 Population Profile, 2020



Source: ONS Mid-Year Population Estimates 2020

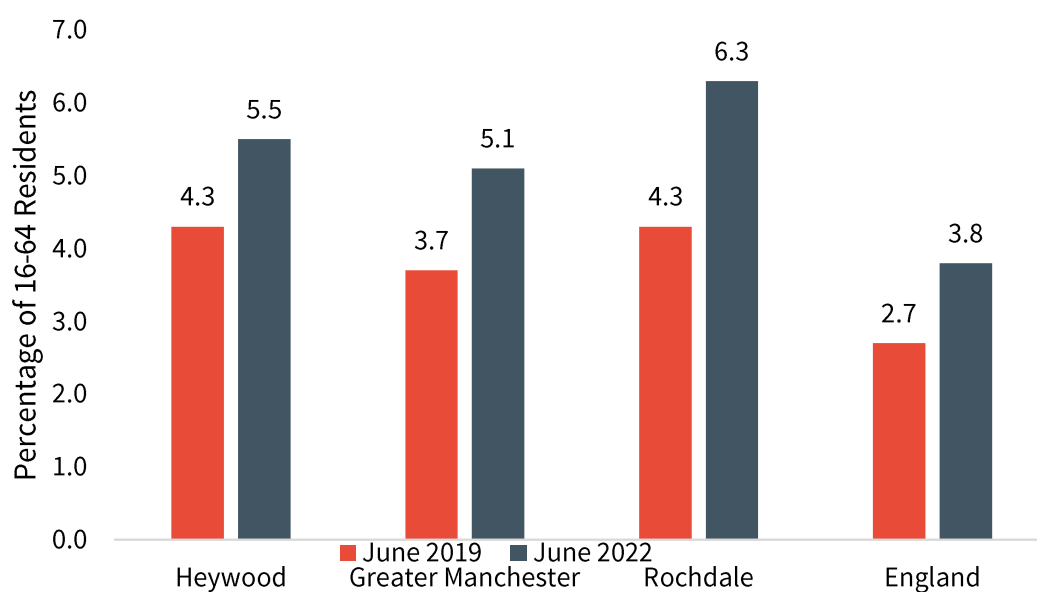
Economic Activity, Unemployment

In the twelve months to December 2021¹², around 70% of the 16-64 resident population was economically active in Rochdale and 75.5% in Greater Manchester. This compares with 78.7% in England over the same period. Whilst the rate has slightly improved during 2022 as the economy recovers, there has been a persistent gap between Rochdale borough and Greater Manchester, and in turn a gap between Greater Manchester and England over a long period of time.

Unemployment levels (ONS Claimant Count measure) remain higher than was the case before the Covid-19 pandemic. In Heywood, 1,030 people were unemployed on this measure in mid-2022, around 27% higher than was the case in June 2019. The equivalent figures for Rochdale are 8,655 currently and 5,870 pre-pandemic, a much higher 47% increase. This underlines the pressing need to provide opportunities to enable unemployed residents to enter or return to work in stable, full-time employment.

¹² ONS (2020) Annual Population Survey

Figure 2.2 Unemployment, June 2019 and June 2022

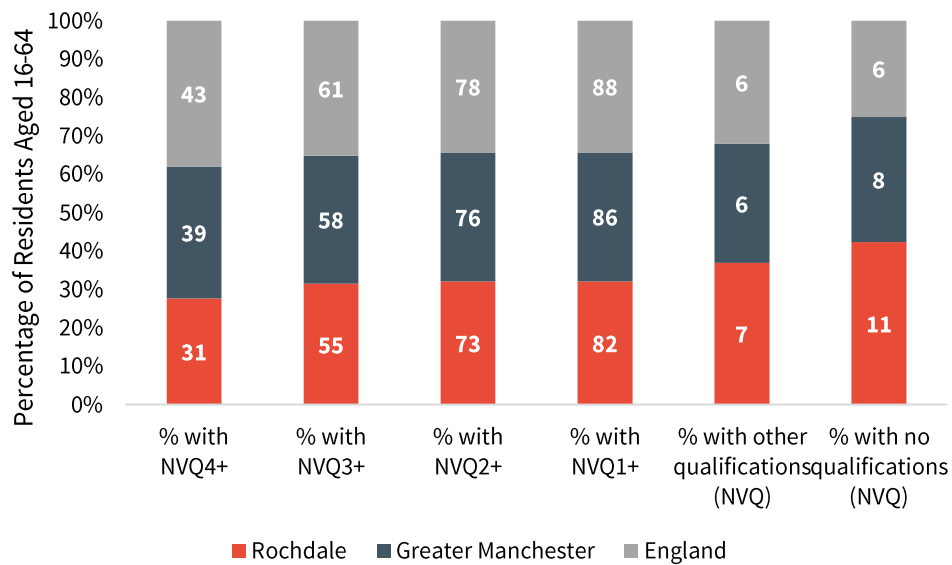


Source: ONS Claimant Count

Qualifications, Skills and Occupations

Compared with Greater Manchester and England, Rochdale has a markedly lower proportion of residents with higher level qualifications (degree level equivalent or higher, NVQ Level 4) and also NVQ Level 3. This points to a resident population which is more likely to have secondary school level qualifications (ie GCSE) or no qualifications. Improving attainment and qualification levels is recognised as a challenge across the northern area of Greater Manchester.

Figure 2.3 Percentages of Residents by Qualification Levels (NVQ), 2021



The occupational characteristics of the borough's population also suggest that residents of the area are less likely than their counterparts in Greater Manchester and England to be in managerial and professional occupations (c. 24% compared with 32% in Greater Manchester and 34% in England). Conversely, a much higher proportion are in lower skilled occupations. Creating higher quality employment opportunities is a priority for Greater Manchester, but it should also be recognised that providing new employment at all occupational levels will be a key contributor to recovery from the pandemic.

