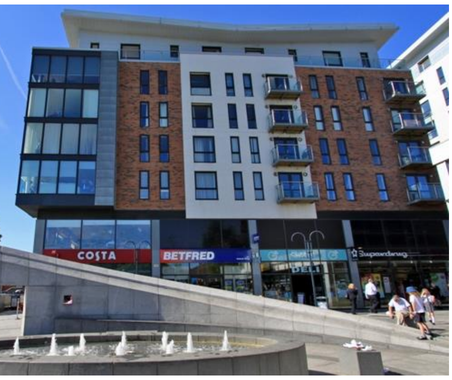
Bury Local Plan

Topic Paper 2

Economy and Employment



October 2018

Bury
COUNCIL

Contents

1 Introduction

1.1 This Economy and Employment Topic Paper is one of a series that has been prepared as part of the process of evidence gathering to support Bury's emerging Local Plan. The full range of Topic Papers deal with the following:

- 1 – Housing
- 2 – Economy and Employment
- 3 – Town Centres and Main Town Centre Uses
- 4 – Health and Wellbeing
- 5 – Energy and Physical Infrastructure
- 6 – Flood Risk
- 7 – Natural Environment
- 8 – Open Land
- 9 – Built Environment
- 10 – Transport
- 11 – Community Facilities

1.2 Although there are many facets to Bury's local economy, this Economy and Employment Topic Paper focuses on the more traditional employment uses that fall within Business (B1), General Industrial (B2) and Warehousing (B8). A separate Topic Paper has been prepared covering town centres, retail, leisure and tourism.

1.3 The principal aim of the Topic Paper is to set out current key policies, plans and strategies relating to the economy and employment that will form the framework for the development of the Local Plan and to present a profile of the Borough that will highlight key issues, problems and challenges that the Local Plan should ultimately seek to deal with.

1.4 This will subsequently help to shape and influence the direction and focus of the Local Plan's planning policies, designations and site allocations.

1.5 It is intended that the Topic Papers will be 'living' documents that can, if necessary, be updated to reflect the most up-to-date circumstances. **For example, some of the evidence contained within the Topic Papers has been drawn from evidence that has been developed to support the draft Greater Manchester Spatial Framework (GMSF). Any subsequent amendments to the GMSF and/or its supporting evidence, will be reflected in the evidence supporting Bury's Local Plan**.

2 Key Policies, Plans and Strategies

2.1 One of the key early stages in the process is to review other policies, plans and strategies which are of relevance to this particular topic area and which will help to inform and influence the direction of the Local Plan. Clearly, there is a need for the Local Plan to be consistent with planning policy at different levels.

2.2 The National Planning Policy Framework (NPPF) sets out Government policy in respect of planning matters and this is supported by Planning Practice Guidance (PPG). This sets out the broad planning framework within which development plans are produced.

2.3 Sub-regionally, the emerging Greater Manchester Spatial Framework will establish strategic policies and site allocations across Greater Manchester. This document will, once adopted, form part of Bury's development plan alongside the Local Plan.

2.4 There are also a range of other plans and strategies that, whilst not being policy, are considered to be of relevance to the Borough from an economic and employment perspective.

National Planning Policy Framework

2.5 In July 2018, the Government issued the revised National Planning Policy Framework (NPPF). Central to the NPPF is the Government's objective of achieving sustainable development and it highlights that achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways:

- **an economic objective** – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;

- **a social objective** – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and

- **an environmental objective** – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.

2.6 The NPPF states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.

2.7 It states that planning policies should:

- set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

2.8 Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

The Greater Manchester Spatial Framework

2.9 Once adopted, the Greater Manchester Spatial Framework (GMSF) will form an integral part of Bury's wider development plan. Consultation on the first draft GMSF ended in January 2017 and there are proposals to issue a second draft for consultation shortly.

2.10 One of the key purposes of the GMSF is to identify needs for employment floorspace across Greater Manchester. In addition, it

> A requirement to plan for the future needs of industry, warehousing and office development

also identifies a series of Strategic Site Allocations for industry and warehousing and offices. If required, the new Bury Local Plan will need to identify sites within the existing urban area that will contribute towards these identified needs.

