

Socio-Economic Impact of a residential development at Riverpark Road Trading Estate Manchester

Prepared for:

Kellen Homes Ltd

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Summary of Impacts

1. Introduction

Brookdale Consulting was commissioned by Kellen Homes Ltd to undertake a socio-economic impact assessment of redevelopment proposals to create a new residential development on a former disused industrial site.

The redevelopment comprises 498 new homes in a mix of houses and apartments. 43% of the dwellings will be affordable with the remainder being delivered for the private rental sector (PRS). The development will include hard and soft landscaping and a children's play area.

Located to the north of Phillips Park, the site will provide a new sustainable community in East Manchester within two miles of the city centre and close to public transport and walking routes.

The estimated construction cost of the scheme is £108m.

Figure 1 Overview of Proposed Site Layout



Source: Kellen Homes

Section 2 sets out the socio-economic impact assessment of the proposed development.



2. Socio-economic Impact Assessment

For the purposes of calculating the economic impact we have made a number of assumptions as set out below:

- **Existing site impacts:** the site is derelict, unoccupied and being demolished. Existing site impacts are assumed to be zero.
- **Construction impacts:** the construction costs are based on estimates by the design team so may change. Construction employment is calculated based on figures from the Annual Business Survey, which indicates that £1m of turnover in the construction sector supports 6 direct construction jobs for a year. These temporary jobs are converted to permanent jobs by dividing by 10 – a job for 10 years is considered to be a permanent job. We assume 60% of construction jobs are retained in Greater Manchester.
- **Population Impacts:** the additional number of residents is calculated using an average household size of 2.3 based on the number and size of the proposed residential units (1, 2, 3 and 4 bed). The number of working age people within the households is estimated based on the average from the ONS Population Estimates for the ward (64%).
- **Household Expenditure:** calculated using the latest estimates of average household weekly expenditure (£576.70) derived from the Living Costs and Food Survey, ONS. We assume 60% of household expenditure is retained in Greater Manchester given its importance as a retail, culture and administrative centre.
- **Employment impacts:** The number of jobs supported by local spending is calculated using the average of £122,445 of expenditure required to support one job derived from Annual Business Survey. Public sector employment in the Borough is calculated based on the ratio of public jobs (education, health, social work, administration and defence) to residents in Manchester derived from the Business Register and Employment Survey.
- **Local authority revenue:** Council tax and the New Homes Bonus are calculated reflecting the Council tax bands for the mix of housing provided from 1 bed apartments to 4 bed houses.
- The New homes Bonus is calculated using DCLG New Homes Bonus Calculator¹.
- **GVA impacts:** GVA or Gross Value Added is the Government's preferred measure of economic activity. ONS data on GVA per head has been used for the North West for the relevant sectors.
- **Multipliers:** The input-output tables for the UK indicate that for every job employed directly in an industry, a further number of jobs are supported in other industries throughout the economy. Appropriate multipliers for different sectors are used.

¹ <https://www.gov.uk/government/publications/new-homes-bonus-calculator>



2.1 Current Impacts

The site is a former industrial site which at one time had the Manchester abattoir located on it. It is now derelict and being demolished. As such there is no current employment associated with the site, so we assume existing impact to be zero.

2.2 Future additional impacts

We anticipate the following impacts will result from this development as set out below:

- Construction impacts
- Additional working families
- Household expenditure
- Local authority revenue
- New homes bonus
- Commercial space impacts

2.2.1 Construction Impacts

There will be a number of economic impacts as a result of the construction phase of the application site. We have based our calculations on the estimated costs for the development of £108m² excluding VAT.

We estimate in Table 2.1 that the scale of development could support 1,446 person years of construction related employment, comprising 648 on-site construction job years and a further 797 indirect job years in supporting industries such as specialist suppliers and manufacturing. It is anticipated that the project could be completed over a 36-month period which implies that there will be 216 construction FTE jobs supported on-site during the build period and a further 367 off-site indirect FTE jobs. The GVA associated with these jobs will be £33.8m per year.

Table 2.1 Calculation of Construction Jobs

Title	Metric	Source
Construction Expenditure (a)	£108m	Riverpark Viability 2022 Annual Business Survey
Number of jobs per £1m of expenditure (b)	6.0	
Number of direct construction job years (c) = (a)*(b)	648.2	
Employment multiplier for construction (d)	2.23	National Housing Federation
Number of indirect construction job years (e) = (c)*(d)	797.3	
Total Number of direct and indirect job years (f) = (c)+(e)	1,446	

Source: Brookdale Consulting

2.2.2 Additional Working Households

The additional housing proposed for the application site is estimated to accommodate 1,181 additional residents with 760 being of working age. This is based on the working age employment percentage for the ward from ONS (Table 2.2).

Table 2.2 Estimate of Additional Residents from the application site

Number of apartments and houses	498
Average number of persons per household	2.36
Number of additional people	1,181
Working age %	64.3%
Working age number of people	760

Source: Brookdale Consulting

² Indicative construction cost provided from the Riverpark Viability Statement 25/2/25.