Table 2.1 Occupational Profiles, 2021

Occupation	Rochdale (%)	Greater Manchester (%)	England (%)
Managers, Directors and Senior Officials	9.6	9.0	10.8
Professional Occupations	14.2	23.2	23.9
Associate Professional & Technical Occupations	17.6	15.7	15.3
Administrative and Secretarial Occupations	9.8	10.7	10.2
Skilled Trades Occupations	9.6	7.7	8.7
Caring, Leisure and Other Service Occupations	9.6	9.2	9.1
Sales and Customer Service Occupations	8.0	7.6	6.8
Process, Plant and Machine Operatives	6.8	5.8	5.4
Elementary Occupations	14.4	10.3	9.5
Higher Skilled Occupations	51.2	58.6	60.2
Lower Skilled Occupations	48.4	40.6	39.5

Source: Office for National Statistics, Annual Population Survey, 2022

It is important to note that modern logistics and distribution operations require a broad range of occupations and skill levels, an issue discussed further in Section 4 of the report. Whilst elementary and entry level skills requirements are a key requirement, the trend has been towards both more managerial and supervisory roles, and more technical roles in response to the development of new operational technologies in the industry.

Earnings

Earnings data for Rochdale borough (2021) shows that residents in full-time jobs have similar salaries to those working in the borough. However, salaries are notably lower than those of Greater Manchester and England. This underlines the need, recognised in both Rochdale and Greater Manchester strategies, to generate more better paid jobs for the area.

Table 2.2 Median Annual Gross Earnings, Full-Time Employees, Rochdale 2021

	Workplace (£)	Resident (£)
Rochdale	26,495	25,742
Greater Manchester	28,833	28,980
England	31,480	31,490

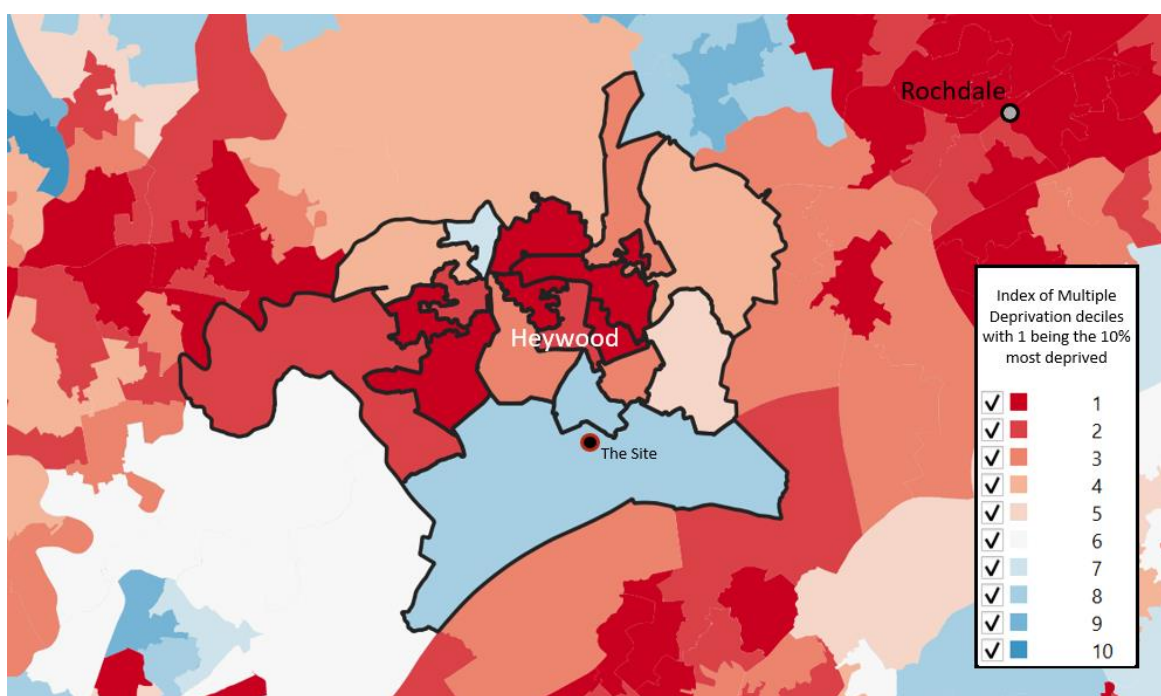
Source: Office for National Statistics, Annual Survey of Hours and Earnings, 2022

Further analysis of the data shows that residents and the workforce in the lowest 10% and 20% earnings bands also see lower wages in Rochdale than either Greater Manchester or England. In 2021, full-time workers in the lowest 10% earnings band had annual earnings of £16,300 compared with £17,400 in Greater Manchester and £18,300 in England. With current high inflation and rising living costs, driving up wages now has much greater significance as a policy issue.

Deprivation

Across Rochdale there are significant concentrations of deprivation, a problem clearly recognised in Greater Manchester strategies. The Index of Multiple Deprivation (IMD) 2019 ranks 6 areas of 18 in Heywood (Lower Layer Super Output Areas or LSOA) in the 10% most deprived in the country, and 3 areas in the 20% most deprived.¹³ These are communities facing several related challenges including low incomes, unemployment, health and well-being problems, skills and educational disadvantage and difficult living environments.

Figure 2.4 Deprivation in Heywood and Rochdale (2019)



Source: Ministry of Housing, Communities and Local Government (2019) English Indices of Deprivation

The overall deprivation measure captures deprivation in a range of 'domains' defined by the Index of Multiple Deprivation. Of these domains, two (Employment, Income) are most directly connected to an area's economy and the opportunity it offers. In Heywood, 5 of the area's LSOAs are in the 10% most deprived in the country in the income domain, and there are 6 in the employment domain.

Both income and employment deprivation are symptoms of overall deprivation but also key contributory factors to other challenges that deprived communities face. Creating new and

¹³ The LSOAs used to define Heywood are 18A-F, 19A-F and 20A-F

better-quality employment has an important part to play in addressing these underlying factors.

Local Economy

Employment and Sector Strengths

The total number of jobs in Heywood stood at just under 14,000 in 2020 according to the latest available data¹⁴ with 75,000 in Rochdale borough. This represents a fall of c. 750 and 3,000 jobs respectively in the two areas compared with 2019 before the effects of the pandemic took hold. In the five years between 2015 and 2019 (ie pre-pandemic), Heywood saw a largely static employment picture whilst Rochdale saw a gain of around 4,000 jobs.

The largest sectors in Heywood include Wholesale (2,100 jobs), business administration and support services (1,900 jobs), transport and storage (1,675 jobs) and manufacturing (1,625 jobs). For the borough, manufacturing (11,000 jobs), retail (10,000 jobs), education (8,000 jobs) and health (8,000 jobs) are the largest sectors. This underlines the greater importance of the transport and storage sector, of which warehousing-based business is a key part, in Heywood.