2.11 Furthermore, there are aspirations to rebalance the economy across Greater Manchester with northern districts, such as Bury, increasing their economic output.

Other Plans and Strategies

Stronger Together: Greater Manchester Strategy 2013

2.12 The Greater Manchester Strategy fuses together strong plans for reforming public services with a continued drive for growth and prosperity. The objective is to sustain progress whilst eliminating the gap between the taxes that are raised and the resources spent on public services. The Strategy’s aim is to deliver services differently, more efficiently and reduce the level of demand for those services, by bringing more people into higher quality work.

2.13 The Strategy states that the land required for the development of flexible and cost efficient commercial and industrial space will be identified in desirable locations, supported by an effective and infrastructure. A cohesive, structured and evidenced approach to attracting and growing businesses with the greatest growth potential will be adopted alongside working with Greater Manchester’s firms to help them expand into markets and sectors where we have comparative advantages.

2.14 The Strategy recognises that Greater Manchester already competes on a global scale but that in an increasingly global economy, it is vital that more firms establish international trading and investment and that Greater Manchester secures more inward investment.

2.15 The Strategy states that for Greater Manchester to reach its economic potential, there is a need to support more unemployed residents into work and enable them to progress into higher skilled (and higher paid) roles. Economic inactivity rates – mainly ill-health related – amongst the working age population is one key cause of Greater Manchester’s productivity gap.

3 Local Profile

3.1 Greater Manchester is considered to have substantial potential for enhancing economic performance in, not just the North West, but in the north of England as a whole as well as representing the greatest opportunity to close the gap between the north and the south of England.

3.2 From an economic perspective Bury can play an integral role in developing the wider economic success of Greater Manchester as well as contributing to a more balanced sub-regional economy which has greater economic output from the north.

3.3 This section sets out a broad profile of the Borough in terms of its economy and employment. It provides an examination of the main influences on, and challenges for, the Borough's local economy in order to assist in identifying the key issues that the Local Plan will need to address. The most fundamental and challenging features are considered to centre around the following:

- Employment composition;
- Job density;
- Skills;
- Occupations;
- Earnings;
- Commuting;
- Economic inactivity;
- Employment land availability; and
- Existing employment sites.

Employment Composition

3.4 As with other economies in the north of Greater Manchester, Bury grew up around the textile industry, resulting in a concentration of and over-reliance on the manufacturing sector. The borough developed and still has an expertise in the textiles industry. However, as manufacturing declined over the last 50 years, Bury's economy has restructured to a predominately service based economy.

3.5 Nomis Official Labour Market Statistics (2017) show that the highest percentage of jobs in Bury are related to the wholesale and retail trade which account for 13,000 jobs (19.4%). This is a significantly higher rate than in the North West (16.1%) and nationally (15.2%). Jobs within human health and social work activities is the second most dominant sector in terms of employee jobs with Bury having 12,000 jobs (17.9%) which is again higher than the North West (14.1%) and nationally (13.3%).

3.6 Manufacturing remains a significant sector in Bury accounting for 7,000 jobs. However, this has declined consistently over a number of years with the sector accounting for 10.4% of jobs within the Borough. Nevertheless, this remains higher than the North West (9.9%) and nationally (8.2%). Although there have been continued reductions in the numbers employed in manufacturing over many decades, it continues to be a very important sector for Greater Manchester delivering high levels of productivity and income. Advanced manufacturing is a particular strength, and supporting the success of this sector will be important for the wider prosperity of the North of England. Similarly, Bury has also seen growth in sectors connected to science, digital technologies and creative industries.

Opportunities to capitalise on growth sectors such as advanced manufacturing, science, digital, creative industries and logistics but a vulnerability to a decline in manufacturing employment and public

3.7 Logistics is a sector that is becoming increasingly central to the economy, enabling the efficient functioning of other sectors and supporting changes in consumer behaviour, such as significant growth in online retailing. Greater Manchester's central position in the North of England, its large business and customer market, and its excellent international freight connections via Manchester Airport, the Manchester Ship Canal and the nearby Port of Liverpool together provide opportunities to significantly increase logistics activity within the sub-region. Logistics and Distribution industries have changed radically in the last five years in response to changing consumer behaviours, with next-day and same-day delivery becoming increasingly commonplace, and significant growth in local distribution jobs. This has led to the development of Fourth Party Logistics Firms, businesses that act as a supply chain manager to deliver a comprehensive supply chain solution from national down to the local level.