2.2.3 Household Expenditure

The additional households will help to support local services and businesses such as schools, health centres and shops. In terms of retail, the households living within the application site will bring additional spending to Manchester and the local area. The residents will also support development of Manchester's evening economy.

These households will spend £15m per year. Assuming 60% of their household spend is within the Manchester area, this will bring an additional £9m of expenditure to the local economy (Table 2.3).

Table 2.3 Household Expenditure from the application site

	Proportion spent locally	Average weekly spend per household	Additional local spend annually
Average weekly household expenditure ³		£576.70	£14,994,200
Proportion spent in Manchester	60%	£346.02	£8,996,520

Source: Living Costs and Food Survey and Brookdale Consulting

The average retail expenditure required to support one job is £166,774. Therefore, the anticipated additional spending because of the new households could directly support 53.9 full time equivalent jobs within local shops in Manchester. The GVA associated with these jobs will be £2m per year.

2.2.4 Council Tax Revenue and Public Sector Jobs

The new homes will generate additional annual Council tax revenue for the local authority. Table 2.4 illustrates the potential Council tax for 2025/26 and provides an estimate of the additional revenue that the 498 units will generate. Over 10 years, the properties will generate in excess of £10.7m for the Council.

Table 2.4 Council Tax Revenue from the site

	Manchester City Council
Band C Council Tax Rate	£1,940
Band D Council Tax Rate	£2,183
Band E Council Tax Rate	£2,668
Annual Council Tax Total	£1,073,321

Source: Local authority website

Public sector employment in the ward is 13.7%. The additional 760 working age residents that will occupy these dwellings are therefore likely to support 105 public sector jobs across public administration, education and health in the borough.

³ Net of mortgage and Council Tax



2.2.5 The New Homes Bonus

Manchester City Council in common with other local authorities already receives substantial contributions from the New Homes Bonus.

Assuming all the homes in the new development are in Council tax Bands C, D and E, and completed, we assume a four-year payment period giving a total new homes bonus to the Council of £1.07m over four years (Table 2.5).

The Government is seeking to overhaul the New Homes Bonus. Whilst it is set to remain in place for 2025/26, the new plan is yet to be unveiled. This report will make assumptions based on the current guidance.⁴

Table 2.5 Level of New Homes Bonus resulting from the application site

	Number of apartments	Manchester City Council
Band C Housing	129	£250,319
Band D housing	344	£750,962
Band E housing	27	£72,039
New Homes Bonus per year		£1,073,321
Four Year Total		£4,293,285

Source: DCLG New Homes Bonus Calculator

⁴ <https://www.insidehousing.co.uk/news/new-homes-bonus-for-councils-set-to-end-in-its-current-format-89833>



2.2.6 Summary of current and future impacts

Current Impacts

The site is a former industrial site which at one time had the Manchester abattoir located on it. It is now derelict and being demolished. As such there is no current employment associated with the site, so we assume existing impact to be zero.

Future Impacts

Construction of 498 new homes (in a mix of apartments and houses) will support **482 direct and indirect jobs during the 3-year build period with GVA of £33.8m per year. These temporary construction jobs can be converted to 146 full time equivalent permanent jobs.**⁵

The additional housing will accommodate 1,181 new residents, 760 of working age. **We anticipate some of these new residents will support new business creation in the area.**

These new households are estimated to spend £8.9m per year locally, enough to support 53.9 local jobs and GVA of £2m per year.

Households will generate £1.1m in Council tax revenue for the local authority per year. As a result of this and other taxes, the additional households are estimated to support around 105 public sector jobs in Manchester. The new housing will also generate over £4.3 of New Homes Bonus for the local authority over 4 years, subject to policy changes from Central Government.

⁵ 10 years is considered a permanent job so the one year jobs figure is divided by 10.



3. Summary and Conclusions

The Riverpark site offers a genuine opportunity to significantly enhance an existing area with a high quality, sustainable development of 498 residential units.

The development demonstrates a close fit with strategic policy objectives for Manchester and will support both housing numbers, sustainable commuting and consolidation of employment land, in turn significantly improving residential amenity whilst also making a significant enhancement to the area.

There are currently no jobs associated with the application site.

For the purposes of the assessment, the construction jobs are converted to local permanent jobs in Table 3.1 with an estimated 146 jobs and £10.1m of GVA per year. When added to the jobs associated with new household spending in the area, this produces 200 jobs and £12.1m of GVA per year.

This is the total additional economic benefit as shown in Table 3.1.

Table 3.1 Summary of existing and net additional economic benefits

	Permanent Jobs	GVA per year
Construction ⁶	146	£10.1m
Additional household spending	54	£2m
Total new economic benefits	200	£12.1m
Less existing site activity	0	0
Total net additional economic benefits	200	£12.1m

Source: Brookdale Consulting

⁶ It is assumed that 60% of the construction jobs are captured within Greater Manchester.