The share of four sectors – road freight transport, warehousing and storage, support activities for the transport sector and other postal and courier services, which generate substantial demand for warehousing, account for around 11% of all employment (1,575) in Heywood and most of the jobs in the wider transport and storage sector. In 2019, the equivalent jobs figure for these sectors was 2,430, underlining the impact of the pandemic.

Table 2.3 Total Employment in Key Logistics and Distribution Sectors, 2015-20

	2015	2019	2020
Heywood	2,300	2,430	1,575
Rochdale	5,050	5,700	4,400
Greater Manchester	38,000	57,000	51,000

Source: ONS Business Register and Employment Survey

Business Base

In 2021, there were 6,845 businesses in Rochdale¹⁵, representing around 6% of all businesses in Greater Manchester. The distribution of businesses is very similar to that of the Combined Authority area and England, with the vast majority (88%) micro businesses employing fewer than nine people.

Transportation and storage businesses account for 445 of all businesses in the borough, with 10 of those businesses defined as ‘medium sized’ employing 50-249 people. Manufacturing, wholesale and business administration/support services are the other main sources of medium-sized enterprises in the borough.

Rochdale borough’s business density is lower than Greater Manchester. There are around 31 businesses per 1,000 population in Rochdale, compared to 37 in Greater Manchester.

¹⁴ ONS (2020) Business Register and Employment Survey

¹⁵ ONS (2021) UK Business Counts

Economic Output

Gross Value Added (GVA) is a measure of the value of the economy due to the production of good and / or services. In simple terms, GVA is a measure of the additional profits generated within businesses plus the additional salaries that are paid to employees. Latest available data¹⁶ indicates that Greater Manchester's GVA stood at just under £75 billion in 2020, whilst Rochdale contributed just under £3.8 billion.¹⁷

Of this total, the transportation and storage sector accounted for £3.3 billion or 4% of the total. Warehousing and transport support activity, together with postal and courier services, accounted for around 70% of the transportation and storage sector's contribution.

¹⁶ ONS (2019) Regional Gross Value Added (balanced) by industry and local authority

¹⁷ ONS (2020) Regional Gross Value Added by Industry, Current Prices, May 2022 Release

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The Logistics and Distribution Sector

Heywood and the southern part of Rochdale borough are an established location for Greater Manchester's logistics and distribution sector. The proposed development site is located around 1 mile from junction 19 of the M62, and only 4 miles from the intersections of the M60, M62 and M66. As part of a major conurbation and with exceptional access to the strategic road network (SRN), the area's appeal as a location for logistics and distribution is reflected in the successful Heywood Distribution Park site (5 minutes journey time from the proposed development site) and in other warehousing operations around southern Heywood.

These are advantages to both logistics/distribution businesses in terms of access to business and consumer markets and the ability to move goods and materials quickly and cost-efficiently. Both Greater Manchester and Rochdale strategies point to the vital role that the sector plays in the area's economy, and to its contribution to growth opportunity. At a time when demand for warehousing space is at historically high levels nationally and the industry has seen its importance amplified by the pandemic and the UK's exit from the European Union, the proposed development both responds to opportunity and addresses key challenges the sector faces.

Key Points

- Heywood and Rochdale are well-established locations for the logistics and distribution sector across Greater Manchester and beyond, and already make a significant contribution to much needed land and warehousing space.
- Demand for storage units is very high, fuelled by the effects of the pandemic and Brexit which have boosted online retail and exposed supply chain resilience. There is a shortage of sites available to accommodate new development, land values are rising and there is a very limited pipeline of supply. The North West is estimated to have less than 6 months of warehousing space available at average take-up rates.
- Strong demand is set to be sustained during the 2020s with further growth in e-commerce, pressure to re-shore and near-shore supply chains, the need for businesses to maintain more robust inventories, and the drive for modernisation.
- The industry is an important generator of employment across a broad spectrum of occupations. It has a substantial requirement for people with lower levels of qualifications in elementary and process occupations, but also generate opportunities for senior managerial and professional roles and, increasingly, skilled professions including ICT and other technical roles, and project management.
- Wages in the logistics sector typically exceed those of the lower earning population of Rochdale and Greater Manchester. Elementary roles have average salaries of £22,000+, whilst drivers £33,000 and manager (£29-32,000) salaries in the industry are well-above average resident and workplace earnings in the borough.
- The industry is a good source of skills development and training opportunities, with examples around the country of employers investing in specific training facilities, and a large majority of the workforce receiving training and skills development in its various forms.

Shortage of Supply of Sites and Floorspace

Nationally, there continues to be strong occupier demand for larger scale (100,000 sq ft+) industrial property, and particular units of 500,000 sq ft+. Most developments of such units since 2016 have been let within 19 months of being completed, and the availability of Grade A floorspace stood at its lowest levels on record at the end of 2021.

There is now a significant supply-demand imbalance as the logistics and distribution sector faces a situation in which the availability of sites capable of accommodating larger warehousing units are in short supply and there are very low vacancy rates for completed floorspace. Analysis by CBRE indicates a 1.58% vacancy rate in 2021, and to a pipeline of second-hand, completed and under-construction speculative development of logistics space that is well-below the 10-year average.¹⁸ The result is very little headroom in the supply, with recent market analysis by Savills suggesting that the North West had just 0.47 years of supply.¹⁹

Market signals are consistent with this mismatch between demand and supply. Speculative development has continued to increase post-pandemic, with CBRE research suggesting that 57% of the limited new floorspace under construction in 2021 was speculative compared with only 14% in the first quarter of 2020.²⁰ Prime yields for logistics properties are at historically low levels, symptomatic of rising prices and strong competition when assets come to market. Land values have also continued to rise, reflecting strong demand and the shortage of good quality sites nationally.

Sustained Drivers of Demand

The Covid-19 pandemic had a marked impact on the logistics and distribution sector, further fuelling demand generated by the growth of e-commerce/online retail and underlining its important contribution to a well-functioning economy. Following a period of economic volatility during which the UK left the EU, sharp increases in demand for online goods, exposure of the vulnerability of supply chains and the re-shoring of manufacturing are among the trends expected to sustain high levels of demand for warehousing space during the 2020s.

Several factors should be expected to contribute to continuing strong demand.