3.8 Education is also a significant form of employment within Bury with 7,000 jobs (10.4%) compared to the North West (8.9%) and nationally (8.9%). Similarly, professional, scientific and technical activities account for 6,000 jobs in Bury (9.0%) which is higher than the North West (8.2%) and nationally (8.4%).

3.9 Of particular significance to the Borough's local economy and its residents is the strong reliance on public sector employment which is likely to be impacted on by cuts within this sector. Not only are these factors likely to lead to higher rates of unemployment for the Borough's residents but will also have implications in terms of the Borough's own local economic base.

Job Density

3.10 Job density is the ratio of the number of jobs per working age resident (aged 16-64). ONS Job Density Statistics (2016) show that the number of jobs available within the Borough means that there are only 0.69 jobs per resident of working age - a far lower job density ratio than the North West (0.81) and nationally (0.84).

> A low ratio of jobs per working age population within the Borough

3.11 The low levels of unemployment in the Borough would not be possible without high levels of out-commuting, as there are insufficient jobs in the Borough to provide work for the resident working age population.

Skills

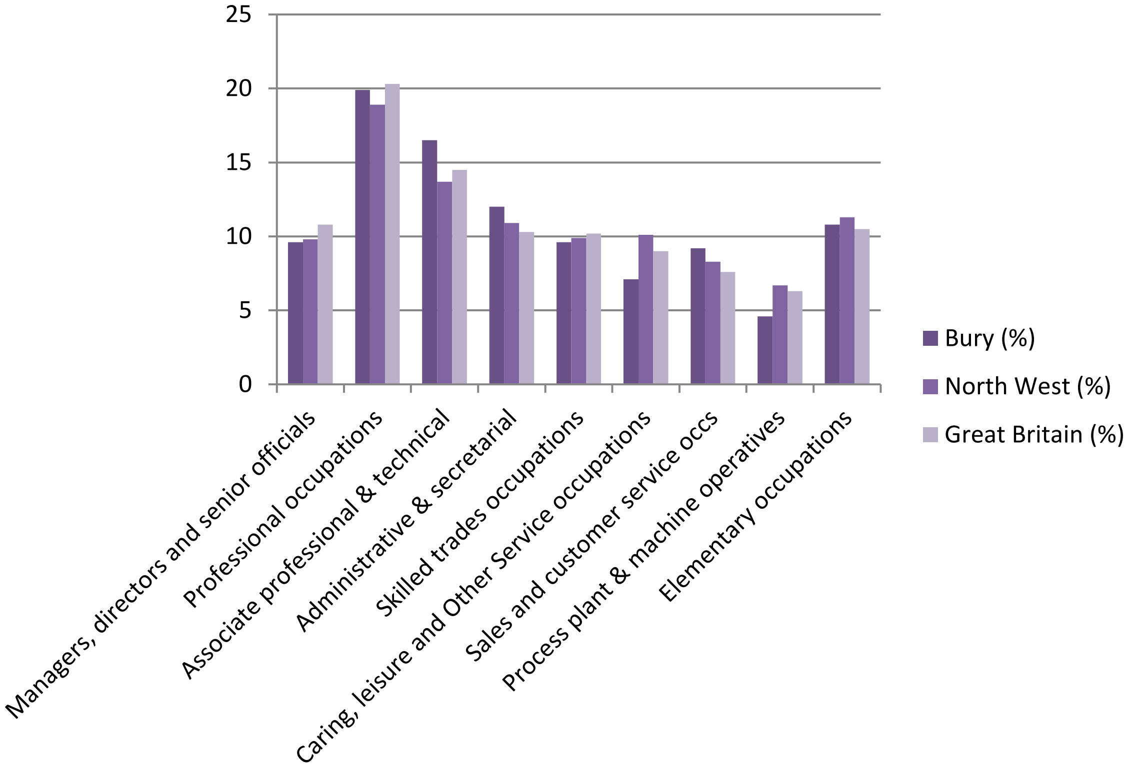
3.12 One of Bury's main strength's lies in the skills of its residents, with the Borough being the location of choice for many of Greater Manchester's high-level workers, making it an essential part of the success of the conurbation. The ONS Annual Population Survey (2017) show that 39.9% of working age residents have NVQ4+ qualifications which, whilst being roughly equivalent to the percentage nationally (38.6%), is significantly higher than the North West (34.5%).