E-Commerce This is a critical factor, with online sales having sharply accelerated during the pandemic. In early 2021, when lockdown conditions were still in place, online's share of retail hit 36% and was still at 27% at the end of 2021.²¹ Major players including Amazon and Ocado are still expanding with other retailers also generating demand for larger scale warehousing facilities in adapting their operating models to respond to this competition. In 2021, it was reported that the proportion of households buying food and drink online had increased by 9 percentage points compared with 2020²², with Mintel research reporting that 59% of UK residents were grocery shopping online.²³ There is nothing to suggest that e-commerce will not

¹⁸ CBRE (March 2022) UK Logistics Market Trends, p. 9

¹⁹ Savills (July 2022) The Logistics Market in the North West

²⁰ CBRE (March 2022), UK Logistics Market Trends, p. 10

²¹ CBRE (March 2022) UK Logistics Market Trends, p. 7

²² ADHB (May 2021) Pandemic Year Brings About Huge Growth for Online Grocery

²³ Mintel (May 2021) Click & Spend: 90% of British Online Grocery Shoppers Plan to Continue Online Grocery Shopping After Peak Covid-19 Passes

continue to increase its share of all retail, and therefore continue to fuel demand for warehousing facilities to fulfil orders including both large distribution centres and final mile operations.

Supply chain resilience: The pandemic exposed the vulnerability of supply chains at time when the UK's exit from the European Union was also starting to affect inbound and outbound movements of goods. Cushman and Wakefield analysis points to companies looking to maintain inventory levels at 5-6% above pre-pandemic and pre-Brexit levels as supply chain resilience strategies are implemented, and that these changes are likely to be long term.²⁴ The forces driving this will include:

- Re-shoring and near-shoring: The pandemic and Brexit have seen manufacturers look to diversify outsourced production, and to secure suppliers domestically or closer to the UK to safeguard against global risks to the production and movement of goods and materials.
- A move away from the just-in-time principle: Some changes are evident in the practice of maintaining inventories at levels which avoid storing excessive supplies of materials and goods as producers look to retain larger inventories.
- Increases in multi-modal movements: Freight movements are changing. Shortages of shipping containers, port congestion and volume/reliability risks exposed by the Ever Green Suez blockage have resulted in modal shifts, notably through the increased use of air freight transport.

Modernisation: The drive for modernisation and technology in logistics, distribution and manufacturing operations is also creating pressure for larger scale floorspace and sites. Advances in automation, AI and robotics and a widening of its availability are responsible for some of the demand generated for the largest scale warehousing operations, where scale offers cost advantages given the substantial investments involved. Facilities with significant investment in technology tend to be more efficient at larger scales.

Generating New Employment

There has been high profile coverage of shortages including HGV drivers and warehouse staff, amongst many other professions where the UK appears to be facing a tight labour market. However, the effects of the pandemic on increases in unemployment, and a challenging economic climate in light of inflation and the effects of the Ukraine crisis, continue to generate a need to deliver new jobs. Covid-19 exposed the vulnerability of some sectors to job losses, with analysis of at-risk employment in the UK in 2020 finding that 6.4 million jobs were vulnerable.²⁵ The logistics and distribution sector has an important part to play in this regard, building on a decade or more of growth in the sector.

Evidence on the contribution of the sector to Heywood, Rochdale borough and Greater Manchester is presented earlier in this report. Nationally, research by Frontier Economics points the sector contributing 1.25 million jobs (4% of all jobs) in the UK economy, including 690,000 in

²⁴ Cushman & Wakefield (2021) Warehousing to Address Supply Chain Disruptions

²⁵ McKinsey & Company (2020) COVID-19 in the United Kingdom: Assessing jobs at risk and the impact on people and places. Online Article: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-in-the-united-kingdom-assessing-jobs-at-risk-and-the-impact-on-people-and-places#>

the core industry and 550,000 in the logistics operations of businesses such as manufacturers and retailers.²⁶

The same report suggests that logistics sector employment has doubled since 2012 as the sector expanded. In the North West, the analysis found that logistics sector employment had increased by 62% since 2014 compared with an 8% increase in non-logistics jobs over the same period. Continued expansion of the sector would be expected to bring with it demand for labour, and a contribution to much needed new employment as the economy faces headwinds.

Broad Range of Occupations

The logistics and distribution sector is often associated with lower paid and temporary employment. However, whilst the sector has a substantial workforce of employees who require lower-level skills for elementary occupations and for drivers and other machine operatives, it has a much broader range of requirements including around 12% of roles in higher managerial and professional occupations (eg. facility managers, engineers, IT specialists). These are likely to be higher paid and higher skilled roles. Frontier Economics' research, which was based on analysis of job adverts for logistics roles between 2012 and 2021, found that 19% of roles were for managers, directors and senior officials, 12% administrative and secretarial, 37% process, plant and machine operatives, and 29% elementary occupations.²⁷

Occupation	Percentage by Occupation
Managers, directors & senior officials	8%
Professional	3.5%
Associate professional & technical	7%
Administrative & secretarial	8%
Skilled trades	3.5%
Caring, leisure & other service	5%
Sales & customer service	3.5%
Process, plant & machine operatives	42%
HGV drivers	15%
Van drivers	14%
Other machine operatives	13%
Elementary	20%

Source: ONS 2-Digit Occupation at UK level by Sector, Industry, Age and Ethnicity, 2019

The data suggests that logistics is a sector delivering a broad range of employment opportunities, aligning both with a resident workforce with more basic skills and qualifications, and those higher skilled, more highly qualified and better paid professions.

There is also evidence that the logistics and distribution sector is change in occupations and the skills it requires. A Prologis study pointed to the proportion of managerial and office jobs in warehousing businesses doubling between 2006 and 2018.²⁸ Research by the British Property Federation identified several sub-sectors had a higher propensity for office-based roles

²⁶ Frontier Economics (2022) The Impact of Logistics Sites in the UK, pp. 19-20

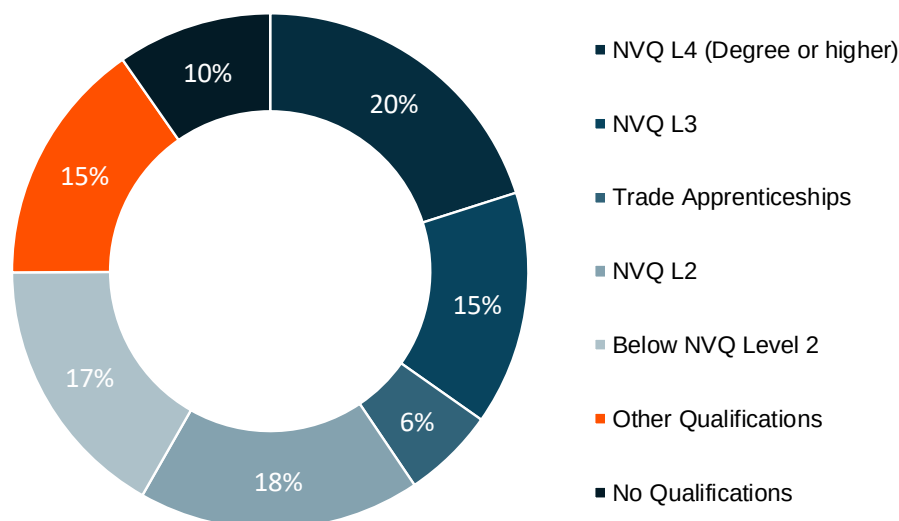
²⁷ Ibid, pp.30-31

²⁸ Prologis (2019) Delivering the Future: The Changing Nature of Employment in Distribution Warehouses

compared with the national averages (11%) for administrative and secretarial occupations. The study found a majority of roles in logistics (85%) were full-time.

Research by the Greater Manchester Combined Authority to shape the area's Spatial Framework pointed to 20% of jobs in the logistics and distribution industry requiring graduate level skills. It found that 20% of jobs were held by people with degree or higher-level qualifications (NVQ Level 4+), with a further 15% at NVQ Level 3 (typically post-16 education).

Figure 3.1 Qualifications of Logistics and Distribution Sector Employees, 2015



Source: Greater Manchester Combined Authority/New Economy (2016) Deep Dive 07: Logistics, Figure 8

The study also indicated that demand for higher level skills was expected to rise, with NVQ Level 4 rising to 23% of employees, and that there would be increases in the demand for qualifications at all levels, and a reduction in demand for those with no qualifications.

Signs of change are also evident in research by the Chartered Institute of Logistics and Transport. This showed where skills shortages were being reported by the industry, and pointed to growth in the need for skilled and technical professions²⁹:

- Software engineers (23%) reported to be a problem or requiring considerable effort
- Project managers (21%)
- Executives and Managers (19%)
- Supply chain managers (19%)
- Office staff (17%)
- Warehouse workers (17%)

This changing skills picture and pressure to recruit has seen a growing number of higher education institutions offering logistics degrees, and innovation centres are transferring new technologies to businesses, contributing to productivity growth in the sector. Demand for labour with skills including software design and engineering, electrical engineering and logistics management is projected to rise as these developments in the industry take hold.

²⁹ CILT and Statista Expert Survey (2019), UK Logistics Monitor

The key point is that the sector is expected to continue generating employment and skills development opportunities across a wide range of occupations. The industry is experiencing increasing demand for people with higher level technical skills, managerial skills and office-based work, alongside demand for drivers and warehousing operatives. For Heywood and Rochdale borough, the proposed development would therefore be expected to generate such opportunities for a broad range of its resident workforce.

Earnings in the Sector

Analysis of the logistics sector by Logistics UK³⁰ confirms that the warehousing sector is typically generating employment that pays higher salaries than the earnings of the lowest 10-20% of people currently working in Rochdale borough. For the North West:

- Median salaries for elementary storage occupations stood at £23,250. These are the positions most typically associated with entry level jobs in warehousing operations, those requiring the lowest level of skills and qualifications. Nationally, Frontier Economics found a median annual pay level of £22,074 for elementary logistics sector roles compared with £15,800 for elementary roles in all sectors.³¹
- Median salaries for forklift drivers stood at £23,158 in 2021.
- Median driver salaries stood at £33,200 and there is currently upward pressure in light of current shortages of drivers across the UK.

Salaries for senior managerial occupations in the logistics and distribution sector are typically higher than those of other parts of the operation. Provisional data for 2021 suggests that managers and directors for storage and warehousing in the North West had median gross annual salaries of £29,095, whilst those in transport and distribution had a median gross annual salary of £33,825.³² Other occupations, for example transport and distribution clerks and assistants, had average gross annual salaries of £25,000.

With the sector currently seeing wage inflation as a consequence of labour shortages, and inflationary pressures nationally, these figures are likely to rise further in the short term.

Investment in training and skills development

The logistics and distribution sector is a source of training and skills development opportunities. Research by Skills for Logistics found that 75% of firms had funded external training for staff in 2014, with training for new technology, management and health and safety amongst the package of support received by employees.³³ The Frontier Economics report's survey found that 87% of workers had received training which would also be transferable if they were to change roles.³⁴

Case studies in the British Property Federation report pointed to the importance of skilled labour in location investment decisions by logistics and distribution operators. Key players including AO and Peel logistics highlighted labour and skills availability as priority issues in location

³⁰ Logistics UK (2021) Skills and Employment Report 2021, p. 23 and Appendix C

³¹ Frontier Economics (2022) The Impact of Logistics Sites in the UK, p.33

³² ONS (2022) Annual Survey of Hours and Earnings, Table 15.7

³³ British Property Federation (2015) Delivering the Goods: The Economic Impact of the UK Logistics Sector, p.11

³⁴ Frontier Economics (2022) The Impact of Logistics Sites in the UK, p.35

searches, with Peel's investment in the Northern Logistics Campus at St. Helen's College a good example of industry investment in skills and training.³⁵ There are similar facilities at Magna Park in Harborough through the Centre for Logistics, Education and Research, and an academy at the iPort Logistics Park in Doncaster.

Recent survey evidence produced by the Freight Transport Association (FTA Logistics Industry Survey) showed that the number of staff and training were the sector's highest priorities for 2019, with the survey suggesting increases in the number of full-time staff that would be required.³⁶ This is consistent with the overall picture for the sector in which skills shortages and changes in how modern facilities operate are driving the need for additional investment in training.

³⁵ British Property Federation (2018) What Warehousing, Where?, p. 42

³⁶ Freight Transport Association (2019) FTA Logistics Report 2019, p.56

4

Socio-Economic Benefits

The proposed development of new logistics and distribution units on the site will deliver a range of economic and social benefits to Heywood and Rochdale borough, and contribute to Greater Manchester's strengths in an industry which is a vital cog in a well-function economy.