3.13 The Borough has a roughly similar proportion (74.4%) of residents with NVQ2+ qualifications - at least 5 GCSEs at A* to C – to the North West (74.0%) and nationally (74.7%). The Borough also has a lower proportion of residents with no qualifications (8.4%) compared to the North West (9.0%) although this is slightly higher that the situation nationally (7.7%).

Occupations

3.14 Residents of Bury tend to work in higher-skilled and better-paid jobs than the average across Greater Manchester as a whole. This is reflected in Figure 1 which shows that 46.4% of the Borough's residents are employed as managers, directors and senior officials; in professional; or associate professional and technical occupations (Major Group 1-3). This compares to 42.6% in the North West and 45.8% nationally.

Figure 1 - Occupations of Bury Residents in Comparison to the North West and Nationally by percentage of total employment



Source: ONS Annual Population Survey (Apr 2017 – Mar 2018)

Earnings

3.15 Table 1 and Figure 2 show the average weekly earnings for employees in 2017. The tables allow a comparison to be made between the earnings of people <u>working</u> in the Borough and people <u>living</u> in the Borough who may be working elsewhere. The average gross earnings for people living in the Borough are £66.90 per week higher than those working in the Borough. On average, people working in the city of Manchester earn £95.80 more per week than people working in Bury.

> Low quality and low paid employment opportunities within the Borough leading to many well educated residents working in higher-skilled and better-paid jobs working outside of the Borough

3.16 The average amount paid by jobs within the Borough is also significantly lower than the averages for Greater Manchester and the North West region. These income gaps indicate that the quality of jobs on offer within the Borough is lower.

3.17 The lower paid employment opportunities within the Borough can be linked to the high levels of out-commuting, pockets of deprivation and the number of residents that are dependent upon income support.

Table 1 - Comparison of Median Gross Weekly Pay (All Employees)

Bury (workplace)	Bury (resident)	City of Manchester (workplace)	Greater Manchester (workplace)	North West (workplace)
£475.00	£541.90	£570.80	£515.40	£514.0

Source: ONS Annual Survey of Hours and Earnings 2016 ©

Figure 2 - Comparison of Median Gross Weekly Pay (All Employees)

Source: ONS Annual Survey of Hours and Earnings 2017 ©

Commuting

3.18 The 2011 Census shows that, in overall terms, there are 26,915 people that commute into Bury and 41,550 that commute out of Bury to their place of work. This represents a net outflow of 14,635 commuters which is linked to the high skills base of the Borough's resident population coupled with low job densities and lower quality and lower paid job opportunities within the Borough.

3.19 Furthermore, a good quality environment and housing offer and a high standard of education provision has added to the attractiveness of the Borough, helping to bring in highly skilled, high paid residents and making it a location of choice within Greater Manchester.

3.20 The most significant flows of commuters are set out in Table 2 below:

Table 2 – Commuting into and out of Bury

District	In-flow	Out-flow	Net
Overall	26,915	41,550	-14,635
Manchester	2,490	12,130	-9,640
Salford	2,154	5,689	-3,535
Bolton	5,080	4,786	294
Rochdale	4,868	4,095	773
Rossendale	2,176	1,281	895

3.21 This shows that there are a significant amount of Bolton (5,080) and Rochdale (4,868) residents that commute into Bury to work. However, in terms of out-commuting, Manchester is by far the most significant destination of Bury out-commuters (12,130) which accounts for around 29% of all out-commuting from the Borough.