This section of the report sets out the potential benefits of the scheme which could be achieved. They are estimated using a combination of widely recognised benchmarks for assessing the impacts of commercial developments, information from Trammell Crow and local and national data sources.

Key Points

- Construction activity is estimated to generate demand for up to 390 workers over a 13 month building period for the development.
- The major investment of £31 million to deliver the scheme would provide opportunities for local residents working in the construction sector to secure employment on and off-site, and for businesses supplying directly and indirectly to the development.
- The construction sector is an important generator of skills development, training and apprenticeship opportunities, and the construction phase would be expected to deliver a wide range of such opportunities to local residents working on the scheme.
- Once completed and fully occupied, the proposed development could deliver around 590 full-time equivalent jobs across a full spectrum of occupations from senior managers and professionals to skilled occupations and process/elementary roles. This aligns with the occupational characteristics of Rochdale borough's population and should ensure that a significant number of roles are available to local residents.
- The direct Gross Value Added the completed development could generate is estimated at £30 million per annum, representing an additional contribution to the output generated by Rochdale borough's economy.
- Occupiers would be expected to generate skills development and training opportunities, including apprenticeships, as part of their operations.
- Off-site benefits represent the positive effects of occupiers of the proposed development on the local economy through their supply chain activity and the expenditure of local residents who are part of the workforce. This effect is estimated to have the potential to support an additional 300 jobs across Rochdale borough and Greater Manchester.
- The proposed development could deliver around £960,000 in collectible business rates, with Rochdale Borough Council and its public sector partners benefiting from a share of any additional business rates revenue collected.

Benefits of Construction Activity

In its own right, the preparation of the development and site and construction of the buildings will generate positive economic impacts during what is estimated to be a 12-13 month construction period. This will include:

- The workforce and businesses operating on the site;
- Suppliers and their employees off-site who directly contribute to the materials and services necessary to complete the project;
- The wider supply chain involved indirectly with the development;
- The spending effects locally of site workers, including residents who obtain employment through the development.
- Training and skills development benefits, with the construction sector recognised to be a good source of apprenticeship opportunities.

The total value of the construction investment has been estimated by Trammell Crow at £31.4 million. To assess the employment impact of the construction phase, the report draws on labour co-efficients from the Homes and Communities Agency (now Homes England) which are based on the number of construction jobs per annum for every £1 million of construction spending.³⁷

This results in an **estimated demand for around 390 workers** over a 13 month construction period. These would be a combination of on and off-site roles ranging from elementary occupations to higher skilled and managerial/supervisory roles. They would include jobs in businesses directly supplying to the site, including for example the pre-fabrication of construction materials, building design and site infrastructure.

The extent to which the benefits of construction investment would be retained locally would be determined by the procurement of the contractors, any requirements agreed with the local planning authority relating to local sourcing, and the availability of labour and businesses in the area. A combination of suppliers and a workforce from within Rochdale/Greater Manchester and some outside the area is likely. There would also be a wide range of sub-contracting packages that would potentially be available to local contractors (e.g. groundworks, civil engineering, electrical, plumbing) that could help to maximise the local benefits of the development.

In addition, the construction of the proposed development would generate opportunities for training, apprenticeships and skills development for local residents. The construction industry itself attaches significant value to this aspect of its impacts. For example:

- The Construction Leadership Council's latest Industry Skills Plan gives priority to increasing the number of apprenticeships and upskilling in the sector.³⁸
- The CITB's Strategic Plan (2021-25) points to a commitment of £52 million a year in direct funding to employers to support apprenticeships and the vital role that apprenticeships and training play in securing the future construction workforce.³⁹
- A recent report by the Federation of Master Builders highlights the importance of collaborating to attract young people to the construction sector through apprenticeships in order to address skills shortages the industry faces.⁴⁰

These skills and training benefits could be enhanced by collaboration between the developer, Rochdale Borough Council and other public sector organisations to ensure they target local residents, including people who are currently unemployed.

³⁷ Homes and Communities Agency (2015) Calculating Cost Per Job: Best Practice Note, 3rd Edition

³⁸ Construction Leadership Council (2021) Industry Skills Plan for the UK Construction Sector 2021 – 2025

³⁹ CITB (2020) CITB Strategic Plan, p. 16

⁴⁰ Federation of Master Builders (2020) Trading Up: A blueprint for collaboration to boost construction apprenticeships

Operational Development

The proposed development is expected to deliver 45,393 sqm (gross external area) of new, modern commercial floorspace, principally B8 warehousing floorspace with ancillary Use Class E space. This will further enhance the position of Rochdale as a key location for the logistics and distribution sector, contribute to Greater Manchester's supply of SRN-linked, high-quality sites and premises, and support the area's economic growth.

Generating On-Site Employment

To estimate the potential employment the site could generate, the assessment draws on HCA guidance on employment densities, essentially the quantity of floorspace per full-time equivalent worker, for different employment use classes.⁴¹ The study uses the relevant figure for regional distribution centres at 77 sqm per FTE job, applying this to the assumed gross external area of the buildings which would be around 45,393 sqm (GEA). For the purposes of the assessment, each of the three units is assumed to be occupied and the figures represent the gross employment impact of the development.

Applying these assumptions, the **proposed development could deliver 590 FTE jobs**, principally in warehousing (logistics and distribution activity). As the analysis in Section 3 shows, this employment would be in a range of occupations and professions including:

- Senior directors, managers and supervisor roles, including both office-based and warehousing functions;
- Skilled roles, including those connected with operational technology and back office functions;
- Administrative and secretarial roles, with many logistics and distribution centres having back office functions that could include roles relating to the facility's operation (eg. purchasing, HR) and potentially customer facing roles;
- Drivers ranging from HGV or smaller delivery vehicle drivers to forklift drivers and other on-site roles;
- Process operatives and elementary roles, which indicatively could account for around 65% of on-site jobs (385 jobs).

As is the case with construction employment, engagement between the developer, occupiers and the Council could prepare the ground for local residents to be assisted in becoming part of the workforce. This includes support for unemployed residents to secure a return to work.

Whilst the most recent source of data on the proportion of people working in the logistics and distribution sector in Rochdale borough who live locally is the 2011 Census, it showed that 40% of the workforce in transport and distribution, wholesale and retail lived within 5km (3.1 miles) of their place of work. Given the site's accessibility in the south of the borough adjacent to existing industrial areas, it is reasonable to assume that occupiers would substantially draw on the local working population for their workforce.

Training and skills development opportunities generated by the logistics and distribution sector are described in Section 3 of this report. Occupiers would be expected to provide a wide range

⁴¹ Homes and Communities Agency (2015) Employment Density Guide, 3rd Edition

of such opportunities both as their operations become established and then as part of the normal course of their activity.

Gross Value Added Contribution

Gross value added is a key measure of economic output. To estimate the operational GVA the proposed development could generate, the assessment draws on Office for National Statistics Gross Value Added data and Business Register and Employment Survey (BRES) data to estimate the GVA per FTE job in sectors that are likely to be amongst the occupiers of the proposed development. Figures for 2019 are used because the data is skewed in 2020 by the effect of the Covid-19 pandemic. Since the specific occupiers are not yet known, two methods of estimating GVA are presented here:

- GVA per FTE for the broad sector (H Transportation and Storage) from which businesses likely to occupy the proposed development are drawn. This gives a GVA per FTE figure of £50,500 (current prices) for the sector.
- GVA per FTE for the warehousing, support activities for transportation and postal/courier services (Sectors 52 and 53) giving GVA per FTE job of £50,900 (current prices).

Applying these figures to the estimated 590 FTE gross jobs the proposed development would generate gives a GVA impact of around £30 million.

Off-Site Employment

Once fully occupied the Proposed Development will support additional employment through indirect and induced expenditure:

- Indirect employment: Expenditure by occupiers of the proposed development in local suppliers of goods and services needed to support their operations.
- Induced: Workers at the development who reside in the sub-region are likely to spend a proportion of their income in the sub-region, supporting employment in local businesses. These are the induced employment effects of the proposed Development.

The assessment draws on a range of sources to estimate the indirect and induced impact of the proposed development. The HCA's Additionality Guide points to composite multipliers (ie indirect and induced combined) of between 1.1 (local or neighbourhood effects) and 1.7 (regional multiplier), with a medium regional multiplier of 1.5 representing the effect most likely to occur.⁴² Analysis by Frontier Economics uses Office for National Statistics data to estimate that a development which delivered 1,500 jobs could generate 1,000 additional jobs locally (a multiplier of 1.66), while the study points to multipliers ranging from 1.43 to 1.88.⁴³

Given the site's location on the northern edge of Greater Manchester and its accessibility to the area's suppliers and labour force, it is reasonable to assume that much of the off-site impact of the proposed development would benefit Greater Manchester. The assessment therefore assumes a composite 1.5 multiplier to estimate this effect. This would imply an **off-site impact of just under 300 FTE jobs**. A more conservative multiplier of 1.3 would equate to around 180 FTE jobs.

⁴² Homes and Communities Agency (2014) Additionality Guide, 4th Edition, Table 4.14

⁴³ Frontier Economics (2022) The Impact of Logistics Sites in the UK, p. 11 and p.49

This multiplier effect represents the jobs supported by a logistics and distribution operation and could be of the following types:

- Manufacture, servicing and repair or maintenance of vehicles and machinery;
- Office-based services, including those outsourced by operators (eg. accounting, HR, legal);
- On-site functions such as security, cleaning and catering;
- Businesses providing household goods and services which would be expected to benefit from the household spending of workers who live in the local area.

As is the case with both the construction and direct operational impacts of the proposed development, occupiers could be encouraged to work with local businesses to meet some of their purchasing needs, whilst local businesses could be supported to compete for contracts that occupiers will issue. Measures which support local residents to secure jobs would in turn assist in generating new business for local companies trading in household goods and services.

Indicatively, 300 indirect and induced jobs could generate around a £15.5 million per annum GVA impact. This is based on all sector GVA per filled job for the North West and Greater Manchester of around £52,000. The more cautious multiplier of 1.3 would imply c. £9.2 million per annum.

Business Rates Revenue

There will be fiscal benefits associated with the proposed development via the payment of business rates which are an important source of revenue for local authorities. Based on the Proposed Development and the average rateable value per sqm for industrial/warehouse uses (£33) drawn from Valuation Office Agency (VOA) data, it is estimated that the proposed development could generate around **£960,000 in payable business rates**, a proportion of which could contribute to the Council's revenue since a share of local authorities' income is source from business rates.

This estimate is based on rateable values from VOA for a sample of 10 warehousing properties located in the OL10 2XX postcode area. This gives a median rateable value per sqm of around £42 for properties ranging from 47,000 sqm to 5,000 sqm. The standard business rates multiplier for 2022/3 (51.2 pence) is applied to calculate the collectible business rates total.

Wider Benefits

The proposed development would deliver wider benefits to Heywood, Rochdale borough and Greater Manchester which are not quantified in the assessment, but which are an important part of the case for the scheme. They include:

- Gateway development: The location of the site close to the M62 and adjacent to one of the southern entry points to Heywood would help to reinforce the area's profile as an important contributor to logistics and distribution activity. In this regard, it would further enhance the borough's reputation as a place which is open to new business activity.
- Positive market signals: New commercial development sends positive messages to investors and occupiers about the investment potential of an area and the strength of its economy. Whilst Rochdale borough has already benefited from recent new investments

in the logistics and distribution sector, the proposed development would reinforce this positive message to the market.

- Responding to the shortage of sites and premises: Section 3 of this report highlights the challenging conditions facing warehousing developers and operators across the UK as demand outstrips supply. The proposed development will contribute to addressing the shortage of good quality sites and premises facing the industry, and to sustaining the sector as it continues to grow.
- Accessibility: The site is in an accessible location both for residents of the local area and the wider workforce living in Greater Manchester. Measures which assist occupiers and their employees to travel to the site (eg. active travel, public transport) would help to maximise their potential to deliver jobs that can easily be accessed by residents of the area.