Economic Inactivity

3.22 27,300 people (23.5% of the population aged 16-64)[1] in the Borough are classed as economically inactive. Economic inactivity is a definition used to describe those people who are not in work but do not satisfy all the criteria for unemployment. This includes those who want a job but who have not been seeking work in the last four weeks, those who want a job and are seeking work but are not available to start and those who do not want a job.

3.23 This contrasts with the unemployment rate of 4.0% (3,800 people)[2] of the economically active population. The definition of unemployment covers people who are not in employment but want a job, have actively sought work in the last four weeks and are available to start work in the next fortnight, or, those who are out of work and have accepted a job which they are waiting to start in the next fortnight.

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[1] ONS Nomis Annual Population Survey April 2017 – March 2018
[2] ONS Model-based estimates of unemployment April 2017 – March 2018

Employment Land Availability

3.24 One of the most fundamental requirements for securing inward investment is the availability of an adequate quantity and good quality supply of available employment land. The Borough's existing supply of land is considered to be deficient in terms of quantity and quality which is considered to have 'held back' the prospects economic growth in the Borough.

3.25 An independent assessment of Bury's industrial and commercial property market by Nolan Redshaw in 2012 concluded that:

> An inadequate existing supply of employment land that is largely unattractive to the market

'...Bury's local economy and commercial property market has traditionally been 'held back' by the lack of significant and high profile Green Field development opportunities, with much of Bury's supply of sites having been in secondary locations and of a relatively small scale.
Bury's supply of employment land has also lacked large scale (i.e. 10 hectares +), high profile opportunities along the Borough's motorway corridor, which have the market attractiveness and critical mass to support significant investment. A site with these characteristics would be likely to generate good levels of demand once the property market begins to recover and would represent a key opportunity to foster economic growth...'[3]

3.26 As at 1st April 2017, there was an identified supply of around 23 hectares of employment land comprising 12 sites. However, the views of Nolan Redshaw are substantiated when this supply is examined in more detail with very little of the supply benefitting from direct motorway access and 50% of the supply of sites being under a hectare in size. None of the sites are of the 10 hectare+ size that Nolan Redshaw consider would have the market attractiveness and critical mass to support significant investment.

Existing Employment Sites

> Significant pressures to redevelop existing employment land and premises

3.27 The Borough's industrial heritage means that Bury includes a diverse range of existing employment sites ranging from older, traditional mill buildings to modern industrial estates. Existing sites are generally individual premises in isolated locations or part of a

[3] Overview of Current and Anticipated Medium to Long Term Market for Employment Uses in Bury, Nolan Redshaw, September 2012.

wider concentration of employment uses.

3.28 Whilst some of the stock of existing employment sites may not be of a particularly high quality, this is not to say that it doesn't fulfil an important economic role in providing more affordable accommodation for local businesses that do not necessarily have the means or desire to occupy modern, high quality accommodation. In addition, many of these sites offer the opportunity for people to work close to where they live, thus potentially reducing travel distances and reliance on the private car as a way of travelling to work.

3.29 Many of these older employment sites have been subject to significant pressures for redevelopment from developers of higher value uses, such as residential. Indeed, many of these have been lost.

3.30 Nevertheless, it is recognised that some sites may be beyond their economic life and have, at the present time, no realistic prospect of being used for employment purposes either in their current state, following refurbishment or redevelopment.

4 Summary of Key Issues

3.31 This Economy and Employment Topic Paper has highlighted a number of Key Issues that need to be considered in taking the Local Plan forward. These Key Issues are considered to be as follows:

Key Issues for the Economy and Employment:
▪ A requirement to plan for the future needs of industry, warehousing and office development. ▪ Opportunities to capitalise on growth sectors such as advanced manufacturing, science, digital, creative industries and logistics but a vulnerability to a decline in manufacturing employment and public sector cuts. ▪ A low ratio of jobs per working age population within the Borough. ▪ Low quality and low paid employment opportunities within the Borough leading to many well educated residents working in higher-skilled and better-paid jobs working outside of the Borough. ▪ An inadequate existing supply of employment land that is largely unattractive to the market. ▪ Significant pressures to redevelop existing employment land and premises.