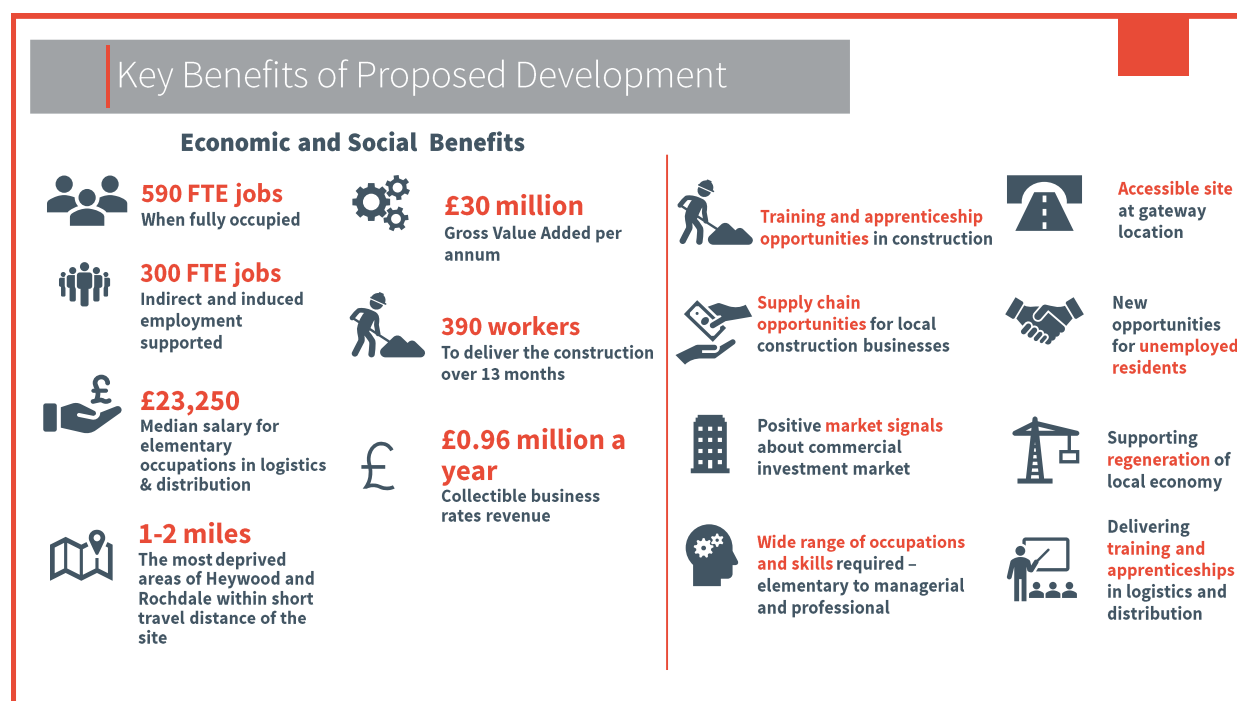
In combination, the economic and social benefits of the proposed development, and the wider benefits it could deliver, provide a strong case for the scheme to secure approval.

5 Conclusions

The proposed delivery of a 45,393 sqm development of new employment floorspace targeted at the logistics and distribution sector would generate a range of positive and lasting economic and social benefits to Heywood, Rochdale borough and the surrounding area. The site is accessible and well-positioned in an area close to the M62 which is already attractive to operators in this industry, and which benefits from proximity to both a large market and a substantial workforce.

Socio Economic Benefits

The assessment has identified significant economic and social benefits, together with a series of wider benefits, which are summarised below.



Responding to Opportunities and Challenges

The positive impacts of the proposed development will contribute to tackling key challenges for Rochdale borough and Greater Manchester, and enable it to respond to growth opportunities:

- Supporting the Logistics and Distribution Sector:** This is a key sector for Rochdale borough and Greater Manchester with the potential for further growth and a larger contribution to jobs and output over the next decade. There are widely recognised pressures on the sector arising from a mismatch between high levels of demand for sites and premises, and shortage of supply to meet demand. The proposed development would directly contribute to addressing this issue.
- Raising the Area's Profile:** New commercial development will further enhance Rochdale borough's reputation as an area open to new investment and its strong

position as a location for major employers in both the logistics and distribution sector, and manufacturing. At a prominent location to the south of Heywood, the proposed development would send positive signals to investors in the area, and in turn stimulate more interest in the area as an investment location.

- **Tackling Unemployment:** Despite a tightening labour market, unemployment in Heywood (c. 1,000) and Rochdale borough (8,700) still exceeds that of pre-pandemic levels. New employment will support efforts to enable local residents to return to work, with the majority of employment in the industry full-time and in a location which is accessible to the local resident workforce.
- **Addressing Deprivation:** The site is located within 1-2 miles of some of Heywood's most deprived communities whose residents face multiple challenges including a lack of work, low incomes and a range of health and well-being issues associated with deprivation. New employment opportunities, with the potential for skills development and training, will assist in tackling some of the underlying factors involved.
- **Improving Earnings:** For people working in the borough those in the lowest income bands (20%), gross annual earnings stand at around £16,500. Median earnings for entry level, elementary skilled roles in the logistics and distribution sector are around £23,500 in the area suggesting that the proposed development has the potential to create opportunities for low-income residents to secure better paid employment.

At a time when the area and the UK economy generally continue to recover from the effects of the Covid-19 pandemic and face exceptionally challenging global economic conditions, the contribution it would make to generate new jobs will support the area's future economic resilience.

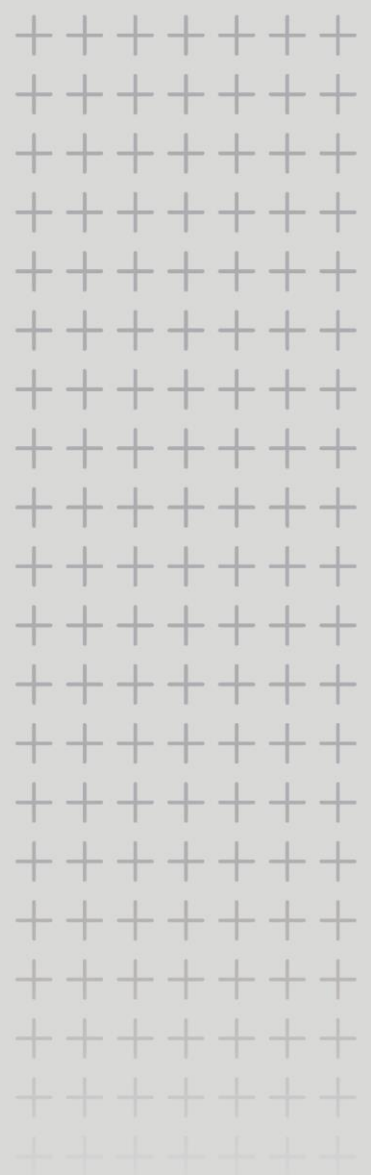
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